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Family Investment Administration
Department of Human Resources

Operating Budget Data

($ in Thousands)

	FY 15 Actual	FY 16 Working	FY 17 Allowance	FY 16-17 Change	% Change Prior Year
General Fund	$145,024	$138,046	$143,452	$5,407	3.9%
Deficiencies and Reductions	0	-13,000	-179	12,821	
Adjusted General Fund	**$145,024**	**$125,046**	**$143,274**	**$18,228**	**14.6%**
Special Fund	11,847	19,406	16,213	-3,193	-16.5%
Deficiencies and Reductions	0	0	-13	-13	
Adjusted Special Fund	**$11,847**	**$19,406**	**$16,200**	**-$3,206**	**-16.5%**
Federal Fund	1,452,391	1,443,876	1,439,588	-4,288	-0.3%
Deficiencies and Reductions	0	0	-391	-391	
Adjusted Federal Fund	**$1,452,391**	**$1,443,876**	**$1,439,197**	**-$4,680**	**-0.3%**
Reimbursable Fund	319	0	0	0	
Adjusted Reimbursable Fund	**$319**	**$0**	**$0**	**$0**	
Adjusted Grand Total	**$1,609,581**	**$1,588,328**	**$1,598,670**	**$10,342**	**0.7%**

- The Governor's budget plan assumes a fiscal 2016 reversion of $13.0 million in the Temporary Cash Assistance (TCA) program. These funds were restricted in Section 48 of the fiscal 2016 budget bill for the restoration of legislative priorities.

- In total, the fiscal 2017 allowance of the Department of Human Resources (DHR) Family Investment Administration (FIA) increases by $10.3 million (0.7%) compared to the fiscal 2016 working appropriation, after accounting for the planned reversion and a back of the bill reduction in health insurance.

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

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- General funds in FIA increase by $18.2 million, 14.6%, compared to the fiscal 2016 working appropriation primarily in the area of personnel and the TCA program.

- Special funds in FIA decrease by $3.2 million, or 16.5%, in fiscal 2017 compared to the fiscal 2016 working appropriation. The decrease occurs in Child Support Offset Funds in the TCA program partially mitigated by a small increase in Local Government Payments.

- In the fiscal 2017 allowance, federal funds decrease by $4.7 million, 0.3%, compared to the fiscal 2016 working appropriation. Major changes in federal funds include a decrease of $4.7 million to account for a partial transition of eligibility determination for the Child Care Subsidy program, a decrease of $4.0 million in the Supplemental Nutrition Assistance Program (SNAP) to align with recent experience, and an increase of $3.2 million in Medical Assistance funds.

Personnel Data

	FY 15 Actual	FY 16 Working	FY 17 Allowance	FY 16-17 Change
Regular Positions	2,113.42	2,093.42	2,089.42	-4.00
Contractual FTEs	88.42	68.00	68.00	0.00
Total Personnel	**2,201.84**	**2,161.42**	**2,157.42**	**-4.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	129.34	6.19%
Positions and Percentage Vacant as of 12/31/15	157.00	7.50%

- As part of the department's actions to address the 2% across-the-board reduction in fiscal 2016, 23 positions were abolished in FIA (20 positions in the Local Family Investment program and 3 positions in the Director's Office).

- The fiscal 2017 allowance abolishes 3 vacant positions in FIA (2 in the Director's Office and 1 in the Work Opportunities Program). The fiscal 2017 allowance also transfers 1 position to another State agency.

- Turnover expectancy decreases from 6.97% to 6.19% in the fiscal 2017 allowance.

- As of January 1, 2016, FIA had 157.0 vacant positions, a vacancy rate of 7.5%. After accounting for the abolished and transferred positions, all of which are vacant, the vacancy rate of FIA would be 7.3%. To meet the fiscal 2017 turnover expectancy, FIA needs to maintain 129.3 vacant positions. FIA could fill 23.0 vacant positions and still meet its fiscal 2017 turnover.

Analysis in Brief

Major Trends

Job Placement and Retention: As a result of increased job placements and a decrease in the number of TCA cases, the job placement rate has increased in recent years, exceeding 50% in fiscal 2015. In fiscal 2015, more than 13,000 individuals were placed in jobs. The job retention rate remained at 79% in federal fiscal 2015.

Employment and Earnings: According to data presented in the *Life After Welfare* 2015 update, recent leavers (those exiting TCA between January 2012 and March 2015) had a higher rate of employment in the two years after exit than the two years prior to entry, unlike those who left TCA during the mid-2000s recovery or the recession. Each group had higher earnings after leaving TCA than prior to entry. However, recent leavers had the lowest earnings both prior to and after leaving TCA.

Permanency of TCA Exit: The percent of recent and recession era leavers that returned to TCA within 6 months was 23.1% and within 12 months was 32.2%.

Office of Grants Management: In fiscal 2015, funding increases for the Maryland Food Bank and Moveable Feast, Inc. resulted in a higher number of meals provided to hungry Marylanders through programs supported by the Office of Grants Management, an increase of nearly 2.5 million (or 16.9%).

Issues

Budgetary Risks in DHR: The fiscal 2016 working appropriation and fiscal 2017 allowance contain shortfalls throughout DHR primarily due to optimistic federal fund revenue attainment assumptions. Some shortfalls cannot be accurately estimated and, as a result, the shortfalls may be higher. In fiscal 2017, an estimated surplus in TCA and available Temporary Assistance for Needy Families (TANF) balance will assist the agency in resolving the shortfalls in that year. However, the fiscal 2016 shortfalls have no offsetting surpluses.

SNAP Changes: Several changes to Maryland's SNAP impact customers in fiscal 2016. These changes include (1) the end of the statewide waiver for the time limit for able bodied adults without dependents (ABAWD); and (2) phasing in changes to the distribution dates for benefits. Due to local waivers and the ability of the department to exempt individuals from the ABAWD time limit, the end of the statewide waiver only impacts individuals in Anne Arundel, Baltimore, Carroll, Howard, Montgomery, and Prince George's counties.

Family Investment Administration Audit: In April 2015, the Office of Legislative Audits released a fiscal compliance audit for FIA covering the period July 1, 2010, through November 24, 2013. The audit contained five findings, of which four were repeated from the prior audit.

No Wrong Door Report: Committee narrative in the 2010 *Joint Chairmen's Report* (JCR) requested DHR establish a committee related to the No Wrong Door approach to benefit provision. The final report was due in June 2011. In the 2015 JCR, the committees requested DHR provide an update on the implementation of the recommendations of the final report. In its response, DHR described a number of efforts to implement the recommendations. However, the response primarily focused on DHR benefits. DHR did not address some issues, such as areas of gaps in accessing services and improvement in coordination among State agencies requested by the committees.

Recommended Actions

1. Adopt committee narrative requesting a report on the impact of the end of the statewide waiver of the time limit for able bodied adults without dependents for the Food Supplement Program.

2. Add budget bill language restricting general funds until corrective actions related to repeat audit findings are completed.

3. Add budget bill language restricting funds until a report is submitted identifying gaps in accessing services and opportunities for improved coordination.

Updates

Improving SNAP Outreach to Seniors: The 2015 JCR requested that DHR submit a report outlining strategies to assist eligible seniors in receiving SNAP benefits, particularly those strategies outlined in the *Reaching the Underserved Elderly and Working Poor in SNAP* report from Mathematica Policy Research. DHR noted in its response, that it uses some of the outreach strategies highlighted in the evaluation conducted by Mathematica Policy Research. DHR also received a waiver in November 2015 from the U.S. Department of Agriculture demonstration project for an elderly simplified demonstration project.

Refugee Assistance Programs: The United States is expected to increase the number of refugees approved for resettlement in federal fiscal 2016, in part due to the ongoing refugee crisis in Syria. Maryland has recently received approximately 2% of all refugees resettled in the United States. Although controlled at the federal level, Maryland anticipates receiving 2,093 refugees during federal fiscal 2016.

Re-authorization of TANF: TANF continues to operate on temporary extensions included in continuing resolutions. The current extension ends September 30, 2016.

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Family Investment Administration

Department of Human Resources

Operating Budget Analysis

Program Description

The Department of Human Resources (DHR) Family Investment Administration (FIA), along with the local Family Investment Programs (FIP), administers cash benefits and other grant programs that provided assistance to individuals and families in financing need, as well as employment programs to promote self-sufficiency. Programs administered include:

- **Temporary Cash Assistance (TCA)** – the State's largest cash assistance program provides financial assistance to dependent children and other family members deprived of support due to the death, incapacitation, underemployment or unemployment of one or both parents. Federal welfare reform legislation enacted in August 1996 eliminated an individual entitlement to cash assistance and replaced it with a Temporary Assistance for Needy Families (TANF) block grant. States receive their share of the block grant as long as they comply with a maintenance of effort requirement of 80% (75% if a state is successful in meeting the federal work participation rate) of the amount the state spent under the former Aid to Families with Dependent Children program. Under the legislation, states determine the eligibility criteria for TCA. The federal legislation also requires welfare recipients to work in order to receive assistance for more than two years and establishes a five-year time limit on the receipt of benefits with a hardship exception for as much as 20% of a state's caseload.

- **FIP** – the State's program for serving welfare recipients encompasses the provision of TCA and the efforts to divert potential applicants through employment, move recipients to work, and provide retention services to enhance skills and prevent recidivism. The goal of the FIP is to assist TCA applicants/recipients in becoming self-sufficient. After assessing each family's specific needs and resources, staff focuses on the services required to move clients into work. TCA is provided only as a last resort. Applicants for cash assistance are required to cooperate with child support enforcement staff as a condition of eligibility and must undertake job search activities if asked. Recipients are sanctioned if they fail to comply with any work or training requirements. Screening of TCA recipients for substance abuse is mandatory, with participation in treatment required of individuals offered appropriate treatment.

- **Temporary Disability Assistance Program (TDAP)** – the State's program for disabled adults also provides a limited monthly cash benefit. The State is responsible for clients with a short-term disability (at least 3 months but less than 12 months). If the disability will last longer, the client may be eligible for federal disability payments through Supplemental Security Income (SSI). If so, they are required to pursue an SSI application and may receive help doing so. Those clients receive State cash assistance until their SSI applications are approved. The federal government reimburses the State for cash assistance paid during the processing of approved SSI applications.

- **The Burial Assistance Program** – subsidizes funeral expenses of public assistance recipients, children in foster care, and Medical Assistance recipients. The program is funded by State and local governments.

- **The Supplemental Nutrition Assistance Program (SNAP)** – provides benefits solely for the purchase of food items to individuals and families who meet income and resource requirements. In Maryland, the program is known as the Food Supplement Program (FSP). Benefit costs are 100% federally funded, while the administrative costs are split evenly between the State and federal government.

- **The Emergency Assistance to Families Program** – provides financial assistance to resolve an emergency situation as defined by the local department.

- **Public Assistance to Adults** – provides payments to indigent clients residing in licensed assisted living homes, Project Home clients, and adult foster care clients.

- **Welfare Avoidance Grants** – allow a local department to divert customers from cash assistance when a one-time payment resolves a specific problem and allows the customer to become or remain independent.

The local departments of social services (LDSS) are responsible for making eligibility determinations and redeterminations for the aforementioned programs and for certain populations in the Medical Assistance program, which is administered by the Department of Health and Mental Hygiene (DHMH). Local departments have the flexibility to create their own tailor-made welfare program and determine what training and job search activities will be required of applicants. In addition, the LDSS are responsible for networking with employers and determining the most appropriate use for job training funds.

DHR has one key goal related to the work of FIA, that Maryland residents have access to essential services to support themselves and their families. In addition, DHR has an overall goal to be recognized as a national leader among human service agencies.

Maryland Office for Refugees and Asylees

FIA also includes the Maryland Office for Refugees and Asylees (MORA). MORA oversees a federally funded refugee settlement program that provides various services to refugees and asylees residing in Maryland. Beginning in fiscal 2016, these services are primarily provided by local resettlement agencies through grants from MORA.

Office of Grants Management

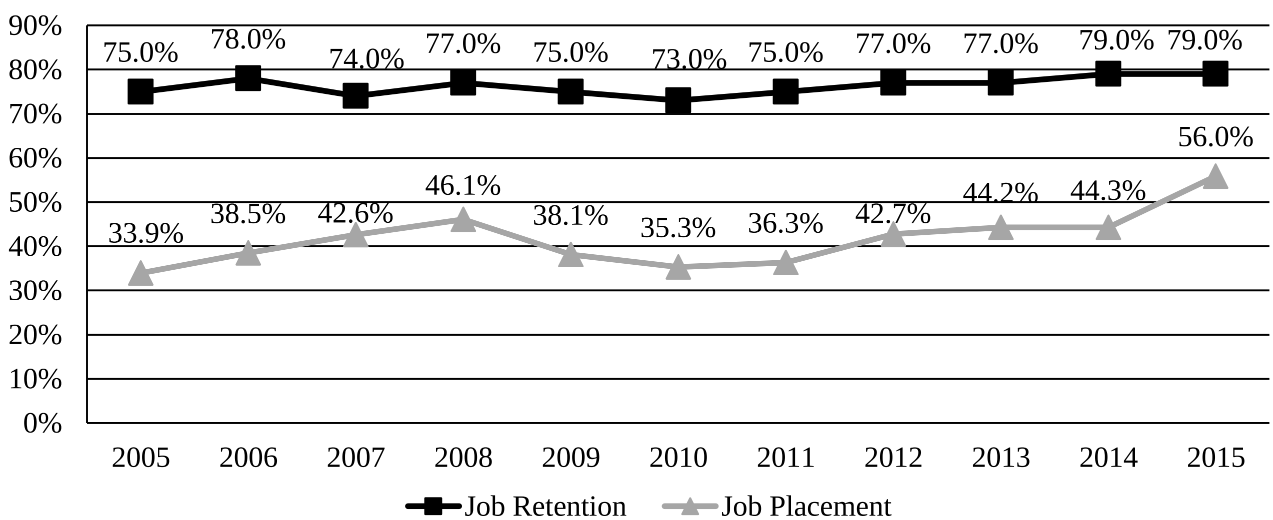
The Office of Grants Management is also administered by FIA. The Office of Grants Management provides funding to government and community-based organizations for homelessness programs, hunger programs, and other community initiatives.

