



Human Services Funding Deficit

Counties Must Act to Secure
Administrative Costs



What is the Human Services Funding Deficit?

It's the more than
\$1 billion annual shortfall
between the state's funding for eight
human services programs and the
actual costs incurred by counties to
deliver the services.



The Human Services Funding Deficit

Counties are legislatively mandated to administer numerous human services programs on the state's behalf.

Funding for these services is frozen at 2001 cost levels.



The Programs

- Child Welfare
- CalWORKs Eligibility
- Food Stamps Administration
- Foster Care Eligibility
- Adult Protective Services
- In-Home Supportive Services Administration
- Adoptions
- Medi-Cal Eligibility

The May Revise Estimates the Following Funding Shortfalls in 2008-09

Federal and State Funds

Child Welfare Services	\$616 Million
CalWORKs	\$250.6 Million
Food Stamps Administration	\$83.9 Million
IHSS Administration	\$78.2 Million
Foster Care Administration	\$12.5 Million
Adoptions	\$22.1 Million

Cumulative Funding Shortfalls 2001-08

Federal and State Dollars

Child Welfare Services	\$745.6 Million
CalWORKs	\$360.1 Million
Food Stamps	\$184.4 Million
Medi-Cal	\$152.5 Million
IHSS	\$102.6 Million
Adult Protective Svcs	\$49 Million
Adoptions	\$40.1 Million
Foster Care	\$14.8 Million



Counties Backfill the Funding

Since 2001, Counties have backfilled
human services programs
to the tune of

\$595 Million

(Child Welfare Services, Food Stamps,
Adoptions, IHSS, Foster Care
Eligibility and CalWORKs).

2008-09 State Budget

- The May Revision pegs the Human Services Funding Deficit for 2008-09 at **\$1.063 Billion**.
- This represents a \$183 million increase over last year's estimate.

The May Revision provides neither funding nor solutions for closing the gap.



2008-09 State Budget

- The proposed budget adds a new program to the funding deficit.
- The Administration is proposing to cut funds for county Medi-Cal eligibility by \$152.5 million (\$76.2 million General Fund).



What's at Risk?

- Counties are struggling to meet accountability standards and avoid penalties, putting the state and counties at risk for hundreds of millions of dollars in federal penalties.
- California has incurred past federal penalties for Food Stamps and is currently fighting Child Welfare penalties. Counties share in federal penalties for CalWORKs.



What's at Risk?

- Freezing program funding also shifts costs to counties and increases the county share of program costs above statutory sharing ratios, while at the same time running contrary to the constitutional provisions of Proposition 1A.



Counties Respond

The CSAC Executive Committee formed the Human Services Funding Deficit Work Group in September 2007

- Led by Sacramento County Supervisor Roger Dickinson
- Includes Supervisors, County Counsels, Welfare Directors, and Affiliate Members



Your Turn: Making the Human Services Funding Deficit a Priority in Your County

Elevate the issue in your county by discussing it during your

- Board Meetings
- Budget Hearings
- Legislative Visits
- Interactions with the Media

