

2012/2013
BUDGET BRIEFING
HOUSE APPROPRIATIONS COMMITTEE (D)
 Report on Key Issues
 HOUSE APPROPRIATIONS COMMITTEE (D)



JOE MARKOSEK, DEMOCRATIC CHAIRMAN August 15, 2012

County Human Services Affected by State Budget Changes

The Department of Public Welfare (DPW) budget provides \$1.78 billion in state funds for the following human services programs which are administered by counties: child welfare, community mental health services, community intellectual disabilities programs, drug and alcohol treatment programs, homeless assistance, and human services development fund.

The enacted 2012/13 budget contains a scaled-down version of Gov. Corbett's proposal to block grant funding for select programs. In February, the governor proposed consolidating select county human service programs into a single statewide Human Services Development Fund Block Grant and cutting the state funds to counties by 20 percent. Instead, **the county programs will continue to be funded through the existing categorical appropriations, with state funds cut 10 percent from the 2011/12 levels, and up to 20 counties will be able to participate in a block grant program that is intended to provide flexibility in how the counties use their funding to meet local needs.**

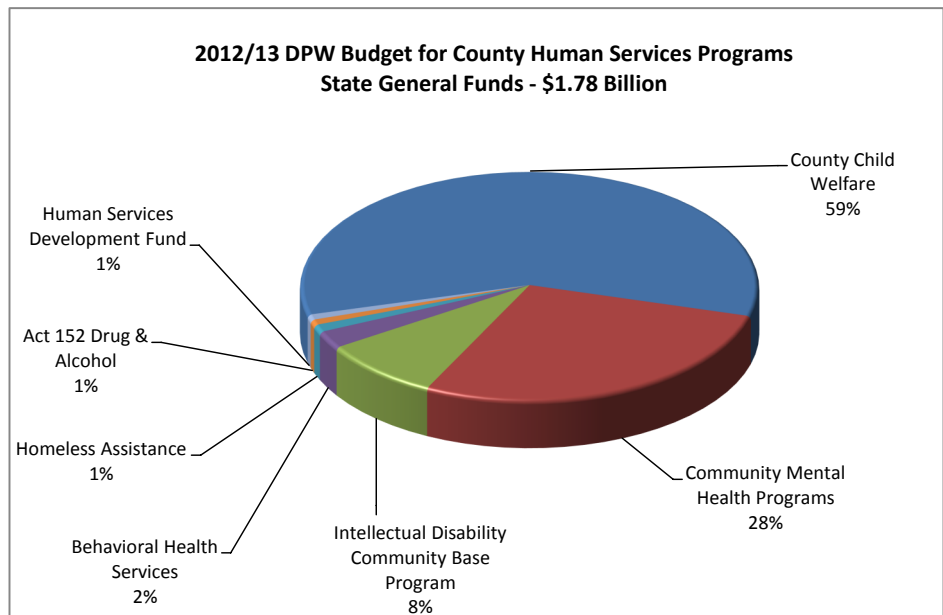
This budget briefing explains how the human services programs administered by counties through DPW are affected by the 2012/13 state budget.

Additional budget briefings will be posted throughout the summer online at www.hacd.net.

Funding for county human services programs is a significant component of the Department of Public Welfare (DPW) annual budget, accounting for 17 percent of DPW's state General Fund spending in 2012/13. **These safety net programs provide critical services for some of Pennsylvania's most vulnerable citizens:**

- Child welfare services promote the safety and well-being of children who have been (or are at risk of being) abused or neglected.
- Community mental health programs serve people with serious mental illness who are not in the Medicaid program.
- Community base programs for persons with intellectual disabilities (ID) — previously known as mental retardation — serve individuals who are not receiving services through the Medicaid waiver program.

- Drug and alcohol programs provide treatment services to uninsured individuals.
- Homeless assistance programs provide shelter and other services to homeless, and near-homeless, individuals and families.
- The human service development fund allows counties to supplement categorical human services program funding.



The 2012/13 budget includes \$1.78 billion in state General Funds (a total of \$2.32 billion in state, federal and other funds) for county human services programs. Many of the county programs and services are not discretionary, meaning they are prescribed by state and/or federal law, regulation, legal agreements or negotiated contracts that must be altered to achieve significant funding changes. This is especially the case for county child welfare, mental health, and intellectual disabilities programs which, as shown in the pie chart on page 1, consume 95 percent of the categorical funding appropriated for county human services.

