
JOINT FINANCE COMMITTEE HEARING
FISCAL YEAR 2020 BUDGET



RAY FITZGERALD
DIVISION DIRECTOR

DIVISION OF SOCIAL SERVICES
Department of Health and Social Services
March 20, 2019
Legislative Hall, Joint Finance Committee Hearing Room

Good Morning, Representative Johnson, Senator McDowell, members of the Joint Finance Committee and members of the public. I am Ray Fitzgerald, Director of the Division of Social Services (DSS). With me today is Thomas Hall who serves our Division as the Deputy Director, and Alexis Teitelbaum, our Chief of Administration.

Thank you for the opportunity to speak with you today and present our accomplishments and Fiscal Year (FY) 2020 Governor's Recommended Budget.

DIVISION OVERVIEW

MISSION STATEMENT

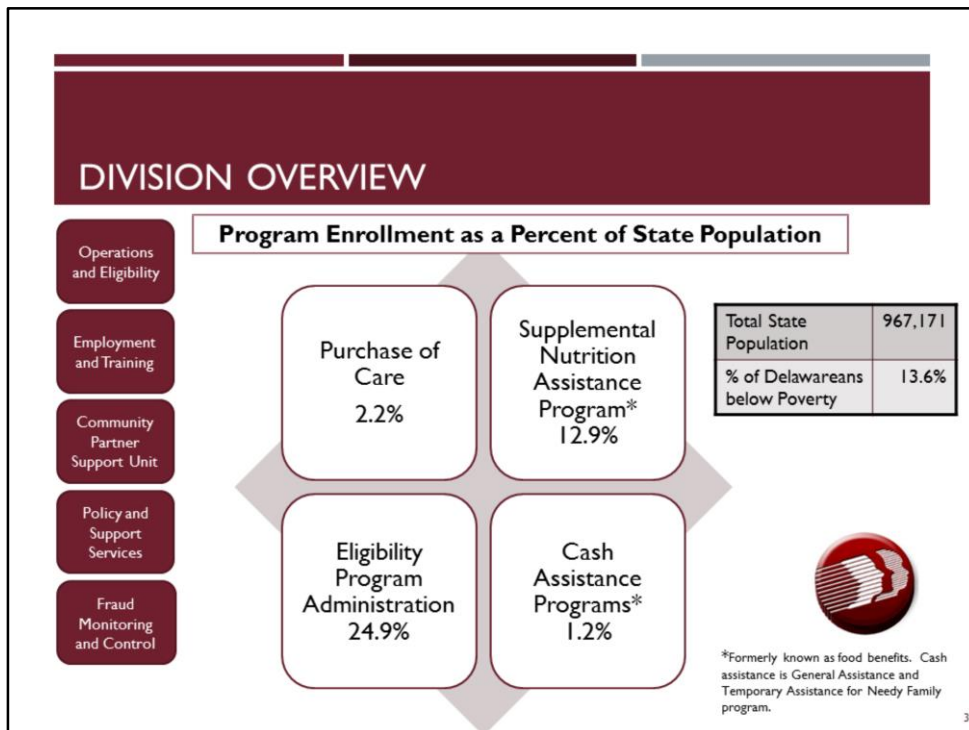
To provide prompt, respectful, and accurate services that promote the potential for self-sufficiency for all Delawareans.



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Our Division manages the Temporary Assistance for Needy Families (TANF) program, the Supplemental Nutrition Assistance Program (SNAP, formerly referred to as the Food Stamp Program), the Purchase of Care (POC) or Child Care program, Medicaid eligibility and Employment and Training (E&T) programs.

We engage recipients by providing work supports to clients who are working and/or who are seeking employment. We also provide support to participants who volunteer to participate in our employment and training offerings.



DSS provides multiple programs to our clients. The percentages shown for each program above reflect program volume as a percentage of the total state population. Some people and families are in multiple programs with different policies and reporting requirements.

To offer some perspective, in calendar year 2018, the Division served approximately 261,000 clients, which is more than a quarter of the state's population.