Performance Analysis: Managing for Results

1. Job Placement and Retention

The goal of welfare reform was not only that welfare caseloads would decrease but that parents get jobs and keep them, eliminating the family's need for cash assistance. As shown in **Exhibit 1**, DHR has increased the job placement rate for individuals in the TCA caseload in each year since fiscal 2010. In each of these years except fiscal 2014, the number of job placements also increased. In fiscal 2015, the number of job placements increased by 20.6% (to 13,413) even as the number of TCA cases declined by 4.4%, as a result, the job placement rate of TCA cases reached 56.0%. DHR attributes the increase to factors including improvements in the economy, changes in the minimum wage which encourages individuals to re-enter the workforce, and the State resources to support training and address barriers to employment.

Exhibit 1
Job Placement and Job Retention
Fiscal 2005-2015



Note: Job placement measures the total number of placements as a percent of the total number of Temporary Cash Assistance cases. Job retention measures the percent of individuals who obtained employment in one calendar quarter and remained employed in the following quarter. Job retention is reported on a federal fiscal year basis.

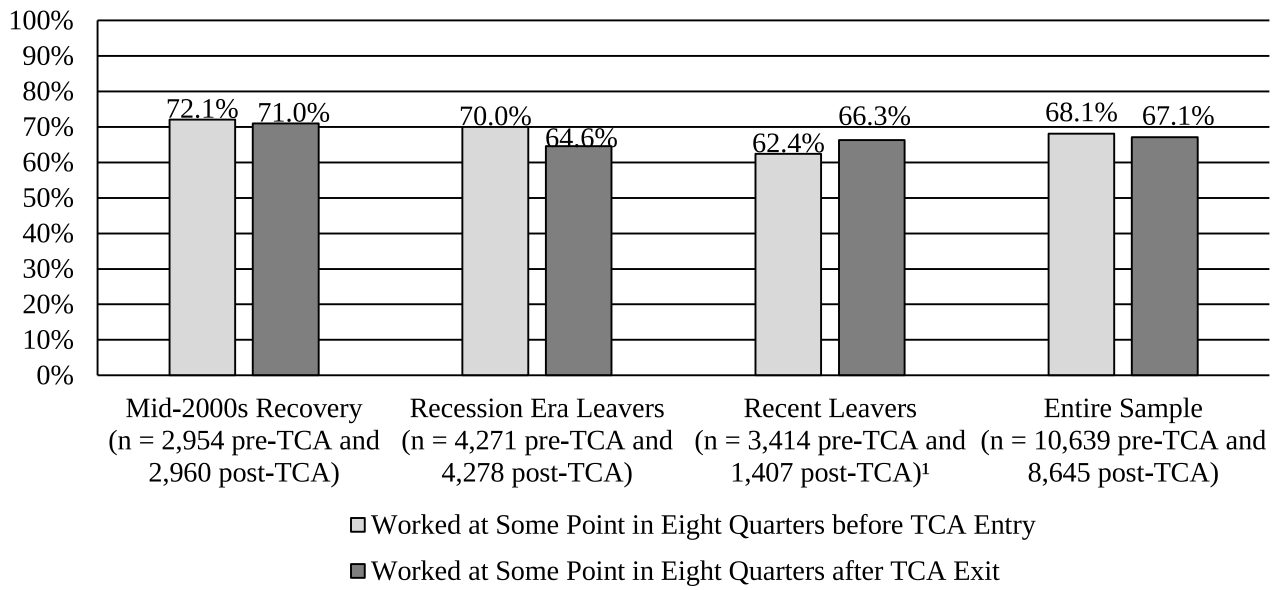
Source: Department of Human Resources; Governor's Budget Books; Department of Budget and Management; Department of Legislative Services

DHR has a goal of achieving a 75% job retention rate. DHR met this goal in fiscal 2011 and has exceeded the goal in each subsequent year. In fiscal 2014 and 2015, DHR achieved a 79% job retention rate.

2. Employment and Earnings

The 2015 *Life After Welfare* annual update reports on individuals leaving TCA between January 2004 and March 2015. The report compares three groups of leavers: (1) mid-2000s recovery (exited between January 2004 and March 2007); (2) recession era (exited between April 2007 and December 2011); and (3) recent leavers (exited between January 2012 and March 2015). **Exhibit 2** presents data from this report on the percent of leavers who worked at some point in the eight quarters before receiving TCA and at some point in the eight quarters after leaving TCA.

Exhibit 2
Employment Prior to and after Leaving TCA



TCA: Temporary Cash Assistance

[1] Due to the timing of the report, two years of employment data for most of the recent TCA leavers is not yet available.

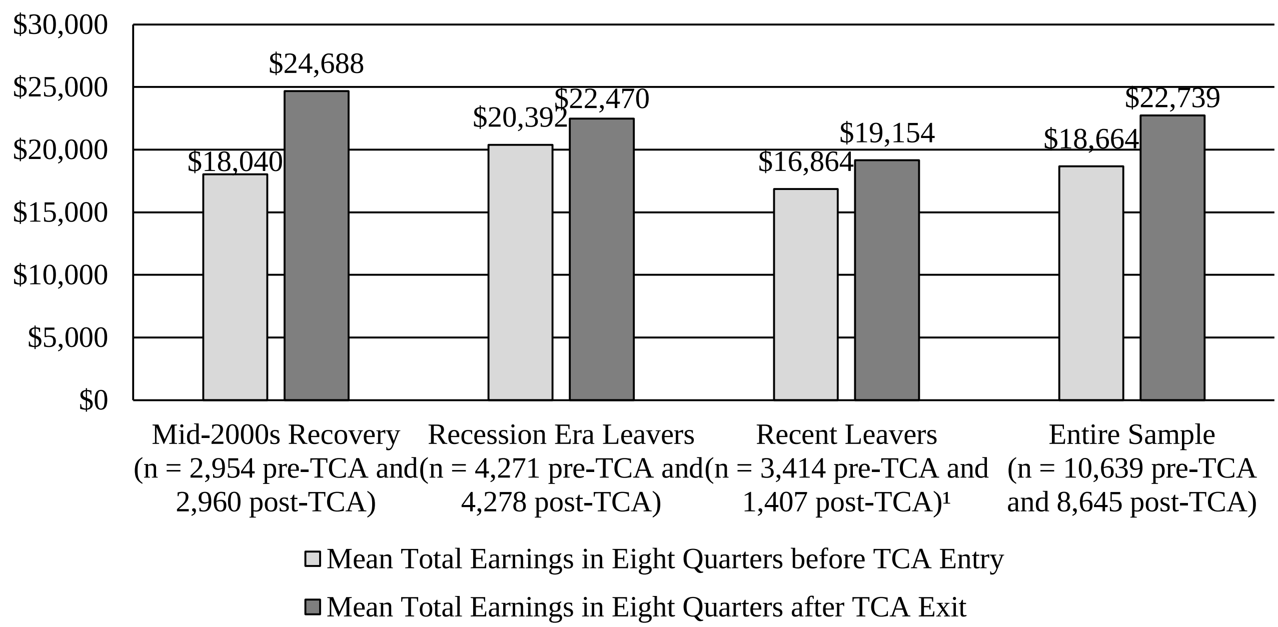
Note: This exhibit is derived from data collected by the University of Maryland School of Social Work and presented in the *Life After Welfare: Annual Update*, December 2015. It follows a sample of TCA leavers from October 1996 (although data is presented only for leavers beginning January 2004) through March 2015, the sample excludes leavers that returned to TCA within 30 days. This data includes TCA leavers employed in jobs in Maryland covered by unemployment insurance.

Source: *Life After Welfare: Annual Update*, December 2015, University of Maryland School of Social Work

As shown in Exhibit 2, a substantially lower percent of recent leavers worked at some point in the two years before receiving TCA (62.4%) than leavers in earlier time periods (72.1% for mid-2000s recovery and 70.0% for recession era leavers). However, recent leavers were the only group that had a higher percent of individuals working at some point in the two years after exit (66.3%) than the two years prior to entry. Limited data is available for the post exit group of recent leavers and, as a result, it is worth following whether this pattern holds as more data becomes available. Despite the increased employment for this group post exit, a lower percent of these individuals worked at some point in the two years after exit than the mid-2000s recovery leavers.

Exhibit 3 presents data on the mean total earnings for individuals in the eight quarters before receiving TCA and in the eight quarters after leaving TCA. Each of the three groups of leavers had higher earnings after leaving TCA than prior to receiving TCA. However, the size of the increase varied, with the mid-2000s recovery leavers experiencing the largest increase ($6,648). Recent leavers had the lowest earnings in the eight quarters prior to entering TCA and the lowest earnings in the eight quarters after exiting TCA.

Exhibit 3
Earnings Prior to and after Leaving TCA



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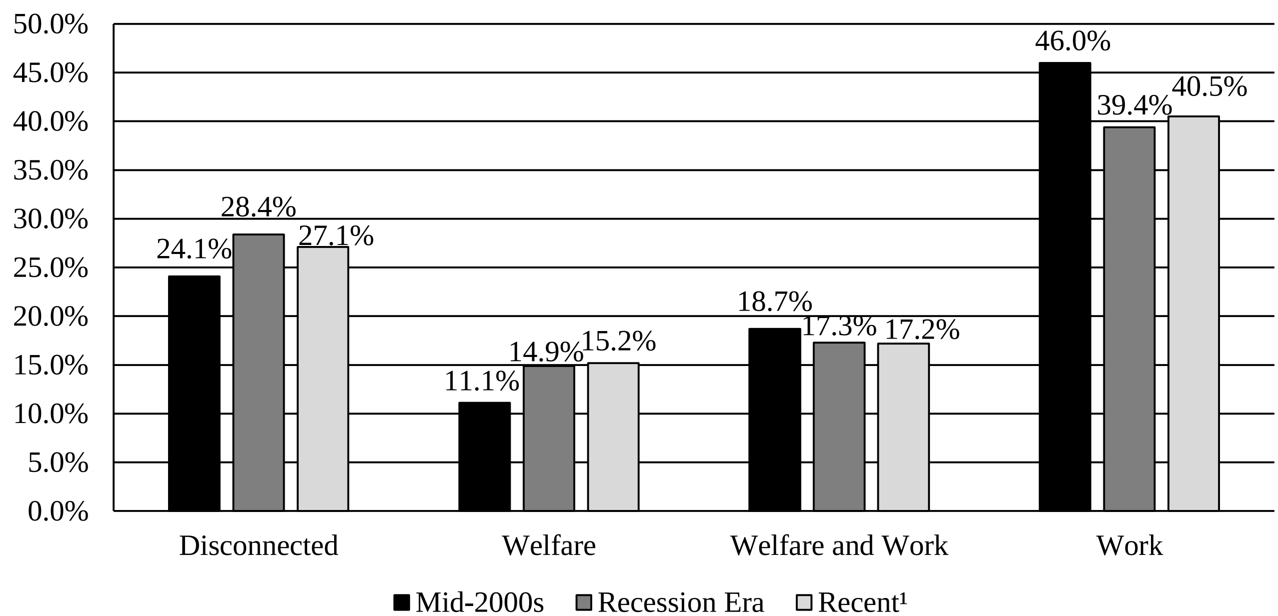
Source: *Life After Welfare: Annual Update*, December 2015, University of Maryland School of Social Work

3. Permanency of TCA Exit

Exhibit 4 presents data from the 2015 *Life After Welfare* update on the percent of TCA leavers that were (1) working; (2) working and receiving TCA; (3) receiving TCA only; or (4) disconnected (not receiving either TCA or working) in the first year after exiting TCA. As shown in this exhibit, the mid-2000s recovery leavers had the highest share of those in the work only category (46.0%) and the lowest share receiving TCA only (11.1%). Among recent leavers, 40.5% were in the work only category and 15.2% were receiving welfare only, very similar rates to the recession era leavers. More than one quarter of both the recession era and recent leavers were disconnected from both work and TCA. However, the *Life After Welfare Report* notes that only 7.0% of all disconnected leavers in the first year after exit are disconnected from all benefits, with nearly half receiving both FSP and Medical Assistance.

