

N00B
Social Services Administration
Department of Human Resources

Operating Budget Data

(\$ in Thousands)

	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Working</u>	<u>FY 17</u> <u>Allowance</u>	<u>FY 16-17</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$363,737	\$374,491	\$366,314	-\$8,177	-2.2%
Deficiencies and Reductions	0	-6,410	-491	5,919	
Adjusted General Fund	\$363,737	\$368,080	\$365,823	-\$2,258	-0.6%
Special Fund	5,343	8,047	5,322	-2,726	-33.9%
Deficiencies and Reductions	0	0	-5	-5	
Adjusted Special Fund	\$5,343	\$8,047	\$5,317	-\$2,730	-33.9%
Federal Fund	179,172	204,190	201,012	-3,178	-1.6%
Deficiencies and Reductions	0	0	-271	-271	
Adjusted Federal Fund	\$179,172	\$204,190	\$200,741	-\$3,449	-1.7%
Adjusted Grand Total	\$548,252	\$580,317	\$571,880	-\$8,437	-1.5%

- The Governor's fiscal 2017 budget plan includes a planned reversion for fiscal 2016 of \$6.4 million in Foster Care Maintenance Payments due to anticipated caseload declines.
- The fiscal 2017 allowance of the Department of Human Resources (DHR) Social Services Administration (SSA) decreases by \$8.4 million, 1.5%, compared to the fiscal 2016 working appropriation after accounting for the planned reversion and back of the bill reduction in health insurance. General funds decrease by \$2.3 million in the fiscal 2017 allowance after accounting for the planned reversion.
- Special funds in SSA decrease by a net of \$2.7 million, 33.9%, in the fiscal 2017 allowance, primarily in funds for foster care educational expenses collected from Local Education Agencies (\$1.9 million) and in Child Support Foster Care Offset funds (\$0.7 million).

Note: Numbers may not sum to total due to rounding.

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- Federal funds decrease by a net of \$3.4 million, or 1.7%, in SSA in the fiscal 2017 allowance. The largest decrease occurs in the Medical Assistance funds, a net decrease of \$8.2 million, which results from the inability to bill for rehabilitative services (a decrease of \$16.4 million) partially offset by increases in other areas of SSA including the Local Child Welfare program (\$7.9 million).
- Major changes in the allowance occur primarily in personnel and Foster Care Maintenance Payments.

Personnel Data

	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Working</u>	<u>FY 17</u> <u>Allowance</u>	<u>FY 16-17</u> <u>Change</u>
Regular Positions	2,807.91	2,738.86	2,737.86	-1.00
Contractual FTEs	<u>2.56</u>	<u>2.50</u>	<u>2.50</u>	<u>0.00</u>
Total Personnel	2,810.47	2,741.36	2,740.36	-1.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	195.76	7.15%
Positions and Percentage Vacant as of 12/31/15	210.50	7.69%

- As part of the 2.0% across-the-board reductions in fiscal 2016, DHR abolished 47.0 positions in SSA (41.0 positions in the Local Child Welfare Services program, 5.0 positions in the Local Adult Services program, and 1.0 position in the State offices of SSA).
- One regular position, in Local Child Welfare Services in Anne Arundel County, is abolished in the fiscal 2017 allowance.
- Turnover expectancy decreases from 7.97% to 7.15% in the fiscal 2017 allowance.
- As of January 1, 2016, SSA had 210.5 vacant positions, a vacancy rate of 7.7%. To meet its fiscal 2017 turnover expectancy, SSA needs to maintain 195.8 vacancies. After accounting for the 1.0 abolished position, SSA could fill 13.7 vacant positions and meet its fiscal 2017 turnover expectancy.

Analysis in Brief

Major Trends

Children in Out-of-home Care: In its fiscal 2017 Managing for Results submission, DHR reported on two new measures related to placement stability (rate of placement moves per 1,000 foster care days) and foster care placements (rate of removals per 1,000 children under age 18). Because these are new measures, limited historical data is available. However, DHR met the goal for the rate of placement moves and was near the goal for the rate of removals in fiscal 2015. DHR has a goal of no more than 30.0% of children under 18 remaining in care 24 or more continuous months; however, for the fifth consecutive year, in fiscal 2015, DHR failed to meet this goal. In fiscal 2015, 39.5% of children exited care to permanency within 12 months of entry, slightly below the goal of 40.5%.

Safety: Despite improvements in the percent of children who did not experience a recurrence of maltreatment within 12 months of a first occurrence since fiscal 2013 (an improvement of 0.9 percentage points), SSA failed to meet the goal, with only 90.1% of children not experiencing a recurrence. DHR also failed to meet the goal for the rate of victimization per 100,000 days of foster care. In fiscal 2015, the rate of victimization was 10.1 compared to a goal of 8.5.

Adult Services: The number of investigations of adult abuse decreased in fiscal 2015 for the first time since fiscal 2011. The number of adult cases in which abuse was indicated or confirmed has declined each year since fiscal 2012.

Issues

Title IV-E Waiver: DHR received approval to implement a demonstration project in September 2014. This project included three waivers to provide services that would not otherwise be eligible for funding, to allow for funding of children who would not otherwise be eligible, and expand claiming of federal funds to allow the State to reinvest savings in the program. Expanded services are expected to include additional in-home services and post permanency services to reduce children placed in out-of-home, reduce reentry, and reduce the length of stay in out-of-home care. The implementation of the waiver began with a new assessment of statewide in-home service cases in July 2015. The phase-in of evidence based practices in certain jurisdictions is expected to begin the first quarter of calendar 2016.

Unsuccessful Reunifications of Children Leaving the Foster Care System: Fiscal 2015 budget bill language restricted funds in SSA to be used for a study of unsuccessful reunifications of children with their parents including information on the reasons for reentry into the foster care system and the frequency of reentry. The final report was submitted in April 2015. The study resulted in five recommendations including formalizing a trial home visit process prior to reunification, formalizing post reunification transition and services, and focusing on risk factors for unsuccessful reunifications (for example, child behavior problems, prior child welfare experience, and having siblings in care).

Child Welfare Caseworkers: The 2015 *Joint Chairmen's Report* included committee narrative requesting a report on filled child welfare caseworker positions and child welfare caseloads. On a statewide basis, the Child Welfare League (CWLA) caseworker to case ratios were met, and only 1 jurisdiction (Harford County) did not meet these guidelines. If vacant positions were filled, Harford County would have enough caseworkers to meet the standard. Although statewide, the CWLA supervisor to case ratio was met, 11 jurisdictions did not meet the guidelines, with a shortfall among these jurisdictions totaling 13.4 supervisors.

Recommended Actions

1. Add budget bill language restricting general funds in N00G00.01 Foster Care Maintenance Payments to that purpose.
2. Adopt committee narrative requesting caseload and expenditure forecasts.
3. Add budget bill language restricting the N00G00.03 Child Welfare Services general fund appropriation to that purpose or for transfer only to the Foster Care Maintenance Payments program.
4. Adopt committee narrative requesting child welfare caseload data.

Updates

Alternative Response Final Report: Chapter 397 of 2012 authorized the Secretary of Human Resources to implement an alternative response program for certain reports of abuse or neglect. DHR was to submit a final report on the implementation of the alternative response program. The report stated that, in general, caseworkers and supervisors believed that children were equally safe under the alternative response or investigative response. In general, the study found that, although family engagement was rated positively among both types of cases, there was a higher level of engagement measured for alternative response cases.

Substance Exposed Newborns Final Report: Chapter 90 of 2013 (Substance-Exposed Newborns) required DHR to submit a final report on October 1, 2015, on the implementation of the legislation. The final report noted that DHR received 1,729 reports of substance-exposed newborns for 1,776 newborns between July 1, 2014, and June 30, 2015. The majority (97%) of these reports did not result in a Child Protective Services response. According to the report, during that time, 13 of these cases resulted in terminations of parental rights.

Child Fatalities Involving Abuse or Neglect: Annually, DHR reports the number of child fatalities in which child abuse or neglect was a factor. In calendar 2014, there were 21 such fatalities, 3 fewer than in calendar 2013.

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Social Services Administration
Department of Human Resources

Operating Budget Analysis

Program Description

The Department of Human Resources (DHR) Social Services Administration (SSA) supervises child welfare programs provided through the local departments of social services (LDSS) that are intended to prevent or remedy neglect, abuse, or exploitation of children; preserve, rehabilitate, or reunite families; help children to begin or continue to improve their well-being; and prevent children from having to enter out-of-home care, provide appropriate placement and permanency services. SSA is responsible for policy development, training and staff development, monitoring and evaluation of LDSS programs, and oversight of development and maintenance of the child welfare information system (Maryland Children's Electronic Social Services Information Exchange (MD CHESSIE)).

SSA also supervises adult social services programs for vulnerable adults and individuals with disabilities. These programs protect vulnerable adults, promote self-sufficiency, and avoid unnecessary institutional care.

DHR has an overall goal to be recognized as a national leader among human service agencies. In addition, DHR has two key goals related to SSA, which are that:

- Maryland residents are safe from abuse, neglect, and exploitation; and
- Maryland children live in permanent homes, and vulnerable adults live in the least restrictive environments.

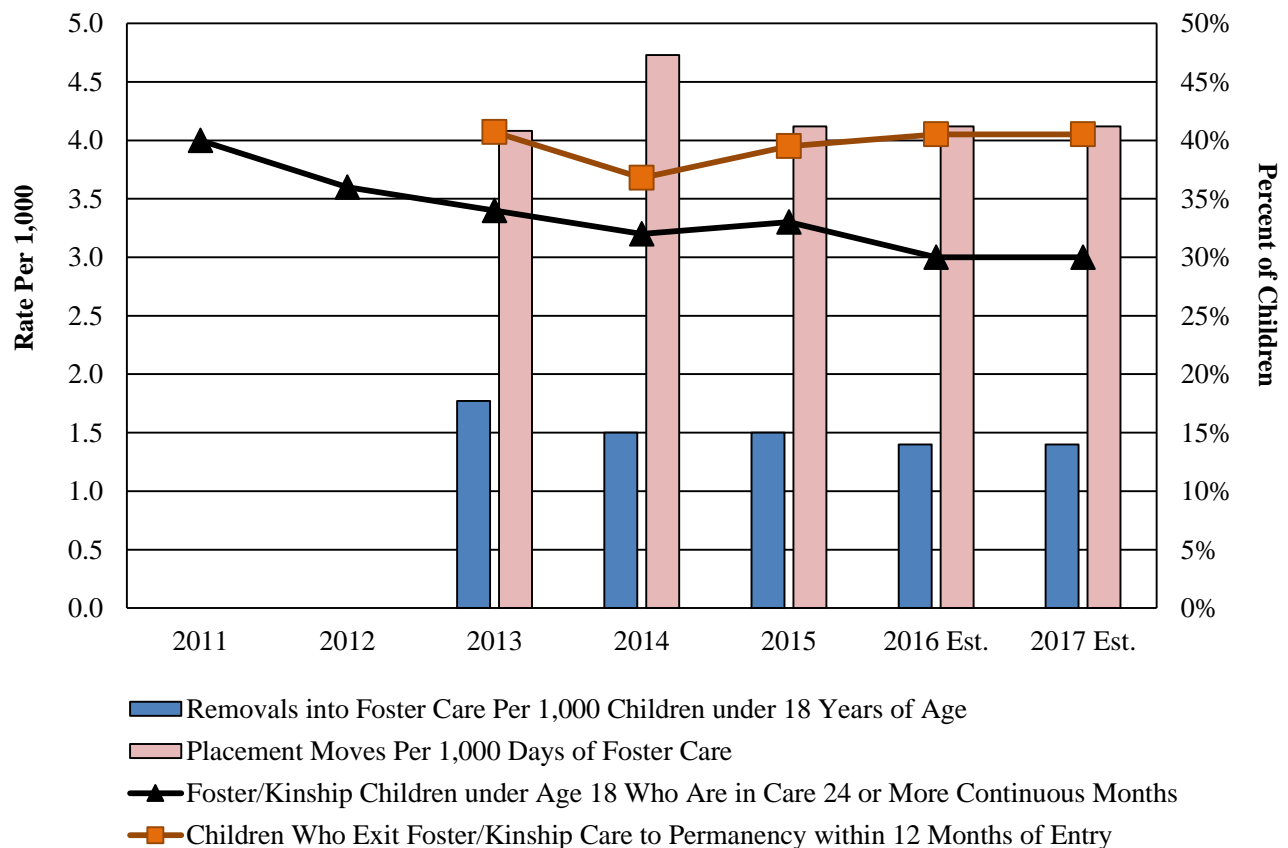
Performance Analysis: Managing for Results

DHR revised a number of its Managing for Results measures with the fiscal 2017 submission. DHR explained that the performance measures were introduced, revised, or eliminated to align with the indicators that will be used in the upcoming round of the Child and Family Services Review (CFSR) and to focus on the goals of the new Title IV-E Waiver. CFSRs are federal reviews of state child welfare systems to ensure states are complying with federal rules and are intended to assist states in achieving positive outcomes. As will be discussed in **Issue 1** of this analysis, the three goals of the Title IV-E Waiver are to reduce out-of-home placements, reduce reentries into out-of-home care, and reduce the length of stay in out-of-home care. As a result of these changes, limited historical data is available for comparison for several measures.

