

Human Services Development Fund Block Grant Frequently Asked Questions (FAQ), Updated June 11, 2012

Can a county opt out of the block grant? If so, are the same reports and planning documents used?

Yes – while all block grant funds will be allocated directly to counties in quarterly payments, counties have the option to opt out of a block grant format in the sense that they can continue to allocate funds categorically as they have been allocated by the state in the past. Counties who choose this option will still benefit from streamlined reporting and planning requirements.

How will cash flow and fiscal stability be maintained as the block grant is implemented?

Allocations will now go directly to the counties. Counties in joinder and SCA arrangements should begin conversations early to assure timely payment and to ascertain cash flow that will allow them to continue their operations. The block grant legislation requires the Department of Public Welfare to process quarterly payments during the first month of each quarter. The Department also intends that counties maintain existing funding to joinder and SCA arrangements to assure services continue, and payment to providers is timely.

How will liability for Mental Health and Intellectual Disabilities be addressed?

There will be language in the block grant bill that will assure liability is not expanded for state or counties. CCAP has retained counsel to negotiate this language on its behalf.

What if local needs exceed available funding?

Legislation sets limits on liability and will identify the state allocation plus the county match is the extent of the county's obligation to fund services.

Can commissioners fund things outside of the seven categoricals that have been collapsed into the block grant?

Funds will have to be used for human services. If a population could previously be served with HSDF funds, those individuals can now be served with block grant funds.

How will carryover be treated under the block grant?

Any carryover funds for FY 2011-2012 will need to be sent back to the commonwealth, and DPW and CCAP will be working on a plan to redistribute the funds. For future years of the block grant, we don't anticipate a lot of carryover, but counties will be permitted to retain up to 3 percent of the total block grant allocation for reinvestment in local programs or costs. Reinvestment must be approved in the annual planning process.

What will the allocation letter include?

The allocation letter will include information about maintenance of effort requirements for the categoricals that will be in place unless the county applies for and receives a waiver to allow complete flexibility in year one. The allocation letter will also include federal funding requirements and where applicable, pro rata shares of block grant funds that have historically been distributed to SCAs and joinders which will now be distributed to each county in the joinder or SCA based on population.

There are some funds that go to jointers/SCAs or county categoricals that are not included in the block grant, and those areas will still receive separate allocation letters. The proportion of the maintenance of effort requirements for FY 2012-13 allocations for each county will be based on allocations as of April 1, 2012. The actual amount of funds allocated to each county will be based on the final numbers adopted in the commonwealth budget.

Who will receive payment?

Block grant funds will be disbursed in one lump sum to each county. Counties in jointers will receive a pro rata share of the allocation which has previously been provided directly to the jointer or through a lead county. The funds previously allocated to jointers will be distributed to counties in the jointer proportionate to the population of the counties. DPW will be asking each county to designate a contact for block grant communications such as allocation letters, as well as a bank account into which the funds are to be deposited.

What protection is there for counties in jointers if other counties in the jointer decide to change funding arrangements?

No changes can be made to the jointer funding arrangements until changes to the agreement are made. Dissolution of a jointer is also subject to the approval of the Secretary of the Department of Public Welfare

Are the provisions of the old HSDF Act going to remain in place, including the county minimum?

The Human Services Development Fund Act of 1994 will be repealed. The human services block grant legislation is being drafted to allow funds to be used for the same purposes currently allowed under HSDF, but the old statute will no longer be in effect. Allocation formulas for all the funding sources included in the block grant will not change in the first year.

Will there be regulation changes?

Most regulations will not be changed as a direct result of block grant implementation. There are some provisions of regulation regarding planning and financial reporting that will conflict with the block grant act. Inconsistent regulations will be repealed in the final version of the legislation. The vast majority of the 4300 regulations will be retained as long as a provision is not in conflict with the block grant. However, efforts to identify further regulatory reform to increase county flexibility and eliminate unnecessary requirements will be ongoing through collaborative efforts of DPW, CCAP and its affiliates.

What are the time frames for allocations, financial plans and planning documents?

Allocations should be provided within 30 days of passage of the budget. The plan is an annual plan – no plan will be in place for the beginning of the first year of the block grant. The plan for the initial year of the block grant will be due September 1. For all subsequent years, the block grant plan will be due April 30. One summary financial report will be submitted at the close of the fiscal year which will replace the Income and Expenditure report. Some quarterly financial reporting will still be required for some federal sources.

Who is responsible for submitting the block grant plan and financial reports?

Each county must submit a county block grant plan and annual financial report. If a county allocates funds to an SCA or jointer, those entities will be responsible for some financial information which must be submitted to the county for their annual financial report. Each county must also submit one block grant plan with the required information, inclusive of jointer or SCA plans where applicable. Each county will have flexibility in designating how the compilation of the planning document and financial report will be completed.

Will the financial report require submission of provider-level fiscal information?

Some level of provider fiscal information will need to be included in the financial report, but the Department is attempting to streamline the information that will be collected.

Will audit processes change?

No changes in the process are expected other than to address the reporting requirements associated with the block grant.

The current MH plan requires counties to document unmet need. How will this be addressed under the block grant planning process?

The block grant planning document addresses how you will spend the block grant funding. There will be no documentation of unmet need. This does not preclude a county from providing unmet need information if you feel it is critical and may still be useful to identify to make local decisions.

Is administrative entity waiver administration money included in the block grant?

It is included in the block grant, but CCAP is seeking action by the Department to reduce county responsibilities to offset cuts that may be adopted in the commonwealth budget while maintaining compliance with CMS waivers. This is necessary to assure balance in funding between administrative requirements and direct services.

How will overlap between children and youth block grant funds and the needs based plan and budget be addressed?

The block grant plan will have a section related to children and youth that is expected to address only funds from the block grant that will be used to meet identified needs. For any block grant funds used, counties will have to document how the need could not be met through the needs based plan and budget.