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**TESTIMONY ON SENATE BILL 850**  
**HOUSE APPROPRIATIONS COMMITTEE**  
**Harrisburg, Pennsylvania**

**Presented By**  
**Donna Asure, Monroe County Commissioner**  
**Kathi Cozzone, Chester County Commissioner**  
**Percy Dougherty, Lehigh County Commissioner**  
**George Hartwick, Dauphin County Commissioner**  
**Pamela Tokar-Ickes, Somerset County Commissioner**

**May 21, 2009**

## **BUDGET IMPACT OF SB 850 ON PENNSYLVANIA COUNTIES**

### **(Remarks of Commissioner Pamela Tokar-Ickes, Chair, Somerset County Board of Commissioners)**

Good afternoon Chairman Evans, Chairman Civera, and members of the House Appropriations Committee. My name is Pam Tokar-Ickes, and I am a county commissioner in Somerset County where I serve as chair of the board of commissioners. I also serve as chair of the County Commissioners Association of Pennsylvania's Human Services Committee. On behalf of CCAP, thank you for the opportunity to present testimony today on county budget issues.

I am joined today by some of my colleagues and fellow CCAP leaders from counties of different sizes located throughout the commonwealth. Before I begin my remarks, I would like to ask each of them to introduce themselves to you.

Thank you. You will hear from each member of our panel today, and we will all be happy to answer your questions at the conclusion of our testimony. First, I am going to begin by offering some general remarks on one of our largest budget areas, which is funding for county human services.

County leaders are very well aware of the difficult task that faces state leaders in this budget. We are also keenly aware that the decisions you make in balancing this budget will have far-reaching impacts on people in need, as well as local taxpayers. Remember that all the counties except one operate on a calendar fiscal year, so your decisions will impact budgets mid-year, and differences will be accounted for in the next fiscal year.

Our message on human services funding is clear – adopt a budget that spares additional cuts to county human services beyond the cuts presented by Governor Rendell in his proposed budget. This is our minimum request, and we believe it is grounded in reality. Historically we come to you asking for increases in funding to reduce waiting lists, provide COLAs, and generally increase the state's commitment to funding mandated, necessary and entitlement services. But this year we are trying to hold the line against further cuts from those proposed in February.

We will be working to educate the public and raise awareness that a state budget that cuts funding for core government services and shifts costs to the local government is not really cost savings. The federal government can pass costs to the state, and the state has the option to pass costs on down to the local level. But we believe that the state has a responsibility to hold the line and to minimize negative impacts to the people back home. Just like the state, counties must adopt a balanced budget. When costs are passed down to counties, property tax payers – our local revenue base - suffer the consequences.

Last year, nearly one-third of our counties passed a millage increase. Many more spent down their reserve funds. They will face millage increases this year if our state leaders are not held accountable. As you continue budget deliberations, we urge you to think about the budget bill not only in terms of what tax votes you do or do not have to put up at the state level, but also what the consequences of those actions will be at the local level. We argue that the General Assembly cannot be proud of a “no tax increase

budget” if the result of cuts needed to fill the \$3 billion gap is costs passed down to the local level, where the difference can only be made up through the property tax.

Make no mistake: even the Rendell budget proposal means pain for counties. There are cuts to mental health programs, and drug and alcohol treatment. This means that fewer residents will be served. In all other areas, the Rendell proposal only maintains last year’s funding levels. While this stands out as a positive in the context of sweeping cuts to other line items. It still falls short of existing needs. It does nothing to make counties whole for cuts imposed in the first half of FY 2008 – 2009. There are no COLAs, no additional dollars to reduce waiting lists and no additional flexible dollars to fill budget gaps.

The General Assembly should view the Rendell proposal as the absolute floor in acceptable funding for human services, including children and youth, juvenile detention, mental health and mental retardation, drug and alcohol prevention and treatment, tobacco cessation and prevention, the Human Services Development Fund and long-term care. Where these programs have been cut from last year’s budgeted amount, we support restoration.

Counties seek a commitment to restore funding to human services areas that have sustained cuts, as well as offset increasing costs, once the economy improves. Flat funding is certainly not optimal, and should be considered only a temporary measure with full funding to be restored when the economy improves. Flat funding equates to a cut when costs and service demands are up. Flat-funding puts county government at a deficit on day one, but it is a stopgap measure counties will accept. We ask the legislature and the Governor not to forget that even with flat-funding, county budgets will immediately absorb increased costs. And with the growing demand for human services in these difficult economic times, the situation could get worse.