1. Children in Out-of-home Care

DHR has set a goal for fiscal 2016 and 2017 of 1.4 removals into foster care per 1,000 children under 18 years of age. This goal would represent a slight improvement over its performance in this area in fiscal 2014 and 2015, 1.5 removals per 1,000 children, as shown in **Exhibit 1**. In terms of placement stability, for the new measure related to placement moves per 1,000 days of foster care, DHR set a goal using the national standard for the third round of the CFSR of 4.12 placement moves per 1,000 days of foster care, which would equate to a move no more than once every 243 days. DHR met this national standard in fiscal 2013, with a rate of 4.08, but failed to meet the standard in fiscal 2014 (4.73). A rate of 4.73 equates to a move approximately every 211 days. DHR met the goal in fiscal 2015 (4.12).

Exhibit 1
Out-of-home Care and Placement Stability
Fiscal 2011-2017 Est.



Source: Department of Human Resources; Department of Budget and Management; Governor's Budget Books

DHR has set a goal for the new measure of the percent of children who exit foster/kinship care to permanency within 12 months of entry using the national standard in the third round of the CFSR for this measure of 40.5%. As shown in Exhibit 1, SSA did not meet the national standard in fiscal 2014 or 2015, with 36.8% and 39.5% of children achieving permanency within 12 months, respectively.

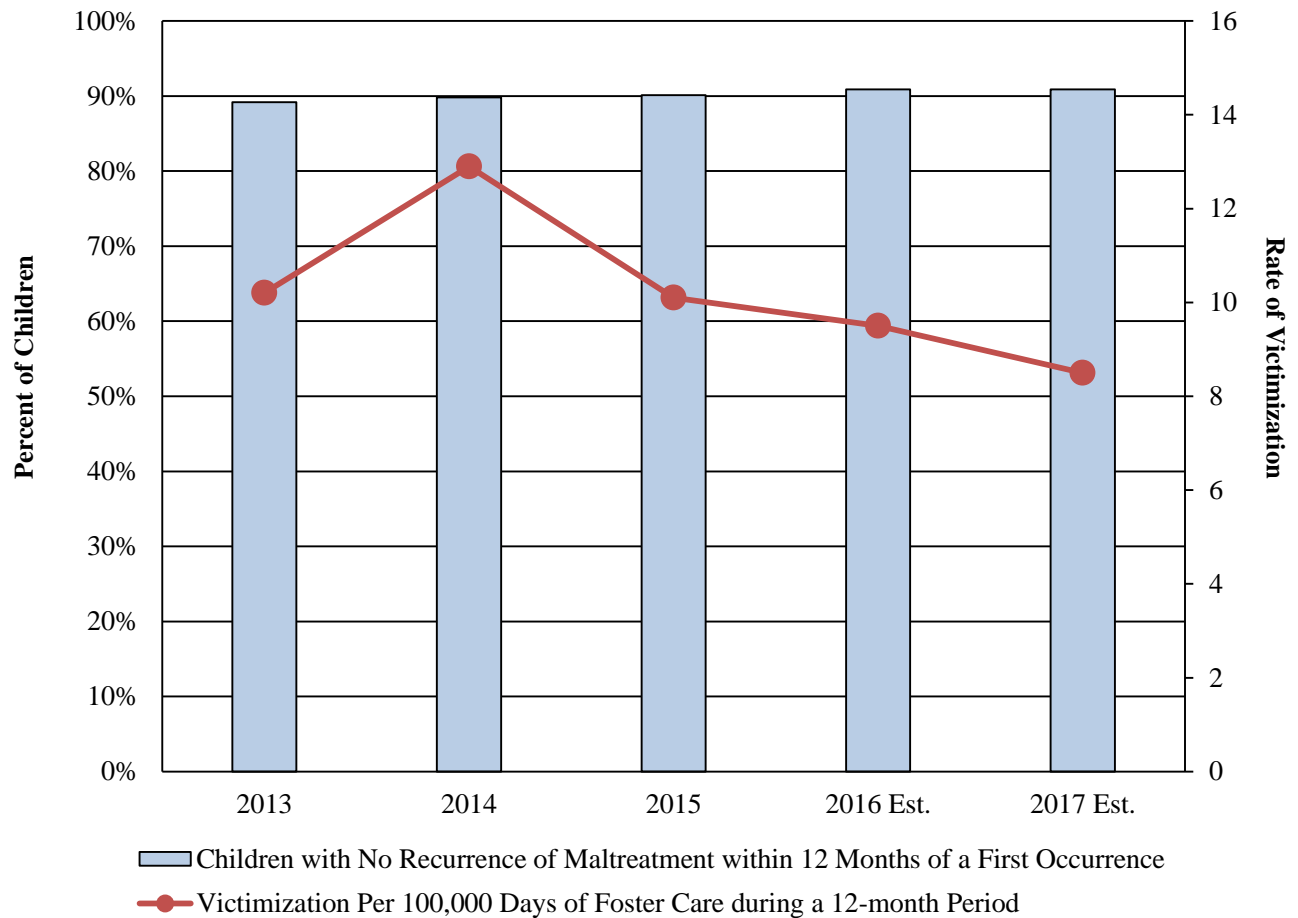
DHR has a goal of no more than 30% of children under age 18 remaining in foster care for 24 or more continuous months. Despite moving closer to this goal in recent years, in fiscal 2015, 33% of children under age 18 remained in foster care for 24 or more continuous months, 1 percentage point higher than in fiscal 2014.

2. Safety

DHR has revised its previous measures of child safety with new measures (percent of children with no recurrence of maltreatment within 12 months of a first occurrence and the rate of victimization per 100,000 days of foster care during a 12-month period). DHR is using national standards as the goal for the measures.

The goal for recurrence of maltreatment is that 90.9% of children would not experience a recurrence within 12 months. As shown in **Exhibit 2**, in fiscal 2015, DHR failed to achieve this goal with 90.1% of children not experiencing a recurrence. However, this represents an improvement over the prior fiscal years, for example, in fiscal 2011, only 86.1% of children had no recurrence of maltreatment within 12 months of a first recurrence. The goal for the rate of victimization per 100,000 days of foster care is 8.5. DHR has fallen short of this goal in each of the last three fiscal years, and in fiscal 2015, had a rate of 10.1. **DHR should comment on its plans to improve performance in these areas to increase safety for children both in and out of foster care.**

Exhibit 2
Safety
Fiscal 2013-2017 Est.

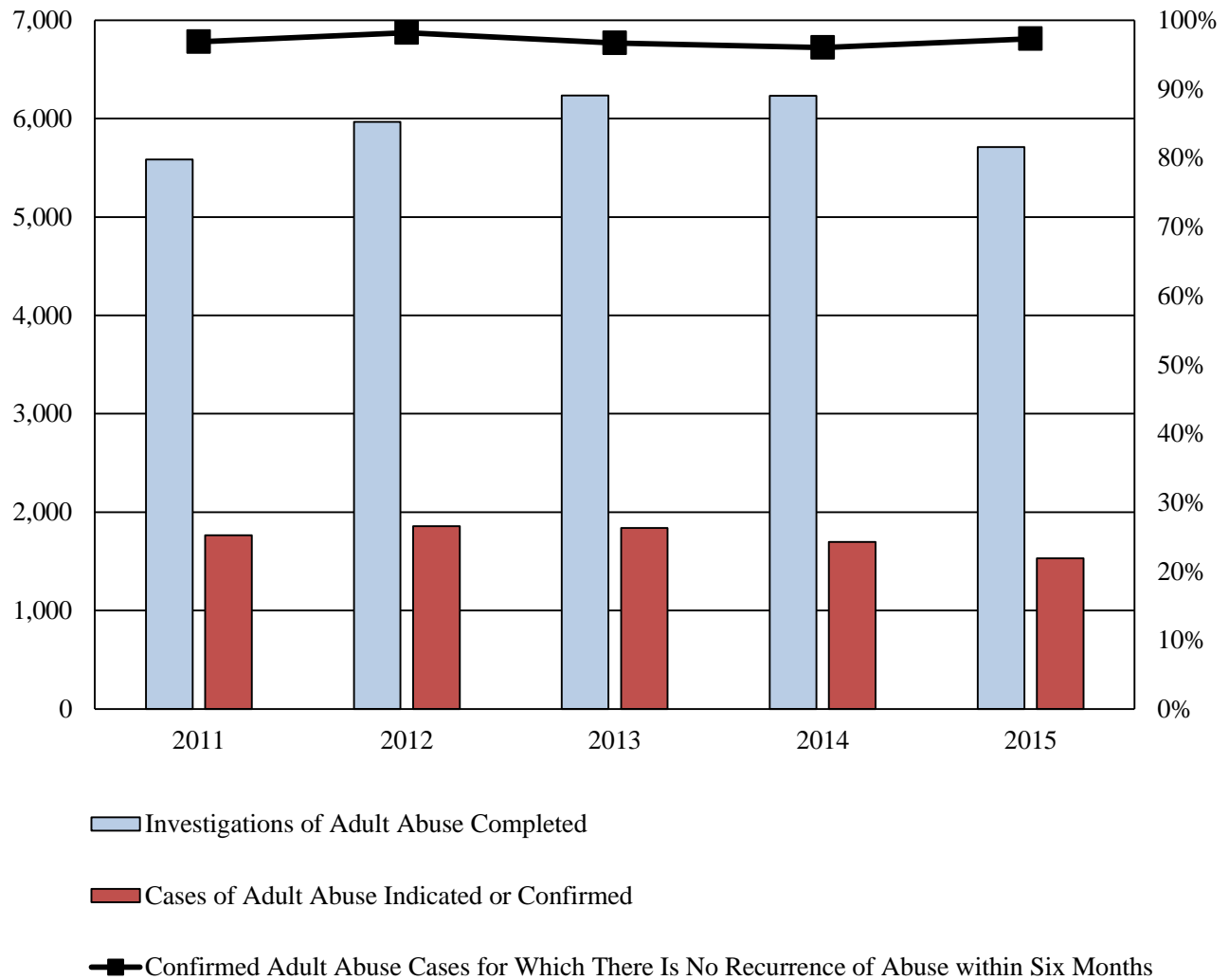


Source: Department of Human Resources; Department of Budget and Management

3. Adult Services

As shown in **Exhibit 3**, the number of investigations of adult abuse decreased by 8.4% in fiscal 2015 compared to the prior year. However, the number of investigations in fiscal 2015 (5,712) was still higher than in fiscal 2011 (5,585). After increasing in fiscal 2012, the number of cases of adult abuse indicated or confirmed has declined in each year, decreasing by 9.7% in fiscal 2015 from fiscal 2014. The number of indicated or confirmed adult abuse cases in fiscal 2015 (1,531) was 17.6% lower than in fiscal 2012, the most recent high.

**Exhibit 3
Adult Protective Services
Fiscal 2011-2015**



Source: Department of Human Resources; Department of Budget and Management; Governor's Budget Books

DHR has a goal of having no recurrence of maltreatment within six months for 96.5% of adult cases with an indicated or confirmed finding. DHR has met that goal in each year since fiscal 2011, except fiscal 2014. After failing to meet the goal in fiscal 2014, the percent of cases with no recurrence of maltreatment rose to 97.3% in fiscal 2015.

Fiscal 2016 Actions

Planned Reversion

The Governor's Budget plan for fiscal 2017 includes a fiscal 2016 planned reversion of \$6.4 million in Foster Care Maintenance Payments as a result of anticipated savings from caseload declines.

Fee Elimination

As part of Governor Lawrence J. Hogan, Jr.'s fee reduction actions, in September 2015 the fee associated with adoption searches is eliminated. This fee was related to an adoption registration and adoption search, contact, and reunion services. The fees were not to exceed \$50 for registrations, and a sliding-scale fee from \$0 to \$725 for search, contact, and reunion services for one person or up to \$825 for two people. The funds collected from this fee were used to offset administrative expenses within the agency. In fiscal 2015, DHR received \$6,544 from this fee. In fiscal 2016, a total of \$61,006 associated with this fee was included in the budget, a similar amount is budgeted in fiscal 2017 despite the fee reduction. DHR indicates that the fiscal 2017 funds were budgeted in error and will not be included in final expenditures.