FAMILY SERVICES CABINET COUNCIL



Family Services
Cabinet Council



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As my colleagues have previously mentioned, the Department of Health and Social Services (DHSS) has been involved in advancing several of the Governor's Priorities through our work in the Family Services Cabinet Council (FSCC). Director Beaman, Division of State Service Centers, previously noted that we are one of the first Divisions trained on trauma informed approaches. Through this work, and the Governor's Action Plan, we have a unique opportunity to review the services we already provide and develop creative and flexible ways to assist clients and their communities.

COMMUNITY SUPPORT

Strengthen Communities:

- Community Partner Support Unit (CPSU)
- Social Workers in Libraries
- Wilmington Schools Partnership



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First, I would like to highlight our Community Partner Support Unit – or CPSU.

CPSU was created to strengthen partnerships with communities, employers and other state agencies to improve client outcomes. CPSU helps to increase access to services by providing ongoing, personalized support to organizations that support those in need. This group goes where the clients are, and an area of focus for them is to support efforts to reduce gun violence in Wilmington.

CPSU's main activities include:

- Serving as a bridge between DHSS divisions and community organizations that serve clients eligible for state benefits;
- Collaborating with businesses, community organizations and employment-and-training vendors to help Delawareans get, and keep, self-sustaining jobs;
- Supporting state and local governments in their efforts to stabilize neighborhoods, prevent youth violence and improve quality of life;
- Placing social workers in community hubs, such as libraries and community centers; and
- Supporting programs to help ex-offenders succeed as they re-enter the community.

The unit has exceeded all expectations. A few 2018 accomplishments were:

- Assisting nearly 1,000 individuals at 16 libraries statewide; and
- Partnering with behavioral health coordinators in 10 Wilmington schools to support students and their families to improve outcomes.

COMMUNITY SUPPORT

- **Dual Generation Services:**
Golden Ticket Pilot
- **Focus on Re-entry Supports:**
Social Workers in Parole Offices &
Public Defender's Office Partnership



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CPSU has also partnered with the Wilmington Police to help residents of West Center City access needed services, including job training and employment, through on-site interviews at the Porter State Service Center.

DSS, in partnership with the Division of State Service Centers, Department of Labor (DOL), Division of Child Support Services and community partners, is piloting the services we will be providing at the Dual Generation Center at Porter State Service Center. The pilot is called the “Golden Ticket to Services.” Staff on site help and support clients navigate on and off-site services. Clients who are most in need and who have multiple barriers are the targets for services. The goal is to help individuals stabilize and help them find employment. So far the team has helped more than 55 clients.

CPSU also partners with the Department of Correction to place Social Workers at probation and parole offices to support individuals who are re-entering from incarceration. The team’s current focus is the Cherry Lane Office in New Castle. Our goal is to expand statewide in 2019. We also partner with the Partners for Justice, which is a group affiliated with the Public Defenders Office (PDO), to support individuals who are involved or previously involved with the PDO.

STRENGTHENING THE WORKFORCE

Strengthen Delaware World Class Workforce:

- Employment and Training
- Public Private Partnerships
- Employment Services for Individuals with Disabilities



