



public social services

# Public Social Services In Hampton Roads: A Primer

*“...the good we secure for ourselves  
is precarious and uncertain, is  
floating in mid-air, until it is secured  
for all of us and incorporated into our common life”.*

*– Jane Addams*

**T**his chapter is a short course on the provision of public social services in Hampton Roads. We realize many readers may regard the material as the equivalent of castor oil. The typical reader perhaps emanates from a stratum of society which has little contact with public social services – the oft-maligned “welfare system.” Most citizens are comforted to know such a system exists, but many would rather not know its messy details. But, we assure you that the version of civic castor oil that we have concocted will be good for you. It may not taste good, but drinking it is a necessary part of informed citizenship in Hampton Roads. Considering the large number of citizens who are part of the public social services system, the considerable amount of money involved, and the almost uncountable human agonies and triumphs of those within the system, this chapter is a “must read” for all who want to make Hampton Roads a better place to live. (We will examine the provision of privately funded social services in next year’s “State of the Region” report.)

## Some Background

Jane Addams, a tireless social activist of the early 1900s, helped introduce many of the program concepts still found today in public social services. Addams and a cadre of women friends living in Chicago opened Hull Settlement House and ran a myriad of programs to help immigrants make the transition into American society. She often has been criticized for leading the way to today’s welfare system. Nonetheless, her goal was to ease the dire effects of poverty and disease on immigrant families. Programs and initiatives included: child care, the first kindergarten, parenting programs, a gymnasium, employment programs, and employment laws protecting women and children. Working-class women during this era put in long hours without having any professional child care available. There was also a lack of medical care available for infants, leading to a high infant mortality rate. Profound concern over this high rate led to the first efforts of documenting the number of infant deaths. Other initiatives included mapping the ethnicity of people in the local neighborhood as well as the wages they earned. Thus began the very first use of social scientific data to initiate reform.

**Today, almost 100 years later, a broad array of publicly funded benefit programs and services are available to help people. But do they work? How do we evaluate their results? Are they adequately funded? And who benefits? That is the focus of this chapter.**

# The Public Social Services Structure In Hampton Roads

The Virginia Department of Social Services (VDSS) is responsible for the management and implementation of financial assistance, employment, and social service programs and initiatives including food stamps and Medicaid. These programs are administered by 122 local social service agencies. The VDSS has five regional offices that serve as liaisons between the central office and the local departments of social services. Hampton Roads essentially comprises the Eastern Region and consists of the following cities and counties: Accomack, Chesapeake, Franklin City, Hampton, Isle of Wight, James City, Newport News, Norfolk, Northampton, Portsmouth, Southampton, Suffolk, Virginia Beach, Williamsburg and Yorktown/Poquoson.

The directors of Eastern Region social service agencies meet regularly in an effort to share information, enhance service provision and benefit those they serve: the thousands of people who are partially or totally incapacitated by poverty, age, abuse, physical, mental or emotional debility, neglect, limited education and inadequate socialization. Sometimes people cannot, by themselves, counteract the misfortune that happens to them or into which they have been born. Many do not need long-term help; often they just need a “helping hand” over the rough spots.

## 1. What kinds of public services are available?

## 2. From where does the funding come?

The overriding goal of public social services is to provide fiscal and social support for citizens who need assistance, and primarily for those least able to obtain such support. Services are intended to be temporary and to provide means for individuals and families to achieve their greatest potential.

Social services in Hampton Roads are organized and structured somewhat differently within each county and city, but the same essential services are found from locality to locality. Still, “navigating the maze” requires skill and know-how – whether one is seeking some type of public assistance or has just graduated with a master’s degree and is looking for employment. The following types of services are found in each city and county:

*Financial Assistance:* provides basic necessities, food, clothing, shelter and medical care

*Employment Services:* facilitates self-sufficiency through employment, encourages upward mobility and life-long learning

*Social Work Services:* assists families and individuals to better manage their lives and deal with crises that impact their lives

*Emergency Shelter Management:* provides emergency shelter, mass care and mass feeding during hurricanes, flooding, and other emergencies or disasters.

**This chapter will look primarily at financial assistance services, also referred to as benefit programs. In doing so, it needs to be acknowledged that social services include more than just these types of welfare programs.**

However, the benefit programs provide a starting point in this review and are of considerable interest, as the majority are mandated programs.

Table 1 lists the total amount of funding utilized by localities for each program and the number of individuals or families served by each locality. Dollar amounts represent the amount of benefits paid out and do not include staff costs. All benefit programs have their basis in legislation at either the federal or state level. Funding sources vary for each program but all include one or more levels of government.