Cost Containment

The DHR share of the fiscal 2016 2% across-the-board reduction totaled \$6.9 million in general funds. The share of the reduction from SSA was \$4.9 million in total funds (\$3.5 million general funds and \$1.4 million federal funds). The majority of the reduction, \$3.4 million, (\$2.0 million general funds and \$1.4 million federal funds), occurred through the abolition of 47 vacant positions (41 positions in the Local Child Welfare Services program, 5 positions in the Local Adult Services program, and 1 position in the State offices of SSA).

A reduction of \$1.3 million in general funds occurred in Foster Care Maintenance Payments, funding available as a result of the declining caseload. Other decreases of \$192,702 in total funds (\$119,288 in general funds and \$73,414 in federal funds) represent reductions to the Montgomery County grant, facility rentals for regional meetings and training events, and the use of alternate funds for interpreters in the Local Child Welfare Services program.

Proposed Budget

As shown in **Exhibit 4**, the fiscal 2017 allowance of SSA decreases by \$8.4 million, 1.5%, compared to the fiscal 2016 working appropriation after accounting for the fiscal 2016 planned reversion and a fiscal 2017 back of the bill reduction in health insurance. General funds decrease by \$2.3 million, 0.6%.

Exhibit 4
Proposed Budget
DHR – Social Services Administration
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
Fiscal 2015 Actual	\$363,737	\$5,343	\$179,172	\$548,252
Fiscal 2016 Working Appropriation	368,080	8,047	204,190	580,317
Fiscal 2017 Allowance	<u>365,823</u>	<u>5,317</u>	<u>200,741</u>	<u>571,880</u>
Fiscal 2016-2017 Amount Change	-\$2,258	-\$2,730	-\$3,449	-\$8,437
Fiscal 2016-2017 Percent Change	-0.6%	-33.9%	-1.7%	-1.5%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance	\$3,783
Employee retirement.....	3,776
Overtime earnings to better align with recent experience	1,686
Turnover expectancy decreases from 7.97% to 7.15%	1,186
Accrued leave to better align with recent experience	270
Regular earnings	-53
Abolition of 1 vacant position in Anne Arundel County	-65
Social Security contributions	-306
Unemployment and workers' compensation	-341

Out-of-home Placement Costs and Title IV-E Waiver

Project management support provided by the University of Maryland School of Social Work	65
Title IV-E Waiver Intervention Services	-678
Foster care, subsidized adoption, and subsidized guardianship payments including day care and other flexible funding due to anticipated caseload declines.....	-17,732

Other Changes

Rent primarily due to staff and office relocations	475
Office supplies primarily in Baltimore County to align with recent experience	129
Travel primarily in Baltimore City for local child welfare caseworkers	91
Anticipated federal independent living funds	68
Electricity.....	67

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Where It Goes:

Implementation of a screening tool for heroin and opioid use for children, parents, and foster families consistent with the recommendation in the <i>Heroin and Opioid Emergency Task Force Final Report</i>	50
Local adult services programs in Prince George’s County to align with recent experience .	-102
Communications costs to align with recent experience	-112
Gas and oil to align with recent experience	-165
Montgomery County grant in Local Adult Services and Local Child Welfare Services.....	-370
Other adjustments	-157
Total	-\$8,437

Note: Numbers may not sum to total due to rounding.

Special funds decrease by \$2.7 million, 33.9%, in fiscal 2017 compared to the fiscal 2016 working appropriation after accounting for the back of the bill reduction in health insurance. The decrease occurs primarily among Foster Care Education funds, collected from the Local Education Agencies (LEA) (\$1.9 million) and Child Support Foster Care Offset funds (\$0.7 million). These decreases align funding with the fiscal 2015 receipts.

Federal funds decrease by \$3.4 million, 1.7%, in the fiscal 2017 allowance compared to the fiscal 2016 working appropriation after accounting for a back of the bill reduction in health insurance. The decrease occurs primarily among Medical Assistance funds (\$8.2 million). Beginning in fiscal 2016, SSA is no longer able to bill Medicaid for rehabilitative services for children in foster care, due to the nature of the current rate-setting process, which provides one rate for all services offered by a provider, limiting the documentation of the eligible services. A federal audit included findings related to this issue and required the State to improve the documentation of the eligible services before billing again. However, due to timing these funds were included in the fiscal 2016 budget (\$16.4 million). The loss of Medical Assistance funds for this purpose are partially offset by an increase in Medicaid funds elsewhere in SSA including in the Local Child Welfare program (\$7.9 million). Other substantial federal fund changes include:

- Title IV-E Waiver (an increase of \$4.0 million);
- Temporary Assistance for Needy Families (TANF) (an increase of \$2.1 million); and
- regular Title IV-E (foster care) funds (a decrease of \$1.3 million).

Not included in the agency’s budget are anticipated increments, which are included in the budget of the Department of Budget and Management (DBM). These funds will be distributed to agencies early in fiscal 2017. The share of increments expected to be available to SSA is \$3.5 million in total funds (\$2.0 million in general funds, \$42,779 in special funds, and \$1.5 million in federal funds).

Across-the-board Reductions

The fiscal 2017 budget bill includes an across-the-board reduction for employee health insurance, based on a revised estimate of the amount of funding needed. This agency's share of these reductions is \$767,128 in total funds (\$491,165 in general funds, \$4,880 in special funds, and \$271,083 in federal funds). There is an additional across-the-board reduction to abolish positions statewide, but the amounts have not been allocated by agency.

Foster Care Maintenance Payments

The fiscal 2017 allowance decreases the funding available in the Foster Care Maintenance Payments program by \$17.7 million compared to the fiscal 2016 working appropriation after accounting for a planned reversion and a fund realignment within SSA. These funds include both the funds for placement costs for children in out-of-home placements, subsidized adoptions, and subsidized guardianships as well as other costs for children in out-of-home placements and flexible funds (day care expenses to assist foster parents, medical costs, and educational expenses).

DHR and the Department of Budget and Management (DBM) provided two sets of caseload estimates at different points during January and February 2016 which were stated to have been what the budget was based on. These estimates changed the caseload, average payments, and placement expenditures as well as flexible fund spending. For example, total average monthly caseload was decreased by 679 between these two estimates. Total placement expenditures were decreased by nearly \$25 million, while flexible fund expenditures (including day care, education, and emergency services) were increased by the same amount, providing a total flexible fund expenditures of more than double the fiscal 2015 actual expenditures. Neither set of estimates appear to be based on current trends. **The Department of Legislative Services (DLS) recommends committee narrative requesting DHR and DBM present actual fiscal 2016 caseloads by placement type and current forecasted caseloads by placement type for fiscal 2017 and 2018 that will be used in budget development.**

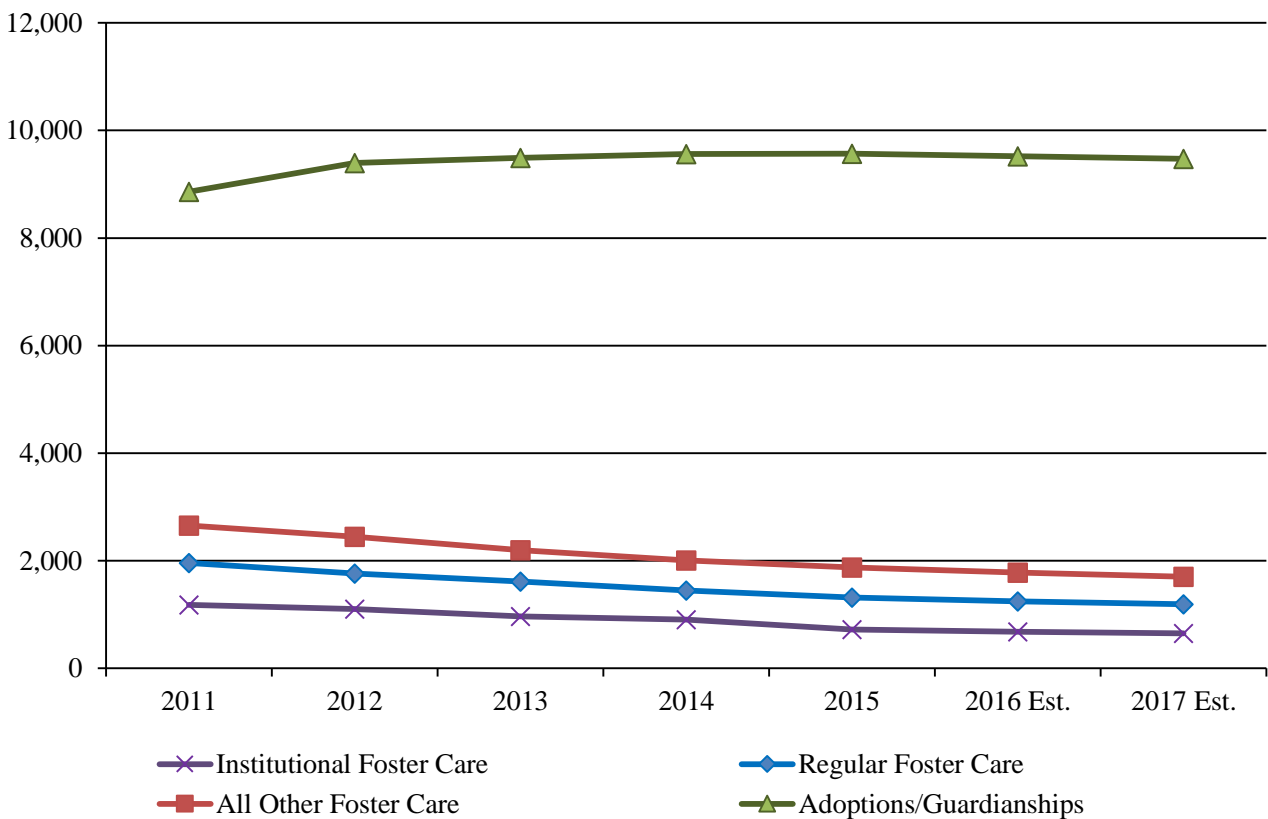
Caseload Estimates

Due to the inconsistencies in the estimating process by DHR and DBM, the discussion of the caseload, payment rates, and expenditures will focus on the DLS estimates. As shown in **Exhibit 5**, the average monthly number of children in foster care placements has decreased in recent years for each type of placement. Figures in Exhibit 5 for fiscal 2016 and 2017 are estimates by DLS. The rates of change vary between placement types and year. In fiscal 2015, children in institutional placements decreased by 20.7% while children in regular foster care decreased by 9.3%. The declines in children in foster care are consistent with the goals of the Place Matters Initiative. Further declines are also consistent with the goals of the Title IV-E Waiver. DLS expects that the number of children in foster care will continue to decrease through fiscal 2017 (5.0% in fiscal 2016 and 4.5% in fiscal 2017), but that the rate of decrease will slow.

The average monthly number of children in subsidized adoption and guardianships has increased in recent years, although the rate of increase has slowed each year. The average monthly number of children in subsidized adoptions and guardianships increased by only 0.1% in fiscal 2015

compared to fiscal 2014. This was the second consecutive year that the rate of growth in these types of placements was less than 1.0%. DLS anticipates that the number of children in subsidized adoptions and guardianships will begin to decrease slowly through fiscal 2017 (0.5% in both fiscal 2016 and 2017).

Exhibit 5
Foster Care and Subsidized Adoptions/Guardianships
Average Monthly Caseloads
Fiscal 2011-2017 Est.



Source: Department of Human Resources; Department of Legislative Services

Exhibit 6 presents the same information by placement type. As shown in this exhibit, in total, DLS projects 243 fewer cases in fiscal 2016 than in fiscal 2015 and 215 fewer cases in fiscal 2017.

Exhibit 6
Foster Care and Subsidized Adoption/Guardianship Caseload Projection
Average Monthly Caseloads
Fiscal 2015-2017

	2015	2016		2017	
	<u>Actual</u>	<u>DLS</u>	<u>2015-2016 Change</u>	<u>DLS</u>	<u>2016-2017 Change</u>
Regular Foster Care	1,314	1,248	-66	1,192	-56
Emergency Foster Care	47	45	-2	43	-2
Treatment Foster Care	21	20	-1	19	-1
Intermediate Foster Care	160	152	-8	145	-7
Purchased Home	1,575	1,496	-79	1,429	-67
Semi-independent Living	13	12	-1	12	-1
Purchased Institution	719	683	-36	652	-31
Voluntary Placements	0	0	0	0	0
Minor Mothers	59	56	-3	54	-3
Subsidized Guard	2,650	2,637	-13	2,624	-13
Subsidized Adoption	6,919	6,884	-35	6,850	-34
Total Combined	13,477	13,234	-243	13,019	-215

DLS: Department of Legislative Services

Note: Numbers may not sum due to rounding.

