

2018-20 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 1625 Salaried Employees, 70 Contracted Employees, 1822.5 Authorized, and 96 Wage Employees.

Financials Budget FY 2019, \$2,107.91 million, 20.37% from the General Fund.

Trends

Legend

↑ Increase, ↓ Decrease, → Steady

Key Perf Areas

↓ Exit to Permanency

→ TANF Work Participation Rate

→ SNAP Participation Rate

Productivity

Legend

↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to 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 – work together to help individuals and families triumph over poverty, abuse, and neglect to shape strong futures for themselves, their families, and their communities. VDSS and its partners directly serve approximately 25% of Virginians every year 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, enhancing early childhood development, 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 programs, including 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

With a mission to help families triumph over poverty, abuse, and neglect, VDSS's most widely used services include social safety net programs (Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, energy and cooling assistance), Medicaid and FAMIS eligibility determination, child support collection, foster care and adoption services, child protective services, subsidized child care, improving the quality of child care, licensure of child and adult care facilities, workforce development services, refugee services, and prevention services including home visiting, nutrition education, and financial literacy.

Combined, 1.71 million Virginians received SNAP (formerly the Food Stamp Program), TANF, and/or Medicaid/FAMIS benefits during state fiscal year 2018. The majority of these participants are SNAP and Medicaid recipients. Approximately 31,000 children received child care subsidies through VDSS during SFY 2018. In April 2019, Child Support Enforcement served 299,000 families, comprised of 361,000 children and 471,000 parents (custodial and non-custodial).

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, including the Department of Medical Assistance Services, 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. According to the U.S. Census Bureau, Virginia's population was approximately 8.52 million in 2018. Recent population projections from the Weldon Cooper Center indicate that Virginia's population will increase to 8.75 million by 2020 and to more than ten million people by 2040. Between 2010 and 2030, Virginia's senior population (age 65 years and older) will double. By 2030, the last of the Baby Boomers will reach retirement age, and seniors will comprise one-in-five Virginians. These demographic shifts will increase the demand for social services at the state and local levels.

Approximately 10.6 percent of the 2018 population were living in households with an annual income below the federal poverty threshold with a much larger group of households struggling to earn an adequate wage to afford the cost of living in their communities. VDSS has adopted a measure of self-sufficiency developed by the United Way (ALICE) that accounts for the cost of living in each locality (including the cost of food, transportation, child care, and housing). According to the most recent report published in 2017, 39 percent of Virginia households struggled to afford basic household necessities. As of March 2019, about 133,000 Virginians, or 3 percent of the labor force, were unemployed.

Two other long-term national trends have increased the demand for social services: the increase in addiction including opioid abuse and the decline in real wages of low-skilled workers and all workers earning a minimum wage. These national trends have been evident in Virginia and increase the likelihood that some families need the services provided by the social services system, including workforce services designed to help individuals earn a living wage.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Low-Income	Adults and children receiving SNAP	994,708	1,400,000	Decrease
Low-Income	Adults and children receiving Medical Assistance	1,410,979	1,700,000	Increase
Low-Income	Adults and children receiving TANF and Unemployed Parents Cash Assistance	82,069	897,000	Decrease
Families	Families receiving child support enforcement services	302,693	309,000	Stable
Families	Families receiving subsidized child care	17,668	21,429	Decrease
Child	Children receiving subsidized child care	31,090	37,765	Decrease
Low-Income	Households receiving fuel, cooling, and/or crisis assistance	68,167	227,000	Stable
Health Care	Early child care providers	6,084	6,084	Increase
Child	Children reported as being abused, neglected or maltreated	55,255	267,000	Stable
Child	Children in foster care	7,556	267,000	Stable
Health Care	Licensed Children's Residential Providers	173	173	Increase
Health Care	Staff and caretakers of foster care children who require background investigations	13,781	14,000	Increase
Low-Income	Low-income residents served by Community Action Agencies	127,408	2,000,000	Stable
Refugee	Refugees fleeing due to war, armed conflict, or human rights violations	1,819	4,000	Increase
Volunteer	Residents involved in community volunteer network (AmeriCorps)	5,235	5,235	Decrease
Victim	Domestic violence victims and their children in emergency shelters	5,553	22,432	Stable
Health Care	Assisted Living Facilities/Adult Day Care Facilities	652	652	Stable

Finance and Performance Management

Finance

Financial Summary

The Department of Social Services' base budget is comprised of approximately 20% general fund, 47% federal funds, and 33% special funds. In addition to these sources, approximately \$226 million per year of local matching funds are expended. These local funds are not appropriated in the state budget.

