

Virginia Department of Social Services

Presentation to the
Health and Human Resources Subcommittee
of the Senate Finance Committee

January 25, 2010

Margaret Schultze, Interim Commissioner

People helping people triumph over poverty abuse and neglect to help
build strong futures for themselves, their families and their communities

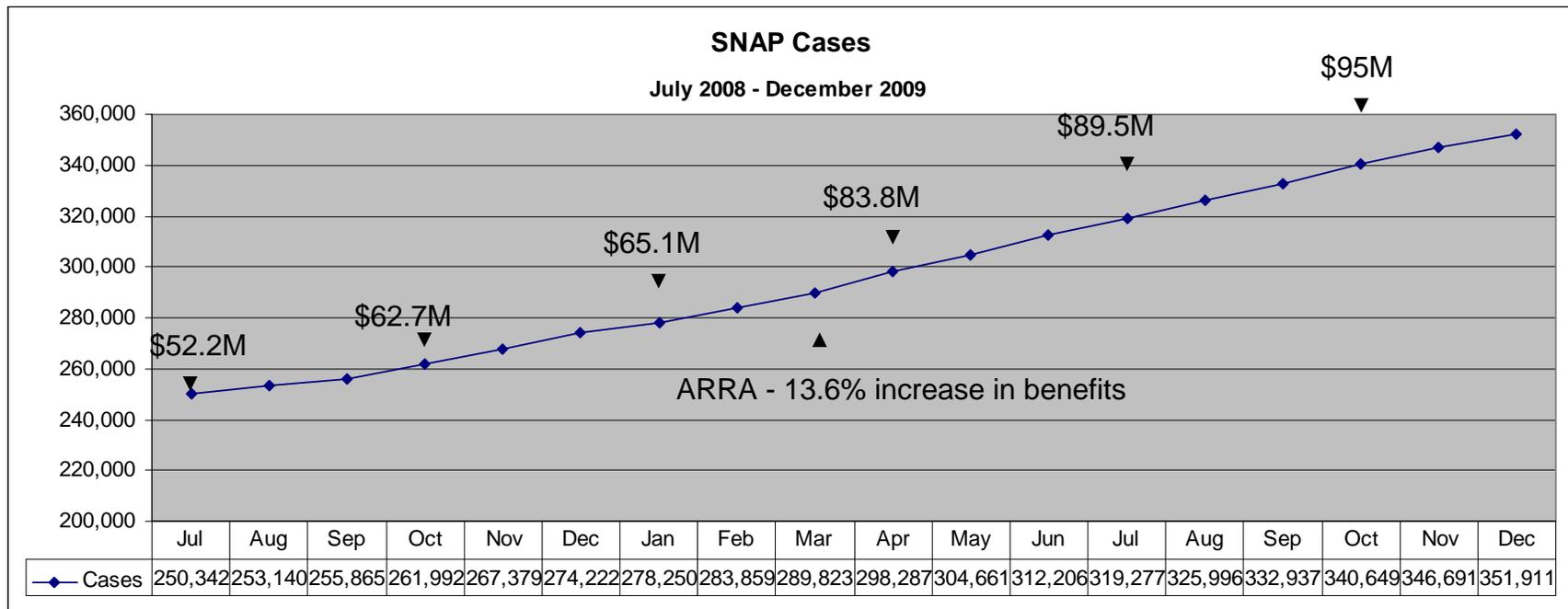
Presentation Highlights

- VDSS Overview
- Benefit Programs' Caseload Increases
- VIEW Child Care Spending Trends
- Child Welfare Spending Trends
- Budget Reduction Strategy Guiding Principles
- Governor's Introduced Budget
- Additional Budget Challenges
- Summary