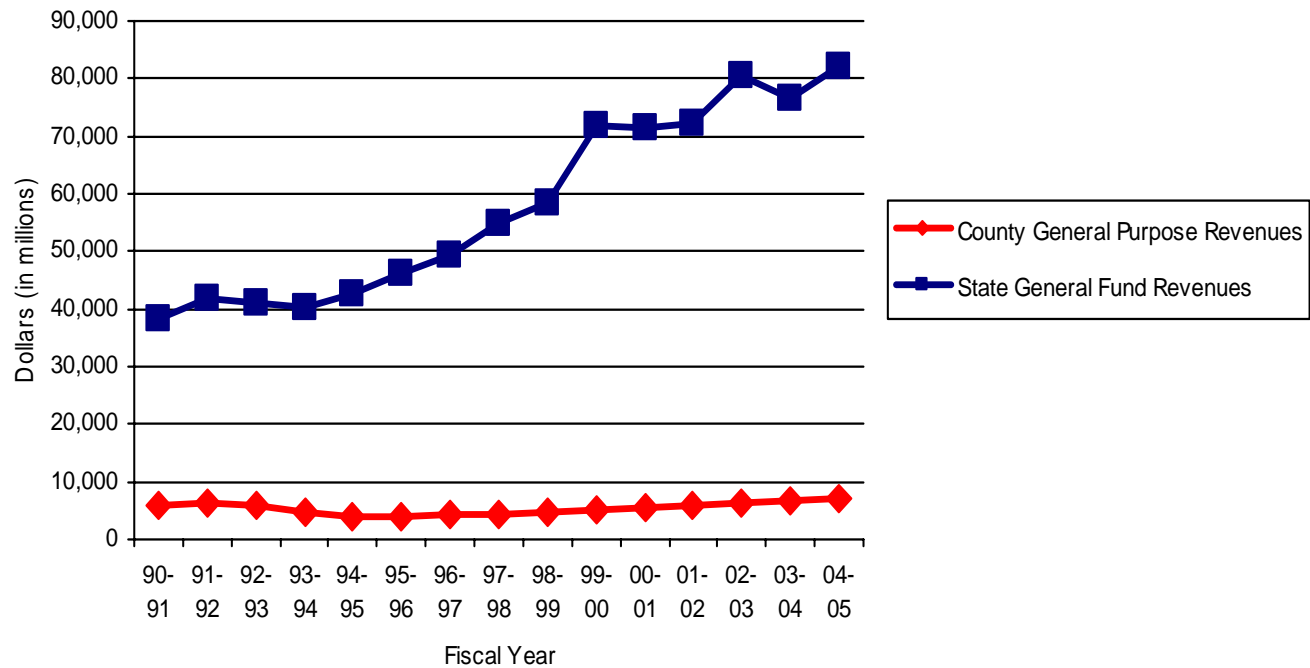


Deflecting the Critics in Tough Fiscal Times

- The Human Services Funding Deficit first began in 2001.
- Counties have been inadequately funded for the costs of these programs in both boom and bust years.
- The state and counties face federal penalties in many of these programs.
- Counties do not have the discretionary income to backfill the state's responsibilities for these programs.
- Service delivery to vulnerable children, families, and seniors is impacted.

State vs. County Revenue Growth 1990-2005

State and County Revenue Growth





The State Must Step Up:

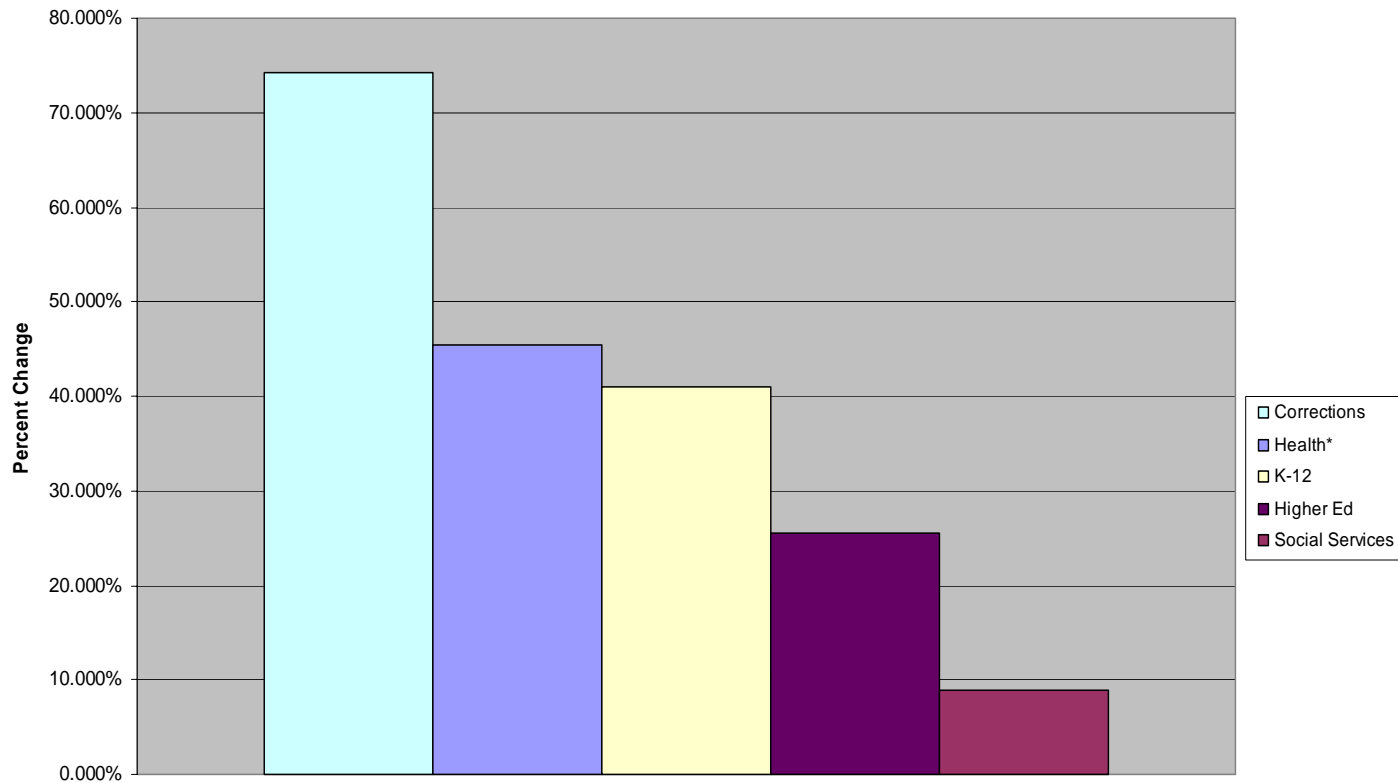
Funding Must
Be Aligned with
Programs and Priorities

Program Growth Over Time:

State General Fund Only

FY 2007-08 Compared to FY 2003-04

Courtesy of the County Welfare Directors Association





Human Services Funding Deficit Resources

The Human Services Funding Deficit Work Group offers a number of resources on the CSAC Web site:

- County-by-County numbers
- Talking Points
- Feedback Form



We Need Your Feedback!

Share your insights and efforts
by completing an easy online
feedback form, available
on CSAC's Web site at

www.csac.counties.org

Click on Advocacy/
Health and Human Services/
Human Services Funding Deficit Section



Talk to the Legislature!

- Talk about it during your legislative visits today and tomorrow
- Use the county-by-county numbers to illustrate your point
- Explain the local impacts of trying to administer a slate of chronically underfunded programs



The Human Services Funding Deficit:

**Counties Must Act to Secure
Administrative Costs**

Thank You