**Table 1**  
**THE ACTIVITIES OF PUBLIC LOCAL SOCIAL SERVICE**  
**AGENCIES IN HAMPTON ROADS (FY 2001)**

Select Localities	Auxiliary Grants for the Aged and/or Disabled		Energy Assistance		Food Stamps		General Relief	
	Case-Load	Expenditures	Case-Load	Expenditures	Case-Load	Expenditures	Case-Load	Expenditures
Chesapeake*	1,496	\$ 432,293	2,847	\$ 545,757	3,483	\$ 7,591,236	118	\$ 23,360
Franklin City	21	\$ 74,328	565	\$ 115,354	579	\$ 943,970	0	\$ 0
Isle of Wight	49	\$ 123,593	744	\$ 173,307	918	\$ 1,497,435	23	\$ 26,743
James City	25	\$ 70,717	40	\$ 121,840	650	\$ 1,065,901	51	\$ 19,995
Newport News	158	\$ 563,000	3,560	\$ 742,639	5,793	\$ 1,343,251	174	\$ 65,706
Norfolk	354	\$ 957,473	4,301	\$ 101,862	10,765	\$23,235,000	139	\$ 475,000
Portsmouth	107	\$ 387,228	2,584	\$ 441,267	4,429	\$ 9,350,000	254	\$ 222,716
Southampton	31	\$ 107,085	1,036	\$ 212,566	700	\$ 1,025,894	14	\$ 3,666
Suffolk	75	\$ 272,125	2,586	\$ 677,702	2,671	\$ 4,328,001	168	\$ 18,810
Virginia Beach	122	\$ 347,017	1,857	\$ 420,840	5,287	\$ 9,541,784	151	\$ 160,481
Williamsburg	144	\$ 43,040	0	0	163	\$ 180,801	134	\$ 21,853
York/Poquoson	20	\$ 54,400	467	\$ 90,900	500	\$ 888,000	60	\$ 42,100
	2,672	\$3,670,759	25,205	\$4,460,116	38,271	\$64,013,148	1,365	\$1,202,277

\*Chesapeake. is the only locality listed that does not have Emergency Shelter Management  
Source: Eastern Region Local Departments of Social Services 2002 Information Resource Book

Table 2 indicates the funding source for these programs. Local governmental units in Hampton Roads pay large proportions of general relief costs, Medicaid expenditures and FAMIS (Family Access to Medical Insurance Security) costs. Many local government officials view these expenditures as “uncontrollables” and believe more state and federal funding should be forthcoming in these areas.

**Table 2**  
**SOURCES OF FUNDING FOR LOCAL SOCIAL SERVICE BENEFIT PROGRAMS**

<b>Program</b>	<b>Funding Ratio for Benefits Paid Out</b>	<b>Funding Ratio for Administrative Costs</b>	<b>Comments</b>
<b>Auxiliary Grants for the Aged and Disabled</b>	80% state 20% local	80% state 20% local	Mandated program Benefits capped
<b>Energy Assistance</b>	100% federal	100% federal	Mandated program Benefits capped
<b>Food Stamps</b>	100% federal	50% federal, 30% state, 20% local	Mandated program Benefits capped, but never spent out
<b>General Relief</b>	37.5% state 62.5% local	37.5% state 62.5% local	Non-mandated program, optional for localities Benefits capped
<b>Medicaid</b>	50% federal 50% state	50% federal, 30% state, 20% local	Mandated program Not capped, open-ended Direct program expenditures
<b>FAMIS</b>	66% federal 34% state	10% of federal funds received are allotted to administrative costs	Non-mandated program States have flexibility regarding capping benefits, Virginia has capped
<b>State-Local Hospitalization</b>	100% federal	100% federal	Mandated program Benefits capped, limited allocation
<b>Refugee Resettlement Program</b>	100% federal	100% federal	Mandated program Benefits capped

Source: Eastern Region Local Departments of Social Services 2002 Information Resource Book

# Financial Services

Let's now take a closer look at the various types of financial assistance provided by public-sector social service agencies in Hampton Roads.

## AUXILIARY GRANTS FOR THE AGED AND DISABLED

This program provides financial assistance to certain needy aged, blind or disabled persons in licensed adult care homes ("assisted-living facilities") whose income is insufficient to cover the cost of their care. Recipients must meet eligibility criteria; they use these funds as a partial means to pay for care provided by the facility. Individuals who receive money from this program also receive a Medicaid card to use for medical bills.

Eastern Region social services benefit funding for auxiliary grants for the aged and disabled totaled \$3,670,759 in 2001. This funding is a mixture of state monies (80 percent) and local contributions (20 percent) for both benefits and administrative costs. The total caseload in 2001 for the Eastern Region was 2,672 people. Norfolk served the largest caseload (354) and paid out \$957,473 in benefits. York/Poquoson served the smallest caseload, totaling 20 individuals, with \$54,400.

