

**A FRAMEWORK FOR RESTRUCTURING
FAMILY ASSISTANCE IN VIRGINIA**

**RECOMMENDATIONS FROM THE
VIRGINIA LEAGUE OF
SOCIAL SERVICES EXECUTIVES**

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I. INTRODUCTION

This paper calls for a reasonable investment in the future of more than 125,000 children living on AFDC in Virginia, for blending public policy with family and community values, for replacing dependency with reciprocal responsibility and for preventing future welfare dependency.

All families have undergone drastic changes since the post-depression inception of the Aid to Families with Dependent Children program. Healthy families, the primary social structures responsible for protecting and raising children, are in decline. Economic pressure and modern social trends are weakening traditional family structures and producing increased numbers of young, dependent single parents. Furthermore, it is expected that the recent census will raise additional alarm when it reports on the increased numbers of children with "0" parents. Grandparents and unrelated adults are increasingly accepting responsibility for children who would otherwise need the services of an already overburdened child welfare system. Changing definitions of family, the severity of major social problems which correlate so strongly with poor single parent families, the need for a better trained and educated workforce and citizens who are prepared to contribute positively to the community, force us to examine how our family assistance program can be restructured to produce better outcomes for families and society. The Virginia League of Social Services Executives strongly supports the need for welfare reform in the Commonwealth.

II. DATA REGARDING POVERTY & CHILD REARING CAPACITY

Most AFDC Recipients in Virginia are Single Parents Living in Poverty. Children born to single parents are more likely to experience persistent poverty, health problems, low academic achievement, behavioral problems, teen pregnancy and crime. Available data (see attached references) indicates that:

- A. a stable two-parent family is an American child's best protection against the influences of poverty and crime.
- B. sixty-four percent of the 125,080 children who receive AFDC in Virginia were born out of wedlock.
- C. half of the money provided to AFDC families (single-parent households) goes to mothers who had their first children as unmarried teenagers.
- D. among 68,555 single parents receiving AFDC earlier this year in Virginia, 43% had not completed high school and only 4% had earned income.
- E. one-parent children show lower achievement in school than their two-parent peers: 40% of one-parent children are low achievers compared to 2% for two-parent children.
- F. as the number of single-parent families increase, then the proportion of students who are least likely to succeed and least likely to respond to efforts to help them must be increasing also.
- G. more than 70% of the youths in juvenile correctional facilities came from single-parent, female-headed households, as do more than 80% of adolescents in psychiatric hospitals.
- H. children of teenage parents are known to be at greater risk for health problems, low academic achievement, behavior problems, and teen pregnancy.

- I. twenty-two percent of children living in single-parent families will experience persistent poverty of 7 years or more, while only 2% of children in two-parent families will do so.
- J. the relationship between single-parent households and neighborhood crime is stronger than the relationship between race or poverty and crime.
- K. the cost to support families in Virginia that resulted from adolescent pregnancies in 1987 was \$198,332,000 (avg. annual cost per baby - \$16,500).

There is a clear connection between young single parenthood, less effective child rearing and dependency. Improving the child rearing and parenting capacity of young single parents, and other parents with at-risk children, is the surest way to avoid the debilitating cost of future social problems and to create instead productive, employable citizens.

Virginia must recognize that because AFDC households are predominantly headed by young single parents, their children are at-risk and less likely to become self-supporting, contributing members of the community. Instead, they are likely to add to the cost of medical care, education, public welfare and law enforcement. Virginia needs to reform its AFDC program in order to reduce the risk factors which threaten in excess of 125,000 children across the state.

III. THE LEAGUE BELIEVES THAT WELFARE REFORM SHOULD BEGIN WITH ORGANIZATIONAL VALUE STATEMENTS THAT SUPPORT FAMILY AND COMMUNITY VALUES

- A. Every child has the right to support from both parents.
- B. Public benefits must permit families to live decently without destroying their motivation to work.
- C. Families who work should not be worse off than families who receive assistance.
- D. Government should provide adequately for those who are incapacitated.
- E. Individuals have a responsibility, to the greatest extent possible, to support themselves and their families, both materially and morally.
- F. Health care and long-term family planning should be accessible to all Virginians.
- G. Public service or subsidized jobs should be created when the private labor market is not producing jobs for everyone who must work.
- H. The human resource potential of our customer base needs to be developed for the betterment of children and communities.
- I. An effective system will focus on achieving positive customer outcomes rather than tracking activities.

