

# STATE BUDGET REDUCTIONS

Presentation at the 2009 DIG Annual Meeting ♦ April 17<sup>th</sup>, 2009

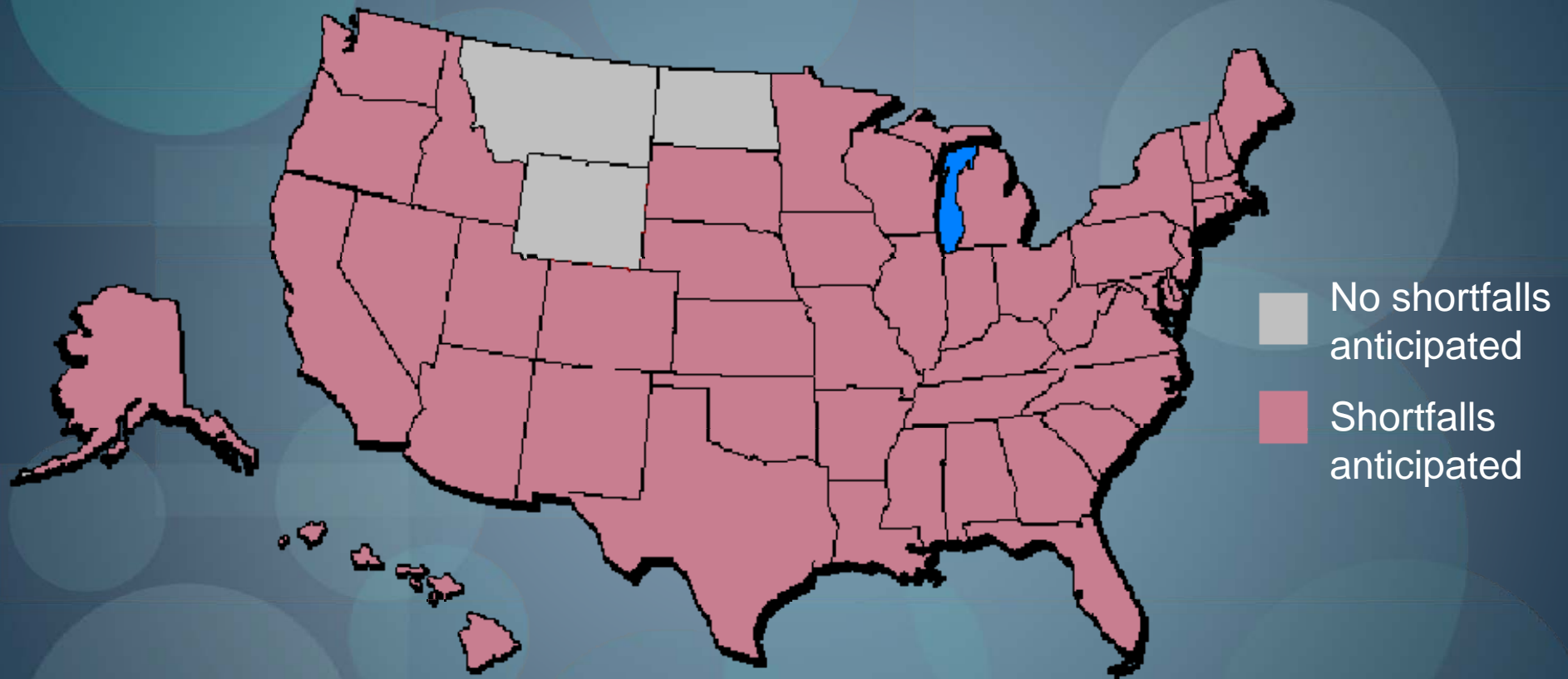
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# National Context

- 47 states face budget shortfalls for FY2009 and/or FY2010
- Projected combined budget gap for fiscal years 2010 and 2011 exceed \$350 billion, even with the federal stimulus
- To close budget gaps, states are cutting spending, withdrawing reserves, increasing revenue, and using federal stimulus money
- Gap is expected to grow

Source: NcNichol, E. & Lav, I. (2009). *State Budget Troubles Worsen*. Center on Budget and Policy Priorities. Washington, D.C.