For-profit firms often operate assisted-living facilities. There also are a number of facilities for the frail elderly that are faith-based and non-profit. Many facilities that house the frail elderly are faced with staffing shortages and cannot always meet minimum standards of care established by the federal government. Although the Department of Social Services in each locality determines eligibility for funds, it is inspectors from the Commonwealth's Department of Social Services who are responsible for monitoring the level of care provided at assisted-living facilities. In Virginia, there are 673 such facilities; 128 of these institutions are found in the Eastern Region. Virginia has only 38 regular inspectors for the entire state who visit these homes for monitoring purposes, considerably fewer than are needed.

## ENERGY ASSISTANCE

This program provides financial assistance for the payment of heating or cooling costs of households that meet certain income and resource criteria. Emergency assistance can also be provided to households to buy, rebuild or repair a primary heating source or pay for security deposits (once-per-lifetime) necessary to have the primary heating source turned on or to prevent its cut-off. Funding comes from the federal government. Some localities such as Norfolk have contracted out their disbursement of funds to those in need to outside non-profit agencies. In Norfolk, the STOP Organization assists those who are eligible to meet emergency heating/cooling costs. The departments provide monitoring and conduct audits of their expenditures. In 2001, the Eastern Region received \$4.46 million in federal funding for this program and served a caseload of 25,205 people. Newport News had the largest caseload (3,560).

## FOOD STAMPS

The Food Stamp Act of 1977 was designed to safeguard the health and well-being of the nation's population by raising levels of nutrition among low-income households. Another goal was to help provide food during emergency and financial disasters. The program is limited to U.S. citizens and certain legal aliens. The amount a family receives depends on income, resources, shelter costs and certain non-financial criteria such as age, disability, student status, and registration for the Training and Employment Program, where applicable. Able-bodied adults without children may receive benefits for the first three months of eligibility. Continued eligibility is based on satisfying a work/training requirement, unless a work-requirement exception is met.

Food stamps can be used to buy any food or food product for human consumption, seeds and plants for home gardens, and meals (if one is homeless) from authorized restaurants. They cannot be used to purchase alcoholic beverages, tobacco, hot foods, pet foods, or soap or paper products, nor can food stamps be used to pay previous grocery bills.

Recent federal welfare reform legislation requires states to implement an electronic benefits transfer (EBT) system that allows recipients to use plastic cards to purchase food using their food stamp benefits. In March 2001, the Virginia Department of Social Services entered into a three-year agreement with CitiCorp Service Inc. to provide this service. EBT, which was scheduled to be in operation statewide in August 2002, is expected to reduce the incidence of fraud, theft and abuse.

A total of \$64,013,148 was allocated to the Eastern Region for food stamps from a variety of government funding sources in 2001. These funds assisted a caseload of 38,271 families and individuals. The funding stream for the Food Stamp Program is 100 percent federal for benefits, though administrative costs are paid through a mixed funding stream of 50 percent federal, 30 percent state and 20 percent local.

## GENERAL RELIEF

The General Relief Program (GRP) is designed to address the needs of people who do not meet the eligibility criteria for federal programs such as Temporary Assistance to Needy Families (TANF) or Supplementary Security Insurance (SSI). The Code of Virginia allows a local social services department to establish a GRP and to choose what specified assistance components will be provided within the local plan. The cities and counties within Hampton Roads provide the following kinds of general relief:

- **Indigent Burial Program:** provides financial assistance on behalf of deceased indigent individuals who or whose families have no resources to pay for the cost of a public burial.
- **Emergency Medicine Program:** provides payments to vendors on behalf of needy individuals who meet program resource and income guidelines to pay for the cost of prescription medicines and supplies. Payments are limited to \$50 per month for prescription drugs and \$25 monthly for medical appliances/supplies prescribed by a physician, for a maximum of six months in a 12-consecutive-month period.
- **Unattached Child Program:** provides financial assistance to the caretakers of needy children up to age 18 for whom the degree of relationship with the adult caretaker cannot be traced. Children in this program are also eligible for Medicaid.

A total of \$1.2 million was allocated to Eastern Region localities in 2001, with the Commonwealth providing 62.5 percent and localities 37.5 percent. These funds assisted a caseload of 1,365 people.

## MEDICAID

The Medical Assistance Program (Medicaid), established under Title XIX of the federal Social Security Act, enables states to provide medical care to medically needy indigent citizens and certain aliens. Medicaid is no longer tied to or based on eligibility for welfare. Nor can states limit Medicaid eligibility to families that receive TANF benefits. States must provide Medicaid coverage to families who: (1) have a dependent child living with them; (2) have income and resources that would have qualified them for Aid to Families with Dependent Children under the state plan in effect on July 16, 1996; and (3) meet certain deprivation requirements (e.g., absent parent).