Source: Department of Human Resources; Department of Legislative Services

Rate Estimates and the Impact of New Rate-setting Process

In general, in the fiscal 2017 allowance, agencies that have provider rates have generally assumed an inflationary increase, for example, the Department of Juvenile Services provides for an increase of 2.0%. DLS estimates include an assumption of no rate change in fiscal 2016, but an increase of 1.9% in fiscal 2017 for placement types that receive rates set by the Interagency Rates Committee (IRC) to account for inflation.

IRC, continuing work that began with committee narrative from the 2013 *Joint Chairmen's Report* (JCR), is preparing for a change in the rate structure that will go into effect for rates set for fiscal 2017. One of the recommendations that resulted from the request to review the rate-setting process was to develop a new rate structure that (1) allows for flexibility and innovation in order to meet the needs of the child; (2) establishes a link between rates and performance; and (3) maximizes

federal financial participation. The continued work on this issue, through the Rate Reform Workgroup, has led to plans to unbundle clinical and family supports from the room/board/supervision rate. It is believed that the unbundling of the rates will allow for billing of Medicaid rehabilitative services to resume in the future. The rate methodology is expected to be finalized by early April 2016. It is not clear how this new rate structure, when finalized, will impact the fiscal 2017 payments to providers and the budgets of State agencies that pay the rates set by IRC. DHR indicates that the fiscal 2017 allowance of the agency does not specifically account for the planned new rate-setting process.

Forecast and Budget Risk

Exhibit 7 presents a comparison of the DLS estimate of expenditures for foster care and subsidized adoption/guardianship compared to the budgeted funds in fiscal 2016 and 2017. For comparison purposes, in fiscal 2016, the DLS estimate removes from the budgeted funds \$16.4 million in Medical Assistance funds originally included in the budget for rehabilitative services. Despite the loss of the Medical Assistance funds and the planned reversion in fiscal 2016, DLS projects a surplus in total funds in fiscal 2016 of approximately \$2.1 million, primarily among special funds. However, DLS projects a shortfall of approximately \$3.3 million in fiscal 2017.

The fiscal 2017 shortfall, while relatively minor in the total funding for these payments, bears some monitoring. Despite a relatively small shortfall overall, DLS estimates the general fund shortfall is \$11.9 million due to the allowance overstating the availability of regular federal Title IV-E funds. A similar issue occurs in fiscal 2016, while DLS projects an overall surplus, DLS projects a general fund shortfall of \$9.1 million, as shown in Exhibit 7.

As these estimates show, although the waiver has created stability in the overall availability of federal funds in the foster care program, some uncertainty remains during this early phase of implementation, and this uncertainty could have a large impact on the need for general funds in the program. **DHR should comment on how it estimated the Title IV-E funds that would be available in fiscal 2016 and 2017 and how the department would cover any shortfall that arose from a lower amount of available federal funds.**

Exhibit 7
Foster Care and Subsidized Adoption/Guardianship Caseload and Expenditures
Fiscal 2015, 2016, and 2017 Est.

	<u>2015</u>	DLS Estimate <u>2016</u>	DLS Estimate <u>2017</u>	% Change <u>2016-17</u>
Monthly Caseload				
Foster Care	3,908	3,713	3,546	-4.5%
Adoptions/Guardianships	9,569	9,521	9,474	-0.5%
Total	13,477	13,234	13,019	-1.6%
Monthly Cost Per Case	\$1,524	\$1,500	\$1,495	-0.3%
Flex Funds (\$ in Millions)	\$22.8	\$32.1	\$22.4	-30.1%
Budgeted Expenditures (\$ in Millions)				
General Funds	\$186.1	\$185.2	\$177.8	-4.0%
Total Funds	\$269.3	\$288.7	\$262.3	-9.1%
Medical Assistance Program Funds Budgeted but not Available		-\$16.4		
Total Funds Available	\$269.3	\$272.4	\$262.3	-3.7%
DLS Forecasted Expenditures (\$ in Millions)				
General Funds	\$186.1	\$194.3	\$189.7	-2.4%
Total Funds	\$269.3	\$270.3	\$265.6	-1.7%
General Fund Surplus/Shortfall		-\$9.1	-\$11.9	
Surplus/Shortfall (Compared to Budget)		\$2.1	-\$3.3	

DLS: Department of Legislative Services

Source: Department of Human Resources; Department of Legislative Services; Governor's Budget Books

Additional Federal Funding Concerns

The fiscal 2017 allowance of SSA includes some budgetary risk related to federal fund spending. One of these was described previously related to the impact of Title IV-E attainment on the general fund need in the Foster Care Maintenance Payments program.

Another significant concern is the extent of Medical Assistance funds included in the fiscal 2017 allowance of the Local Child Welfare Services program. In this program, a total of

\$20.9 million of Medical Assistance funds are included in the fiscal 2017 allowance, nearly three times the amount actually received in fiscal 2015 (\$5.3 million). It is especially noteworthy, that that Local Child Welfare Services program has nearly as much Medical Assistance funding budgeted in the fiscal 2017 allowance as Local Family Investment (where caseworkers who determine eligibility for Medicaid programs are budgeted), \$22.7 million.

DHR explains that there was an error in the fiscal 2017 allowance. Specifically, the funds that should have been shown as regular Title IV-E funds (what the program received in fiscal 2015), are shown as Medical Assistance funds. In addition, the Medical Assistance funds are overstated. **Exhibit 8** presents the fiscal 2015 actual, fiscal 2016 working appropriation, and a revised calculation for fiscal 2017 based on the assumption of DHR for Title IV-E receipts. If the agency received the amount of Medical Assistance and regular Title IV-E funds as in fiscal 2015, fiscal 2017 would have an estimated federal fund shortfall of \$6.9 million. A similar, although smaller, issue could occur in fiscal 2016, when Medical Assistance funds are also budgeted at a level more than twice the fiscal 2015 receipts.

Exhibit 8
Local Child Welfare Services Program Shortfall
Fiscal 2015-2017 Est.

	Actual <u>2015</u>	Working <u>2016</u>	Revised Allowance <u>2017</u>	Est. Shortfall <u>2017</u>
Medical Assistance	\$5,282,641	\$13,031,910	\$12,145,465	\$6,862,824
Regular Title IV-E	8,747,034	900,000	8,747,034	?
Total	\$14,029,675	\$13,931,910	\$20,892,499	\$6,862,824

Source: Governor's Budget Books; Department of Legislative Services

The fiscal 2017 estimated shortfall of \$6.9 million assumes DHR receives \$8.7 million of regular Title IV-E funds in that year, the amount received in fiscal 2015 (before the Title IV-E Waiver). The Title IV-E Waiver covers a number of the expenditures previously accounted for with regular Title IV-E (foster care and in-home services and related administration costs). Regular Title IV-E can still be claimed for training activities and subsidized adoption and guardianship cases. However, because these activities are only a portion of the activities that the agency received regular Title IV-E funding for in fiscal 2015, the full amount of fiscal 2015 receipts is unlikely to be available to DHR. As a result, the shortfall is potentially significantly higher than \$6.9 million in fiscal 2017.

Additional general funds or federal funds from another source would be required to account for these shortfalls since most of these excess federal funds are budgeted in personnel, which are not discretionary expenses. **DHR should explain how the department plans to cover the federal fund shortfall in this program in fiscal 2016 and 2017.**

Heroin and Opioid Screening

The fiscal 2017 allowance includes \$50,000 to implement a screening tool for heroin and opioid use. The screening tool is expected to be used to screen children, parents, and foster families. This funding will implement a recommendation in the *Heroin and Opioid Emergency Task Force Final Report*. The task force recommended that an assessment be completed for all customers. If the assessment indicates a risk, a further screening tool would be used to verify the risk. If the risk of abuse is verified, the individual completing the assessment would make referrals to appropriate resources to assist the family recovering from the impact of the heroin or opioid use disorder.

Under Section 5-1202 of the Family Law Article, DHR is required to screen parents for substance abuse in all cases accepted for child abuse and neglect investigation. DHR is also required to have qualified addiction specialists in all local child welfare offices. In addition, DHR has a screening tool that is used for public assistance applicants. DHR currently uses a screening tool for in- and out-of-home cases. The tool can be used to detect heroin/opioid use. If substance use is detected, the client is referred for further testing and treatment. **DHR should explain how the new tool will differ from the existing tool and if the tool will supplement or replace the existing tool.**

Issues

1. Title IV-E Waiver

Waiver Proposal

In February 2014, DHR applied for a Title IV-E Waiver. As stated in the waiver application, DHR intended to expand family preservation and post permanency services, essentially allowing the agency to spend federal funds for more than out-of-home placements. DHR stated in the application that it expected to focus on children transitioning from foster care. DHR identified two priority populations to focus services on (1) children 0 to 8 years old; and (2) children 14 to 17 years old. DHR expected to reduce entries into out-of-home care, reduce reentries into out-of-home care, and reduce the length of stay in out-of-home care. DHR anticipated that the waiver would begin an expansion of evidence-based practices for in-home services and post permanency support and that the services would ultimately be part of the Medicaid State Plan.

The waiver was expected to be rolled out in phases across the State. DHR expected to work with the jurisdictions to identify the specific evidence-based practices that should be implemented or expanded in that jurisdiction. This strategy would ensure that jurisdictions implemented the services that are most effective for the jurisdiction's population.

DHR expected to partner with the University of Maryland School of Social Work (SSW) to assess the effectiveness of the demonstration project. The evaluation was to include a process evaluation (focusing on the implementation, population served, and services provided), an outcome evaluation (focusing on the safety, permanency, and well-being outcomes for the children, youth, and families), and a cost evaluation (focusing on the total cost of care for youth in the treatment and comparison groups).

DHR agreed to continue utilizing funds currently dedicated to child welfare services for that purpose, *i.e.*, savings are to be reinvested. Under the waiver, funds are received based on a capped allocation, with caps identified for maintenance payments and administration separately. The capped allocation that DHR received under the waiver was to cover Foster Care Maintenance Payments and Foster Care Administration, but DHR proposed to exclude:

- information technology costs;
- training;
- subsidized adoption payments; and
- subsidized guardianship payments.

The specific waivers DHR was seeking for this project were related to (1) expanded eligibility (allowing the State to use Title IV-E funds for children and families not otherwise eligible); (2) expanded claiming; and (3) expanded services (to allow the State to use funds for services not normally covered by Title IV-E funds).

Waiver Approval

On September 30, 2014, DHR received approval of the proposed demonstration project and waivers to implement the project. Under the terms and conditions provided to the State for the project, the project was to begin no earlier than July 1, 2015, but no later than October 1, 2015, and to end the twentieth quarter after the project start date or September 30, 2019 (whichever is earlier).

DHR is required under the terms and conditions to, among other items, continue processing Title IV-E eligibility for children (to ensure that the funding for eligible children will continue after the project ends), ensure a program is maintained consistent with the services provided before implementation of the project for children and families not part of the demonstration, and ensure that savings from the project (federal, State, or local) remain in use for child welfare services. Savings are considered to be the funds that would have been expended under the regular Title IV-E program without the demonstration or could have been expended under Title IV-B. **DHR should comment on how it plans to track reinvested savings to ensure compliance with this requirement.**

The base allocation for each federal fiscal year for foster care maintenance costs (which include expanded services under the project) is \$77.64 million, and the base allocation for administrative costs is \$48.99 million. These costs include both the federal and state share, which is based on the federal Medical Assistance match rate (in Maryland 50%). The federal share of the base allocations are \$38.82 million for maintenance payments and \$24.50 million for administrative expenses. These allocations are adjusted based on an annual change factor.

DHR is required to submit semi-annual progress reports following the beginning of implementation on project and evaluation activities. An interim evaluation report is due within 60 days of the tenth quarter following the implementation date (two and one-half years after implementation) and a final evaluation within six months after the end of the project.

Waiver Implementation and Status

Activities

DHR began implementation of the project on July 1, 2015, with an assessment for all in-home service cases statewide. In the first quarter of calendar 2016, DHR planned to begin implementation of evidence-based practices. The implementation requires approval from the U.S. Department of Health and Human Services Children's Bureau before it can begin. DHR will begin implementation with Allegany, Anne Arundel, Baltimore, Harford, Howard, Montgomery, and Prince George's counties and Baltimore City. The timing for roll-out in the 16 remaining jurisdictions is still being determined.