State funding for all county human services programs is \$35 million less than the 2011/12 budget, and \$40 million lower than it was in 2010/11 when Gov. Corbett took office. **This**

decrease is driven by funding cuts to select programs that Gov. Corbett wanted to consolidate into a single Human Services Development Fund (HSDF) Block Grant to be distributed among the 67 counties. The county programs selected for block granting included several of the child welfare special grant programs, nearly all community mental health programs, the Intellectual Disabilities (ID) community base program (with certain exceptions for Medicaid), homeless assistance, behavioral health services, and the Act 152 drug and alcohol treatment program. In return for giving counties increased flexibility to address local needs, Gov. Corbett proposed a 20 percent cut in the state funds that would be included in the new block grant.

The General Assembly rejected the governor's proposal and opted instead for a scaled-down

The table below lists the select county human services programs, and DPW appropriations, affected by the 10 percent cut and included in the block grant pilot program. For 2012/13, counties will receive \$753 million in state funding for these pro-

grams, which is nearly \$84 million, or 10 percent, less than the 2011/12 enacted budget. An analysis of each appropriation, including a description of the various program components and the people eligible for services, is provided in the following pages.

10% Cut in State Funding for <u>Select</u> County Human Services Programs					
<i>(\$ in Millions)</i>					
DPW Appropriations That Include Funding for County Human Services Programs	County Funding/Program Component Affected by the 10 Percent Cut	2011/12		2012/13	
		People Receiving Services	Enacted State Funds	Enacted State Funds	10% Funding Cut
Mental Health Services *	county allocations for community programs	194,400	\$549.772 **	\$494.795	-\$54.977
Intellectual Disabilities (ID) - Community Base Program *	county allocations, other than payment for services provided to Medicaid eligibles who are not yet enrolled in the ID Waiver Program	25,000	\$144.974 **	\$130.477	-\$14.497
County Child Welfare *	special grants, other than the grants for independent living and truancy	n/a	\$43.986	\$39.587	-\$4.399
Behavioral Health Services	all funds	71,050	\$47.908	\$43.117	-\$4.791
Homeless Assistance	all funds	110,000	\$20.551	\$18.496	-\$2.055
Human Services Development Fund	all funds	n/a	\$14.956	\$13.460	-\$1.496
MA Outpatient *	Act 152 Drug and Alcohol program	6,000	\$14.727	\$13.254	-\$1.473
TOTAL FUNDS			\$836.874	\$753.187	-\$83.687

* Only a portion of the appropriation is affected by the 10% funding cut, as noted in column two
 ** This amount includes enacted funds plus certain adjustments

version of Gov. Corbett's plan, allowing up to 20 counties to participate in a block grant program. Moreover, the final 2012/13 state budget retained the categorical funding for county human service programs (keeping funding in the existing seven DPW appropriations) and cut state funds for the selected county programs by 10 percent — half of what the governor requested.

The final 2012/13 budget package **includes a new Article XIV-B in the Public Welfare Code which creates the Human Services Block Grant Pilot Program.** Up to 20 counties may participate in the block grant pilot program in any fiscal year. For the counties selected to participate in the pilot program, DPW will distribute their share of the seven categorical appropriations in the form of a block grant. Counties must submit a plan to DPW that includes the intended delivery of services by population being served, and the distribution and projected expenditure level of block grant funds by human services. DPW shall not approve a county plan that proposes to eliminate any of the following services: community-based mental health, ID services, child welfare services, behavioral health services, homeless assistance, and drug and alcohol treatment and prevention services.

Spending flexibility for the pilot counties is **phased-in over five years**, with each county required to spend a minimum funding level for each of the program categorical allocations as follows:

- at least 80 percent must be spent on categorical allocations in 2012/13 (allowing the counties to spend up to 20 percent of funding in a flexible manner),
- at least 75 percent must be spent on categorical allocations in 2013/14,

