

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Division of Social Services (DSS) Overview

Joint House and Senate Appropriations
Committees on Health and Human Services

February 16, 2023

Objectives

- Provide a high-level overview of DHHS Division of Social Services (DSS)
- Review DSS budget summary
- Review recent major child welfare reforms
- Provide detailed overview of DSS services and programs



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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

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

Work First Family Assistance

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

Low-Income Energy & Water Assistance

Program that provides a one-time vendor payment to help eligible households pay their heating and water 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>.



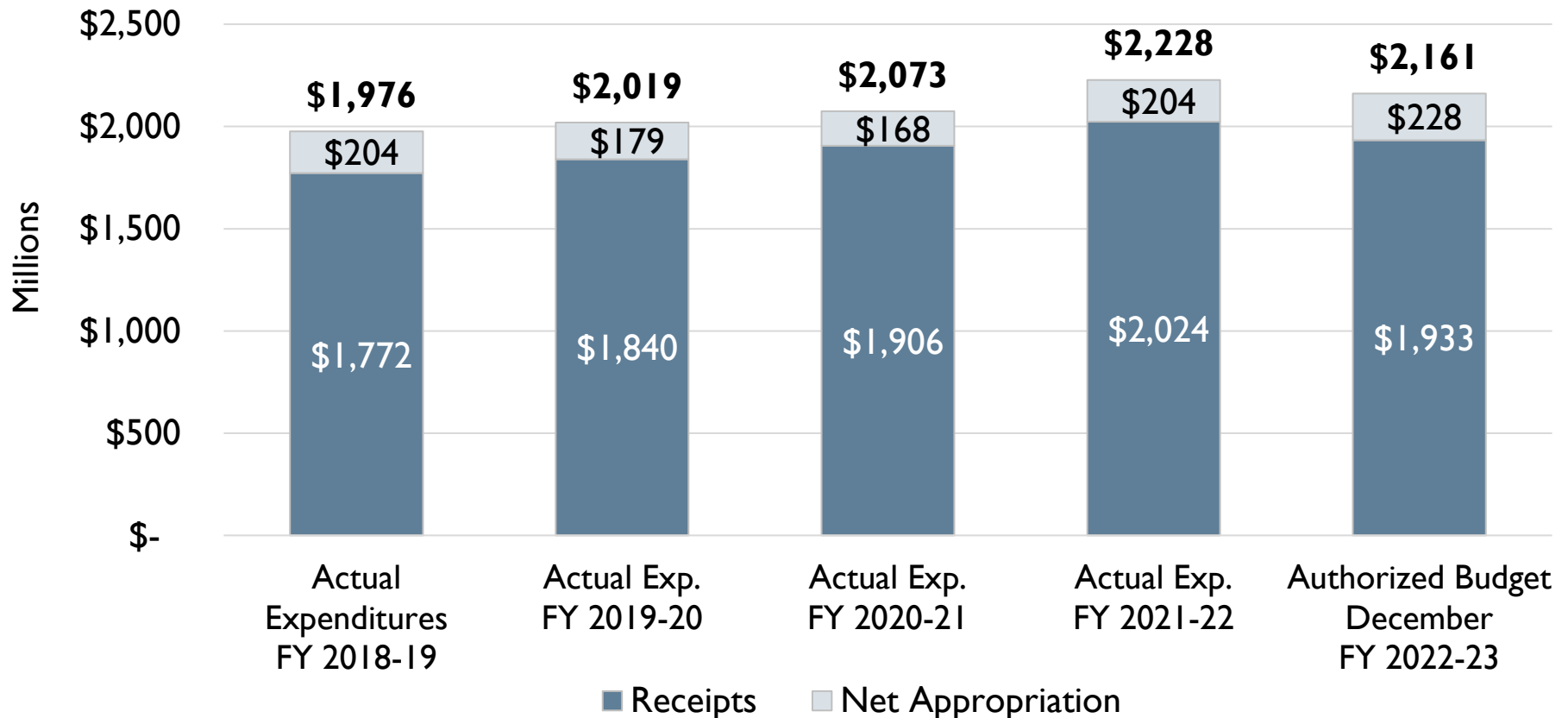
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Five-Year Budget Summary

DSS Five-Year Budget Summary (Millions USD)



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

Sources: DSS BD701's



Authorized Budget Requirements

DSS FY 2022-23 December Authorized Budget Requirements

Total Requirements: \$2,161M

FTEs:

- 402

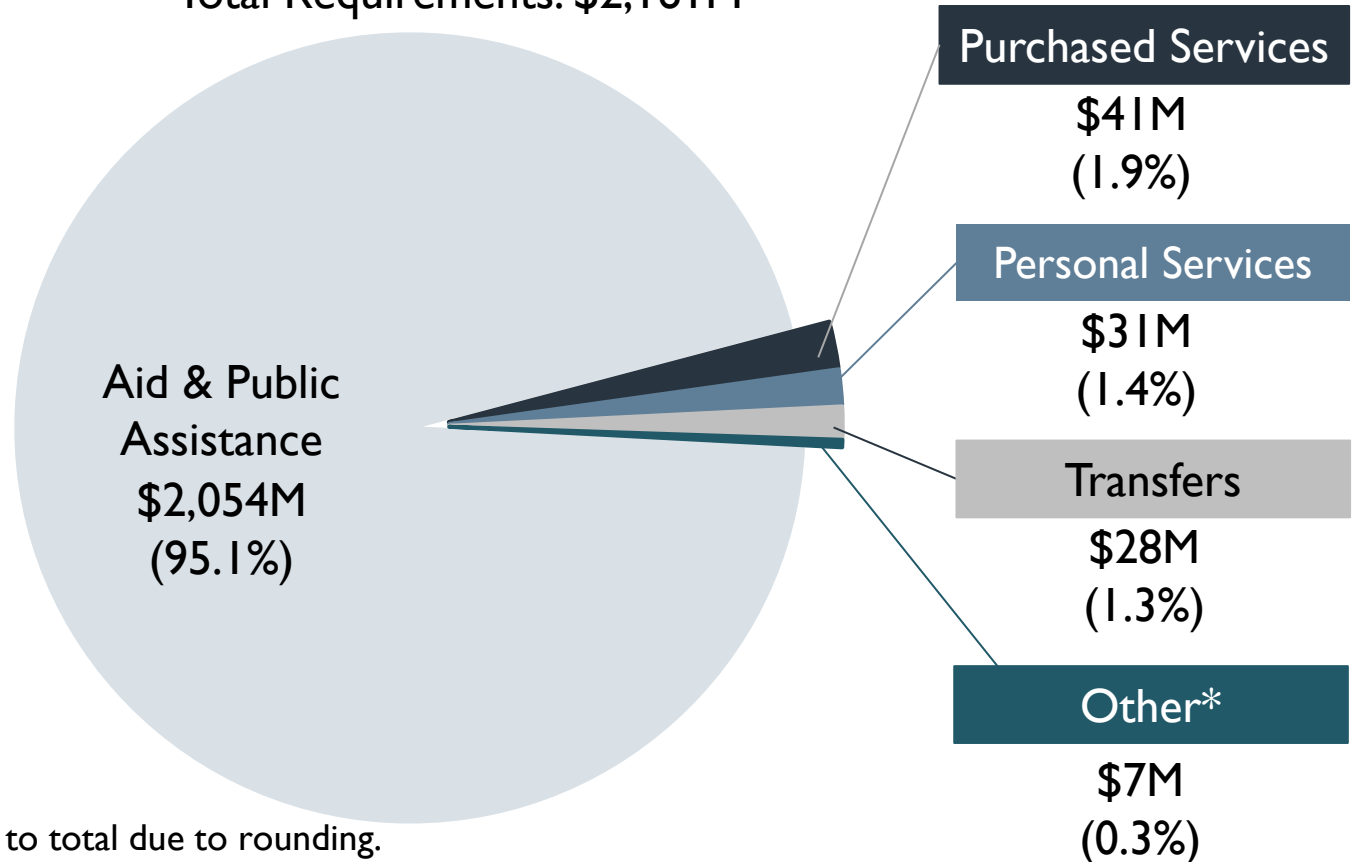
Vacant FTEs:

