

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Division of Social Services Budget Overview

Joint House and Senate Appropriations
Committees on Health and Human Services

March 16, 2021

Objectives

- Provide a high-level overview of DHHS Division of Social Services (DSS)
- Review significant actions related to federal and State COVID-19 response
- Review DSS budget summary and base budget data
- Provide updates on upcoming issues for Fiscal Biennium 2021-23
- Provide detailed overview of DSS services and programs



DSS Overview

NC DHHS social services are federally mandated, State supervised, and county administered.

State Level

- Social Services Commission develops administrative rules for DSS
- DSS provides oversight, guidance, and technical assistance to 100 county departments of social services

County Level

- County boards of social services and commissioners determine local priorities and supplement funding
- Counties directly administer programs and services through 100 county departments of social services



NC DSS Services

Work First Family Assistance

Short-term training and other services to help parents become employed and move toward self-sufficiency

Food and Nutrition Services (FNS)

Food assistance program for low-income families that provides benefits via Electronic Benefit Transfer (EBT) cards

Child Welfare Services

Child protective, foster care, adoption, and other family and community-based services, as well as child welfare training

Child Support Services

Child support collection through a network of locally run offices

Low-Income Energy Assistance

Program that provides a one-time vendor payment to help eligible households pay their heating bills

Refugee Services

Short-term transitional program that helps refugees and other eligible recipients become economically self-sufficient

Note: Local DSS agencies provide additional programs that are included in their local budgets.

Source: <https://www.ncdhhs.gov/divisions/dss>.



Federal and State COVID-19 Response (cont.)

Service Area	Initiative	Funded By	Amount
Work First Cash Assistance	Payment to Work First Cash Assistance Families With One or More Children	Temporary Assistance for Needy Families (TANF) Block Grant	\$4.6M
FNS and Other Food Assistance	FNS Maximum Benefit Allotment and 15% Benefit Increase	FFCRA, CRRSAA*	\$952.2M**
	Pandemic EBT (P-EBT) Benefits	FFCRA, CRRSAA	\$332.5M**
	SNAP Administration	CRRSAA	\$10.5M

*Families First Coronavirus Response Act (FFCRA) and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA).

**\$952.2M is an emergency allotment estimate through February 2021 based on USDA approvals of NC DHHS applications. \$332.5M is the P-EBT amount issued for school year 2019-20. The P-EBT estimate for school year 2020-21 is \$860M. These benefits are not in the DHHS budget.



Federal and State COVID-19 Response (cont.)

Service Area	Initiative	Funded By	Amount
FNS and Other Food Assistance (cont.)	Food Banks	CRF	\$12.0M
	Reinvestment Partners Produce Prescription Program	CRF	\$3.5M
	FNS Medicare/Medicaid Dual Eligibles Pilot	CRF	\$600,000
Child Welfare Services*	NC LINKS Foster Care Program	CRRSAA	\$10.4M
	NC LINKS Foster Care Program	CRF	\$290,000
	Foster Care Supplemental Payments	CRF	\$4.35M

*The FFCRA authorized a Federal Medical Assistance Percentage (FMAP) increase of 6.2 percentage points that applies to federal reimbursement for Title IV-E foster care maintenance, adoption assistance, and guardianship assistance payments.



Federal and State COVID-19 Response (cont.)

Service Area	Initiative	Funded By	Amount
Child Welfare Services (cont.)	Child Welfare Services (Title IV-B, Subpart 1)	CARES Act	\$1.6M
	Child Welfare Services (Title IV-B, Subpart 2)	CRRSAA	\$2.2M*
	Child and Adult Protective Services	CRF	\$8.3M
	Children's Home Society of NC	CRF	\$300,000
Low-Income Energy Assistance	Energy Assistance Payment for Eligible Low-Income Seniors and People with Disabilities (and Other Activities)	CARES Act (Low Income Home Energy Assistance Program Block Grant)	\$25.5M

*DHHS has not received notification of this award. Estimate based on FFIS COVID-19 State-by-State Allocations.



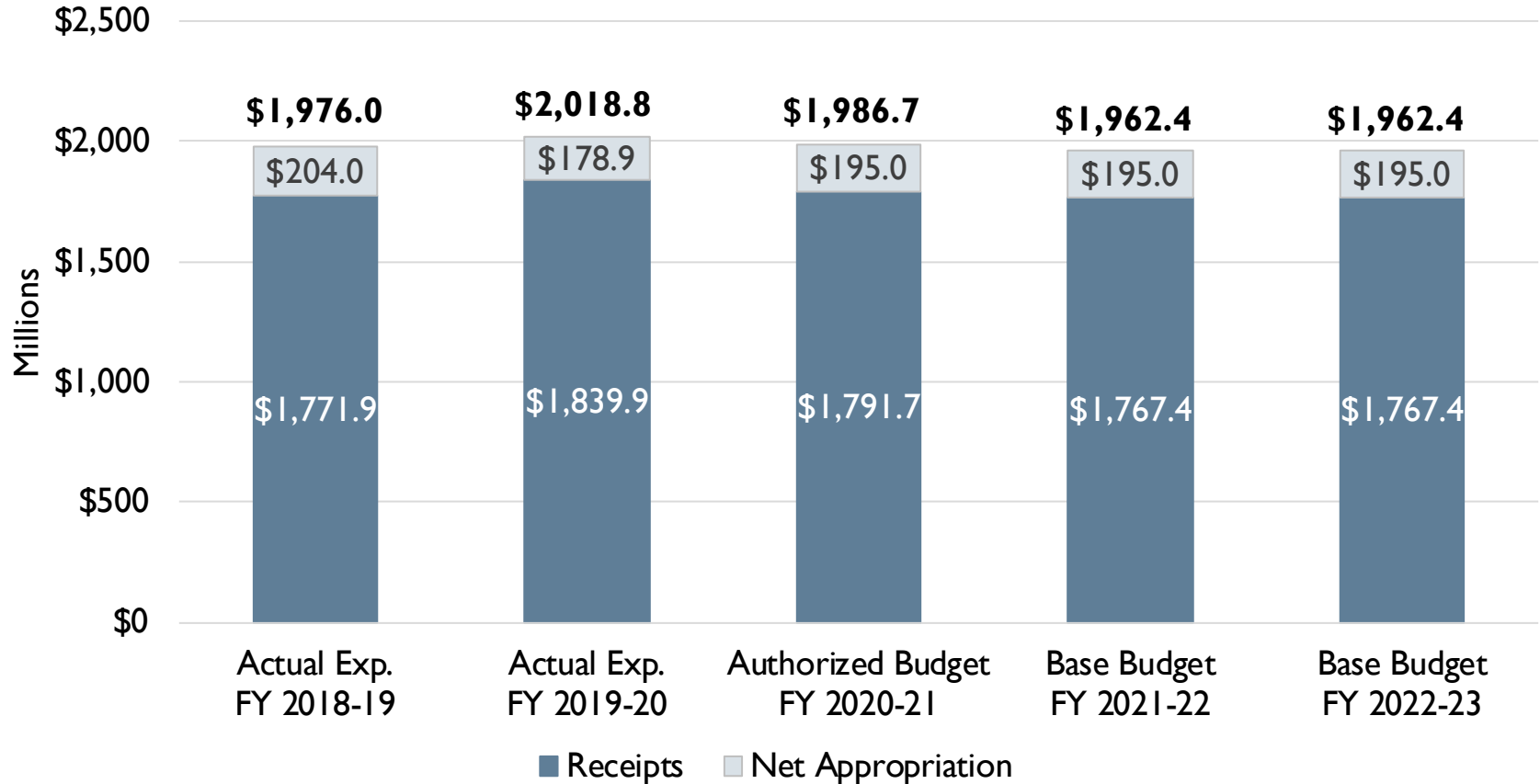
Federal and State COVID-19 Response (cont.)