Human Services Block Grant Pilot Program

- The pilot program is limited to 20 counties. To be considered for the pilot program, counties must complete and **submit an application to DPW by Aug. 17.** DPW will review all applications and notify each county that applied if they are selected
- This is a permanent block grant that has no sunset date.
- Counties may establish collaborative arrangements – e.g., joiners with one or more counties – for the delivery of services.
- County human services programs selected for block granting include: nearly all community mental health programs, the intellectual disability community base program (with certain exceptions for Medicaid), certain child welfare special grant programs, homeless assistance, behavioral health services, the Act 152 drug and alcohol program, and the human services development fund.
- DPW will allocate state funds to counties according to each county's proportional share of the 2011/12 aggregate allocations for these programs.
- DPW will allocate federal funds to counties according to each county's proportional share of the 2011/12 aggregate allocations for these programs; however, DPW may revise the allocation as necessary to comply with federal requirements.
- Funds that were allocated to county joiners will be allocated to individual counties based on county population.
- Flexibility to spend block grant funds is phased in over five years; however, DPW may waive the phase-in requirements to allow individual counties increased spending flexibility.
- Block grant funds can only be used for human services.
- Pilot counties must submit detailed plans to DPW regarding how block grant funds will be spent to address local needs.
- Prior to submitting their plans, pilot counties must hold at least two public hearings on the plan.
- DPW shall not approve a county plan that proposes to eliminate any of the following services: community base mental health, intellectual disability services, child welfare services, behavioral health services, homeless assistance, and drug and alcohol treatment and prevention services.
- Pilot counties may reinvest up to 3 percent of its unspent block grant allocation in the next fiscal year. Counties must submit a reinvestment plan to DPW for its approval – DPW may waive the 3 percent limit.
- DPW must submit annual reports to the Senate Public Health and Welfare and the House Human Services Committees regarding the spending of block grant funds by counties, including allocations, expenditures and number of individuals served.

- at least 50 percent must be spent on categorical allocations in 2014/15, and
- at least 25 percent must be spent on categorical allocations in 2015/16.

Pilot counties will have no minimum spending requirement in 2016/17 and each year thereafter, resulting in full flexibility in the use of block grant funds. However, for any year prior to 2016/17, a county may request a waiver from the above spending limitations and DPW may grant the request if the county can demonstrate good cause to flexibly utilize all funds.

The General Assembly also **added a new section to the Public Welfare Code requiring DPW to develop a uniform, consolidated process for all counties** (not just the pilot counties) to submit plans and reports regarding funds allocated to counties for: community-based mental health and intellectual disability services, behavioral health services, Act 152 drug and alcohol services, homeless services, child welfare special grants, and the human services development fund.

Community Mental Health Services

The Mental Health Services appropriation funds both the state mental hospital system operated by DPW and the community mental health programs administered by counties. The state mental hospitals provide psychiatric inpatient treatment for adults with serious mental illness who require extended treatment. Community mental health programs are targeted to adults with serious mental illnesses and to children/adolescents with, or at-risk of, serious emotional disturbances.

Pennsylvania's **state mental hospital system** is comprised of six hospitals (in Berks, Lackawanna, Montgomery, Montour, Warren, and Westmoreland counties) and one restoration center (in Franklin County). The six state mental hospitals provide general psychiatric inpatient treatment for adults with serious mental illness, with two of the state hospitals (Norristown and Torrance) operating forensic psychiatric units that offer specialized treatment programs for mentally ill adult offenders and defendants. The restoration center provides licensed skilled nursing and intermediate long-term care services to former residents of state hospitals who require nursing home care. **The state hospitals are expected to provide mental health services to 2,620 people in 2012/13.**

CHIPP (Community/Hospital Integration Projects Program) links community programs to the state hospital system. The objective is to move state hospital patients who no longer require inpatient psychiatric treatment into more appropriate community-based programs. As patients are discharged, DPW closes hospital beds and transfers state hospital funds to the county programs. Counties use their CHIPP funding to develop the necessary residential and treatment services for discharged patients and to build community capacity for diversionary services to prevent unnecessary future hospitalizations. The services developed with CHIPP funds are not only available to discharged patients, but also to individuals residing in the community who would likely be hospitalized if CHIPP services were not available. Since CHIPP's inception in 1991/92, DPW reports 3,099 patients discharged from the state hospitals through June 30, 2012. As a result of these discharges, CHIPP funding has totaled \$266 million through 2011/12 and served more than 18,000 individuals in the community – this includes discharged patients directly receiving CHIPP funds and another 15,127 people receiving diversionary services developed with CHIPP funds.