- 83

FTEs Vacant

1+ year:

- 30



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

*Other Expenses Includes: Supplies, Property, Plant, and Equipment, Reserves, and Other Expenses

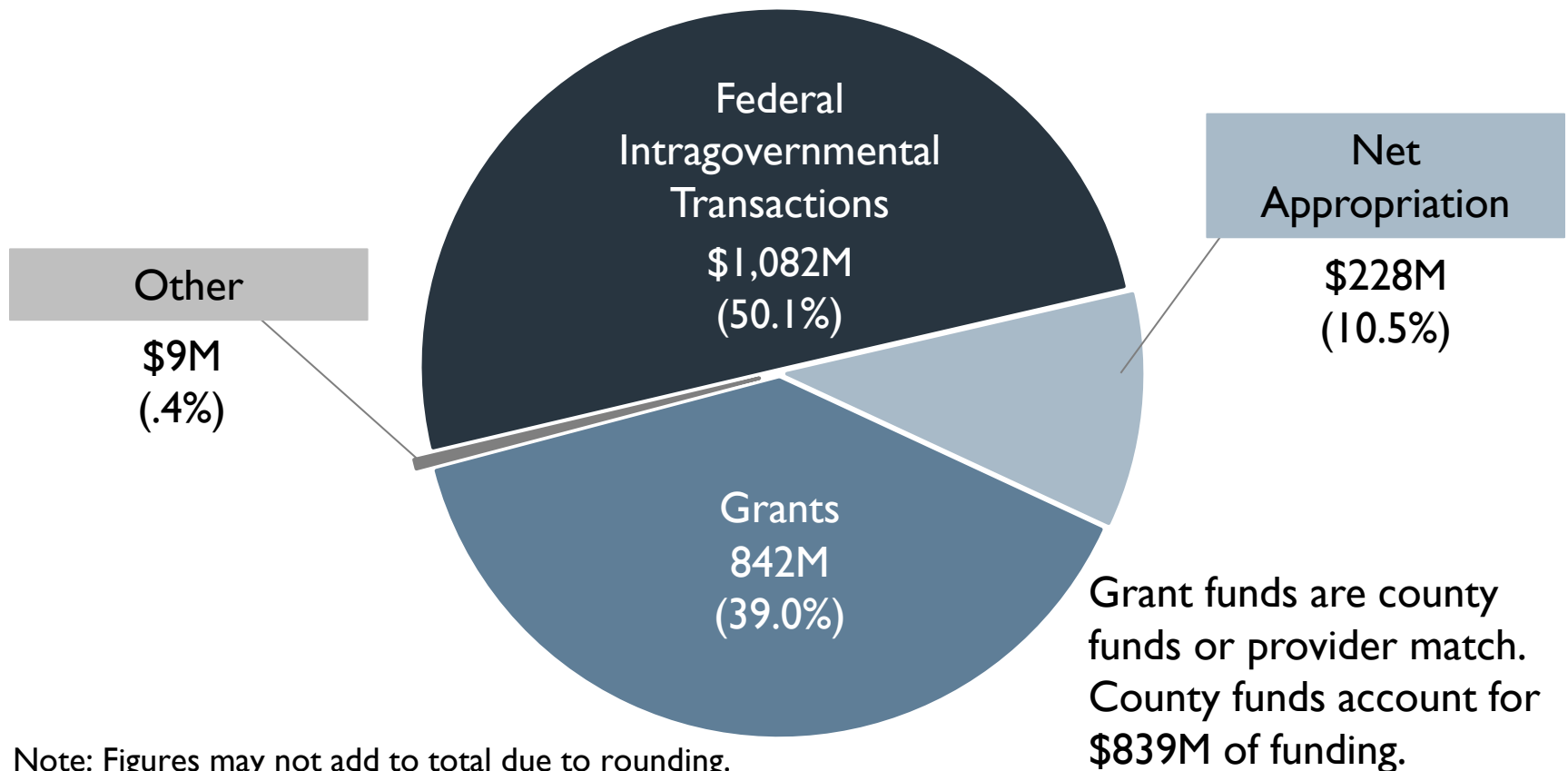
Sources: DSS December 2022 BD701, DSS FY2022-23 BD307, BD104 Vacant Positions Report



Authorized Budget Funding Sources

DSS FY 2022-23 December Authorized Budget Funding Sources

Total Funding Sources: \$2,161M



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

Source: DSS December 2022 BD701



DSS Requirements by Service

DSS FY 2022-23 December Authorized Budget Requirements by Service

Total Requirements: \$2,161M

Child Welfare \$806M (37%)	Medicaid Eligibility \$356M (16%)	Aging & Adult Services \$252M (12%)	Child Support \$167M (8%)	Other** \$153M (7%)
		FNS* \$209.0M (10%)	Energy Assistance \$134M (6%)	Work First \$85M (4%)

*FNS budget is in the process of being transferred to the new Division of Child and Family Well-Being budget

