

## 2014-16 Executive Progress Report

Commonwealth of Virginia  
Secretary of Health and Human Resources  
Department of Social Services

### At A Glance

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

Staffing 1675 Salaried Employees, 21 Contracted Employees, 1721.5 Authorized, and 90 Wage Employees.

Financials Budget FY 2015, \$1,961.55 million, 20.00% from the General Fund.

Trends  
↑ People living below poverty level  
↑ Single-parent households

Key Perf Areas  
↑ Exit to Permanency  
➔ TANF Work Participation Rate  
↑ SNAP Participation Rate

Legend  
↑ Increase, ↓ Decrease, ➔ Steady

Productivity  
Legend  
↑ Improving, ↓ Worsening, ➔ Maintaining

For more information on administrative key, and productivity measures, go to [www.vaperforms.virginia.gov](http://www.vaperforms.virginia.gov)

### Background and History

#### Agency Background Statement

The Virginia Department of Social Services (VDSS) and its key partners – local departments of social services (LDSS) and community action agencies – directly help approximately one in five Virginians every year. VDSS and partners strengthen families by providing many of the Commonwealth's most critical services, including administering social safety net programs, protecting children and adults from abuse and neglect, providing subsidized child care that allows parents to work, collecting child support to improve the lives of children, licensing adult and child care facilities to ensure their safety, and encouraging work through workforce development services. The agency also administers other smaller programs, including energy and cooling assistance, domestic violence prevention, volunteerism, and refugee resettlement.

The statutory authority for VDSS's activities is the Code of Virginia Title 63.2 Welfare (Social Services). Subtitles I through VI refer to General Provisions Related to Social Services, Public Assistance, Social Service Programs, Licensure, Administrative Child Support and Grant Programs and Funds. Some of these programs include federal mandates.

#### Major Products and Services

VDSS's most widely used services include social safety net programs (e.g., Supplemental Nutrition Assistance Program, or SNAP; Temporary Assistance for Needy Families, or TANF; energy and cooling assistance), Medicaid eligibility determination, child support collection, foster care and adoption services, child and adult protective services, subsidized child care, licensure of child and adult care facilities, workforce development services for TANF and SNAP recipients through the Virginia Initiative for Employment Not Welfare (VIEW) Program, and refugee services.

Combined, 1.7 million Virginians received SNAP (formerly the Food Stamp Program), TANF, and/or Medicaid benefits during state fiscal year 2014. This was a one percent increase (+18,552 clients) from SFY 2013, and a ten percent increase (+153,745) from SFY 2011. Child Support Enforcement served 320,850 households in June 2014, a decrease from the previous count in June 2013 (347,472).

Most of these services are administered by 120 local departments of social services, which VDSS supervises. VDSS also partners extensively with community-based organizations and volunteers, local government entities, other state agencies (e.g., Department of Medical Assistance Services, or DMAS), and healthcare providers. An increasing number of services, such as benefit program applications and Medicaid enrollment, are conducted electronically through its customer web portal, *CommonHelp*. This facilitates public access to services, reduces wait time and processing errors, and allows greater access to data for program staff.

## Customers

### Customer Summary

The VDSS customer base continues to increase in number and diversity. From 2000 to 2012, Virginia's total population grew by 15%, and the number of Virginians below the federal poverty threshold grew by 42%. As of 2012, about 932,000 Virginians (11.7% of the population) lived in poverty. Virginia's child poverty rate was 15.3%, higher than the overall poverty rate. In 2013, Virginia's average unemployment rate was 5.5%, or about 235,000 adults. The non-English speaking population in Virginia continues to grow, with 15.5% of the population speaking a language other than English at home, including 5.6% who speak English "less than very well". According to the U.S. Census Bureau, the number of Virginians ages 65 and older will more than double between 2000 and 2030, to about 1.8 million people. These demographic shifts will increase the demand for social services at the state and local levels.

Two other long-term national trends have increased the demand for social services: the growth, since 1960, in the percentage of children living in single-parent households, and the stagnation over the past 30 years in the wages of low-skilled workers. These national trends have been evident in Virginia, and increase the likelihood that some families will spend some time below or near poverty.

### Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Families	Families (parents) involved in cases requiring child support services	585,911	600,000	Stable
Child	Children involved in child support enforcement services	386,324	386,324	Stable
Local or Regional Government Authorities	Local Departments of Social Services (LDSS)	120	120	Increase
Local Government Employee	LDSS Employees	4,060	8,100	Increase
Resident	Residents served by Community Action Agencies	142,509	142,509	Decrease
Refugee	Refugees fleeing due to war, armed conflict, or human rights violations	3,172	3,172	Increase
Resident	Virginians receiving information through statewide information/referral programs	591,073	8,100,000	Increase
Volunteer	Residents involved in community volunteer network (AmeriCorps)	11,535	11,535	Increase
Victim	Domestic violence victims receiving services	30,276	30,276	Increase
Victim	Domestic violence victims seeking shelter	5,226	8,965	Increase
Employer/ Business Owner	Businesses making donations to Neighborhood Assistance Projects	1,600	1,600	Increase
Adult	Adults age 60+ years and/or disabled receiving home-based services	4,696	1,534,256	Increase
Adult	Adults age 60+ years and/or disabled receiving assisted living services paid by AG program	4,704	1,534,256	Increase
Low-Income	Adults and children living in households with incomes below 200% Federal Poverty Level (receiving Benefits)	1,708,484	2,011,000	Increase
Aged	Adults 60 years and older (served by Adult Services)	14,771	1,534,256	Increase
Developmentally-Disabled	Adults 18-64 years with disabilities (served by Adult Services)	8,921	444,154	Increase
Unemployed	Unemployed two-parent families	1,776	14,504	Increase
Child	Unemployed one-parent families	31,631	99,142	Increase
Families	Families with children receiving child care subsidies	25,626	25,726	Stable
Child	Children in unemployed two-parent families	8,736	14,941	Stable
Child	Children receiving subsidies for child care in licensed or unlicensed/regulated day care facilities	43,476	362,503	Stable
Health Care	Child day care programs (licensed)	3,954	3,954	Stable
Health Care	Child day care programs (unlicensed/regulated)	2,026	2,026	Stable
Health Care	Child day care and early childhood providers receiving professional development training	28,000	30,000	Stable

Child	Children reported as being abused, neglected or maltreated	59,758	59,758	Increase
Child	Children in foster care	7,110	7,110	Stable
Child	Children receiving child residential care or services	6,320	6,320	Stable
Employer/ Business Owner	Licensed Children's Residential Providers	155	155	Stable
Health Care	Staff and caretakers of foster care children who require background investigations	14,508	14,508	Increase
Adult	Adults receiving care from Assisted Living Facilities/Adult Day Care facilities	35,882	35,882	Stable
Health Care	Assisted Living Facilities/Adult Day Care Facilities	616	616	Stable
Adult	Adults reported as being abused, neglected, or maltreated	20,704	20,704	Increase

## Finance and Performance Management

### Finance

#### Financial Summary

The Department of Social Service's base budget comprises approximately 20% general funds, 44% federal funds, and 36% special funds. In addition to these sources, approximately \$210 million per year of local matching funds are expended. These local funds are not appropriated in the state budget.

The federal funds comprise roughly 35 federal grants, including administrative funds for the Supplemental Nutrition Assistance Program (SNAP) and Medicaid, Temporary Assistance to Needy Families (TANF), Child Care Development Fund (CCDF), Title IV-D Child Support Enforcement, Title IV-E Foster Care and Adoptions, Title IV-B Child Welfare and Family Preservation Services, Low Income Home Energy Assistance Program (LIHEAP), Community Services Block Grant, AmeriCorps, Refugee/Newcomer Assistance, and the Social Services Block Grant.

Virtually all of the special funds are the result of the collection of child support payments from non-custodial parents and subsequent payment to the custodial parents.

#### Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0100	General Fund	\$392,352,241	\$393,970,601
0202	Central Registry Search Fees-Non-Federal Funds	\$1,043,010	\$1,043,010
0204	Monacan Indian Tribal Association	\$626,207	\$626,207
0216	Capital Asset Procurement Fund	\$701,142	\$701,142
0235	Dcse Matched Incentive Funds	\$13,748,676	\$14,248,676
0237	Dcse Non Matched Incentive Funds	\$10,000,000	\$10,000,000
0239	Dcse Child Support Enforcment Collections & Paymnt	\$670,198,171	\$670,198,171
0272	Procurement And Distribution Services	\$75,000	\$75,000
0273	Licensing Application Fees	\$475,000	\$475,000
0900	Dedicated Special Revenue	\$0	\$0
0911	Fraud Recovery Special Fund	\$3,000,000	\$3,000,000
0914	Putative Father Registry Fund	\$135,265	\$135,265
0966	Internet Crimes Against Children Fund	\$100,000	\$100,000
1000	Federal Trust	\$869,098,124	\$855,299,329

#### Revenue Summary

Federal revenue is earned by the agency based on a cost reimbursement basis. Thus, federal revenue will largely equate to federal expenditures for any given year.

As stated above, the vast bulk of the \$700 million in special revenue is generated by child support collections that are in turn paid out to custodial parents. Thus, as is the case for federal revenue, special fund revenue will largely equal expenditures.

Note: This agency does not collect fee revenue that is deposited to the general fund.

## Performance

### Performance Highlights

VDSS has five key measures and one productivity measure, discussed in turn.

- **TANF Work Participation Rate:** VDSS and local departments have met the federal work requirement (state rate adjusted for caseload reduction) every year since 1997. Despite the economic downturn in late 2008, the Work Participation Rate has been maintained at about 43%.
- **Child Support Collection:** VDSS operates one of the most successful and productive child support systems among the 50 states. Child support collections continued to increase during this period of economic recovery.
- **Exit to Permanency:** VDSS and local departments continue to progress toward meeting the target (86%) of increasing the percentage of children in foster care who exit from care to permanent living arrangements (i.e., reunification with biological family, transfer of custody to other relatives, adoption).
- **Child Support Cost Effectiveness Rate:** VDSS continues to operate one of the most cost effective child support systems in the U.S. and has met and far exceeded its federal incentive target of \$5 collected per \$1 spent on administration.
- **SNAP Participation Rate:** VDSS and local departments continue to provide SNAP benefits to the income-eligible population (i.e., people with annual household income below 130% of the Federal poverty threshold). The SNAP Participation Rate has remained above 65 percent since mid-2009.
- **Quality Early Child Care/Education Programs:** This is a new measure. By the end of SFY 2014, eight percent of all early care and education programs were participating in the Division of Child Care's Quality Rating Improvement System. These programs are participating in quality improvement activities (e.g., staff training, curriculum development) in order to provide the highest quality care and education for young children.

### Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
76546006.001.002	Percentage of children who exit from foster care to a permanent living arrangement (reunified with families, placed with relatives, adopted)	Exit to Permanency	Improving
76545212.001.002	Percentage of Temporary Assistance for Needy Families (TANF) participants engaged in a work activity (TANF Work Participation Rate)	TANF Work Participation Rate	Maintaining
76546301.001.002	Cost Effectiveness Rate: Amount of child support collected per dollar expended	Child Support Cost Effectiveness Rate	Improving
76546301.001.001	Percentage of child support owed that is collected	Child Support Collection	Improving
765.0004	Percentage of the eligible population enrolled in the Supplemental Nutrition Assistance Program (SNAP)(SNAP Participation Rate)	SNAP Participation Rate	Improving
765.0006	Percentage of early care and education programs that are participating in Virginia's child care and early education quality rating and improvement system	Quality Early Child Care/Education Programs	Improving

### Key Risk Factors

**Increased caseloads:** The major challenge for the social services system is handling the increased caseloads and application volume for public assistance programs. Primarily due to health care reform, the Medicaid application volume has increased substantially. In addition, the FAMIS caseload, which was previously handled by DMAS, has transitioned to the local departments of social services.