Exhibit 4
Welfare and Work Status in First Year Post Exit



TCA: Temporary Cash Assistance

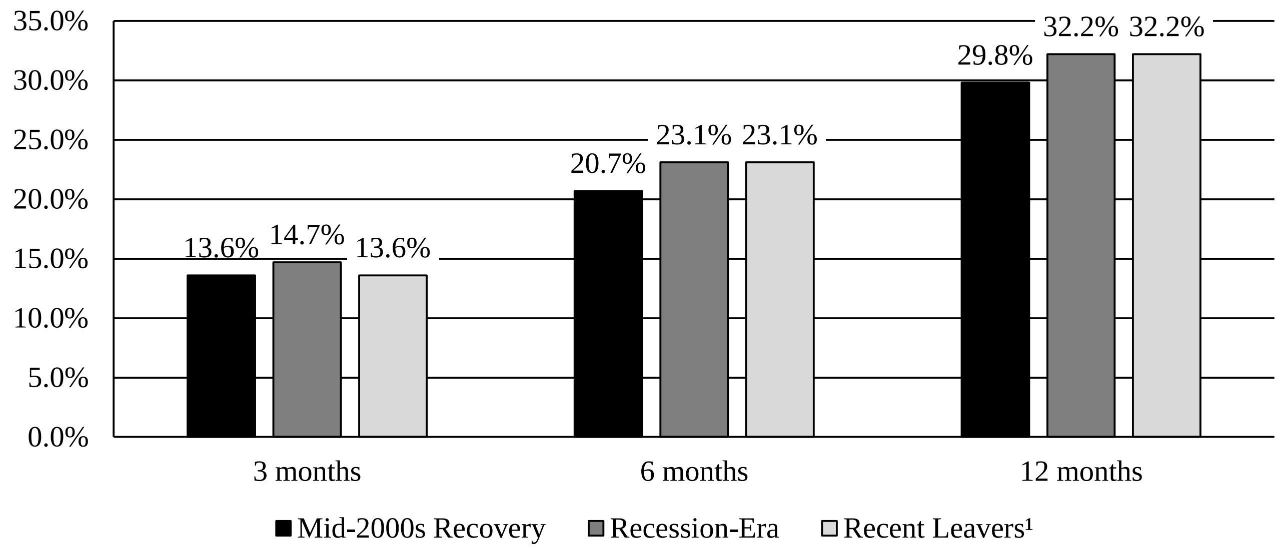
[1] Due to the timing of the report, data at one year after exit is not yet available for all recent TCA leavers.

Note: This exhibit is derived from data collected by the University of Maryland School of Social Work and presented in the *Life After Welfare: Annual Update*, December 2015. It follows a sample of TCA leavers from October 1996 (although data is presented only for leavers beginning January 2004) through March 2015, the sample excludes leavers that returned to TCA within 30 days. This data includes TCA leavers employed in jobs in Maryland covered by unemployment insurance.

Source: *Life After Welfare: Annual Update*, December 2015, University of Maryland School of Social Work

Exhibit 5 presents data on the percent of the leavers in each group that had returned to TCA at 3 months, 6 months, or 12 months after exit. The data show very little variation in the percent of leavers that returned to TCA. More than 20% of leavers returned within 6 months and near or slightly more than 30% returned within 12 months.

Exhibit 5
TCA Recidivism



TCA: Temporary Cash Assistance

[1] Due to the timing of the report, data at one year after exit is not yet available for all recent TCA leavers. Recent leavers group includes data for 3,215 individuals at 3 months after exit, 2,975 individuals at 6 months after exit, and 2,478 individuals at 12 months after exit compared to the total sample of 3,468.

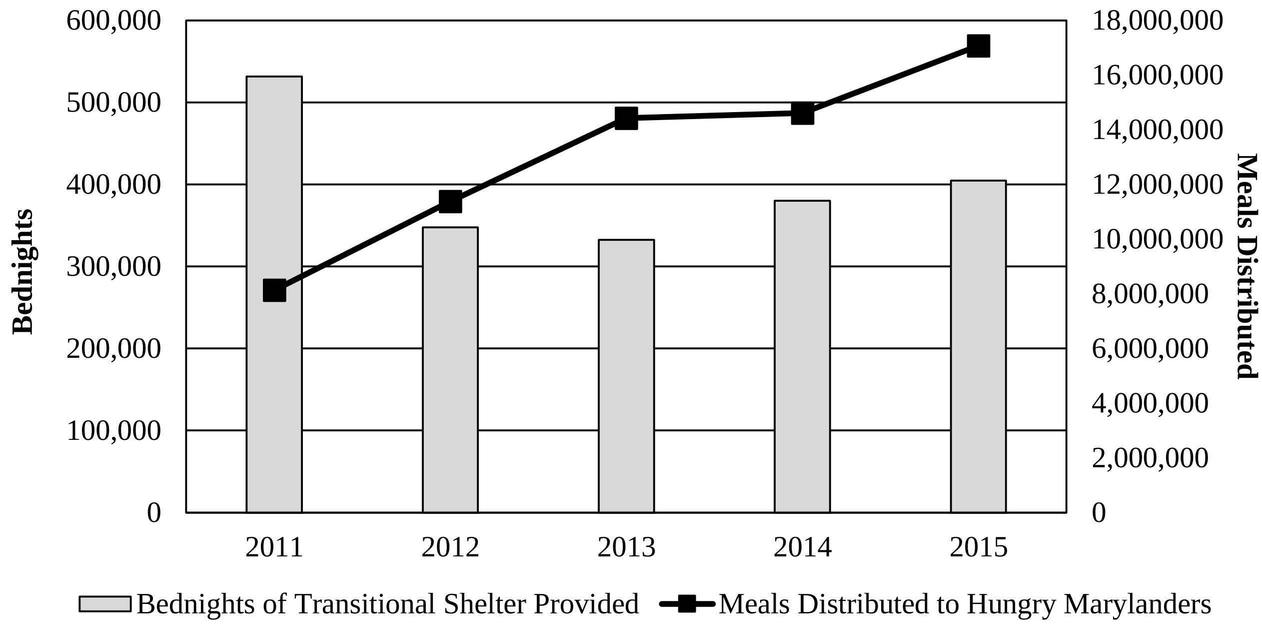
Note: This exhibit is derived from data collected by the University of Maryland School of Social Work and presented in the *Life After Welfare: Annual Update*, December 2015. It follows a sample of TCA leavers from October 1996 (although data is presented only for leavers beginning January 2004) through March 2015, the sample excludes leavers that returned to TCA within 30 days. This data includes TCA leavers employed in jobs in Maryland covered by unemployment insurance.

Source: *Life After Welfare: Annual Update*, December 2015, University of Maryland School of Social Work

4. Office of Grants Management

As shown in **Exhibit 6**, the number of meals provided to hungry Marylanders increased by nearly 2.5 million (16.9%) in fiscal 2015 compared to fiscal 2014. The increase is largely the result of increased grant amounts to the Maryland Food Bank and Moveable Feast, Inc. An increase of 6.5% in the number of bednights of transitional housing was largely the result of the inclusion of data from the Homeless Women's Crisis Shelter Program in fiscal 2015, but not fiscal 2014.

Exhibit 6
Office of Grants Management
Fiscal 2011-2015



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

DHR has added several new performance measures for the Office of Grants Management including (1) the number of individuals entering emergency shelters; (2) the number of individuals exiting emergency shelters; and (3) the number of grant recipients that have maintained housing up to three months following receipt of a grant. Limited data is available from these new measures. The Secretary of the Department of Housing and Community Development recently indicated some changes are under consideration to the State's homeless services programs, including streamlining the programs and their administration. **DHR should comment on the potential streamlining and the impact on DHR's homeless services programs.**

Fiscal 2016 Actions

Planned Reversion

Section 48 of the fiscal 2016 budget bill restricted funds for a number of programs, including $13 million of general funds in TCA, to restore legislative priorities. The Governor's budget plan assumes the funding restricted in the TCA program will be reverted.

Cost Containment

The DHR share of the fiscal 2016 2% across-the-board reduction was $6.9 million in general funds. The share of the reduction in FIA totaled $3.2 million ($2.0 million general funds and $1.2 million federal funds). The largest reduction ($1.6 million in general funds) occurred in the Public Assistance to Adults program for customers in assisted living facilities, due to declining caseloads in part from changes in regulations requiring stronger medical justification.

The abolition of 23 positions (20 position in the Local Family Investment program and 3 positions in the Director's Office of FIA) resulted in a reduction of $1.5 million in total funds ($0.4 million general funds and $1.1 million federal funds).

The remaining decrease of $144,662 in total funds ($42,053 in general funds and $102,609 in federal funds) is for the Montgomery County grant.

Proposed Budget

As shown in **Exhibit 7**, the fiscal 2017 allowance of FIA increases by $10.3 million, 0.7%, after accounting for the planned reversion in TCA in fiscal 2016 and the back of the bill reduction in health insurance in fiscal 2017. General funds increase by $18.2 million, 14.6%, primarily in TCA and personnel expenditures. Special funds ($3.2 million) and federal funds ($4.7 million) decrease in the fiscal 2017 allowance compared to the fiscal 2016 working appropriation.

Exhibit 7
Proposed Budget
DHR – Family Investment Administration
($ in Thousands)

How Much It Grows:	**General Fund**	**Special Fund**	**Federal Fund**	**Reimb. Fund**	**Total**
Fiscal 2015 Actual	$145,024	$11,847	$1,452,391	$319	$1,609,581
Fiscal 2016 Working Appropriation	125,046	19,406	1,443,876	0	1,588,328
Fiscal 2017 Allowance	143,274	16,200	1,439,197	0	1,598,670
Fiscal 2016-2017 Amount Change	$18,228	-$3,206	-$4,680	$0	$10,342
Fiscal 2016-2017 Percent Change	14.6%	-16.5%	-0.3%		0.7%

Where It Goes:	
Personnel Expenses	
Overtime to better align with recent experience	$3,316
Employee and retiree health insurance	3,166
Employee retirement	2,435
General funds in Local Family Investment Program to backfill for federal fund loss due to partial transition of eligibility determination for the Child Care Subsidy Program to MSDE	2,000
Turnover expectancy decreases from 6.97% to 6.19%	780
Accrued leave payout to align with recent experience	147
Other fringe benefit adjustments	-37
Social Security contributions	-208
Abolition of 3 positions and transfer of 1 position to another State agency	-315
Regular earnings primarily due to the budgeting of vacant positions at lower salaries	-624
Assistance Payments Program	
Temporary Cash Assistance net of the planned reversion	2,579
Public assistance to adults due to a higher caseload for recipients in assisted living	272

Where It Goes:	
Burial assistance grants to align with recent experience	130
Welfare avoidance grants to align with recent experience	34
Refugee assistance to align with recent experience	-13
Food Supplement Program (FSP) to align with recent experience	-3,935
Director's Office	
FSP nutrition services contract with the University of Maryland Cooperative Extension	595
Share of costs associated with the implementation of the Workforce Innovation and Opportunity Act	110
University of Baltimore research contract	59
End of Couples Advancing Together pilot program in fiscal 2016	-50
Elimination of web hosting contract with the University of Maryland, College Park	-104
Other Changes	
Office and other supplies primarily for Baltimore City and Baltimore County to align with recent experience	236
Rent primarily due to staff relocations	152
Interpreter fees in Baltimore City to align with recent experience	65
Building repairs to more closely align with recent experience primarily in Baltimore City and Baltimore County	51
Other adjustments	15
Electricity	-79
Telephone expenditures to align with recent experience	-82
Montgomery County grant	-124
Medical care related to disability determinations to better align with recent experience and increased cases, primarily in Baltimore City	-227
Total	**$10,342**

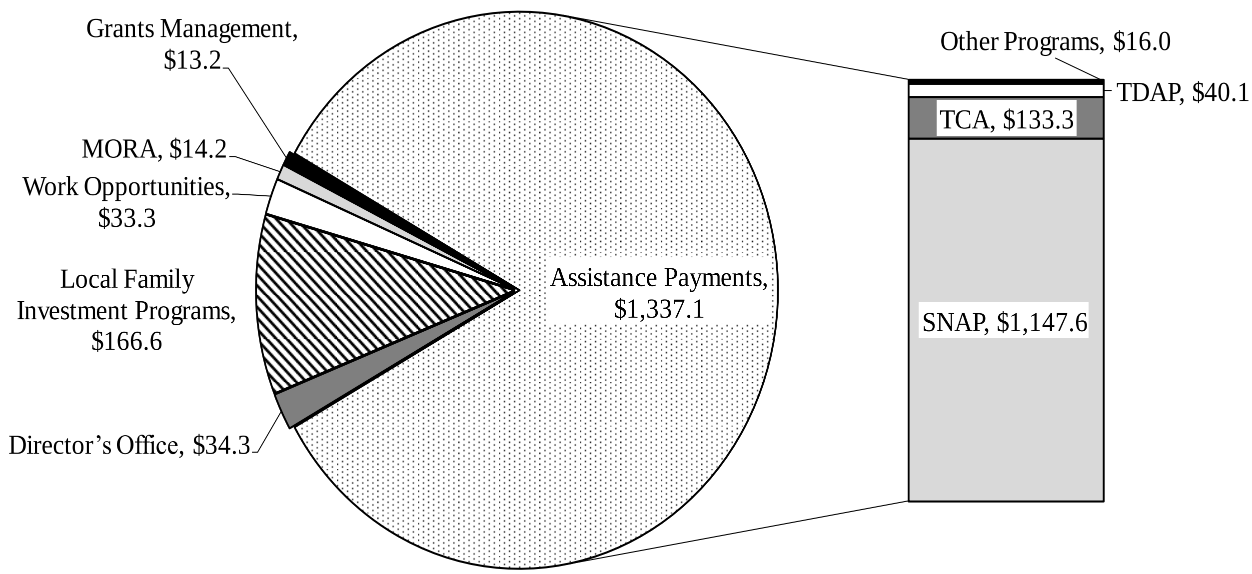
MSDE: Maryland State Department of Education

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

Benefits and Services to Clients

Exhibit 8 presents information on the fiscal 2017 allowance of FIA by program. The Assistance Payments Program continues to be the largest share of the FIA budget, $1.3 billion or 83.6%, primarily due to the size of the FSP.