**Includes DSS Administration, County DSS operations, Subsidized Child Care Administration, Employment Benefits, Service Support, Refugee Assistance and Services, EBCI Administrative Fund, Federal Indirect Reserve, and Reserves and Transfers

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

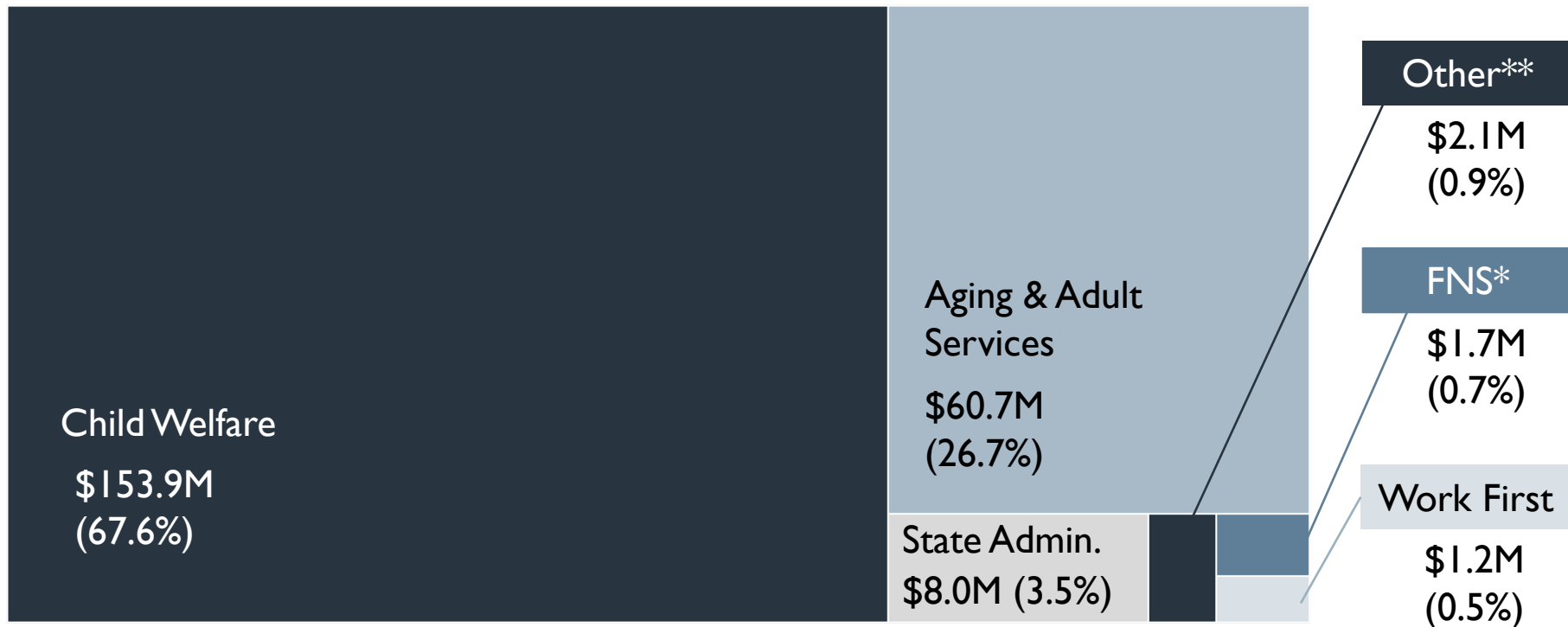
Source: DSS December 2022 BD701



DSS Budget Net Appropriation by Service

DSS FY 2022-23 December Authorized Budget Net Appropriation by Service

Total Net Appropriation: \$227.5M



*FNS budget is in the process of being transferred to the new Division of Child and Family Well-Being budget

**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.



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Recent Child Welfare Reforms

- Rylan's Law (Family-Child Protection and Accountability Act) (S.L. 2017-41)
 - Regional Support Model
- Family First Prevention Services Act (FFPSA)
 - Disincentivizes placement of foster kids in congregate care
 - Incentivizes placement in family-like settings and prevention of entry into foster care



Rylan's Law

- Required the creation of regional offices to provide counties with more direct supervision and support.
 - Created the Social Services Regional Supervision and Collaboration group (SSWG) to develop recommendations for the new regional support model.

7 Regions, each with a team of 17 staff:

- 2 – Administration (Director and Admin)
 - Both positions currently not funded
- 3 – Adult services (*1 currently not funded)
- 2 – Child Support
- 5 – Child Welfare
- 3 – Econ. Services (*1 currently not funded)
- 2 – Fiscal (*1 currently not funded)

S.L. 2021-180

- \$900,000 recurring appropriated for 15 positions
- Physical regional offices to be established by March 2023
- Full implementation by March 1, 2024



Family First Prevention Services Act

- Federal law passed 2018
- Enacted in NC October 1, 2021
- 2 Key Provisions:

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

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

*Exceptions Apply



Understanding Federal IV-E funds

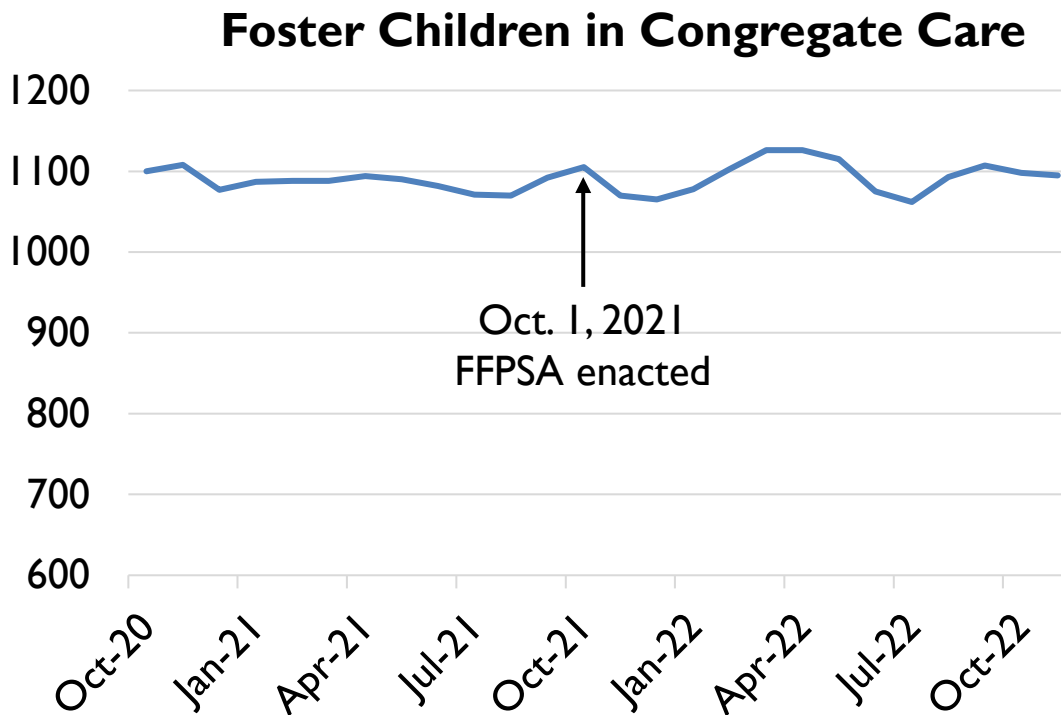
- Federal IV-E funds reimburse foster care board rates for eligible children.
- Eligibility for IV-E foster care is based on several factors including parent's income.
- If children are IV-E eligible, federal funds cover 68%* of the cost of their care. The remaining is split between the state and county.
- For non-IV-E eligible children, the board rate is covered by state and county funds at a 50/50 split.
- Roughly half of foster kids are IV-E eligible