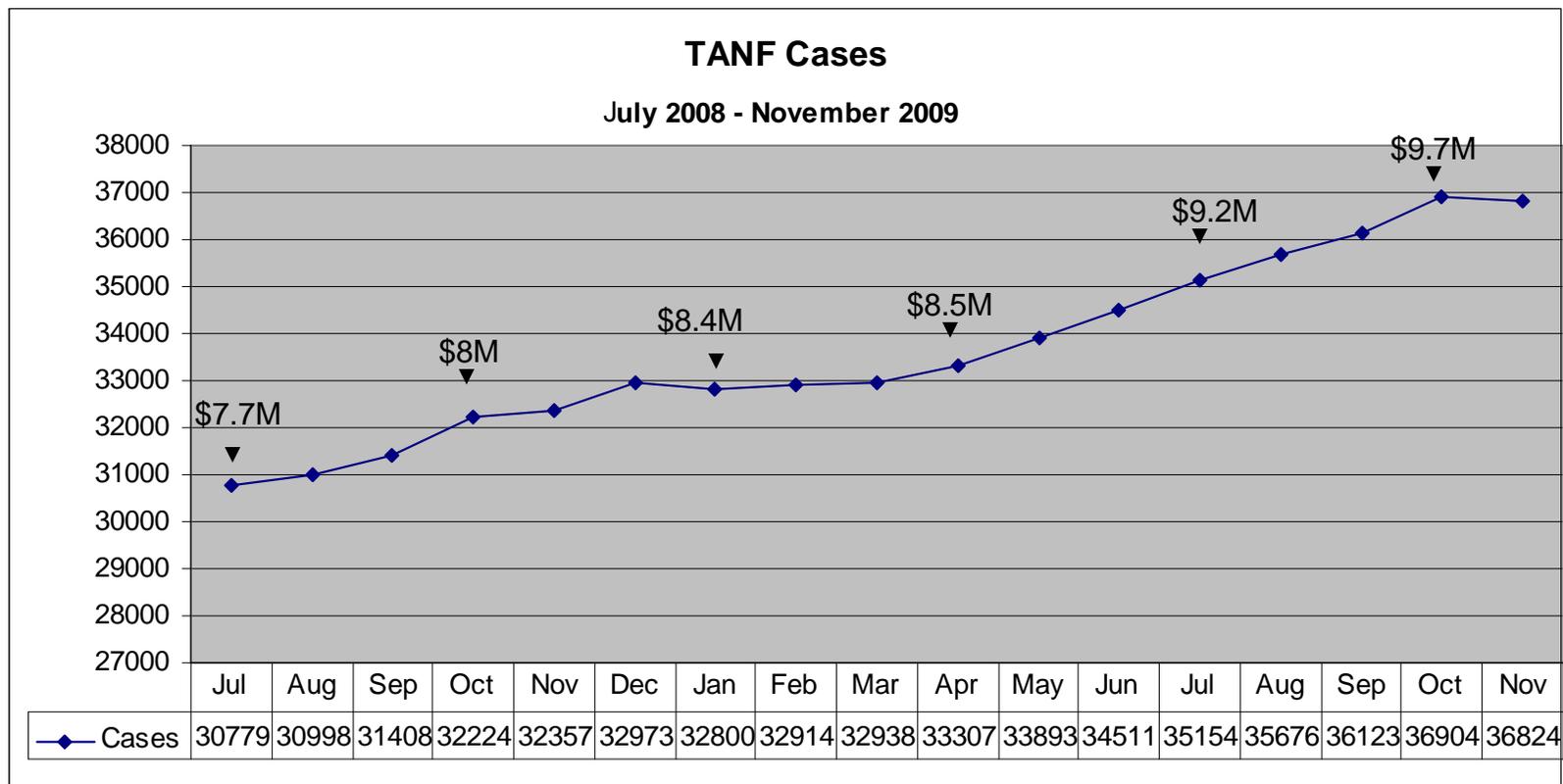
VDSS Overview

- Service Delivery Model
 - State Supervised, Locally Administered
- Major Programs
 - Child Support Enforcement
 - CPS, Foster Care and Adoptions, APS
 - Benefit Determination for SNAP, TANF and Medicaid
 - Benefit Payments for SNAP & TANF
 - Child Care
- Funding Sources (excludes SNAP and Medicaid benefits)
 - Federal - \$776M or ~ 37%
 - Special - \$710M or ~ 34%
 - State - \$387M or ~ 19%
 - Local - \$200M or ~ 10%

