



South Dakota
Department of
Social Services

PRESENTED TO THE JOINT COMMITTEE ON APPROPRIATIONS
January 21, 2025

DSS.SD.GOV

DSS ACRONYMS

ACF	Administration for Children and Families
ARF	Appropriate Regional Facility
CARE	Comprehensive Assistance with Recovery & Empowerment
CBISA	Cognitive Behavioral Interventions for Substance Abuse
CJI	Criminal Justice Initiative
CMS	Centers for Medicare and Medicaid Services
DHS	Department of Human Services
DME	Durable Medical Equipment
DOC	Department of Corrections
DOE	Department of Education
DOH	Department of Health
DSH	Disproportionate Share Hospital
DSS	Department of Social Services
EBT	Electronic Benefits Transfer
EPSDT	Early and Periodic Screening, Diagnosis, Treatment
FFM	Federally Facilitated Marketplace
FMAP	Federal Medical Assistance Percentage
FTE	Full Time Equivalent
GME	Graduate Medical Education
HH	Health Home
HSC	Human Services Center

JJRI	Juvenile Justice Reinvestment Initiative
IDEA	Individuals with Disabilities Education Act
IHS	Indian Health Services
IMPACT	Individualized Mobile Programs of Assertive Community Treatment
LIEAP	Low Income Energy Assistance Program
MCN	Mickelson Center for the Neurosciences
MOE	Maintenance of Effort
MRT	Moral Reconciliation Therapy
Part D	Medicare Prescription Drug Program
PHE	Public Health Emergency
SED	Serious Emotional Disturbance
SFY	State Fiscal Year
SNAP	Supplemental Nutrition Assistance Program
SPA	State Plan Amendment
SSA	Social Security Administration
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families
Title IV-E	Foster Care and Adoption Assistance
Title XIX	Medicaid
Title XXI	Children's Health Insurance Program (CHIP)

DSS MANAGEMENT TEAM



Alex Mayer
Chief of Children
and Families



Heather Petermann
Medicaid Director



Brenna Koedam
Chief of
Behavioral Health
(Starting Feb 10)



Matt Althoff
Cabinet
Secretary



Brenda Tidball-Zelinger
Deputy Secretary



Jason Simmons
Chief Financial
Officer



Jeremy Lippert
Legal Services



Emily Richardt
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& Administrative
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Carrie Johnson
Economic
Assistance



Jeremy Johnson
Human Services
Center



Phillip Rose
Operations



Molly Luebbe
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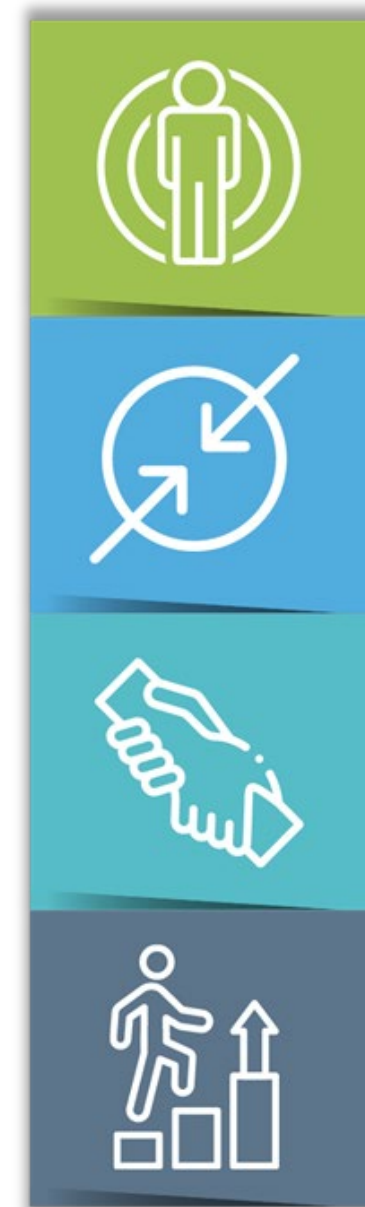
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About DSS

The South Dakota Department of Social Services is one of the state's largest agencies with more than 1,500 employees serving from 39 different office locations across South Dakota. Our mission is to serve children, families, individuals, seniors and people with disabilities through some of the most difficult times in their lives with the safety net programming and services we have been tasked to provide.



Focus on Impact:

We focus on important issues and challenges to maximize impact.

Customer Centric:

We treat customers with respect and provide a “no wrong door” approach.

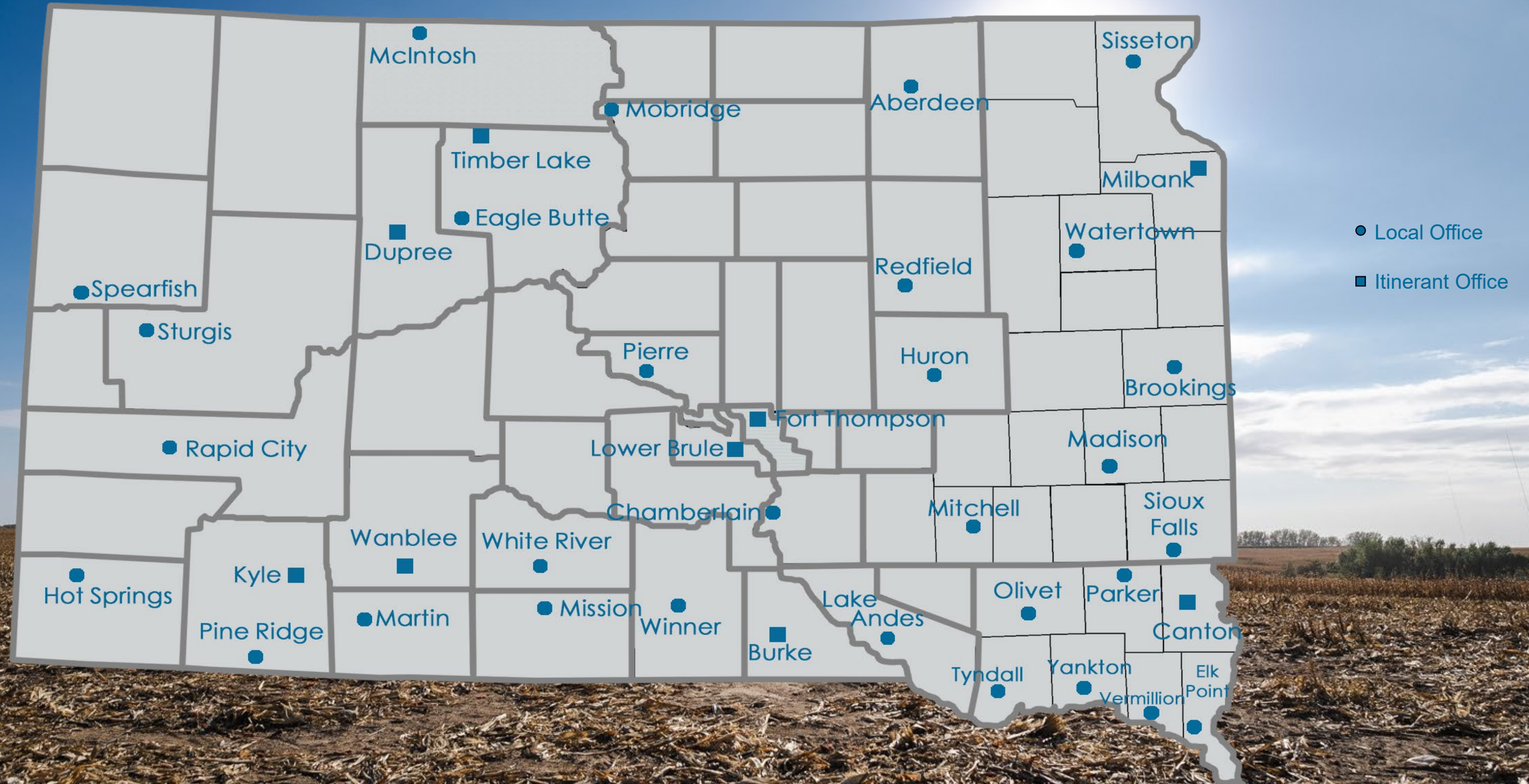
Build Partnerships to Maximize Results:

We believe collaboration, teamwork, and partnerships are key to delivering results.

Develop Our People:

We promote professional growth and development by empowering staff.

DSS LOCAL OFFICES



Mission and Vision



STRONG FAMILIES - SOUTH DAKOTA'S FOUNDATION AND OUR FUTURE

The South Dakota Department of Social Services is dedicated to strengthening families to foster health, wellbeing, and independence.

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NATIONALLY-RECOGNIZED FOR PROGRAM INTEGRITY

- **Medicaid** – Only state in the nation to receive continuous exemption since 2010 from recovery audit contractor requirements.
- Collected \$21.1 million in **third party liability**, estate recovery, and fraud collections.
 - Less than 1% of collections are fraud related.
- **Child Support** – Ranked in the top twelve nationally for the last 17 years. As a result, the program earned financial program awards from its federal partner for top performance each year.
- **Child Care Assistance** – 99% payment accuracy compared to national average of 95%.
- **SNAP** - Highest payment accuracy rate in the nation ensuring participants get the benefit amounts they are entitled to. South Dakota's accuracy rate was 97 percent. The national rate was 88 percent.



FEDERAL POVERTY GUIDELINES

2025 CALENDAR YEAR FEDERAL POVERTY GUIDELINES							
Annual Amount at Various Income Percentage Levels							
Family Size	100%	130%	138%	182%	185%	200%	209%
1	\$15,060	\$20,345	\$21,597	\$28,483	\$28,953	\$31,300	\$32,709
2	\$21,150	\$27,495	\$29,187	\$38,493	\$39,128	\$42,300	\$44,204
3	\$26,650	\$34,645	\$36,777	\$48,503	\$49,303	\$53,300	\$55,699
4	\$32,150	\$41,795	\$44,367	\$58,513	\$59,478	\$64,300	\$67,194
5	\$37,650	\$48,945	\$51,957	\$68,523	\$69,653	\$75,300	\$78,689
6	\$43,150	\$56,095	\$59,547	\$78,533	\$79,828	\$86,300	\$90,184
7	\$48,650	\$63,245	\$67,137	\$88,543	\$90,003	\$97,300	\$101,679
8	\$54,150	\$70,395	\$74,727	\$98,553	\$100,178	\$108,300	\$113,174
Each Additional (approximately)	\$5,500	\$7,150	\$7,590	\$10,010	\$10,175	\$11,000	\$11,495

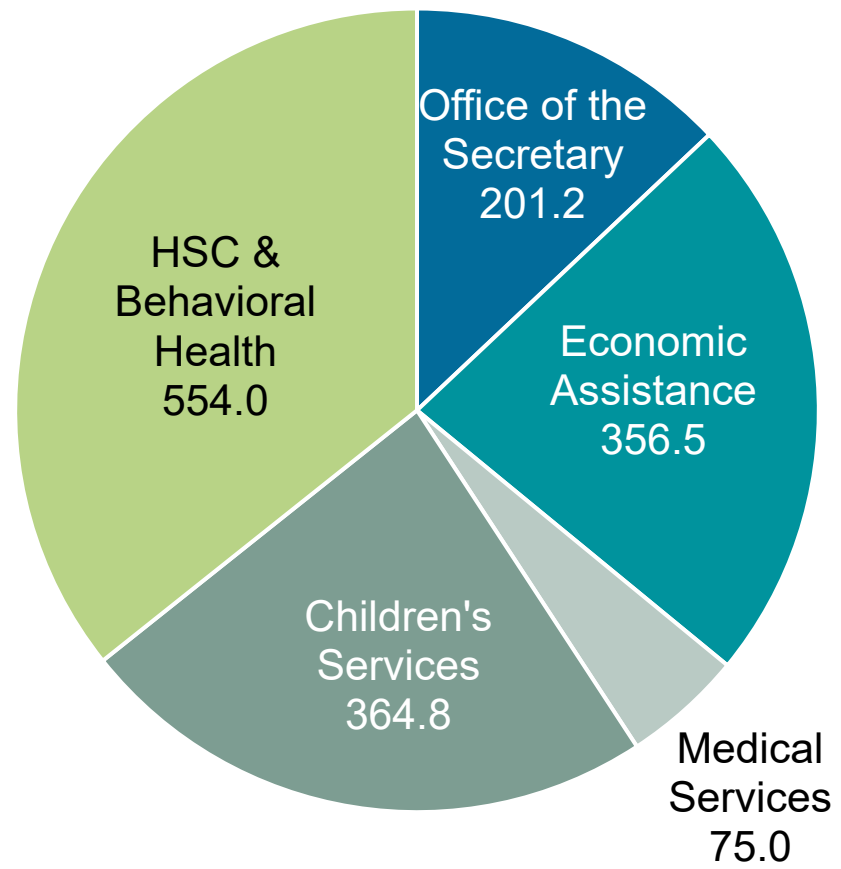
South Dakota

Medicaid (Pregnant Women)	138%
Medicaid Expansion	138%
Medicaid Children	182%
CHIP Children's Health Insurance Program	209%
SNAP	130%
LIEAP	200%
Child Care	209%
Community Behavioral Health	185%

