

SENATE FINANCE COMMITTEE
HEALTH AND HUMAN RESOURCES
SUBCOMMITTEE

Department of Social Services
Governor's Budget Amendments
Margaret Ross Schultze, Commissioner

January 19, 2015

Presentation Highlights

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- Social Services Department & System Overview
- The DSS Budget
- Governor's Budget Amendments
- Child Care Legislative Proposals

Social Services Department & System Overview

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- State Supervised/Locally Administered
 - ▣ Child Welfare
 - ▣ SNAP
 - ▣ TANF
 - ▣ Unemployed Parent
 - ▣ Child Care
 - ▣ Medicaid
 - ▣ Energy Assistance
- State Administered
 - ▣ Child Support Enforcement
 - ▣ Licensing

Social Services Department & System Overview

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FY14 System Spending Including Benefits = >\$9.9B

73%	Medicaid /FAMIS Benefits	\$7.20B
14%	SNAP Benefits	\$1.36B
6%	TANF, Child Care, CSA & Energy Assist.	\$583M
2%	Locally Generated Benefit Payments	\$187M
<1%	Local Procured Client Services	\$28M
6%	Local Staff and Operations	\$557M
<1%	Local Government Central Services	\$30M

DSS Budget

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SFY14 Spending By Fund Source

Federal block grants	\$ 408M	19%
<u>Federal entitlement grants</u>	<u>\$ 375M</u>	<u>18%</u>
Total Federal	\$ 783M	37%
CSE Collections & Payments	\$ 684M	33%
General	\$ 387M	18%
Local Match	\$ 210M	10%
<u>Special/Other</u>	<u>\$ 33M</u>	<u><2%</u>
Total Spending	\$2.097B	100%

The DSS Budget

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SFY14 Spending By Program Area

Child Support Payments and Operations*	\$750M	36%
Local Department Operations	\$588M	28%
Self-Sufficiency	\$264M	13%
Child Welfare Services	\$171M	8%
Administration and Support**	\$117M	5%
Supplemental Assistance	\$ 82M	4%
Adult Programs	\$ 41M	2%
Non-state entities	\$ 35M	2%
Program Management	\$ 34M	2%
<u>Licensing/ Facility Regulation</u>	<u>\$ 15M</u>	<u><1%</u>
Totals	\$2.097B	100%

* includes -\$ 8M in VITA service payments

** includes -\$ 45M in VITA service payments

The DSS Budget

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SFY14 General Fund Spending By Program Area

Local Department Operations	\$112M	29%
Child Welfare Services	\$ 94M	24%
Self-Sufficiency	\$ 83M	21%
Administration and Support*	\$ 40M	10%
Adult Programs	\$ 23M	6%
Program Management	\$ 16M	4%
Child Support Enforcement**	\$ 10M	3%
Non-state entities	\$ 4M	1%
Licensing/Facility Regulation	\$ 4M	1%
<u>Supplemental Assistance</u>	<u>\$ <1M</u>	<u><1%</u>
Totals	\$ 387M	100%

* includes ~\$20M in VITA service payments

**includes ~\$ 1M in VITA service payments

Governor's Budget Amendments

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- Budget Amendments Requesting General Funds (5)
- Budget Amendments Based on Forecasts (1)
- Non-general Fund / Technical Adjustments (4)
- Major Budget Savings Actions (8)

Governor's Budget Amendments

Requests for General Funds

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	FY 15	FY 16
□ Child Support Enforcement Revenue Decrease		
□ General Funds	\$ 2.3M	\$1.8M
□ Non-General Funds	(\$ 2.3M)	(\$1.8M)
□ IRS Information Security Mandates		
□ General Funds	\$450K	\$ 0
□ Non-General Funds	\$450K	\$ 0
□ Additional Local Eligibility Workers		
□ General Funds	\$ 2.1M	\$1.9M
□ Non-General Funds	\$ 3.9M	\$3.6M
□ Increase Regulation of Family Child Care Homes		
□ General Funds	\$ 0	\$2.7M
□ Foster Care and Adoption Payments to Age 21		
□ General Funds - DSS	\$ 0	\$5.7M
□ General Funds – CSA	\$ 0	(\$3.0)M
□ Non-General Funds	\$ 0	\$1.7M

Governor's Budget Amendments

Child Support Enforcement Support

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	FY 15	FY 16
▣ General Funds	\$ 2.3M	\$ 1.8M
▣ Non-General Funds	(\$ 2.3M)	(\$ 1.8M)

Key Metrics of the Child Support Enforcement Program

• Employees	990
• Total child support caseload	320,282
• "TANF" child support caseload	70,742
• FY 15 child support operations	\$ 99M
• Total collections for FY 14	\$ 687M
• State share of TANF case collections	\$ 18M
• Program cost effectiveness	\$ 7.17
• Program cost effectiveness (state \$)	\$ 22.90

Governor's Budget Amendments

Local Department Eligibility Workers

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	FY 15	FY 16
▣ General Funds	\$ 2.1M	\$1.9M
▣ Non-General Funds	\$ 3.9M	\$3.6M

Key points:

- Adds funding for equivalent of 93 local eligibility workers
- 15.5% required local match
- TANF, Medicaid, and SNAP enrollees up **29%** since July 2007
- LDSS Medicaid applications up **43%** 10/1/13 – 9/30/14
- Medicaid apps from Federal Facilitated Marketplace (FFM) - **56K**
- Last increase in general fund for local eligibility staff was mid-90's

Governor's Budget Amendments

Local Department Eligibility Workers

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Key points (continued)

Part of two pronged effort to address workload:

- DMAS operates Central Processing Unit (CPU) to determine eligibility for FFM MAGI applications
- Local departments will handle:
 - Medicaid case management for all clients,
 - LTC/ABD applications
 - Combined program applications
 - Continue to support all aspects of other public assistance programs

Governor's Budget Amendments

Federal Tax Information Security Mandates

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	FY 15	FY 16
▣ General Funds	\$450K	\$0
▣ Non-General Funds	\$450K	\$0

Key points:

- DSS is a major user of IRS-provided FTI for a number of its programs
- IRS regulations require that only state employees have access to the information
- Currently data is stored on VITA-Northrop Grumman equipment
- Amendment finances purchase of equipment to store the data “in-house” under direct VDSS control

Governor's Budget Amendments

Foster Care & Adoption Payments to age 21

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	FY 15	FY 16
▣ General Funds to DSS	\$ 0	\$5.7M
▣ General Fund Reduction to CSA	\$ 0	(\$3.0M)
▣ Non-General Funds	\$ 0	\$1.7M

Key points:

- Goal: To provide older foster children and late adoptees a better chance of becoming self-sufficient adults
- Supports 1,400 foster children and 200 adoptees
- Adds funding for the equivalent of 50 local social workers to meet federal case management standards

Governor's Budget Amendments

Increase Regulation of Child Care

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	FY 15	FY 16
▣ General Funds	\$ -	\$2.7M

Key points:

- Funds proposed legislation to require subsidy providers to be licensed
- ~1,900 unlicensed providers participating in state child care subsidy program
- Estimate that 75% of the 1,900 providers will apply for licensure
- Provides 24 inspectors, 2 support staff and 2 supervisors
- Equivalent to a new regional licensing office

Governor's Budget Amendments

Amendments Based on Forecasts

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□ Forecast of TANF Mandated Expenses	FY 15	FY 16
▣ Non-General Funds	(\$4.8M)	(\$3.4M)
□ Forecast for Foster Care & Adoptions		
▣ General Funds	\$ -	\$ -
▣ Non-General Funds	\$ -	\$ -

Governor's Budget Amendments

Non-General Fund / Technical Amendments

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<ul style="list-style-type: none"> □ Align ESM Project NGF Appropriation 	<ul style="list-style-type: none"> FY 15 	<ul style="list-style-type: none"> FY 16
<ul style="list-style-type: none"> ▣ Non-General Funds 	<ul style="list-style-type: none"> \$36.5M 	<ul style="list-style-type: none"> \$ 5.5M
<ul style="list-style-type: none"> □ Federal Match for FY 14 Local Salary Increase 		
<ul style="list-style-type: none"> ▣ Non-General Funds 	<ul style="list-style-type: none"> \$ 6.0M 	<ul style="list-style-type: none"> \$ 6.0M
<ul style="list-style-type: none"> □ Child Care Provider Rate Increase 		
<ul style="list-style-type: none"> ▣ Non-General Funds 	<ul style="list-style-type: none"> \$ 2.2M 	<ul style="list-style-type: none"> \$ 5.8M
<ul style="list-style-type: none"> □ MEL to Implement Reduction Action 		
<ul style="list-style-type: none"> ▣ MEL 	<ul style="list-style-type: none"> 24.0 	<ul style="list-style-type: none"> 24.0

Governor's Budget Amendments

Major Budget Savings Actions

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□ Unemployed Parent Program Savings	FY 15	FY 16
□ General Funds	(\$1.1M)	(\$1.1M)
□ Utilize One-time Child Care Grant Balance		
□ General Funds	(\$2.7M)	\$ -
□ Non-General Funds	\$2.7M	\$ -
□ Administrative Savings		
□ General Funds	(\$1.4M)	(\$.6M)
□ Non-General Funds	(\$.2M)	(\$.3M)
□ Fee Increases for CPS Registry/Background Checks		
□ General Funds	\$ -	(\$.3M)
□ Non-General Funds	\$ -	\$.3M

Governor's Budget Amendments

Major Budget Savings Actions (continued)

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□	TANF Grant Balance for Healthy Families	FY 15	FY 16
□	General Funds	(\$1.0M)	(\$1.0M)
□	Non-General Funds	\$1.0M	\$1.0M
□	TANF Grant Balance for EITC Contract		
□	General Funds	\$ -	(\$.2M)
□	Non-General Funds	\$ -	\$.2M
□	Remove Support for No. Virginia Family Services		
□	General Funds	(\$.2M)	(\$.2M)
□	Remove Support for Youth for Tomorrow		
□	General Funds	(\$.1M)	(\$.1M)

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Governor's Legislative Proposals

Child Care Legislative Proposals

Child Care Legislative Proposals

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- Licensure – Definition of Family Day Home/Threshold Count
 - ▣ Amends definition of Family Day Home in § 63.2-100, eliminating the exclusion of the Family Day Home provider's children and resident children, and requiring the inclusion of the Family Day Home provider's children and resident children when determining licensure threshold

Child Care Legislative Proposals

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- Licensure – Condition of Receiving Subsidy
 - Amends § 63.2-1701 and requires that any child day program that receives Child Care and Development Block Grant Fund dollars shall be licensed. § 63.2-1725 would be repealed, as subsidy child care programs would have to meet licensing requirements for background checks found in § 63.2-1720 and § 63.2-1721

Child Care Legislative Proposals

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- Licensure – Local Governments to Report
 - ▣ This legislation would require local government officials to report quarterly to the Department on the issuance of child care business licenses. The report would include contact information for the child care business.

Child Care Legislative Proposals

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- Licensure – Declaration of Operation
 - ▣ This legislation would require small family day homes that serve five or fewer children unrelated to the provider to file a declaration of operation with the Department indicating how many children they plan to serve and other information as required by the Commissioner.