



Final 2010-11 Budget Overview

The final state budget cut \$601 million from the \$19.56 billion 2010-11 budget certified during last year's budget session, for a total 2010-11 budget recommendation of \$18.96 billion.

Two caveats:

- Some of the cuts and expansion were technical adjustments due to changing enrollment (Medicaid), head count (public education) or other adjustments and did not actually affect the provision of services to children and families.
- Some state funds were replaced with federal dollars, so services were not impacted.

Therefore, this summary of cuts to child-serving agencies includes only the cuts that are not technical adjustments or replacements of state funds with federal funds.

Breakdown of Cuts/Expansion for Selected Agencies:

Agency or Division	Total dollar adjustment	% Change from Certified Budget
HHS: Medical Assistance	- \$221.4 million	-8%
HHS: Social Services	-\$11.9 million	-6%
HHS: Child Development	-\$11.3 million	-4%
HHS: Public Health	-\$3.6 million	-2%
Public Education	-\$89 million	-1%
Juvenile Justice	- \$900,000	-1%
HHS: Mental Health/DD/SAS	+\$40.8 million	+6%
HHS: Health Choice	+\$6.4 million	+8%

Federal Medicaid Match Funds (FMAP)

The budget as passed relies on nearly \$500 million in Medicaid matching funds from the federal government that have not yet been passed by Congress. State budget writers included a special provision in the final budget, directing the state budget director where to take the \$500 million if the federal money is not passed by January 2011:

- Transfer from the Disaster Relief Reserve Fund (\$30 million)
- Transfer of unclaimed lottery prize money and excess receipts (\$35 million)
- Use of interest from all other funds (\$50 million)
- Use of balance in General Fund Availability (\$23.5 million)
- Reduction of Medicaid Provider rates (\$26.6 million)
- Use of funds from the Savings Reserve Fund (\$37.3 million)
- Reduction in Retirement System contributions (\$139 million)
- One percent Management Flexibility Reduction spread across all agencies (\$177.5 million)

Action for Children is particularly concerned about the possible reduction of Medicaid provider rates, since lower rates can mean that fewer doctors will be able to accept Medicaid patients.



Biggest Cuts:

DHHS – Medicaid: \$221 million

- \$51 million reduces in-home personal care services
- \$45 million in savings from increasing managed care in Medicaid services
- \$41 million from enhanced mental health services
- \$40 million through an initiative to reduce fraud and waste

DHHS – Other: \$70 million

- \$16 million in public health by shifting payment of childhood vaccines from the state to insurance companies
- \$11 million from child development includes savings from e-payment system and \$5 million cut to Smart Start
- \$7 million from mental health in funding for one-time needs of locals and providers

Public Education: \$103 million

- \$12 million from DPI's data system
- \$12 million by delaying replacement of school buses
- \$10 million from transportation allotment
- \$9 million eliminates state funding for local mentoring programs

Juvenile Justice: \$4.4 million

- \$3.2 million in reductions that the department will have to manage
- \$1.2 million eliminates vacant positions

Biggest Expansion/Restoration items:

DHHS: \$80 million (including \$5 million from Health and Wellness Trust Fund)

- \$50 million: Community support services and inpatient beds in division of mental health
- \$14 million: AIDS drug assistance program division of public health
- \$6.5 million: to increase enrollment in Health Choice
- \$5 million: various public health programs funded through Health and Wellness Trust Fund, including infant mortality prevention programs.

Public Education: \$14.2 million

- \$10 million: student testing
- \$2.5 million: textbooks
- \$1 million: assessment system for teachers, schools and districts

Juvenile Justice: \$3.5 million to keep Samarkand Youth Development Center open