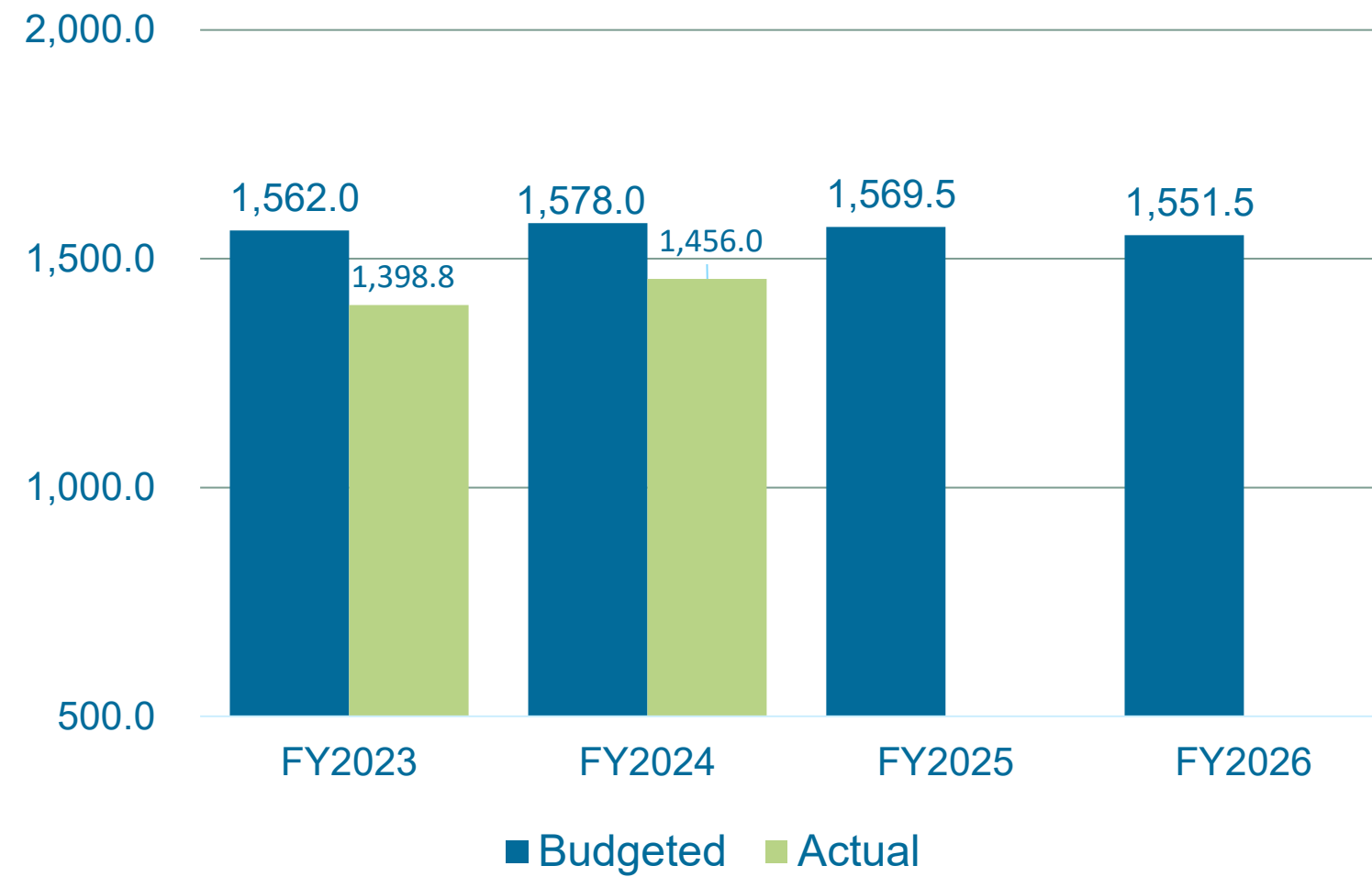


FTE UTILIZATION

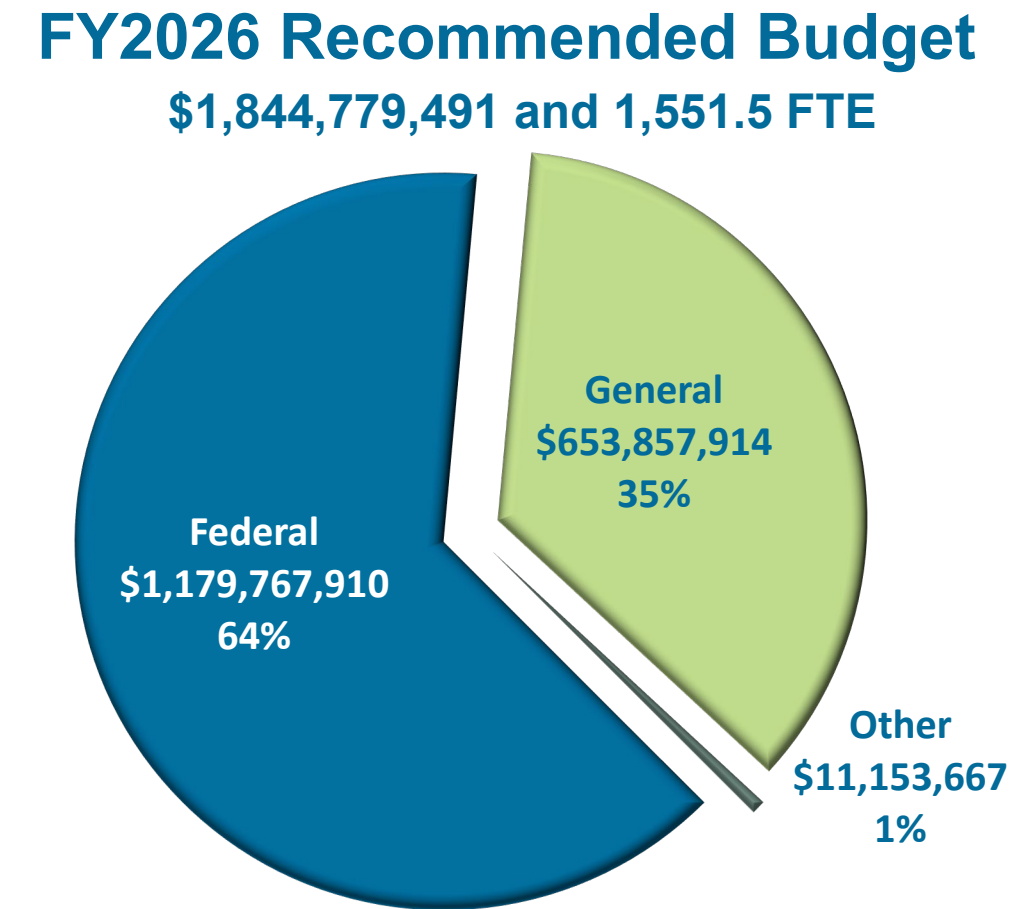
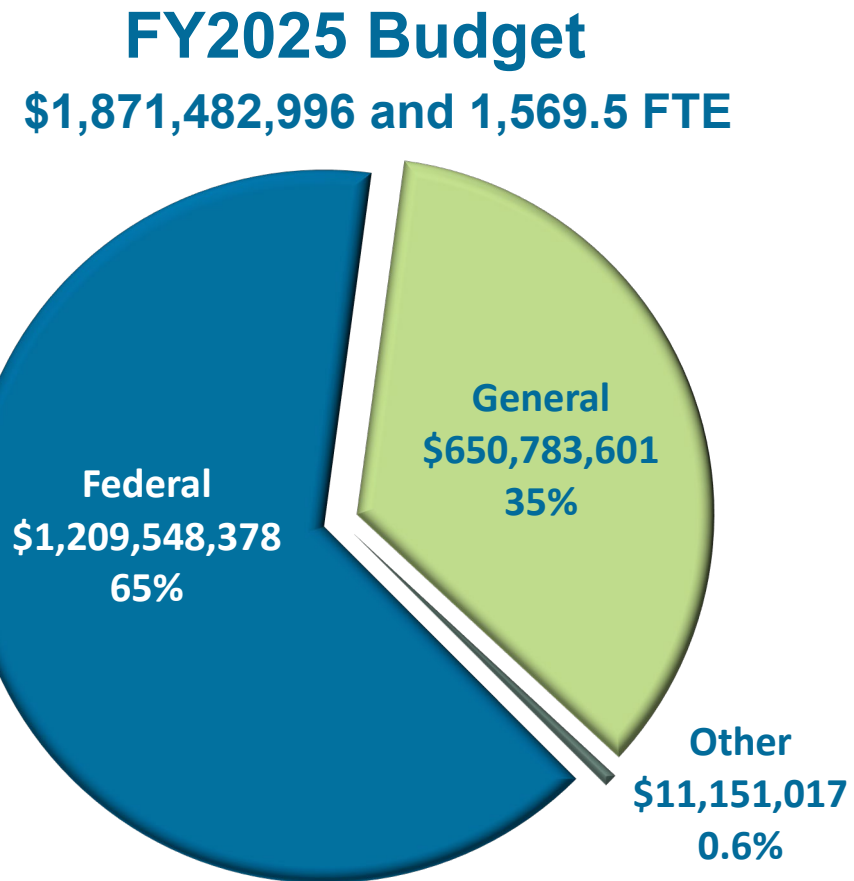
FY2026 Recommended FTE
1,551.5 Total