Service Area	Initiative	Funded By	Amount
Additional Services	Assistance for Low-Income Individuals/Families via Community Action Agencies	CARES Act (Community Services Block Grant)	\$26.2M
	Refugee Support Services (RSS)	COVID-19 Supplemental Allocation	\$429,577



Five-Year Budget Summary

DSS Five-Year Budget Summary



Note: Figures may not add to total due to rounding.

Sources: DSS June 2019 BD701, DSS Worksheet I, Biennium 2021-23.



Fiscal Biennium 2021-23

The proposed FY 2021-22 and FY 2022-23 Net Appropriation is \$2,048 more than the FY 2020-21 Authorized Budget due to existing lease rate adjustments.

DSS Fiscal Biennium 2021-23 Base Budget

(\$ Millions)	Actual FY 19-20	Authorized FY 20-21	Change from FY 20-21	Base FY 21-22	Change from FY 20-21	Base FY 22-23
Total Requirements	\$2,018.8	\$1,986.7	(\$24.3)	\$1,962.4	(\$24.3)	\$1,962.4
Receipts	\$1,839.9	\$1,791.7	(\$24.3)	\$1,767.4	(\$24.3)	\$1,767.4
Net Appropriation	\$178.9	\$195.0	\$0.0*	\$195.0	\$0.0*	\$195.0
FTE Employees	402.0	402.0	0.0	402.0	0.0	402.0

*Proposed Net Appropriation increase is \$2,048 (in thousands).

Note: Figures may not add to total due to rounding.

Source: DSS Worksheet I, Biennium 2021-23.



Base Budget Adjustments

DSS 2021-23 Base Budget Adjustments

Description	Requirements	Receipts	Net Appropriation
Existing Lease Rate Adjustments	\$4,392	\$2,344	\$2,048
Removal of Non-Recurring Items (CRF Funds)	(\$24,300,000)	(\$24,300,000)	\$0
Total	(\$24,295,608)	(\$24,297,656)	\$2,048

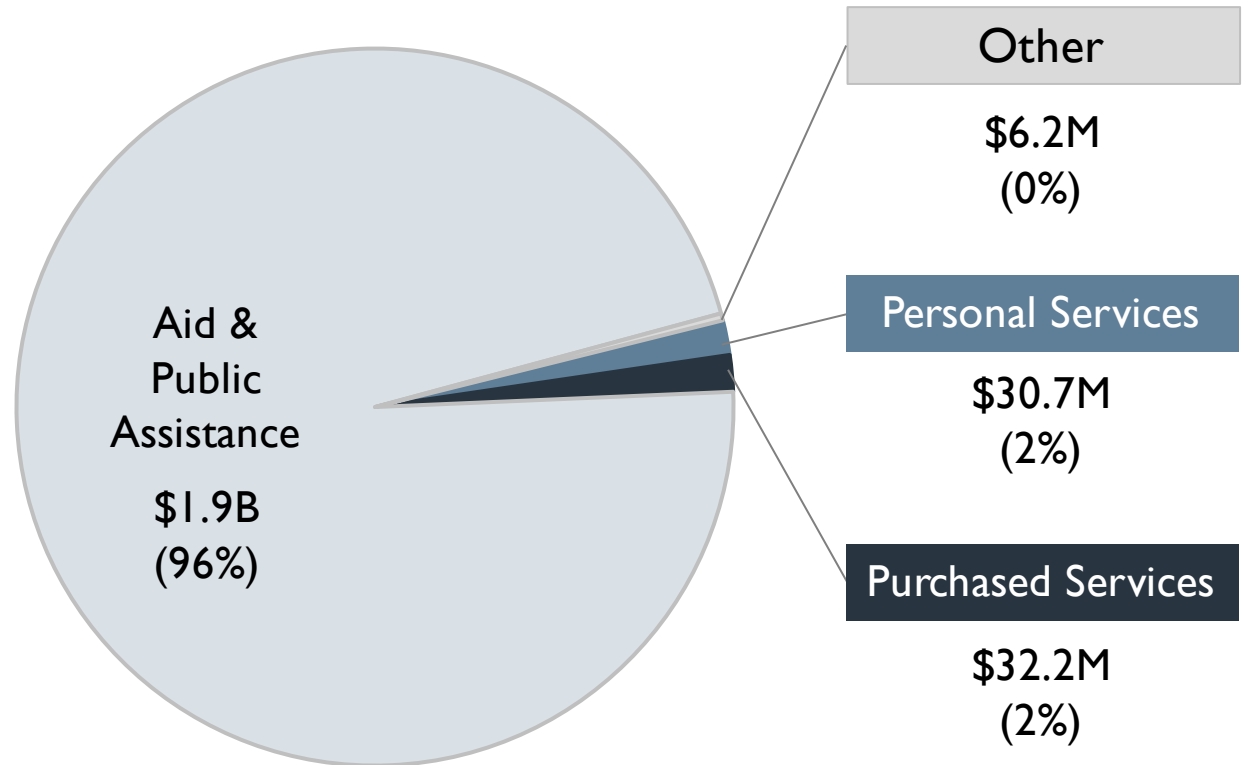
Source: DSS Worksheet I, Biennium 2021-23.



Base Budget Requirements

DSS FY 2021-22 Base Budget Requirements

Total Requirements: \$2.0B



Note: Figures may not add to total due to rounding.