IV. THE LEAGUE PROPOSES A WELFARE REFORM STRATEGY BASED ON RECIPROCAL RESPONSIBILITY

A. Basic Elements of a Restructured Family Assistance Program

- 1. A contract shall define the reciprocal responsibilities of the grantor and the

recipient of benefits. For example, if parents of young children are expected to work or participate in education or training, the grantor is expected to ensure affordable and accessible child-care.

2. Recipients who meet the terms of the contract should expect financial gain (incentives). For example, they may retain significant portions of their earnings or child support payments with no adverse impact on their cash benefits and overall economic status.
 3. Recipients who fail to meet the terms of the contract can expect reduced grants (sanctions).
 4. A restructured program shall recognize the value of expedited short-term, crisis-oriented cash assistance with a reasonable payment standard and a substantial disregard of non-liquid assets. New applicants, for example, who become dependent as a result of a job layoff should not be forced to sell a vehicle to become eligible for temporary assistance, and then find that when another job becomes available they are without transportation.
 5. An adequate payment standard shall be set for families who are dependent due to the incapacity of a family member.
 6. A restructured program should substitute guaranteed public service or subsidized private employment in lieu of cash assistance for the long-term unemployed able-bodied recipient.
 7. In recognition of the fact that customers want to work, want to be effective parents and want their children to succeed, the grantor must have a well-developed support system in place which offers life skills training, job skills training, effective parenting, family planning, early childhood education, family preservation services and substance abuse treatment.
 8. A restructured program needs to recognize the changing definition of families and consider placing the bonding relationship on par with blood relationship.
- B. Enhancements Needed For Increased Effectiveness and a Focus on Prevention**
1. Train Eligibility Workers to identify and reinforce competent behavior in applicants/recipients as the first step toward preventing dependency.
 2. Maximize the automation of benefit programs to allow Eligibility Worker's the time needed to stimulate development of customer potential.
 3. Fund the JOBS program sufficiently to serve all mandatory groups.
 4. Develop sufficient child care resources so that the absence of child care never precludes participation in the JOBS program or employment.
 5. Provide a comparable level of job preparation services for unskilled non-custodial parents and require their participation.
 6. Establish timely child support orders in all cases where the absent responsible parent's whereabouts are known.
 7. Expose all youth to a welfare prevention program through the School Based Family Life Education Curriculum.

8. Provide enhanced funding for job training models with clearly demonstrated results such as the San Jose Center for Employment Training.
9. Fund community demonstration projects that strengthen child-rearing capacity, protect children and support family self-sufficiency.
10. Assist communities in defining and funding subsidized private employment or public service jobs which invest in families and neighborhoods as well as infrastructure.
11. Encourage Congress to restore work incentives, to adopt policies which support families positively, especially in their initial efforts to become self-sufficient, and to adopt policy which strengthens penalties for voluntary quits comparable to the policy of the Food Stamp Program.

V. CONCLUSION

The Virginia League of Social Services Executives strongly supports welfare reform that will positively strengthen families and youth and will eliminate barriers to the productivity of each family member.

The League is acutely aware of the limitations of the federal regulatory waiver process, the economic lean times we are experiencing, the criticism of the "new paternalism" on the one hand, and the punitive nature of the electorate on the other who would balance the budget on the back of the poor. Nonetheless, we believe that a comprehensive approach to welfare reform is the only alternative that will achieve positive results - there are no simple and cost neutral solutions. At least in the short-term, helping society's most disadvantaged people change their lives will cost more, not less. Changing the welfare system alone will not be a panacea for society's ills, unless it is coupled with creation of jobs, educational opportunities, development of family values and collaboration of both public and private entities to achieve a shared vision for the future of Virginia's children.