Budgeted and Actual FTE



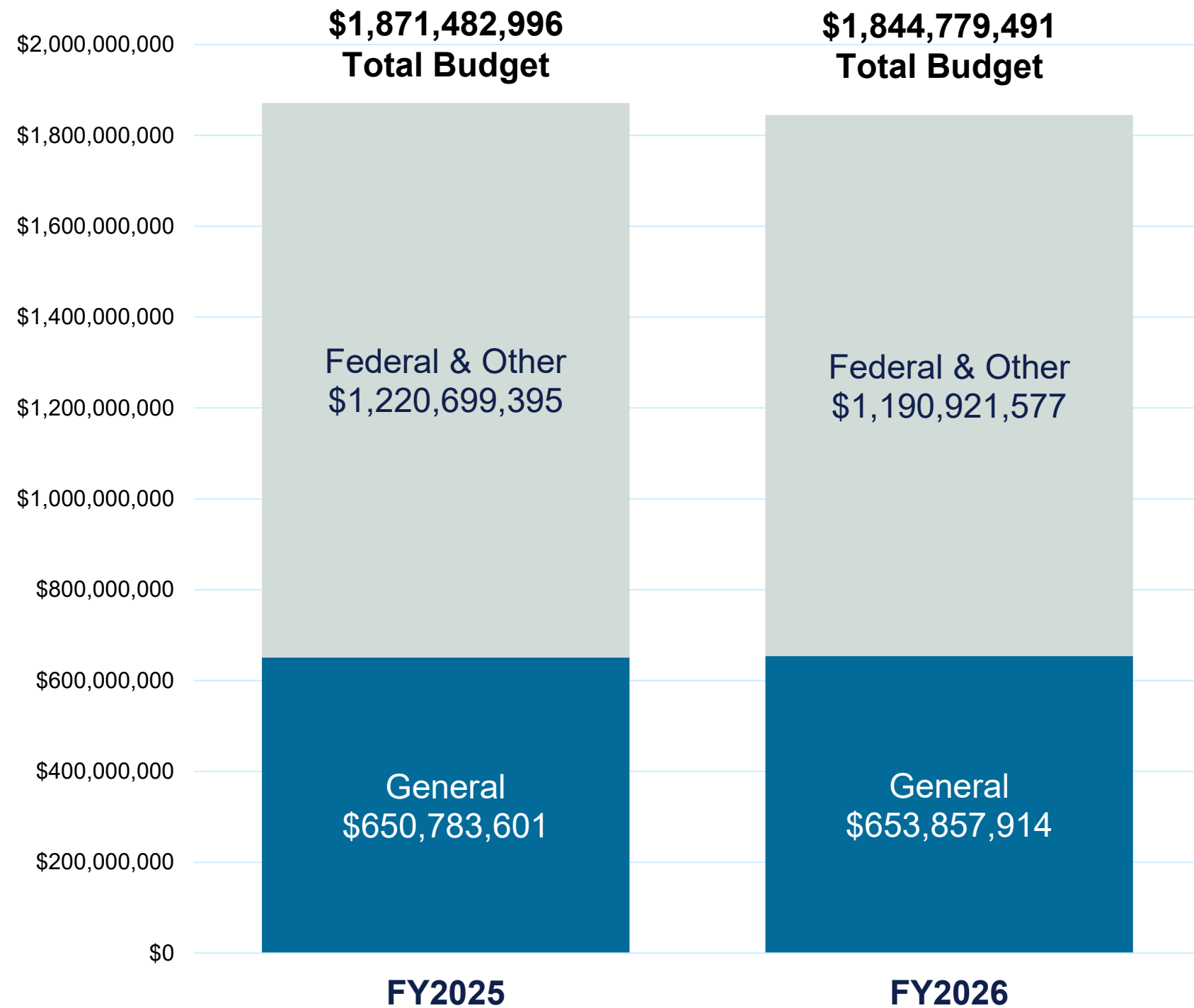
DSS BUDGET COMPARISON



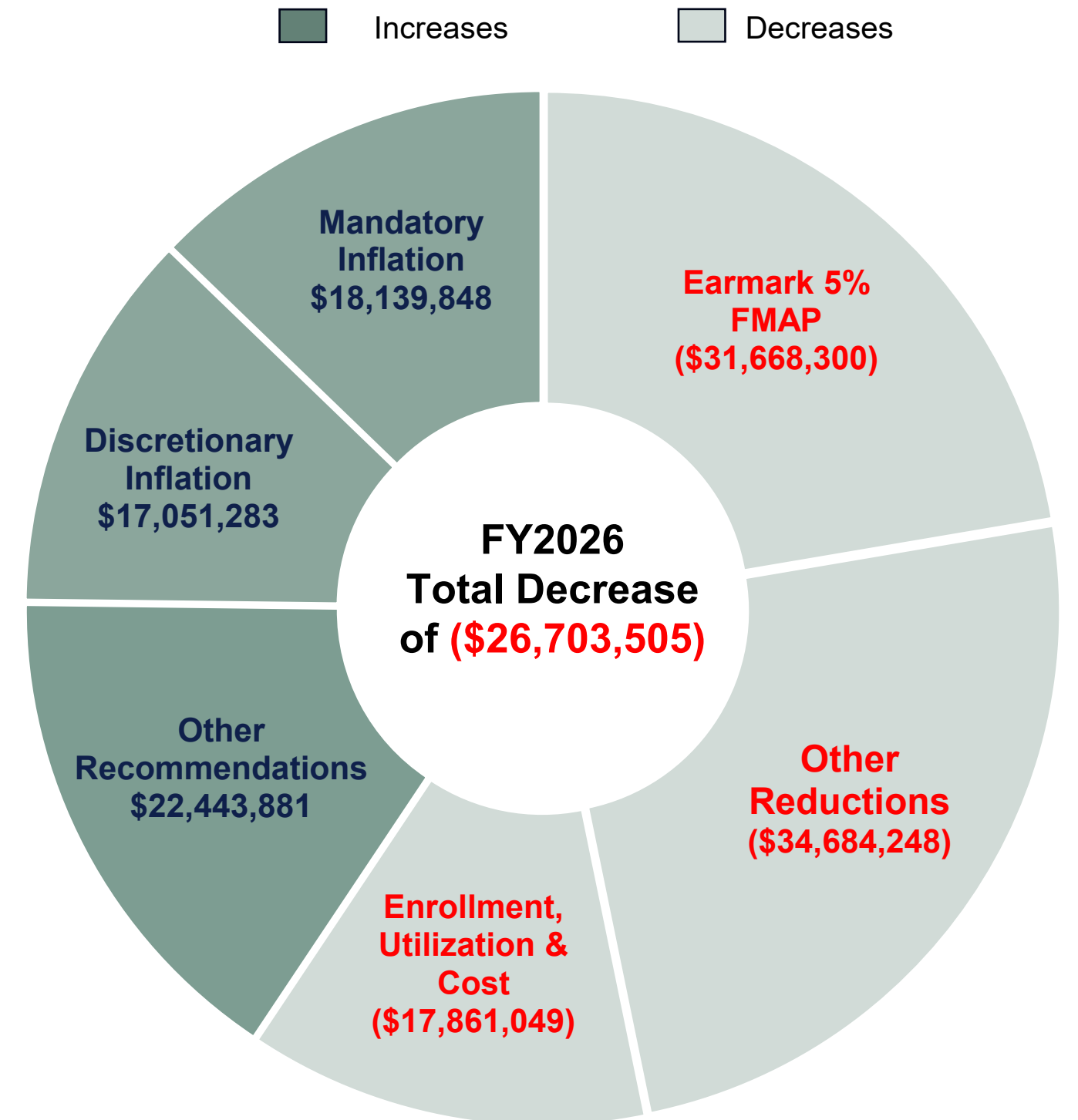
	FTE	General	Federal	Other	Total
FY2025 Operating Budget	1,569.5	\$650,783,601	\$1,209,548,378	\$11,151,017	\$1,871,482,996
FY2026 Recommended Increase/(Decrease)	(18.0)	\$3,074,313	(\$29,780,468)	\$2,650	(\$26,703,505)
FY2026 Recommended Budget	1,551.5	\$653,857,914	\$1,179,767,910	\$11,153,667	\$1,844,779,491

DSS BUDGET ADJUSTMENTS

FY2025 Budget Compared to FY2026 Recommended Budget



FY2026 Recommended Budget Adjustments



DSS DEPARTMENT-WIDE BUDGET ADJUSTMENTS

Federal Medical Assistance Percentage (FMAP)

	General	Federal	Total
Annual Adjustment	14,970,503	(14,970,503)	0
5% Expansion Enhancement	33,546,341	(33,546,341)	0

Discretionary Provider Inflation

	General	Federal	Total
1.25% Inflation	5,983,077	11,068,206	17,051,283

Sioux Falls One-Stop

	General	Federal	Total
Space Billing	1,227,830	665,720	1,893,550

Medicaid Expansion FTE

	General	Federal	Total
Medicaid Expansion (27 FTE)	(1,025,508)	(1,025,507)	(2,051,015)



South Dakota
Department of
Social Services

Office of the Secretary

The Office of the Secretary includes Communications, Finance, Legal Services, Licensing, and Operations to provide administrative support for the entire department.

OFFICE OF THE SECRETARY



Deputy Secretary/Chief of Operations

- Operations manages facility operations for DSS offices throughout the state and leads the agency equipment and technology needs
- Office of Licensing and Accreditation provides licensing, registration, and accreditation of service providers including child care, behavioral health, foster homes, and residential treatment providers.



Legal Services

- Provides legal counsel services to the Secretary and all divisions of the Department.
 - Administers abuse and neglect appeals to the South Dakota Supreme Court, discrimination complaints, requests for public records, rulemaking, and compliance with the Health Insurance Portability and Accountability Act (HIPAA).
 - Administrative Hearings.

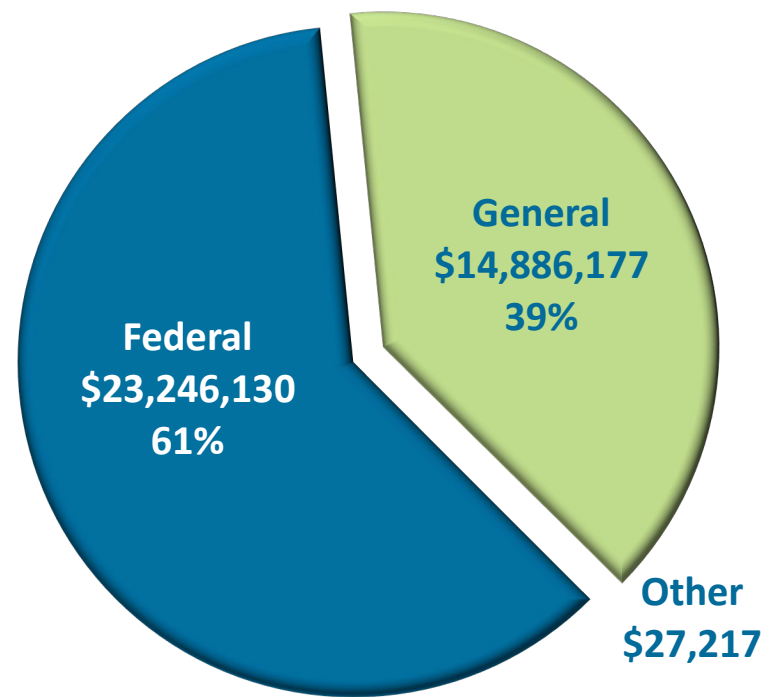


Finance

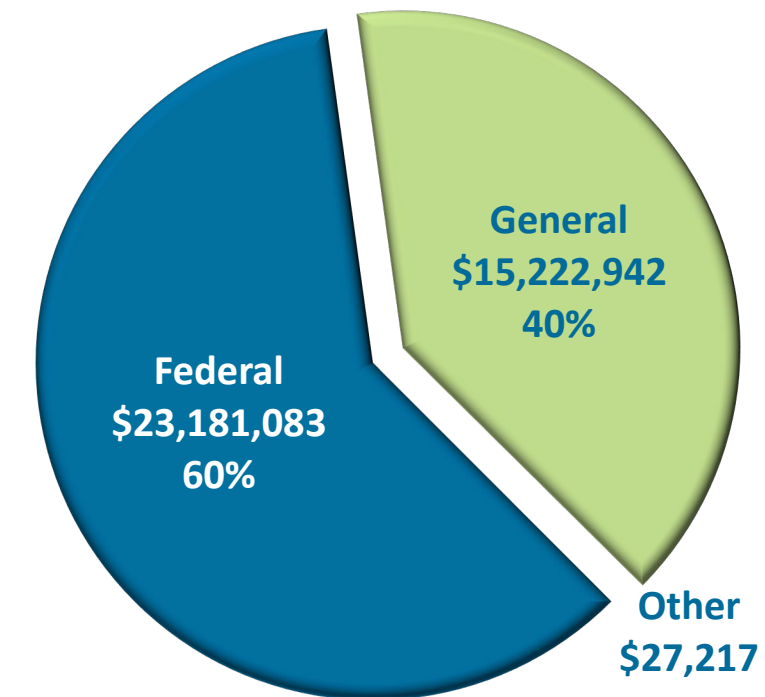
- Provides support services to oversee and manage the Department's budget and financial operations, administers the agency's benefit fraud investigation and third-party liability recovery programs.

OFFICE OF THE SECRETARY BUDGET COMPARISON

FY2025 Budget
\$38,159,524 and 204.2 FTE



FY2026 Recommended Budget
\$38,431,242 and 201.2 FTE



FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
FMAP - Federal Medical Assistance Percentage		\$51,346	(\$51,346)	\$0	\$0
Discretionary Provider Inflation @ 1.25%		\$40,118	\$26,486	\$0	\$66,604
Licensing & Accreditation System Modernization		\$1,095,966	\$0	\$0	\$1,095,966
Sioux Falls One-Stop		\$60,234	\$70,712	\$0	\$130,946
Medicaid Expansion FTE	(3.0)	(\$110,899)	(\$110,899)	\$0	(\$221,798)
Technology Replacement		(\$800,000)	\$0	\$0	(\$800,000)
Total FY2026 Recommended Adjustments	(3.0)	\$336,765	(\$65,047)	\$0	\$271,718



South Dakota
Department of
Social Services

DIVISION OF ECONOMIC ASSISTANCE

DIVISION OF ECONOMIC ASSISTANCE

The goal is to promote well-being by providing medical, nutritional, financial, and case management services to needy families through short-term safety net programs.

Who We Serve

- Low-income individuals, families, pregnant women, and children
- Persons with disabilities
- Elderly

Services Provided

- Program eligibility determinations
- Connections to work
- Referral and case management services
- Quality Control to ensure program integrity

DIVISION OF ECONOMIC ASSISTANCE



Supplemental Nutrition Assistance Program (SNAP)

- Helps low-income South Dakotans buy the food they need to stay healthy while they work to regain financial independence



Temporary Assistance for Needy Families (TANF)

- Provides temporary assistance and economic self-sufficiency for children and families



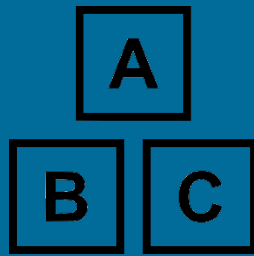
Low Income Energy Assistance Program (LIEAP) & Weatherization

- Helps low-income South Dakotans pay for home heating costs and make their homes more energy efficient and assist with emergency utility/heat reconnect



Eligibility for Medicaid Program

- Determines Medicaid eligibility for low-income individuals and families, pregnant women, children, elderly citizens and people with disabilities

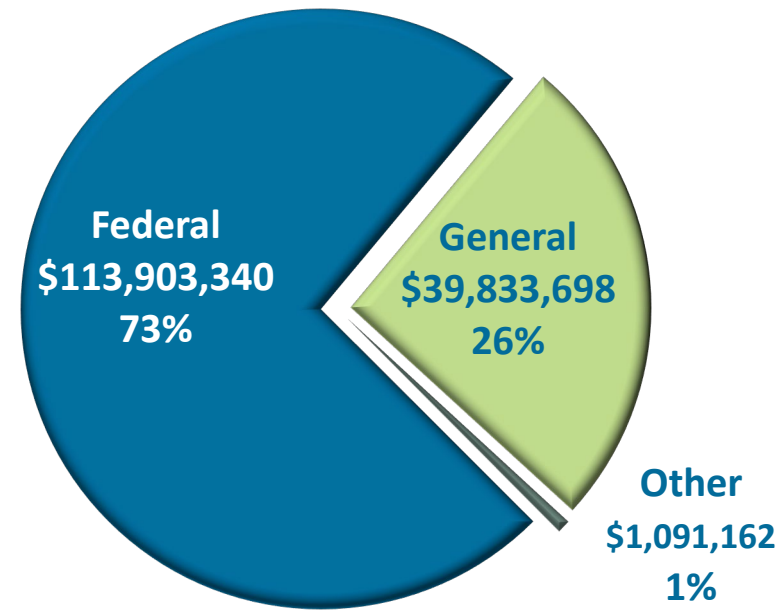


Child Care Assistance

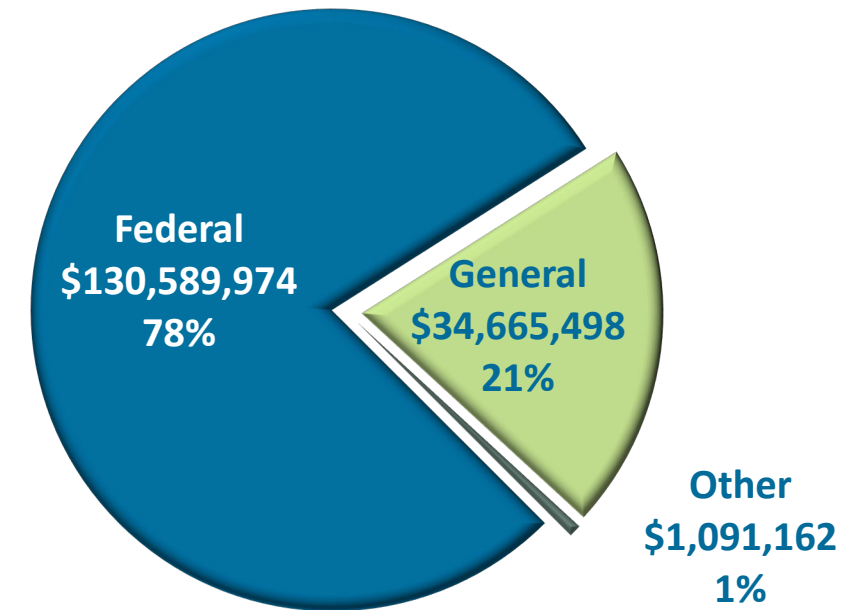
- Helps low-income South Dakotans pay for child care as they work, attend school or both.