Exhibit 8
Family Investment Administration
Fiscal 2017 Allowance
($ in Millions)



MORA: Maryland Office of Refugees and Asylees
SNAP: Supplemental Nutrition Assistance Program
TCA: Temporary Cash Assistance
TDAP: Temporary Disability Assistance Program

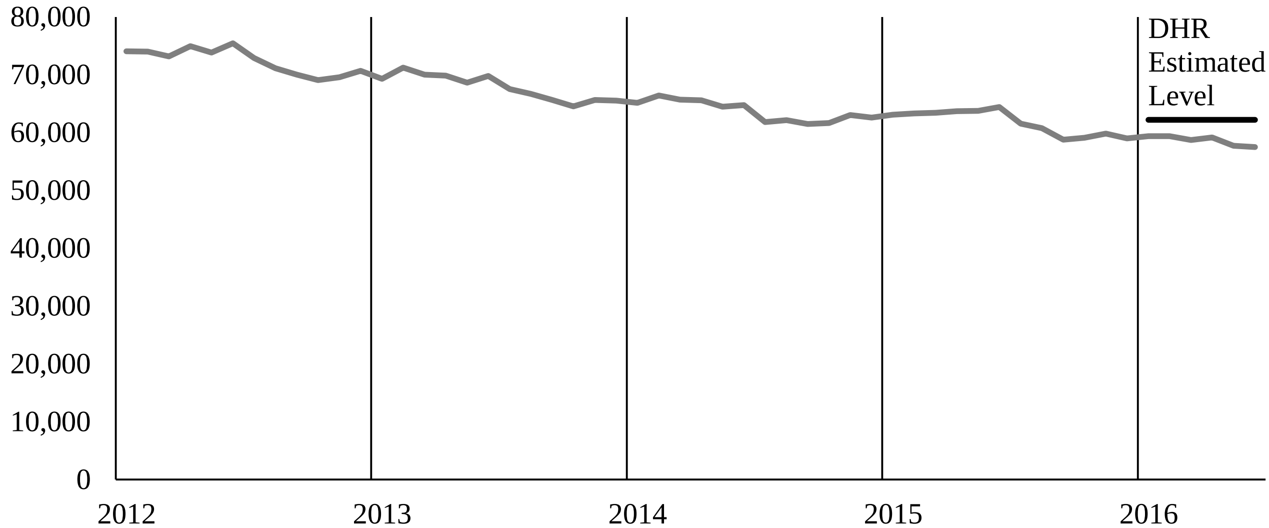
Note: This data accounts for a back of the bill reduction in health insurance.

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

TCA Caseload and Expenditure Trends

Exhibit 9 provides the monthly count of TCA recipients from July 2011 through December 2015. After peaking in December 2011 (75,442), the number of recipients has generally declined. However, some months have seen increased numbers of TCA recipients, for example, the number of TCA recipients increased in each month from July 2014 through December 2014. Despite occasional months of increase, the number of recipients in December 2015 (57,492) was 23.8% lower than the December 2011 peak and 3.2% lower than July 2015. Through December 2015 the average number of recipients in fiscal 2016 is 58,640, 5.7% lower than the DHR fiscal 2016 budget estimate.

Exhibit 9
Temporary Cash Assistance Recipients
July 2011-December 2015



DHR: Department of Human Resources

Source: Department of Human Resources; Department of Legislative Services

Exhibit 10 shows the average monthly caseload, average monthly grant, and total spending for fiscal 2015 and estimated spending for fiscal 2016 and 2017 contained in the budget. This exhibit also presents the Department of Legislative Services (DLS) estimates for fiscal 2016 and 2017.

DHR estimated the average grant would be $192.60 in fiscal 2016, however, DHR later reported that there was no change in the Maryland Minimum Living Level for fiscal 2016. Statute requires that the combined TCA and SNAP benefits equal 61% of the Maryland Minimum Level (and is generally adjusted annually to account for inflation). However, recently, the inflationary adjustment has resulted in no change in the calculation. As a result, through December 2015, the average grant was $191.61, essentially flat compared to fiscal 2015.

Although DLS is projecting average monthly recipients to decline by 6.9% in fiscal 2016 compared to fiscal 2015 and a lower average monthly grant than DHR estimated in budget development, DLS is projecting a shortfall of $1.1 million in fiscal 2016 due to the planned reversion. This shortfall can be attributed to the level of withheld appropriation assumed by the legislature in fiscal 2016. However, the reasoning behind that level of withheld funds is closer aligned to current projections of spending than the fiscal 2016 budget as originally proposed.

Exhibit 10
Temporary Cash Assistance Enrollment and Funding
Fiscal 2015-2017

TCA	**2015 Actual**	**2016 Working**	**2017 Allowance**	**2016 DLS Estimate**	**2017 DLS Estimate**
Average Monthly Enrollment	61,739	62,191	57,768	57,468	53,337
Average Monthly Grant	$191.10	$192.60	$192.30	$191.17	$192.61
Total Funding in Millions	**$133.4**	**$143.7**	**$133.3**	**$131.8**	**$123.3**
Planned Reversion		-$13.0			
Available after Reversion		**$130.7**			
Budgeted Funds in Millions					
General Funds				$19.3	$25.3
Total Budgeted Funds				**$130.7**	**$133.3**
DLS Estimated Deficit/Surplus				-$1.1	$10.0

DLS: Department of Legislative Services
TCA: Temporary Cash Assistance

Source: Department of Human Resources; Department of Legislative Services

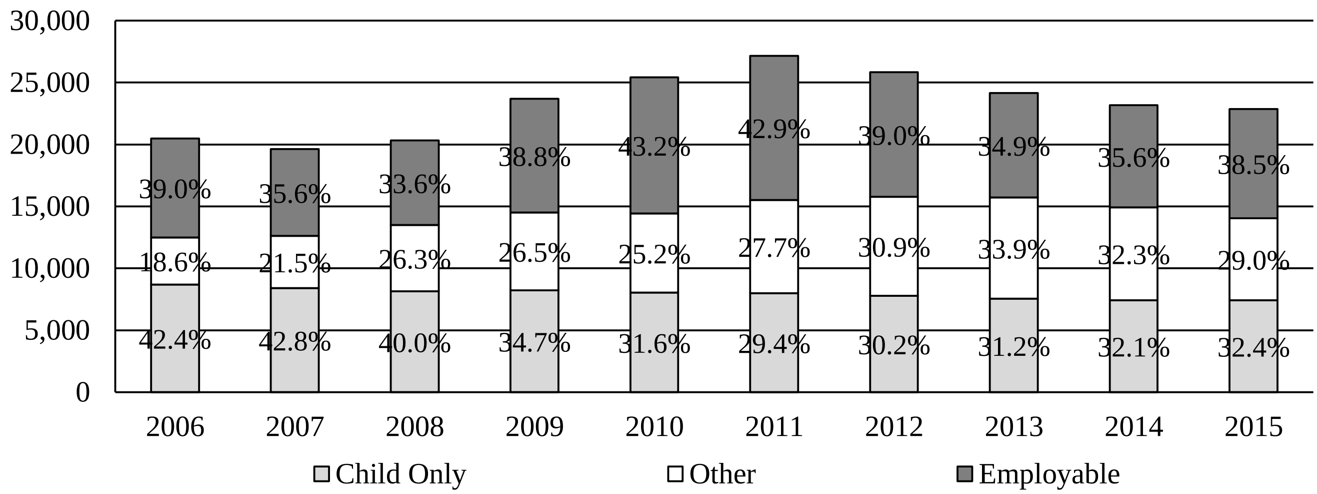
The DHR estimate for fiscal 2017 assumes the average monthly recipients will decrease to 57,768, which is higher than the number of recipients in November and December of 2015 (57,734 and 57,492, respectively). DLS assumes that the number of recipients will continue to decline through fiscal 2017 at the same rate as in fiscal 2016, resulting in an average monthly number of recipients of 53,337. DHR's estimated average monthly grant of $192.30 is expected to account for an increase in the Maryland Minimum Living Level. DLS projects a slightly higher average monthly grant, but the difference is minimal. Driven by the lower estimate of average monthly recipients, DLS is projecting a surplus of $10.0 million in fiscal 2017 for TCA. However, as will be discussed in Issue 1, to address a variety of budgetary shortfalls in DHR in fiscal 2017, DLS is not recommending this surplus be deleted and is instead noting that this surplus can be used to address budgetary shortfalls elsewhere in the department.

Characteristics of the TCA Core Caseload

The TCA caseload can be divided into two main groups: (1) the core caseload; and (2) cases headed by an employable adult. The core cases include child only cases, women with children under age one, disabled individuals, caretaker relatives, and other cases exempted from work requirements. With the exception of women with children under age one, DHR does not expect the core cases to transition off of cash assistance by seeking employment. Child only cases, for example, typically leave the TCA rolls after reaching adulthood. As employable adults successfully enter the labor market, the core cases generally represent an increasing percentage of the total TCA caseload.

Exhibit 11 presents information on TCA cases (which may consist of multiple recipients) in July 2015 compared to prior years. These cases are categorized into employable, child only, and other. Other cases represent all other core cases except child only cases. The total number of cases declined by 1.3% (299 cases) between July 2014 and 2015. The decrease occurred primarily in the other category (a decrease of 844 cases or 11.3%), specifically among cases with an individual with a disability and cases with a child under the age of one.

Exhibit 11
TCA Caseload Characteristics
July 2006-2015



TCA: Temporary Cash Assistance

Source: Department of Human Resources

The number of child only cases also decreased slightly between July 2014 and 2015. However, the share of all cases that are child only increased slightly to 32.4%, the highest level since July 2009. These decreases were partially offset by an increase of 566 (6.9%) in employable cases. The share of employable cases increased by nearly 3 percentage points to 38.5%, the highest level since July 2012.

Five-year Lifetime Limit on a Recipient of Cash Assistance

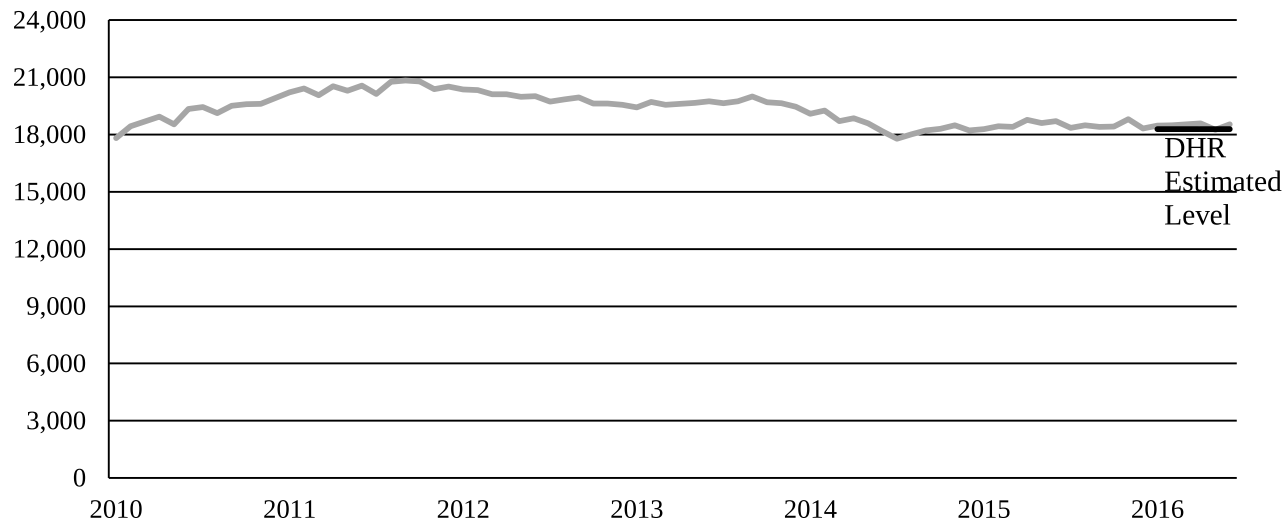
Moving employable adults to self-sufficiency is of particular importance due to the federal limit placed on recipients of cash assistance. Federal law prohibits cases headed by an adult from receiving TANF-funded cash benefits for more than five cumulative years. However, federal law also provides exemptions to the time limit for "hardship." Under this provision, 20% of the caseload receiving TANF-funded cash assistance from the previous fiscal year may continue to receive these benefits beyond five years.

December 2015 was the one hundred and sixty-eighth consecutive month in which some families had reached the five-year benefit limit. The annual average number of families receiving TANF in fiscal 2015 was 23,999, of which the annual average number of cases headed by adults that received assistance for more than 60 months that were subject to the time limit was 1,455. Since this number is below the 20% exemption limit for fiscal 2015 (4,800) no one was removed from the caseload.

TDAP Caseload and Expenditures

Exhibit 12 shows the number of TDAP recipients by month, from July 2009 through December 2015. The number of monthly TDAP recipients peaked in March 2011 (20,841). After reaching its lowest point in January 2014 (17,780), for approximately the last two years the number of TDAP recipients has been fluctuating within a small range.