**Long Term Care** - Nursing homes and other long term care services are affected by SB 850. Under the legislation, there is no increase to nursing home rates, and \$10M budgeted for acuity increases next year is removed. This follows last year when nursing homes received only a 1% increase in their rates while trying to deal with increased costs far in excess of that 1% figure. If that \$10 M cut remains in the final budget, there might have to be some sort of recalculation downward of the rates to save the necessary money. That is because the April 2009 rates (the most current) could not be sustained throughout all of next fiscal year. It is unclear how the Administration would seek to recover the \$10 M, but regardless of that, it needs to be restored. If not, the safety net of the remaining county nursing homes will continue to erode, placing in jeopardy needed nursing home services for thousands of persons.

Senate Bill 850 also eliminates 2,000 slots for additional Home and Community Based Services. Planned increases in funding for capitated long-term care initiatives were also not included. In addition, state funding was reduced as a result of increased home and community based services and tobacco settlement funding available as a result of the increase in federal matching funds being used to offset state fund costs for LTC. State LTC funding was also adjusted to reflect the change in state/federal split as a result of higher FMAP due to ARRA.

It is truly a “Catch-22” scenario – funding is stagnant for nursing homes and reduced for home and community based programs, so individuals can’t leave nursing homes because of a lack of waiver programs and nursing homes can’t survive on the dwindling reimbursement rates.

**Mental Health** - Cuts in mental health services are unlikely to result in savings for anyone. During an extended economic downturn the demand for mental health services increases with unemployment, loss of private insurance plans and the stress caused by the loss of resources. We often see increases in domestic violence, crime and suicide. Costs are likely to be shifted to the courts, prisons, homeless shelters, and hospitals which may not be paid for their services. Significant costs will be devolved to county governments.

Senate Bill 850 would reduce state and federal dollars in the mental health budget by \$9.8 M. The Office of Mental Health and Substance Abuse Services (OMHSAS) has estimated that this cut will require the elimination of services to over 4,000 Pennsylvanians. County programs are beginning to document a growing number of individuals applying for treatment who are recently unemployed and have no health insurance, as well as veterans who return home and need immediate access to treatment, and people with significant anxiety related to economic instability.

The Mental Health Services allocation funds state hospital operations as well as community-based services that are provided by county governments. OMHSAS anticipates restricted admissions to state hospitals. That will result in people remaining in community hospitals for extended periods or being discharged without ongoing treatment.

If the cuts proposed in SB 850 are enacted, the Department of Public Welfare will be unable to fulfill its obligation to the persons who were discharged from Harrisburg and Mayview State Hospitals, when they were closed. Most of these former patients are living successfully in their communities with supports and services funded under the Mental Health Services budget line.

**Mental Retardation** - Senate Bill 850 proposes wide and deep cuts for the community mental retardation system. It will significantly delay services and supports for some Pennsylvanians, while others will be removed from services and essentially abandoned by state government. In the meantime costs will be shifted to county government.

All of this is happening at a time when the mental retardation system is involved in massive changes forced by the federal government. To conserve funds, counties and the Department of Public Welfare may find it necessary to make personnel reductions that will reduce their ability to meet federal requirements and will endanger federal funding for the Person and Family Directed Services Waiver for years to come.

Senate Bill 850 would reduce community base funding by \$12,1M. The Office of Developmental Programs (ODP) estimates that this will require counties to remove approximately 3,000 individuals with mental retardation from services that they are now receiving. Funding for base dollars has been limited for several years, as the Department of Public Welfare has tried to provide services that earn federal financial participation. Funds that are allocated to counties as base funds, in accordance with the Mental Health/Mental Retardation Act of 1966, are used to provide limited services to people who are not included in waivers. Waivers are programs that earn federal funds, based on federal Medicaid waivers. Individuals who are waiting for waiver services often live with severe hardships and are desperate.