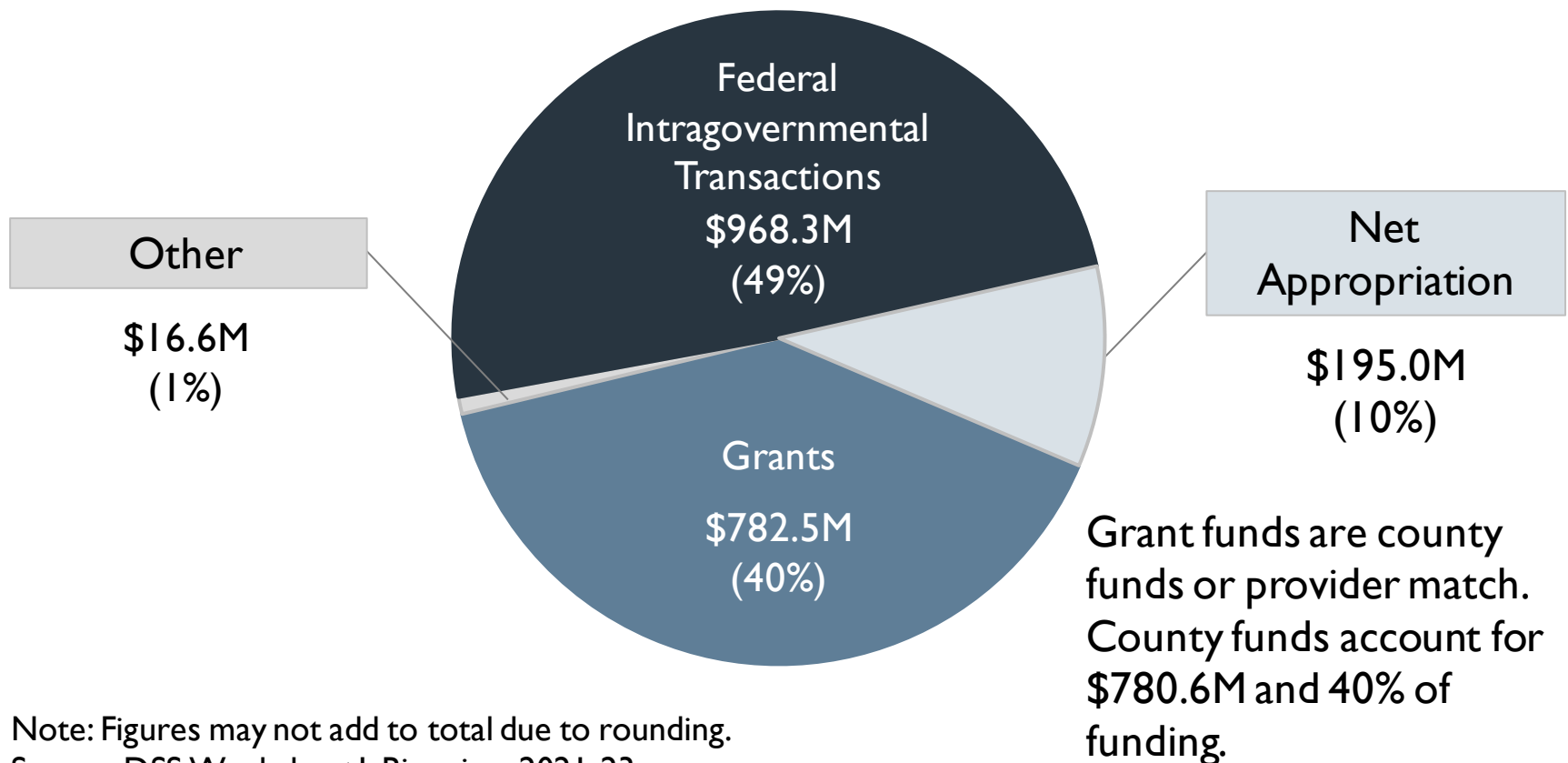
Source: DSS Worksheet I, Biennium 2021-23.



Base Budget Funding Sources

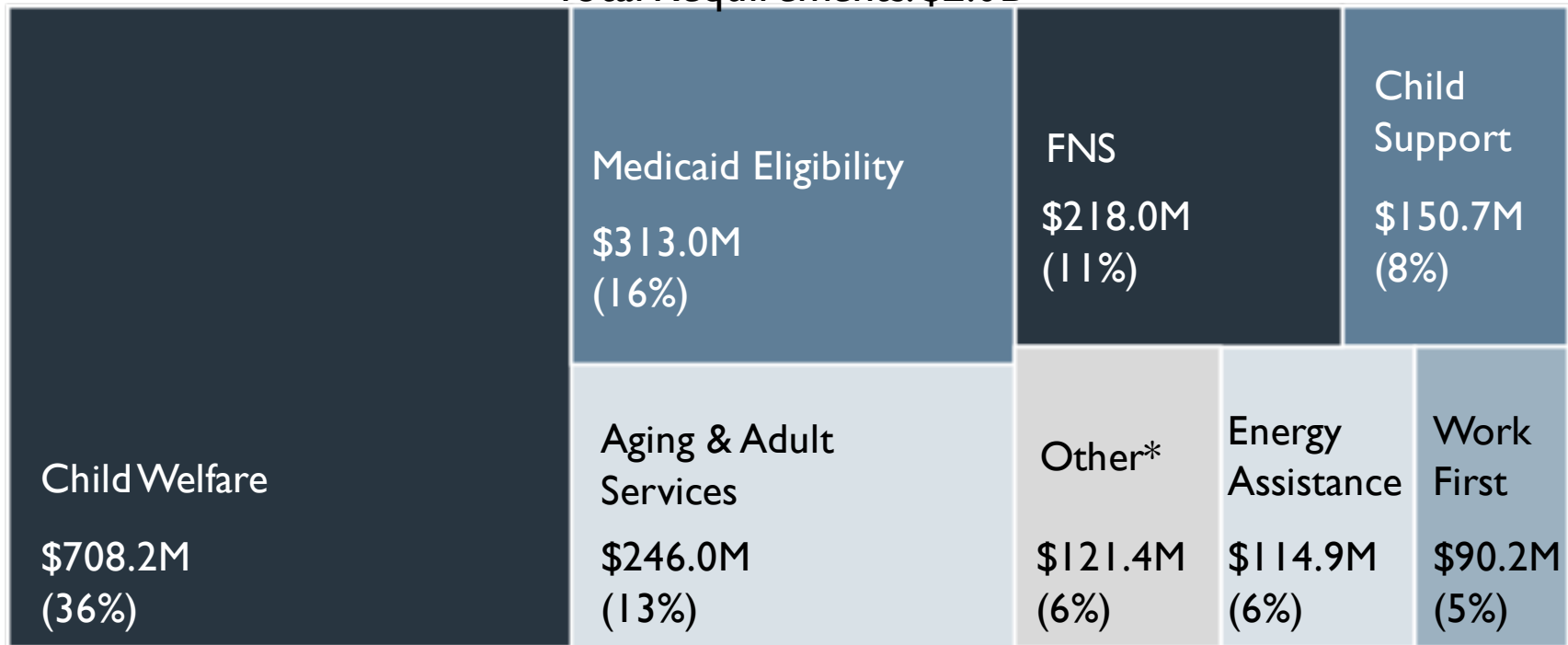
DSS FY 2021-22 Base Budget Funding Sources

Total Funding Sources: \$2.0B



Base Budget Requirements by Service

DSS FY 2021-22 Base Budget Requirements by Service Total Requirements: \$2.0B



*Includes Non-Reimbursed County DSS Administration, Subsidized Child Care Administration, Employment Benefits, Service Support, Refugee Cash and Social Services, Refugee Medical Assistance, EBCI Administrative Fund, Federal Indirect Reserve, and Prior Year Earned Revenue.

