

SENATE FINANCE COMMITTEE HEALTH AND HUMAN RESOURCES SUBCOMMITTEE

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

January 11, 2016

Presentation Highlights

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- Social Services Department & System Overview
- The DSS Budget
- Governor's Budget Actions
- Program and Initiative Updates

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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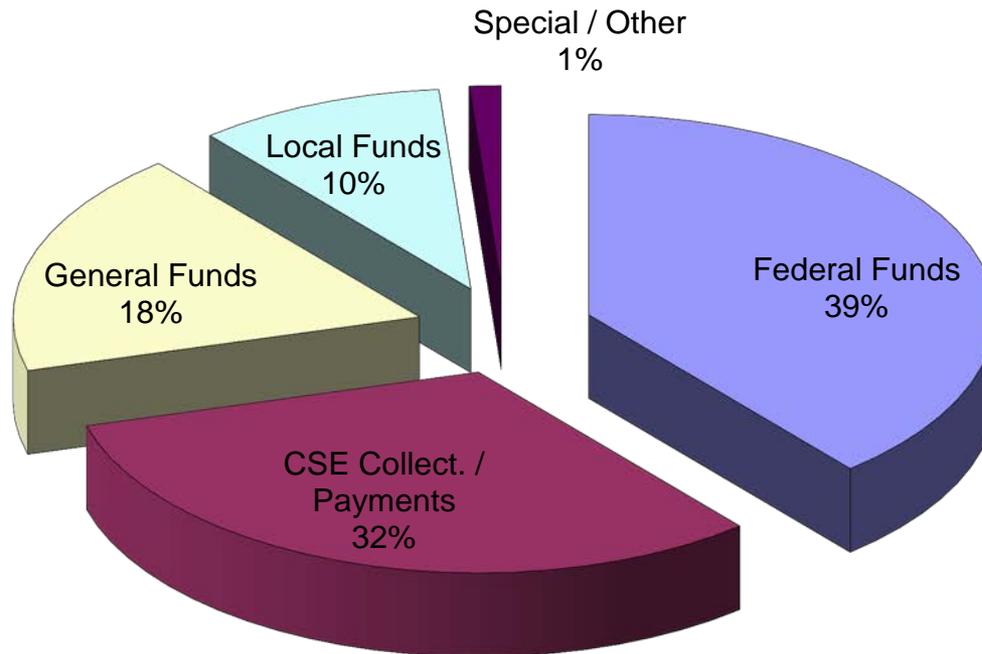
FY15 System Spending Including Benefits = >\$9.9B

74%	Medicaid /FAMIS Benefits	\$ 7.60B
12%	SNAP Benefits	\$ 1.25B
6%	TANF, Child Care, CSA & Energy Assist.	\$ 623M
2%	Locally Generated Benefit Payments	\$ 193M
<1%	Local Procured Client Services	\$ 26M
6%	Local Staff and Operations	\$ 569M
<1%	Local Government Central Services	\$ 31M

DSS Budget

SFY 15 Spending By Fund Source

(Total \$2.142 billion)



DSS Budget

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SFY15 Spending By Fund Source

Federal block grants	\$ 422M	20%
Federal entitlement grants	\$ 411M	19%
Total Federal	\$ 833M	39%
CSE Collections & Payments	\$ 681M	32%
General	\$ 390M	18%
Local Match	\$ 211M	10%
Special/Other	\$ 27M	1%
Total Spending	\$2.142B	100%

DSS Budget

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SFY15 Spending By Program Area

Child Support Enforcement*	\$751M	35%
Local Department Operations	\$601M	28%
Self-Sufficiency	\$271M	13%
Child Welfare Services	\$179M	8%
Administration and Support**	\$128M	6%
Supplemental Assistance	\$ 85M	4%
Adult Programs	\$ 41M	2%
Non-state entities	\$ 36M	2%
Program Management	\$ 34M	2%
Licensing/ Facility Regulation	\$ 16M	<1%
Totals	\$2.142B	100%