Exhibit 12
Temporary Disability Assistance Program Recipients
July 2009-December 2015



DHR: Department of Human Resources

Source: Department of Human Resources

As shown in **Exhibit 13**, for fiscal 2016 and 2017, DHR assumes an average monthly number of TDAP recipients of 18,281. However, the number of TDAP recipients has reached that low of a level only twice since July 2014. Through December 2015, in fiscal 2016 the average monthly recipients in TDAP is 18,479 and in that month the number of recipients was 18,536. DLS is projecting average monthly recipients near the current level of recipients in fiscal 2016 and 2017, which results in a higher average monthly number of recipients than the budget is currently built on. As a result, DLS is currently projecting slight shortfalls in both fiscal 2016 and 2017 ($0.5 million and $0.6 million, respectively).

Exhibit 13
Temporary Disability Assistance Program Enrollment and Funding
Fiscal 2015-2017

	2015 Actual	**2016 Working**	**2017 Allowance**	**2016 DLS Estimate**	**2017 DLS Estimate**
Average Monthly Enrollment	18,500	18,281	18,281	18,508	18,536
Average Monthly Grant	$182.88	$182.81	$182.81	$182.93	$182.93
Total Funding in Millions	**$40.6**	**$40.1**	**$40.1**	**$40.6**	**$40.7**
Budgeted Funds in Millions					
General Funds				$34.1	$34.1
Total Budgeted Funds				**$40.1**	**$40.1**
DLS Estimated Deficit/Surplus				**-$0.5**	**-$0.6**

DLS: Department of Legislative Services

Source: Department of Human Resources; Department of Legislative Services

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. The FIA share of these reductions is $582,774 in total funds ($178,594 in general funds, $13,029 in special funds, and $391,151 in federal funds). There is an additional across-the-board reduction to abolish positions statewide, but the amounts have not been allocated by agency.

Personnel

The fiscal 2017 allowance increases funding for personnel in FIA by $10.7 million compared to the fiscal 2016 working appropriation after accounting for the back of the bill reduction in health insurance.

The largest increase occurs in the area of overtime, $3.3 million, to better align with experience, providing a total of $3.6 million. Even with this increase, the total funding for overtime is $2.5 million lower than the three-year average of actual expenditures ($6.1 million), primarily among federal funds. However, the general fund share of overtime was higher than the three-year average of expenditures, and as a result any federal fund shortfall could likely be addressed in the closeout process. However, the fiscal 2016 working appropriation for overtime is only $265,587. Based on the three-year average of expenditures, the fiscal 2016 working appropriation would be short by $5.8 million ($2.4 million in general funds). **DHR should comment on steps it is taking to reduce overtime spending and whether filling vacant positions would reduce the need for overtime.**

Other significant increases in personnel occur in the areas of employee and retiree health insurance ($3.2 million) and employee retirement ($2.4 million). These increases are partially offset by the abolition of 3 positions and transfer of 1 position to another agency that results in a decrease of $315,393. In addition, regular earnings decrease by $624,245, primarily due to the budgeting of vacant positions and filling of positions at lower salaries.

The fiscal 2017 budget includes funding for employee increments in the Department of Budget and Management. These funds will be distributed to agencies by budget amendment early in the fiscal year. The share of these increments attributable to FIA is $2.4 million in total funds ($1.1 million in general funds, $55,241 in special funds, and $1.2 million in federal funds).

Child Care Subsidy Transition Impact

As discussed in the DHR Overview budget analysis, the eligibility determination and case management activities for the Child Care Subsidy program were partially transitioned to the Maryland State Department of Education (MSDE) in fiscal 2016. Although DHR transitioned all of these cases in August 2015, in December 2015 the agencies agreed that DHR would continue processing eligibility determinations for TCA-related Child Care Subsidy cases.

As shown in **Exhibit 14**, the fiscal 2016 working appropriation in the Local Family Investment program includes $10.6 million from child care related federal funds. This appropriation is $1.8 million more than was spent in fiscal 2015. While DHR conducted all of the eligibility determination and case management activities in fiscal 2015, in fiscal 2016, DHR only conducted the full eligibility activities for this program for approximately two months and conducted work related to the TCA-related cases for approximately half of the year. As a result, the fiscal 2016 working appropriation overstates the amount of federal funds likely to be available to the program.

Exhibit 14
Child Care Related Funding
Local Family Investment Program
Fiscal 2015-2017

	2015 Actual	2016 Working	DLS Estimate 2016	2016 Estimated Shortfall	2017 Allowance	DLS Estimate 2017	2017 Estimated Shortfall
Local Family Investment Administration	$8,842,997	$10,644,641	$2,733,960	**-$7,910,681**	$6,127,094	$2,520,254	**-$3,606,840**

DLS: Department of Legislative Services

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

The fiscal 2017 allowance includes $6.1 million of child care related federal funds for the portion of the program that remains in DHR in the Local Family Investment program, which is 69.3% of the federal child care related funds that the Local Family Investment program received for all Child Care Subsidy work in fiscal 2015. However, in September 2015 (the most recent data available), TCA involved families represented only 28.5% of Child Care Subsidy program families. As a result, the federal funds available to the program are likely overstated.

While a portion of the work was transferred, caseworker funding needs to remain in DHR because the caseworkers involved in eligibility determination for the child care subsidy also conduct this work for other programs. No positions were transferred from DHR to MSDE during the partial transition. Initially, DHR estimated a shortfall from the full transition of between $6.0 million and $8.0 million. However, the shortfall will be less because of the portion of the program that remains with DHR. Some portion of the shortfall may be addressed by the ability to claim a higher amount of federal funds for work on other activities as caseworkers spend proportionately more of their time on these activities. There is no deficiency appropriation to address the shortfall in fiscal 2016. While the fiscal 2017 allowance includes $2.0 million of general funds in personnel in the Local Family Investment program specifically to address this shortfall, as shown in Exhibit 14, DLS projects shortfalls of $7.9 million in fiscal 2016 and $3.6 million in fiscal 2017 related to the federal fund overstatement.

Contractual Services

Funding in the FIA Director's Office increases by a net of $649,470 (4.6%) in contractual services, the largest of these increases is for FSP Nutrition Services ($595,171) and employment and training related to the implementation of the federal Workforce Innovation and Opportunity Act (WIOA) ($100,000). The increased funding for WIOA may be used for a variety of activities including those related to shared costs for the space at the job centers, shared costs of training, and building shared intake and assessment tools. The specific use of the funds will be determined after the submission of the Maryland WIOA State Plan in March 2016.

Issues

1. Budgetary Risks in DHR

The fiscal 2016 working appropriation and fiscal 2017 allowance present several budgetary risks to the overall DHR budget primarily related to optimistic federal fund revenue attainment assumptions. The details of these risks have been discussed earlier in this analysis and the analysis of the Social Services Administration. These risks relate to:

- regular Title IV-E revenue estimates and caseload assumptions in the Foster Care Maintenance Payments program;
- federal fund budgeting for Medical Assistance and regular Title IV-E in the Local Child Welfare Services program;
- child care related federal funds in the Local Family Investment Program;
- caseload assumptions in TDAP;
- the level of withheld appropriation (and subsequent reversion) for TCA in fiscal 2016 only; and
- overtime expenses in FIA in fiscal 2016 only.

Exhibit 15 quantifies to the extent possible the anticipated general fund shortfalls. However, these shortfalls may be higher than currently projected, as some can only be partially estimated based on available information. In fiscal 2016 the shortfall is projected to be at least $21.6 million.

Exhibit 15
Estimated Surpluses/Shortfalls
Fiscal 2016 and 2017

	2016	2017
Foster Care Maintenance Payments	-$9,083,121	-$11,933,665
Local Child Welfare Services Medical Assistance/IV-E	Unknown	At Least -6,862,824
Local Family Investment Child Care Related Federal Funds	-7,910,681	-3,606,840
Overtime	-2,381,485	932,907
TDAP	-523,957	-586,153
TCA	-1,108,431	10,028,995
TANF Balance[1]	-542,657	13,051,279
Total	**-$21,550,332**	**$1,023,698**

[1] Assumes TANF contingency funds are received at fiscal 2015 level.

TCA: Temporary Cash Assistance
TDAP: Temporary Disability Assistance Program
TANF: Temporary Assistance for Needy Families

Source: Department of Legislative Services

In fiscal 2017 some surpluses are available to offset these shortfalls, including an estimated $10.0 million surplus in TCA and general funds budgeted for overtime ($0.9 million). In addition, as discussed in the DHR Overview, if Maryland continues to receive TANF contingency funds in fiscal 2016 and 2017 at the level it did in fiscal 2015 ($25.5 million) and maintains the current spending plan, the ongoing deficit in TANF will be fully resolved and result in a balance of $13.1 million in fiscal 2017. The availability of the TANF balance is dependent on the current spending plans (*i.e.*, if DHR spends more TANF in fiscal 2016 to assist in the shortfall, a lower balance would be available in fiscal 2017) and the receipt of the TANF contingency funds. In combination, DHR may be able to fully resolve its fiscal 2017 shortfalls, or at least have only a limited shortfall.

In fiscal 2016, there are no surpluses to offset the projected shortfalls. **DHR should explain to the committees how it plans to address the significant shortfalls in the fiscal 2016 budget and its plan to monitor spending in fiscal 2017 to ensure the shortfalls can be fully resolved.**

2. SNAP Changes

Several changes in SNAP, known in Maryland FSP, impact customers in fiscal 2016.

Employment and Training

General Work Requirements

SNAP contains work requirements that recipients (1) register for work; (2) participate in an employment and training program; (3) participate in a workfare program if assigned by the state; (4) accept suitable employment if offered; and (5) not voluntarily quit a job where the individual works more than 30 hours per week or voluntarily reduce work hours below 30 hours per week. Exemptions from these requirements are provided for individuals complying with work requirements of another program, students enrolled at least half-time in school, and individuals who are already working more than 30 hours per week, under the age of 16 or older than age 60, with a disability, participating in a drug or alcohol treatment program, or caring for a child under the age of 6.

Whether the work requirements are mandatory or voluntary and any resulting penalties are subject to State policy. Until fiscal 2016 the work requirements were mandatory in Maryland, the program is now voluntary. Even with this change, participants are still required to complete work registration activities unless the individual qualifies for an exemption. Prior to the change, failure to comply with the requirements resulted in a loss of eligibility for benefits for one month or the date of compliance, whichever is later (first violation); three months or the date of compliance, whichever is later (second violation); or six months or the date of compliance, whichever is later (for the third and any subsequent violation).

Able Bodied Adults without Dependents

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 added a requirement that limited the length of time abled bodied adults without dependents (ABAWD) could receive SNAP benefits (three months in a three-year period) if not working, participating in, or complying with the requirements of a work program for 20 hours or more per week. Exemptions from this requirement are available for individuals (1) under age 18; (2) age 50 or older; (3) caring for a child or incapacitated household member; (4) medically certified as physically unfit for employment or pregnant; or (5) already exempt from SNAP general work requirements. States may also exempt 15% of individuals from this requirement.

States are able to request a waiver for the ABAWD provision for areas with an unemployment rate over 10% or for areas with insufficient jobs. Some of the evidence that can be used to demonstrate this are:

- a recent 12-month unemployment rate over 10%;
- a recent 3-month unemployment rate over 10%;

- a 24-month average unemployment rate 20% higher than the national average;
- a designation as a Labor Surplus Area by the U.S. Department of Labor;
- a qualification for extended unemployment benefits; and
- a low and declining employment to population ratio.

During and since the recession many states have operated with a statewide waiver of the ABAWD time limits for SNAP receipt, including Maryland. As the recovery has continued more states have stopped receiving a waiver. For example, in the first quarter of federal fiscal 2016, 28 states and Washington DC had waivers for the entire state (including Maryland), but in the second quarter of federal fiscal 2016, only 6 states and Washington DC had waivers for the entire state. Maryland's statewide SNAP waiver of the ABAWD time limits expired December 31, 2015. States may continue to receive local waivers.

DHR has received approval for local waivers in 10 counties (Allegany, Caroline, Cecil, Dorchester, Garrett, Harford, Queen Anne's, Somerset, Wicomico, and Worcester) and Baltimore City. In addition, DHR plans to use its 15% exemption on ABAWD individuals living in 7 counties (Calvert, Charles, Frederick, Kent, St. Mary's, Talbot, and Washington counties). As a result of the waivers and exemption plans, only ABAWD individuals living in 6 counties will be impacted by the loss of the statewide waiver:

- Anne Arundel;
- Baltimore;
- Carroll;
- Howard;
- Montgomery; and
- Prince George's.

DHR indicates that the University of Baltimore will, under an existing research contract, be evaluating the ABAWD work programs. **DHR should comment on when the evaluation of these work programs will be completed. DLS recommends committee narrative requesting FIA report on the number of ABAWD removed from the FSP benefits due to failure to comply with work requirements and the number of those who returned to the program after complying.**

Federal Fiscal 2016 SNAP Employment and Training State Plan

Program components include:

- education – includes adult basic education, literacy, English as a second language, the general education diploma, and postsecondary education;

- independent job search;

- job readiness training – includes career and job skill assessments, workplace etiquette, resume and cover letter assistance;

- vocational training – in areas of retail/hospitality, construction, commercial driver's licensing, medical (certified nursing assistant, phlebotomy technician, medical coding and billing, emergency medical technician, and paramedic), veterinary assistance, certified apartment/building maintenance technician, machining, welding, child care, and office skills;

- work experience/community service; and

- workfare (only available for ABAWD participants).