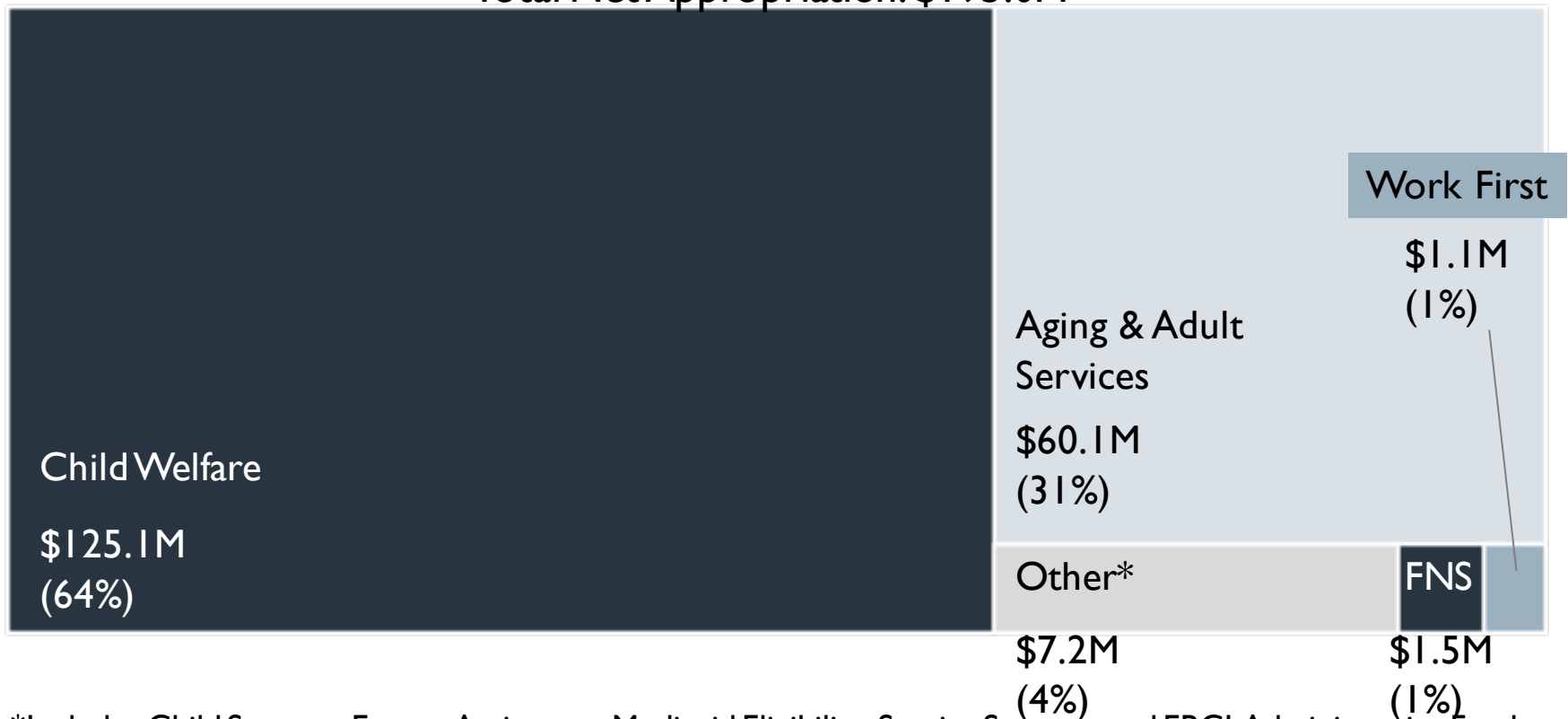
Note: Figures may not add to total due to rounding.

Source: DSS Worksheet I, Biennium 2021-23.



Base Budget Net Appropriation by Service

DSS FY 2021-22 Base Budget Net Appropriation by Service
Total Net Appropriation: \$195.0M



*Includes Child Support, Energy Assistance, Medicaid Eligibility, Service Support, and EBCI Administrative Fund.

Note: Figures may not add to total due to rounding.

Source: DSS Worksheet I, Biennium 2021-23.



Upcoming Issues for Fiscal Biennium 2021-23

- Social Services Regional Supervision and Collaboration Working Group recommendations and Rylan's Law (S.L. 2017-41)
- Federal Family First Prevention Services Act (FFPSA) changes to the use of federal funding in the child welfare system
 - Incentivizes placement in family-like settings and prevention of entry into foster care
 - Disincentivizes placement in congregate care



FFPSA Key Provisions

Allows Title IV-E reimbursement for services to prevent entry into foster care

Limits Title IV-E funding for congregate care to the first two weeks of placement*

States may opt in as early as October 2019; however, changes to congregate care go into effect October 1, 2021 for all states

Other provisions to support safety, permanence, and well-being

*With some exceptions.



Prevention Services Provision

States have the option to use Title IV-E funding to prevent children's entry into foster care.

Eligible Children and Parents

Children who are “candidates” for foster care; pregnant and parenting foster youth; birth parents, adoptive parents, relative and non-relative guardians of “candidates” for foster care

Eligible Services

In-home parent skill-based programs, mental health services, substance abuse prevention and treatment services, Kinship Navigator programs to help relative caregivers access services to provide care for children in their homes, residential parent-child substance abuse treatment programs

Reimbursement is limited to 12 months per candidate episode, and programs and services must be trauma-informed and meet certain evidence-based requirements.



NC DSS Phased Candidacy Approach

Phase 1:

- Children Receiving In Home Services
- Children Exiting In Home Services
- Pregnant and Parenting Youth in Foster Care

Phase 2:

- Phase 1 Candidates
- Children Exiting Foster Care
- Families with a Screened-Out Child Protective Services Report

Phase 3:

- Phases 1 & 2 Candidates
- Voluntary Requests for Services
- Families Identified as High Risk by Community Agencies

Source: Graphic provided by NC DHHS DSS.



Congregate Care Provision

Beginning October 1, 2021, federal Title IV-E funding for congregate care is limited to 14 days.

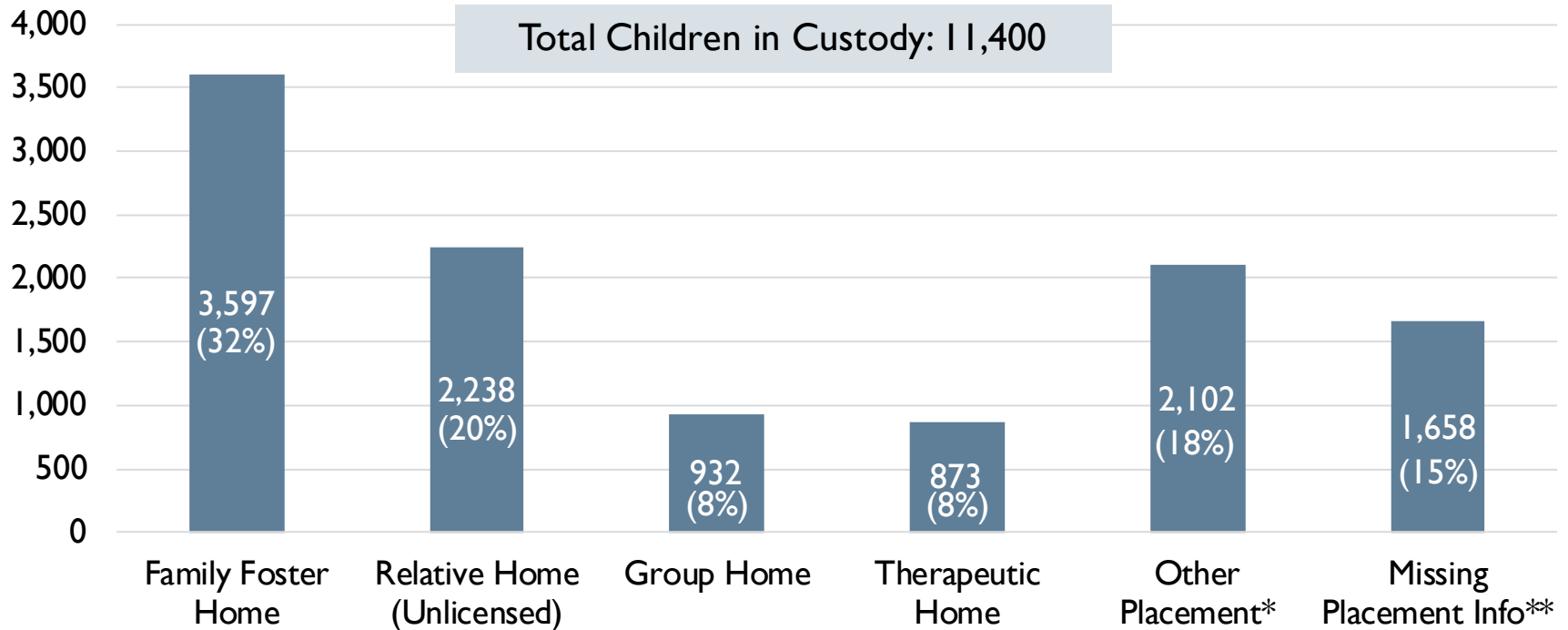
FFPSA changes eligibility for IV-E reimbursement to:

- Initial 14 days of placement in congregate care
- Foster family home
- Qualified Residential Treatment Program (QRTP)
- A setting specializing in providing pre-natal, post-partum, or parenting supports for youth
- A supervised setting for youth ages 18+ who are living independently
- A setting providing high-quality residential care and supportive services to children who have been or are at risk of being sex trafficking victims



Foster Care Placement Type

Number of Children in Custody by Placement Type (December 2020)



*Includes the following: Own Home, Hospital, Emergency Shelter, Court Approved, Jail/Detention, Runaway, Division of Adult Correction and Juvenile Justice Residential Facility, and all other living arrangement codes.

**Data source states that due to data errors, sometimes children seem to be under custody but are missing placement information.

Source: NC FAST and legacy data systems queried by UNC School of Social Work (<http://ssw.unc.edu/ma>).



Work First Family Assistance

Overview

- NC Temporary Assistance for Needy Families (TANF) program
- Provides parents with short-term training and other services to help them become employed and move toward self-sufficiency
- States have flexibility in setting eligibility and payments for programs funded with TANF Block Grant funds

Income and Payment Standards

Current Monthly Income and Payment Standards (G.S. 108A-27.01)

Assistance Unit*	Need Standard**	Max Benefit Payment
1	\$362	\$181
2	\$472	\$236
3	\$544	\$272
4	\$594	\$297

*Includes all individuals who live in the home and will receive the benefit.

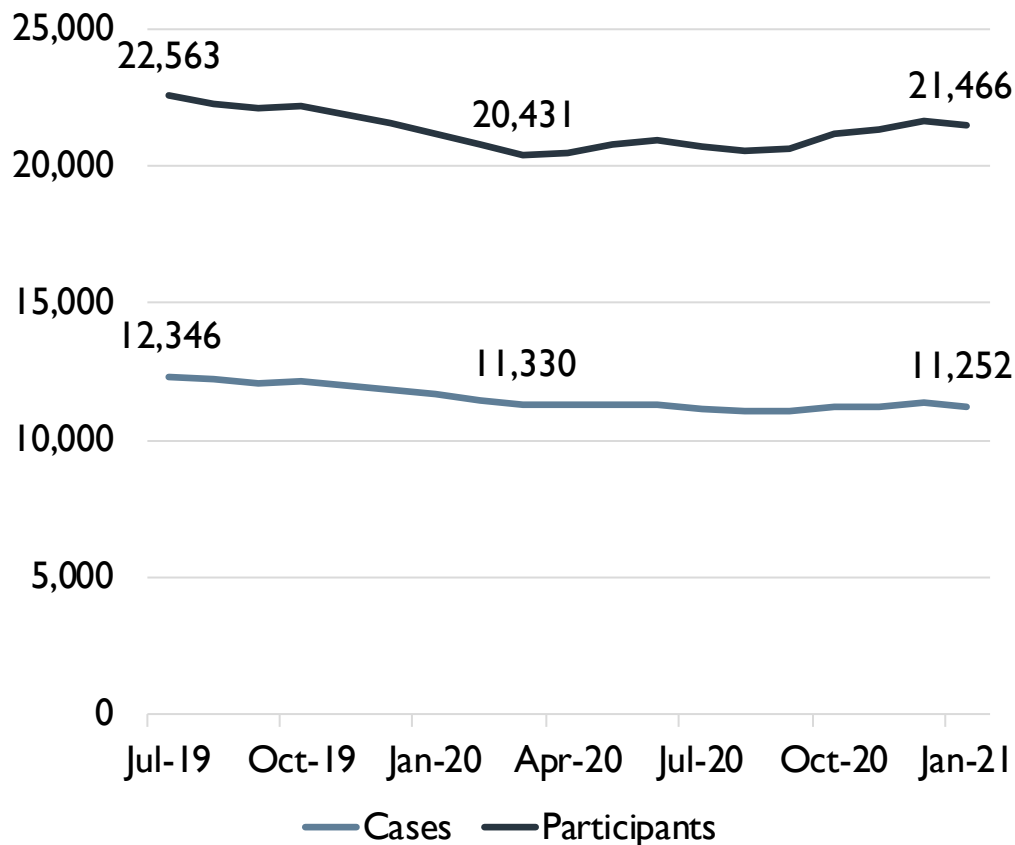
**The Need Standard is the monthly income limit.

Sources: <https://www.ncdhhs.gov/divisions/dss>, G.S. 108A-27.01.



Work First Family Assistance (cont.)

Work First Cash Assistance Cases and Participants



December 2020 Statistics

Average number of individuals per case 1.8

Percentage of caseload that is child only 82%

Median benefit for all cases \$181

Sources: NC DHHS Work First Caseload Statistics, NC FAST and legacy data systems queried by UNC School of Social Work (<http://ssw.unc.edu/ma>).



Food and Nutrition Services (FNS)

Overview

- Federal food assistance program for low-income households that provides benefits via EBT cards
- Households can use monthly allotment of benefits to buy eligible food in authorized retail food stores
- All eligible individuals and households can receive assistance (entitlement program)

Maximum Income & Allotment

Maximum Monthly Income and Allotment (effective Jan-Jun 2021)