**By any standard, Medicaid is a huge program; more than \$532 million was expended within the Eastern Region in FY 2001.** Eligibility is determined according to income, resources and other criteria established by the state Department of Medical Assistance Services (DMAS). The Medicaid program is administered by both DMAS and the Department of Social Services. DMAS is responsible for designating the medical care to be covered under the state plan. The Department of Social Services carries direct responsibility for the determination of initial and continued eligibility for medical assistance and enrollment in the medical program and also for certain patients in state-owned hospitals and long-term facilities.

Medicaid costs and usage by service type for the Eastern Region are reported in Table 3. The data reflect costs and usage through fee-for-service visits (private doctor visits) and the same through the Medallion II program. It appears that health care provided through the Medallion II program is more cost-effective. Medallion II was created for the purpose of improving access to care, promoting disease prevention, ensuring high-quality care and reducing Medicaid expenditures. Under the program, Managed Care Organizations (MCOs) contract with DMAS through the state procurement and contracting process. MCOs provide most Medicaid services within their provider network for a set capitation rate. Annual rates are set at less than fee-for-service by the actuarial firm PriceWaterhouseCoopers. Medallion II has been operational since Jan. 1, 1996, and serves more than 142,000 recipients throughout Virginia. According to DMAS, "The managed-care programs in Virginia have been successfully received by the Health Care Financing Administration (HCFA) from 1997 through 2000. HCFA considers Virginia to be one of the top 10 states in the country in terms of program stability and growth."

**Table 3**  
**ANNUAL LOCAL MEDICAID UTILIZATION (FY 2001)**

	FEE FOR SERVICE		MEDALLION II		TOTAL MEDICAID			
	Expenditures for the Year	Individuals Enrolled (7/1/00)	Expenditures for the Year	Individuals Enrolled (7/1/00)	Expenditures for the Year		Individuals Enrolled	
<b>VIRGINIA</b>	<b>\$1,906,658,603</b>	<b>334,866</b>	<b>\$318,604,274</b>	<b>142,275</b>	<b>\$2,225,262,876</b>		<b>477,141</b>	
<b>EASTERN REGION</b>	<b>\$ 344,731,815</b>	<b>43,062</b>	<b>\$187,540,114</b>	<b>83,658</b>	<b>\$ 532,271,929</b>	<b>23.9%</b>	<b>126,720</b>	<b>26.6%</b>
Accomack	\$ 14,218,133	1,929	\$ 5,167,274	2,362	\$ 19,385,407	3.6%	4,720	3.4%
Isle of Wight	\$ 9,460,600	1,093	\$ 3,085,196	1,266	\$ 12,545,796	2.4%	2,359	1.9%
James City	\$ 5,280,788	697	\$ 2,070,256	992	\$ 7,351,044	1.4%	1,689	1.3%
Northampton	\$ 6,518,684	1,084	\$ 2,872,306	1,173	\$ 9,390,990	1.8%	2,257	1.8%
Southampton	\$ 6,894,680	991	\$ 2,209,972	856	\$ 9,104,652	1.7%	1,847	1.5%
York	\$ 5,130,645	523	\$ 1,728,362	878	\$ 6,859,007	1.3%	1,401	1.1%
<b>TOTAL COUNTIES</b>	<b>\$ 47,503,530</b>	<b>6,317</b>	<b>\$ 17,133,366</b>	<b>7,527</b>	<b>\$ 64,636,896</b>	<b>12.1%</b>	<b>13,844</b>	<b>10.9%</b>
Chesapeake	\$ 30,387,181	3,992	\$ 17,715,884	8,320	\$ 48,103,065	9.0%	12,312	9.7%
Franklin City	\$ 3,910,857	602	\$ 2,217,721	803	\$ 6,128,578	1.2%	1,405	1.1%
Hampton	\$ 28,924,681	3,518	\$ 16,258,354	8,090	\$ 45,183,035	8.5%	11,608	9.2%
Newport News	\$ 44,453,549	5,813	\$ 27,054,152	12,320	\$ 71,507,701	13.4%	18,133	14.3%
Norfolk	\$ 70,331,269	8,587	\$ 46,147,644	20,564	\$ 116,478,913	21.9%	29,151	23.0%
Poquoson	\$ 1,041,708	114	\$ 292,954	131	\$ 1,334,662	0.3%	245	0.2%
Portsmouth	\$ 35,191,506	4,095	\$ 22,484,216	9,763	\$ 57,675,722	10.8%	13,858	10.9%
Suffolk	\$ 24,027,903	3,126	\$ 11,459,550	4,502	\$ 35,487,453	6.7%	7,628	6.0%
Virginia Beach	\$ 56,861,497	6,690	\$ 26,189,620	11,391	\$ 83,051,117	15.6%	18,081	14.3%
Williamsburg	\$ 2,098,134	208	\$ 588,653	247	\$ 2,684,787	.5%	455	0.4%
<b>TOTAL CITIES</b>	<b>\$ 297,228,285</b>	<b>36,745</b>	<b>\$170,406,748</b>	<b>76,131</b>	<b>\$ 467,635,033</b>	<b>87.9%</b>	<b>112,876</b>	<b>89.1%</b>