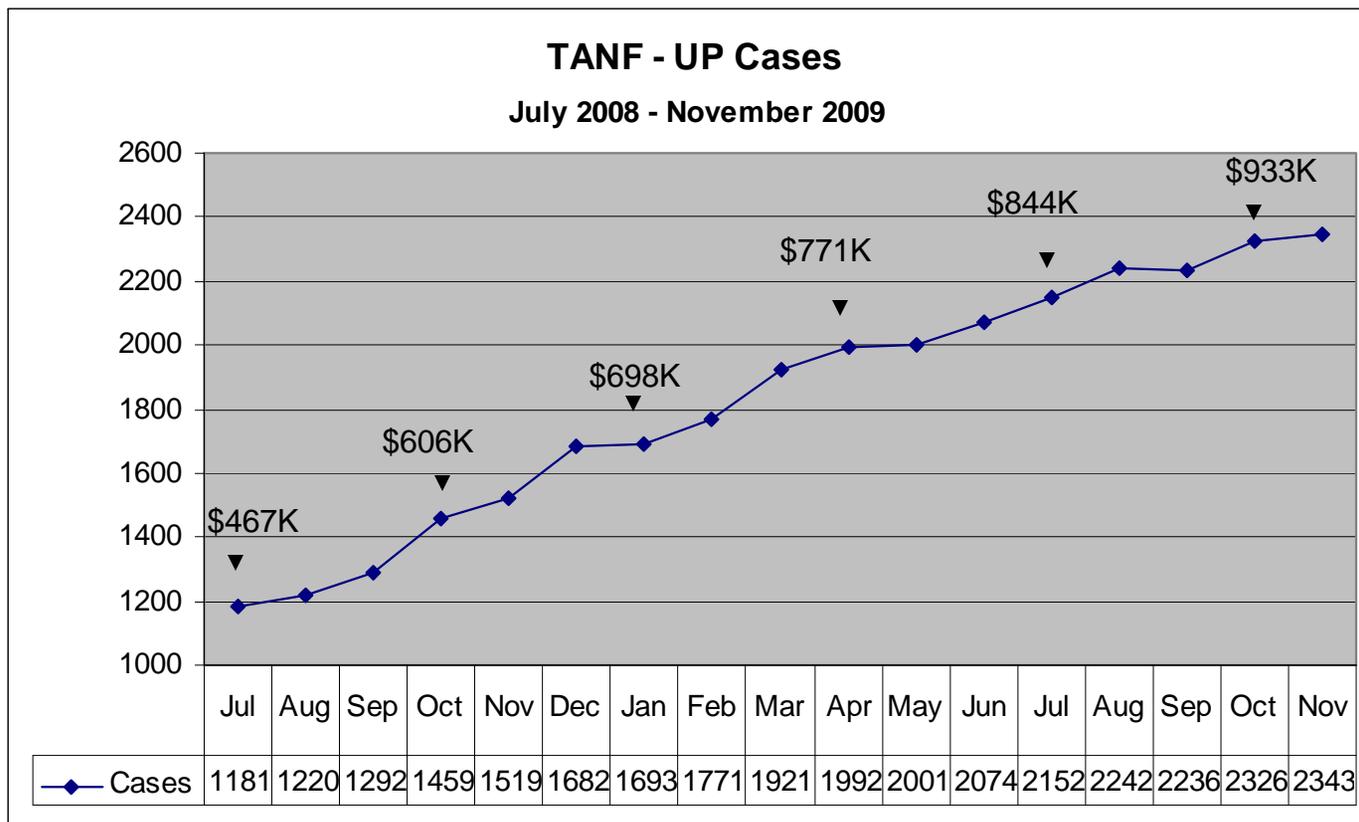
Benefit Programs' Caseload Increases - SNAP