Senate Bill 850 would reduce waiver funding by \$32,M in state and federal dollars. This would completely eliminate the emergency waiting list initiative for fiscal year 2009-2010. ODP had planned to serve 760 people during the next fiscal year. Currently, 20,924 Pennsylvanians and their families are waiting for mental retardation services and supports. Of those, 4,523 are on the emergency waiting list. Meanwhile, the waiting list will continue to grow. This situation should not be acceptable to anyone.

The Office of Developmental Program has told us that Senate Bill 850 would require them to cut an additional 550 people who are currently enrolled in waiver-funded services. All of these would be removed from the consolidated waiver. That waiver provides the most expensive services, including residential placements. If reductions were made from the Person and Family Directed Services Waiver, the number of affected individuals would be significantly higher. The Person and Family Directed Services Waiver provides supports to individuals in their own homes or the homes of family members. Therefore, less money is spent on each individual. All waiver services are federal entitlements and the needs of each person who is enrolled in a waiver must be fully met. Their services cannot be reduced but the Department can completely remove them from the waiver.

**(Remarks of George Harwick, Dauphin County Commissioner, and CCAP appointee to the DPW Child Welfare workgroup)**

**Child Welfare** - As you can see from the chart attached to our remarks comparing state and federal funding levels under HB 1416 and SB 850, federal amounts remain constant while every state line decreases. We must caution that due to eligibility criteria, the ability of counties to draw down these funds is never certain. What the chart does not show is the \$300M difference between the total requested by counties through the Needs-Based Plan and Budget Process (\$2,1B) and the state certified amount (\$1,8B). Thus, before the governor's budget was even published, county child welfare underwent a 14% cut. The C&Y system cannot reasonably sustain services at a lower level than the amounts proposed in HB 1416, especially in light of current and projected economic conditions and the funding concerns of other sectors of the human services safety net.

The decision on how the projected \$10M cut in Act 148 state funding under Senate Bill 850 might impact individual county line items or major cost categories has not been determined. It could be a 1% cut in all cost centers or counties and DPW may negotiate the distribution. While we would prefer to negotiate the impacted services based upon local needs and resources, we cannot continue to deliver services at the current level. The few non-mandated services will fall by the wayside and more numerous mandated or entitlement (e.g. child abuse/neglect investigations, court-ordered supervision or placements) services will have to be re-prioritized as circumstances require.

The cuts in state funding for child care are particularly troubling in the current economic environment. The number of families needing assistance with child care may actually increase, despite higher unemployment rates, as families struggle with multiple part-time jobs or job search activities.

The 27% cut in the Nurse-Family Partnership line is significant and will impact services to first-time mothers and their newborns - a very vulnerable population.

Counties pay for child welfare services up front. They get reimbursed from state and federal funds at prescribed rates. A workgroup, called together by DPW Secretary Richman, is currently looking at ways to increase transparency and efficiency of Pennsylvania's child welfare system. Part of that effort is to look at modifying the reimbursement rates to further incentivize services that support desired outcomes, for example fewer children in out of home placement and greater use of kinship care. Other components include revising the contracting process, and providing for more oversight of the budgeting process. The product of the workgroup will be submitted to the House as recommendations for possible inclusion in the Public Welfare Code Bill, HB 1351.

Given that counties pay for all child welfare services up front, we are seeking a change in the quarterly advance schedule that would make it easier for counties to provide or purchase services without interruption and without having to seek tax anticipation loans to ease cash-flow pressures. We are supporting SB 640 and HB 1157, which would equalize quarterly advances at 25% with reconciliation in the fourth quarter.

**Juvenile Detention** - Juvenile detention is a critical part of the broad spectrum of services to children, youth and families in the Commonwealth. Juvenile detention has evolved into a system that simultaneously balances the needs and welfare of the detained child, respects the experiences of the victim and preserves the safety of the community.

Act 148 established the reimbursement rate for detention services at 50% county/50% state. Act 148 certified levels for each county are determined through the needs based budgeting process. The DPW analysis of SB 850 concludes that the state allocation to child welfare detention services will be cut by \$10 M. At this point, DPW has not provided details on how they will implement a spending reduction of this magnitude and how each of the line items will be directly impacted.

