

Kansas Department of
Social and Rehabilitation Services
Don Jordan, Secretary

House Appropriations Committee
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FY 2009 Federal Block Grants

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Chairperson Schwartz and members of the Committee, I am Lois Weeks, Director of the SRS Office of Financial Management, thank you for holding this hearing to meet our Federal Block Grant requirements and to provide you information on the Federal Block Grant programs administered by SRS.

Block grants are fixed-sum federal grants to state and local governments that give broad flexibility to design and implement designated programs. These grants have been part of the American federal system since 1966. Federal oversight and requirements are light, and funds are allocated among recipient governments by formula.

\$51.7 million funding from five different block grants are included in the SRS FY 2009 Governor's Budget. I will give you a brief description of the services provided by each of these grants.

SOCIAL SERVICES BLOCK GRANT (SSBG) - \$22.5 million

SSBG funds are to enable each state to furnish social services best suited to meet the needs of individuals of that state. Services funded by SSBG are directed at one or more of these five goals:

- achieving or maintaining economic self-support to prevent, reduce or eliminate dependency
- achieving or maintaining self-sufficiency, including reduction or prevention of dependency
- preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interest, or preserving, rehabilitating or reuniting families
- preventing or reducing inappropriate institutional care by providing for community-based care, home-based care or other forms of less intensive care
- securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

SSBG funds are budgeted in Child Care Assistance, Child Welfare - Foster Care and Field Operations and in Kansas Department on Aging's Senior Care Act.

BLOCK GRANT FOR THE PREVENTION AND TREATMENT OF SUBSTANCE ABUSE - \$12.2 million

The funds from this grant are used for both Substance Abuse Prevention and Treatment services. Federal regulations require that at least 20 percent of the grant be used on prevention. We spend approximately 80 percent on treatment and 20 percent on prevention. Services are available to persons whose income is at or below 200% of the federal poverty level. Priority populations served are injecting drug users, pregnant women, women with children, anyone who has been exposed to or is at high risk for TB and/or HIV, involuntary commitments, and lastly, those who would not be able to afford treatment otherwise.

On July 1, 2007 SRS contracted with Value Options to provide managed care substance abuse services to all Kansans eligible for Medicaid and Block Grant funding. The block grant dollars along with other state funds pay for treatment services for individuals who are not eligible for Medicaid. Medicaid eligible individuals are covered under the new Prepaid Inpatient Health Plan (PIHP).

COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT - \$3.2 million

The Community Mental Health Service Block Grant is distributed to the 26 Community Mental Health Centers (CMHCs) for community services. Currently, the federal block grant money is funding programs across the state focusing on workforce development, evidence-based practices, two housing and homeless projects, consumer-run organizations and the youth initiative projects. The Mental Health Block Grant is also used to support the Presidents New Freedom Commission Report for transformation activities such as the anti-stigma campaign in Kansas.

LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP) BLOCK GRANT - \$13.5 million

This block grant provides utility or fuel assistance to qualifying households whose income is under 130 percent of poverty. For a one-person household, the income limit is currently \$1,127 monthly. As a condition of eligibility, applicants must also demonstrate recent utility payments. This state-added requirement emphasizes the household's responsibility for paying its own fuel costs, promotes the importance of maintaining a regular payment history, and provides positive reinforcement.

The department receives energy assistance funding from two sources: a block grant and emergency funding. The emergency funds are highly variable, dependent on extreme weather conditions and energy prices, and are released at the discretion of the President. About 42,300 households are expected to receive assistance in FY 2008 with a projected annual benefit averaging \$532 which includes emergency funding released by the President. The FY 2009 average benefit is budgeted at \$332 and assumes only block grant funding, due to the historical variability in this funding source and the wide difference in funding levels proposed by Congress and the Executive for FY 2009.

Weatherization Assistance (15 percent of the block grant) - Federal regulations allow States to use up to 15 percent of the LIEAP grant for weatherization improvements. Each year SRS transfer the full 15% of the block grant to the Weatherization Program administered by the Kansas Housing Resources Corporation.

BLOCK GRANT FOR PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH) - \$300,000

PATH provides funds to support services to individuals with serious mental illnesses, as well as individuals with serious mental illnesses and substance abuse disorders, who are homeless or at risk of becoming homeless. All Kansas PATH providers use PATH funds only for case management and homeless outreach. They refer clients to other CMHC or community programs to provide other services.

FEDERAL OUTLOOK

We are concerned about the future funding of several of these block grants. The Federal FY 2009 President's Budget recommends SSBG be cut by 30% and be completely phased out FFY 2010. This would reduce Kansas' allotment by over \$4.6 million for FFY 2009. The President's budget also includes a 14% cut in the LIEAP block grant that would result in a reduction in the benefit amount for each household as well as a reduction in the transfer to the Weatherization Program.

This concludes my testimony and I would be happy to answer any questions you have.