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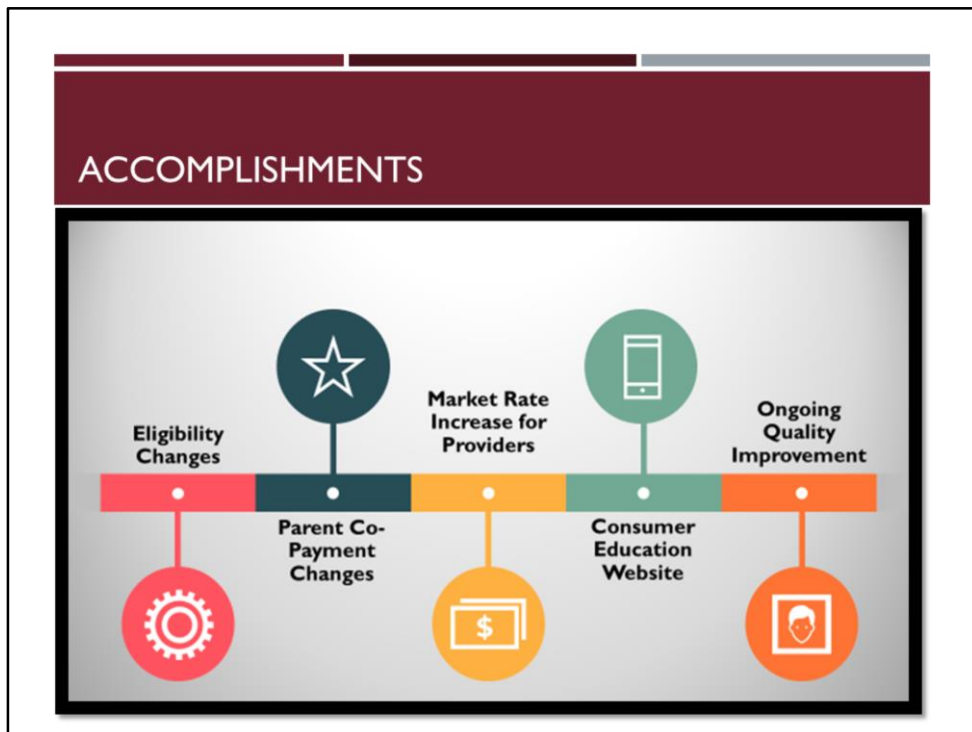
One of the Governor's priorities is to strengthen Delaware's workforce. We have a parallel goal of promoting self sufficiency. One of the ways we do this is through employment and training programs.

Consistent with the Governor's Plan to Strengthen Delaware's World Class Workforce, staff and our partners were able to help more than 1,600 clients obtain employment in 2018. Some of our more successful initiatives were:

- Delaware WONDER, which is a federally funded training and job placement program that supported 538 individuals with obtaining employment in 2018.
- CPSU helped 234 individuals find jobs in 2018.
- CPSU staff developed a relationship with United Parcel Service (UPS) that became a partnership which resulted in us placing over 100 employees in positions with UPS in 2018. We provide transportation and case management to the UPS airport facility 5 days a week which has resulted in impressive retention outcomes.

The Division has a partnership with a technology vendor to manage our document imaging work. This vendor, Computer Aid Incorporated (CAI), hires individuals on the autism spectrum to perform this work and they do an excellent job meeting the bulk of our document imaging needs.

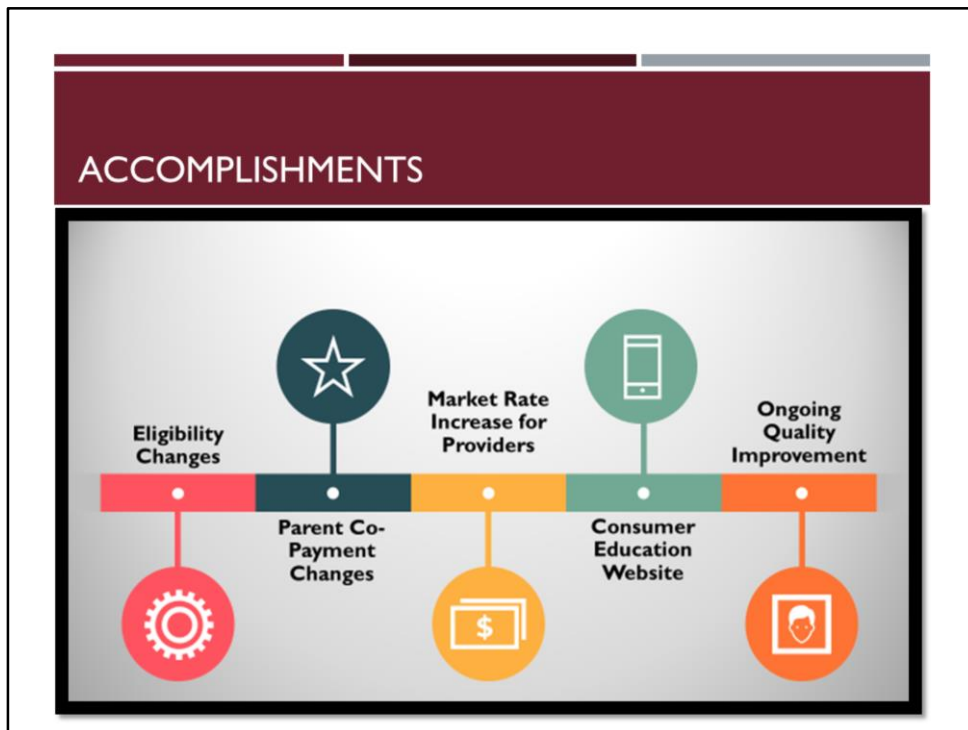
Another partnership we have cultivated over the years is our relationship with DOL's Division of Vocational Rehabilitation (DVR). DVR provides employment and training activities to individuals who are disabled if they can work. And, if they cannot, the individual is supported in the completion of a Social Security Disability application. Our Division funds this service.