As planned in the proposal, evidence-based practices are being tailored to the individual needs of the jurisdictions. For example, Anne Arundel County will be implementing two types of practices related to mental health services and Baltimore County will be implementing a third type of practice related to mental health services. Allegany and Harford counties will be implementing two different parent education practices. Baltimore City will be implementing a substance abuse treatment program (that includes job training and housing) as well as a casework related practice. Howard, Montgomery, and Prince George's counties will also be implementing a practice that is casework related, but it is not the same one as Baltimore City.

Funding

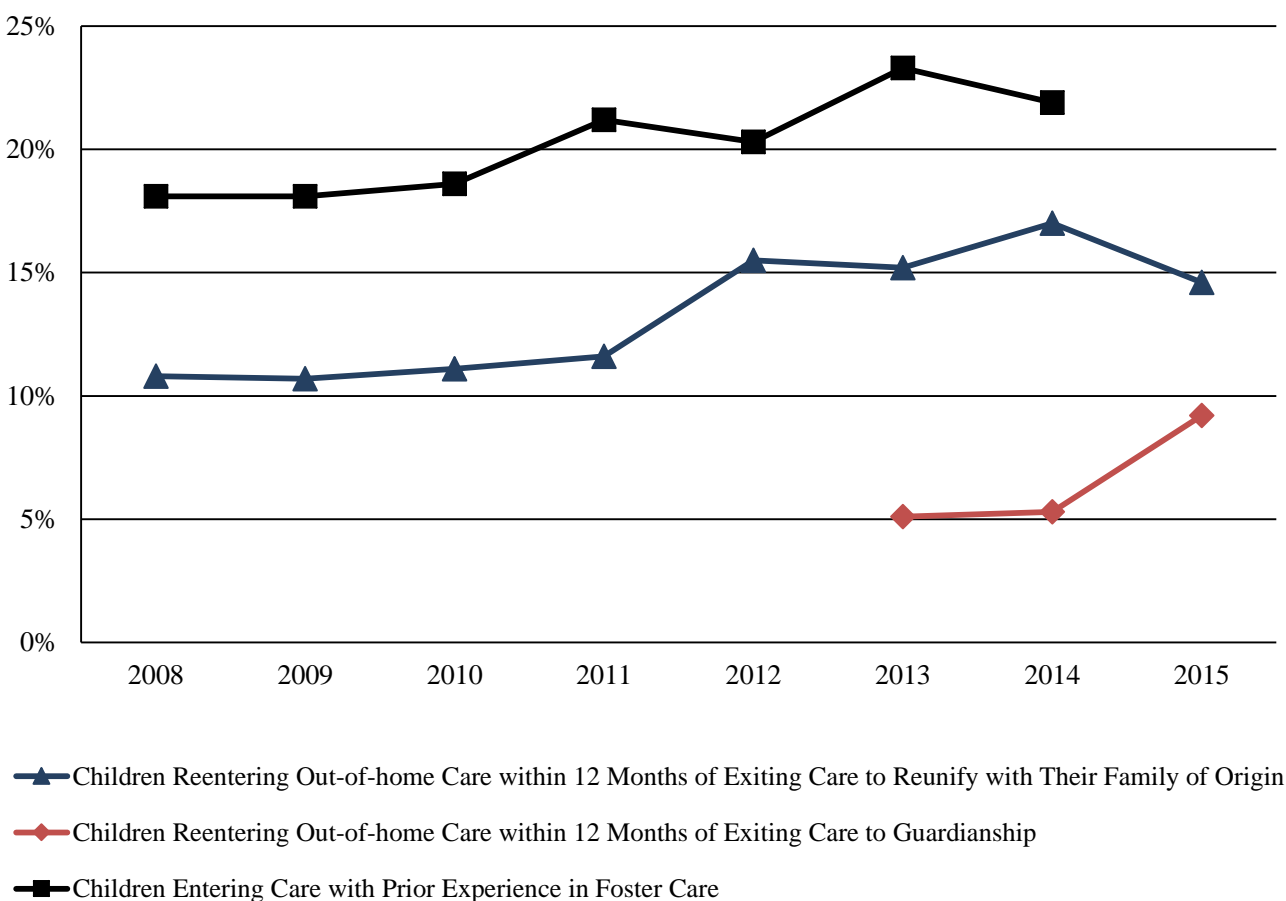
The fiscal 2016 and 2017 budgets contain funding from the waiver for maintenance payments and foster care administration, totaling \$70.9 million and \$74.8 million respectively. Among the administration expenditures is funding for a contract with the SSW Institute for Innovation and Implementation to provide project management support to DHR for this project (\$500,000 in federal funds in fiscal 2016 and \$565,000 in total in fiscal 2017). The fiscal 2017 funding is split equally between general and federal funds (\$282,500). This support will include working with the department to establish a comprehensive work plan to provide policy analysis, technical support, and document development.

Funding is also provided in these years for Title IV-E waiver intervention services. In fiscal 2016, the waiver intervention services were funded at \$8.7 million in federal funds from the Title IV-E Waiver. However, the fiscal 2016 funding is understated because no general funds are specifically budgeted to match these federal funds, as required. DHR advises that general funds will be available to match the federal funds as needed. In fiscal 2017, funding includes \$8.0 million (\$4.0 million general funds and \$4.0 million federal funds) for four statewide evidence-based practices assessments (\$500,000 each) and 24 LDSS interventions/promising practices (\$250,000 each).

2. Unsuccessful Reunifications of Children Leaving the Foster Care System

Reunifications occur when children in the care of the State are returned to their families. Upon occasion these children subsequently reenter State care. **Exhibit 9** presents information on the rate of reentry within 12 months of reunification with a child's parents. As shown in this exhibit, the rate of reentry within 12 months of reunification, which hovered between 10.7% and 11.6% from fiscal 2008 to 2011, increased in fiscal 2012 to 15.5% and reached 17.0% in fiscal 2014 before falling to 14.6% in fiscal 2015. A similar trend occurs with the re-entries for children with prior experience in foster care.

Exhibit 9
Reentry into Foster Care System within 12 Months of Reunification with Family
Fiscal 2008-2015



Source: Department of Human Resources; Governor’s Budget Books; University of Maryland School of Social Work

After the rate of reentry into care had increased for several years, the General Assembly added language in the fiscal 2015 budget bill due to concerns that children were exiting foster care to return to parents who remained unfit to care for their children. This language restricted funding in SSA to be used for a research project at the SSW to study issues related to unsuccessful reunifications of children with their parents after entering the foster care system including (1) the reasons for reentry after reunification; (2) the frequency of reentry after reunification; (3) evaluating the criteria used by caseworkers before reunification; (4) discussing other states management of reunification and the appropriateness for individual cases; (5) describing key aspects of the most successful state programs and a comparison to Maryland; and (6) studying an age-stratified sample of two groups of cases to

better identify factors associated with successful reunifications. An interim report was due on December 1, 2014, with a final report due on April 15, 2015.

SSW used several methods to study this issue including a literature review, interviews with other states that perform better than the national median, caseworker surveys, case reviews, and reviews of administrative data.

Literature Review

A couple of factors were identified as having consistent relationships with reentering care: (1) a short length of stay in foster care (less than six months) increased the likelihood of reentering care; and (2) children placed with relatives during the time in care had a lower likelihood of reentering care. A number of other factors that were studied were found to be a factor in at least one study, but the finding was not consistent among all studies, for example (1) poverty; (2) a high number of placements while in care; and (3) prior involvement with child protective services.

Comparison with Better Performing States

SSW identified 17 states that performed better than Maryland in the rate of reentry in the second round of the CFSR. North Carolina, for example, had a reentry rate of 2.3% compared to the Maryland rate identified in this review of 11.4%. In the CFSR, Maryland performed slightly better than the national median (11.9%). As noted earlier, Maryland's rate has increased even further since that review. SSW determined that 4 of the 17 states had a comparable caseload to Maryland (Louisiana, Kansas, Nevada, and South Carolina). SSW compared Maryland to these states on a number of caseload characteristics. Some of the data reported is shown in **Exhibit 10**. Several key differences were found between Maryland cases and the better performing states, including those related to placement goals, the number of placement settings, the higher rate of multiple removals, and the median length of stay. SSW also explained that several of these states with a lower median time to achieving reunification had a period where the child had returned home but continued to be monitored by the agency before legal custody was transferred.

SSW also attempted to contact the 17 states that performed better than Maryland, but reached only 4 (Alaska, Michigan, New Jersey, and Oklahoma). These states identified the importance of comprehensive assessments of family needs, active family involvement in the decision making processes, intensive post reunification services, and a focus on workforce caseload size as important to the success of reunifications.

Exhibit 10
Comparison of Comparable States on Out-of-home Characteristics
Child and Family Services Review Round Two

	<u>Louisiana</u>	<u>Kansas</u>	<u>Nevada</u>	<u>South Carolina</u>	<u>Maryland</u>
Reentry Rate	6.7%	7.0%	9.7%	9.5%	11.4%
Permanency Goals					
Reunification	75.1%	58.1%	48.3%	46.1%	29.5%
Adoption	16.3%	30.0%	34.8%	32.2%	15.1%
Long-term Foster Care	7.2%	0.0%	3.1%	8.8%	16.1%
Living with Other Relative	0.9%	0.0%	6.0%	2.4%	9.5%
Emancipation	0.4%	8.7%	6.4%	9.8%	11.9%
Placement Settings*					
1	29.5%	28.3%	24.0%	22.0%	23.2%
2	28.1%	21.9%	26.5%	25.2%	21.7%
3 or More	42.1%	49.4%	48.6%	52.9%	55.3%
Removal Episodes					
1	84.1%	87.3%	79.9%	80.2%	74.7%
2	13.2%	11.2%	16.0%	16.0%	19.8%
3 or More	2.7%	1.5%	4.1%	3.8%	5.5%
Median Length of Stay (in Months)					
	13.1	13.7	14.4	15.5	33.9
Median Length of Time to Achieve Reunification (in Months)					
	9.0	12.7	5.9	2.6	12.6
Exits to Reunification in Less Than 12 months					
	65.3%	60.9%	88.0%	77.6%	48.1%

*Placement settings contained missing data for some states: Louisiana 0.3%, Kansas 0.5%, Nevada 0.8%, and Maryland 0.1%.

Source: University of Maryland School of Social Work; Department of Human Resources

Maryland Review

SSW also performed several research activities specific to Maryland cases, including a caseworker survey, a case record review, and a statistical analysis. The caseworker survey was sent to

caseworkers that had a child in their caseload exiting to reunification between January 1, 2013, and August 31, 2014. The survey received a total of 284 responses. The survey revealed the importance caseworkers placed on the child being completely safe prior to reunification, post reunification services being in place before reunification, and trial home visits before reunification. The survey also revealed that caseworkers sought to maintain contact between the child and sibling and the child and parents during the out-of-home stay. Finally, the survey noted that for a successful reunification the child should (1) participate in the reunification process (when developmentally appropriate); (2) feel safe in the home; and (3) be committed to reunification. The survey also found that it was important for parents to acknowledge and work toward alleviating the issues that led to involvement in the child welfare system.

Case Reviews and Case Analysis

As part of the study, SSW conducted a limited number of case reviews. Some of the findings in this review are presented in **Exhibit 11**. SSW found some differences between those cases of successful reunification and those resulting in a reentry to the foster care system, including: no reentry cases had experienced a trial home visit; and the reentry cases were less likely to show progress on case plan goals or a significant reduction in safety/risk concerns. However, the small number of cases reviewed by SSW should be noted before drawing sweeping conclusions.

Exhibit 11 Case Review Comparison

	<u>Reunification (N=42)</u>	<u>Reentry (N=10)</u>
Placements During Removal Episode	2.1	2.6
Biological/Legal Father Was Involved in the Case	51.6%	80.0%
Sibling In Out-of-home Care	47.1%	60.0%
Child's Last Placement		
Relative	19.4%	30.0%
Family Foster Home	36.1%	50.0%
Institution	22.2%	20.0%
Trial Home Visit	22.2%	0.0%
Safety/Risk Assessments Showed a Significant Reduction in Concerns at Time of Reunification	92.6%	70.0%
Child and Family Made Progress on Case Plan Goals	90.9%	60.0%
Family Involvement Meetings Held at Points in Accordance with Department Policy	54.5%	40.0%

Source: University of Maryland School of Social Work; Department of Human Resources

SSW also conducted analyses of reunification cases where the child was 16 or younger from fiscal 2009 through 2012 to identify factors associated with the increase and lower likelihood of reentry. Factors identified in this analysis that lowered the likelihood of reentry included:

- ever having a trial visit;
- a final placement of kinship care;
- caseworker visitation; and
- older age at entry compared to infants except for children ages 11 to 13.