The federal funds comprise approximately 32 federal grants, including administrative funds for the Supplemental Nutrition Assistance Program (SNAP), Medicaid, Temporary Assistance for 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 for subsequent payment to the custodial parents.

Fund Sources

Fund Code	Fund Name	FY 2019	FY 2020
01000	General Fund	\$429,427,587	\$433,983,740
02022	Cntrl Rgstry Srch Fees-Non-Fed	\$3,045,504	\$4,055,067
02043	Background Search Fees	\$892,640	\$892,640
02169	Capital Asset Procurement Fund	\$701,142	\$701,142
02353	Dcse Matched Incentive Funds	\$14,392,333	\$14,667,451
02370	Dcse Non Matchd Incentive Fund	\$11,638,415	\$11,638,415
02390	Dcse Child Support Enforcement	\$664,906,309	\$664,906,309
02720	Procurement And Distribtn Srvcs	\$75,000	\$75,000
02730	Licensing Application Fees	\$475,000	\$475,000
09114	Fraud Recovery Special Fund	\$3,000,000	\$3,000,000
09140	Putative Father Registry Fund	\$235,265	\$235,265
09660	Intrnet Crimes Against Childrn	\$350,000	\$350,000
09780	Healthcarecoverageassmntfund	\$4,774,764	\$6,709,655
10000	Federal Trust	\$974,000,450	\$1,002,560,296

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 bulk of the \$708 million in special revenue (SFY 2020 budget) 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:** VDSS and local departments continually meet the federal work requirement target (adjusted for caseload reduction) each year since 1997. The TANF Work Participation Rate was hovering around 45% before converting to a new data system in late 2016. After the conversion, the work participation rate immediately dropped to 35%, on average, due to a change in how the rate was calculated. The latest rate for the quarter ending in March 2019 was 39.4%.
- **Child Support Collection:** VDSS operates one of the most successful and productive child support systems among the 50 states. Child support collections continue to meet the 65% target. The percentage rate was 64.9% in March 2019.
- **Exit to Permanency:** VDSS and local departments strive toward meeting the target (86%) for 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). The permanency rate, which is a rolling 12-month average, is calculated at the end of each quarter. The rate improved between FY 2011 and 2017 (reaching a high of 82.4% in June 2017), but has since been decreasing. The permanency rate is currently at 73% for March 2019.
- **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. During FFY 2017 and 2018, the cost effectiveness rate has been above \$6 in all but one quarter. The year-to-date rate (through March 2019) is \$6.58.
- **SNAP Participation Rate:** VDSS and local departments continue to provide SNAP benefits to the income-eligible population (i.e., people with annual household incomes below 130% of the Federal poverty threshold). The SNAP Participation Rate has remained above 65

percent since 2006. The latest federal report indicates that Virginia's SNAP participation rate was 75% based on 2016 data.

- Quality Early Child Care/Education Programs:** As of the end of SFY 2018, 21.8% of all eligible early care and education programs were participating in the Division of Child Care and Early Childhood Development's quality rating and improvement system (Virginia Quality), up from the previous year (17.3%). The rate has continually improved since 2014, when we started measuring results from this initiative. Early care and education programs participate 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	Worsening
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	Maintaining
76546301.001.001	Percentage of child support owed that is collected	Child Support Collection	Maintaining
765.0004	Percentage of the eligible population enrolled in the Supplemental Nutrition Assistance Program (SNAP)(SNAP Participation Rate)	SNAP Participation Rate	Maintaining
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 fluctuating caseloads and workload for public assistance programs. Primarily due to health care reform, the volume of applications for Medicaid has increased substantially since 2013. The open enrollment period from this past year (November 15 – December 31) coincided with the beginning of the application period for Medicaid Expansion and resulted in a doubling of the total Medicaid applications for Virginia. With close to 300,000 new participants enrolled in the Medicaid program from January 1, 2019 to 07/01/19, the application and enrollment volume presents a risk to the social services system to ensure timely and accurate determination and renewals.