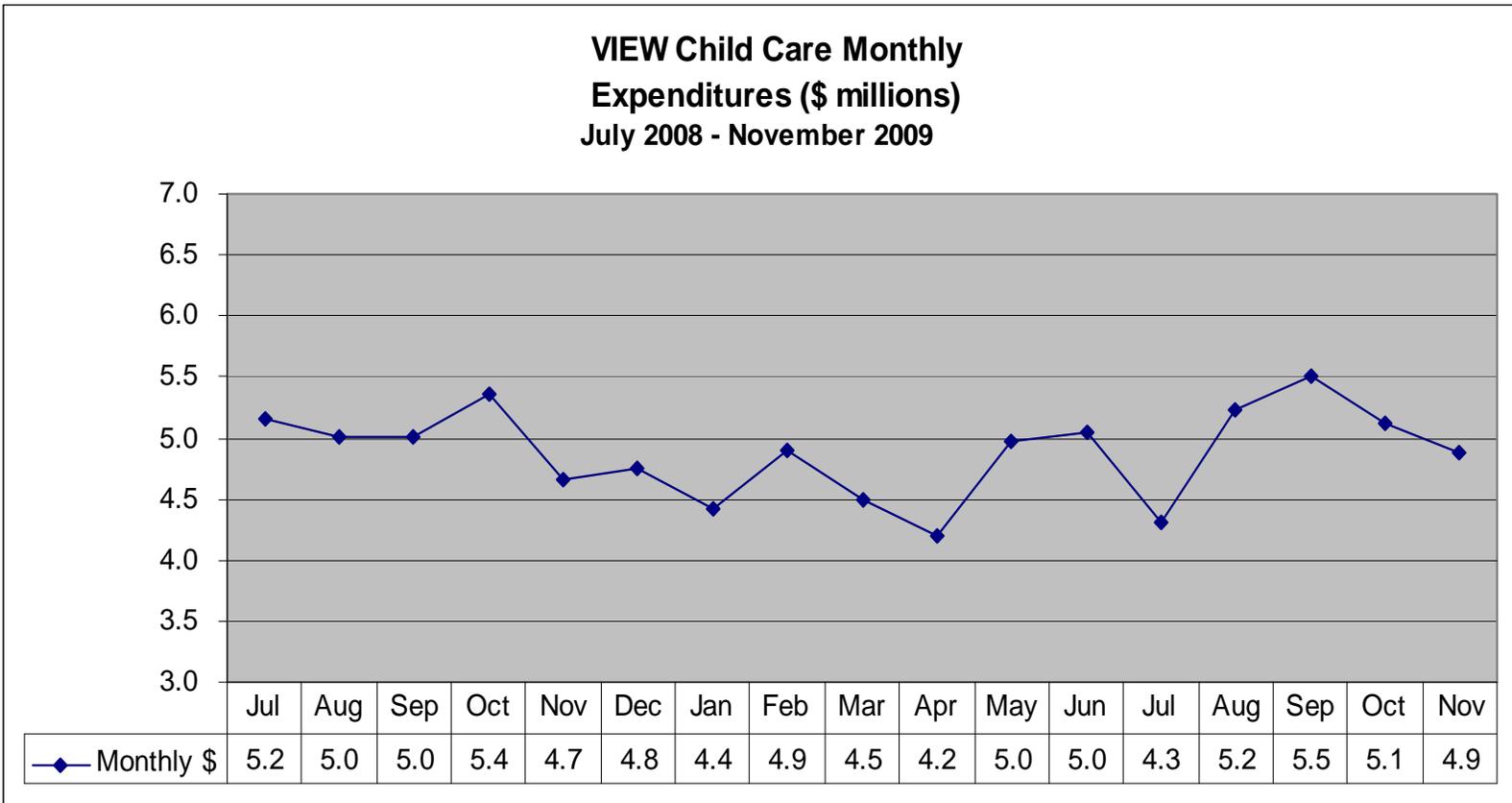
Benefit Programs' Caseload Increases - TANF