*The share that is covered by federal funds is dictated by the Federal Medical Assistance Percentage (FMAP), which is currently 68% (rounded to the nearest whole number)



Congregate Care Provision

Since October 1, 2021, federal Title IV-E funding for congregate care is limited to the child's first 14 days, with some exceptions



- The General Assembly appropriated a combined \$18 million for FY 2021-22 and FY 2022-23 to help cover the losses in federal funding.
- The continuing annual cost to cover the loss in federal funding is an estimated **\$11.5 million.**



Congregate Care Provision (cont.)

Next steps for responding to FFPSA:

- Recruitment campaign to increase foster homes
 - Focus on families who are willing to parent teens and siblings
- Simplifying Licensing of kinship placements
- Exploring the development of Qualified Residential Treatment Programs (QRTPs)
- Expand the use of programs that prevent children from entering foster care

Source: DSS



Prevention Services Provision

States have the option to use Title IV-E funding to provide Evidence Based Programs (EBPs) that prevent children's entry into foster care.

- DHHS's FFPSA Plan received federal approval in August 2022

Eligible Services

Homebuilders

- For families with children ages 0-18
- 4-6 weeks, 40+ hours, therapy-guided strategies to reduce familial conflict and child abuse and neglect

Parents as Teachers

- For families with children ages 0-5
- Biweekly or monthly sessions to teach new parents skills to promote positive early child development

Target Population

Children who are "candidates" for foster care

Pregnant and parenting youth in foster care

Source: DSS's "North Carolina Title IV-E Prevention Services Plan, July 18, 2022"



Prevention Services Provision (cont.)

- NC's phased roll-out of five EBPs.
 - Multi-systematic Therapy
 - Triple P Standard Level 4
 - Methadone Maintenance Therapy
- Additional details:
 - Reimbursement is limited to 12 months per candidate episode.
 - 7 Regional Prevention Specialists who will work with county DSS to provide ongoing technical assistance

Source: DSS's "North Carolina Title IV-E Prevention Services Plan, July 18, 2022"



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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

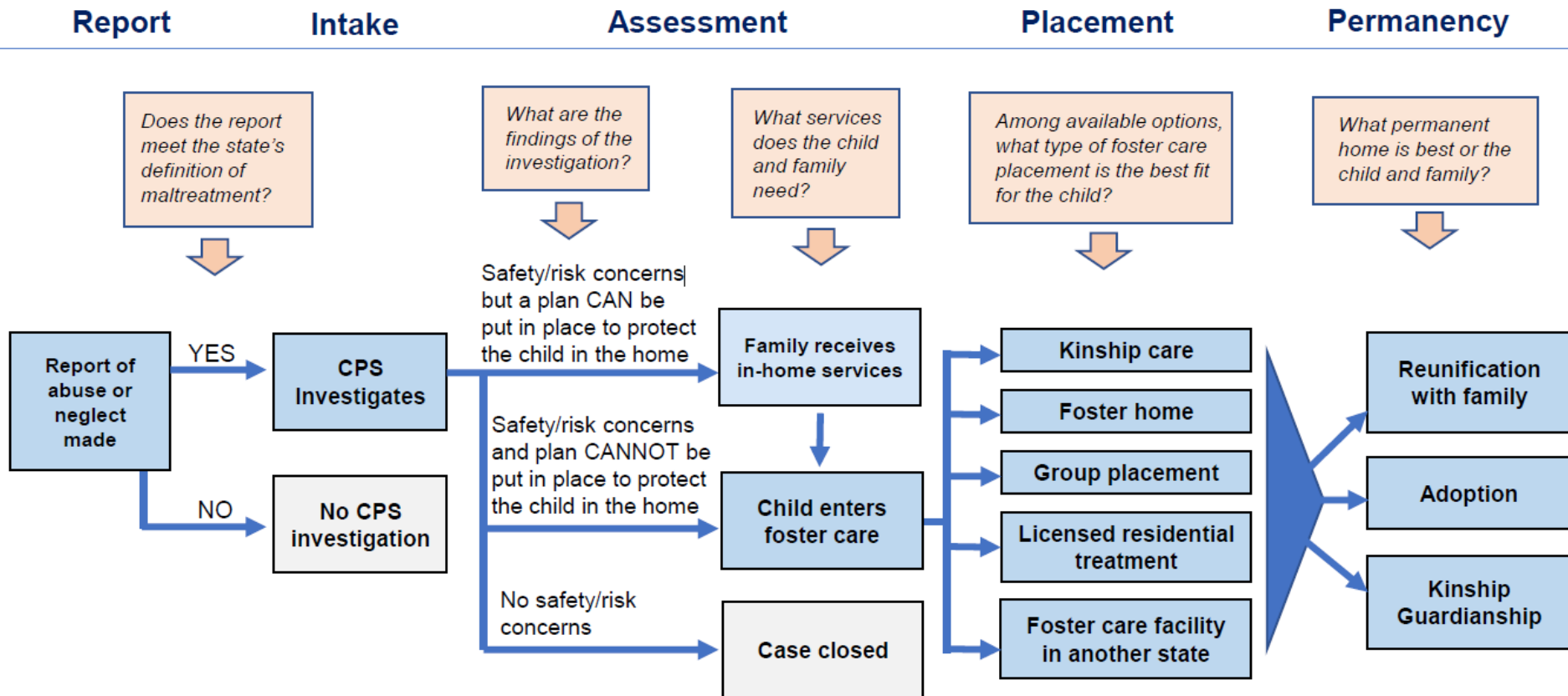
Services

- 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>).