DHR also plans to partner with four third-party vendors to provide services (Humanim in Baltimore City targeting those living in east Baltimore, Lutheran Social Services of the National Capital Areas targeting refugees receiving services from the Suburban Washington Resettlement Area, Garrett College, and the International Rescue Committee serving refugees and asylees in Montgomery and Prince George's counties).

Funding

The SNAP Employment and Training program spent $939,214 in fiscal 2015. A total of $1.17 million is budgeted for the program in fiscal 2016 and 2017.

Benefit Distribution

During the fall of 2015, DHR began a process of expanding the number of days each month that FSP benefits are distributed, from 10 days to 20 days. The expansion was phased in so that no customer would have to wait 5 days beyond when the distribution would have occurred in the past to receive the new benefits. The phase-in schedule was designed to limit the wait of customers beyond their typical distribution date and no change in the schedule occurred during the holiday periods (November and December). DHR notes that retailers previously had problems adequately stocking shelves during the peak distribution dates. The longer distribution schedule is expected to assist the retailers in ensuring adequate stocking of shelves, adequate staffing, and reduce long wait lines at store registers.

During the initial phase, DHR received some calls from customers related to the benefits not being available as expected or noting concerns because of the delays. DHR stated that LDSS and the department's constituent services staff were able to provide information on food pantries and food banks in the caller's area to assist them during the delay. **DHR should comment on whether any additional issues have occurred during the second phase of the transition of benefit distribution dates.**

The department indicated that there was minimal cost to the State to make the transition (slightly less than $50,000 split between general and federal funds for information technology (IT) system modifications).

3. Family Investment Administration Audit

In April 2015, the Office of Legislative Audits (OLA) released a fiscal compliance audit for FIA covering the period of July 1, 2010, through November 24, 2013. The audit included five findings, four of which were repeated from the prior audit, as shown in **Exhibit 16**. The four repeat findings are discussed in this issue.

Exhibit 16
Audit Findings

Audit Period for Last Audit:	July 1, 2010 – November 24, 2013
Issue Date:	April 2015
Number of Findings:	5
Number of Repeat Findings:	4
% of Repeat Findings:	80%
Rating: (if applicable)	n/a

Finding 1: **FIA lacked documentation of required computer matches, and system alerts were not always adequately resolved.**

Finding 2: Certain quality assurance reviews were not always conducted as required.

Finding 3: **Documentation required to support energy assistance recipient eligibility and the validity of payments was not always maintained.**

Finding 4: **Certain contract costs and deliverables were not adequately monitored.**

Finding 5: **FIA lacked procedures and documentation to support the TDAP recipient eligibility for certain cases and federal funds were not always recovered.**

FIA: Family Investment Administration
TDAP: Temporary Disability Assistance Program

Note: Bold denotes item repeated in full or part from preceding audit report.

Source: Office of Legislative Audits

Computer Matches

Finding 1 stated that FIA lacked documentation that required computer matches were performed and adequately resolved. These computer matches compare assistance recipient data in the Client Automated Resources and Eligibility System (CARES) including with data from the Social Security Administration, prison records, a new hire registry, and the Public Assistance Reporting Information System (PARIS). These matches provide data verification to ensure recipients are eligible for assistance and detect potential fraud. For example OLA noted that:

- FIA could not provide documentation of Social Security number matches before September 2013, PARIS matches before December 2012, and some new hire matches prior to October 2012;
- the alerts generated by the matches were not always recorded in CARES, and FIA did not always investigate why the alerts were not recorded; and
- a number of alerts remained unresolved for long period (as of January 2014, approximately 18,000 alerts related to unverified or missing Social Security numbers were unresolved for longer than six months, of which 10,500 were unresolved for longer than one year).

OLA noted that similar issues related to the Social Security number alerts were found in the two prior audits. OLA recommended that FIA ensure documentation is maintained that shows all computer matches are performed as required and results are investigated, determine the reasons and appropriateness of the reason for certain match results not being recorded in CARES as alerts, and ensure that LDSS investigate and resolve unverified or missing recipient Social Security numbers timely.

Energy Assistance Programs

Finding 3, discussed in further detail in the Office of Home Energy Programs budget analysis, stated that FIA did not ensure that adequate documentation was maintained by the Local Administering Agencies (LAA) to support applicant eligibility and the validity of payments for the energy assistance programs. OLA found that of 10 applications, 5 did not include required documentation including driver's licenses or lease agreements, 2 did not include documentation of the utility services, 4 did not include a signature to indicate a supervisory review was completed, and that 2 of the applications were approved more than 50 days beyond the 45-day requirement for processing program applications established in State regulations. OLA recommended that FIA ensure that LAAs obtain and maintain all required documentation to support critical energy assistance application data and approve or deny completed applications within the required timeframes.

Contract Monitoring

Finding 4 stated that the monitoring of contract costs and deliverables for certain contracts by FIA was insufficient, including contracts with State and local government agencies to provide services such as training. OLA found that FIA did not sufficiently verify billed costs for three contracts, including a contract totaling $13.3 million related to SNAP nutrition education and training for which OLA noted that the reported salary costs did not include detail on the number of hours or dates of work. OLA explained that similar findings were noted in the prior two audits. OLA also noted that for another contract that FIA did not receive contractually required quarterly reports on certain economic benefits. OLA recommended that FIA obtain adequate documentation to verify the accuracy and propriety of contract billings and ensure that required contract deliverables are received.

TDAP

Finding 5 stated that FIA lacked procedures and documentation to ensure that TDAP payments were made only to eligible recipients and that federal funds were recovered. OLA found that out of 22 cases received:

- documentation including the application, medical forms, or Interim Assistance Reimbursement forms (filed with the Social Security Administration to allow FIA to receive federal reimbursement) could not be provided for 12 recipients who had received benefits totaling $76,025 between November 2008 and June 2014;

- cases were not closed for 3 to 19 months after the final decision by the Social Security Administration for 8 cases, despite a policy requiring immediate closure after a final decision (a repeat finding); and

- FIA did not receive reimbursements totaling $6,465 for 3 of 11 cases that the person was approved for SSI benefits because of delays in submitting the Interim Assistance Reimbursement forms.

OLA recommended that FIA establish procedures to ensure that all documentation required to establish eligibility is received and maintained prior to making payments, that TDAP cases are closed timely after a Social Security Administration final decision, and Interim Assistance Reimbursement Forms be appropriately filed and all reimbursements received.

Corrective Actions

In its response to the audit, DHR noted agreement with the findings and recommendations. Although for some, the agency had reservations about the recommendations. DHR explained the steps it would take to follow the recommendations. For example, DHR indicated it would expand its retention of computer match data from three quarters to four years for PARIS matches and that it would address why certain match results are not recorded in CARES as a system alert.

The Joint Audit Committee (JAC) continues to be concerned with the number and frequency of repeat audit findings across State agencies as cited by OLA. In an effort to satisfactorily resolve these findings, JAC has asked the budget committees to consider action in the agency budgets where such findings occur. As noted, this audit contained four repeat audit findings. **Therefore, DLS**

recommends withholding a portion of the administration's appropriation until OLA has determined that the repeat findings have been corrected.

4. No Wrong Door Report

The 2010 *Joint Chairmen's Report* (JCR) requested that DHR, in consultation with the Advisory Board for Maryland Access Point, convene a committee to address several specific topics including (1) a uniform application for all benefits; (2) enhanced or new information and case management technology; (3) customer information sharing; (4) partnerships with community organizations; (5) multiple community-based service access points; and (6) expedited eligibility processing. DHR was to submit a final report by June 30, 2011. In the fiscal 2011 *No Wrong Door Report*, a No Wrong Door approach was defined as an approach that, "…no matter how a person applies for benefits (at an agency or community organization, by phone, paper, or through an automated process), they should receive information about all available benefits and services offered in their community and be able to access all the programs for which they are eligible" (p. 7). Under the approach, there was not a single point of entry to benefit programs, but multiple points of entry that would provide customers with access to the full range of benefit programs.

Committee narrative in the 2015 JCR requested that DHR provide an update on the department's efforts to implement the recommendations contained in the *No Wrong Door Final Report* from fiscal 2011, including an analysis of additional steps that could be taken to ensure that Marylander's are able to access a full range of services from multiple entry points. The department was asked specifically to discuss:

- where gaps in services exist;
- how the department works with other State agencies to ensure individuals have access to and are aware of the full range of benefits and programs for which they are eligible;
- how coordination among agencies could be improved;
- whether expanding the scope of outreach workers' activities could further the goals of No Wrong Door; and
- whether it is feasible to create a grant program to implement innovative No Wrong Door strategies across the State.

Implementation of Recommendations

Applying for Benefits

DHR provided information on activities related to several recommendations related to applying for benefits. It should be noted that while the information provided by DHR highlights steps that have been taken to ease the application process for benefits administered by the agency, these steps show that there is not a common point of entry for individuals to access benefits administered by other agencies.

Uniform Application Including Both DHR and Non-DHR Benefits: DHR explained that FIA introduced a new short application that is available in multiple languages and online. This application is available for applying for cash assistance, child care services, FSP benefits, or medical assistance.

Alternative Service Delivery Mechanisms: DHR indicated that it recently replaced its previous online application portal with a new online application (myDHR) that can be used on mobile devices or computers (available for TCA, FSP, energy assistance, TDAP, and medical assistance including long-term care (LTC)). In addition, through this portal, a separate online application is available for child support services. The portal also provides a screening tool to determine potential eligibility for programs and a standalone application for only FSP benefits. There is also a feature that allows customers to update their account. For non-English speakers, the website provides a link to the application form on DHR's website available in multiple languages.

Streamlining Eligibility and Barriers to Express Lane Eligibility

DHR provided information on a variety of waivers or policies that limit the information or requirements for processing applications:

- postponing the required interview prior to issuing expedited FSP benefits in certain situations (an FSP waiver);
- allowing eligibility determination for LTC medical assistance based on written declaration pending verification after approval (a policy action);
- adjusting application processes and procedures, training and education, work activities, and other items to ensure equal opportunities (a policy action);
- processing applications upon receipt at a local office, even if the customer has an active case elsewhere (a policy action); and
- implementing a SNAP demonstration project to simplify the FSP application for individuals of a certain age who receive SSI benefits and a recently approved waiver (Elderly Simplified Application Project) for individuals of a certain age who do not receive SSI benefits (discussed later in this analysis).

These actions do not necessarily improve the ability of applicants for one benefit to receive other benefits, but improve the ease of applying for particular benefits.

Streamlining Access and Outreach

Co-location of LDSS Workers, Local Health Department Workers, Energy Assistance Workers, and Child Care Workers: DHR explained that Health Care Navigators are located in LDSS offices and community-based organizations administering other DHR programs and these individuals assist customers in applying for Medical Assistance and other health programs. DHR also noted that in most LDSS child support workers are co-located with FIA staff. DHR did not describe any other co-location of staff, but DLS would note that energy assistance is administered in some jurisdictions by LDSS. Outside of Health Care Navigators, these co-locations are not different than those that were occurring prior to the report.

Information and Outreach: The committee conducted a survey that identified the most frequently accessed benefits from respondents, the most useful information resources, and effective outreach strategies. DHR noted the State's most frequently accessed programs are Medicaid, FSP, and energy assistance. DHR identified some information resources, including the various State websites. DHR also noted its SNAP outreach partners and the partnerships of the energy assistance program with community action agencies and local governments.

Administrative, Legal Barriers, and Technology

Data Sharing, Enhancing or Implementing New Case Management Technology, and a Uniform Technology Platform: DHR explained that it is currently undertaking an IT modernization project. The first part of this project is to create a data warehouse that would include data that is shareable under confidentiality rules from various State agencies. The data warehouse would allow for the sharing of information provided on applications for benefits to be used for another application. However, the fiscal 2017 allowance does not include funding for an IT modernization project in DHR or a data warehouse.

DHR also noted that the various IT systems for child support, child welfare, and family investment share certain client information. In addition, DHR implemented an Enterprise Content Management Solutions system which allow for scanning of customer verifications into a secure common statewide database.

DHR also noted that the Maryland Health Connection offers an online application for health programs. This website also has links to other benefit program websites.

DHR also explained that through its partnership with the Benefits Data Trust (BDT) (an organization that focuses on increasing access to public benefits), DHR uses data from energy assistance and medical assistance to conduct outreach to individuals potentially eligible for FSP. In July 2015, BDT also began assisting elderly individuals applying for other programs in addition to FSP with funding from a private grant. DHR notes additional grants or general funds would be required to expand the outreach to other FSP outreach partners.

Consolidated Customer Hotline: DHR noted that the Maryland Health Connection has a toll-free number. DHR also noted that the DHR call center assists applicants and customers and may refer customers to the appropriate source for health questions.

Culture Shift

The committee encouraged a cultural shift for true integration within and across organizations. DHR explained that it collaborates with various organizations including the Department of Labor, Licensing, and Regulation (DLLR) for workforce activities, DHMH and the Health Benefit Exchange for medical assistance, and MSDE for the child care subsidy. DLS notes these collaborations were generally already in place prior to the *No Wrong Door Report* and some are also required by federal law (as in the connections between TANF and workforce activities under WIOA).

