

Welfare Watch - March 11, 2009 - Out-of-Home Budget Woes

"Continue to do more with less until you can do everything with nothing."

As the budget woes continue, The Governor, State Department Heads and Legislators are making tough decisions that are impacting every citizen in Georgia. Today, Commissioner B.J. Walker presented her FY2010 budget to the Senate Appropriations Subcommittee on Human Resources. Line by line, she explained the impact on Georgia's citizens and how the Department was going to mitigate the impact of the cuts on Georgia's most vulnerable.

At the end of her presentation in response to a question, she hesitated, and wondered out loud, how she was going to address the \$14.8 million dollar loss to her Out-of-Home Care budget. This is that portion of the budget that provides safe and appropriate temporary homes for children removed from their families due to neglect, abuse or abandonment. These children are the foster children of the State.

She, her staff and the provider community have done a good job of reducing the number of children removed from their homes. The budget reduction calls for more than an 8% reduction in the number of children served in foster care. In the last three years, the number of foster children in foster care has been reduced by only 3.8%. In the last year, this number in foster care has reached a plateau. Equally disturbing in light of the required budget reductions, is the number of children entering child protective services as cases. It has reached a plateau after seeing reductions of 37.2%. The consternation expressed by the Commissioner is justified in light of these numbers. There are no more efficiencies that can be found here.

Provider rate cuts are not the answer either. Providers, by state policy, can not make a profit and are paid only their costs or the maximum rate, whatever is lower. State required annual cost reports ensure that no provider makes a profit. When provider rates were cut in October, four providers immediately closed their doors to serving foster children because they could not operate with lower rates and still be in compliance with licensing and adequately serve our foster children. This rate cut on top of another rate cut two years ago, was a contributing factor in the closing of more than 165 agencies that serve foster children in the last two years. There are no more efficiencies that can be found here.

Budget cuts have real impacts. "Doing everything with nothing" is not the answer unless we truly want the children that we are charged to serve to live on the streets. Restoration of these cuts is necessary if we are going to have any semblance of a viable foster care system.