ECONOMIC ASSISTANCE BUDGET COMPARISON

FY2025 Budget
\$154,828,200 and 368.5 FTE



FY2026 Recommended Budget
\$166,346,634 and 356.5 FTE



FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
FMAP - Federal Medical Assistance Percentage		\$137,202	(\$137,202)	\$0	\$0
Provider Inflation @ 1.25% and 1.25% for State Aid		\$169,520	\$238,602	\$0	\$408,122
BEES System Modernization		\$1,500,000	\$4,500,000	\$0	\$6,000,000
Child Care Direct Assistance		\$0	\$8,485,298	\$0	\$8,485,298
Sioux Falls One-Stop		\$390,108	\$314,965	\$0	\$705,073
Medicaid Expansion FTE	(12.0)	(\$515,030)	(\$515,029)	\$0	(\$1,030,059)
Utilization Adjustment		(\$1,500,000)	(\$1,500,000)	\$0	(\$3,000,000)
Temporary Assistance for Needy Families Fund Swap		(\$5,300,000)	\$5,300,000	\$0	\$0
Consolidate Field Offices		(\$50,000)	\$0	\$0	(\$50,000)
Total FY2026 Recommended Adjustments	(12.0)	(\$5,168,200)	\$16,686,634	\$0	\$11,518,434

ECONOMIC ASSISTANCE

FY2025 General Bill Amendments	FTE	General	Federal	Other	Total
Federal Fund Authority for Increase in Child Care Block Grant		\$0	\$8,485,298	\$0	\$8,485,298
Utilization Adjustment		(\$2,500,000)	(\$4,000,000)	\$0	(\$6,500,000)



South Dakota
Department of
Social Services

**DIVISION OF
MEDICAL SERVICES**



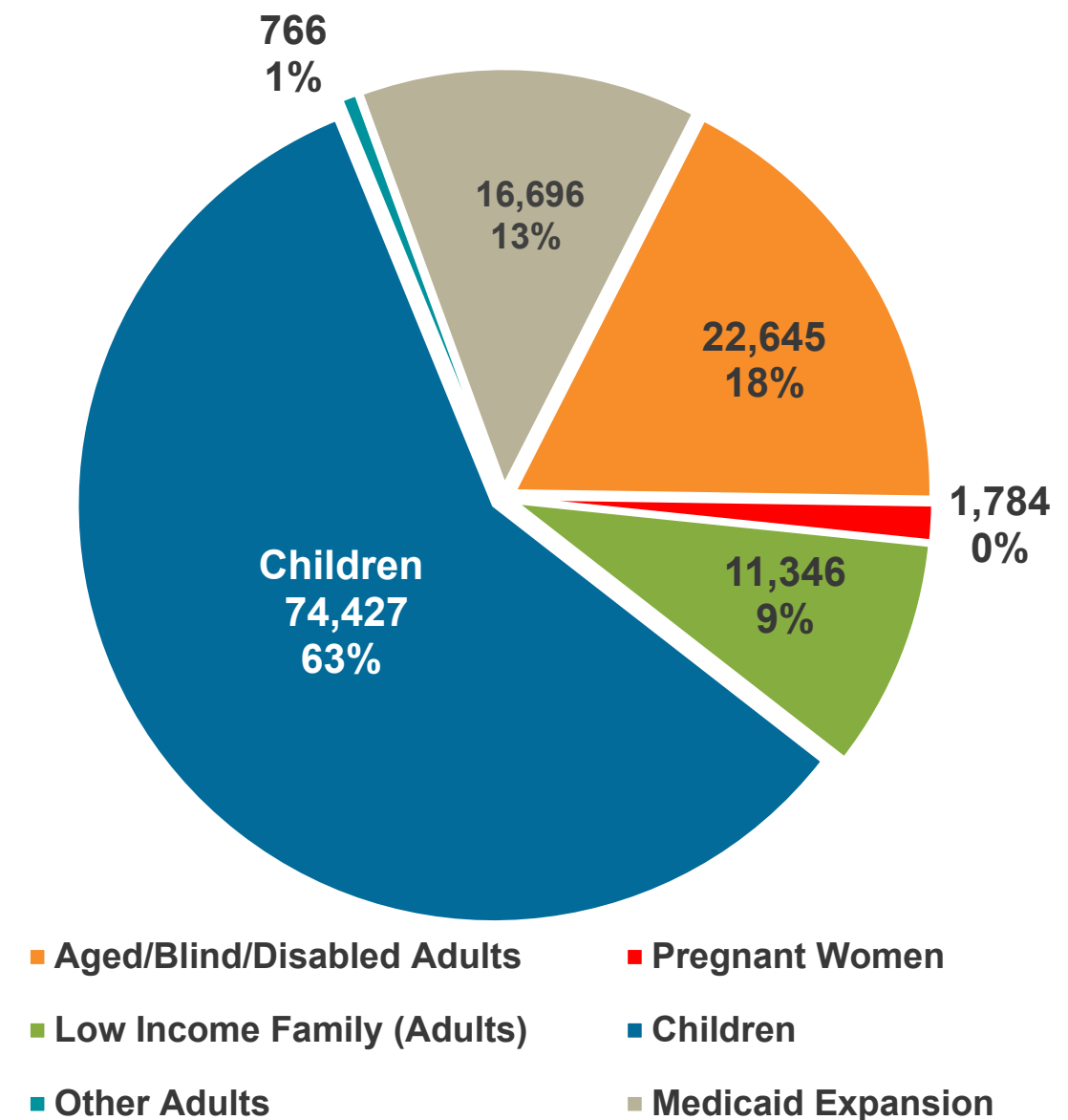
MEDICAL SERVICES

Medicaid is the nation's publicly funded health care coverage for low-income people. South Dakota operates a conservative program with income guidelines at federal minimums.

- Enacted in 1965 under Title XIX of the Social Security Act. Children's Health Insurance Program (CHIP) was enacted in 1997 under Title XXI.
- Medicaid is an entitlement program - all people enrolled must be served.
- Federal-state partnership governed by the Medicaid State Plan.

South Dakota is the only state in the nation to receive a continuous exemption from additional federal audit requirements due to its demonstrated low incidence of payment errors.

**FY2024: 127,664
Average Monthly Enrollees**



MEDICAL SERVICES

- Benefits administered through over **18,000** enrolled providers with **3,000** on average providing services each month.
- All services must be medically necessary, and physician authorized.

Covered Services

- Inpatient & Outpatient Hospital
- Prescription Drugs
- Physician Services
- Clinic Services
- Medicare Premiums
- Other Medical and Dental Services

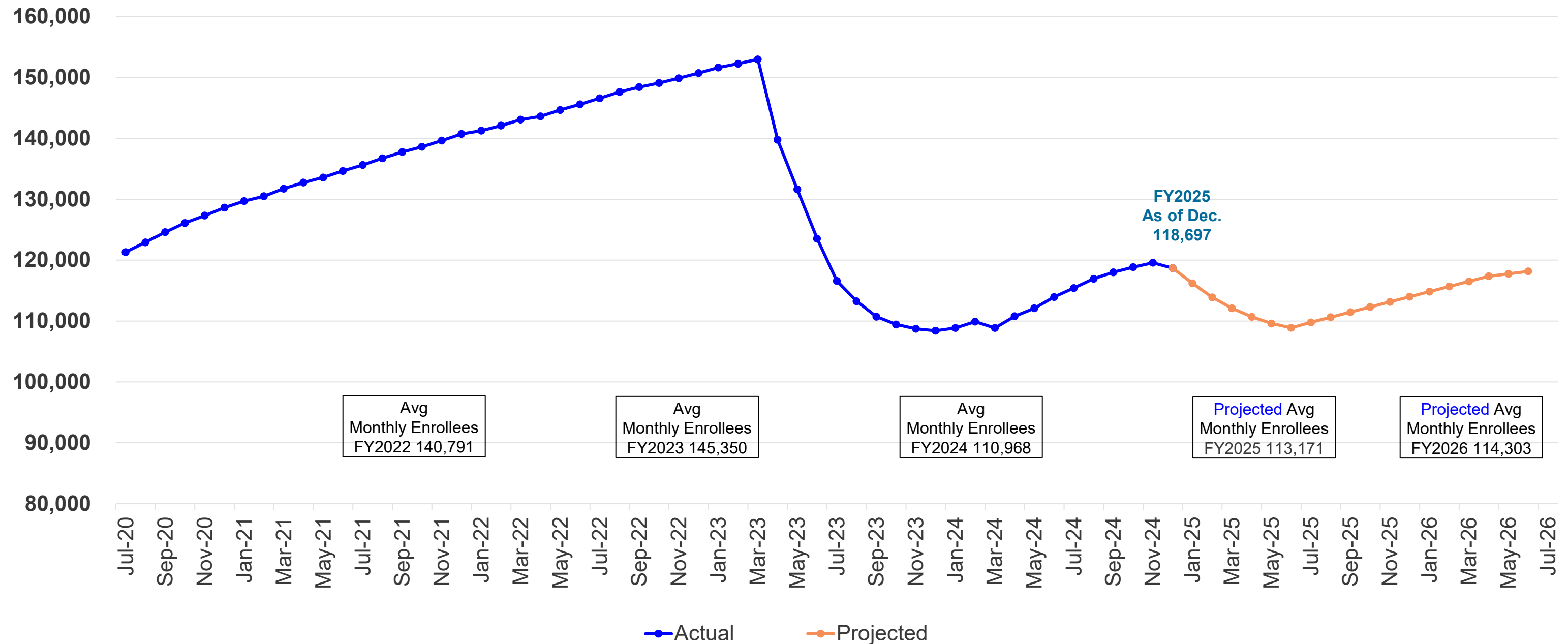


Functions Managed

- Provider Enrollment
- Claims Processing
- Program Administration
 - Data Analytics
 - Policy & Program Design
- Program Integrity
- Pharmacy Management
- Care Management
 - Primary Care Case Management
 - Health Homes and Pregnancy Program
 - Prior Authorization

MEDICAL SERVICES (MEDICAID)

Average Monthly Enrollees Title XIX and Title XXI (Traditional Medicaid & CHIP)



*Does not include Medicaid Expansion

MEDICAL SERVICES (MEDICAID)

FY2025 Traditional Medicaid and CHIP Average Monthly Enrolled

- FY2025 Appropriated Average Annual Cost Per Enrollee**

\$8,342 Medicaid \$2,981 CHIP

- FY2025 Revised Average Annual Cost Per Enrollee**

\$7,921 Medicaid \$2,981 CHIP

Medicaid Enrollment Monthly Avg.	Appr. Budget FY25	Revised Budget FY25	Change	% Change
Title XIX Enrollment	97,307	97,307	-	
Title XXI Enrollment	15,864	15,864	-	
Total Enrollment	113,171	113,171	-	0.0%

*without expansion

	General	Federal	Other	Total
FY2025 Appropriated Budget: 113,171 Enrolled	\$314,762,782	\$604,975,815	\$280,701	\$920,019,298

FY2025 Revision Changes for Cost	(\$17,272,905)	(\$23,717,724)	\$0	(\$40,990,629)
FY2025 Utilization Changes	(\$5,000,000)	(\$5,000,000)	\$0	(\$10,000,000)

FY2025 Revised Budget: 113,171 Enrolled	\$292,489,877	\$576,258,091	\$280,701	\$869,028,669
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MEDICAL SERVICES (MEDICAID)

FY2026 Medicaid and CHIP Average Monthly Enrolled

- Building from revised projections for FY2025, forecasting modest enrollment growth (1%)
- FY2026 Projected Average Annual Cost Per Enrollee
 - \$8,402 Medicaid
 - \$3,053 CHIP

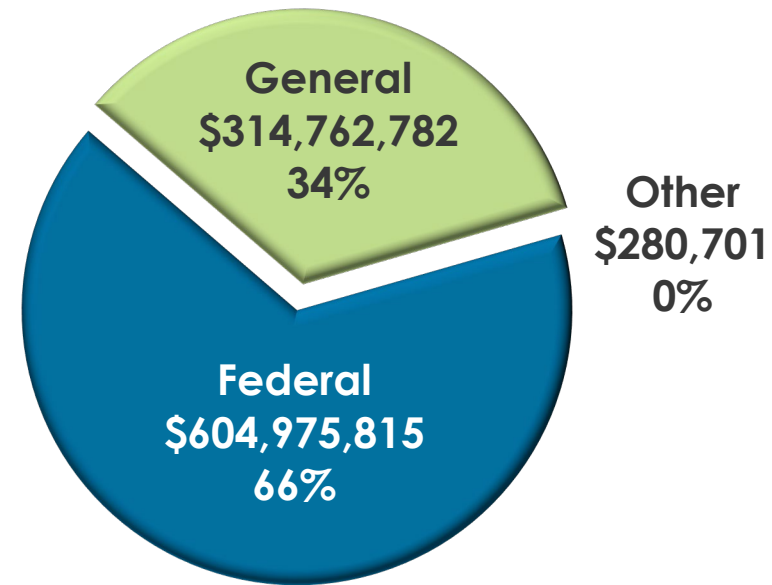
Medicaid Enrollment Monthly Avg.	Appr. Budget FY25	Revised Budget FY25	Budget FY26	Change from FY25 Appr.	% Change from FY25 Appr.
Title XIX Enrollment	97,307	97,307	98,439	1,132	
Title XXI Enrollment	15,864	15,864	15,864	-	
Total Enrollment	113,171	113,171	114,303	1,132	1%
Change		-	1,132	1,132	