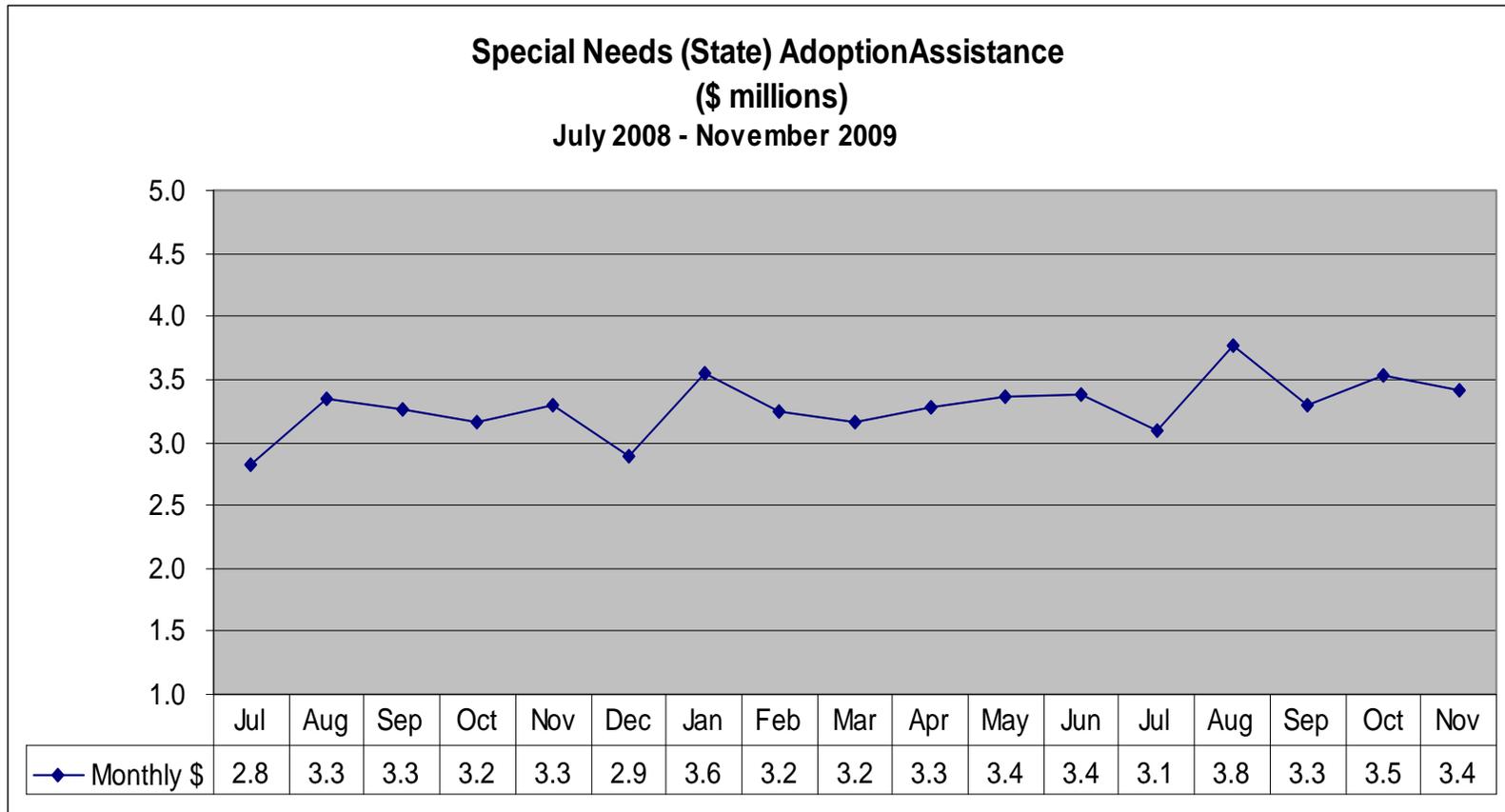
Benefit Programs' Caseload Increases - Unemployed Parent



