

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 786 (Delegate Kaiser)
 Appropriations

**Department of Human Services, Maryland Department of Health, and
 Department of Education - Easing Access to Family Support Programs**

This bill requires the Secretary of Human Services, the Secretary of Health, and the State Superintendent of Schools to work together, as specified, to simplify the application processes for “family support programs” by July 1, 2022. The Secretaries and the State Superintendent must jointly report to the Governor and the General Assembly on the progress made toward achieving specified goals and specific areas where legislative changes are necessary by January 1, 2023. The Secretaries and the State Superintendent must adopt regulations and alter policies and guidelines to carry out the requirements of the bill. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: General fund expenditures increase by *at least* \$83,000 in FY 2022 and \$33,100 in FY 2023 for contractual staff support. Depending on the actions taken to simplify application processes, expenditures increase for affected agencies, potentially significantly (not shown below) beginning as early as FY 2022, as discussed below.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	83,000	33,100	0	0	0
Net Effect	(\$83,000)	(\$33,100)	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to significantly impact local government finances.

Small Business Effect: None.

Analysis

Bill Summary: “Family support programs” means (1) public assistance programs provided by the Department of Human Services (DHS); (2) Medicaid and the Maryland Children’s Health Program (MHCP) provided by the Maryland Department of Health (MDH); (3) subsidized and free feeding programs, breakfast programs, and child care programs provided by the Maryland State Department of Education (MSDE); and (4) any other programs administered by DHS, MDH, or MSDE that serve similar populations.

The bill expresses that it is the policy of the State that everything possible be done to alleviate any administrative hurdles that stand in the way of low-income families seeking to access support programs.

The Secretaries, the State Superintendent, and all relevant departmental staff must meet at least quarterly between July 1, 2021, and June 30, 2022, to explore and, when possible, take action on:

- steps that can be taken to simplify the application process for family support programs, as specified;
- the possibility of creating a single, universal application for all family support programs;
- the possibility of establishing a universal verification process that can be used by each of the family support programs;
- automatically enrolling an individual or family who qualifies for one family support program in all other family support programs for which they qualify;
- aligning family support program support program recertification dates;
- establishing cross-departmental review of new programs, or changes in program focus, to ensure that all family support programs are aligned toward the same aims and do not create counter-pressures on program recipients; and
- the possibility of sharing electronic data among different programs and across different departments and agencies.

If it is determined that any of these actions requires a waiver from a federal entity, the appropriate secretary must seek the waiver at the earliest possible opportunity.

Current Law:

Department of Human Services Family Support Programs

DHS' Family Investment Administration (FIA) is the central coordinating and directing agency of all public assistance programs in the State, and administers cash benefits and other grant programs that provide financial assistance to individuals and families. Benefit programs administered by FIA include: (1) Temporary Cash Assistance (TCA); (2) the Temporary Disability Assistance Program; (3) the Supplemental Nutrition Assistance Program; (4) Public Assistance to Adults; (5) the Emergency Assistance to Families with Children Program; (6) Welfare Avoidance Grants; and (7) the Burial Assistance Program.

DHS programs that serve similar populations include the Maryland Energy Assistance Program and the Electric Universal Service Program, among others.

Maryland Department of Health Family Support Programs

MDH administers both Medicaid and MHCP. Medicaid is a comprehensive health care program for the indigent and medically indigent individuals. Covered services in Maryland include inpatient and outpatient hospital, pharmacy, physician care, nursing facility, behavioral health, medical day care, and various home- and community-based services.

MCHP provides full health benefits for children younger than age 19. The program expands comprehensive health insurance coverage to uninsured low-income children. Covered services in Maryland are the same as services provided by Medicaid, including physician care, hospital care, laboratory exams, dental, vision, immunizations, prescriptions, mental health services, and substance abuse services.

MDH programs that serve similar populations include the Maternal, Infant, and Early Childhood Home Visiting Program and the Special Supplemental Nutrition Program for Women, Infants, and Children, among others.

Maryland State Department of Education Family Support Programs

Subsidized and Free Feeding Programs: All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The funds (including federal funds) appropriated annually by the State are used to reimburse each county for the subsidized or free, food-service programs.