Source: Eastern Region Local Departments of Social Services 2002 Information Resource Book

Medicaid funding for benefits is covered by 50 percent federal and 50 percent state dollars. Administrative costs are supported through a mixed funding stream of 50 percent federal, 30 percent state and 20 percent local monies.

## FAMIS

The Family Access to Medical Insurance Plan (FAMIS) provides health insurance for uninsured children up to age 19 who do not qualify for Medicaid and live in families with incomes up to 200 percent of the federal poverty level. FAMIS provides health insurance benefits similar to those one would typically find in a comprehensive private health insurance plan.

FAMIS is authorized by Title XXI of the Social Security Act. Sixty-six percent of its funding is from the federal government and 34 percent from the Commonwealth. As is true with Medicaid, FAMIS is administered by the Department of Medical Assistance Services. Applications and eligibility are determined in Richmond, and FAMIS benefits are delivered by managed-care entities.

The goal of FAMIS is to provide low-cost health insurance coverage to eligible children, but it is not an entitlement program. Eligibility is based on gross income and includes other factors as well. Enrollment efforts have been under way since 1998, when Title XXI funding was first available to Virginia. However, the state lags behind in enrollment with about 42,132 (as of April 30, 2002) children signed up out of a total 63,200 originally targeted by the state. The Virginia Coalition for Children's Health, however, believes that 81,000 children are eligible.

The low enrollment numbers have cost the state. Virginia forfeited \$55 million in federal funding the first two years of the program, according to a Joint Legislative Audit and Review Commission Report. Virginia ranks 40th of the 50 states in the percentage of federal dollars spent for the program.

In April 2002, The Virginian-Pilot reported that “only 42 percent of eligible children in Chesapeake were enrolled, and in Portsmouth 33 percent.” In Gov. Mark Warner’s “State of the Commonwealth” address on Jan. 14, 2002, he said: “... Nowhere do we need such fresh thinking more than in the way we care for children. We will expand the enrollment of Virginia’s children in the state children’s health insurance program. Other states like North Carolina and Indiana have enrolled virtually every eligible child. We should do no less here in Virginia. The Joint Legislative Audit and Review Commission found we have forfeited at least \$56 million in federal funds because of our failure to sign up these kids. This is morally wrong, and it is fiscally wrong.”

## State-Local Hospitalization

Medical assistance is provided to needy individuals and families who are not eligible for medical assistance through Medicaid and who have incomes below 100 percent of the federal poverty level, and resources of \$1,000 or less. This program provides outpatient and inpatient hospital care, hospital emergency room services, and services received at public-health departments, but it does not pay for prescription medication or private-doctor visits. The Eastern Region utilized more than \$4.2 million from state and locality funding to support an overall caseload of 2,089 people.

### BUDGET NUMBERS: PAST AND PRESENT

Table 4 reports Eastern Region social service expenditures reimbursed through state and federal sources. **In FY 2001, \$568 million of reimbursed social service expenditures were made in the Eastern Region. This is an impressive number by any definition.** However, of special note is the last column, which represents the category of “Non-Reimbursed” locality expenses. The term is used by the Virginia Department of Social Services to describe expenditures not eligible to receive matching state general funds. In essence, there are insufficient state general funds to meet certain types of expenses that localities face. From 1994 to 2001, federal expenditures in this area increased 85 percent, and over the same period the non-reimbursed portion that localities bore increased 317 percent, or an astonishing 45 percent per year. During this same time period, the dollars spent by the state increased 174 percent.

**Table 4**  
**SOCIAL SERVICE EXPENDITURES IN THE EASTERN REGION**

Fiscal Year	Federal Funds Expended	% of Reimb. Total	State Funds Expended	% of Reimb. Total	Local Funds Expended	% of Reimb. Total	Fed, State, Local Total	Non-Reimbursed
1994	\$177 m.	52%	\$87 m.	25%	\$78 m.	23%	\$342 m.	\$15.2 m.
1995	\$185 m.	52%	\$90 m.	25%	\$78 m.	22%	\$354 m.	\$14.7 m.
1996	\$200 m.	52%	\$100 m.	26%	\$86 m.	22%	\$387 m.	\$12.6 m.
1997	\$236 m.	55%	\$106 m.	25%	\$82 m.	19%	\$425 m.	\$24.7 m.
1998	\$260 m.	55%	\$125 m.	27%	\$84 m.	18%	\$471 m.	\$33.8 m.
1999	\$296 m.	57%	\$140 m.	27%	\$81 m.	16%	\$519 m.	\$32.6 m.
2000	\$321 m.	57%	\$149 m.	27%	\$90 m.	16%	\$560 m.	\$42.4 m.
2001	\$327 m.	58%	\$152 m.	27%	\$88 m.	16%	\$568 m.	\$48.1 m.