Given that juvenile detention is a mandated service to youth at serious risk to themselves or others, this means that county and state dollars spent to assure community protection will more rapidly cut into the already reduced share of state monies. Ultimately, counties will be faced with more fiscal responsibility for programs designed to block those youth who would potentially penetrate the system. Thus given the shortage of available prevention dollars, focus will shift to crisis response. The Balanced and Restorative Justice approach has taught us that reasonable and timely accountability impacts youth in a positive way. We do know that monies spent appropriately now to develop youth competencies significantly increase the number of potential tax payers rather than tax burdens.

**(Remarks of Kathi Cozzone, Chester County Commissioner)**

**Substance Abuse** - The budget presented in SB 850 will cut over \$14.7 M, 26% in behavioral health services to the working poor and uninsured. These cuts are included in the BHSI line of the state budget within the Department of Public Welfare. If the cut is equally applied to mental health and substance abuse services, the drug and alcohol system will absorb \$8.7M, decimating a system that is already critically underfunded. At a time when public policy has focused on the importance of substance abuse prevention and treatment, this marks the sixth year of reduction in capacity and funding. We are facing a combined loss of 36% over the past six budget cycles. Any progress made to relieve prison overcrowding will be lost as the capacity of the public system is destroyed.

The budget for the Department of Health reduces state expenditures by \$852,000 (2%). The federal substance abuse treatment and prevention block grant may be reduced if we are unable to provide adequate state match. Local county drug and alcohol programs will not be able to provide treatment services to the working poor and uninsured. In Chester County, we will be forced to turn away 250 residents who are in need of services.

We are also asking clarification of the cuts that have been imposed in the Medical Assistance outpatient lines. We need to stress the importance of continued eligibility for general assistance and “medically needy only” welfare recipients. These individuals receive treatment through HealthChoices, and are eligible for Medical Assistance only while they are actively enrolled in a treatment program. They do not receive cash or other benefits.

Research has shown that for every dollar spent in treatment, \$7 savings is realized in other areas. These reductions will produce a cost shift of \$3,M to areas such as prisons, law enforcement and hospital emergency rooms.

**Human Services Development Fund** - The FY 2009-10 funding allocation in SB 850 is proposed at \$33.5 M, consistent with the Governor’s request for this line item. This is \$7.5 M less than even the FY 2002-2003 level. This funding is crucial for counties, especially in these tough economic times, to be able to address critical needs of individuals that cannot be met with categorical funding.

**Medical Assistance Transportation Program** - This program provides essential non-emergency medical transportation to assist individuals in receiving necessary medical care. Senate Bill 850 reduces MATP funding by \$2.7 M. In these difficult economic times, the number of individuals eligible and in need of services is increasing. Other cost factors include increased utilization of transportation for medically necessary appointments, consumers' right to choice of provider for HealthChoices services, costs related to providing services such as vehicle maintenance and fuel, increased insurance cost and purchasing replacement and additional vehicles to meet needs for service provision.

**Tobacco Prevention & Cessation** - Significant health care costs are realized when one person quits smoking. Counties are committed to the current tobacco prevention and cessation efforts. Many are directly impacted and serve as subcontractors, directly providing services in the local communities. The current funding formulas and funding levels are necessary to continue the progress and contain future health care costs. While we are not able to determine what is intended for funding in this line item, we want to make you aware of its importance to the health and well being of our residents.

**(Remarks of Donna Asure, Monroe County Commissioner and Chair of CCAP Committee on County Criminal Justice System Best Practices for the 21<sup>st</sup> Century)**

To this point in our testimony, we have focused on human services programs, which account for the largest share of funding that counties receive from the state. There are also numerous other parts of the budget which we would like to comment on today. These cuts impact agriculture, the environment, the court system and community and economic development.

While we talk about county funding concerns in terms of programs and categories, the reality is that cuts in one area do affect other program areas as we have to shift funding priorities to meet local needs and demands. In fact, a state budget that passes costs to the local level reduces local government autonomy. Each of our counties has different needs, and as the elected officials for the county it is our responsibility to serve the needs of our local constituency. When the state shifts funding responsibility to us, we often end up having to shift resources away from local priorities.

As we have responsibility for funding the courts as well as the county jails, it is also important to note the inter-relatedness between the human services funding concerns already highlighted and the judicial funding concerns that I am about to present. It is widely known that treatment and prevention are less expensive than incarceration. This is especially true during times of economic distress.