The National School Lunch Program subsidizes public and participating nonprofit private schools and participating residential child care institutions for lunches served. There is also a program component that subsidizes participating agencies for snacks served in

after-school care programs to children. Meals must meet the meal requirements and nutrient standards established by the U.S. Department of Agriculture (USDA).

The School Breakfast Program subsidizes public and participating nonprofit private schools of high school grade or lower and participating residential child care institutions for breakfast meals served to children. Breakfasts must meet the meal requirements and nutrient standards established by USDA.

The Maryland Meals for Achievement In-classroom Breakfast Program provides an additional subsidy to participating public and private nonprofit schools and residential child care institutions that qualify for paid and reduced-price breakfasts served to children. The additional subsidy offsets the cost normally paid by the student, and as a result, breakfast is provided at no cost to the children. Meals must meet the meal requirements and nutritional standards established by USDA.

Child Care Scholarship Program: The Child Care Scholarship Program (formerly known as the Child Care Subsidy) is administered by the Division of Early Childhood Development within MSDE. The program provides financial assistance for child care costs to recipients of TCA and families who meet income eligibility requirements. For each child needing care, the family receives a voucher to purchase child care directly from the provider of their choice.

Other Programs: MSDE programs that serve similar populations include the Child and Adult Care Food Program, Special Milk Program, Fresh Fruits and Vegetables Program, and Summer Food Services Program, among others.

State Fiscal Effect:

Administrative Expenditures

Maryland Department of Health: MDH general fund expenditures increase by \$41,504 in fiscal 2022, which accounts for the bill’s July 1, 2021 effective date. This estimate reflects the cost of hiring one part-time, contractual health policy analyst to gather specified data for MDH programs, provide staff support at quarterly meetings, and assist in completing the required report (due January 1, 2023). It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

	<u>FY 2022</u>	<u>FY 2023</u>
Contractual Position	0.5	(0.5)
Salary and Fringe Benefits	\$35,755	\$16,231
Operating Expenses	<u>5,749</u>	<u>302</u>
Total MDH Administrative Expenditures	\$41,504	\$16,533

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses, and elimination of the contractual position on January 1, 2023.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act (PPACA).

Maryland State Department of Education: MSDE general fund expenditures also increase by \$41,504 in fiscal 2022, which accounts for the bill’s July 1, 2021 effective date. This estimate reflects the cost of hiring one part-time, contractual staff specialist to support MSDE tracking systems, provide staff support at quarterly meetings, and assist in completing the required report (due January 1, 2023). It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

	<u>FY 2022</u>	<u>FY 2023</u>
Contractual Position	0.5	(0.5)
Salary and Fringe Benefits	\$35,755	\$16,231
Operating Expenses	<u>5,749</u>	<u>302</u>
Total MSDE Administrative Expenditures	\$41,504	\$16,533

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses, and elimination of the contractual position on January 1, 2023.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal PPACA.

Potential Additional Expenditures

The general fund expenditures estimated above reflect the cost to convene the Secretaries and the State Superintendent, along with relevant departmental staff, at least quarterly in fiscal 2022 to explore options for simplifying application processes for family support programs, and to prepare and submit the required report. The estimate does not include any administrative costs to implement specific simplification processes.

To the extent federal waiver applications are required to implement certain actions, expenditures increase further for the affected agencies.

To the extent efforts are undertaken to interface existing eligibility systems, expenditures further increase, likely significantly. For example, MSDE advises that significant updates to the Child Care Administrative Tracking systems are required to interface with State

eligibility systems, and additional upgrades are necessary for family support program tracking systems and application process. MSDE estimates that system upgrades will cost approximately \$1.2 million in fiscal 2022, and an additional \$1.0 million in fiscal 2023.

To the extent efforts are undertaken to create a single, universal application, expenditures further increase, likely significantly. DHS estimates system upgrades for DHS family support programs alone will cost approximately \$3.5 million in fiscal 2022, \$5.0 million in fiscal 2023, and \$3.0 million annually thereafter for system maintenance for such an application.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Maryland Department of Health; Department of Human Services; Department of Legislative Services

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md/jc

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