



PACHSA

Pennsylvania Association of County Human Services Administrators
An Affiliate of the County Commissioners Association of Pennsylvania

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FRAMEWORK OF COUNTY HUMAN SERVICES FUNDING STREAMS

Funding for county human services programs is derived from a series of federal, state, and county funding streams. Some funding streams are intended to cover costs of a mandate, in whole or in part, some require shared funding responsibility between the federal and state budgets, and some include a county match. Funding streams that provide for county human services programming include Title I- E, Title IV-B, Title IXX, Medicaid, state only, eligible individual and services, SSBG, HSDF, BHSI, county match, over match, entitlement, mandated services, and base funds. Numerous terms abound when human service discussions focus on finances. Funding for human services can be confusing and difficult to understand. Each system has specific funding and along with those dollars are inevitable constraints.

Federal funds

The overwhelming majority of funds for human services come from the federal government with the largest portion being Medicaid dollars. In 1965 the Social Security Act was amended to create Medicaid, a jointly funded cooperative venture between the federal and state governments. There are over 25 different eligibility categories. These statutory categories can be classified into five broad coverage groups: Children, Pregnant Women; Adults in Families with Dependent Children; Individuals with Disabilities; and Individuals over Age 65.

The federal government pays 50 to 77 percent of the total cost of Medicaid reimbursement for eligible individuals and services. There is a formula that gives a base on per capita income for these programs. Pennsylvania's federal financial participation rate, commonly referred to as federal match, is 55.64 percent for federal FY 2011. Every \$100 dollars appropriated by the Pennsylvania General Assembly within one of the various categories results in \$43.36 from the federal government. This rate is reset in October as the federal budget is developed.

Community services are dependent on various titles of the Social Security Act. Children and youth protective services draw federal funds under Title IV-B. Community mental retardation and behavioral health services draw federal funds under Title IXX. Federal funds are a major contributor to community human services and bring a set of rules: individual and service eligibility requirements for reimbursement. Most services are entitlements, meaning that if an individual meets the entrance criteria/need for a program, the individual is required to receive the service to ameliorate the need. For instance, if a child under the age of 18 is abused, the child is entitled to protective services funded under Title IV-B.

Not all federal funds require a state match nor do they create entitlements. Title XX of the Social Security Act, also referred to as the Social Services Block Grant (SSBG), is a capped program. States receive funds based on population to address a broad array of services. States are fully responsible for determining the use of their funds under the block grant.

State funds

Pennsylvania frequently is a forerunner in addressing community human services as needs are identified. Consequently, state funding is authorized to address a specific or general need or as match to other federal funding. For instance, in 1972, the General Assembly enacted Act 63, the Pennsylvania Drug and Alcohol Abuse Act, that established Single County Authorities to promote local access to the full continuum of drug and alcohol services within the funding limitations. This is an example of specific need funded by state dollars. These funds match the federal Substance Abuse Treatment and Prevention Block Grant. An example of general need is the Human Services Development Fund (HSDF) enacted in 1994 that consists of state only dollars for a variety of local needs such as transportation, attendant care, housing services, to name a few.

County funds

Counties have developed a variety of programs to serve individual or families who are in need of assistance. Some of the services are funded through a combination of local, state, and federal dollars. Numerous service dollars require a county match; specific services require the county to provide funds so as to equal or complement funds authorized by the state. Children and youth protective and placement services, early intervention services, day services for persons with mental retardation or mental illness, juvenile detention services, and an overwhelming majority of services administered and managed locally require county matching funds.

Local match to draw state or federal funds helps counties to further local efforts. Unfortunately, counties frequently spend more than the maximum required creating over match. The over match can result for numerous reasons: the state allocation did not meet the levels indicated in the local plan, local need exceeded plan estimates, or delivered services were not eligible for matching funds to name a few.

Counties have the unique burden and responsibility to manage, coordinate and administer a variety of funds to support a wide array of local human services. Solving the maze of funding is necessary as counties plan to address local human services needs. With the vast majority of a county's budget dedicated to human services, county professionals must have command of the complex funding streams and various requirements to maintain a viable safety net for Pennsylvania's citizens.

In addition to these three primary funding streams, dollars flow into the state and counties as a result of program mandates and entitlements designed to meet specific social goals. For example, children, pregnant women, and the elderly are some of the targeted populations considered to be vulnerable, and thus qualify to receive a certain level of service, such as food programs, drug and alcohol treatment long term care, transportation, or medical care.

Entitlements

Entitlements target a specific population with a distinct need with the intent to provide very basic needs that cannot otherwise be met. Entitlements grow according to the growth of the targeted population and utilization of services.

Mandates

Mandates are services that counties are required to provide up to the limit of funds made available by the legislator. Entitlement dollars currently fund numerous mandated services as permitted within the respective waiver and create the critical mass for many rural counties to support mandated services. Without the entitlement funds, many counties will face a decrease in the available state mandated services due to lack of funds.