Economic stress is translating into increased caseloads, expanding waiting lists and higher incidences of substance abuse. The individual who has lost a job or healthcare benefits may develop a mental health issue or substance abuse problem. This leads to neglect or abuse of their children, which necessitates action by the child welfare system. At the same time, that person may be arrested for drug or alcohol charges and then be sentenced to serve a term in the county jail. If funds had existed to provide treatment, many of these second and third tier results could have been avoided.

So as we often say, all money is green, and we advocate for county line items as a group because a shortfall in one area affects all the others. Where state funding is reduced, we must either supplant with county funds or cut the service that has not been funded. As you have already heard, there are several services that we cannot cut, and therefore dollars have to be further shifted to meet cuts for entitlements. Like a trail of dominoes, one cut affects all the rest.

**Juvenile and Adult Probation and Parole** - Counties receive funding for juvenile probation and adult probation and parole through the Pennsylvania Board of Probation and Parole. Senate Bill 850 deepens cuts in allocations for probation and parole services. Funding for juvenile probation is decreased by 4.6%, specialized juvenile probation by 4.5% and adult probation by 2%.

**Court Funding** - Counties receive a very modest amount of funding for the common pleas courts through reimbursement and grant allocation by the Administrative Office of the Pennsylvania Courts (AOPC). The majority of costs for the county courts are borne by local tax payers despite the fact that more than 20 years ago, a court order called for the development of a unified judicial system funded and administered by the state. The Governor's proposed budget contains several cuts to line items that will impact those reimbursements and grants, increasing costs to counties for the operation of the common pleas courts. Senate Bill 850 deepens the cuts to many of the other line items that are vital for the funding and operation of the common pleas courts.

Court costs have been reimbursed by the commonwealth at \$70,000 per judge since the early 1980s. Senate Bill 850 deepens the cut to per judge reimbursement by 1.23 M or almost 4%. Additionally, Senate Bill 850 deepens cuts in funding for intermediate punishment by 5.22%, senior judge support grants by 4.03%, and JNET by 4%. Senate Bill 850 contains cuts of almost six percent from the FY 2008-2009 commonwealth budget appropriation for juror costs and judicial system security.

Full Time District Attorney - The Governor's proposed budget, House Bill 1416 and Senate Bill 850 all lack funding for the reimbursement of the commonwealth share of the full-time district attorney salaries. CCAP is seeking a sustainable solution to fill this gap and provide funding for future years. While Act 30 of 2007, the Criminal Justice Enhancement Account, is intended as that funding source, February marked the first time a balance transfer was made to the counties. That transfer covered the portion of 2006 district attorney salaries that were owed due to the restoration of the judicial pay raise. Another transfer was made in early May for the remainder due to counties for the commonwealth share for 2007. That payment largely depleted the fund, well short of providing the full year of funding still in arrears for 2008, let alone providing any funding for 2009. All combined, the counties are now owed approximately \$12.6 M.

**(Remarks of Percy Dougherty, Chairman, Lehigh County Council, and former President of CCAP)**

**Environmental Issues** - The county conservation districts are funded through a combination of state and county funds. The Governor's proposed budget and House Bill 1416 contain disappointing cuts for this important aspect of local environmental protection. Senate Bill 850 spares additional cuts to these line items. In all proposals that have been made public to date, the state contribution to conservation districts was cut across several line items, including base funding which is appropriated through DEP and the Department of Agriculture, the Chesapeake Bay Program and the Nutrient Management Fund. The 50% state share for district directors required by law also continues to be underfunded.

CCAP is also supportive of including conservation districts in discussions to receive Marcellus shale revenue, and understand that this is being discussed both in the context of SB 490, which transfers existing lease payments to the General Fund to balance the budget, and as part of funding proposed in HB 1050, which would lease additional state forest lands and share the revenue with local governments and conservation districts. We believe it is appropriate for conservation districts, whose operations are fundamental to local environmental protection, to receive a share of revenue from Marcellus Shale development.

Counties are required to develop a stormwater management plan in compliance with Act 167 of 1978. That act stipulates that the state match the counties' funding, providing 50% of the cost. Historically this has been underfunded. HB 1416 includes just over \$2 M for stormwater, which is a slight decrease from last year's funding level. Senate Bill 850 does not include any funding for Act 167 stormwater plans.