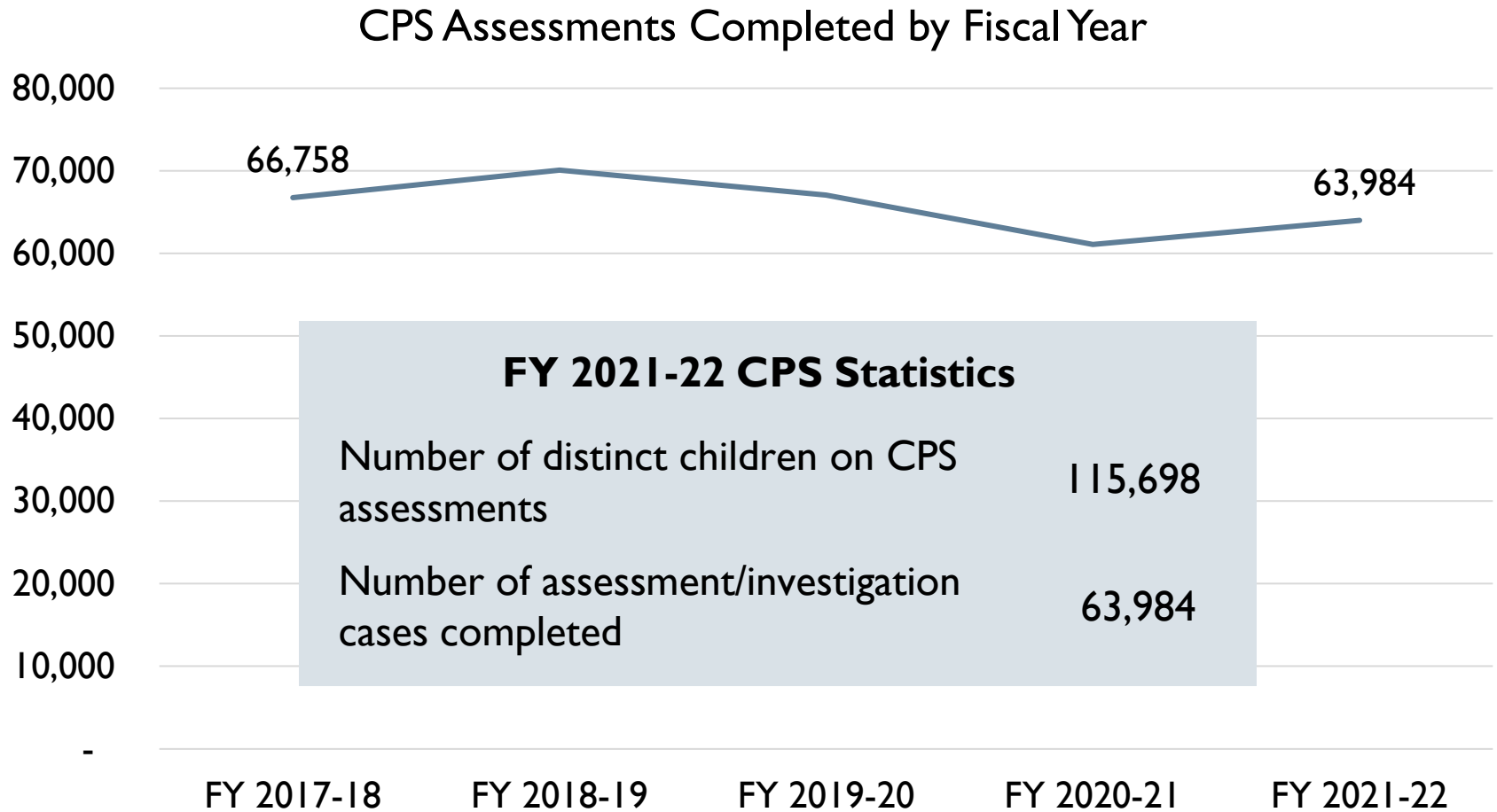
Child Welfare Overview



Source: Graphic provided by NC DHHS DSS in 10/11/2022 JLOC on HHS



Child Protective Services (cont.)