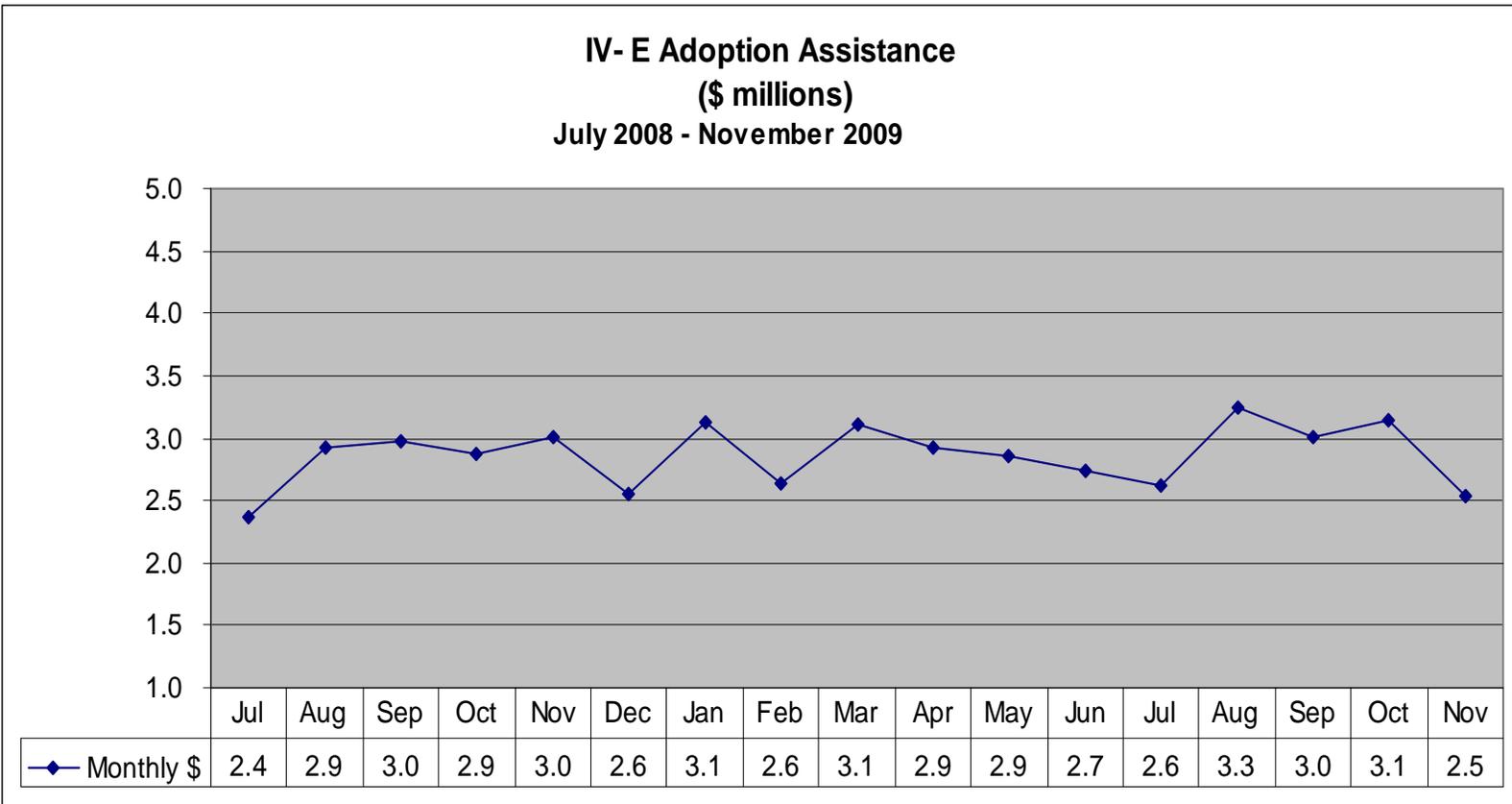
VIEW Child Care Spending Trends



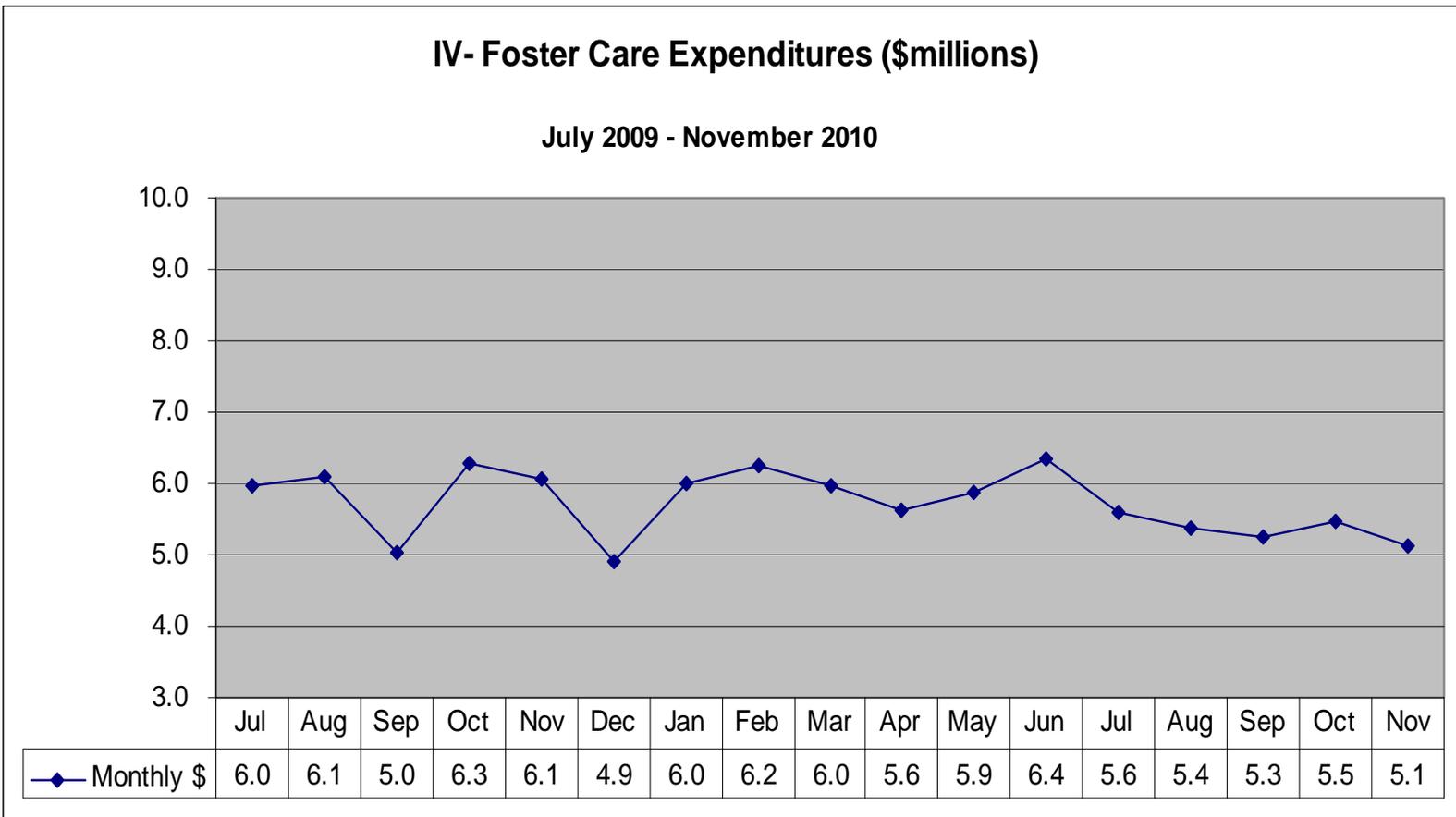
Child Welfare Spending Trends - Special Needs Adoptions



Child Welfare Spending Trends - Title IV-E Adoption Assistance



Child Welfare Spending Trends - Title IV-E Foster Care



Budget Reduction Strategy

Guiding Principles

- Minimize Impact on Clients
- Where Necessary, Consider Reductions to Non-mandated Programs
- Maintain Support to Local Departments of Social Services
- Consolidate Central Office Functions to Achieve Operational Efficiencies
- Review all Department Spending
- Focus on Core Functions
- Enhance Federal Funding Where Possible