Counties receive funding from DEP and DCNR for the West Nile virus program, black fly suppression and gypsy moth control. Funding for West Nile has been cut by \$1.9 M in SB 850, and black fly funding, which currently serves 33 counties, was reduced by \$1.7 M. These cuts each represent more than 20% of the overall funding for these line items. Funding for gypsy moth control is reduced by nearly \$1 M, which DCNR has indicated will result in 40,000 acres of forest not being treated for gypsy moths. House Bill 1416 maintains funding level with last year's adopted budget for gypsy moth, black fly, and West Nile virus.

I would like to call your attention to another area of concern that impacts all local governments, which is the Recycling fund established under Act 101. Proceeds from the state tipping fee are deposited in this fund, which is to be used for grants to partially support county solid waste coordinators, as well as

municipal recycling programs. When the FY 2008-2009 budget was adopted, it authorized \$15 M to be withdrawn from the Recycling Fund and transferred to the General Fund. As you are aware, the House recently voted nearly unanimously to extend the sunset date on the state tipping fee per the provisions of HB 961.

We urge vigilance in the budget process and the support of members of this committee to assure that this fund is not further depleted for General Fund purposes. Due to inflation, the purchasing power of the state tipping fee has already decreased by almost half, and available funding is able to meet only a portion of the overall demand. At the same time, counties have lost the ability to levy their own administrative fees on trash collected within the county. This fee has long been an important source of funding for rural recycling drop-offs, household hazardous waste collection, electronics recycling and yard waste disposal, to name a few. The House Environmental Resources and Energy Committee recently reported HB 1069, which would allow counties to implement a local dedicated funding stream for recycling programs. This legislation in combination with efforts to protect the state Recycling Fund would go a long way toward funding important local recycling programs.

**Agriculture** - Finally, I would like to discuss county concerns with the Department of Agriculture's budget. We have already discussed concerns over funding for conservation districts which are partly funded through Agriculture. Counties are also primary partners with the state in farmland preservation. Funding sources include a portion of the state cigarette tax collections, as well a part of Environmental Stewardship Fund monies. While neither SB 850 nor HB 1416 directly impacts allocations available from the state to match county funds for farmland preservation, we are concerned with the outright elimination of funds for administration of the Farmland Preservation program. Those funds support oversight of 57 participating county farmland preservation programs, and the staff positions that these dollars fund provide resources to counties, municipalities and farm owners.

The Governor's proposed budget includes an anticipated \$28 M for easement purchase from the cigarette tax and the Environmental Stewardship Fund, which is roughly equal to funding available for the 2008-2009 fiscal year. For FY 2009-2010 we seek a commitment from the General Assembly to make sure that existing dedicated funding sources are not siphoned off to meet other budget responsibilities.

Beyond the coming fiscal year, we are interested in long term strategies to assure future funding. The current fiscal year represents the first time county dollars invested in farmland preservation exceeded those invested by the state. While this does demonstrate counties' commitment to the program, it means that state match is falling short of expectation. All Growing Greener 2 monies have been encumbered, and the program relies upon funding from the cigarette tax and the Environmental Stewardship Fund. CCAP members have indicated their support for additional local taxing options through the real estate transfer tax to fund farmland preservation, as well as additional state bonds similar to Growing Greener.

County government is also part of the three-part funding structure for Cooperative Extension, which provides a variety of educational resources to communities throughout the commonwealth. Cooperative Extension is funded as part of the Penn State University non-preferred appropriations bill. While we are not aware of what funding level the Senate would propose, we are aware that the Governor proposed an overall cut to the University of six percent, which would likely result in funding cuts to cooperative

extension of six percent. CCAP lends its support to restore funding for Cooperative Extension to levels adopted in last year's budget. They have been a valuable resource in educating local residents and local government officials about Marcellus Shale, and it is our hope that state leaders will recognize this contribution and enable them to continue their educational mission on this and other issues.

**Tourism** - Counties have a stake in the economic development of their regions. Good paying jobs accompany economic development, along with increased property values, and lower crime rates. Senate Bill 850 significantly reduces one of the areas of economic development that counties take great pride in and have worked to build for decades - tourism. Counties receive tourism dollars through DCED in the tourism promotion assistance program and the regional marketing partnerships. Some of these dollars are spent directly by the counties themselves, but most are pooled into regional partnerships that promote a region of the commonwealth to potential tourists. Unfortunately, Senate Bill 850 reduces tourist promotion assistance by \$1 M, a 10% reduction, and regional marketing partnerships by \$11.6 M, a reduction of 72%. These drastic cuts could have lasting effects on regions of the commonwealth that rely on tourism dollars for economic prosperity and job growth.