**Information Systems:** The Department is currently involved in a massive modernization of its eligibility determination systems due to be completed by June of 2016. The Virginia Case Management System (VaCMS) is an enterprise data system designed to address the significantly increased demand for eligibility determination, primarily as a result of health care reform. With the modernization of the Department's eligibility determination systems, it is understood that some of the Department's legacy systems, such as ADAPT, will be discontinued. However, it will be necessary for them to run parallel until the new system is fully implemented.

**Funding and legislation:** The General Assembly provided funding for the development of the Department's new eligibility determination system as well as some additional staff at the local level. In addition, the federal government has made available enhanced funding for the development and operation of eligibility determination systems, which the Department has successfully leveraged.

**Workforce gaps:** The social services system has a graying workforce and has seen a substantial number of retirements that is expected to be higher than normal. This loss of experience and institutional knowledge makes succession planning a critical task. The enterprise-level IT projects, sponsored through the Secretary of Health and Human Resources' eHHR (Electronic Health and Human Resources) Program Office, will create a

need for reallocating staff to manage these projects, thus creating gaps in other critical areas.

## Agency Statistics

### Statistics Summary

The following statistics illustrate the breadth of services provided by VDSS and local departments of social services. The statistics are based on SFY 2013 data (number of children and adults served is based on 2012 annual population estimates from the Census Bureau). The sociodemographic statistics were obtained from the U.S. Census Bureau's 2012 American Community Survey. The economic statistics (employment and wage data) were obtained from the Virginia Employment Commission.

### Statistics Table

Description	Value
Virginians receiving SNAP	1,298,948
Virginians receiving TANF	160,577
Virginians enrolled in Medicaid	1,689,932
Households getting fuel and/or cooling assistance	138,621
Child support enforcement cases	347,472
Child support collected (\$millions)	657
Child abuse/neglect investigations and assessments	33,861
Children in foster care (as of June 30)	4,412
Adult abuse/neglect investigations (completed)	16,632
Children in subsidized child care	43,476
Licensed child/family day care sites	3,954
Unlicensed/voluntarily regulated child day care sites	2,032
Licensed child residential care facilities	131
Licensed assisted living and adult day care facilities	616
Domestic Violence: Victim services (unduplicated)	30,276
AmeriCorps member and volunteer service hours	383,717
2-1-1 Virginia: Total contacts (phone and website)	591,073
Virginians whose income in the past 12 months is below the poverty level	931,805
Virginians in labor force who are unemployed	235,130
Virginians with no health insurance coverage	999,735
Percent of children living in single-parent households	27
Percent of children living below the poverty level who are in single-parent households	72
Mean annual wage (\$) for entry-level job in Virginia	20,624
Percent of Virginia households that experienced food insecurity at some point during the year	9

## Management Discussion

### General Information About Ongoing Status of Agency

The Virginia Secretary for Health and Human Resources (SHHR) has proposed several top priority areas for agencies in the secretariat. These priorities, which are aligned with the Governor's goals of maintaining a 21st century economy, promoting innovation and good government, and creating a healthy Virginia, include:

1. Promoting strategies that encourage a culture of health through stable housing, access to high quality health care, and proper nutrition;
2. Aligning Virginia's workforce to meet current and anticipated employer demands with career pathways and training solutions for dislocated, underemployed, and future workers;
3. Developing a clear and consistent anti-poverty policy;
4. Promoting strategies to improve nutritious options for Virginians in at-risk circumstances;
5. Improving educational success in struggling schools in high poverty communities and expanding access to quality early education for all children.

