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**Date:** 10/31/2012 3:20:34 PM  
**Subject:** Fw: DSS Hearing - Senate Finance subcommittee

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-----Original Message-----

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**Subject:** DSS Hearing - Senate Finance subcommittee  
**Sent:** Oct 31, 2012 3:18 PM

I sat in the DSS hearing before Sen. Alexander's subcomm. Very small crowd present. Educated and engaged, well-dressed, but few in numbers.

Koller tried to go to the budget first, but was immediately directed by the Chairman to instead update them on the child support enforcement computer issue. She described the info on what penalties and missed deadlines the State still sustains. (SC has been paying federal penalties since 1998, as the only State that has not complied with the feds on this IT update.) Alexander was forceful in his line of questioning - and made it clear SC will not fund anymore penalty money.

Her request is not for such funds, she said. Koller indicated they're just asking for \$7.2M in operating funds, General Funds, for next year.

Alexander said he's done with HP, and wants to see if SC can avoid spending ANY public funds, on HP products - he will see if he can make it so HP gets no public money from SC. Pinckney agreed. Pinckney said the state should dump any HP stock it may hold, too - to send a message that you don't mess with SC. O'Dell couldn't believe that SC is the only state that has not gotten this right all these years. Memory tells me SC has been paying about \$8-\$10M in Federal penalties, per year. SC has paid the two companies (first Unisys, now HP) \$73M since the late 1990s. Current payments are on hold, until HP addresses some issues.

Koller went on to say the Feds were unclear in their guidance/regs to states, and so SC had no clarity

as we tried to build this system.

Back to her budget ...

Koller said less than 10 percent of her total budget is State funds. Mostly Federal (for example, SNAP benefit is total Fed funds.) She said she has enough staff - and has been creative in shifting people and rolls as needed. She said IT staff are hard to keep. Her avg pay across the Dept. is 30K or so - low pay.

Particularly, Alexander wanted to be sure CPS and Adult Protective Services were funded and staffed appropriately. She assured him on those fronts.

She said DSS work is tough, messy - dealing with family issues, etc. She touted the mandatory work component they've added to SNAP - ensuring the able-bodied are working. 13K now working - with just 6K left, of those who can work. (The disabled, those with young children are exempt from the work requirement.)

She also talked about reduced caseloads and wait times. She also said they've greatly improved (50 percent) the number of Foster kids getting long-term placement. (She cited many stats that show how Foster kids who age out of the system without ever having gotten a long-term home face greatly increased percentage risk of future failures - incarceration, homelessness, unwed pregnancies, etc.). She didn't mention the current transition we are helping with.

Again back to budget ...

They're just asking for a MOE budget for 2014, she says. The \$7.2M is bare bones. No new programs, etc.

YTD for 2013, they are right on target, with 25 percent of the year eclipsed. No deficit for 2013, she promised.

She touched on several other Dept issues underway, collaborations, and successes. Notably, she talked about the State's group homes converting to Family Centers - supporting more families as less children are in Foster Care. She said that is a Federal Best Practice.

Pinckney expressed some concern regarding her aggressive goals regarding TANF/SNAP - trimming rolls during the tough economy. He wanted to be sure those who need this help are getting it. She clarified that with these programs, which have general increases in the rolls, what they're controlling is not the overall enrollment but rather the number getting the help without getting a job, when appropriate. She talked about the increased value a job provides, vs an entitlement. She talked quite a while, passionately, about how finding people jobs is the best human/social service the gov't can offer.

They adjourned.

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