	General	Federal	Other	Total
FY2025 Appropriated Budget: 113,171 Enrolled	\$314,762,782	\$604,975,815	\$280,701	\$920,019,298
FY2026 Net change from FY25 appropriated to FY26 request – Enrollment & Cost	(\$4,500,026)	(\$13,361,023)	\$0	(\$17,861,049)
FY2026 FMAP, Mandatory, Discretionary Inflation, & Reductions	\$48,445,397	(\$37,267,027)	\$0	\$11,178,370
FY2026 Budget: 114,303 Enrolled	\$358,708,153	\$554,347,765	\$280,701	\$913,336,619

MEDICAL SERVICES BUDGET COMPARISON

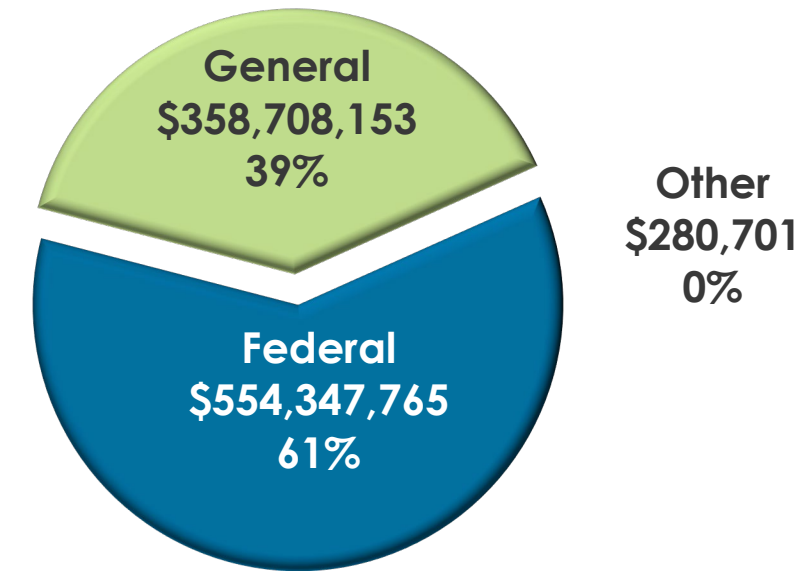
FY2025 Budget

\$920,019,298 and 86.0 FTE



FY2026 Recommended Budget

\$913,336,619 and 75.0 FTE



FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
FMAP - Federal Medical Assistance Percentage		\$12,642,315	(\$12,642,315)	\$0	\$0
FMAP - Temporary Medicaid Expansion 5% Enhancement		\$29,573,305	(\$29,573,305)	\$0	\$0
Mandatory Inflation: Federally Qualified Health Centers, Rural Health Clinics, Medicare Crossovers, Part A, Part B, & Part D		\$10,839,297	\$7,300,551	\$0	\$18,139,848
Discretionary Provider Inflation @ 1.25%		\$3,484,275	\$5,821,677	\$0	\$9,305,952
Title XIX (Medicaid) & Title XXI (CHIP) Enrollment, Utilization, & Cost		(\$4,500,026)	(\$13,361,023)	\$0	(\$17,861,049)
Sioux Falls One-Stop		\$42,611	\$42,610	\$0	\$85,221
Medicaid Expansion FTE	(11.0)	(\$358,865)	(\$358,865)	\$0	(\$717,730)
Utilization Adjustment / Benefit Administration Contract Deferred		(\$6,000,000)	(\$6,000,000)	\$0	(\$12,000,000)
Graduate Medical Education		(\$1,747,083)	(\$1,857,380)	\$0	(\$3,604,463)
Renal Disease Program - HB 1006		(\$30,458)	\$0	\$0	(\$30,458)
Total FY2026 Recommended Adjustments	(11.0)	\$43,945,371	(\$50,628,050)	\$0	(\$6,682,679)

MEDICAL SERVICES

FY2025 General Bill Amendments	FTE	General	Federal	Other	Total
Title XIX (Medicaid) & Title XXI (CHIP) Enrollment, Utilization, & Cost		(\$17,272,905)	(\$23,717,724)	\$0	(\$40,990,629)
Utilization Adjustment / Benefit Administration Contract Deferred		(\$5,000,000)	(\$5,000,000)	\$0	(\$10,000,000)



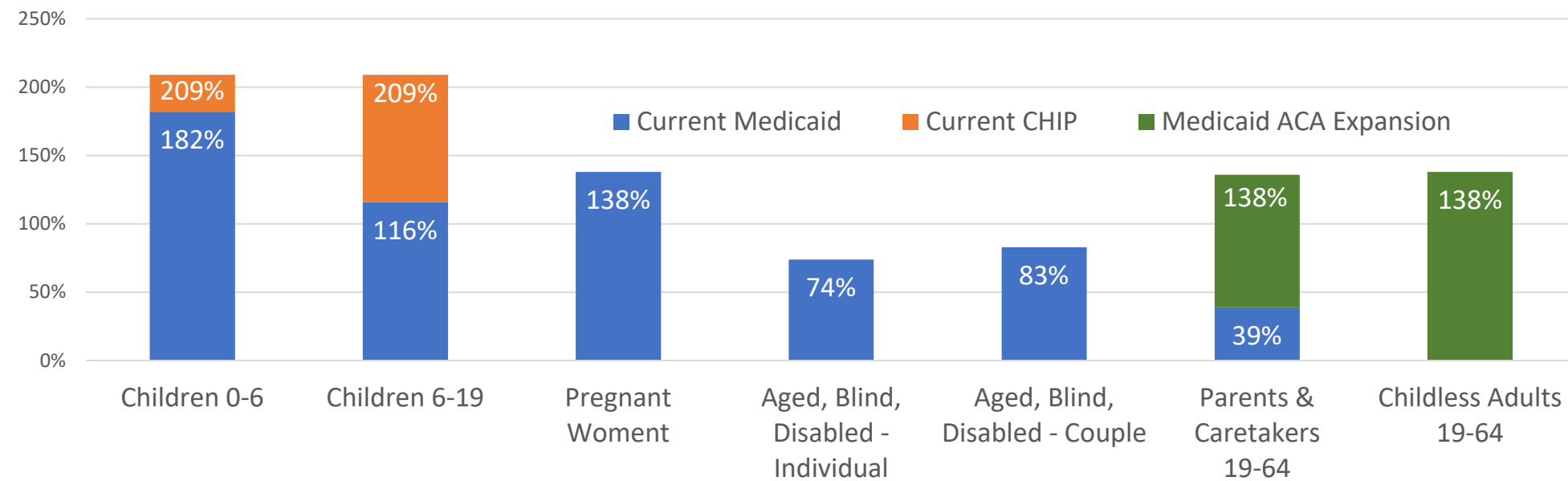
South Dakota
Department of
Social Services

**MEDICAL SERVICES
MEDICAID EXPANSION**

MEDICAL SERVICES - MEDICAID EXPANSION

- Adults
 - Aged 19-64
 - Low-income parents with income between 39% FPL and 138% FPL
 - Adults without children and incomes up to 138% FPL
 - Cannot be eligible under any other “traditional” coverage group
 - Pregnant Women
 - Parents with incomes up to 39% FPL
 - Aged, blind, disabled
 - Cannot be eligible for Medicare

South Dakota Medicaid & CHIP Eligibility by % FPL

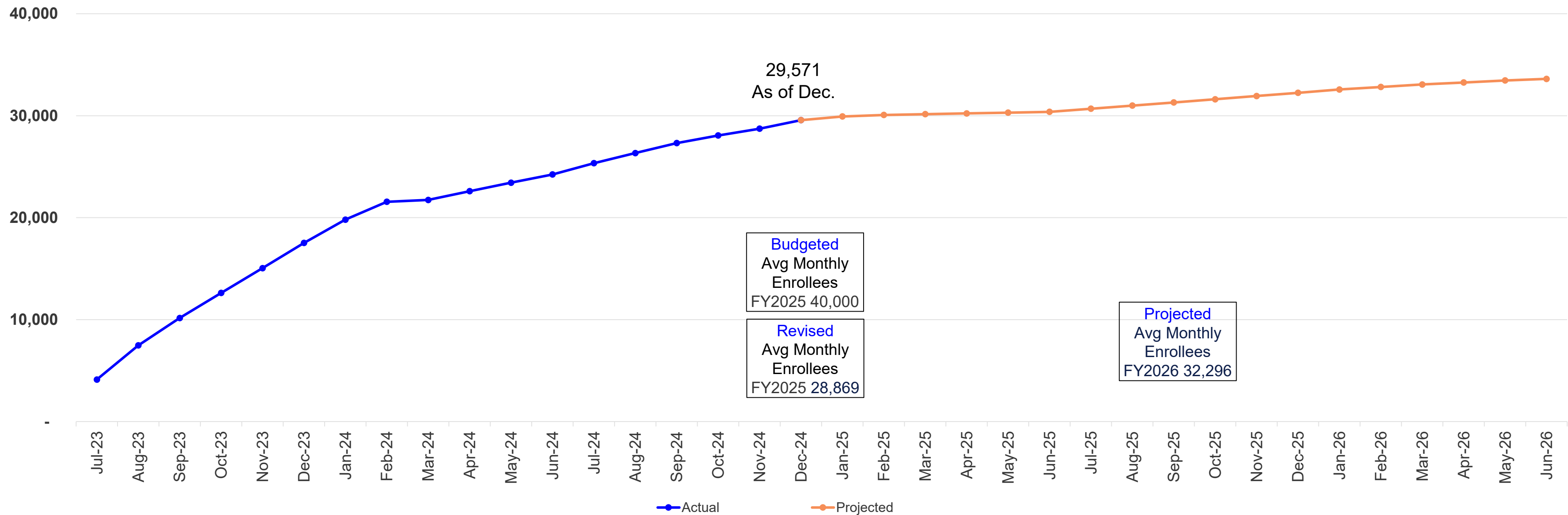


2024 FPL		
Family Size	39%	138%
1	\$5,873	\$20,783
2	\$7,972	\$28,207
3	\$10,070	\$35,632
4	\$12,168	\$43,056

MEDICAL SERVICES - MEDICAID EXPANSION

- Revised projections reflect continued increases but at take up rate lower than appropriated FY2025
- Projecting continued gradual increases with 32,296 average monthly enrolled in FY2026

**Medicaid Expansion
Average Monthly Enrollees**



MEDICAL SERVICES - MEDICAID EXPANSION

FY2025 Medicaid Expansion Adjustments

- **FY2025 Appropriated Enrollment**
40,000
- **FY2025 Revised Enrollment**
28,869 (Decrease of 11,131)
- **FY2025 Appropriated Cost Per Enrollee**
\$9,373
- **FY2025 Revised Cost Per Enrollee**
\$11,605 (Increase of \$2,232)

	General	Federal	Other	Total
FY2025 Appropriated Budget: 40,000 Enrolled	\$69,160,300	\$337,428,000	\$0	\$406,588,300
FY2025 Revision: Enrollment reduction and increased costs	(\$7,827,295)	(\$32,067,960)	\$0	(\$39,895,255)
FY2025 Medicaid Expansion Earmark for 5% FMAP	(\$31,668,300)	\$0	\$0	(\$31,668,300)
FY2025 Total Revised Budget 28,869 Average Monthly Enrolled	\$29,664,705	\$305,360,040	\$0	\$335,024,745

MEDICAL SERVICES - MEDICAID EXPANSION

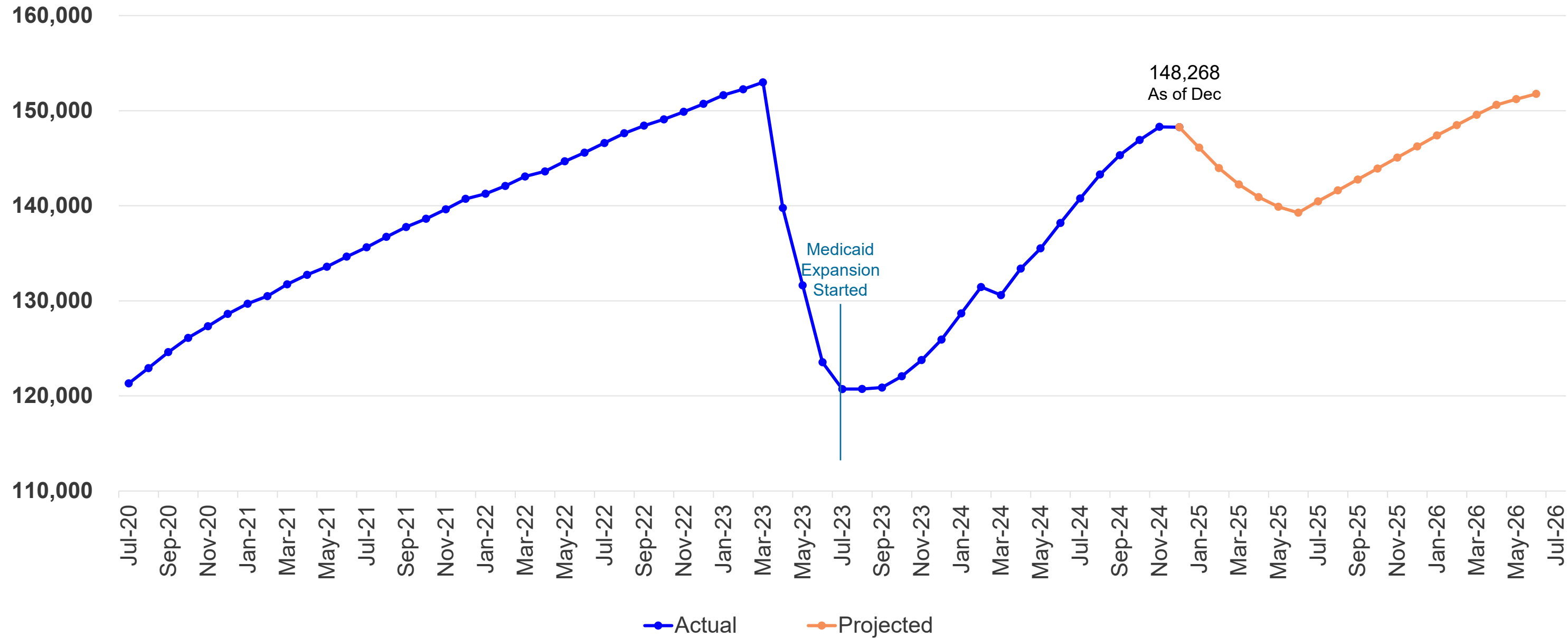
FY2026 Medicaid Expansion Recommended

- **FY2026 Projected Average Monthly Enrollment**
32,296
- **FY2026 Projected Annual Cost Per Enrollee**
\$11,884