Source: Eastern Region Local Departments of Social Services 2002 Information Resource Book

ties bore increased 317 percent, or an astonishing 45 percent per year. During this same time period, the dollars spent by the state increased 174 percent.

There is general agreement at both the regional and local level that these financial tensions are due to the lack of increases in base-budget allocation(s) for administrative costs of social services at the state level. The last increase was seen in the mid-1980s.

The General Assembly approved a social services budget for all statewide programs (financial assistance, services, employment and emergency) totaling \$1.43 billion for 2003 and \$1.49 billion for 2004. Table 5 reports these data. Although these amounts reflect an increase in total overall social services spending for programs, the budget allocations for administrative costs remain basically at the same level. In 1998, Virginia ranked 41st in social services per capita spending at \$909. States spending the highest amount per capita were New York at \$2,105 and Alaska at \$1,594. North Carolina ranked 11th at \$1,355 per person.

**Table 5**  
**APPROVED SOCIAL SERVICE BUDGETS IN VIRGINIA**

<b>Funding Source</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
General	\$272.4 m.	\$265.9 m.	\$285.8 m.
Special	\$402.3 m.	\$445.4 m.	\$531.6 m.
Dedicated Special Revenue	\$ 2.3 m.	\$ 2.3 m.	\$ 2.3 m.
Federal Trust	\$553.6 m.	\$528.9 m.	\$607.5 m.
<b>Totals</b>	<b>\$1.221 b.</b>	<b>\$1.242 b.</b>	<b>\$1.427 b.</b>
<b>Positions Authorized</b>			
General Fund Positions	260	260	264
Nongeneral Fund Positions	1,325	1,325	1,350
<b>Totals</b>	<b>1,585</b>	<b>1,585</b>	<b>1,614</b>

### **3. How well do the services work and are there result-oriented measures?**

The Division of Benefit Programs at the Virginia Department of Social Services is the state organizational unit responsible for supervising local administration and management of some 16 public-assistance programs, including the Temporary Assistance for Needy Families (TANF), Medicaid, Energy Assistance and Food Stamps programs. It has developed a number of process measures to assess local agency performance in the administration of these programs. Virginia is one of only 12 states nationally using a state-supervised, locally administered social services system. This system creates a unique relationship between the state and local governments. All other states and territories use a state-supervised, state-administered system.

In Virginia, consultants take statistical samples of case records to audit compliance. Cases involving public assistance (for example, Medicaid and food stamps) are monitored for accuracy and timeliness in addition to policy compliance. Corrective-action measures are the outcome if errors and noncompliance are found. The main process measure used in the Food Stamps and Medicaid programs is the Quality Control (QC) review process. Through this process, statistical samples of case records are audited by state QC staff, who review the cases for compliance with federal/state policy and regulations, and to ensure that the household received only the benefits to which it was entitled during the review month. That said, such audits do not really tell us whether the program in question “really works.” Instead, the audits provide information about the administrative efficiency of the program.

In the Food Stamps Program, states whose payment error rate exceeds the national average are penalized, through fiscal sanction, by the federal government. On the other hand, states that are able to keep their payment error rate below 6 percent are eligible for enhanced funding from the U.S. Department of Agriculture. Table 6 reflects QC results for the Commonwealth. The Eastern Region scores the lowest in error rates at 6.44 percent. This is an excellent achievement, considering the current staffing deficits in the region’s social service departments.

With the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the federal government shifted its philosophy and converted Aid to Families with Dependent Children (AFDC) from an entitlement program to a federal block grant program known as the Temporary Assistance for Needy Families (TANF) program. With this change in funding philosophy also came a change in how the program operated. Under TANF, the federal government sets broad

**Table 6**  
**STATE FOOD STAMP QUALITY CONTROL RANKING FOR FEDERAL FY 2001**

<b>Region</b>	<b>Cases Reviewed</b>	<b>Error Rate</b>	<b>Errors</b>	<b>Agency Errors</b>	<b>Client Errors</b>
Central	202	8.47%	35	15	20
Eastern	285	6.44%	33	15	18
Northern	202	11.07%	27	18	9
Piedmont	202	6.62%	22	11	11
Western	186	6.46%	15	11	4
STATE	1,077	7.71%	132	70	62

Source: Eastern Region Local Departments of Social Services 2002 Information Resource Book

parameters for how the program is to be operated, giving states flexibility to determine program rules. The TANF program is currently being reauthorized at the federal level, and it is anticipated that the level of state flexibility will be further expanded.