Community mental health programs are administered currently by 48 Mental Health/Intellectual Disability (MH/ID) program offices which serve Pennsylvania's 67 counties. The Mental Health and Intellectual Disability Act of 1966 establishes responsibilities for county government, defines eligibility and identifies mandated services. This act requires the counties to establish mental health programs that include the following services: short-term inpatient treatment, partial hospitalization, outpatient care, 24-hour emergency services, specialized rehabilitation and training, aftercare services for persons released from state facilities, consultation and education services to professional personnel and community agencies, unified intake procedures for all county services, and information and referral services. The community programs also provide additional services, including: case management, residential services, and family supports such as respite care and family-based mental health services that enable families to care for their child at home. The county MH/ID offices determine a person's eligibility for service funding, assess the need for treatment or other services, and make referrals to appropriate programs. Most

services are delivered by local mental health providers under contract with the county. **Approximately 194,000 people received community mental health services in 2011/12.**

The 2012/13 budget includes \$662.3 million in state funds (a total of \$943.7 million state, federal and other funds) for Mental Health Services, a \$54.9 million decrease compared to the enacted 2011/12 budget; the 2012/13 state appropriation represents a decrease of nearly \$25.5 million, or 3.7 percent, compared to 2010/11 state appropriation plus federal stimulus funds. The table below provides a preliminary breakout of 2012/13 expenditures funded through the Mental Health Services appropriation. These preliminary figures may differ from the final expenditures that will be available after DPW completes its 2012/13 re-budget.

Mental Health Services State Funding		
Expenditure Category	(\$ in Millions)	
	2012/13 Enacted	Change from 2011/12
State Mental Hospitals	\$165.2	(\$5.4)
Community Programs	\$497.1	(\$49.5)
TOTAL	\$662.3	(\$54.9)

Approximately \$165 million in state funding is budgeted for the state mental hospitals, a decrease of \$5 million compared to the 2011/12 appropriation. Funding for the state mental hospital system pays for the staff, operating expenses, and fixed assets needed by DPW to effectively run the hospitals. The 2012/13 budget reflects the closure of three wards (and the elimination of 60 positions) at Norristown State Hospital. This downsizing is a direct result of the 2011/12 initiative which, pursuant to the *Frederick L. v. Department of Public Welfare* lawsuit settlement agreement, required DPW to move 90 hospital residents into the community by June 30, 2012.

For 2012/13, approximately \$497 million in state funding is budgeted for community programs:

- \$494.795 million will be allocated as grants to fund county-administered programs, including the mandated services identified under the MH/ID Act. These are the grants that were cut 10 percent, as explained below, and are eligible for inclusion in the pilot block grant. In general, the counties are required to contribute a 10 percent match for the cost of services. No county match is

required for inpatient treatment and partial hospitalization; nor is a match required for any services associated with a new program established by DPW such as intensive case management and crisis intervention.

- The remaining \$2.3 million is for community programs such as the four Extended Acute Centers and the new Adult Protective Services initiative (see page 9). These funds are not part of the base grants allocated to counties and were not affected by the funding cut.

The state funds budgeted in 2012/13 for county grants is based on the amount enacted in 2011/12 with certain adjustments. For example, in calculating the 2012/13 grants, DPW adjusted for the fact that the 2011/12 budget only included partial year funding for the 90 hospital residents that were moved into community programs per the *Frederick L. v. Department of Public Welfare* settlement. Consequently, another \$4.95 million was added to reflect the additional state cost associated with providing a full 12 months of community services to these individuals in the 2012/13 fiscal year. This, plus some other small adjustments, resulted in an adjusted 2011/12 grant amount equal to \$549.772 million, of which 10 percent, or \$54.977 million, was cut to arrive at the \$494.795 million allocated to counties for 2012/13 (as indicated in the chart on page 2).

Intellectual Disabilities (ID) – Community Base Program

Community programs for individuals with intellectual disabilities (ID) are governed by the Mental Health and Intellectual Disability Act of 1966. The act establishes responsibilities for county government, defines eligibility and identifies mandated services.

DPW funds these community services through two separate appropriations: ID Community Waiver Program and ID Community Base Program.

- The ID Community Waiver Program is available to individuals who are at least 3 years old and who, based on a medical evaluation, meet the functional criteria for ICF/ID eligibility – that is, they would otherwise require the level of care provided in an institution for persons with intellectual disabilities. (The Waiver Program will be addressed in a separate DPW budget briefing on Medicaid Programs to be posted at www.hacd.net.)