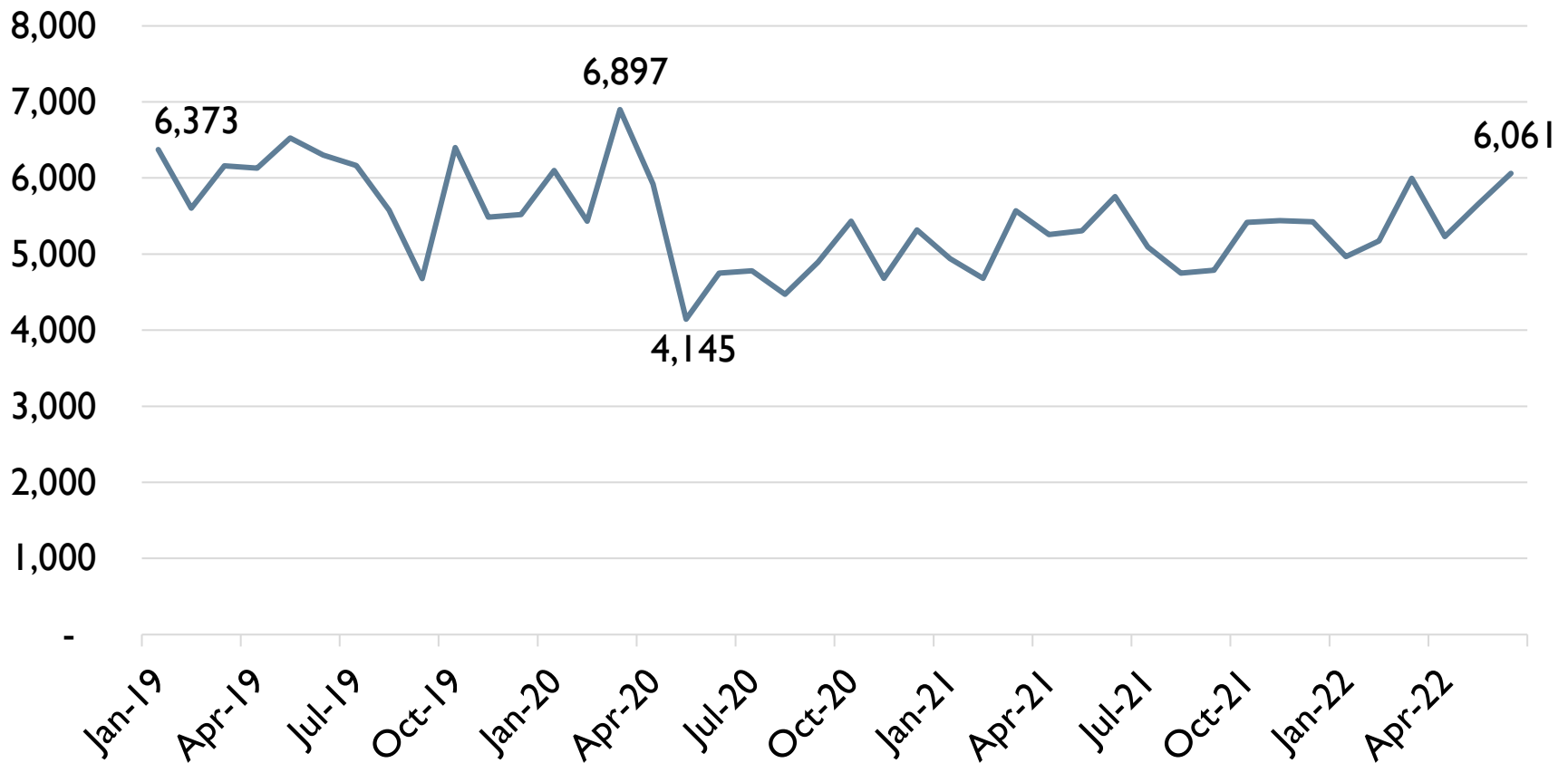


Source: NC DHHS Central Registry and NC FAST



Child Protective Services (cont.)

CPS Assessments Completed by Month, Jan 2019 – June 2022



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

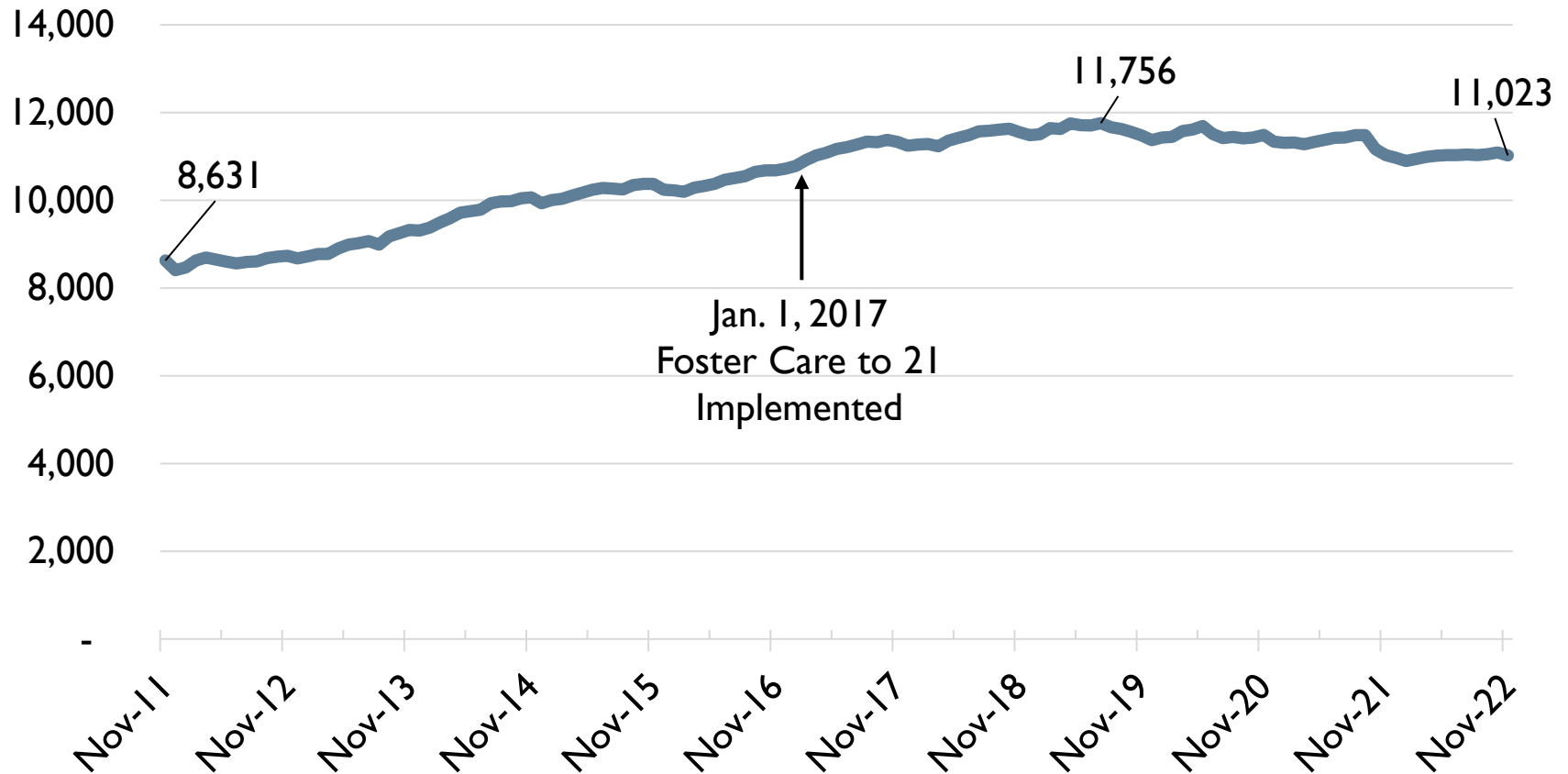
- Provide case management to parents to reunify with children if this can be done safely or identify alternative permanent plans such as adoption
- Ensure that children's health, educational, behavioral health, and developmental needs are met
- Transition young adults who are aging out or have already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

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



Foster Care Growth

End of Month Daily Number of Children in Custody
(Nov 2011-Nov 2022)