VL REFERENCES

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3. **Future Directions for Social Services; Virginia Department of Social Services, September 11-13, 1990, Executive Summary, p. 39.**
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HOW DO WE MEET COMMUNITY NEEDS WITH AVAILABLE RESOURCES?
A MULTI-YEAR PERSPECTIVE ON COST CONTAINMENT

HAMPTON DEPARTMENT OF SOCIAL SERVICES
June, 1993

I. INTRODUCTION:

We have entered a period that requires new thinking about cost containment, more than just cutting back and letting things go. I am concerned that traditional concepts of streamlining and privatizing will dominate future discussions at the state and federal level. These traditional approaches need continuing examination and are being addressed in Hampton through automation, reorganization, contracting, etc. They are limited, however, and do not offer the kind of breakthrough that we need to address today's social problems which impact the long term cost containment dilemma.

The concept of reinventing government offers a different approach that may enable us to move beyond the limits of tradition. In pursuing a new course I would like to focus on three concepts. They are prevention of social problems in the community where they originate; collaboration as a basis for government services to reach a higher level; and resource development which is needed to create the new direction and sustain a continuing search for innovation.

The reason streamlining and privatizing are inadequate to address the cost containment dilemma is that cost increases are not principally the result of inefficiencies in the system of government services. Cost increases result from social problems that are increasing in volume and severity, as well as public expectations that problems be solved. We can streamline and even cut services, but the community in which we live will continue to spawn problems that undermine long term prospects for stable or improved quality of life. I believe we must concentrate our efforts on the prevention of social problems by addressing the most important cause, declining parental competence. We must "reinvent" the social service delivery system to create new prevention and early intervention services and repackage existing services to make them more effective. The twin goals of cost containment and future quality of life can only be successfully achieved if we concentrate on helping families prevent social problems by competently rearing children.

Another part of reinventing the service delivery system means shifting from a system of competitive entities to a collaborative system. This shift needs to occur vertically among layers of government as well as horizontally among agencies, programs and external resources (i.e., private non-profits, community groups,

volunteers, etc.) To achieve a significant increase in the efficiency and effectiveness of governmental services, we must shift to a collaborative environment which emphasizes shared goals and broad based participation.

In order to achieve the system changes we are pursuing it is necessary to develop new resources, which seems contradictory to a cost containment approach. A useful analogy may be found in the steps private corporations go through to remain competitive. They identify new products and new markets while working to improve the quality of goods and services. In order to develop new products and improve quality they frequently borrow and spend money to create new products and change the way they operate. In local government we are trying to make the same kind of changes, but instead of borrowing money we rely on grants and volunteer resources to create the new investment.

The three concepts of prevention, collaboration and resource development have been key reference points for organizational change in the Social Services Department. These points are reflected on the attached chart which clusters departmental resources under one of three basic goals. The Child Development Cluster is an entirely new division devoted to prevention, which relies upon collaboration with other public and private agencies.

{ The Self-Sufficiency Cluster is an ongoing effort to reorganize the Department's largest service area, repackage services to make them more effective and add new resources through collaboration with a neighboring City.

The Protective Services Cluster is playing a lead role in implementing the Comprehensive Services Act, a cutting-edge model of collaborative service delivery, based on interagency teams.

New resources are serving as a catalyst for developing the organization in a new direction that emphasizes prevention and improved effectiveness. I believe this strategy will, over a period of several years, have an effect on social problems like AFDC dependency, childhood poverty and child abuse that drive the cost increases. I also believe this strategy will reduce juvenile crime, adolescent pregnancy, school dropouts and a host of other problems impacting cost and quality of life. Sustaining the new direction and achieving local cost reductions, however, will depend upon our ability to convince other levels of government that we need to do more than cut services, streamline and privatize. Such strategies will not affect social trends that are eroding the quality of life in our communities. True cost containment means becoming more effective at changing conditions in the community that breed the demand for services.

II. PROBLEM:

The rate of increase in Social Service expenditures needs to be reduced because it exceeds the rate of increase in City revenue. At the same time services must contribute more to improving the quality of life for Hampton citizens.

III. CONSTRAINTS:

- A. City tax base
- B. Statutory mandates to provide service
- C. Pace of economic recovery
- D. Demographics (growth of the aging population)

IV. BACKGROUND:

The rate of increase in Social Service costs reflects a growing caseload driven by:

- A. A trend of declining parental competence which is increasing the number of at-risk children requiring expensive family intervention and treatment.
- B. Economic restructuring causing increased financial stress on families with children
- C. Economic recession which is increasing the number of families eligible for benefits.
- D. Dependency on AFDC and its detrimental effect on children.