VDSS is addressing the above-mentioned priorities through the key performance measures (listed on page 4) and the following initiatives:

- **Inter-Agency Partnership in Healthy Virginia:** Expanding medical assistance eligibility requirements and outreach to several undergroups (e.g., uninsured children of state employees, individuals with severe mental illness);
- **Youth Homelessness:** Working within an inter-agency task force to develop strategies to reduce homelessness among and improve other outcomes for youth who transition out of foster care;
- **Commonwealth Council for Childhood Success:** Increasing the quality and accountability of early child care providers;
- **Supplemental Nutrition:** Increasing participation of eligible Virginians, especially families with children, in the Supplemental Nutrition Assistance Program (SNAP);
- **Eligibility Modernization/Technology Improvements:** Modernizing information systems to: meet health system reform requirements, automate eligibility determination, enable data sharing, allow for customer authentication, and use an electronic document management system;
- **Data Analysis and Performance Management:** Training state and local DSS staff to "manage by data" (i.e., enhance and expand knowledge and use of data to improve program performance); establishing a structured data governance process that uses input from stakeholder communities to address data quality; conducting research to identify root causes and to inform decision making regarding changes in policy and practice; and enhancing the ability of knowledge workers to access data, conduct analysis, and publish reports.

### Information Technology

VDSS is a major participant in several SHHR-sponsored enterprise-level IT projects. The projects will leverage Service Oriented Architecture (SOA), Enterprise Service Bus (ESB) technology and Business Rules Engines. With financial support from the federal Administration for Children and Families, Centers for Medicaid and Medicare Services, and Food and Nutrition Service, key initiatives include development and implementation of the web-based Customer Portal, Virginia Case Management System (VaCMS) for child care, and modernization of public assistance eligibility legacy systems. The first two initiatives have been accomplished.

**Eligibility Systems Modernization:** In December 2012, VDSS awarded a contract to replace the Public Assistance eligibility determination legacy systems. This includes use of a business rules engine to simplify rollout of future program changes, a document management system, and enhancements to the Customer Portal and Child Care systems. DSS has partnered with DMAS to accommodate changes in technology to support implementation of new Medicaid requirements and eligibility determination. Work on the eligibility modernization effort continues.

For 2012-2014, federal and state funds were allocated for the Enterprise Delivery System Project, the largest software development effort ever undertaken by VDSS.

For the upcoming biennium, VDSS is requesting funds for an anticipated cost increase in UNISYS CPU utilization due to expected increases in usage. The UNISYS platform will continue to support mandated eligibility determination services and other non-eligibility services for Medicaid, LIHEAP, TANF, SNAP and VIEW until the Enterprise Delivery System Project is completed.

### Workforce Development

VDSS is projected to lose 30.2 percent of its classified employees by 2018 due to retirement. More than fifty percent of the workforce (55%) is 50 years and older. The median age is 51 years. VDSS employees under 30 years old make up only 3% of the workforce.

This trend is not unique to Virginia government or the state, but reflects the nationwide aging of the "Baby Boom" generation. The aging workforce gives way to a smaller workforce pool, as fewer new workers enter the job market. A smaller workforce pool increases competition for workers among prospective employers.

As the number of non-English speaking residents increases, VDSS will face new challenges in delivering economic assistance and workforce services. Improved skills in addressing cultural and language differences will be needed for VDSS and LDSS staff to provide services to this population.

While the Customer Portal's automation process may initially increase the number of benefit applications filed, it is anticipated workers' caseloads will lessen over time. This will result in less need for hiring more staff and reallocation of staff to other areas.

Other strategies include:

- Using Workforce data trends to identify and mitigate the loss of experienced workers, using strategies such as career enrichment, internship programs, and competency-based learner services.
- Making language translation/interpretation services more accessible to local agencies.

### Physical Plant

VDSS currently has 34 leases throughout the Commonwealth in support of its mission. The total annual lease cost is approximately \$8.5 million. Management of these leased spaces is a collective effort between VDSS and the Department of Real Estate Services (DRES).

Besides the day-to-day management of the leased space, VDSS has no major physical plant projects planned. VDSS successfully meets all established requirements and standards in providing accommodations, facilities, equipment and amenities that are

suitable for employees and clients.

VDSS and DRES continue to meet monthly to discuss leases that are set to expire within two to three years. This discussion is critical in planning and budget preparation for the Home, Regional, District, or Licensing offices.

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