- The ID Community Base Program serves individuals of all ages who are not eligible for the Waiver program as well as those Medicaid eligible individuals who are not yet enrolled in the Waiver program. **Approximately 25,000 people received base program services in 2010/11.**

The appropriation for the ID Community Base Program supports both residential and non-residential services provided to eligible individuals. Specific services include case management, supports coordination to assist individuals in accessing services, recreational therapy and recreation/leisure time activities, employment training, family support services, and home modification. The 48 county MH/ID offices enroll individuals in programs and authorize services outlined in the service plans developed for each individual. Most services are delivered by local agencies under contract with the county program offices.

A portion of the ID Community Base Program appropriation pays the costs associated with administering the community ID programs (both the waiver and base programs). This includes funding for the local independent monitoring teams that assist the county offices in improving the quality of community ID services and the Regional Health Care Quality Units that help improve the physical and behavioral health of individuals receiving community ID services.

The 2012/13 budget includes \$151.2 million in state funds (a total of \$216.4 million state and federal) for the ID Community Base Program, a decrease of \$15.3 million compared to the enacted 2011/12 funding level; the 2012/13 state appropriation represents a decrease of nearly \$6.6 million, or 4 percent, compared to 2010/11 state appropriation and federal stimulus funds. Most of the funds will be allocated to the 48 MH/ID offices as direct grants to pay for the community programs – these are the grants that were cut 10 percent, as explained below, and are eligible for inclusion in the pilot block grant. DPW makes a separate smaller distribution to counties which funds support services provided to Medicaid eligible persons not yet enrolled in the Community Waiver program (these services qualify for federal Medicaid reimbursement and are subject to federal rules). The balance of the appropriation provides operating funding, most of which is used by the department

to pay for contracts, and does not get distributed to the counties.

The table below provides a preliminary breakout of expenditures funded through the 2012/13 state appropriation — these preliminary figures may differ from the final expenditure breakout that will be available after DPW completes its 2012/13 re-budget.

Intellectual Disability (ID) Community Base Program State Funding		
	<i>(\$ in Millions)</i>	
Expenditure Category	2012/13 Enacted	Change from 2011/12
County Allocations	\$130.477	(\$15.448)
Other Distributions	\$9.323	\$0.151
Operating Funds	\$11.423	\$0.000
TOTAL	\$151.223	(\$15.297)

State funding allocated to counties is based on the grant amount in the enacted 2011/12 budget with downward adjustment in state funds to account for use of \$951,000 in federal Social Services Block Grant funding for counties in 2012/13. This reduction resulted in an adjusted 2011/12 state grant amount equal to \$144.974 million. After the 10 percent cut of \$14.497 million, DPW has \$130.477 million for direct grants to the counties in 2012/13 (*as indicated in the chart on page 2*).

Another \$9.3 million in state funds are budgeted as a separate distribution to counties for support services provided to Medicaid eligible persons not yet enrolled in the Community Waiver Program. This is a \$151,000 increase and is required to backfill federal Medicaid reimbursements that will decrease in 2012/13 due to the scheduled reduction in the FMAP (Federal Medical Assistance Percentage) rate, effective Oct. 1, 2012.

Operating funds are maintained at the 2011/12 funding level of \$11.4 million.

County Child Welfare

As required in the County Code and the Public Welfare Code, **the County Child Welfare appropriation provides state and federal funds to support county-administered social services programs for children and youth in all 67 counties.**

Each county Children and Youth Agency develops a comprehensive array of services that meets the

needs of children and families in that county. Services include:

- in-home services (such as counseling, treatment, and therapy),
- prevention services,
- placement services (foster care, kinship care, and emergency shelter),
- family reunification services, and
- adoption services.

Child welfare programs are funded through a combination of state, federal and county dollars. The majority of funding is from state Act 148 (General Funds), federal Title IV-E, and county funds. Based on the type of services delivered, varying levels of state reimbursement (ranging from 50-100 percent) are provided to counties. This is often referred to as a county match on state Act 148 funds.

Each year, the proposed funding level for child welfare services is built from the state's Needs-Based Plan and Budget (NBB) process. Article VII of the Public Welfare Code establishes child welfare services as an entitlement service that is the joint responsibility of DPW and county government. DPW administers the funds and regulates the services, while the counties provide the services to families and children consistent with their approved NBB and the state regulations that govern the county children and youth agencies.

The NBB process became effective in July 1991, as part of a litigation settlement that was filed by counties to increase state funding of child welfare services. Act 30 of 1991 established the NBB process litigation settlement into statute with a four-year phase-in. Chapter 3140 of 55 PA Code, was amended in 1992 to incorporate the requirements of Act 30. The regulations (55 PA Code Chapter 3140.17) require an annual plan submission and review process. DPW's Office of Children, Youth and Families (OCYF) reviews plans for reasonableness, using defined criteria. After the review process, DPW submits the aggregate NBB request to the Governor's Budget Office.