V. ANALYSIS:

Some of the factors driving cost increases are potentially subject to influence by Departmental initiatives and some are not. For example, the pace of economic recovery directly affects the size of the food stamp caseload but economic recovery is not directly subject to Departmental influence. While the food stamp caseload is one the Department's largest caseloads, there is little we can do to reduce it in the face of statutory mandates and economic trends.

Medicaid is another large caseload, but demographic trends (growth in the aging population), the high cost of medical care and statutory mandates limit the potential for Departmental initiatives to reduce cost.

In reviewing other caseloads for high cost and dependency, problems which may respond to local initiatives, foster care and AFDC emerge as two primary areas for attention. While statutory mandates are still present, the constraints of economic recovery

and demographics are less dominating in these areas. Foster care has become exorbitantly expensive, but alternative strategies for dealing with foster care issues are developing. In the AFDC program the need for alternatives has become increasingly obvious in the course of extended welfare reform debates.

As we look into the future the core issue which must be addressed, if expenditures in these programs are to be realigned with revenue projections, is family competence. The Department must find ways of effectively and efficiently enhancing family competence in the areas of child rearing, employability and altering behavior patterns that are harmful to children. Such an approach means changing the way we package and present existing programs as well as creating new prevention and early intervention programs. The latter are needed in order to change conditions in the community that create poverty, dependency and danger to children. In order to address these issues the Department has reorganized around the following three goals:

- A. Support families for healthy child development - This goal is concerned with prevention and early intervention strategies that support all families, including families known to have children at risk, with child rearing.
- B. Empower families and children to escape the long-term effects of poverty - This goal is concerned with enhancing the employability of AFDC recipients and addressing dependency as a by-product of the way services are packaged and delivered.
- C. Protect abused or neglected children and adults - This goal is concerned with treating the severest forms of family malfunction in which the result is abuse or neglect of a dependent member. The most pressing area of concern is the foster care caseload in which the cost of treating severely emotionally disturbed children and their families is becoming unsustainable.

VI. PLAN:

The Department of Social Services has organized all of its resources into three clusters (see attachment) to support the goals of enhancing family competence. In forming these clusters attention has been given to enhancing their effectiveness through reorganization, expanded training, interagency collaboration, automation and the addition of new, off-budget resources (i.e. grants and volunteers).

Each cluster is formed around a flagship program featuring state-of-the-art service delivery and interagency collaboration. In the Child Development Cluster the flagship program is The Family Resource Project, based on the Healthy Start model from Hawaii that has nearly eliminated child abuse in the areas it serves. Healthy Start is run locally by the Health Department and supported by the Healthy Family program, which operates from the Department of Social Services and the Library. In order to support this initiative we have obtained \$1,534,345 in outside funding over the next four years.

In the Family Self-Sufficiency Cluster the flagship program is the Center for Employment Training which has been recognized by the Rockefeller Foundation as the most effective program in the nation for moving welfare recipients into employment. This program is administered in collaboration with the City of Newport News and is supported by an array of financial benefits and social services delivered by cross-functional, self-directed teams. In addition, the teams have developed new resources including a Family Mentoring program, a self-sufficiency orientation at intake, competency based interviewing and cross training for comprehensive self-sufficiency workers. In support of this initiative we expect to receive \$111,000 in new outside funding for the coming year.

In the Protective Services Cluster the flagship program is the Family Assessment and Planning Team which is a self-directed interagency team providing intensive in-home services to Hampton's most seriously at-risk children. This innovative team structure is implementing a model referred to as "wrap-around" services by the Pressley Ridge Center in Pittsburgh. The model is recognized in child treatment and family therapy literature as state-of-the-art among cost-effective strategies for serving children in dysfunctional families. This interagency initiative is supported by an array of other social service programs in the cluster. We have obtained approximately \$1,000,000 in outside funding over the next five years to support this initiative.