Factors that were found to increase the likelihood of reentry in at least some of the statistical analyses were similar to findings in the literature review such as having a sibling in out-of-home care, a short length of stay in care, prior experience with the child welfare system, being placed in a residential treatment center, child behavior problems that were a factor in the removal, and having the presence of one or more of these risk factors. Having a court ordered reunification against the agency recommendation also increased the likelihood of reentry.

Recommendations

SSW made five recommendations in the report, which were to:

- focus on the presence of the identified risk factors;
- formalize a trial home visit process;
- provide post reunification transition and services to families and youth for at least six months after case closure;
- develop collaborative training between SSA and the courts to ensure consistent communication and understanding about the readiness of children and families for reunification and the likelihood of a successful reunification; and
- develop data sharing agreements with other child and family serving agencies.

DHR should discuss whether it has implemented any of these recommendations and describe other steps the agency is taking to address the high reentry rate and the State's progress toward reducing the reentry rate in fiscal 2016.

3. Child Welfare Caseworkers

Child welfare caseload ratios have been of concern to the General Assembly for many years. In 1998, the General Assembly passed the Child Welfare Workforce Initiative requiring that DHR and DBM ensure that Child Welfare League of America (CWLA) recommended caseload to staffing levels are met. The Child Welfare Accountability Act of 2006 reiterated this requirement. For the past decade, the budget committees have either withheld funds until a certain number of caseworker positions were filled or asked DHR to report on caseload ratios for supervisor and caseworker positions.

CWLA recommended caseload to staffing ratios are a series of ratios separated by the type of case or work being undertaken. For example, intake, preservation services, out-of-home placement foster care, and out-of-home placement kinship care each have individual ratios. The number of workers needed are then combined and compared to the number of filled positions. A separate ratio determines the number of supervisors needed. The caseload to staff ratios are of particular concern given that 41 local child welfare services positions were abolished as part of the DHR plan to accommodate the 2% across-the-board reduction in fiscal 2016. The information presented in this issue accounts for these abolitions.

Most Local Departments Meet Caseworker Standards

Exhibit 12 shows the number of positions needed for the caseload by jurisdiction based on the average caseload from September 2014 through August 2015 and the number of filled and vacant positions as of December 1, 2015. The number of caseworker and supervisor positions needed to meet the standard varies based on the number of cases and the mix of cases. These factors may allow the caseload to staffing ratios to improve or decline even without changes in the number of filled positions. For example, the number of caseworker positions needed statewide to meet the CWLA caseworker standards for the September 2014 through August 2015 period is 1,172.9, 38.0 caseworker positions (or 3.1%) lower than for the October 2013 to September 2014 data presented in the fiscal 2016 analysis. This reduction in needed caseworker positions helped ensure that the State continued to meet the caseworker standards even as the number of filled positions declined from 1,343.4 positions on December 1, 2014, to 1,321.9 on December 1, 2015 (a decrease of 1.6%). In fact, the number of surplus positions statewide increased by 4.8 positions between these two periods.

As shown in Exhibit 12, only one jurisdiction did not meet the caseload to staffing ratio guidelines. Harford County had a shortfall of 3.7 caseworker positions to meet the guideline; however, with 6.5 vacant positions, if vacant caseworker positions were filled the guideline would be met.

Exhibit 12
Child Welfare Position Status by Local Department

	Filled Worker Positions Needed to <u>Meet CWLA</u>	Filled Worker Positions	Surplus/ Shortfall	Vacant Caseworker Positions	Filled Supervisor Positions Needed to <u>Meet CWLA</u>	Filled Supervisor Positions	Surplus/ Shortfall	Vacant Supervisors
Allegany	24.3	38.5	14.2	1.0	4.9	5.0	0.1	0.0
Anne Arundel	81.1	84.8	3.7	7.0	16.2	15.0	-1.2	1.0
Baltimore	123.3	123.5	0.2	20.0	24.7	21.0	-3.7	0.0
Baltimore City	442.4	473.5	31.1	31.0	88.5	95.0	6.5	11.0
Calvert	15.9	17.0	1.1	5.0	3.2	3.0	-0.2	0.0
Caroline	11.5	18.5	7.0	0.0	2.3	3.0	0.7	1.0
Carroll	23.7	27.0	3.3	1.0	4.7	3.0	-1.7	1.0
Cecil	39.6	41.0	1.4	1.0	7.9	7.0	-0.9	2.0
Charles	29.0	33.0	4.0	3.0	5.8	6.0	0.2	2.0
Dorchester	15.1	18.0	2.9	1.0	3.0	2.0	-1.0	1.0
Frederick	34.9	39.5	4.6	5.0	7.0	9.0	2.0	0.0
Garrett	9.7	16.0	6.3	0.0	1.9	3.0	1.1	0.0
Harford	55.7	52.0	-3.7	6.5	11.1	11.0	-0.1	0.0
Howard	25.4	33.0	7.6	0.5	5.1	4.0	-1.1	0.0
Kent	4.6	7.0	2.4	0.0	0.9	1.0	0.1	0.0
Prince George's	117.3	124.5	7.2	11.5	23.5	21.0	-2.5	1.0
Queen Anne's	6.1	8.0	1.9	2.0	1.2	2.0	0.8	1.0
Somerset	10.9	15.5	4.6	1.0	2.2	2.0	-0.2	0.0
St. Mary's	19.1	22.6	3.5	4.0	3.8	3.0	-0.8	2.0

N00B – DHR – Social Services Administration

	<u>Filled Worker Positions Needed to Meet CWLA</u>	<u>Filled Worker Positions</u>	<u>Surplus/ Shortfall</u>	<u>Vacant Caseworker Positions</u>	<u>Filled Supervisor Positions Needed to Meet CWLA</u>	<u>Filled Supervisor Positions</u>	<u>Surplus/ Shortfall</u>	<u>Vacant Supervisors</u>
Talbot	6.7	12.0	5.3	0.0	1.3	4.0	2.7	0.0
Washington	40.7	64.0	23.3	1.0	8.1	10.0	1.9	0.0
Wicomico	20.0	35.0	15.0	1.0	4.0	6.0	2.0	1.0
Worcester	16.1	18.0	1.9	2.0	3.2	5.0	1.8	0.0
Statewide	1,172.9	1,321.9	149.0	104.5	234.6	241.0	6.4	24.0
Total Shortfall in Jurisdictions Not Meeting Standards:			-3.7				-13.4	

CWLA: Child Welfare League of America

Note: Does not account for positions in a frozen status.

Source: Department of Human Resources; Department of Budget and Management; Department of Legislative Services

Local Departments are Less Successful Meeting Supervisor Standards

While only one local department is not meeting the caseworker standards, 11 of 24 jurisdictions failed to meet the CWLA supervisor standards, with a total shortfall among those jurisdictions of 13.4 positions (or 5.7% of the total number of supervisors needed under the guidelines). In all but 3 of those jurisdictions, the number of vacant supervisor positions in that local department would not be enough to resolve the shortfall. However, there are enough vacant supervisor positions statewide to overcome this shortfall. **DHR should comment on any plans to transfer vacant supervisor positions to ensure that all local departments can meet the CWLA guidelines.**

The supervisory shortfall has declined compared to the caseloads from October 2013 to September 2014 and filled positions as of December 1, 2014. At that time, 13 local departments did not meet the required standards, with a total shortfall among those jurisdictions of 28.6 positions. This improvement has come, in part, due to fewer supervisor positions required to meet the standard because of caseload reductions (decreasing from 242.2 to 234.6, or 3.1%) but also because of an increase in the number of filled positions (increasing from 232.5 to 241.0, or 3.7%).

Recommended Actions

1. Add the following language to the general fund appropriation:

Further provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended or transferred shall revert to the General Fund.

Explanation: This language restricts general funds appropriated for foster care payments to that use only. This language is similar to language added in recent years except that transfers to N00G00.03 (Local Child Welfare) are not allowed. This restriction prevents a transfer of general funds to other programs that might create or increase a deficit in spending in the Foster Care Maintenance Payments Program (N00G00.01).

2. Adopt the following narrative:

Caseload Estimates for Out-of-home Placements: During the 2016 session, the Department of Human Resources (DHR) and Department of Budget and Management (DBM) presented two sets of estimates at two separate times for caseload assumptions and payments estimates for foster care, subsidized adoptions, and subsidized guardianship in fiscal 2017. Neither appear to be based on current trends, but rather based on the funding in the allowance. Given that out-of-home placements costs are entitlements, the forecast of caseloads and payment estimates should be the driving factor in the budget. The committees request that DHR and DBM present by placement type and flexible funding services (*e.g.* daycare, education, child care offset, promoting safe and stable families, ancillary and emergency services, local education agency funding, Title IV-E Waiver intervention services), the caseload estimates, payment estimates, and expenditures for fiscal 2016 actuals, and estimates for fiscal 2017 and 2018 that were used in fiscal 2018 budget development. For flexible funding services, only the total estimated expenditures by type is required. The information should also include the amount of any provider rate change and the share of the charges claimed to regular Title IV-E assumed in the fiscal 2018 allowance.

Information Request	Authors	Due Date
Caseload and expenditure forecasts	DHR DBM	With submission of the fiscal 2018 allowance

3. Add the following language to the general fund appropriation:

. provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall revert to the General Fund.

Explanation: This language restricts general funds appropriated for child welfare services to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments.

4. Adopt the following narrative:

Child Welfare Caseload Data: The committees believe that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering the State's care. Therefore, in order to maintain oversight of this important issue, the committees request that the Department of Human Resources (DHR), on November 15, 2016, report to the committees on the actual and annual average number of cases and filled positions assigned, by jurisdiction, for the following caseload types using data current within 70 days:

- Intake Screening;
- Child Protective Investigation;
- Consolidated Home Services;
- Interagency Family Preservation Services;
- Services to Families with Children – Intake;
- Foster Care;
- Kinship Care;
- Family Foster Homes – Recruitment/New Applications;
- Family Foster Home – Ongoing and Licensing;
- Adoption;
- Interstate Compact for the Placement of Children; and

N00B – DHR – Social Services Administration

- Caseworker Supervisors.

Information Request	Author	Due Date
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	DHR	November 15, 2016

Updates

1. Alternative Response Final Report

Chapter 397 of 2012 authorized the Secretary of Human Resources to implement an alternative response program for selected reports of abuse or neglect. Alternative response is a child protective services response that allows caseworkers to comprehensively assess the risk of harm to the child, risk of subsequent abuse or neglect, the family strengths and needs, and the provision of or referral for necessary services without an investigation or formal determination of whether child abuse or neglect has occurred. Chapter 397 required that cases selected for alternative response are only low-risk cases and prohibited certain cases from being considered for alternative response. Cases prohibited from being referred to alternative response include having previously been assigned an alternative response case in a certain timeframe, being a suspect or responsible in a previous abuse or neglect case within a certain timeframe, and sexual abuse.

Cases assigned to alternative response may later be reassigned for investigative response. Similarly, cases assigned for investigation may be reassigned to alternative response. Chapter 397 identifies certain activities that the caseworker and LDSS must undertake including: (1) seeing the child and the child's parent or primary caretaker within 24 hours of receiving a report of physical abuse or within five days of receiving a report of neglect; (2) attempting an on-site interview with the child's parent or primary caretaker; (3) evaluating the child's home environment; (4) deciding on the safety of the child and of other children in the household; and (5) completing an alternative response assessment within 60 days after the receipt of the report. Consistent with the assessment or other safety or service plans, the LDSS is to provide any appropriate services, refer the family or child for additional services, or establish a plan to monitor the safety plan and the provision or completion of appropriate services. Records are to be maintained for three years.

Implementation

Alternative response was implemented in five phases in Maryland:

- Phase 1: Allegany, Frederick, Garrett, Montgomery, and Washington counties (July 1, 2013);
- Phase 2: Baltimore, Carroll, Cecil, Harford, and Howard counties (November 11, 2013);
- Phase 3: Anne Arundel, Calvert, Charles, Prince George's, and St. Mary's counties (January 1, 2014);
- Phase 4: Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties (April 1, 2014); and
- Phase 5: Baltimore City (July 1, 2014).

Evaluation

Chapter 397 required DHR to contract with an independent agency to conduct an evaluation of the program. An interim report was due October 1, 2014, and a final report due to the General Assembly on October 1, 2015. IAR Associates conducted the evaluation. The evaluation was conducted from April 2013 through September 2015. The evaluation examined a number of questions including those related to (1) the impact on child safety and well-being of children and families; (2) the level of family engagement; (3) case plan effectiveness and family linkages to services; (4) the differences in provision of services; and (5) the responses of families, caseworkers, and stakeholders. The evaluation was conducted using data from MD CHESSIE and surveys with staff, family, and community stakeholders, as well as, interviews during site visits.