In the response, DHR provided updates on the fiscal 2011 *No Wrong Door Report*. In some ways the report makes it clear that there is still limited benefit coordination between agencies as most of the report focused on actions only within the department. The coordination mentioned was generally pre-existing to the report and it is not clear that any new coordination is occurring. The report also left the remainder of issues unaddressed, including the current service gaps, how coordination could be improved, and the feasibility of creating a grant program. **DLS recommends budget bill language withholding funds until the agency submits information on the issues of gaps in accessing services, how coordination among agencies could be improved, whether expanding the scope of outreach workers' activities could further the goals of No Wrong Door, and the feasibility of creating a grant program to implement innovative strategies across the State.**

Recommended Actions

1. Adopt the following narrative:

Able Bodied Adults Without Dependents Time Limit: The Supplemental Nutrition Assistance Program, known in Maryland as the Food Supplement Program (FSP), has a requirement that limits receipt of benefits for able bodied adults without dependents (ABAWD) to 3 months in a 36 month time period, unless the individual complies with certain work requirements. Statewide waivers were available in many states during and after the recent recession. Maryland's statewide waiver ended December 31, 2015. The committees are concerned about the impact of this transition on this vulnerable population. The committees request that the Department of Human Resources (DHR) report on the number of individuals removed from FSP benefits by month and jurisdiction from January 2016 through November 2016 and the number by month and jurisdiction who were able to return to the program after complying with work requirements. The department should include a discussion of the impact of the end of the waiver on ABAWD individuals and the agency.

Information Request	Author	Due Date
Report on ABAWD individuals removed from FSP due to the program time limit	DHR	December 15, 2016

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

<u>, provided that since the Department of Human Resources (DHR) Family Investment Administration has had four or more repeat findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), $100,000 of this agency's administrative appropriation may not be expended unless:</u>

<u>(1) DHR has taken corrective action with respect to all repeat audit findings on or before November 1, 2016; and</u>

<u>(2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow for funds to be released prior to the end of fiscal 2017.</u>

Explanation: The Joint Audit Committee has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each such agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by OLA that each finding was corrected. OLA shall submit reports to the budget committees on the status of repeat findings.

Information Request	**Author**	**Due Date**
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

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

<u>Further provided that $100,000 of this appropriation made for the purpose of administration in the Family Investment Administration may not be expended until the Department of Human Resources submits a report to the budget committees providing information on additional steps that could be taken to ensure Marylanders are able to access a full range of services from multiple entry points, identifying gaps in access to services, explaining how the department works with other State agencies to ensure that individuals have access to and are aware of the full range of benefits and programs for which they are eligible, discussing how coordination among agencies could be improved, discussing whether expanding the scope of outreach workers' activities could further the goal of No Wrong Door, and discussing the feasibility of creating a grant program to implement innovative No Wrong Door strategies across the State.</u>

Explanation: The 2015 Joint Chairmen's Report included committee narrative requesting that the Department of Human Resources (DHR) update the committees on the department's efforts to implement recommendations contained in the 2011 No Wrong Door Report, including an analysis of additional steps that could be taken to ensure that Marylanders are able to access a full range of services from multiple entry points. The committees also requested that the agency specifically address certain items including where gaps in access to services exist and how coordination among the agencies can be improved. In its response, the department updated the committees on actions related to the recommendations in the 2011 No Wrong Door Report, but did not address some of the other requests of the committee. This language restricts funds until the department addresses these issues.

Information Request	**Author**	**Due Date**
Report on gaps in access to services and improved coordination	DHR	November 1, 2016

Updates

1. Improving SNAP Outreach to Seniors

In April 2014, Mathematica Policy Research (Mathematica) released *Reaching the Underserved Elderly and Working Poor in SNAP: Evaluation Findings from the Fiscal Year 2009 Pilots* final report. This report was conducted under contract with the U.S. Department of Agriculture (USDA). In the report, Mathematica evaluated six demonstration projects testing models of facilitating SNAP access among the elderly or working poor. Michigan, Pennsylvania, and Ohio tested methods of facilitating access to SNAP for the elderly and Wisconsin, Washington, and Massachusetts tested methods of facilitating access to SNAP for the working poor. This update will focus on those states that sought to increase access for the elderly.

Michigan

Michigan's project attempted to raise awareness of SNAP and reduce the burden of the application process. Michigan eliminated the need to visit a SNAP office to apply for the program and attempted to minimize other problems faced by the elderly while applying for assistance (mobility, application complexity, and lack of understanding). The activities in Michigan were largely conducted through an existing partner and community organizations. Michigan received a waiver that allowed the community organizations to conduct the eligibility interviews mostly done by telephone (although the decision on the application was still made by the state). Community organizations also assisted the applicants in assembling verification documents and submitting the completed applications. The organization running the pilot received lists of individuals already receiving other assistance benefits, used voter registration lists, and sent mailings to individuals that had previously used the project partner's services in the demonstration areas.

Mathematica was not able to test whether there was an increase in the applications as a result of the project because of data availability. However, Mathematica found that there was an increase in the participation in SNAP by the elderly in the demonstration counties after 13 months and 31 months from the submission of the first demonstration-related application, even after controlling for other trends and economic factors.

Pennsylvania

Pennsylvania's project was designed to increase the elderly's comfort with SNAP by increasing understanding and reducing stigma associated with receiving assistance and easing the burden of the application process. The Department of Public Welfare partnered with BDT. Pennsylvania received waivers allowing individuals to self-declare medical expenses and allowed demonstration staff to conduct eligibility interviews (although the local SNAP offices retained responsibility for the eligibility determination). Applicants were also able to self-declare shelter expenses and other data that the state had verified for other programs within six months (income, residency, and citizenship). Applicants could also "sign" the application over the telephone. BDT received information from the Department of Public Welfare on seniors recently approved for other benefits that were not receiving SNAP and targeted these groups for outreach. BDT also provided application assistance based on the circumstances of the seniors different levels of screening and document verification required.

Mathematica found no effects on applications after controlling for other trends and economic factors. However, Mathematica did find an increase in participation after controlling for other trends and economic factors by 17 months after the beginning of the demonstration.

Ohio

Ohio's demonstration project focused on reducing barriers related to mobility and transportation in applying for SNAP and reducing stigma in receiving benefits. Ohio contracted with an organization to conduct the project with which it had a prior partnership. The organization primarily conducted outreach, provided screening and application assistance at various community sites, and completed public service announcements. Mathematica found fewer applications were received from the project than anticipated, and no increase in applications or participation after controlling for other trends or economic factors.

Mathematica's Conclusions

Mathematica noted that two of the three demonstration projects that targeted the elderly had increased to access to SNAP. Mathematica highlighted that these two states (Michigan and Pennsylvania) were the two pilots that simplified the application process and used strategies that compared lists (largely of other program participants) to target those that were likely eligible for SNAP. Mathematica explained that all of the states (including those that targeted the working poor) used a combination of:

- engagement;
- application assistance; and
- a simplified application process (including receiving waivers in Michigan and Pennsylvania).

JCR Response

Committee narrative in the 2015 JCR requested that DHR submit a report on strategies that can help eligible seniors start to receive SNAP benefits, particularly those outlined in the Mathematica report. DHR noted in its response that it had received performance bonuses in fiscal 2012, 2013, and 2014 for program participation. In addition, DHR explained that between fiscal 2010 and 2015, the percent of the caseload that were seniors increased from 6.6% to 11.2% (an increase from 38,238 to 78,810 seniors).

DHR partners with 14 community-based organizations that provide outreach to certain groups including the elderly, one of which is BDT. According to DHR, in total, in calendar 2013 and 2014, these partners assisted 200,000 households. Between August 2012 and August 2015, BDT assisted

36,915 seniors file applications for SNAP benefits. DHR also noted that it currently conducts strategies discussed in the Mathematica report to increase participation.

DHR also explained that it was working with the USDA to allow the State to participate in a demonstration project (Elderly Simplified Application Project). According to USDA, Elderly Simplified Application demonstration projects are for elderly households that have no earned income and includes waivers that extend the certification period for benefits, allows agencies to use data matches for verification of information rather than documentation unless the information is questionable, and eliminates the need for an interview at recertification. In November 2015, DHR was granted the waiver to conduct this project and has two years to begin to implement it. DHR is evaluating whether to implement the project with the existing IT system or under its planned modernization project.

2. Refugee Assistance Programs

Refugees are individuals granted protective status while abroad based on a credible fear of being persecuted on the grounds of race, religion, nationality, social group, or political stand. Asylees are those granted protective status after entering the United States. The majority of refugees resettled in the United States are referred by the United Nations High Commissioner on Refugees (75%), while the remainder apply directly under special programs such as individuals from Iraq that worked with the military.

Refugee Resettlement Program

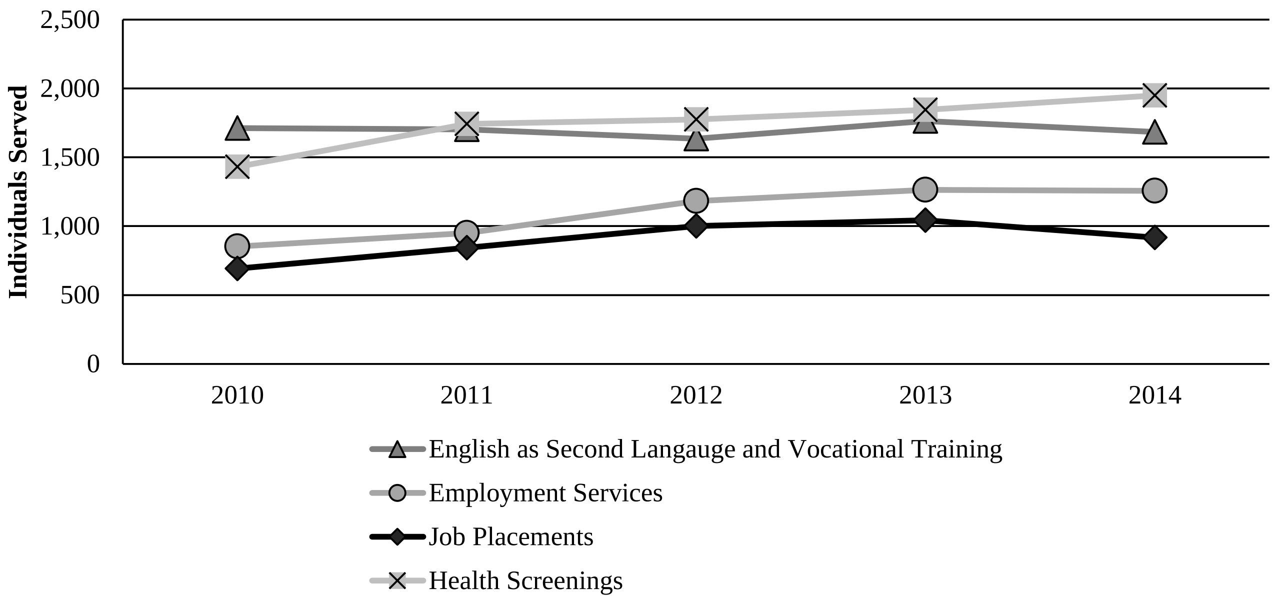
Before being admitted to the United States as a refugee, those seeking this status must be interviewed in person by Department of Homeland Security staff, undergo security checks, and undergo medical exams. Security screening involves the National Counterterrorism Center, the Federal Bureau of Investigation's Terrorist Screening Center, the Department of Homeland Security, the Department of Defense, and others. The process typically takes between 18 and 24 months from the referral.

Refugee Resettlement Services

The U.S. Department of State, in conjunction with nine resettlement programs, work together to place refugees for resettlement. Meetings are held each week, at which the needs of a particular refugee are matched with a community. Refugees with a relative in the United States are often resettled near that family. The resettlement programs have local affiliates, and individuals from the local affiliate (or the local family member) are expected to meet the refugee at the airport. Resettlement agencies and affiliates are responsible for providing (1) basic support for at least 30 days including housing, furnishings, basic necessities, and food allowances; (2) assistance in applying for Social Security cards; (3) assistance in obtaining health and mental health services; (4) assistance in obtaining benefits and enrolling in employment services; (5) assistance in enrolling children in school; (6) two home visits in the first 30 days of placement; (7) case management; and (8) cultural orientation.

Support for refugees during the first three months is provided by the Department of State, after which time the support for refugees is provided by the U.S. Department of Health and Human Services Office of Refugee Resettlement. MORA operates and administers the Office of Refugee Resettlement programs for the State. These programs are entirely federally funded. Programs offered by MORA are cash assistance, medical assistance, health screening, employment services, and English language instruction. Refugee cash assistance and refugee medical assistance are available for the first eight months after arrival, other services are generally available for five years. Beginning in fiscal 2016, most services in Maryland are provided through local resettlement agencies as grantees of MORA. **Exhibit 17** provides information on services provided by MORA from federal fiscal 2010 through 2014.