**DCED** - As some communities grow and others decline, both short and long term planning is imperative to protecting the quality of life of a region. Counties receive funding through DCED to work with cities and municipalities to protect that quality of life by planning for land use. Senate Bill 850 eliminates the land use planning and technical assistance line item completely, a total of \$4.2 M. The Governor's proposed budget contains flat funding of that line item.

DCED provides two streams of funding that counties utilize to assist citizens with work and housing needs, customized job training and housing and redevelopment. Customized job training is an important program that assists those citizens that have found themselves out of work and are in need of training to gain new employment. Senate Bill 850 cuts funding for the customized job training program in half, a total cut of \$9 M. With the cuts made by the Governor's proposed budget that is an aggregate cut in funding of over \$10.7 M.

As to housing, Senate Bill 850 severely cuts housing and redevelopment by \$17 M, constituting a 50% reduction. The Governor's proposed budget increased the funding for this line item by \$442,000. At a time when unemployment rates are on the rise and people are losing their homes, it does not make sense to drastically cut programs that can remediate the problems.

### **Closing Remarks – Percy Dougherty**

Thank you, once again, on behalf of CCAP and all 67 counties which we represent. As you can see, the state budget has significant and far reaching consequences for counties, and the various portions of the budget cannot be considered in a vacuum at the county level. Each funding area is interdependent on another at the county level, and cuts in one area could lead to reconfiguration or cuts in other unrelated areas. Also, with the state fiscal year falling at the midpoint of all but one county budget, we are hard pressed to make adjustments to adapt to major reductions. Ultimately, our property tax payers will foot the bill for funds that are not forthcoming from the state. We urge the Committee to consider the funding levels advanced in the Governor's budget request to be the absolute floor for 2009-2010, and urge you to make a commitment to restoring these vital funding lines when better economic times prevail.

We will be happy to take your questions at this time.

CHILD WELFARE FUNDING COMPARISON

	HB 1416- State	HB 1416- Fed	SB 850- State	SB 850- Fed	
					<b>Difference</b>
<b>Co Child Welfare</b>	<b>1,048,374,000</b>		<b>1,038,374,000</b>		<b>-10,000,000</b>
Child welfare		14,372,000		14,372,000	
IV-E		329,585,000		329,585,000	
ARRA		18,725,000		18,725,000	
MA-CW		1,886,000		1,886,000	
TANFBG		67,883,000		67,883,000	
SSBG		12,021,000		12,021,000	
CW training		12,959,000		12,959,000	
C-B Family Resource		134,000		134,000	
CAPTA		2,100,000		2,100,000	
IV-B Cwkr Visits		1,400,000		1,400,000	
<b>C-B Family Centers</b>	<b>7,097,000</b>		<b>6,636,000</b>		<b>-461,000</b>
FamPres FC		6,804,000		6,804,000	
FamResource FC		480,000		480,000	
IV-B FC		1,253,000		1,253,000	
HV to prevent		500,000		500,000	
<b>Child Care Svcs</b>	<b>171,720,000</b>		<b>159,763,000</b>		<b>-11,957,000</b>
CCDFBG		196,005,000		196,005,000	
CCDFBG-ARRA		24,385,000		24,385,000	
CCDFBG-School Age		1,260,000		1,260,000	
SSBG Child Care		30,977,000		30,977,000	
HeadStart collab.		225,000		225,000	
<b>Child Care Assist.</b>	<b>210,074,000</b>		<b>198,147,000</b>		<b>-11,927,000</b>
TANF-Child Care Assist.		31,686,000		31,686,000	
CCDFBG Child Care		134,558,000		134,558,000	
Food Stamps Child Care		15,607,000		15,607,000	
<b>Nurse-Family Partn.</b>	<b>13,805,000</b>		<b>9,978,000</b>		<b>-3,827,000</b>
MA Nurse-Fam. Partn.		2,544,000		2,544,000	
				<b>TOTAL</b>	<b>-38,172,000</b>