* includes -\$ 10M in VITA service payments

** includes -\$ 46M in VITA service payments

The DSS Budget

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SFY15 General Fund Spending By Program Area

Local Department Operations	\$112M	29%
Child Welfare Services	\$ 96M	25%
Self-Sufficiency	\$ 79M	20%
Administration and Support*	\$ 44M	11%
Adult Programs	\$ 22M	6%
Program Management	\$ 15M	4%
Child Support Enforcement**	\$ 13M	3%
Licensing/Facility Regulation	\$ 4M	1%
Non-state entities	\$ 3M	1%
Supplemental Assistance	\$ <1M	<1%
Totals	\$389M	100%

* includes ~\$21M in VITA service payments

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

Governor's Budget Actions

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- Child Welfare Services Budget Actions (4)
- TANF Budget Actions (2 DSS, 2 VDH)
- Other Significant Budget Actions (4)

Governor's Budget Actions

Child Welfare Services

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	FY 2017	FY 2018
□ Reinvest Adoption Savings from Fostering Connections Act		
□ General Funds	\$ 1.4M	\$ 2.1M
□ Implement Fostering Futures Initiative		
□ General Funds – (Net Cost)	\$ 0.5M	\$ 1.4M
□ Non-General Funds	\$ 1.0M	\$ 2.9M
□ Child Welfare Services Forecast		
□ General Funds	\$ 5.9M	\$ 5.9M
□ Non-General Funds	\$10.8M	\$10.8M
□ COLA Increase to Foster Care and Adoptions Rates		
□ General Funds	\$ 826K	\$ 826K
□ Non-General Funds	\$ 586K	\$ 586K

Governor's Budget Actions

Reinvest Adoption Savings from FCA

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	FY 2017	FY 2018
General Fund	\$ 1.4M	\$ 2.1M

- Requirement of the federal Fostering Connections Act (FCA)
 - ▣ (Title IV-E of the Social Security Act as amended by P.L 113-183)
- Realized savings must be re-invested in:
 - ▣ Post-adoption services - 30%
 - ▣ Other specified child welfare and family preservation services - 70%

Governor's Budget Actions

Implement Fostering Futures Initiative

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	FY 2017	FY 2018
General Fund (DSS)	\$ 1.0M	\$ 2.9M
General fund (CSA)	\$ (0.5M)	\$ (1.5M)
Net GF Cost	\$ 0.5M	\$ 1.4M
NGF (DSS)	\$ 1.0M	\$ 2.9M

- Extends Foster Care and Adoptions payments to Age 21
- Will save GF in CSA as there are some FC children age 18 and older currently receiving CSA assistance at local option
- This is an evidenced-based approach to improving outcomes of children removed permanently from home
- Lower projected cost than previous proposals

Governor's Budget Actions

TANF Budget Actions

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	FY 2017	FY 2018
□ TANF Benefits Forecast		
□ Non-General Funds	(\$ 5.0M)	(\$5.0M)
□ Healthy Families		
□ Non-General Funds	\$ 6.8M	\$ 6.8M
□ Comprehensive Health Investment Project (CHIP - VDH Budget)		
□ Non-General Funds	\$ 1.0M	\$ 1.0M
□ Long Acting Reversible Contraceptives (LARC – VDH Budget)		
□ Non-General Funds	\$ 3.0M	\$ 6.0M

Governor's Budget Actions

Other Significant Budget Actions

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	FY 2017	FY 2018
□ Capture Projected Savings in Auxiliary Grants		
□ General Funds	(\$ 0.5M)	(\$ 0.5M)
□ Increase Capacity of Local Eligibility Workers		
□ General Funds – (Net Cost)	\$ 1.4M	\$ 2.2M
□ Non-General Funds	\$ 4.1M	\$ 6.4M
□ Child Support Enforcement Salary Increase		
□ General Funds	\$ 537K	\$ 537K
□ Required Eligibility System Operating Costs		
□ General Funds	\$ 3.5M	(\$ 4.0M)
□ Non-General Funds	\$ 1.0M	(\$15.8M)