Information Systems: The Department has outdated information systems for many critical services including child support, licensing, child protective services, foster, adoption, and refugee assistance services. These systems operate on outdated, inflexible technology which is often reliant on expensive mainframe services. Coupled with the executive order to move IT services to the cloud, IT transformation is both a risk and an important opportunity for VDSS to improve its service delivery and increase efficiency. The IT procurement process continues to be difficult and slow, inhibiting the Department's pace of transformation. Additionally, the untangling of VITA's contract from NG slowed critical infrastructure changes including the refresh of hardware for workers in the field.

VDSS is undergoing a large Executive Leadership re-organization which includes a complete review and reorganization of the current IT organizational structure.

Funding and legislation: The General Assembly provided funding and legislation to support needed changes to the Virginia foster care system; however, additional funds will be needed to appropriately staff local departments of social services. To this end, VDSS is completing a workload analysis that maps the business functions of all the services provided by local departments of social services under the supervision of VDSS. This analysis will tell VDSS how many workers are necessary to meet the current caseload. By combining these data with a market rate study, the Department will have a clear understanding of the necessary investment needed to recruit, train, and retain a workforce capable of meeting statutory demands and service needs.

At the federal level, the passage of the Family First Prevention Services Act will enable the Commonwealth to use of federal funds to 1) provide enhanced support to children and families, and 2) prevent foster care placements through the provision of mental health and substance abuse services, in-home parent skill-based programs, and kinship navigator services.

Virginia Senate Bill 1339, commonly referred to as the Foster Care Omnibus Bill, makes numerous changes to the laws governing the provision of foster care services in Virginia. The General Assembly provided funding for additional staff at the State level to monitor and improve foster care services and to expand foster parent recruitment and support. SB 1339 also provides the Commissioner of Social Services additional authority to intervene when a local agency fails to provide foster care services or acts in a manner that poses a substantial risk to health, safety, and wellbeing of any child in foster care.

Institutional Knowledge: The social services system has an aging workforce and has seen a substantial number of retirements. This is expected

to continue for the next several years. This loss of experience and institutional knowledge makes succession planning a critical task. In addition, local departments of social services are experiencing high turnover largely due to large workloads and relatively low pay.

VITA Disentanglement: The delays that VDSS is experiencing by working through VITA for technology projects and internet technology (IT) purchases are limiting the Department's ability to successfully complete IT projects and to provide critical client services. If these delays continue, it will impact the delivery of VDSS services to citizens of the Commonwealth. With the new Multi-Sourcing Integrator (MSI) now on board and new VITA services slowly becoming available, we anticipate greater insight into the capabilities of services such as network bandwidth monitoring, PC Refresh activities, and ticket flow improvements. Note that existing services have introduced additional steps in existing processes such as eVA orders and receiving of goods.

Agency Statistics

Statistics Summary

The following statistics illustrate the breadth of services provided by VDSS and local departments of social services. The client, case, services and expenditure statistics are based on fiscal years 2018-2019 data. The sociodemographic statistics were obtained from the U.S. Census Bureau's 2017 American Community Survey; the food insecurity statistic was calculated using data from the 2015-2017 Current Population Survey Food Security Supplement. The Virginia Employment Commission was the source for the unemployment rate (not seasonally-adjusted) for March 2019; the annual wage for entry level (25th percentile) comes from May 2018 Occupational Employment Statistics survey findings.