	General	Federal	Other	Total
FY2025 Base Budget	\$69,160,300	\$337,428,000	\$0	\$406,588,300
FY2026 Medicaid Expansion Buy-Down	(\$31,668,300)	\$0	\$0	(\$31,668,300)
FY2026 Net change from FY2025 appropriated to FY2026 recommended - Enrollment & Cost	(\$3,850,261)	\$3,725,341	\$0	(\$124,920)
FY2026 Discretionary Provider Inflation @ 1.25%	\$468,651	\$4,217,854	\$0	\$4,686,505
FY2026 Budget 32,296 Enrolled	\$34,110,390	\$345,371,195	\$0	\$379,481,585

MEDICAID and MEDICAID EXPANSION

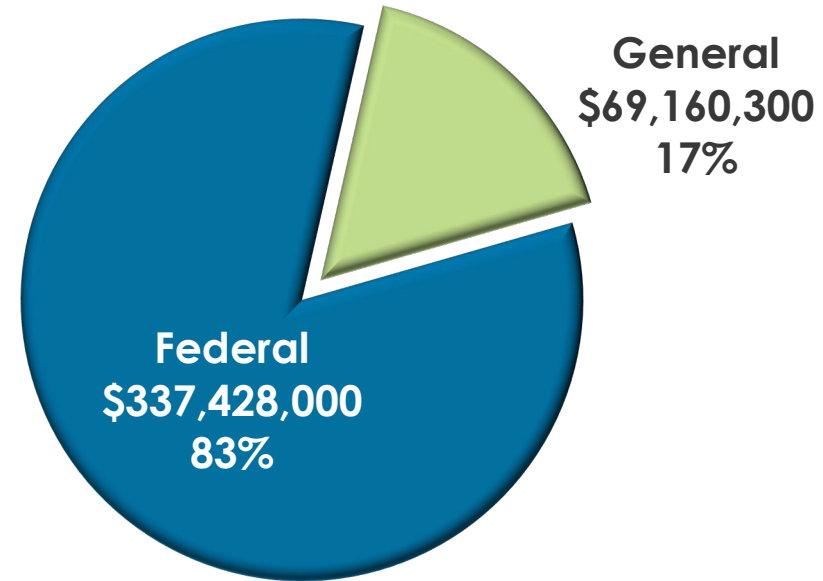
Average Monthly Enrollees (Medicaid and Medicaid Expansion)



MEDICAID EXPANSION BUDGET COMPARISON

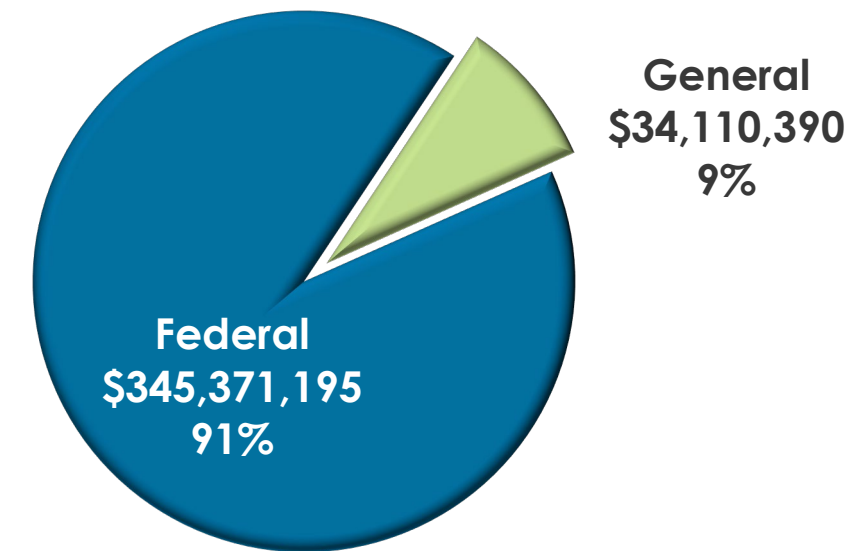
FY2025 Budget

\$406,588,300 and 0.0 FTE



FY2026 Recommended Budget

\$379,481,585 and 0.0 FTE



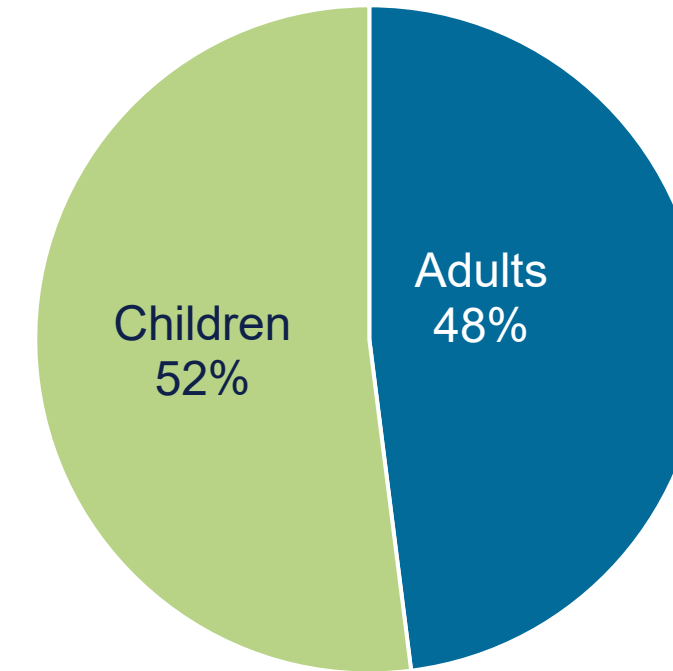
FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
Discretionary Provider Inflation @ 1.25%		\$468,651	\$4,217,854	\$0	\$4,686,505
Buydown for 5% FMAP Enhancement		(\$31,668,300)	\$0	\$0	(\$31,668,300)
Medicaid Expansion Enrollment, Utilization, & Cost		(\$3,850,261)	\$3,725,341	\$0	(\$124,920)
Total FY2026 Recommended Adjustments	0.0	(\$35,049,910)	\$7,943,195	\$0	(\$27,106,715)

FY2025 General Bill Amendments	FTE	General	Federal	Other	Total
Buydown for 5% FMAP Enhancement		(\$31,668,300)	\$0	\$0	(\$31,668,300)
Medicaid Expansion Enrollment, Utilization, & Cost		(\$7,827,295)	(\$32,067,960)	\$0	(\$39,895,255)

MEDICAID AND MEDICAID EXPANSION

FY2026 Average Monthly Enrollment

Medicaid Enrollees	114,303
Expansion Enrollees	32,296
Combined Enrollment	146,599



FY2026 Recommended Adjustments	General	Federal	Other	Total
FY2026 Medicaid Budget Adjustments	\$43,945,371	(\$50,628,050)	\$0	(\$6,682,679)
FY2026 Medicaid Expansion Budget Adjustments	(\$35,049,910)	\$7,943,195	\$0	(\$27,106,715)
Total FY2026 Medical Services Budget Adjustments	\$8,895,461	(\$42,684,855)	\$0	(\$33,789,394)



South Dakota
Department of
Social Services

Child and Family Services

Division of Child Support

Division of Child Protection Services

DIVISION OF CHILD SUPPORT

The goal is to ensure parents take financial responsibility for their children

Who is served

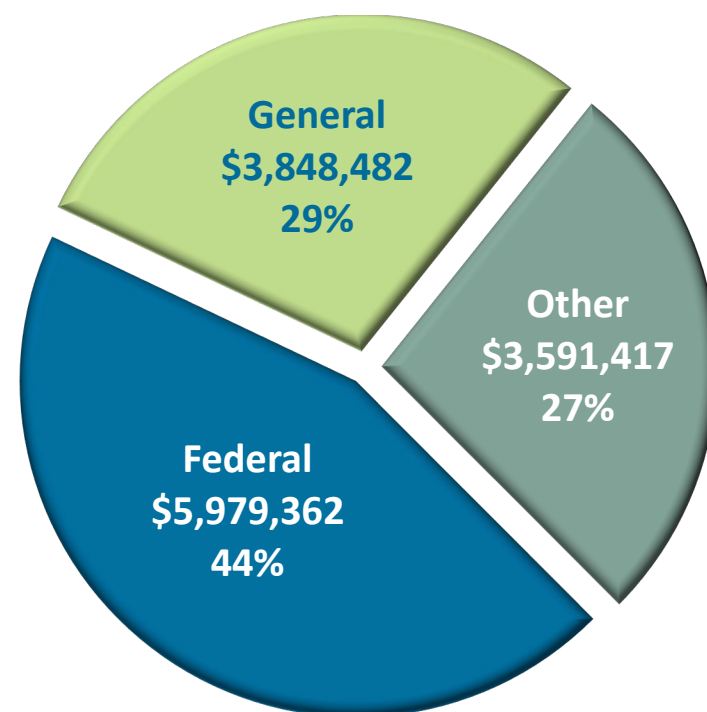
- Nearly 50,000 families who need help to collect child support
- Adults with legal guardianship or custody of minor children

Services provided

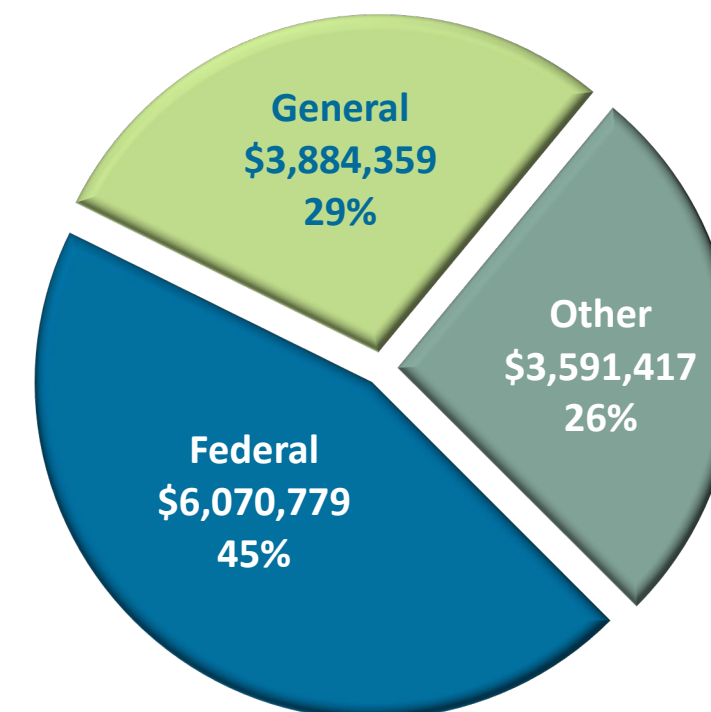
- Locate parents
- Establish paternity
- Establish and enforce child support orders
- Enforce health insurance coverage
- Assist with modification requests
- Collect and distribute child support payments

DIVISION OF CHILD SUPPORT BUDGET COMPARISON

FY2025 Budget
\$13,419,261 and 89.0 FTE



FY2026 Recommended Budget
\$13,546,555 and 88.0 FTE



FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
Discretionary Provider Inflation @ 1.25%		\$21,801	\$25,772	\$0	\$47,573
Sioux Falls One-Stop		\$54,790	\$106,359	\$0	\$161,149
Medicaid Expansion FTE	(1.0)	(\$40,714)	(\$40,714)	\$0	(\$81,428)
Total FY2026 Recommended Adjustments	(1.0)	\$35,877	\$91,4717	\$0	\$127,294

DIVISION OF CHILD PROTECTION SERVICES

Who We Serve

- Families referred due to threats to child safety relating to neglect, physical abuse, sexual abuse and emotional abuse

Services Provided

- Protective Services
 - Intake of reports of child abuse and neglect
 - Family Assessments
- Direct and Referral Services to maintain or reunite families
- Placement Services: kinship, foster care, group care and residential treatment placement for children
- Independent Living Skills for teens
- Parenting Education
- Guardianship and Adoption



DIVISION OF CHILD PROTECTION SERVICES

FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
Social Service Aides	10.0	\$517,634	\$91,347	\$0	\$608,981

Addressing Critical Challenges in Child Protection Services

- **Staff Safety**
 - 69 critical incidents reported last year, including staff assaults.
 - Social Service Aides play a vital role in managing volatile situations.
- **Transportation Burden**
 - 43% of transportation managed by Family Services Specialists (FSS), impacting core duties.
 - CPS staff drive **120,282 miles/month** (4.83 trips around the world).
- **Case Complexity**
 - Increasing youth needs: severe mental health and trauma cases.
 - Hundreds of nights spent supervising youth in hotels due to lack of placements.
- **Overtime Impact**
 - SFY2024: **30,028.80 overtime hours** costing \$1.25M.