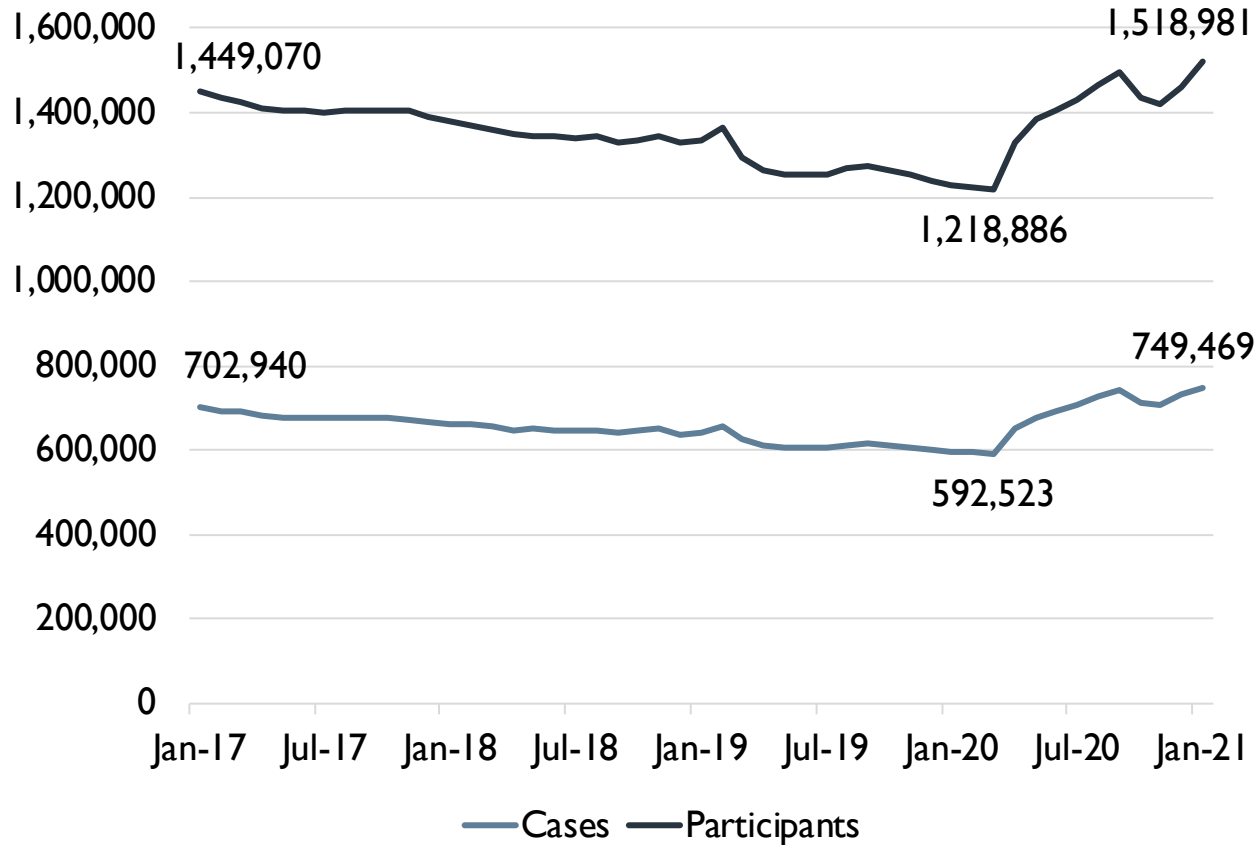
Household Size	130% Max. Gross Income Limit	200% Max. Gross Income Limit	Maximum Benefit Allotment
1	\$1,383	\$2,128	\$234
2	\$1,868	\$2,874	\$430
3	\$2,353	\$3,620	\$616
4	\$2,839	\$4,368	\$782

Source: <https://www.ncdhhs.gov/divisions/dss>.



Food and Nutrition Services (FNS) (cont.)

FNS Cases and Participants (Statewide Totals by Month)



Federal FY 2019 Statistics for NC

Average monthly households served 590,075

Average monthly benefit per household \$263.20

Total benefit cost \$1.86B

Sources: NC DHHS FNS Caseload Statistics Reports; USDA SNAP Data Tables, State Monthly Data, FY 2019.



Child Protective Services

Overview

- Helps prevent further harm to children from abuse, neglect, or dependency by a parent or caretaker
- Three phases of Child Protective Services include intake, assessment, and in-home services

Services

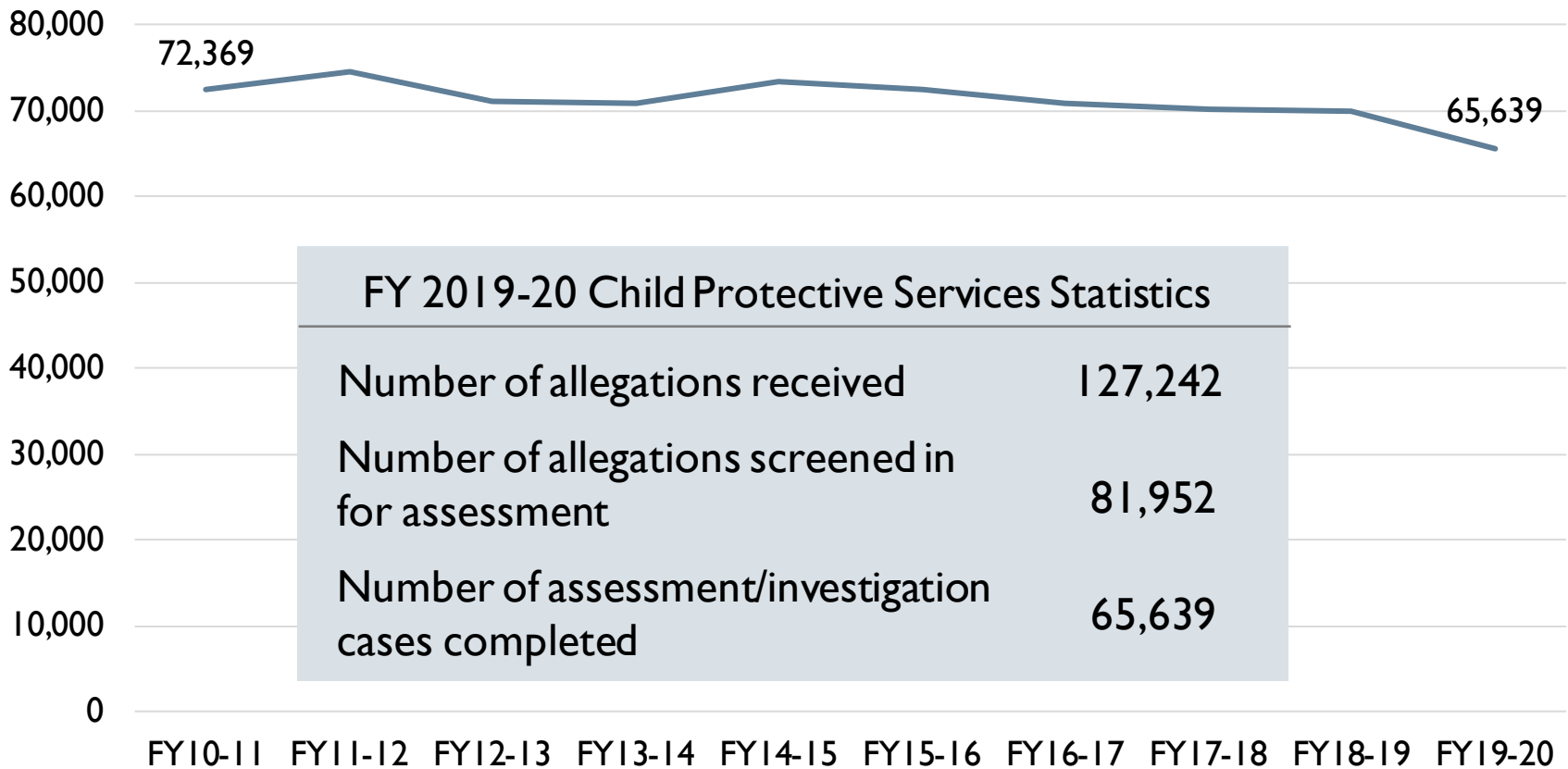
- Screen reports to determine if they meet the criteria for acceptance and warrant an assessment
- Determine if child maltreatment occurred and if there is a risk of future maltreatment
- Support and improve parental/caregiver abilities to assure a safe and nurturing home for each child
- Provide in-home counseling and supportive services to help children stay at home with their families when safe to do so
- Petition the court for removal of the child, if necessary

Source: NC DHHS Open Window (<https://openwindow.ncdhhs.gov>).



Child Protective Services (cont.)