Program Updates

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- New Eligibility System Development Status
- Implementation of 2015 Child Care Legislation
- TANF Program and Budgetary Outlook
- Progress on Adoptions from Foster care

Program Updates

New Eligibility System Status

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- Virginia Case Management System (VaCMS)
- Statewide “go-live” on October 1, 2013 for MAGI Medicaid
- Federal requirements for technology and design
- Successfully completed two federal reviews prior to “go-live”
- One of 13 states to qualify for enhanced Medicaid operational funds (75/25)

Program Updates

New Eligibility System Status

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- Large year one (FFY 14) workload increase
 - ▣ from ~20K Medicaid applications per month
 - ▣ to >30K applications per month,
 - ▣ an increase of 52% year-over-year
- Local Department staff performance
 - ▣ Local staff processed 107,000 more Medicaid applications than the previous twelve month period
- Local staff continued processing other public assistance applications in the legacy system, ADAPT

Program Updates

New Eligibility System Status

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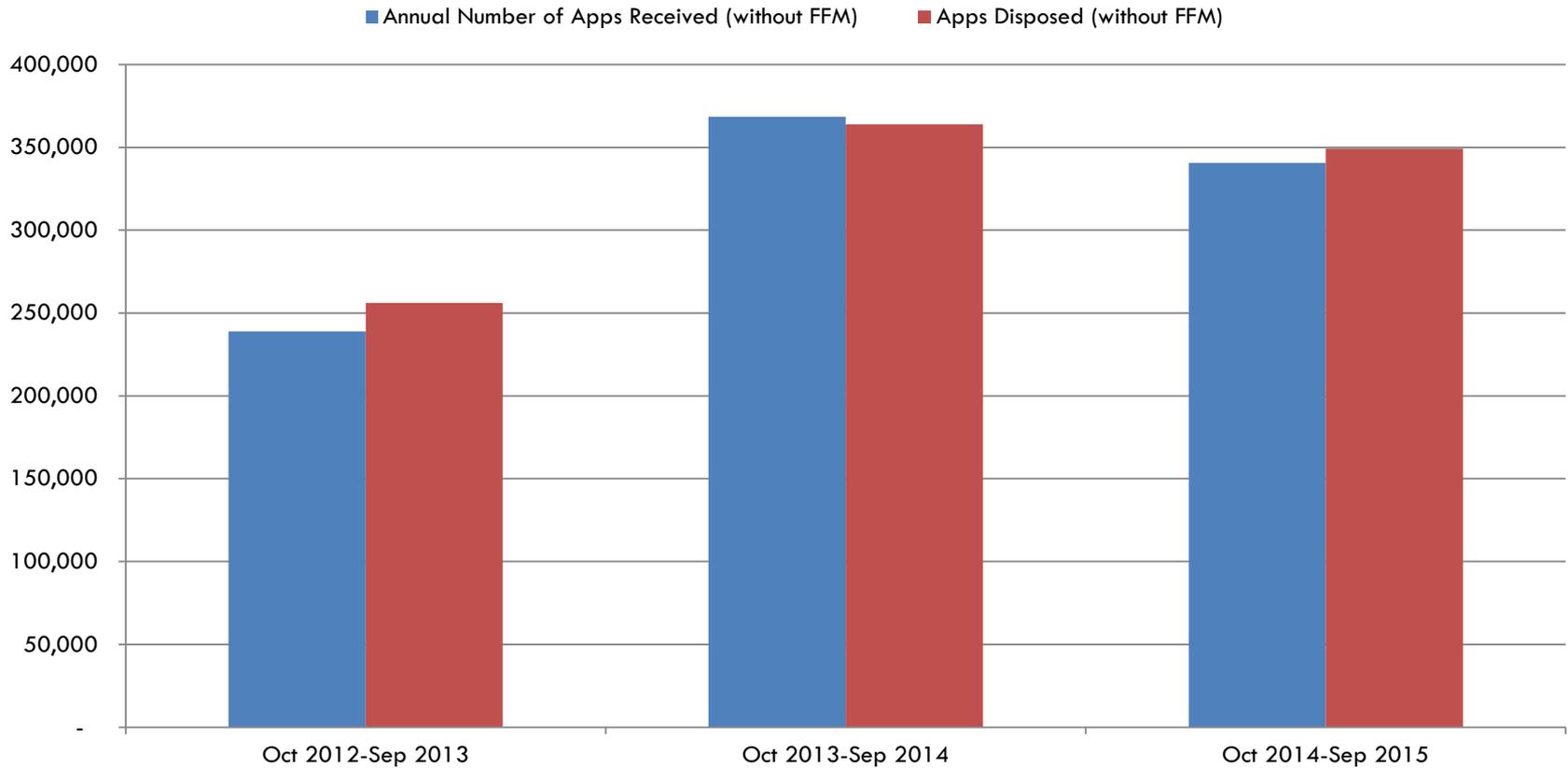
- Year two (FFY 15) application volume remained high
- Major focus on additional local staff training
- Decline in average processing time to pre-implementation levels – despite volume increase
- Multiple software revisions to:
 - ▣ Fix start-up errors
 - ▣ Improve Enhance overall performance and
 - ▣ Satisfy additional CMS requirements
- Funding for 93 new local eligibility workers in FY 16

