



FY 2022-2023 Budget Presentation
House Ways and Means Committee
Healthcare Subcommittee
January 12, 2022

Agency Attendees

- Michael Leach – Agency Director
- Emily Medere – Chief Deputy Director of Agency Development and Innovation
- Don Grant – Deputy Director of Administration
- Susan Roben – Chief Financial Officer
- Connelly-Anne Ragley – Legislative Liaison

Overarching Framework for the Request

- Provides for adequate Child Welfare transformation efforts, including funding necessary to meet milestones required to comply with the Michelle H. Lawsuit Final Settlement Agreement.
- Provides increased funding for congregate care facilities who become certified as a Qualified Residential Treatment Program (QRTP), caring for South Carolina's foster care population.
- Provides replacement funding by offsetting declines in federal entitlement grant funding and unfunded cost increases over the last 5 fiscal years.
- Ensures basic needs are met for South Carolina families, and vulnerable adults can be safely cared for in their communities.

Overall Budget Request

- State Recurring General Funds \$ 53,769,411
- State Non-Recurring General Funds \$ 9,000,000
- Federal Recurring Authorization \$ 13,148,861
- Grand Total Budget Request \$ 75,918,272

Recurring Budget Request

Priority #1 – Caring for South Carolina's Children

- Total Request - \$50,370,686; 286 FTE's
 - General Funds - \$39,278,347; 215.58 FTE's
 - Federal Authorization - \$11,092,339; 70.42 FTE's
- To ensure children are safe and families are strengthened, DSS continues to undergo significant child welfare transformation efforts. This includes outcomes set forth in implementation plans approved in early 2019 under the Michelle H. class action lawsuit final settlement agreement. Funding requested in this decision package ties directly to the specific activities and milestones necessary to transform the system and make it a standard of best practice in child welfare.

Recurring Budget Request

Priority #2 – Annualization for Title IV-E Entitlement Erosion and Unfunded Cost Increases

- Decline in IV-E eligibility from FFY 2015 through FFY 2021 represents an unbudgeted cumulative loss of approximately \$90M.
- \$9M in recurring General Funds, and the related \$9M in non-recurring General Funds will be used to restore funding for existing positions in Child Welfare, Economic Services and Adult Protective Services program areas.
- If approved, will offset the actual annual losses in TANF and state funding, allowing those fund sources and supported programs to operate within their respective budgets, avoiding TANF running a deficit in the state's accounting records, and providing financial flexibility for program improvements and enhancements.

Recurring Budget Request

Priority #3 – Improving the Quality of Life and Safety for Adults in SC

- Total Request - \$3,917,697; 23 FTE's
 - General Funds – \$3,145,352; 15.84 FTE's
 - Federal Authorization – \$772,344; 7.16 FTE's
- Adult Protective Services:
 - General Funds - \$ 2,539,942
 - Total Funds – \$ 2,906,360
- Economic Services:
 - General Funds; \$524,780
 - Total Funds \$887,290
- Accountability, Data and Research:
 - General Funds \$80,630
 - Total Funds \$124,046

Recurring Budget Request

Priority #4 – Technology Infrastructure

	<u>General Funds</u>	<u>Total Funds</u>
• Upgrade to Microsoft E5	\$ 339,518	\$ 525,000
• Maintenance for Microsoft Unified Advanced Support, Solarwinds, and Cisco AMP	\$ 233,340	\$ 360,817
• Bandwidth Increases	\$ 168,142	\$ 260,000
• Cybersecurity Liability Insurance	\$ 32,335	\$ 50,000
• Software Contractors	\$ 375,420	\$ 592,600
• Staffing-System Administration	<u>\$1,196,957</u>	<u>\$ 1,841,472</u>
	\$2,345,712	\$ 3,629,889

Non-Recurring Budget Request

Priority #5 – Entitlement Loss Coverage

Federal Title IV-E Entitlement Loss

- Decline in IV-E eligibility from FFY 2015 through FFY 2021 represents an unbudgeted cumulative loss of approximately \$90M.
- \$9M in non-recurring General Funds, and the related \$9M in recurring General Funds will be used to restore funding for existing positions in Child Welfare, Economic Services and Adult Protective Services program areas.
- If approved, will offset the actual annual losses in TANF and state funding, allowing those fund sources and supported programs to operate within their respective budgets, avoiding TANF running a deficit in the state's accounting records, and providing financial flexibility for program improvements and enhancements.

Impact if Not Funded

- If additional funding is not approved, the agency will not be able to effectively ensure the safety and well-being of South Carolina's children. This will also inhibit the ability of the agency to meet the basic needs of children, families and vulnerable adults.
- The agency will not be able to make sure children receive needed medical care or address child trauma through behavioral health services.
- Our case managers, supervisors and related staff across the agency will continue to have caseloads exceeding acceptable caseload standards, impacting their ability to carry out best practice.
- The agency will continue to experience a high turnover rate among underpaid staff in divisions outside of Child Welfare
- Agency transformation efforts would stall, significantly delaying time to exiting the Michelle H. lawsuit, and increasing costs to taxpayers.