Statistics Table

Description	Value
Virginians receiving SNAP (March 2019)	704,973
Virginians receiving TANF or TANF for Unemployed Parents (April 2019)	36,336
Virginians enrolled in Medicaid or FAMIS (April 2019)	1,356,949
Households getting fuel and/or cooling assistance (FFY 2016)	145,788
Children served by Child Support Enforcement (April 2019)	361,398
Child support collected (\$millions; SFY 2018)	646
Child abuse/neglect investigations and assessments (SFY 2018)	37,603
Children in foster care (April 2019)	5,504
Adult abuse/neglect completed investigations (SFY 2018)	21,461
Children in subsidized child care (April 2019)	18,350
Child care providers (June 2019)	6,084
Licensed assisted living and adult day care facilities (June 2019)	652
Domestic violence victims and their children receiving shelter (SFY 2018)	5,553
AmeriCorps member service & recruited volunteer hours (FFY 2018)	397,773
2-1-1 Virginia: Total contacts (phone and website) (SFY 2018)	236,505
Percent of residents living below the poverty level (2017)	11
Number of residents living below the poverty level (2017)	906,838
Percent of households living below the poverty level (2016)	8
Percent of households with children living below the poverty level (2017)	12
Percent of labor force who are unemployed (March 2019; not seasonally-adjusted)	3
Adults in labor force who are unemployed (March 2019; not seasonally-adjusted)	133,136
Percent of residents who have no health insurance coverage (2017)	10
Residents with no health insurance coverage (2017)	810,412
Annual wage (\$) for entry-level job (25th percentile) in Virginia (May 2018)	25,910
Percent of households experiencing food insecurity during the year (2015-2017 avg.)	10

Management Discussion

General Information About Ongoing Status of Agency

The Department of Social Services has several top areas and objectives, which are aligned with the Governor's goals of maintaining a 21st century

economy, promoting innovation and good government, and creating a healthy Virginia:

1. Increasing safe and stable living situations for children and families; prevent child abuse.
2. Promoting strategies that encourage a culture of health through stable housing, access to high quality health care, and proper nutrition.
3. Aligning Virginia's workforce to meet current and anticipated employer demands with career pathways and training solutions for dislocated, underemployed, and future workers.
4. Developing a clear and consistent anti-poverty policy.
5. Promoting strategies to improve nutrition for Virginians in at-risk circumstances.

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

- **Achieving Adoptions & Permanency from Foster Care:** Engaging families and the community to support permanency for children; expanding foster parent recruitment and support; monitoring and improving the provision of foster care services; providing additional permanency options for youth living with relative foster parents; and supporting LDSS agencies with the adoption finalization process.
- **Enhanced Child Welfare Monitoring:** Implementing a new Continuous Quality Improvement (CQI) structure to support the child welfare case review process and improve the outcomes for children and families served by VDSS.
- **Inter-Agency Partnership in Healthy Virginia:** Expanding medical assistance eligibility requirements and outreach to several under-served groups (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.
- **Child Support Family Engagement Programs:** Collaborating with courts and community partners to provide resources that assist parents in overcoming barriers that prevent them from meeting their child support obligations.
- **Child Care and Early Childhood Development:** Increasing the quality and accountability of early care and education providers.
- **Strong Partnership with Community Action in Poverty-Elimination:** With community and program data, transforming Community Action's Results-Oriented Management and Accountability (ROMA) in order to equip and align community action programs on eliminating the causes of poverty and to focus on *community-level* problem solving and systemic change.
- **Supplemental Nutrition Assistance and Employment and Training Programs:** Increasing participation of eligible low-income Virginians, especially families with children, in the Supplemental Nutrition Assistance Program (SNAP) while reducing dependency on public assistance by providing workforce training and job opportunities.
- **Eligibility Modernization/Technology Improvements:** Modernizing state administrative client 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. Includes modernizing both public assistance and child welfare information systems.
- **Medicaid Expansion:** Providing the eligibility services to enable an estimated 400,000 additional individuals to receive Medicaid and obtain healthcare services as well as partnering with Virginia Works and DMAS to ensure able bodied adults receive workforce services that enable them to obtain employment.
- **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 continues to replace, enhance and upgrade all of its automated systems in support of the wide variety of VDSS programs. With our main application (VACMS) now fully deployed, the agency is shifting its overall IT focus to the automation needs for the Child Welfare and Child Support programs. In addition, VaCMS is being modified to support Medicaid expansion in Virginia.

