



VIRGINIA DEPARTMENT OF  
SOCIAL SERVICES

# Budget Update

Gena Boyle, MPA, Deputy Commissioner of Policy and Administration

# Background

- » July 1, 2023 marked the start of the second year of the two-year budget (FY24), which the GA approved during the *2022 special session*
- » Governor Youngkin and the General Assembly proposed changes to the second year of the budget in the 2023 Session
- » However, the GA adjourned without adopting changes to the second year, except for a few very select changes in what they termed a “skinny budget”
- » The “skinny budget” included \$10M in ARPA funds to support LDSS with Medicaid unwinding
- » The GA returned in early September and adopted final amendments to the FY24 budget. Governor signed the amended budget bill.

# 2023 Special Session I – September 6, 2023

## HB 6001/SB 6001 – Actions to Chapter 769

Item No	Amendment	FY 2024 GF	FY 2024 NGF
342	Buchanan Co. and Tazewell Co. DSS Admin. Costs for Disaster Relief	\$200,000	-
344	Auxiliary Grant Rate Increase (DARS)	\$7,250,000	-
344	Capture Balances in Auxiliary Grant Program (DARS)	(\$3,000,000)	-
345	Child Welfare Funding Adjustment	(\$5,645,890)	(\$5,884,666)
345	Foster Care and Adoption Cost of Living Adjustments	\$2,287,785	\$2,001,186
347	Transfer Funding for Language Access Program	\$2,500,000	-
347	Youth for Tomorrow	\$100,000	-
347	Lighthouse Community Center (TANF)	-	\$90,000

\*An amendment is also proposed to increase state staff and LDSS staff salaries by 2% on Dec. 10 and Dec. 1 respectively.\*

# **State/State-Supported Employee Raise**

- » **A 5% salary increase became effective in July for LDSS and state staff**
- » **An additional 2% salary increase will become effective for LDSS staff on December 1 and for state employees on December 10**

# What's Not in the State Budget Deal?

Governor's proposed funding for:

- Additional CPS staff
- Technology to Transform Local Shared IT Support Sites to Conform with Commonwealth Security Standards
- Sustaining and expanding the Kinship Navigator program

# Next Steps

- Submitting agency budget requests for the next biennial budget
- Requests include items not in final budget deal
- High priorities include VaCMS replacement, greater supports for kinship care, expanding whole family/2Gen work
- Governor will introduce new budget in early December
- General Assembly Session begins in mid-January



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# Federal Government Shutdown Planning



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# The Problem

- Congress has until September 30 to pass new appropriations legislation for the Federal Fiscal Year (FFY) that begins on October 1, 2023
- The House needs to pass 12 appropriations bills, but has only passed one thus far
- A Continuing Resolution is an option but doesn't look likely because of policy disagreements between the House and Senate
- When Congress fails to enact the appropriation bills, federal agencies must cease all non-essential functions until Congress acts



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# What we know...

**The following programs have a federal appropriation for the first quarter of FFY24 (through December):**

- Medicaid benefits and administration
- FAMIS
- Foster Care
- Adoptions
- Childcare Mandatory

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# What we know...

Programs for which there are sufficient grant balances to cover spending:

- TANF
- Childcare Discretionary
- Promoting Safe and Stable Families

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## What we know...

» Because we are still early in the state fiscal year, VDSS has sufficient general fund balances to continue operations for several months if we are provided flexibility in how we can spend the funding.

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# What we do not yet know...

- ❑ SNAP benefits and admin – contingency and multi-year funding still available; unclear how much and how long that would last
- ❑ LIHEAP – insufficient carryover funds to run a heating program. Some advance FFY24 funding available but unclear what VA's portion may be



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**Questions? [gena.boyle@dss.virginia.gov](mailto:gena.boyle@dss.virginia.gov)**