In recent years, OCYF also extracted components from the NBB process, known as special grants, which do not have to meet the same county match requirements (often at a lesser rate) and aim to improve research-based practices in child welfare.

Examples include reunification services, adoption practices, independent living services for those aging out of the system, information technology, housing assistance and reintegration services.

On Oct. 7, 2008, federal House Resolution 6893, the Fostering Connections to Success and Increasing Adoptions Act, was signed by the president and became Public Law No: 110-351. The law is designed to connect and support relative caregivers, improve the lives of children in foster care, support tribal foster care and adoptions, and improve incentives for adoption. The act includes federal incentives for states to provide support for young people aging out of the foster care system (up to age 21). The 2012/13 budget package, including corresponding amendments to the Public Welfare Code and Title 42, provide for the support of these individuals age 18-21 in foster care. By maximizing federal funds available, the budget anticipates a savings of \$4.5 million.

The final 2012/13 state appropriation for County Child Welfare is \$1.04 billion, an increase of nearly \$39.6 million over 2011/12. Note that the 2012/13 state appropriation reflects an increase of only \$3.3 million over 2010/11. The table below breaks out the state funds that will be disbursed to counties in 2012/13.

Nearly \$924 million of the 2012/13 state appropriation will be disbursed to counties as allocations per the approved needs-based budgets, an increase of \$43.2 million from the prior year. This increase is driven by the increased needs-based budget requirements mandated by Act 30.

County Child Welfare State Funding		
	<i>(\$ in Millions)</i>	
Expenditure Category	2012/13 Enacted	Change from 2011/12
Needs-Based Allocations	\$923.772	\$43.240
Special Grants	\$116.257	(\$3.686)
TOTAL	\$1,040.029	\$39.554

Approximately \$116 million will be disbursed to counties for various special grants, a decrease of nearly \$3.7 million compared to 2011/12. This decrease reflects a 10 percent funding cut in certain special grants – namely those grants for evidence based practices, Pennsylvania Promising Practices, housing initiatives and truancy programs – that are also eligible for inclusion in the pilot block grant. For

2012/13, these select grants total \$39.587 million, which is \$4.4 million, or 10 percent, less than the \$43.986 million that was disbursed to counties in 2011/12.

Behavioral Health Services

The Behavioral Health Services appropriation funds county mental health services and county drug and alcohol treatment services **for adults who are not eligible for Medical Assistance**. This state appropriation was created in response to Act 35 of 1996 which revised eligibility criteria for General Assistance Medically Needy Only benefits, ending state-funded medical assistance for approximately 18,800 individuals in need of drug and alcohol treatment services or mental health services.

Behavioral Health Services is not governed by legislation and state funding is discretionary. Historically, 40 percent of appropriated funds are used for mental health services and 60 percent for drug and alcohol treatment. DPW allocates the mental health funding to the 48 county MH/ID offices responsible for administering mental health services at the local level. The drug and alcohol funding is allocated to the 49 Single County Authorities responsible for administering drug and alcohol treatment services at the local level. **DPW estimates that 45,800 individuals received drug and alcohol services in 2011/12 and 25,250 individuals received mental health services.**

The 2012/13 budget appropriates \$43.1 million for Behavioral Health Services, a decrease of nearly \$4.8 million from the 2011/12 appropriation. This decrease is a direct result of the 10 percent cut in county funding. Compared to 2010/11, Behavioral Health Services funding is cut \$9.1 million, or 17 percent.

The table below shows a preliminary breakout of the 2012/13 state appropriation between the mental health services and drug and alcohol treatment services. This breakout assumes a continuation of the 40/60 funding split between the two programs.

Behavioral Health Services State Funding		
	(\$ in Millions)	
Program Components	2012/13 Enacted	Change from 2011/12
Mental Health	\$17.247	(\$1.916)
Drug and Alcohol	\$25.871	(\$2.875)
TOTAL	\$43.117	(\$4.791)

Homeless Assistance

The Homeless Assistance program operates through counties to provide **temporary shelter to homeless individuals and rental assistance to those in immediate danger of becoming homeless**. Types of shelter may include mass shelters or residency at hotels and motels through a voucher system.