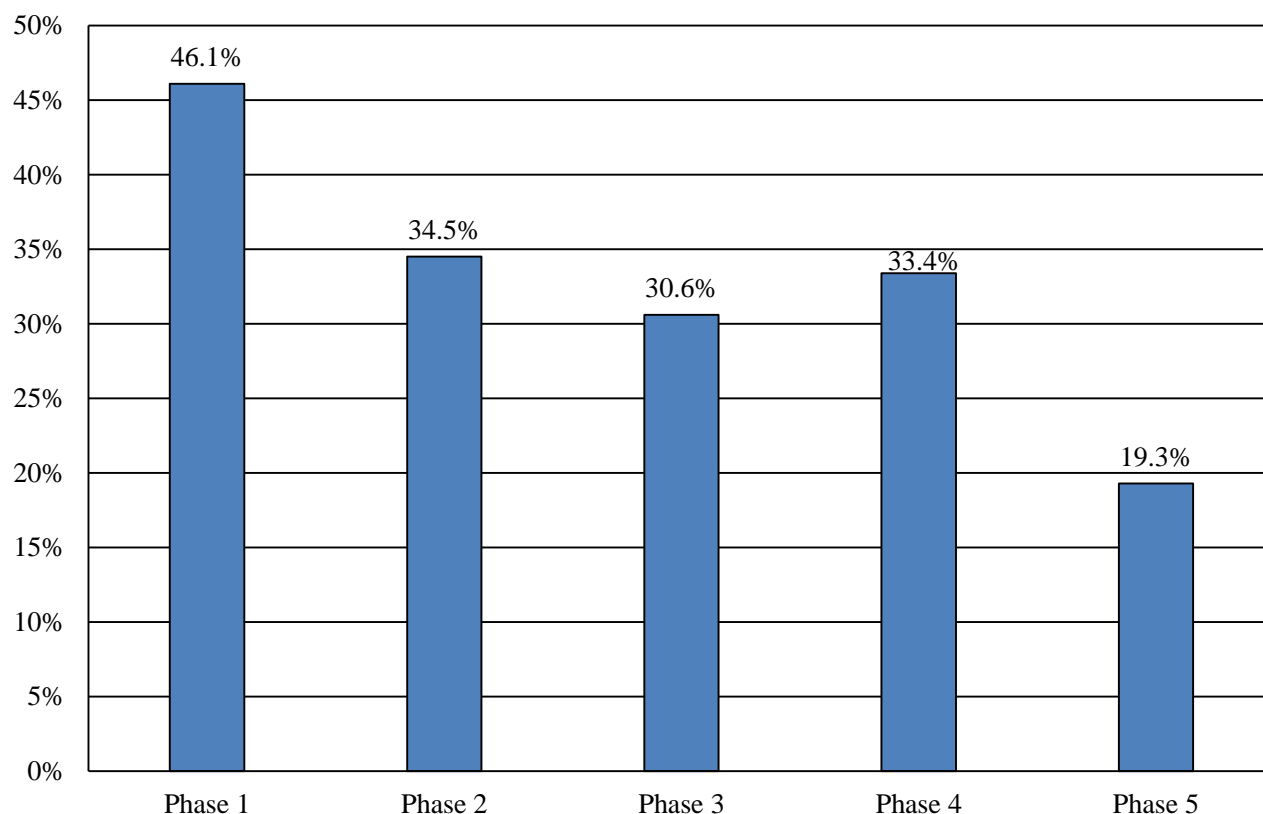
Evaluation Results

The percent of cases assigned to alternative response varied both by phase of implementation and individual county. **Exhibit 13** presents information on the percent of cases assigned to alternative response during the evaluation period by phase of implementation. The earlier phases have had a longer experience with alternative response and more data points. The evaluation notes that, consistent with the implementation in previous states, more cases are assigned to alternative response the longer the jurisdiction had been using the method.

Few of the families initially assigned to alternative response, 3.2% (383) of 12,124 families, were later reassigned to investigative response. The rate of reassignment was consistent with other states (Missouri, Minnesota, and Ohio). The reasons for reassignment varied but included refusal to provide access to the child, refusal to discuss the allegations, and refusal to cooperate and family risk or child safety was a concern.

In case-specific surveys, caseworkers noted that in nearly all cases (91.8%), the case would not have been more appropriately handled with an investigative response. Some of the reasons that were provided for cases where the caseworker thought it might have been more appropriately handled as an investigative response related to ability to rule out a finding and have the record expunged. The caseworkers also estimated that had the alternative response cases been an investigative response, nearly three-quarters (73.9%) would have resulted in a ruled out finding (a finding that abuse or neglect did not occur).

Exhibit 13
Alternative Response Case Assignment
July 2013 – Mid-June 2015



Note: Timeframes for implementation are listed on page 35.

Source: IAR Associates; Department of Human Resources

Risk and Safety

In a general survey, 64.2% of workers and supervisors with experience with alternative response thought children were equally safe with the family assessment (alternative response) or investigations and 24.4% felt they could not judge whether there was a safety difference. A smaller percentage believed either investigative responses (6.9%) or alternative responses (7.5%) were safer.

When assessing safety threats (for example lacking basic needs, unsafe or unclean home, medical/health care neglect, excessive discipline, and emotional maltreatment), in case-specific surveys, caseworkers rated children involved in alternative response cases as no less safe than children in cases involved in an investigative response. In addition, caseworkers noted that the safety threats were addressed at approximately the same rate in the two types of cases.

During site visits, caseworkers, supervisors, and alternative response administrators, generally did not indicate any safety concerns for children with alternative response. The evaluators noted that in the early stages of implementation, some caseworkers preferred the use of investigative response for some cases to provide the leverage to encourage compliance. However, the evaluators noted that this decreased as time passed. The evaluators did note that some experienced caseworkers felt unease that they could not see the child alone (in a site such as school) before speaking with the caregivers.

The evaluators also found a slightly lower rate of recurrence (measured by having an indicated or unsubstantiated finding within six months) for alternative responses cases (5.3%) than both the period right before implementation (6.8%) and investigative response cases during the period of implementation (6.0%). However, the evaluators noted that alternative response cases are not comparable to the investigative response cases included in the analysis. Of note, the evaluators found a significant difference in the recurrence of maltreatment rate for alternative response in jurisdictions in which caseworkers handled both types of cases (6.0%) compared to jurisdictions in which caseworkers were specialized (4.1%).

Family Involvement and Service Provision

In case-specific surveys, caseworker views of changes in well-being and parent/family interaction were very similar between the investigative and alternative responses. The only notable difference between the caseworkers among the two types of responses, in terms of views of changes in individual family member issues, was that caseworkers in alternative response more frequently reported a decrease in the severity of mental health concerns for the child.

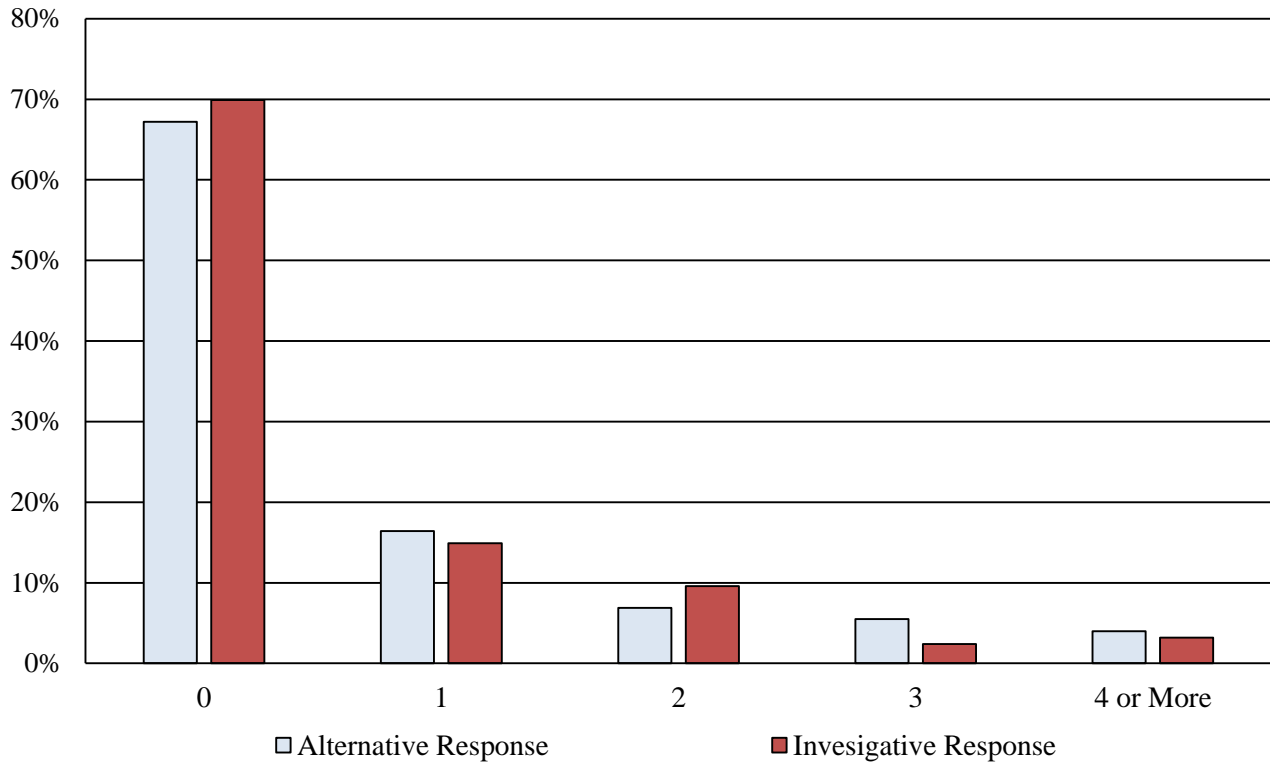
In site visits, caseworkers noted the higher level of cooperation of families involved in alternative response that these workers believed led to an environment that was safer for the child. Similarly, in case-specific surveys, while families in both types of response were rated as cooperative, the families involved in alternative response were rated as more cooperative at both the first and last meetings. Except in Baltimore City, for each phase of implementation, caseworkers noted fewer contacts under alternative response than investigative response.

Families in both types of responses provided positive feedback on the interaction with caseworkers. However, the feedback was more positive for families involved in alternative response. For example, 93.2% of families involved in alternative response stated they were satisfied with the caseworker compared to 85.5% for investigative response. Families involved in alternative response also noted more involvement in decision (64.6% said a great deal of involvement) compared to investigative response (50.7%).

Maryland did not allocate additional funding for services in implementing alternative response, unlike some other states. This resulted in a difference in Maryland in service provision compared to other states. In addition, services are provided in Maryland based on the needs of families rather than the type of response. The majority of caseworkers (69.7%) believed that there was definitely no difference in the types of services a family received under alternative response than the family would have under investigative response. As shown in **Exhibit 14**, caseworkers reported little difference in the number of information or referral services reported. However, the evaluators noted some

differences among the types of services information or referrals were provided to address, for example, a higher rate of child care and mental health/psychiatric services for alternative response cases and a higher rate of drug abuse treatment and public benefits and medical care for investigative response. Services provided, however, were noted at a higher rate for investigative response cases.

Exhibit 14
Information and Referral Services by Response Type



Source: IAR Associates; Department of Human Resources

General Observations

The evaluators also found that at the beginning of the implementation, caseworkers and administrators did not see alternative response as a large change in approach because they felt the approach was similar to what was already occurring. However, the evaluators found that the percentage of workers that reported that the approach impacted the way they approached families or performed work a great deal increased from the first to the final survey (18.9% to 30.8%). Responses varied by phase of implementation.

There was some evidence that job stress and job satisfaction were negatively impacted among workers implementing alternative response. This was believed to be in part due to the need to meet with families together which results in longer evening hours.

Also, several times evaluators noted concerns and issues related to the limited retention of files for ruled out cases.

2. Substance Exposed Newborns Final Report

Chapter 90 of 2013 established a requirement for health care practitioners involved in the delivery or care of a substance-exposed newborn to make a report to the LDSS. A substance-exposed newborn is defined as a newborn that displays (1) a positive toxicology screen for a controlled drug in a test after birth; (2) effects of controlled drug use or symptoms of withdrawal from prenatal controlled drug exposure as determined by medical personnel; or (3) the effects of a fetal alcohol spectrum disorder. Alternatively, a newborn is considered substance-exposed if the newborn's mother had a positive toxicology screen for a controlled drug at the time of the delivery.