# 47 States Face Budget Shortfalls

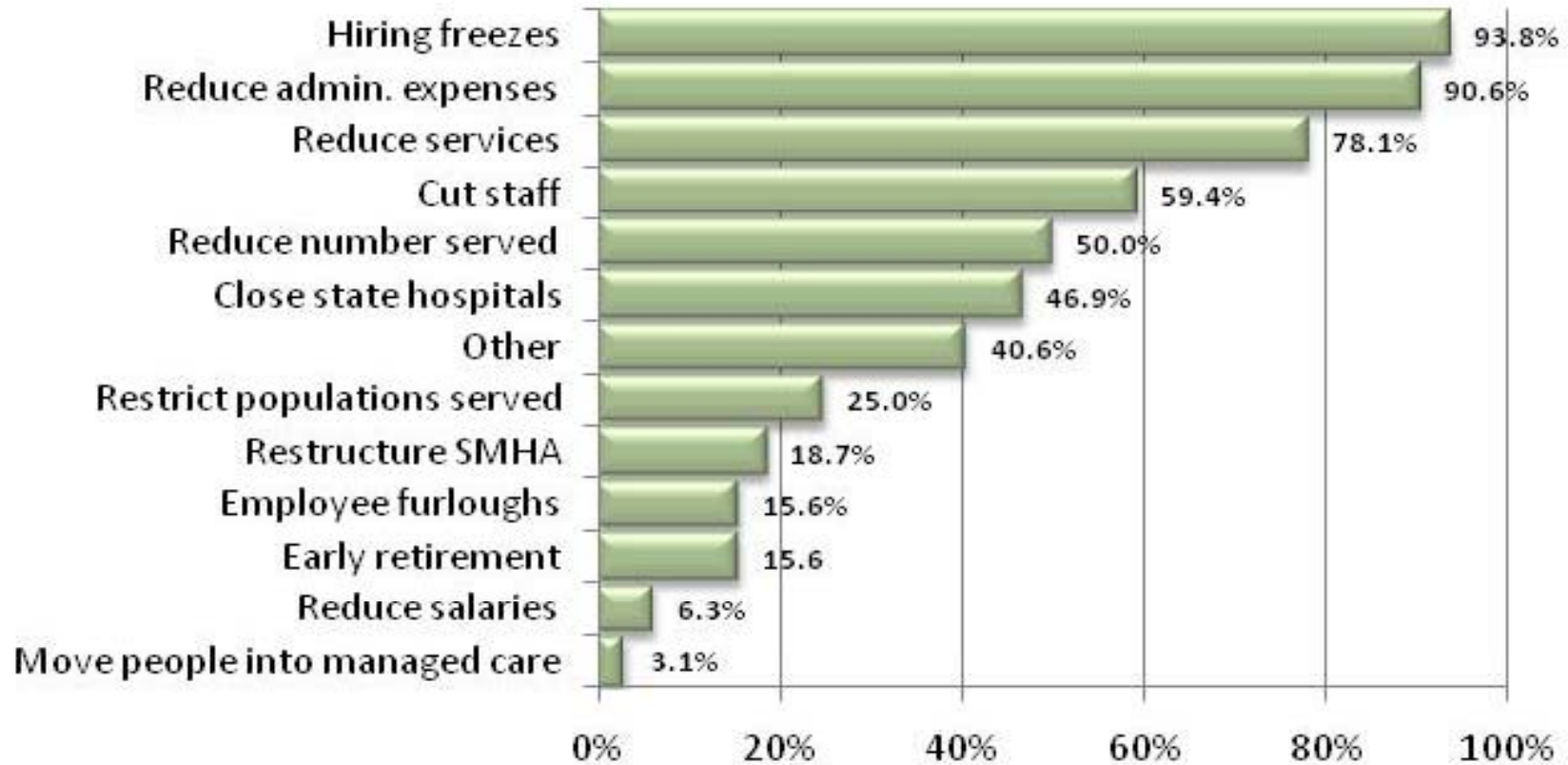


Source: McNichol, E. & Lav, I. (2009). *State Budget Troubles Worsen*. Center on Budget and Policy Priorities. Washington, D.C.

# SMHA Impact

- As of December, 2009, with 42 states reporting:
  - 32 SMHAs responding are experiencing a budget deficit in Fiscal Year 2009
  - 32 States expect a budget deficit in Fiscal Year 2010
  - 13 States expect a budget deficit in Fiscal Year 2011
  - To narrow the budget deficits, SMHAs are:
    - Reducing administrative expenses
    - Implementing hiring freezes
    - Reducing services
    - Cutting staff
    - Reducing the number of people served
    - Closing state hospitals or state hospital wards

# SMHA Responses to Budget Cuts



# How are States Measuring the Impact on Consumers and Public Mental Health System?

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- George Banks, Virginia
- Ellen Sparks, South Carolina

# Breakout Sessions: Discussion Questions

1. What changes were recently adopted by the SMHA in the following areas as a result of the current and projected budget deficits?
  - a. Service Delivery
  - b. Oversight
2. How do you monitor and document the impact of these changes on the following areas?
  - a. Consumer Outcome
  - b. System Performance
3. Who are you sharing the data with to make an impact?