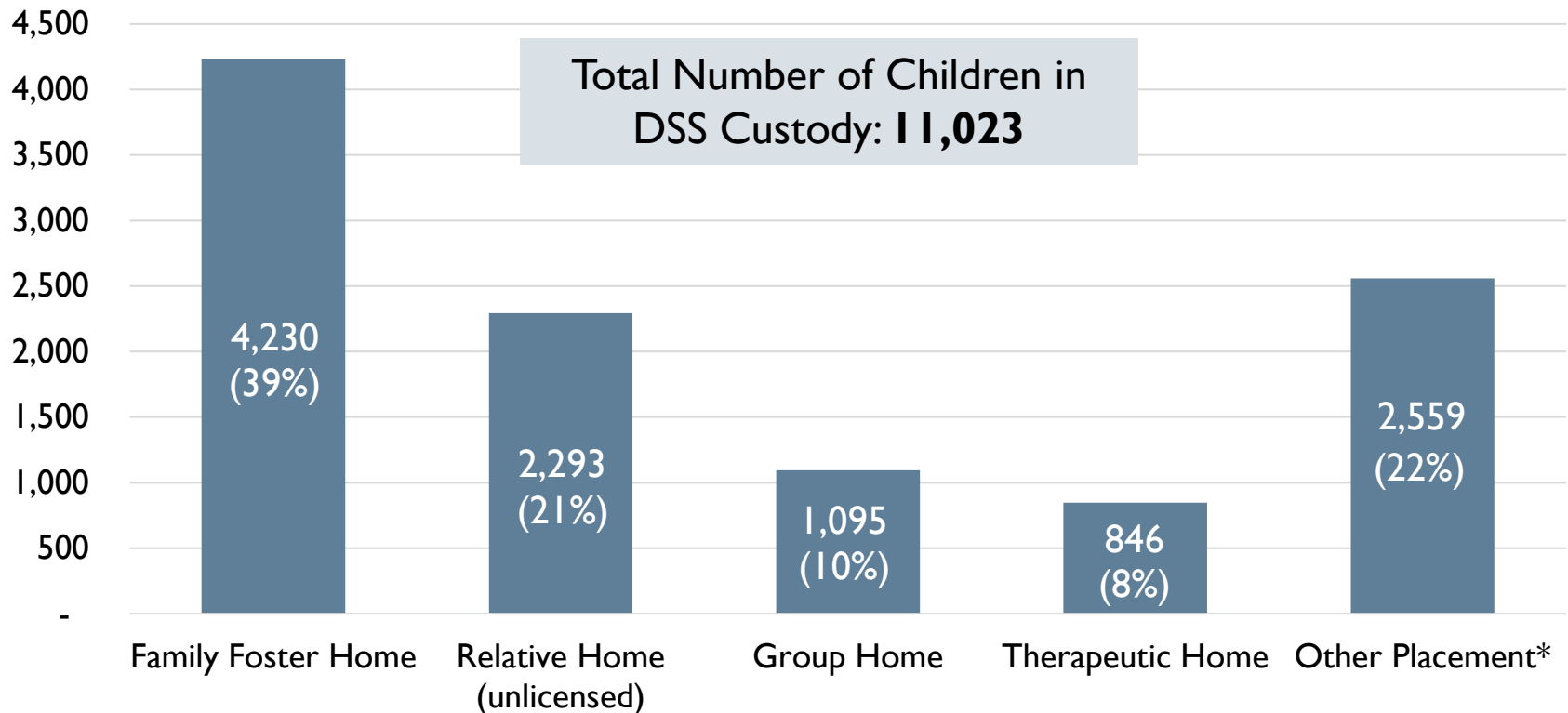


Source: NC FAST and legacy data systems queried by UNC School of Social Work (<http://ssw.unc.edu/ma>).



Foster Care by Placement Type

Children in DSS Custody by Placement Type, End-of-Month Count, November 2022



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



Foster Care Assistance Rates

Child Age group	Standard Board Rate (SBR)	Administrative Rate
0 – 5	\$ 514 / month	\$ 1,047 / month
6 – 12	\$ 654 / month	\$ 1,105 / month
13 +	\$ 698 / month	\$ 1,117 / month

- SBR is set in statute
- Last increased in S.L. 2021-180
- The administrative rate is a per-child rate Paid to child-placing agencies

Child Age group	Congregate Care Max Rate
0 – 5	\$ 4,318 / month
6 – 12	\$ 4,510 / month
13 +	\$ 4,580 / month

- Max per-child rate for Congregate Care Homes
- SBR is a component of the total congregate care rate

Note: Therapeutic Settings have their own room and board rates. Treatment service rates are set by the Division of Health Benefits and mostly reimbursed by Medicaid.



Foster Care Exits

Foster Care Exits FY 2021-22

Reasons	Number of Children	% of Total Children
Custody / Guardianship	1,629	32.8%
Reunification	1,578	31.8%
Adoption	1,222	24.6%
Emancipation	484	9.7%
Other	59	1.2%
Distinct Children	4,965	100%

Note: A small number of children exited foster care multiple times during FY 2021-22 with different termination reasons. Therefore, the total distinct children (4,965) is greater than the sum of all children in the column (4,972)

Graphic provided by DHHS DSS on 10/11/2022 JLOC on HHS



Adoption Services

Overview

- Ensure children whose birth parents cannot care for them become a part of a permanent family
- Services provided by county DSS and private child-placing agencies

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 for children in the foster care system

Foster Care Adoptions

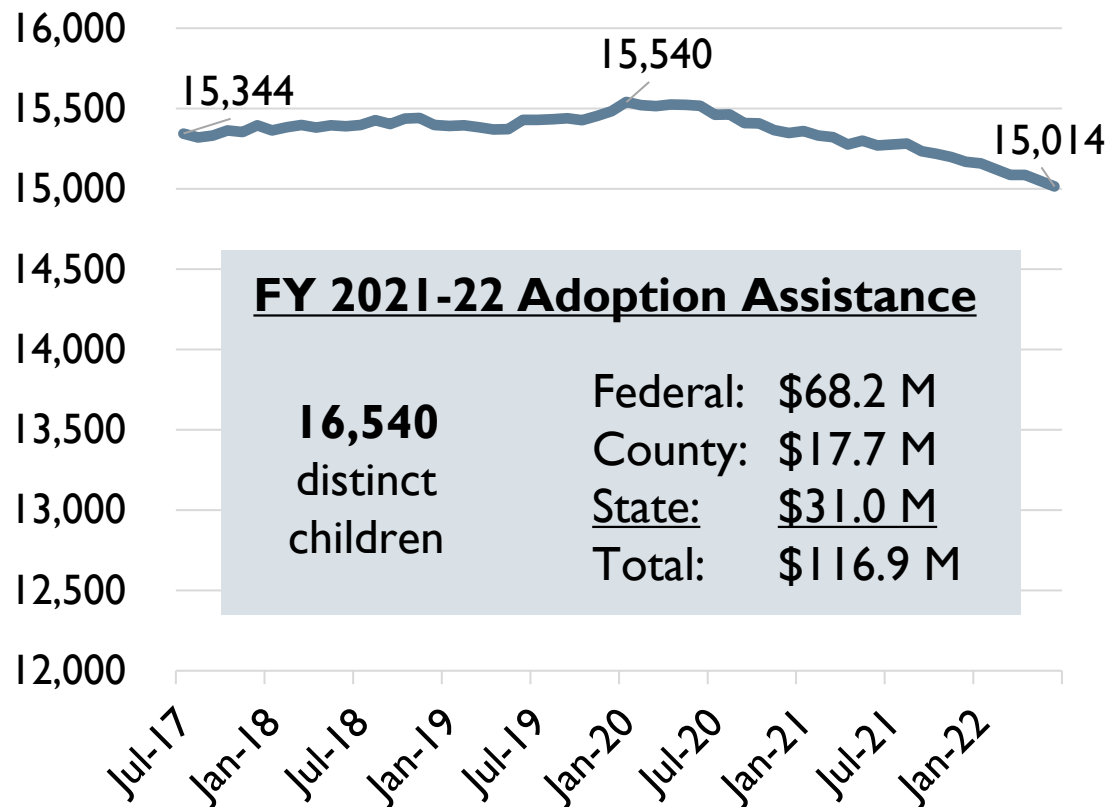
- 1,222 foster children were adopted in FY 2021-22
- DSS covers most costs of adopting children from foster care.
- Most adopted foster children are eligible to receive monthly Adoption Assistance payments