COVID-19 Funding

SCDSS CARES - Coronavirus Relief Fund Summary

Category	Amount Requested	Total Amount
		Approved
Telework capability improvement	\$ 2,213,381.98	\$ 2,101,536.16
Disinfection of public areas	\$ 33,282.09	\$ 32,296.49
Distance Learning	\$ 6,341.02	\$ 3,201.11
Care of homeless population		
Independent Living	\$ 169,692.09	\$ 165,082.09
APS	\$ 397,054.01	\$ 396,519.41
COVID dedicated payroll expenses		
EMD staff	\$ 174,807.98	\$ 164,682.11
Other staff	\$ 7,302,778.19	\$ 7,266,226.64
Medical supply acquisition and distribution (PPE)	\$ 43,343.83	\$ 43,285.08
Other		
FC Supplemental Payments	\$ 3,145,820.96	\$ 3,145,820.96
SLED Background Checks	\$ 7,037.00	\$ 3,115.61
Nurse Contract Services	\$ 10,907.50	\$ 10,907.50
Conduent P-EBT Vendor Payments	\$ 2,558,956.25	\$ 2,558,956.25
Other	\$ 3,227.34	\$ 3,227.34
	\$ 16,066,630.24	\$ 15,894,856.75

COVID-19 Funding (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Child Care Development Fund (expires 9/30/23)	\$63,641,788	\$63,641,788	Assistance to childcare providers to prevent them from going out of business and to otherwise support childcare for families, including for healthcare workers, first responders and others playing a critical role during this crisis.
Child Welfare Services – IV-B Part I (expired 9/30/21)	\$797,811	\$797,811	Restore amounts, either directly or through reimbursement, for obligation incurred to prevent, prepare for, and respond to COVID-19 and to promote development and expansion of a child and family services program that ensures all children are raised in safe loving families.

*As of November 30, 2021

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Family Violence (expired 9/30/21)	\$534,027	\$530,970 ((\$3,057 Encumbered)	Conduct human service activities related to or affected by COVID-19 for services and supports for victims of domestic violence and their dependents.
Child Nutrition Program/CACFP (expired 9/30/20)	\$18,025,847	\$8,086,219	To pay for child and adult food care program claims for reimbursement from March – September 2020.
Emergency SNAP and Pandemic EBT Benefits	\$1,605,774,893	\$1,605,774,893	Provide benefits to SNAP and non-SNAP households with children who have temporarily lost access to free or reduced- price school meals due to pandemic-related school closures.

*As of November 30, 2021

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Governor's Emergency Education Relief Fund (GEER) (MOA received 3/15/21; expires 9/15/22)	\$225,000	\$648	Purchase and deploy devices directly to group home settings only for utilization by children/youth in group homes to help meet virtual/remote educational needs.
Governor's Emergency Education Relief Fund (GEER) (MOA received 3/15/21; expires 9/15/22)	\$88,800	\$0	Increase bandwidth and other technology upgrades to accommodate remote learners in group homes.
Governor's Emergency Education Relief Fund (GEER) (MOA received 3/15/21; expires 9/15/22)	\$4,320,000	\$0	Tutoring services for children/youth placed in group home settings. This is a need due to the number of children in each group home at varying levels of learning and understanding and education levels, as well as the challenges of remote learning and direct access to teachers/education personnel.

*As of November 30, 2021

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Governor's Emergency Education Relief Fund (GEER) (MOA received 3/15/21; expires 9/15/22)	\$280,000	\$0	Provide additional individualized support to children with special education needs and Individual Education Plans, to promote the achievement of set educational benchmarks during the increased period of remote learning, due to the pandemic.
Child Care Development Fund (plan finalized 2/25/21; expires 9/30/22) *as of 10/18/21	\$182,004,760	\$123,668,477	Assistance to child care providers to continue to purchase additional cleaning supplies or services necessary to keep their facility safe and sanitary. Assistance in paying for child care facility expenses, including rent/mortgage payments, utility bills and personnel costs. Funding to cover training for child care providers on virus mitigation policies and procedures.
SNAP SAE (received 2/5/21; expired 9/30/21)	\$1,172,431	\$1,172,431	Offset the costs associated with the implementation of the temporary benefit increase and other allowable SNAP administrative costs.

*As of November 30, 2021, unless otherwise noted

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
John H. Chafee Foster Care Program (received 2/22/21; expires 9/30/22)	\$3,642,774	\$3,097,734	Provides flexible funding to support youth in their transition from foster care into adulthood, including transportation, housing and nutritional needs.
Education and Training Vouchers (received 2/25/21; expires 9/30/22)	\$529,473	\$346,076	Makes financial resources available to meet the postsecondary education and training needs of youth aging out of foster care and enrolled in a qualified higher education program.
Child Welfare Services IV-B Part 2 (received 3/12/21; expires 9/30/22)	\$1,314,830	\$227,513	Services for children and families at risk or in crisis; community-based services; family reunification services; or adoption promotion and support services.