Another area of interest this year has been our Purchase of Care or child care program. Purchase of Care, also known as POC, is federal-state partnership that provides support to low-income families with children to enable caretakers to hold a job, obtain training or meet special needs. This year, our staff have made tremendous strides in meeting new regulations that are required to in order to remain eligible for federal Child Care Development Funds (CCDF).

Our federal partners mandated a number of initiatives that all states were required to implement. The mandates focus on affordability, accessibility, quality of care and family stability. We had to implement multiple program changes, including:

- **Eligibility changes.** With the 2018 CCDF changes, families are now guaranteed eligibility for 12-months to ensure that children have access to safe child care settings, even as family income fluctuates.
- **Graduated Phase Out.** Which is a policy intended to mitigate the sudden withdrawal of child care support which can destabilize and undermine a family’s pathway to financial stability.
- **Consumer Education Resource Website.** The website, www.mychildde.org is a resource for the general public that offers families information such as: child care provider options for parents and families; child development information and child care provider resources – licensing, trainings and provider supports.
- **Parent Co-Payment Changes.** Our federal partners advised states to initiate policies to stabilize parent child care co-pay fees and make them more affordable. As a result, Delaware is changing parent co-pays from a percentage of the childcare rate to being based on a percentage of family income. This new structure will reduce out of pocket costs for the majority of clients as well as offer consistency in co-pays. Eligibility systems changes were deployed on March 16, 2019.



Without the vast community of providers in Delaware, DHSS would not be able to provide such a wide range of services throughout the state.

During FY 2019, we have engaged in conversations about implementing changes to the market rate paid to child care providers. This conversation is happening in a larger context of meeting new federal requirements for the state’s POC services and ensuring that quality is a key component of early childhood care. This month, DSS implemented federally required changes to parent co-payments, and next DHSS will implement an increase to bring provider rates in line with the 2015 market rates starting with May 2019 services.

The FY 2020 GRB added \$3.8 million to Purchase of Care Program in order to bring rates in line with 65% of the 75th percentile of the 2015 Market Rate Study.

Although POC is implemented as a program to ensure that families can afford to work, we know that quality is also important in child care. In DSS, we exceed the amount of spending on quality requirements mandated by our federal partner. The Division spends over \$2 million annually on quality, and DSS partners with the Department of Education’s Office of Early Learning. Some of our initiatives include:

- Requiring licenses for unlicensed providers;
- TEACH program & Wilmington Early Care and Education Council;
- Partnership with the United Way for Parents as Teachers and Moving the Needle Programs; and
- Partnerships with providers for non-traditional hours.

LOOKING AHEAD

Focus on Social Determinants of Health



Childhood experiences



Housing



Education



Social support



Family income



Employment



Our communities



Access to health services



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Looking ahead, DHSS will be focused on supports that make a positive impact on social determinants of health. Social determinants of health are the conditions in which we are born, we grow and age, and where we live and work. The items listed represent important areas of focus for our Department now and in the future.

LOOKING AHEAD

- **Strengthen Communities**
 - Expand Social Workers in Libraries to all Libraries
 - Expand Wilmington Schools Partnership to schools in Kent and Sussex Counties
- **Re-entry Services**
 - Provide Social Service Support to Wilmington Police in Community Engagement, Partnership with Attorney General and U.S. Attorney's Offices
- **Strengthen Delaware World Class Workforce**
 - Continue to Grow Employer Network
- **Cash on Debit Cards**



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Looking ahead, the Division will initiate or expand the activities listed, all of which support initiatives outlined in the Governor's Action Plan and Family Services Cabinet Council activities. Our goal is to be bold and creative in how we use our funding to support individuals who want to be self-sufficient to minimize or eliminate their service needs.