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



Adoption Assistance Payments

Adoption Assistance Payments by Month



Child Age group	Adoption Assistance Rate
0 – 5	\$ 514 / month
6 – 12	\$ 654 / month
13 +	\$ 698 / month

- For families who adopt a child with “special needs”
- Set by the General Assembly
- Matches the Foster Care SBR
- Last increased in S.L. 2021-180

Source: NC DHHS DSS



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
- 71 are under the authority of the county DSS, 8 are under the authority of the county manager, and 21 are under contract with private companies and one tribal office

FY 2021-22 Child Support Services Statistics

Cases	368,116 cases (377,140 cases in FY 2020-21)
Collections	\$669,847,756 (\$717,567,213 collected FY 2020-21)
Court Orders	84.67% of cases currently have a court order for child support (84.98% in FY 2020-21)
Paternity	Paternity was established for 276,779 children born out of wedlock (280,567 in FY 2020-21)

Sources: <https://www.ncdhhs.gov/divisions/dss>, NC DHHS DSS



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*	Income limit	Max Benefit Payment
1	\$362	\$181
2	\$472	\$236
3	\$544	\$272
4	\$594	\$297

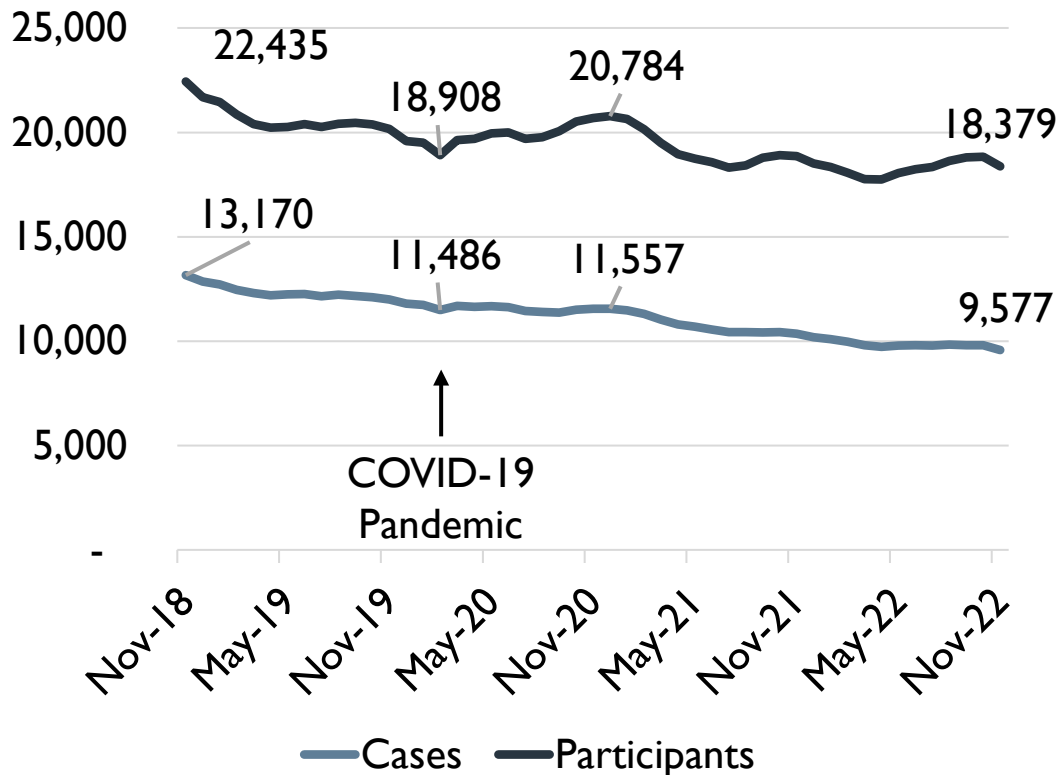
*Includes all individuals who live in the home and will receive the benefit.

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



Work First Family Assistance (cont.)

Cash Assistance Cases and Participants



November 2022 Statistics

Average number of individuals per case	1.9
Percentage of caseload that is child only	78%
Median benefit for all cases	\$181

**S.L.
2021
-180**

\$16.78 M NR from federal COVID relief funds were used for two additional \$500/child payments to WF families

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>).



Energy Assistance Programs

- Federally funded
- One-time vendor payment to help households pay for their utilities

Low-Income Household Water Assistance Program (LIHWAP)

- Income eligibility \leq 150% federal poverty level
- Households that have had or are in jeopardy of having services cut off are prioritized
- 66,834 households served in 2022

Low-Income Energy Assistance Program (LIEAP)

- Income eligibility \leq 130% federal poverty level
- Households with a person aged 60+ or a person with a disability are prioritized for services
- 251,582 households served in 2022



Refugee Assistance

- Federally funded
- Two short-term assistance programs:
 - Refugee Cash Assistance (881 individuals in Jan. 2023)
 - Refugee Medical Assistance (1,305 individuals in Jan. 2023)
- Other support services include employment services, transportation, and skills recertification



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 majority (68%) of the current DSS Net Appropriation supports child welfare
- Rylan's Law has reformed many aspects of Child Welfare in NC, including the implementation of a regional support model
- FFPSA has reformed federal child welfare financing streams to incentivize preventative services and family-like settings over group homes for foster children



Questions?

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