There are currently no quality measures for the Energy Assistance Program; however, the 2002 General Assembly required that the Virginia Department of Social Services must begin to report on unmet energy needs in the Commonwealth.

## Identifying The Clients

### 4. Who are the clients?

Benefit programs are designed for individuals or families in need of temporary financial assistance. All recipients, therefore, must meet certain income-eligibility requirements. The following descriptions help explain eligibility standards used by social service workers:

**Poverty thresholds** are the original federal poverty measure. The Census Bureau updates them each year. Thresholds are used mainly for statistical purposes and generally are not used to determine actual recipients.

**Poverty guidelines** are a simplification of the poverty thresholds for administrative use in order to determine financial eligibility for certain federal programs. They are issued each year in the Federal Register by the Department of Health and Human Services. Both the poverty thresholds and the poverty guidelines are updated annually for price changes using the Consumer Price Index for All Urban Consumers (CPI-U). For example, the poverty level for a family of four in Hampton Roads is \$18,100 in 2002.

**National 2000 census data (U.S. Census Bureau) indicate that the national poverty rate in 2000 decreased to 11.3 percent, down half a percentage point from 1999. This rate was essentially the same as the record low of 11.1 percent set in 1973. In Hampton Roads, the estimated poverty rate is 15.8 percent, while the Virginia rate is 11.6 percent. Not surprisingly, poverty in Hampton Roads is particularly severe among children. An estimated 22.67 percent of children live in households below the poverty level.**

# Policy Questions And Challenges

## 5. What are the major policy issues and challenges?

The directors of social services departments within the cities and counties of the Eastern Region believe the major challenges they face are: (1) inadequate computer information systems; and (2) persistently inadequate funding of administrative costs associated with federal- or state-mandated programs. As is the case in many other arenas, legislators love to impose mandates they do not have to fund, or which they say should be funded by “increased efficiency.” The result has been administrative inefficiency, personnel shortages and reduced service levels.

C. Earl Blythe, director of York-Poquoson Social Services, states, “In the past 15 years, no governor has included base budget increases for local social services administrative costs. As a result, the inflationary costs of doing business (administering federal-/state-mandated programs and services) have fallen on the localities. This public-policy decision at the state level must change in order for localities to continue to provide acceptable levels of service and protect children and adults at risk.”

The Virginia League of Social Services Executives completed a partial study of this issue in 1998. At its urging, a “Workloads Measures Study” was authorized by the General Assembly and prepared by Hornby Zeller Associates Inc. It was published in November 2000. The purpose of the study was to develop valid workload measures for local social service programs and to define a means to use those measures to allocate funds. The overall review of work and time needed resulted in two types of work measurements:

**Minimal Standards:** Units of time needed by workers to perform their jobs when they have met basic policy and practice standards. This reflects analysis of the time it takes to meet the minimum requirements of policy and guarantees a minimal level of quality in the work that is done. This standard represents the time that is required to perform casework adequately.

**Optimal Standards:** Units of time needed by workers to accomplish beyond what would be minimally acceptable.

Thirty-five local departments volunteered to participate in the study, representing 36 percent of the filled direct-worker positions across the state. The “Workloads Measures Study” examined: (a) the amount of time each type of case requires; (b) the amount of time workers have available to handle cases; and (c) the number of cases of each type which need to be handled.

The following conclusions were found:

- *“The state has not authorized sufficient positions for reimbursement to permit local departments to meet their minimum mandates, much less to achieve an optimal level of performance. For benefits programs a 23 percent increase in line staff is needed, while for in-service programs the need is a 45 percent increase.”*
- *“Even when local positions have been authorized by the state for reimbursement, this is not always very meaningful. The ceiling on available funds means localities do not receive reimbursement for some of the positions which are authorized for reimbursement.”*

The findings indicate a serious shortage of workers to administer benefit programs using “minimal standards” criteria. **Table 7 demonstrates the current shortage of workers by applying “minimal standards” criteria to workload measures. Virginia is short by 939.4 workers, while the Eastern Region is missing 356.3 workers. The Eastern Region shortage is 38 percent of the total, or more than its fair share considering that the state is made up of five regions and the majority of these programs are federal-/state-mandated. The cost of bringing the Eastern Region up to the minimal workload standards is almost \$40 million annually. However, the federal government would pay more than half of this cost.**

If the “optimal standards” criterion is applied, then the Eastern Region is short 553.9 workers and the Commonwealth 1,573.9. The projected Eastern Region shortage is 35 percent of the total number of workers in Virginia. It would cost almost \$65 million annually to meet this standard, with the federal government meeting more than half of this cost.