*As of November 30, 2021

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Title IV-E Kinship Navigator (plan approval 4/26/21; expired 9/30/21)	Uncapped	\$4,196,636	Implement a kinship navigator program to assist kinship caregivers in learning about, finding, and using programs and services to meet the needs of the children they are raising and their own needs, and to promote effective partnerships among public and private agencies to ensure kinship caregiver families are served. Will also provide monthly direct stipends to unlicensed kinship caregivers for children in foster and family preservation; and one-time direct stipends to all kinship caregivers.
Administration on Aging (APS) (received 4/1/21; expires 9/30/22)	\$1,490,158	\$238,647 (\$485,550 encumbered)	Improve and support field work, such as the purchase of communications and technology hardware, software or infrastructure; costs associated with community outreach; costs associated with assisting APS clients secure the least restrictive option for emergency or alternative housing, and with obtaining, providing, or coordinating with care transitions as appropriate

*As of November 30, 2021

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Child Care Development Fund (received 4/14/21; obligation 9/30/22, with liquidation 9/30/23)	\$436,582,621	\$102,600,000 (obligated as of 12/31/21)	Provide assistance to child care providers to cover costs for personnel, facility expenses, personal protective equipment, cleaning and sanitation supplies, services or training and professional development related to health and safety practices, goods and services necessary to maintain or resume child care services, and mental health supports for children and employees. Provide funding to increase statewide child care capacity.
Child Care Development Fund (received 4/13/21; obligation 9/30/23, with liquidation 9/30/24)	\$272,416,120	\$0	Provide child care assistance for low-income families and essential workers. Provide funding to increase access to child care, expand statewide child care capacity, improve child care quality, and other activities allowed under current CCDF rules.
Pandemic Emergency Assistance Fund (TANF) (requested 4/13/21; expires 9/30/22)	\$10,153,432	\$1,015,343	Provide one-time direct assistance payments to TANF families and low-income non-custodial kinship caregiver families to help with expenses such as clothing/back-to-school items, emergency housing or utility payments, food assistance, and other basic needs.

*As of November 30, 2021

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Child Abuse Prevention and Treatment Act (CAPTA) (received 4/29/21; expires 9/30/25)	\$1,507,060	\$0	Improve intake, assessment, screening and investigation of child abuse and neglect reports; risk and safety assessment protocols; training for child protective service workers and mandated reporters; provide programs and procedures for the identification, prevention and treatment of child abuse and neglect and development and implementation of procedures for collaboration among child protection services, domestic violence and other agencies; and services to disabled infants with life-threatening conditions and their families.
SNAP SAE (received 5/11/21; expired 9/30/21)	\$2,931,413	\$2,931,413	Investment in technology to improve client access to SNAP, including online applications, benefit management tools, text messaging and ensuring all client access is mobile enabled; expand call center capacity and reduce call center wait times; make investments in State employees and infrastructure to provide the necessary technology and training in order to modernize customer service delivery; explore opportunities to improve service delivery and access to vulnerable populations that may be disproportionately impacted by remote operations, language barriers, fear of government services, and a lack of access to technology
SNAP SAE (received 11/8/21; expires 9/30/22)	\$5,324,403	\$7,520	
SNAP SAE (expires 9/30/23) (not yet received)	\$5,324,403	\$0	

*As of November 30, 2021

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Family Violence (received 5/17/21; expires 9/30/25)	\$1,812,336	\$133,489 (\$611,619 encumbered)	Conduct human service activities related to or affected by COVID-19 for services and supports for victims of domestic violence and their dependents.
Administration on Aging (APS) (received 8/4/21; expires 9/30/23)	\$1,366,031	\$0	Improve and support field work, such as the purchase of communications and technology hardware, software or infrastructure; costs associated with community outreach; costs associated with assisting APS clients secure the least restrictive option for emergency or alternative housing, and with obtaining, providing, or coordinating with care transitions as appropriate

*As of November 30, 2021

COVID-19 Expenditures (continued)

Funding Source	Amount Received	Amount Disbursed*	Purpose of Expenditure
Child and Adult Care Food Program (received 5/21/21; expired 9/30/21)	\$4,392,266	\$541,414	This grant is to provide Emergency Operational funds to Child Nutrition State agencies to provide local operators with funds for emergency operating costs they incurred during the public health emergency.
Family Violence Sexual Assault Services & Support (received 10/21/21; expires 9/30/25)	\$2,563,710	\$0	To assist sexual assault survivors and address the increased need for virtual access and emergency services and as a result of COVID-19 public health emergency.
Family Violence DV Shelter & Support (received 11/2/21; expires 9/30/25)	\$5,254,777	\$0	To increase public awareness about, and primary and secondary prevention of family violence, domestic violence, and dating violence. To provide immediate shelter and supportive services for victims of family violence, domestic violence, or dating violence, and their dependents.

*As of November 30, 2021