



VIRGINIA DEPARTMENT OF
SOCIAL SERVICES

Local Base Budget Allocations DRAFT Formula - Presentation 2

Virginia Municipal League/ Virginia Association of Counties- December 11, 2023



Outline

- **The Challenge - Aspects and Assumptions**
- **How did we get here?-Background**
- **The DRAFT Formula**
- **Implementation**
- **Next Steps**



The Challenge

Aspects and Assumptions

- **Complex Set of Factors, Variables**
- **Adequacy of Funding**
- **Budget Request**
- **RESET- No Loss, Net Gains**
- **Starting Point/Recommendation(s)**

How did we get here? -

Background

Local Base Budget Funding

FY 2023 = \$512M
(FY 2022 = \$487M)

Budget Lines
849 and 855



\$276 M = 54%

Federal
Funding
Sources

\$159 M = 31%



State
Funds

Local Staff
and
Operations

Local
Matching
Funds



\$77 M = 15%

120 LDSS Participate

How did we get here?

Starts with a State Board Request in 2020

2021 – Ongoing
7 Local Directors / 7 DSS Directors
Define Equity
Propose, Evaluate, Decide on New Criteria
Develop Models / Make Recommendations

Spring 2023
All Localities
10 Sessions/19 Focus Groups/Survey
88% Participation Rate/500 Pages of Raw Feedback
What Factors?

RESULTS

- *Factors- Weighted Caseloads, Poverty, Fiscal Stress
- **Goals- Equity, Transparency, Predictability/Stability, Responsiveness
- ***Other- Include Wider Audiences, Implement with Time to Adjust

Work Group

Focus Groups

Weighted Caseloads
Poverty
Fiscal Stress

DRAFT Formula

Factors

New Formula + Improve Equity



Weighted Caseload Definitions

- Caseload data is recorded according to Federal Information Processing Standards (FIPS) for the 19 programs tracked by the Virginia Case Management System (VaCMS), Online Automated Services Information System (OASIS), and other state and federal tracking systems.
- The percentage of observations sampled for each of the 20 programs can be utilized to weight dollars by program.
- Locality caseload data is then used to allocate staff and operations funding for each program by locality. The sum of each locality's allocation for each program equals their total allocation.
- Weighting caseloads can provide a more equitable allocation by taking into consideration variances such as the amount of time required to enroll a Medicaid recipient versus the amount of time required to complete a Child Protective Services (CPS) investigation for example.

Weighted Caseload

Caseloads Weighted on Random Moment Sampling (RMS) Results

Staff & Operations Base Budget (BB) Lines	LFY 2023
BL 849 No Local Match	23,143,475
BL 855 Includes Local Match (15.5%)	<u>488,928,381</u>
	\$ 512,071,856

SFY2021 RMS Results (ave. of 4 Qtrs.)		BB to Allocate	Cases
SNAP	33.51%	171,595,279	533,197
Medicaid	15.42%	78,961,480	1,241,102
Child Care	4.84%	24,784,278	16,562
VIEW	2.27%	11,624,031	57,861
TANF	2.96%	15,157,327	24,791
Energy Assistance	2.23%	11,419,202	183,458
SNAPET	0.30%	1,536,216	361
General Relief	0.09%	460,865	4,841
Refugee	0.03%	153,622	3,921
Foster Care	13.47%	68,976,079	5,020
Adult Services	8.13%	41,631,442	31,768
CPS Ongoing/In Home	5.15%	26,371,701	13,305
CPS Family Assessments	4.61%	23,606,513	23,934
CPS Investigations	3.03%	15,515,777	8,273
Adoptions	1.27%	6,503,313	8,866
CPS Intake	1.40%	7,169,006	107,232
Family Support/Preservation	0.85%	4,352,611	6,508
Auxiliary Grant	0.29%	1,485,008	35,823
APS	0.12%	614,486	25,387
KinGAP	0.03%	153,622	86
20 Programs	100.00%	\$ 512,071,856	2,332,296

Fiscal Stress Score **Definitions**

- The Department of Housing and Community Development--Commission on Local Government (**CLG**) produces a fiscal stress index (a.k.a. “score”), with three components that are averaged together
 - Revenue capacity per capita: “how much tax revenue a locality could collect per person from its base if it used statewide average rates.”
 - Revenue effort: “its own-source revenue collections divided by its revenue capacity.”
 - Median household income: “the level at which exactly half of the households in a jurisdiction earn more and the other half earns less.”
- **Updated annually. Typically an ~18-month turnaround. FY2021 is most recent available.***
- **Higher score- Higher Stress / Lower Score – Lower Stress**
- **Range- 91.3 to 106.9-**
- **State Fiscal Stress Average Index Score- 100.3**