Child Protective Services Assessments Completed by Fiscal Year

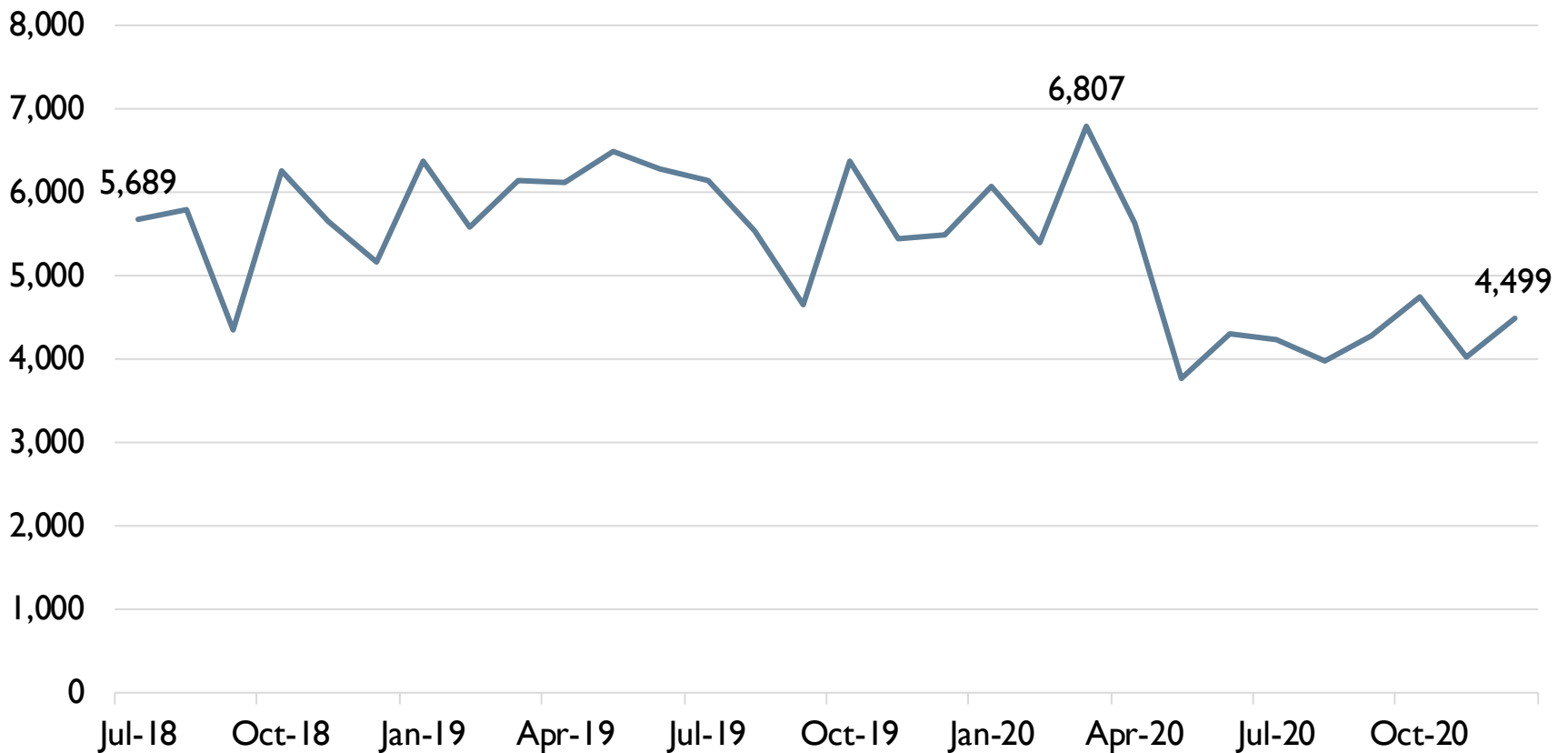


Sources: NC DHHS Central Registry and NC FAST, NC DHHS Child Welfare Staffing Workbooks.



Child Protective Services (cont.)

Child Protective Services Assessments Completed by Month



Source: NC DHHS Central Registry and NC FAST.



Foster Care Services

Overview

- Provide temporary care for infants, children, and adolescents who have been removed from their homes because their families cannot or will not provide adequate protection or care
- Designed to strengthen, preserve, and/or reunite families after children have come into DSS legal custody or placement responsibility

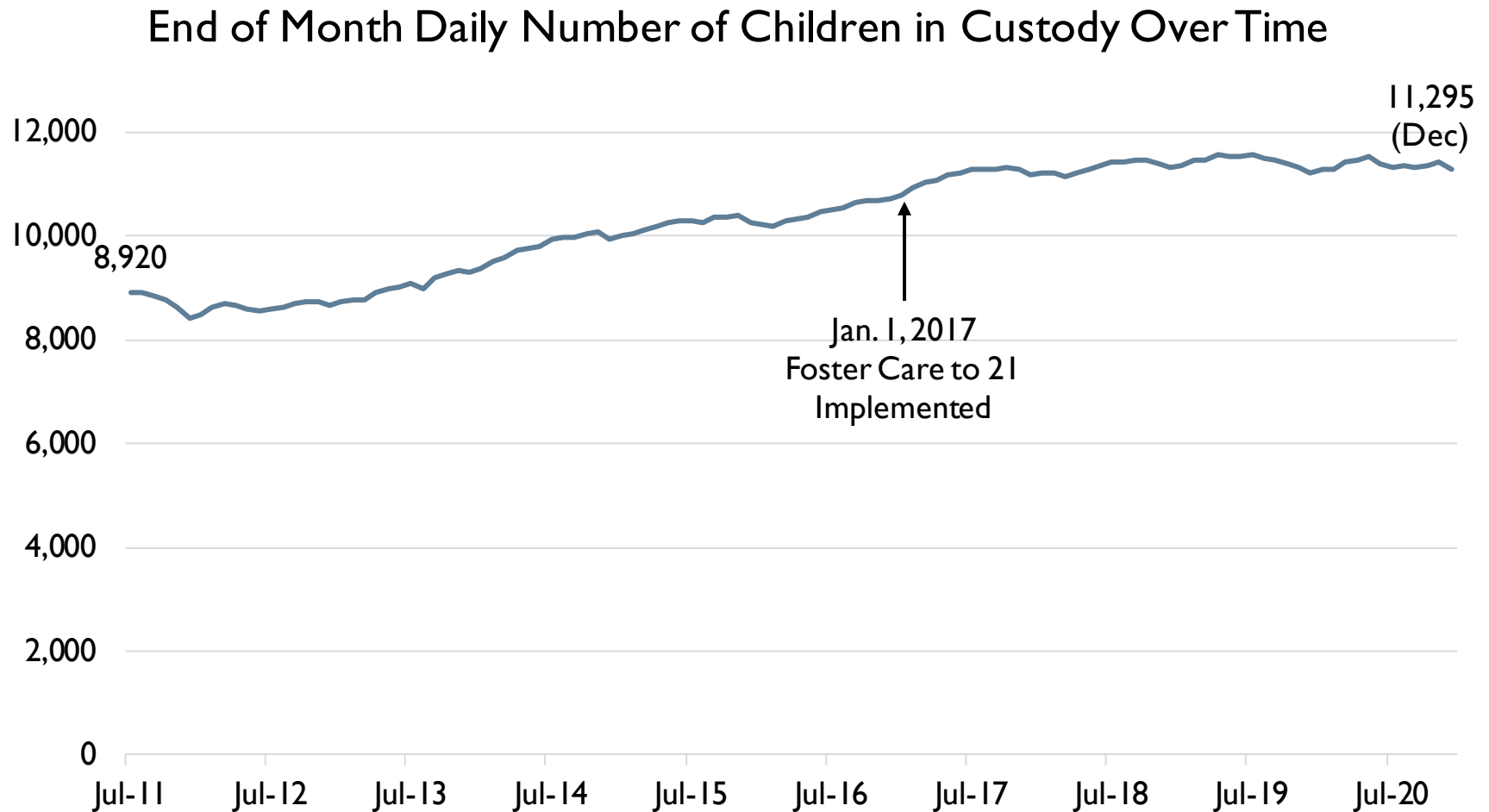
Services

- Provide case management to parents to reunify with children if this can be done safely or identify alternative permanent plans such as adoption
- Ensure that children's health, educational, behavioral health, and developmental needs are met
- Transition young adults who are aging out or have already aged out of the foster care system to self-sufficiency

Source: NC DHHS Open Window (<https://openwindow.ncdhhs.gov>).