**Table 7**  
**DIRECT LINE STAFF NECESSARY FOR EASTERN DISTRICT PROGRAMS TO**  
**MEET MINIMAL WORKLOAD STANDARDS**

<b>LOCALITY</b>	<b>A</b> <b>TOTAL LINE</b> <b>STAFF NEEDED</b>	<b>B</b> <b>LINE STAFF</b> <b>AUTHORIZED</b> <b>for 80/20</b> <b>FUNDING</b>	<b>C</b> <b>NET NEED for</b> <b>80/20</b> <b>LINE STAFF</b> <b>AUTHORIZED</b>	<b>D</b> <b>LINE STAFF</b> <b>AUTHORIZED</b> <b>for 80/20</b> <b>FUNDING &amp; FILLED</b>	<b>E</b> <b>NET NEED for</b> <b>80/20 LINE STAFF</b> <b>AUTHORIZED &amp;</b> <b>FILLED</b>
VIRGINIA	3,066	234.1	732	2,126.7	939.4
Eastern Region	919.5	611.7	308.3	563	356.3
Accomack	25.6	22	3.6	20	5.6
Isle of Wight	13.9	11	2.9	8	5.9
James City	11.5	10	1.5	10	1.5
Northampton	13.5	15	-1.5	13	0.5
Southampton	13.2	11	2.2	11	2.2
York/Poquoson	9.9	8.3	1.7	8.3	1.7
Chesapeake	86.8	78	8.8	69	17.8
Franklin City	9.4	11	-1.6	11	-1.6
Hampton	87.8	2	85.8	2	85.8
Newport News	133.4	105.4	28.4	102	31.4
Norfolk	234	174	60	155	79
Portsmouth	120	89	31	82	38
Suffolk	47.6	13	34.6	10	37.6
Virginia Beach	109.8	59	50.8	59	50.8
Williamsburg	3.1	3	0.1	3	0.1

Source: Workload Measures Study, Hornby Zeller and Associates, 2000

**(A) TOTAL LINE STAFF NEEDED: Staff required to meet mission**

**(B) LINE STAFF AUTHORIZED for 80/20 Funding:** positions the state authorized localities at 80% state/20% local match

**(C) NET NEED FOR 80/20 LINE STAFF AUTHORIZED:** Positions remaining to be filled that have been authorized at 80/20 funding

**(D) LINE STAFF AUTHORIZED for 80/20 FUNDING & FILLED:** Number of staff positions actually funded and filled

**(E) NET NEED for 80/20 LINE STAFF AUTHORIZED & FILLED: A - D = E**

**Hornby Zeller Associates found Virginia to have “one of the more complex social service systems in the country.” In Virginia, with 122 local social service departments (some county- and some city-based), financial allocations to local departments for administrative costs are made on a historical basis. This occurs despite, more than 20 years ago, the development nationally of a more sophisticated caseload standards system of workload measurement.**

The directors of the Eastern Region summarized these and other challenges in their “Strategic Plan,” found in the “Local Departments of Social Services 2002 Information Resource Book.” The plan calls for the following:

- Develop special services and programs to support the working poor.
- Examine new and innovative approaches to foster care.
- Find better approaches for helping our troubled families and aging population to remain safe and have the ability to meet their basic life needs.

- Improve aging computer equipment and inadequate software programs that translate to inefficiency and inadequate management information.
- Increase the amount of funds appropriated to meet the needs of our citizens and to provide adequate benefits and services. The ability to do “more with less” has reached its zenith concerning administrative and personnel costs.
- Focus on staff development training and retention – this is a critical priority.

Many believe some of these approaches to “the welfare problem” ultimately are ill-advised and do not represent long-term solutions. These individuals would prefer approaches similar to those associated with the “welfare reform” changes of 1996. On the other hand, many others believe that increased expenditures on public social services represent sound, humane investments in society’s human capital and that “welfare reform” of the 1996 vintage will not succeed unless the American economy stands at or near full employment.

**Regardless of one’s views on those matters, as we have seen, many of the public social services offered in Hampton Roads are the products of external forces – for example, the system of medical care Americans have chosen. We do not choose; we react. Thus, national imperatives often transcend local wishes.** Nonetheless, whether or not one believes these suggestions are valid, given the Commonwealth’s financial constraints and national priorities, it is unlikely that many, if any, of these goals will be met.

## Final Comments

Despite the significant sums of money involved, and despite the tremendous impact that public social services have upon Hampton Roads, relatively few people are knowledgeable about these services. This is particularly the case among those who occupy what is usually termed “the power structure.” One must hope this chapter is read by a wide spectrum of individuals. The stakes – human and financial – are simply too large to ignore.