The Calculation

Weighted Caseload + Fiscal Stress Adjustment

Calculate allocation by weighted caseloads only

Map locality (133) fiscal stress scores to (120) LDSS

Compare the Locality fiscal stress score to the state average

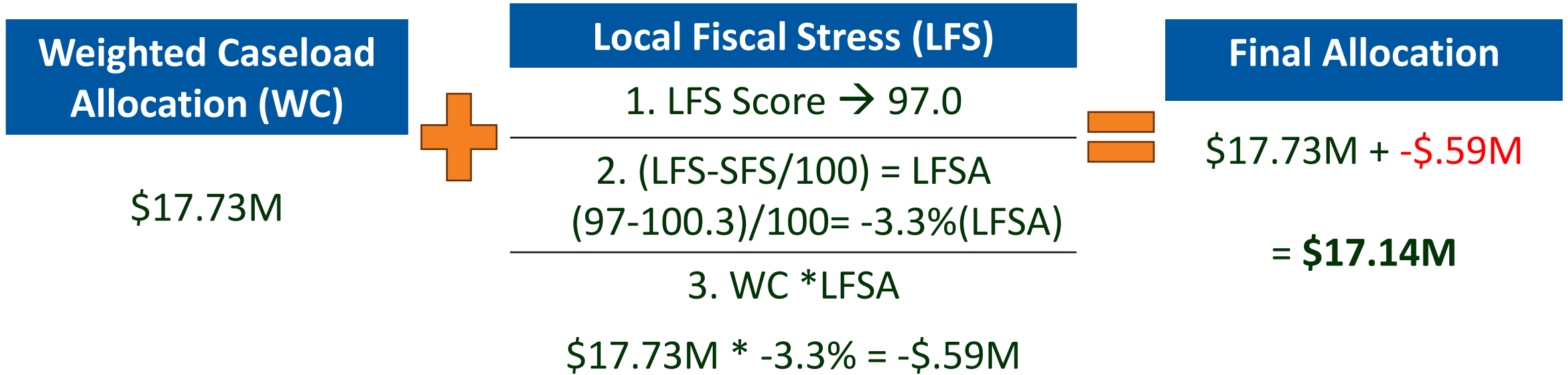
Modify weighted caseload allocation by difference

Reset and Budget Request

- After calculating allocations based on the new formula, **funding increases** for each locality that would receive an increase are noted
- Funding levels are then **RESET** so that 2023 funding levels remain the same-
- The identified **funding increases** are added together to become the accompanying **Budget Request** and if received be applied to localities who would have received an increase under the new formula

Example A- Low Fiscal Stress

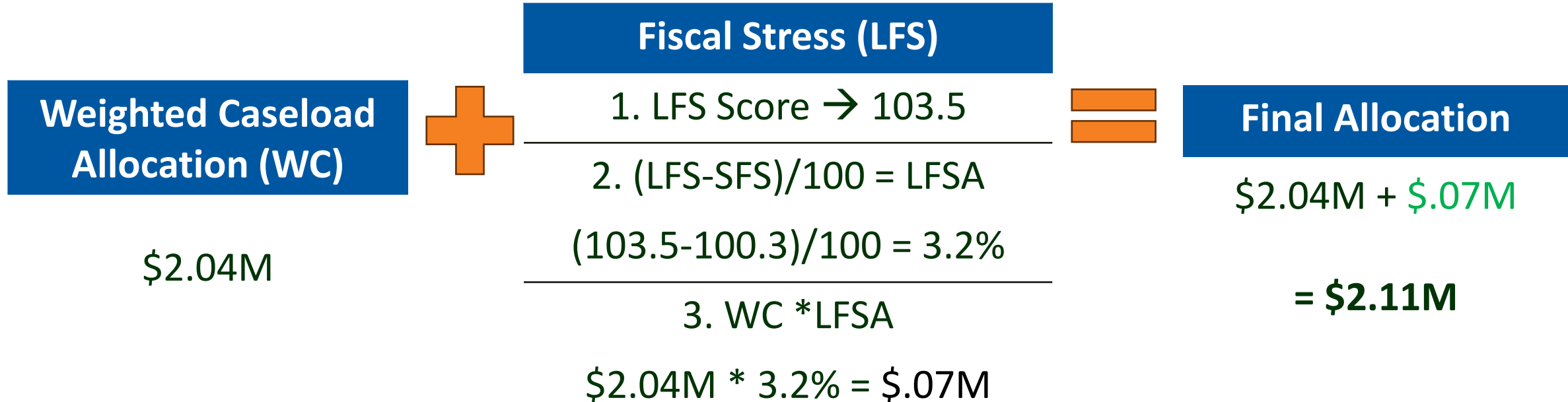
- LDSS "A" Simplified-- LOW Fiscal Stress Example:



Statewide Weighted Average Fiscal Stress Score (SFS) = 100.3

Example B – High Fiscal Stress

» LDSS "B" Simplified HIGH Fiscal Stress Example:



Statewide Weighted Average Fiscal Stress Score (SFS) = 100.3

RESET Provision Impact

LDSS Maintaining at FY2023 63

LDSS with Gain From Existing Allocation 57

Average Cost to Implement \$881 K

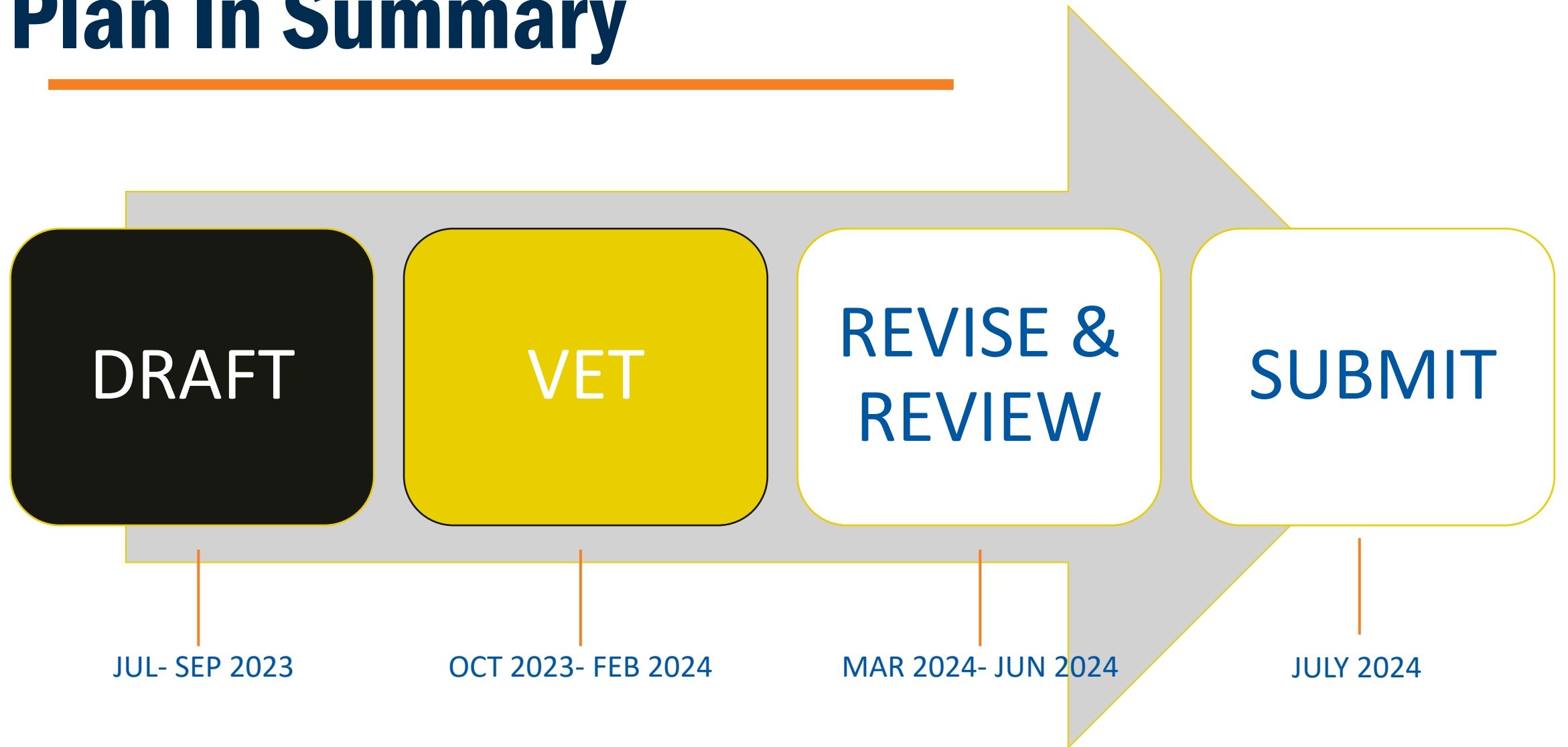
Total Cost to Implement

\$55.5 M

Budget Request

Implementation

Plan In Summary





Implementation

- **2024- July**
 - Request Approval from the Secretary of Health and Human Resources to submit a decision package as part of the annual preparations for the upcoming General Assembly Session (2025)
- **2025- January**
 - GA takes up Formula Change Legislative/Budget Package
- **2027- July**
 - Formula Change goes into effect as part of the new State Fiscal Year
 - Formula is updated every two years 2029/31/33 etc.
 - New Funding is processed through the formula

Next Steps and Feedback



Stakeholder Feedback Opportunities

- **Presentation 2**

- Tuesday December 5th

- Central 11 am
- Northern 1 pm
- Eastern 2:30 pm

- Monday December 11th

- VML/VACO 1 pm

- Tuesday December 12th

- Western 2:30 pm
- Piedmont 4 pm



Considerations

- **Appeals on Fiscal Stress**
- **Actions in a Downturn**
- **Effects on Pass Through**
- **Unspent Funding**
- **Phased In Approach – Budget Increases**

Feedback

- Please send all comments and feedback to-

LocalBaseBudgetFormula@dss.virginia.gov

Discussion-?



Thank you!