Governor's Introduced Budget

- **Capture Programmatic Under Spending**
 - Auxiliary Grants - \$800K
 - Virginia Individual Development Accounts - \$400K
- **Fund ARRA Supplants/Title IV-E**
 - \$6.6M GF removed from the Foster Care program and replaced with ARRA funds
 - Child Welfare Services Transformation reduces funding required to \$3.9M in 2012
- **Enhance Federal Recoveries**
 - Obtain Additional Title IV-E Funding Through a Rate Structure for Daily Supervision – \$1.7M

Governor's Introduced Budget

- **Limited Service Reductions**
 - Chore and Companion Services - \$1.4M
 - Other Purchased Services - \$1.6M
- **Slightly Reduce General Fund Support to Local Departments of Social Services**
 - 2011 - 1% General Fund Reduction = \$1.163M
 - 2012 - 1% General Fund Reduction = \$1.157M
- **Other Reductions Impacting Local Employees**
 - 50% Reduction to Contract Training - \$2.8M
 - Eliminate Stipend Program - \$900K
- **Increase Child Registry Search Fee**
 - Raises fee from \$5 for central registry search to \$7
 - Generates \$130K per year

Governor's Introduced Budget

- Reduce General Fund Support to the Central Office
 - Reorganize and Reduce Central Office Administrative Functions - \$2.23M
 - \$1.112M in 2011
 - \$1.118M in 2012
 - Includes elimination of 25 classified positions
 - Central Office Administrative Reductions - \$354K
- Reduce General Fund Support to Non-Governmental Agencies
 - Reston Interfaith - \$100K
 - Truth of Vision Ministries - \$150K
 - Child Advocacy Centers - \$30K
 - EITC Coalition - \$65,250
 - Virginia Early Childhood Foundation - \$450K
 - Georgetown South Community Renovations - \$200K
 - Alexandria Parent Leadership Training Institute - \$20K

Governor's Introduced Budget

- Annual TANF Structural Imbalance of \$24M
- Complicated by Projected Benefit Increases of \$16M Annually for FY10, FY11 & FY12
- TANF Gap Widens to \$96M for Biennium
- Strategies to Resolve the TANF Funding Shortfall
 - Capture TANF Savings in Child Care and Employment Services - \$24M
 - Leverage TANF ARRA Emergency Fund Recoveries - \$27M
 - Reduce Expanded TANF Program Spending by \$36M
- Leaves TANF Structural Imbalance of ~ \$10M going into FY13

Governor's Introduced Budget - Expanded TANF Program Reductions

	2011	2012
Healthy Families/Health Start	(1,915,473)	(5,472,779)
Community Action Agencies (Includes \$100,000 for Tri-County CAA)	(2,116,610)	(3,256,323)
Homeless Assistance and Prevention (DHCD)	(3,682,596)	(4,910,128)
Local Domestic Violence Grants	(693,750)	(1,387,500)
TANF Child Support Supplement	-	(4,800,000)
Centers for Employment and Training	(637,500)	(637,500)
Domestic Awareness Campaign	(127,500)	(127,500)
Child Advocacy Centers	(190,000)	(190,000)
Comprehensive Services Act Trust Fund	(965,579)	(965,579)
Comprehensive Health Investment Project (VDH)	(1,070,945)	(1,070,945)
Teenage Pregnancy Prevention Programs (VDH)	(455,000)	(455,000)
Partners in Prevention (VDH)	(382,500)	(382,500)
Individual Development Accounts	-	-
Total	(12,237,453)	(23,655,754)

Governor's Introduced Budget

- General Fund Increases
 - Unemployed Parent Benefit Payments - \$7.2M first year
 - Federation of Virginia Food Banks - \$1M first year
 - Offset
 - TANF Reduction to Healthy Families –\$1.4M first year, \$4.9M second year
 - TANF Reduction to Domestic Violence Grants - \$555K first year, \$1.25M second year

Continuing Budget Challenges

- **Both Years**
 - VITA Costs
 - Child Support Enforcement Funding
- **Second Year**
 - Unemployed Parent
 - Anticipated Adoption Cost Increases

Presentation Summary

- Budget reductions reflect the impact of difficult choices
- Clients will be impacted
- Local Departments will be impacted
- Caseloads in benefit programs have increased dramatically due to economic conditions