The Commonwealth of Virginia entered into a contract with a mobile vendor in September 2018 to provide mobile capacities for the current child welfare information system (OASIS) to family services specialists and LDSS agencies. Pilot implementation and deployment of this mobility application is scheduled to start in October 2019, and statewide implementation/deployment will start in January 2020.

VDSS is undertaking an agency-wide (enterprise) Application Platform Assessment. VDSS intends to create reusable services across multiple programs using a limited number of technology solutions to improve deployment speed, create efficiencies and reduce risks and costs associated with multiple technology solutions.

Our Child Support system will be migrated from our current IBM Mainframe Solution to a cloud hosted server solution within the next 3 years. Several smaller size projects will continue to be worked within DSS and depending on the value and/or complexity will have the required VITA-PMD Oversight. Projects include the replacement of our LETS system, NAPS system and APPEALS integration.

A budget request has been submitted to support the new VITA-IT Sourcing program and the associated costs with the new model. While agencies were informed that the disentanglement from NG would not be a cost to the agency, our annual VITA costs are projected to be close to \$6.5 million more than our base budget for VITA expenditures.

Workforce Development

The Department's 2018 Succession Plan highlights three focus areas: 1) Work Force Planning (WFP) critical positions, 2) employees nearing retirement, and 3) executive positions. Agency management identified 213 positions (11.5%) as WFP critical. Of these positions, 25 (12%) are

eligible for retirement in one year, and 32 (15%) are eligible for retirement in two to five years. The WFP critical position number also includes 20 executive positions (10%). Within the next five years, 27% of all WFP critical and executive positions will be eligible for retirement.

The identified WFP critical employees and executive employees have a wealth of institutional knowledge, and turnover in these positions could have a negative impact on the the agencies' health and ability to serve the Commonwealth's citizens. Other notable workforce risks are the lack of young talent in the agencies' workforces and employees leaving positions early in their tenure for better jobs.

The Action Plan includes:

1. Implement Exceptional Recruitment and Retention Incentive Options such as student loan debt repayment, retention bonus, and sign-on bonuses.
2. Pilot a college internship program that provides opportunities for young talent to gain the knowledge, skills, and abilities in social services and professional fields with the longer-term goal of transitioning into employment opportunities within the organization. Examples include job shadowing, on-the-job training, project management, or real work experience in the areas of finance, human resources and social services.
3. Create an employee value proposition and proactive sourcing strategies, including improved veterans and disabled recruitment, to attract new talent.
4. Collect data from exit and stay interviews to determine why employees leave the agencies.
5. Create a structured onboarding program for new employees in order to engage and retain new talent.
6. Update the VDSS Salary Administration Plan to provide the foundation for applying consistent compensation practices that enhance the recruitment and retention of qualified talent to support the agency's mission.

Physical Plant

Security Concerns: Based on recent events and an increase in threats and workplace violence, VDSS is considering evaluation of current security measures. Plans are being developed to evaluate physical plant security, methods of access to the building, and preparedness training.

Current Leases: VDSS currently has 29 leases, two of which are for parking. VDSS is considering leasing new space, building, or consolidating offices for six Child Support Enforcement field offices.

Home Office Space Planning: Home Office is in the planning phase of an office renovation to include relocation of staff within the Wytestone Building. VDSS is considering acquiring the top vacant floors of the building in order to allow VDSS better security and control over the leased space. VDSS would vacate lower floors and partial floors in exchange for full access to consecutive floors, remaining square-foot neutral. In addition, VDSS is analyzing current space needs to reduce workspace in lieu of additional conference space. Teleworking, file space, and appropriate office size are being considered in this effort.

Parking: With growth at Home Office and increased fee structures, parking availability is becoming limited, with risk of parking not being available to all full-time staff within the next two years. While available in the past, parking is currently no longer being offered to P-14 and contract employees. In order to mitigate this risk, the Home Office Space Planning project is analyzing parking usage. Encouragement and structure for telework options will play an important role in ensuring that parking remains available as needed.