Housing assistance may include a cash payment to prevent or end homelessness, or other intervention to prevent homelessness where an eviction is imminent. In addition to preventing homelessness, assistance is available to move people out of temporary shelters into permanent housing. Case management services are used to assure ongoing coordination with the client and to assist the client with activities needed for self-sufficient living.

A small number of counties also provide specialized residences for the mentally ill homeless where there are larger concentrations of these individuals. This component provides housing for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

No statutory mandate exists for the provision of these services.

The final 2012/13 state appropriation for Homeless Assistance was slightly less than \$18.5 million, a decrease of nearly \$2 million from 2011/12. This decrease is a direct result of the 10 percent cut in county funding. The 2012/13 state appropriation reflects a decrease of \$4 million, or 18 percent, from 2010/11.

Homeless Assistance State Funding		
	(\$ in Millions)	
Program Name	2012/13 Enacted	Change from 2011/12
Homeless Assistance	\$18.496	(\$2.055)

Human Services Development Fund

The Human Services Development Fund (HSDF) is **a separate existing program that has received state funding since 1985/86**.

Counties are able to supplement categorical human services program funding through support received under HSDF. County governments can use funds under this appropriation for a wide range of

social services included within the seven county-operated programs of adult services, aging, children and youth, drug and alcohol, homeless assistance and community mental health/mental retardation. DPW has allocated funds to counties based on the formula in Act 116 of 1998. Under the Act, the minimum payment to counties is \$50,000. The Act specifies that payments to counties are subject to available funding.

The final 2012/13 state budget appropriation for HSDF was slightly less than \$13.5 million, a decrease of nearly \$1.5 million from 2011/12. This decrease is a direct result of the 10 percent cut in county funding. The 2012/13 state appropriation reflects a decrease of nearly \$9.8 million, or 42 percent, compared to 2010/11.

Human Services Development Fund State Funding		
	(\$ in Millions)	
Program Name	2012/13 Enacted	Change from 2011/12
Human Services Development Fund	\$13.460	(\$1.496)

Act 152 Drug and Alcohol Program

Enacted in December 1988, Act 152 expanded drug and alcohol treatment services by **requiring DPW to pay for non-hospital residential detoxification and rehabilitation services**. DPW allocates Act 152 funding to the 49 Single County Authorities, which use the funds to serve uninsured people who are waiting to become eligible for Medical Assistance. Once individuals are eligible, they qualify for drug and alcohol treatment provided through the Medical Assistance behavioral health managed care program.

The 2012/13 budget includes \$13.254 million in the Medical Assistance Outpatient state appropriation to fund the Act 152 program. This

Act 152 Drug and Alcohol Program State Funding		
	(\$ in Millions)	
Program Name	2012/13 Enacted	Change from 2011/12
Act 152 Program	\$13.254	(\$1.473)

represents a \$1.473 million decrease from 2011/12 and is directly attributed to the 10 percent cut in county funding. Similarly, funding for the Act 152 program is \$1.473 million, or 10 percent, lower than it was two years ago.

Funding for Adult Protective Services

The 2012/13 budget includes \$1.7 million in state funding for the Adult Protective Services (APS) system created under Act 70 of 2010. The APS system is **designed to protect adults with disabilities, between the ages of 18 and 59, from abuse, neglect, exploitation or abandonment**. The system includes procedures for the reporting and investigation of complaints, and provides for the development of service plans to remove the adult from imminent harm and provide for their long-term needs. DPW administers the APS system, but actual protective services are to be provided by local agencies under contract with DPW.

During 2011, DPW used its existing staff and resources to develop regulations and to implement an interim strategy for receiving and responding to calls of suspected abuse or neglect.

In 2012/13, DPW will use new state funding to:

- implement an adult protective services system that will log and track cases to ensure that proper action was taken and the individual was protected,
- establish a dedicated phone line to report cases of abuse and neglect, and
- dedicate resources in each office to investigate priority allegations of adult abuse or neglect for those who were previously known and unknown to the Department.

Funding for the APS system is spread across the following five DPW state appropriations:

- General Government Operations (\$630,000),
- Information Technology (\$425,000),
- Intellectual Disabilities Community Waiver Program (\$544,000),
- Mental Health Services (\$75,000), and
- Long Term Care (\$48,000).

House Appropriations Committee (D)

Miriam A. Fox, Executive Director

Beth Balaban and Lisa Fleming
Senior Budget Analysts

Barry Ciccocioppo, Communications Director