Program Updates

New Eligibility System Status

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Apps Received and Disposed



Program Updates

New Eligibility System Status

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- Additional Medicaid categories (ABD/LTC) were implemented in September 2015
- Going paperless - Document management and imaging implemented simultaneously
- Automated asset verification December of 2015

Program Updates

New Eligibility System Status

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- As of December 2015, a total of 673,248 Medicaid applications submitted through VaCMS
- 97% or 653,979 of these were fully processed
- Average application age was 28 days
- 3,042 applications are over 45 days
- Annual renewal volume is approximately 600K
 - Overdue renewals totaled 25,032 (roughly two weeks of volume)

Program Updates

New Eligibility System Status

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- During calendar 2016 remaining public assistance programs will be added to VaCMS
 - ▣ SNAP
 - ▣ TANF
 - ▣ Energy Assistance
 - ▣ VIEW
- The Food and Nutrition Service requires a minimum 90 day pilot for SNAP
- Target is to be off the UNISYS mainframe by the end of the calendar year

Program Updates

New Eligibility System Status

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- System Development Contract
 - ▣ Total Budget: \$110.5 million
 - ▣ Total Expended (Nov 30, 2015) \$ 75.8 million
 - ▣ GF Budget: \$ 17.3 million
 - ▣ GF Expended (Nov 30, 2015) \$ 11.4 million
- System is on track and on budget to be completely implemented by Dec 31, 2016
- Contractor warranty in effect for an additional year
- Projected decrease of \$4 million GF annually in computer operating expenses

Program Updates

2015 Child Care Legislation

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- Change in Family Day Home Licensing Threshold –
- Child Care Business License Reporting
- Complying with Federal Child Care Requirements
- Work with Local Governments that Regulate and License Child Care Programs

Program Updates

TANF Program and Grant Budget Outlook

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- TANF Benefits
 - ▣ FY 15 -\$79.5 million
 - ▣ FY 15 under budget by \$6.5 million
 - ▣ Modest trend down projected in FY 16
- Triggers budget savings in TANF support activities
 - ▣ VIEW Child Care
 - ▣ TANF Eligibility Determination
 - ▣ TANF share of administration
- \$24.6 million savings for biennium re-programmed in Governor's Budget

Program Updates

Adoptions of Children from Foster Care

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- ❑ Virginia completed 620 adoptions during FY2015.
- ❑ Over the last three fiscal years, we have finalized 1,994 adoptions of children from foster care.
- ❑ Presently have ~800 children who are free for adoption and don't have a permanent home

Program Updates

Adoptions of Children from Foster Care

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Contractual Activities:

- ❑ During the 2014 General Assembly session, Virginia was allocated \$1.5 million general fund dollars to support adoption.
- ❑ The money has been allocated to three activities:
 - ❑ Post Adoption Services
 - ❑ Extreme Recruitment
 - ❑ Market Segmentation

Questions?