An oral report is required as soon as possible and a written report no later than 48 hours after the contact, examination, attention, treatment, or testing that prompted the report. The report does not create a presumption that the child has been or will be abused or neglected. LDSS is required within 48 hours of receiving the report to (1) see the newborn in person; (2) consult with a health care practitioner with knowledge of the newborn's condition and the effects of any prenatal alcohol or drug exposure; and (3) attempt to interview the newborn's mother and any other individual responsible for the care of the newborn. LDSS is also expected to promptly assess the risk of harm and safety of the newborn to determine the necessity of further intervention. If additional intervention is determined necessary, LDSS is to develop a plan of safe care, assess and refer the family for appropriate services, and develop a plan to monitor the safety of the newborn and the family's participation in appropriate services.

The legislation also required an interim report on October 1, 2014, and a final report on the implementation of the legislation on October 1, 2015.

Regulations to implement the legislation were effective December 23, 2013.

Impacts of the Legislation

Information in the final report covered the period July 1, 2014, through June 30, 2015. During that period, 1,729 reports on substance-exposed newborns were made by hospital staff to LDSS, which encompassed 1,776 newborns. The vast majority of these reports (97.0%) did not result in Child Protective Services (CPS) response. An investigative response occurred in 1.8% of these reports and alternative response occurred in 1.2% of reports. The number of reports that led to a CPS response were lower in the final report than in the interim report (which covered the period October 1, 2013, through July 31, 2014), in which a total of 8.1% of reports resulted in either an alternative or investigative response.

LDSS staff conducted an assessment using the Safety Assessment for Every Child (SAFE-C) to determine whether a child is safe, conditionally safe (circumstances in which a family signs an agreement to accept and participate in services and is determined safe at the next assessment if the plan is successful), or unsafe. Of the 4,151 assessments the outcome of these assessments were:

- 2,801 newborns determined safe (67.5%);
- 1,170 newborns determined conditionally safe (28.2%);
- 180 newborns determined unsafe (4.3%); and
- 101 newborns determined unsafe were placed in an out-of-home placement within 90 days of birth.

These results are slightly different than the interim report, which resulted in a higher rate of determination of safe newborns (71.2%) and a higher rate of determination of unsafe newborns (5.1%). LDSS staff also conducted 1,373 family risk assessments within 60 days of birth to identify factors that are most highly associated with future risk of harm for use in guiding decisions about service plans.

Other outcomes described in the final report are:

- 1,502 documented separate in-home services provided or paid for by LDSS;
- 347 individuals who received 703 documented services including assessments, urinalyses, or substance abuse treatment paid for by LDSS; and
- 13 cases of termination of parental rights (1 case of termination of parental rights was reported in the interim report).

DHR notes that some of the documentation on substance abuse treatment was provided in a way that limits counting and therefore figures are undercounted. SSA is working with the Department of Health and Mental Hygiene to improve tracking related to substance abuse treatment.

3. Child Fatalities Involving Abuse or Neglect

Committee narrative included in the 2005 JCR requested that DHR provide a listing by jurisdiction of the number of child fatalities that involved child abuse and/or neglect. The narrative requested the report to be updated annually. **Exhibit 15** displays the data provided by the department for calendar 2010 through 2014. In calendar 2014, there were 21 such fatalities, 3 fewer than in calendar 2013. In calendar 2014, the highest number of these fatalities occurred in Baltimore County.

Exhibit 15
Child Deaths Reports to DHR Where Child Abuse or Neglect Are Determined by
DHR Staff to be a Contributing Factor
Calendar 2010-2014

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Allegany	0	1	0	0	0	1
Anne Arundel	1	3	4	1	1	10
Baltimore City	2	3	2	4	1	12
Baltimore	3	5	8	2	4	22
Calvert	0	0	1	0	1	2
Caroline	0	1	4	0	0	5
Carroll	0	0	1	1	0	2
Cecil	1	3	0	1	0	5
Charles	0	0	1	1	0	2
Dorchester	0	0	1	0	0	1
Frederick	3	2	1	2	2	10
Garrett	0	0	0	0	0	0
Harford	2	0	0	4	1	7
Howard	0	1	1	2	0	4
Kent	0	0	0	0	0	0
Montgomery	0	5	1	3	3	12
Prince George's	0	1	2	1	3	7
Queen Anne's	1	0	0	1	0	2
St. Mary's	1	1	0	0	3	5
Somerset	0	0	0	0	0	0
Talbot	0	0	0	0	0	0
Washington	1	0	0	1	1	3
Wicomico	0	1	2	0	1	4
Worcester	1	0	0	0	0	1
Total	16	27	29	24	21	117

DHR: Department of Human Resources

Source: Department of Human Resources

Current and Prior Year Budgets

Current and Prior Year Budgets DHR – Social Services Administration (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2015					
Legislative Appropriation	\$393,210	\$8,269	\$220,229	\$0	\$621,708
Deficiency Appropriation	-215	0	0	0	-215
Cost Containment	-13,581	0	0	0	-13,581
Budget Amendments	-15,677	334	9,323	0	-6,021
Reversions and Cancellations	0	-3,261	-50,379	0	-53,640
Actual Expenditures	\$363,737	\$5,343	\$179,172	\$0	\$548,252
Fiscal 2016					
Legislative Appropriation	\$372,483	\$8,027	\$204,566	\$0	\$585,077
Budget Amendments	2,008	20	-376	0	1,651
Working Appropriation	\$374,491	\$8,047	\$204,190	\$0	\$586,728

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. Numbers may not sum to total due to rounding.

Fiscal 2015

The fiscal 2015 expenditures of SSA were \$73.5 million lower than the legislative appropriation. The fiscal 2015 general fund expenditures of SSA were \$29.5 million less than the legislative appropriation. A decrease of \$46.3 million was the result of caseload declines, including \$9.5 million removed in the cost containment actions approved by the Board of Public Works (BPW) in July 2014. Other general fund decreases occurred as the result of:

- salary and wage adjustments and contractual services costs primarily related to in-home aide services and the adult protective services program in the Local Adult Services Program (\$6.6 million);
- changes in budgeting of family preservations services and foster care recruitment and retention (\$3.4 million);
- across-the-board reductions approved by BPW in January 2015 as part of cost containment actions including holding positions vacant, reducing the call center contract, reducing the contract with Adoptions Together, reducing the Montgomery County block grant, and reducing Foster Care Maintenance Payments due to declining caseloads (\$3.2 million);
- charging the federal funds instead of general funds for in-home aide services and respite care (\$1.1 million);
- cost containment actions approved by BPW in July 2014 to hold positions vacant throughout DHR (\$900,000);
- reduced expenditures on stipends and tuitions in the Local Adult Services Program (\$587,535);
- the impact of the Voluntary Separation Program (\$233,333); and
- a deficiency appropriation to reduce provider rates (\$215,000).

These decreases are partially offset by salary and wage adjustments primarily in Local Child Welfare Services, including the fiscal 2015 cost-of-living adjustment (COLA), totaling \$33.0 million.

The fiscal 2015 of SSA special fund expenditures were \$2.9 million lower than the legislative appropriation. Increases totaling \$334,560 by budget amendment related primarily to salary and wage adjustments including the fiscal 2015 COLA (\$329,560). The remainder of the increase (\$4,505) was available from the adoption registry search fee for indirect expenses associated with the contract for this activity. These increases are more than offset by cancellations totaling \$3.3 million primarily due to lower than anticipated attainment of the child support foster care offset (\$2.4 million), LEA collections (\$0.8 million), and local government payments (\$9,000) for Foster Care Maintenance Payments.

N00B – DHR – Social Services Administration

Federal fund expenditures of SSA in fiscal 2015 were \$41.1 million lower than the legislative appropriation. Increases of \$9.3 million occurred by budget amendment, the majority of the increase (\$7.3 million) was the result of salary and wage adjustment and contractual services for in-home aide services and the adult protective services programs in the Local Adult Services Program. The remainder of the increase (\$2.0 million) was the result of salary and wage adjustments including the fiscal 2015 COLA. These increases are more than offset by cancellations totaling \$50.4 million due to lower than anticipated attainment of Medical Assistance funding (\$18.7 million), Title IV-E funding in Foster Care Maintenance Payments (\$11.6 million), TANF funding in Local Child Welfare Services (\$9.6 million), and Supplemental Nutrition Assistance Program funds in the Local Child Welfare Services Program (\$0.5 million). An additional cancellation of \$10.0 million results from a change in budgeting for the Social Services Block Grant.

Fiscal 2016

To date, the fiscal 2016, the appropriation of SSA has increased by approximately \$1.7 million compared to the legislative appropriation. An increase of \$3.0 million is due to the restoration of the 2% pay reduction (\$1.95 million in general funds, \$1.06 million in federal funds, and \$19,606 in special funds). This increase is partially offset by adjustments in the across-the-board reductions largely due to adding the federal fund share of reductions and correcting the programs based on the location of the reduction resulting in a net decrease of \$1.4 million (an increase of \$54,096 in general funds and a decrease of \$1.4 million in federal funds).

**Object/Fund Difference Report
DHR – Social Services Administration**

<u>Object/Fund</u>	<u>FY 15 Actual</u>	<u>FY 16 Working Appropriation</u>	<u>FY 17 Allowance</u>	<u>FY 16 - FY 17 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	2,807.91	2,738.86	2,737.86	-1.00	0%
02 Contractual	2.56	2.50	2.50	0.00	0%
Total Positions	2,810.47	2,741.36	2,740.36	-1.00	0%
Objects					
01 Salaries and Wages	\$ 224,513,690	\$ 210,189,005	\$ 220,891,526	\$ 10,702,521	5.1%
02 Technical and Spec. Fees	1,276,200	1,820,200	1,795,464	-24,736	-1.4%
03 Communication	1,811,245	1,601,749	1,471,052	-130,697	-8.2%
04 Travel	1,544,057	1,211,865	1,302,441	90,576	7.5%
06 Fuel and Utilities	762,984	721,973	788,467	66,494	9.2%
07 Motor Vehicles	2,165,915	2,088,611	1,900,068	-188,543	-9.0%
08 Contractual Services	42,737,401	52,796,414	51,980,157	-816,257	-1.5%
09 Supplies and Materials	1,246,732	780,790	904,888	124,098	15.9%
10 Equipment – Replacement	104,736	351,389	350,000	-1,389	-0.4%
11 Equipment – Additional	85,034	907	0	-907	-100.0%
12 Grants, Subsidies, and Contributions	260,932,344	302,122,909	277,741,421	-24,381,488	-8.1%
13 Fixed Charges	11,071,641	13,041,778	13,521,898	480,120	3.7%
Total Objects	\$ 548,251,979	\$ 586,727,590	\$ 572,647,382	-\$ 14,080,208	-2.4%
Funds					
01 General Fund	\$ 363,736,788	\$ 374,490,564	\$ 366,313,762	-\$ 8,176,802	-2.2%
03 Special Fund	5,342,780	8,047,085	5,321,549	-2,725,536	-33.9%
05 Federal Fund	179,172,411	204,189,941	201,012,071	-3,177,870	-1.6%
Total Funds	\$ 548,251,979	\$ 586,727,590	\$ 572,647,382	-\$ 14,080,208	-2.4%

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.

Fiscal Summary
DHR – Social Services Administration

<u>Program/Unit</u>	<u>FY 15 Actual</u>	<u>FY 16 Wrk Approp</u>	<u>FY 17 Allowance</u>	<u>Change</u>	<u>FY 16 - FY 17 % Change</u>
04 General Administration - State	\$ 22,768,548	\$ 25,850,269	\$ 25,739,408	-\$ 110,861	-0.4%
01 Foster Care Maintenance Payments	269,292,436	295,140,547	262,320,150	-32,820,397	-11.1%
03 Child Welfare Services	212,532,824	219,375,802	237,072,089	17,696,287	8.1%
04 Adult Services	43,658,171	46,360,972	47,515,735	1,154,763	2.5%
Total Expenditures	\$ 548,251,979	\$ 586,727,590	\$ 572,647,382	-\$ 14,080,208	-2.4%
General Fund	\$ 363,736,788	\$ 374,490,564	\$ 366,313,762	-\$ 8,176,802	-2.2%
Special Fund	5,342,780	8,047,085	5,321,549	-2,725,536	-33.9%
Federal Fund	179,172,411	204,189,941	201,012,071	-3,177,870	-1.6%
Total Appropriations	\$ 548,251,979	\$ 586,727,590	\$ 572,647,382	-\$ 14,080,208	-2.4%

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.