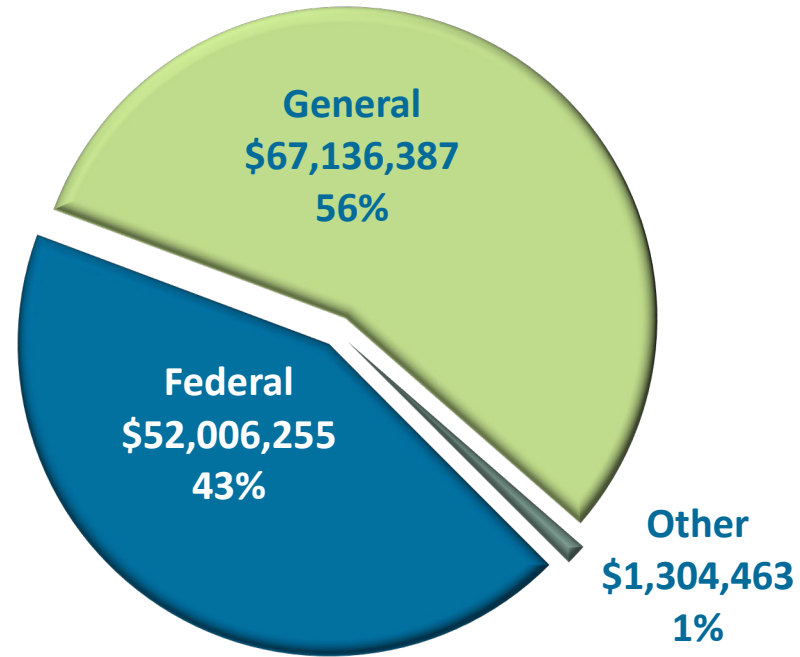


Strategic Response: Addition of 10 Social Service Aides

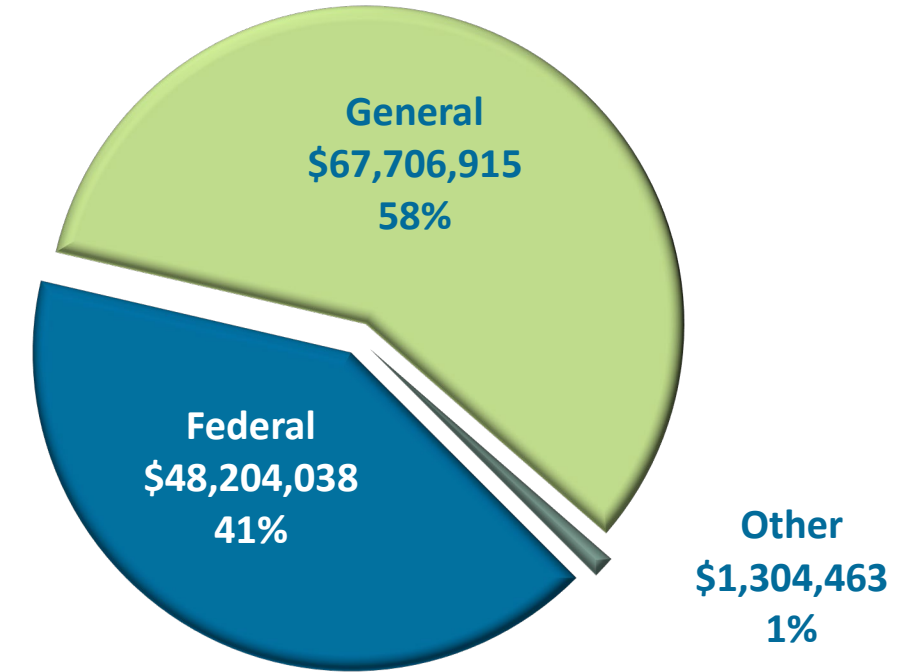
- **Enhance safety and morale** for child welfare professionals.
- **Improve transportation efficiency** and logistics.
- **Elevate care quality** for South Dakota's children and families.

CHILD PROTECTION SERVICES BUDGET COMPARISON

FY2025 Budget
\$120,447,105 and 266.8 FTE



FY2026 Recommended Budget
\$117,215,416 and 276.8 FTE



FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
FMAP - Federal Medical Assistance Percentage		\$1,139,633	(\$1,139,633)	\$0	\$0
FMAP - Temporary Medicaid Expansion 5% Enhancement		\$1,637,200	(\$1,637,200)	\$0	\$0
Discretionary Provider Inflation @ 1.25%		\$611,329	\$252,195	\$0	\$863,524
Social Service Aides	10.0	\$517,634	\$91,347	\$0	\$608,981
Sioux Falls One-Stop		\$476,440	\$131,074	\$0	\$607,514
Utilization Adjustment		(\$3,500,000)	(\$1,500,000)	\$0	(\$5,000,000)
Private Adoption Home Studies - HB 1005		(\$311,708)	\$0	\$0	(\$311,708)
Total FY2026 Recommended Adjustments	10.0	\$570,528	(\$3,802,217)	\$0	(\$3,231,689)

DIVISION OF CHILD PROTECTION SERVICES

FY2025 General Bill Amendments	FTE	General	Federal	Other	Total
Utilization Adjustment		(\$4,000,000)	(\$4,000,000)	\$0	(\$8,000,000)



South Dakota
Department of
Social Services

Behavioral Health

**SD BEHAVIORAL
HEALTH**

HUMAN SERVICES CENTER

The mission of HSC is to help individuals with behavioral health needs, who cannot be served in less restrictive settings, stabilize and return to the community.

Who is served

- Individuals ages 12 to end of life who are unable to be served by other providers – a less restrictive environment is not an option for them.

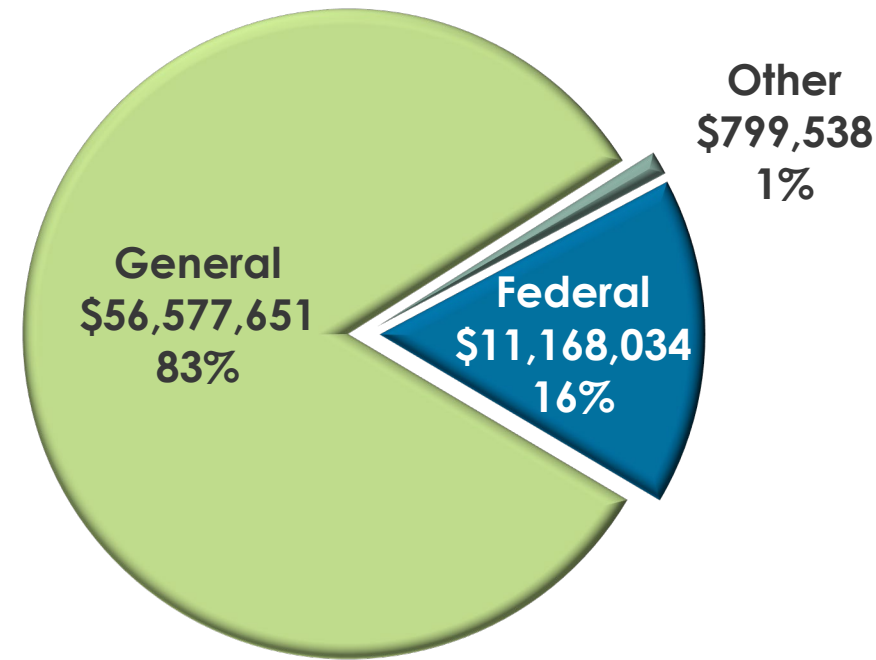
Services Provided

- Adult and adolescent inpatient psychiatric treatment
- Adult inpatient substance use disorder treatment
- Licensed nursing facility
- Court-ordered competency restoration

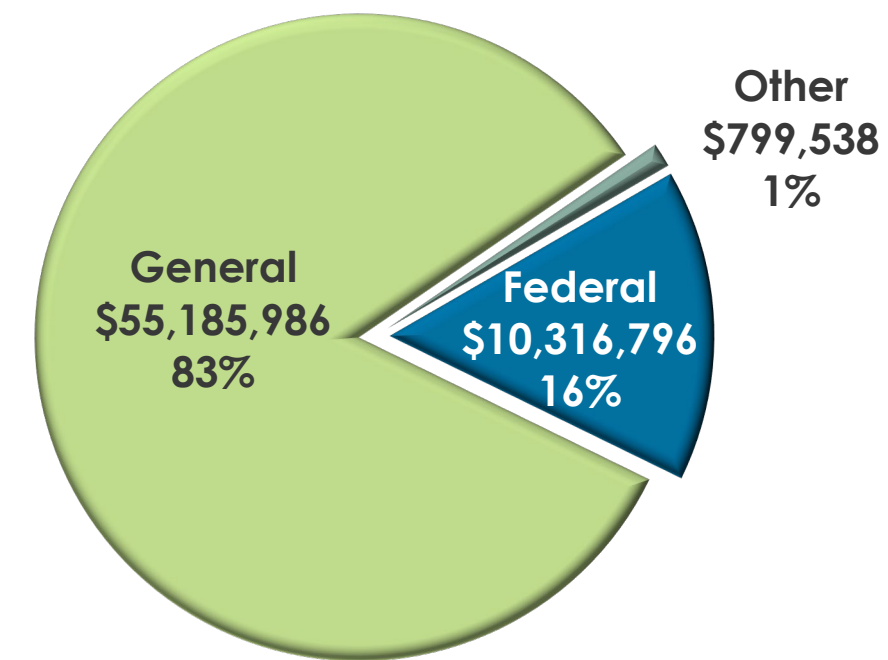


HUMAN SERVICES CENTER BUDGET COMPARISON

FY2025 Budget
\$68,545,223 and 522.0 FTE



FY2026 Recommended Budget
\$66,302,320 and 522.0 FTE



FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
FMAP - Federal Medical Assistance Percentage		\$261,600	(\$261,600)	\$0	\$0
FMAP - Temporary Medicaid Expansion 5% Enhancement		\$589,638	(\$589,638)	\$0	\$0
Discretionary Provider Inflation @ 1.25%		\$91,159	\$0	\$0	\$91,159
Food Service		\$1,196,303	\$0	\$0	\$1,196,303
Food Service Moving to DOC		(\$2,619,700)	\$0	\$0	(\$2,619,700)
Utilities		\$80,196	\$0	\$0	\$80,196
Sioux Falls One-Stop		\$9,139	\$0	\$0	\$9,139
Utilization Adjustment		(\$1,000,000)	\$0	\$0	(\$1,000,000)
Total FY2026 Recommended Adjustments	0.0	(\$1,391,665)	(\$851,238)	(\$0)	(\$2,242,903)

HUMAN SERVICES CENTER

FY2025 General Bill Amendments	FTE	General	Federal	Other	Total
Utilities		\$65,897	\$0	\$0	\$65,897
Utilization Adjustment		(\$1,000,000)	\$0	\$0	(\$1,000,000)

SD BEHAVIORAL HEALTH



Publicly-Funded Behavioral Health Services:

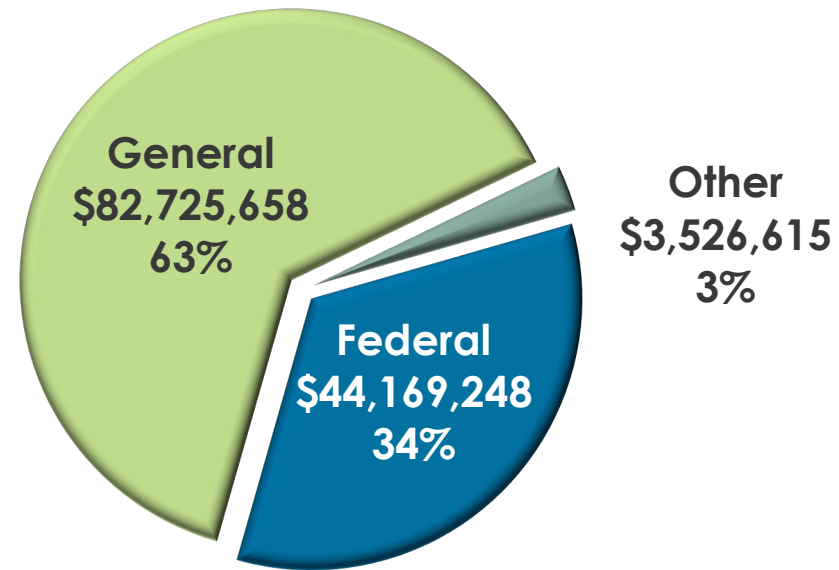
- Outpatient Mental Health Treatment Services
- Outpatient and Inpatient Substance Use Disorder Treatment Services
- Prevention and Crisis Services
- Recovery Support Services

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BEHAVIORAL HEALTH BUDGET COMPARISON