Foster Care Growth



Source: NC FAST and legacy data systems queried by UNC School of Social Work (<http://ssw.unc.edu/ma>).



Adoption Services

Overview

- Ensure children whose birth parents cannot care for them become a part of a permanent family
- Services provided by county DSSs and private child-placing agencies
- Services benefit children in the foster care system and the families who adopt them

Services

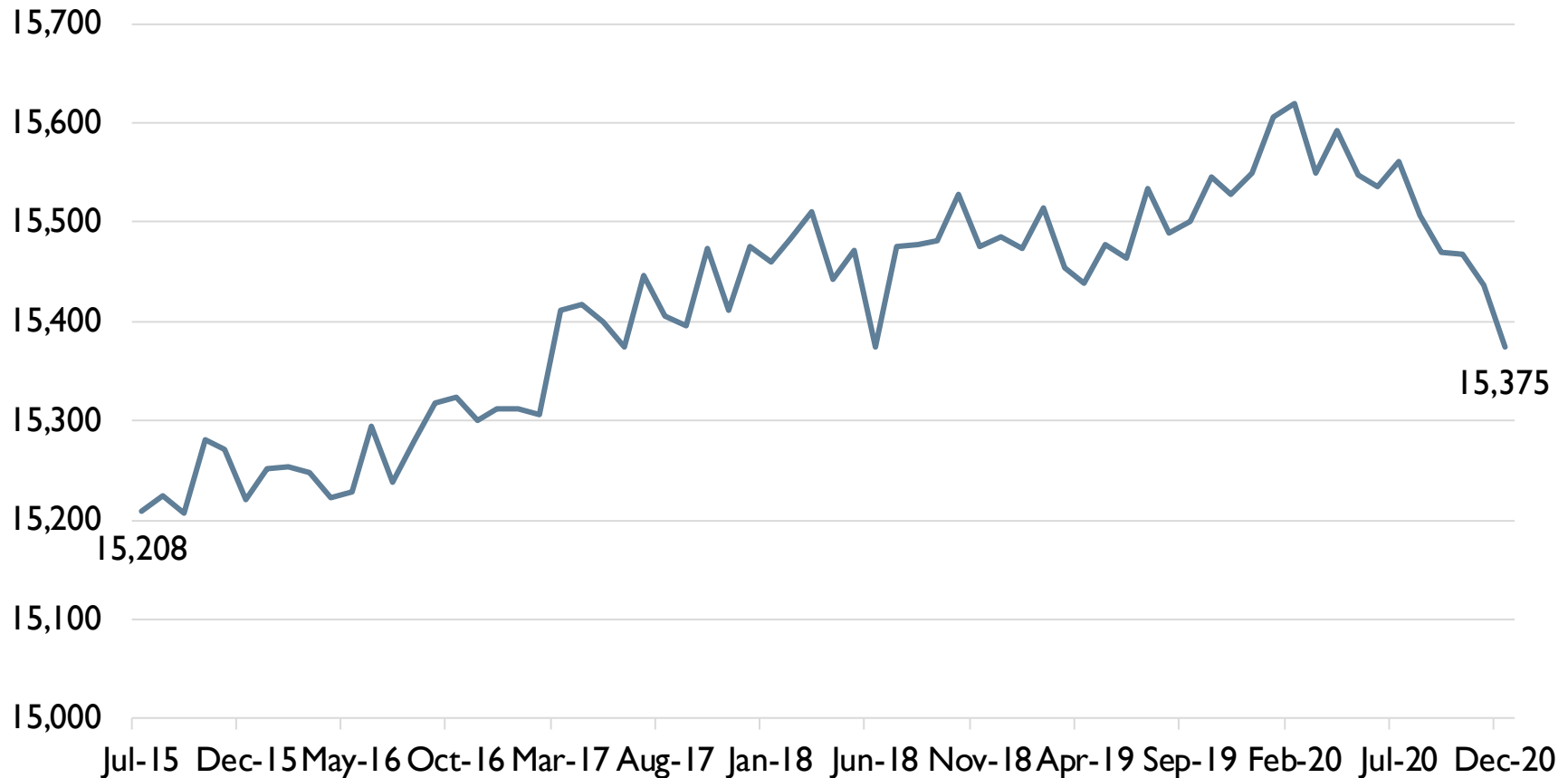
- Recruiting, assessing, and selecting adoptive homes
- Providing casework services for adoptive families to help sustain the placement
- Facilitating finalization of the legal adoption
- Providing post-adoption services

Source: NC DHHS Open Window (<https://openwindow.ncdhhs.gov>).



Adoption Services (cont.)

Adoption Assistance Payments by Month



Source: NC DHHS Foster Care and Adoption Assistance Summary Data.



Child Support Services

Overview

- Services include locating noncustodial parents, establishing paternity, petitioning the court for child support orders, and collecting and disbursing child support payments
- There are 100 Child Support Offices that are locally operated
- 73 are under the authority of the county DSS, 8 are under the authority of Revenue or the county manager, and 19 are under contract with private companies and one tribal office

FY 2019-20 Child Support Services Statistics

Cases	384,452 cases at the end of the reporting period
Collections	\$701,681,685 collected
Court Orders	85.85% of cases currently have a court order for child support compared to 85.67% in FY 2019
Paternity	Paternity was established for 292,007 children born out of wedlock

Sources: <https://www.ncdhhs.gov/divisions/dss>, NC DHHS Child Support Services Statistics.



Other Programs

Low-Income Energy Assistance Program (LIEAP)

- Federally funded
- Provides a one-time vendor payment to help eligible households pay their heating bills
- Households including a person age 60 or older or a person with a disability are prioritized for services

Refugee Public Assistance and Refugee Support Services

- Federally funded
- Public Assistance includes two short-term programs, Refugee Cash Assistance and Refugee Medical Assistance
- Support Services includes transitional assistance services such as employment services, transportation, and skills recertification

Source: <https://www.ncdhhs.gov/divisions/dss>.



Takeaways

- NC DHHS social services are federally mandated, State supervised, and county administered and are funded through a mix of federal, State, and county funds
- The COVID-19 response included federal supplements to existing grants and State appropriation of CRF funds
- The majority (64%) of the DSS Base Budget Net Appropriation supports child welfare
- Beginning October 1, 2021, NC DHHS is implementing the FFPSA, which reforms federal child welfare financing streams



Questions?

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