VII. VALIDATION:

The reorganization into clusters is designed to focus all available resources on a few strategic issues, enhance organizational effectiveness and change conditions in the community that generate costly social problems. The plan is more ambitious than many because, while it contains elements of streamlining, it is based on adding new, more effective resources in order to have greater impact in the community.

Prospects for success are based on local analysis of what can realistically be changed, researching state-of-the-art programs in the three goal areas and the similarity of this plan to a proposal

developed by the National Commission on Child Welfare and Family Preservation entitled A Commitment To Change. The proposal, endorsed by the American Public Welfare Association in 1990, calls for creation of a "new framework for children and family services." Our local plan mirrors the "three-part, interlocking service approach" recommended to address family and children needs. "The first broadly supports all families in need; the second assists families in need; the third protects children from serious familial abuse and neglect."

For these reasons, I believe that concentrating and enhancing our resources in these critical goal areas represents our best chance to bring future social service expenditures into alignment with City revenues. In the short run it requires spending more money, especially in the areas of prevention and early intervention. During the past eighteen months the Department has made available more than \$3,073,561 in unmatched grant funds and has initiated three flagship programs. If these programs are successful, I believe caseload and expenditure trends will decline in existing programs and that new money will be available for initiatives in the three goal areas. This plan for long term cost containment may seem venturesome, but the traditional posture of simply reacting to social problems offers no hope at all for limiting future costs.

HAMPTON DEPARTMENT OF SOCIAL SERVICES

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HAMPTON SOCIAL SERVICES

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Mission

Make Hampton the most liveable city in Virginia

Goals

**Support Families for
Healthy Child
Development**



**Empower
Families and
Children to
Escape the
Long-term
Effects of
Poverty**



**Protect Abused
or Neglected
Children and
Adults**

CHILD DEVELOPMENT CLUSTER

Family Resource Project
Healthy Start
Healthy Family
Healthy Community

Interagency Steering Committee

GI Funds \$1,534,345

SELF-SUFFICIENCY CLUSTER

AFDC
FS
Medicaid
General Relief
Employment Services
Day Care
Crisis Intervention
Emergency Needs
Surplus Commodities

Center For Employment
Training
Hampton, Newport News,
JTPA Contract

Grant Funds \$323,415

PROTECTIVE SERVICES CLUSTER

Child Protective Services
Foster Care
Adoption
Court Services
Adult Services
Comprehensive Services Act
Policy & Management Team

CSA Trust Fund-Interagency
Assessment & Planning Team

Grant I \$1,215 I



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EDITORIALS

Revamping services

Sweeping changes necessary to avoid tax increases

By now, Virginians should be accustomed to gloomy financial forecasts coming from Richmond. Demands for services are outstripping revenue growth. Balancing the state budget is more difficult each year.

Secretary of Finance Paul W. Timmreck says the state must contain costs for mandated programs or alter citizen expectations of governmental services. The three areas of mandated programs that cause budget makers the most problems are education, public safety and health and human services. They consume 85 percent of all revenue from individual and corporate income taxes, the lottery and the sales tax.

During Virginia's boom years, 1985-90, Medicaid, corrections, education and mental health programs accounted for 76 percent of increased spending from the general fund. Medicaid spending increased 109 percent — almost twice the rate of total state spending.

But during those same years, jobs in Virginia increased 4.1 percent a year, 46,200 people moved into the state each year and salaries and wages went up 8.8

percent a year. By comparison, Timmreck predicts that between 1991 and 1994, jobs will grow 0.3 percent a year, 4,500 people will move into the state each year and salaries and wages will increase 4.2 percent a year.

So far in the 1990s, Medicaid is growing at seven times the rate of other spending. So much for any hope of containing the costs of mandated programs.

What about changing citizen expectations? Timmreck suggests managed care could rein in Medicare increases. To save the cost of building new prisons, he suggests alternative punishment for many non-violent criminals. He likes some of the ideas colleges are considering — students working at computers instead of sitting in a lecture hall; proficiency tests to exempt required courses; a degree in three years instead of four.

If Timmreck is right when he predicts a \$700 million revenue shortfall for the 1994-96 biennium, the state must find more cost-effective ways to provide current services. And all citizens must change their expectations.