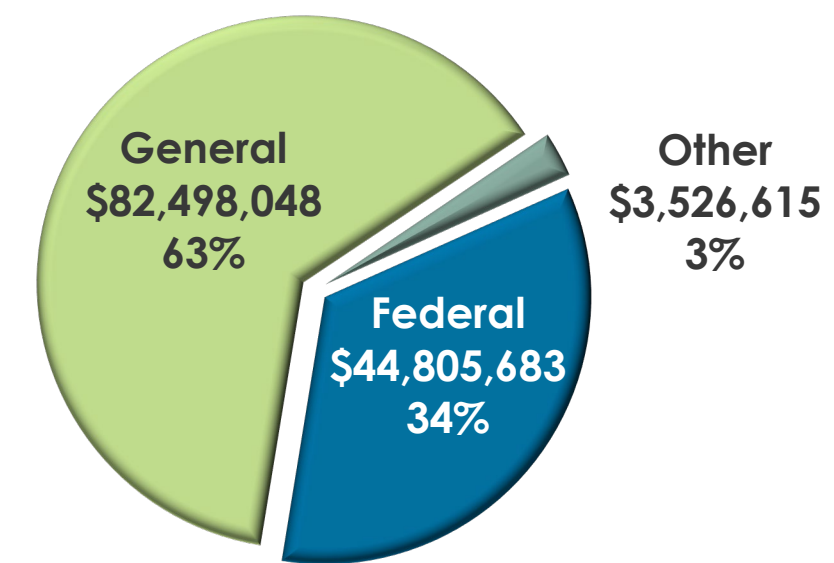
FY2025 Budget

\$130,421,521 and 33.0 FTE



FY2026 Recommended Budget

\$130,830,346 and 32.0 FTE



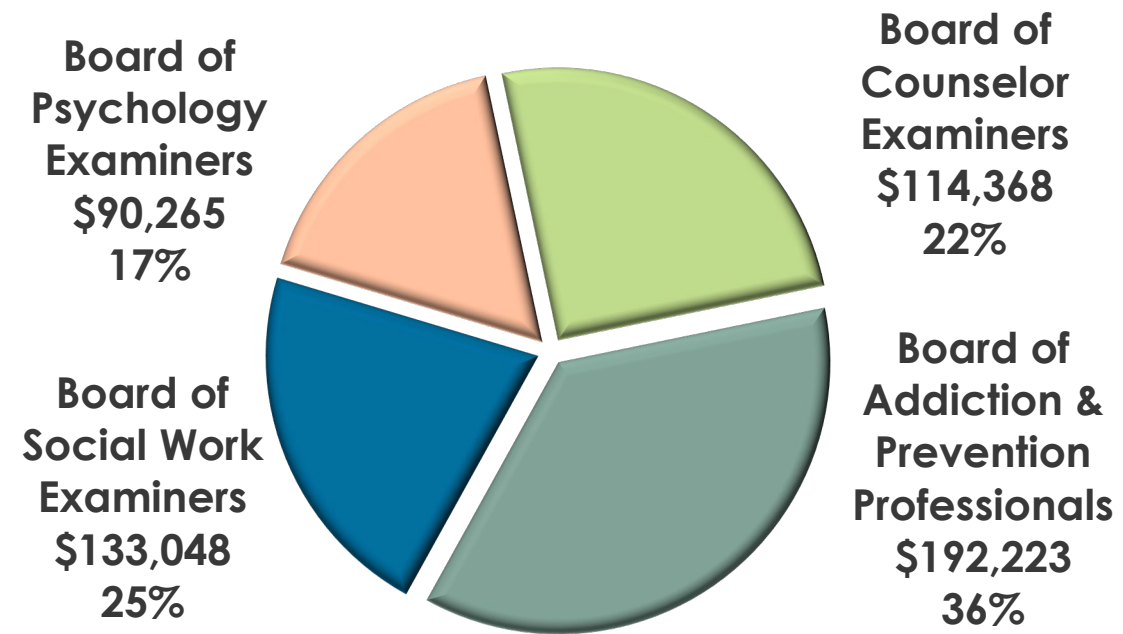
FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
FMAP - Federal Medical Assistance Percentage		\$738,407	(\$738,407)	\$0	\$0
FMAP - Temporary Medicaid Expansion 5% Enhancement		\$1,746,198	(\$1,746,198)	\$0	\$0
Discretionary Provider Inflation @ 1.25%		\$1,073,067	\$277,217	\$0	\$1,350,284
Appropriate Regional Facilities		\$1,269,246	\$3,181,414	\$0	\$4,450,660
Sioux Falls One-Stop		\$194,508	\$0	\$0	\$194,508
Strategic Prevention Framework Grant		\$0	\$1,249,977	\$0	\$0
988 Crisis Hotline Funding Swap		(\$412,432)	\$412,432	\$0	\$0
Utilization Adjustment		(\$3,500,000)	(\$2,000,000)	\$0	(\$5,500,000)
Indigent Medication Program		(\$1,011,604)	\$0	\$0	(\$1,011,604)
Meth Prevention		(\$250,000)	\$0	\$0	(\$250,000)
Behavioral Health Programming FTE	(1.0)	(\$75,000)	\$0	\$0	(\$75,000)
Total FY2026 Recommended Adjustments	(1.0)	(\$227,610)	\$636,435	\$0	\$408,825

BEHAVIORAL HEALTH

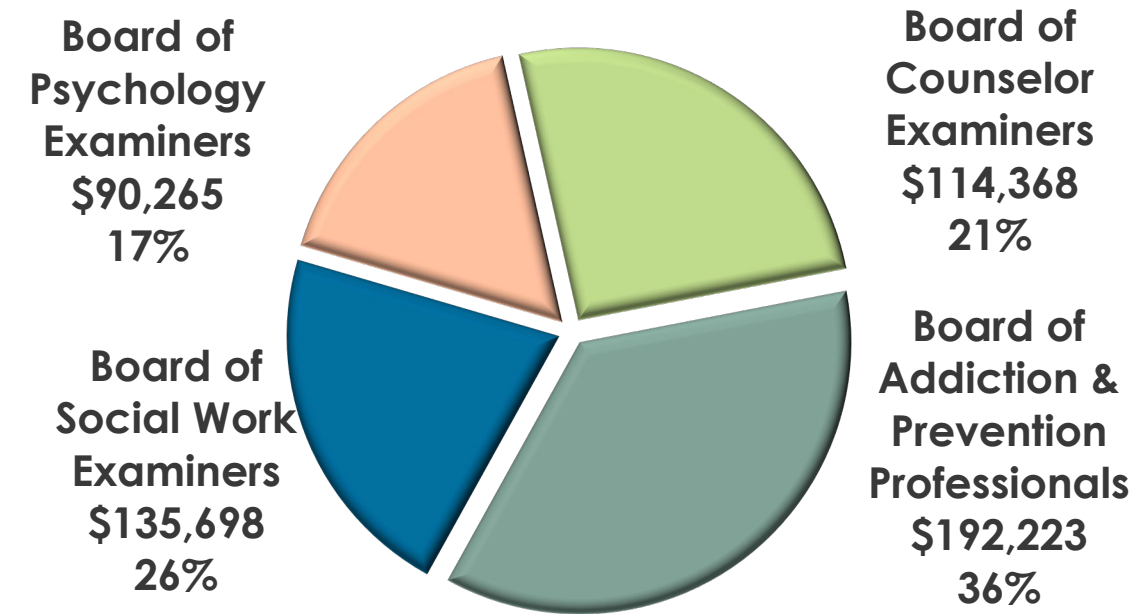
FY2025 General Bill Amendments	FTE	General	Federal	Other	Total
Utilization Adjustment		(\$7,000,000)	(\$4,000,000)	\$0	(\$11,000,000)

BOARDS BUDGET COMPARISON

FY2025 Budget
\$529,904 and 0.0 FTE



FY2026 Recommended Budget
\$532,554 and 0.0 FTE



FY2026 Recommended Adjustments	FTE	General	Federal	Other	Total
Board of Counselor Examiners		\$0	\$0	\$0	\$0
Board of Psychology Examiners		\$0	\$0	\$0	\$0
Board of Social Work Examiners		\$0	\$0	\$2,650	\$2,650
Board of Addiction and Prevention Professionals		\$0	\$0	\$0	\$0
Total FY2026 Recommended Adjustments	0.0	\$0	\$0	\$0	\$0

FY2026 General Fund Adjustments: \$3,074,313

Federal Medical Assistance Percentage (FMAP)

- **\$16,848,544**
 - **\$14,970,503** - Annual Adjustment
 - **\$33,546,341** - 5% Medicaid Expansion Enhancement
 - **(\$31,668,300)** - 5% Buydown

Provider Inflation

- **\$16,822,374**
 - **\$5,983,077** - 1.25% Discretionary Provider Inflation
 - **\$10,839,297** - Mandatory Inflation

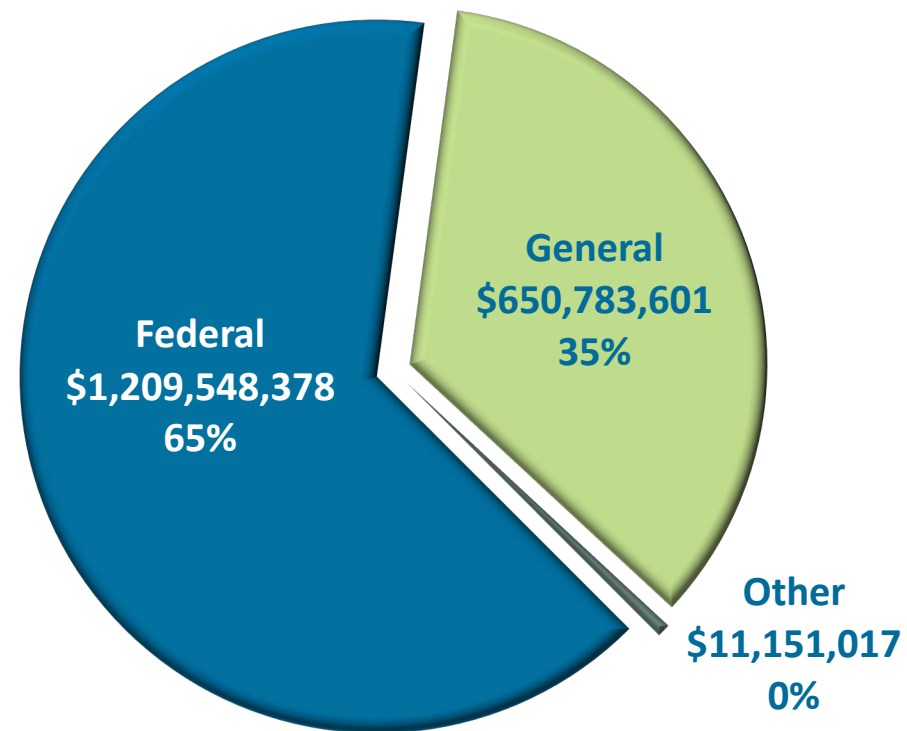
Other Adjustments

- **Enrollment, Utilization, & Cost**
 - **(\$4,500,026)** Title XIX (Medicaid) & Title XXI (CHIP)
 - **(\$3,850,261)** Medicaid Expansion
- **\$2,595,966** - **System Modernization**
- **\$517,634** - **Child Protection Social Service Aides 10.0 FTE**
- **\$1,269,246** - **Appropriate Regional Facilities**
- **\$1,227,830** - **Sioux Falls One-Stop**
- **Medicaid Expansion FTE Reductions, Utilization Adjustments, and Other Reductions**
 - **(\$27,856,994) (28.0) FTE**

DSS BUDGET COMPARISON

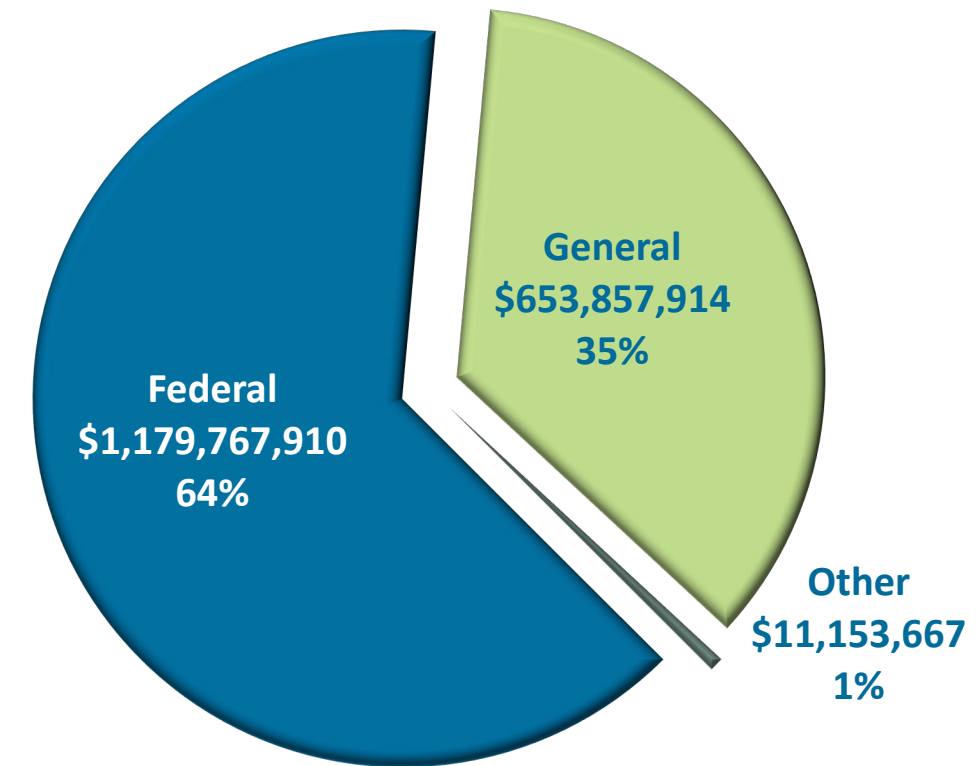
FY2025 Budget

\$1,871,482,996 and 1,569.5 FTE



FY2026 Recommended Budget

\$1,844,779,491 and 1,551.5 FTE



	FTE	General	Federal	Other	Total
FY2025 Operating Budget	1,569.5	\$650,783,601	\$1,209,548,378	\$11,151,017	\$1,871,482,996
FY2026 Recommended Increase/(Decrease)	(18.0)	\$3,074,313	(\$29,780,468)	\$2,650	(\$26,703,505)
FY2026 Recommended Budget	1,551.5	\$653,857,914	\$1,179,767,910	\$11,153,667	\$1,844,779,491

Thank You

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