DSS is one of a number of state agencies that are combining efforts to create efficiencies and save cost by placing Cash Assistance benefits on a debit card. The State Treasurer's Office is leading this effort.

FY 2020 GOVERNOR'S RECOMMENDED BUDGET

FY 2020 Governor's Recommended Budget (\$ in thousands)

	GF	ASF	NSF	Total
FTEs	191.3	0.0	194.4	385.7
Dollars (\$)	90,989.0	2,259.1	88,163.4	181,411.5

Budget Definitions:

GF – General Funds
ASF – Appropriated Special Funds
NSF – Non-Appropriated Special Funds
FTEs – Full Time Equivalent Positions



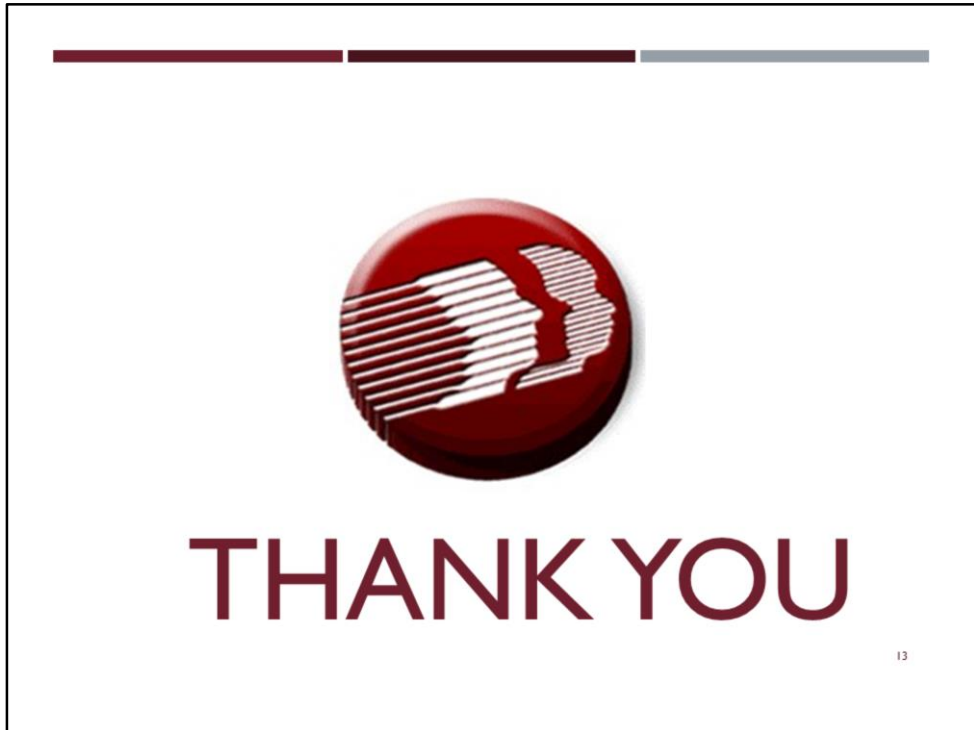
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The slide above shows the budget included in the FY 2020 Governor's Recommended Budget (GRB).

Our Division's FY 2020 GRB is:

- \$90,989.0 [ninety million, nine hundred eighty nine thousand dollars] in General Funds (GF);
- \$2,259.1 [two million, two hundred fifty nine thousand, one hundred dollars] in Appropriated Special Fund (ASF) spending authority; and
- \$88,163.4 [eighty eight million, one hundred sixty three thousand, four hundred dollars] in Non-Appropriated Special Funds (NSF).

These funds will allow us to maintain the FY 2019 level of service while we continue to explore no and/or low cost program improvements that meet the goals set by the Governor's Action Plan.



Thank you for the opportunity to share with you the challenges and opportunities facing the Division of Social Services. I look forward to your questions.