Exhibit 17
MORA Services
Federal Fiscal 2010-2014



MORA: Maryland Office for Refugees and Asylees

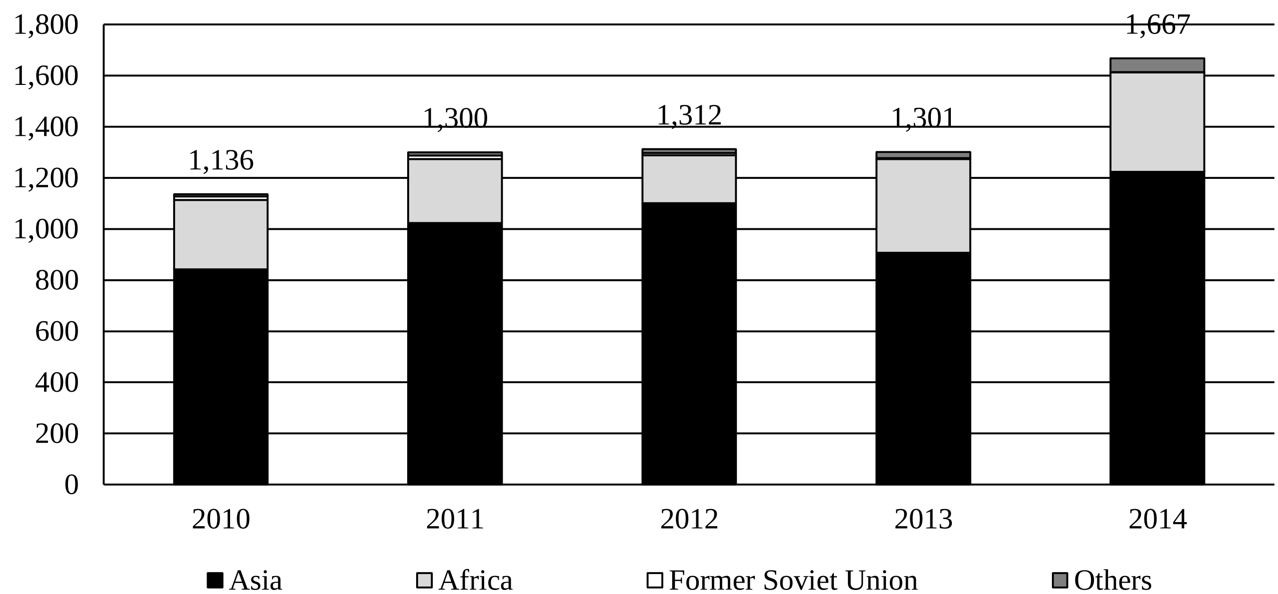
Note: Services are provided to both refugees and asylees.

Source: Department of Human Resources, *Refugee and Asylee Resettlement in Maryland 2010 -2014: Statistical Abstract*

Refugees and Asylees

From federal fiscal 2010 to 2014, Maryland received 2.0% of the refugees resettled in the United States. California and Texas received the largest share of refugees during this time, 10.0% each. The number of refugees resettled in Maryland was approximately 1,300 per year between fiscal 2011 and 2013, as shown in **Exhibit 18**. In federal fiscal 2014, the number of refugees resettled in Maryland increased by 28.1%, to 1,667. In federal fiscal 2015, a total of 1,803 refugees were resettled in Maryland.

Exhibit 18
Refugees by Area of Origin
Federal Fiscal 2010-2014

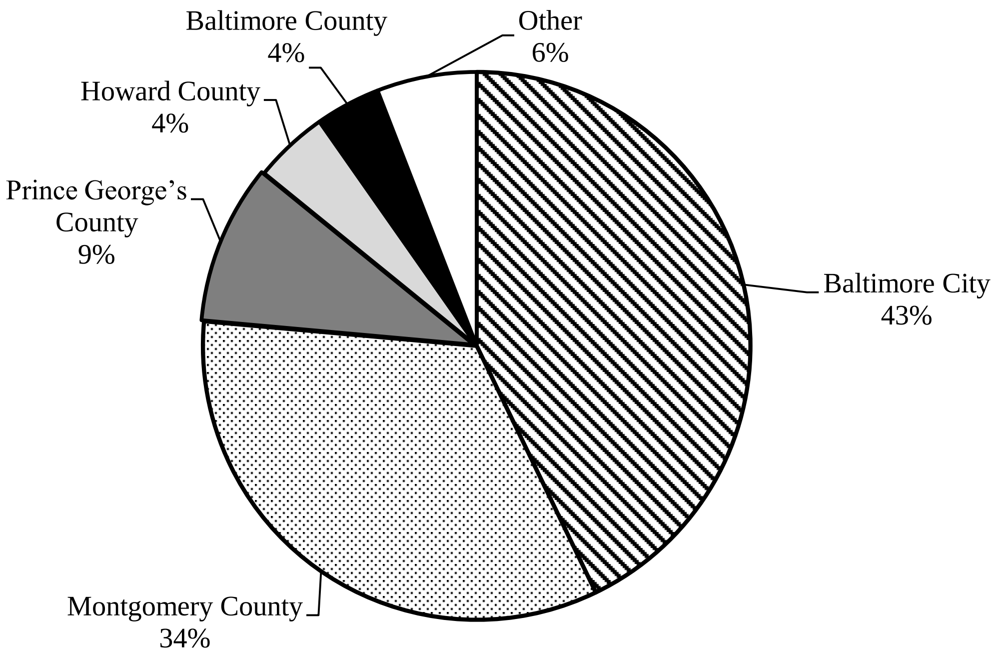


Source: Department of Human Resources, *Refugee and Asylee Resettlement in Maryland 2010 -2014: Statistical Abstract*

From federal fiscal 2010 through 2014 the majority of the resettled refugees were from Asia. In total, during this time 75.9% of resettled refugees from Asia were primarily from Burma, Bhutan, and Iraq. In federal fiscal 2015, the primary countries of origin for resettled refugees were Iraq, Afghanistan, Democratic Republic of Congo, Burma, Eritrea, and Burundi. Between October 1, 2010, and October 30, 2015, 40 refugees from Syria were resettled in Maryland.

The largest share of refugees were settled in Baltimore City and Montgomery County, as shown in **Exhibit 19**. Combined, these jurisdictions received 76.4% (5,133) of the refugees resettled in Maryland between federal fiscal 2010 and 2014.

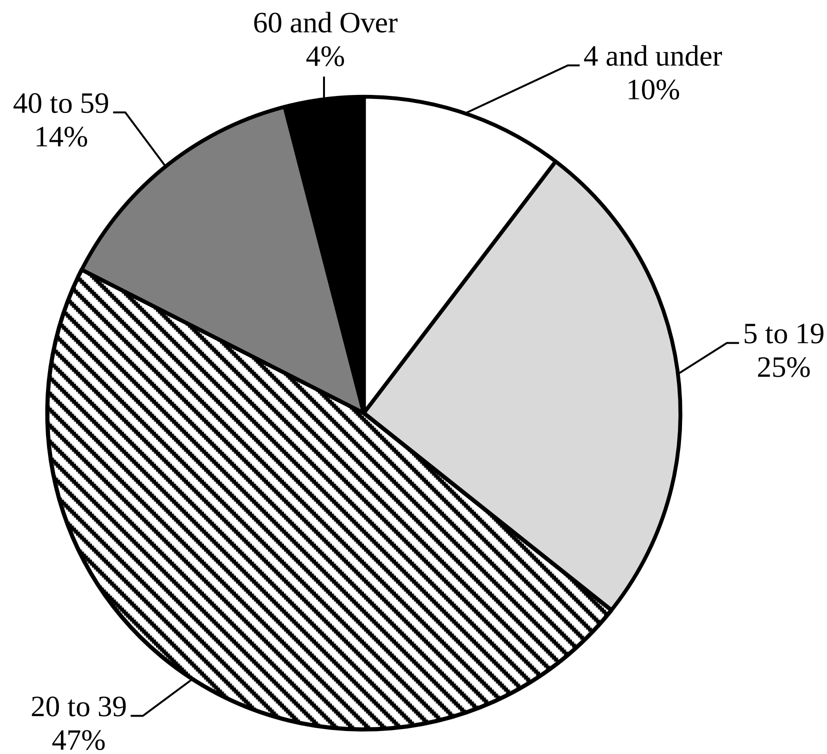
Exhibit 19
Refugees by Area of Resettlement
Federal Fiscal 2010-2014



Source: Department of Human Resources, *Refugee and Asylee Resettlement in Maryland 2010 -2014: Statistical Abstract*

Slightly more than half of the refugees resettled in Maryland between federal fiscal 2010 and 2014 were male (55.4%). Between federal fiscal 2010 and 2014, 46.8% of the refugees resettled in Maryland were between the ages of 20 and 39, as shown in **Exhibit 20**. The median age at arrival was 25. Approximately one quarter (25.3%), were school aged children (5 to 19 years old) with an additional 10.4% younger than school age. The share of children 4 or younger and school age children was highest in federal fiscal 2014.

Exhibit 20
Refugees by Age at Arrival
Federal Fiscal 2010-2014



Source: Department of Human Resources, *Refugee and Asylee Resettlement in Maryland 2010 -2014: Statistical Abstract*

Maryland received 3,955 asylees between federal fiscal 2010 and 2014. The vast majority of the asylees were from Africa (82%), primarily Ethopia and Cameroon. The majority of asylees resettled in Montgomery County (55%). The asylee population was slightly older than the refugee population, with a median age of 30 and 62% of the asylee population between 20 and 39 years of age. As with refugee data, slightly more than half of the asylees were male (52%).

Federal Fiscal 2016 Resettlement Plans

In October 2015, MORA anticipated receiving a total of 2,093 refugees in federal fiscal 2016. Slightly more than half of the anticipated refugees (50.5% or 1,058) were expected to have a relative already in the United States.

In the wake of the terrorist attacks in Paris, there have been calls for slowing down or stopping placement of Syrian refugees at both the State and federal level. On November 25, 2015, the Director of the federal Office of Refugee Resettlement sent a letter to State refugee assistance offices to explain the federal screening process of refugees, and that under federal law states in the state plan for refugee assistance must include an assurance that the state will provide assistance and services "without regard to race, religion, nationality, sex, or political opinion." In addition, the director noted that states cannot deny refugee services and benefits based on the country of origin or religious affiliation of the refugee. The letter explains, "[a]ccordingly, states may not categorically deny ORR-funded benefits and services to Syrian refugees. Any state with such a policy would not be in compliance with the State Plan requirements, applicable statutes, and their own assurances, and could be subject to enforcement action, including suspension or termination" (Dear Colleague Letter- 16 -02). The letter also explains that the Civil Rights Act of 1964 also prohibits discrimination in programs that receive federal funding on the basis of national origin.

3. Re-authorization of TANF

TANF must be periodically reauthorized by Congress. TANF's most recent reauthorization occurred in the Deficit Reduction Act of 2005. This reauthorization ended in federal fiscal 2010 (September 30, 2010). Since that time, TANF has operated on a series of temporary extensions. TANF is currently operating under a temporary extension approved in the Consolidated Appropriations Act, 2016 that passed in December 2015. This extension expires September 30, 2016. The extension includes funding for TANF contingency funds.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
DHR – Family Investment Administration
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2015					
Legislative Appropriation	$138,968	$21,256	$1,528,556	$1,385	$1,690,165
Deficiency Appropriation	500	0	12,155	0	12,655
Cost Containment	-1,748	0	0	0	-1,748
Budget Amendments	7,304	3,272	12,605	0	23,181
Reversions and Cancellations	0	-12,681	-100,925	-1,066	-114,672
Actual Expenditures	**$145,024**	**$11,847**	**$1,452,391**	**$319**	**$1,609,581**
Fiscal 2016					
Legislative Appropriation	$138,351	$19,364	$1,443,543	$0	$1,601,257
Budget Amendments	-305	42	334	0	71
Working Appropriation	**$138,046**	**$19,406**	**$1,443,876**	**$0**	**$1,601,328**

DHR: Department of Human Resources

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 FIA were $80.6 million lower than the legislative appropriation. The fiscal 2015 general fund expenditures of FIA were $6.1 million higher than the legislative appropriation. The majority of the increase occurs as the result of salary and wage adjustments, including the fiscal 2015 cost-of-living adjustment (COLA) ($7.9 million). An increase of $500,000 is the general fund share of a deficiency appropriation to provide funds to support 45 new regular positions created by the Board of Public Works (BPW) in the Local Family Investment program to support medical assistance and health benefit application processing. The remaining increase ($366,725) supports technical and special fees for contractual staff related to the Promoting Responsible Fatherhood program. These increases are partially offset by lower expenditures resulting from:

- the administration's share of the across-the-board reduction included in the January 2015 BPW cost containment actions including holding positions vacant, reducing the call center contract, reducing funding for agreements with DLLR and the Governor's Workforce Investment Board, reducing funding for disability determination services contracts, and replacing general funds with federal funds for TCA ($1.3 million);

- a decrease in TCA ($840,072);

- the administration's share of holding positions vacant throughout DHR as part of cost containment actions approved by BPW in July 2014 ($450,000);

- savings under the Voluntary Separation Program ($108,889); and

- a realignment of telecommunications expenses through various executive agencies ($4,629).

The fiscal 2015 special fund expenditures of FIA were $9.4 million lower than the legislative appropriation. Increases totaling $3.3 million occurred by budget amendment for salary and wage adjustments including the fiscal 2015 COLA. These increases were more than offset by cancellations totaling $12.7 million, primarily from the Child Support Offset fund (which offsets TCA expenditures) and Interim Assistance Reimbursement (which offsets TDAP expenditures) ($12.1 million). The remaining cancellations ($541,579) result from lower than anticipated receipt of local government payments.

The fiscal 2015 federal fund expenditures of FIA were $76.2 million lower than the legislative appropriation. Deficiency appropriations resulted in a net increase of $12.2 million, largely due to available TANF contingency funds ($11.5 million). Other deficiency appropriations provided an increase of $1.5 million for the federal fund share of costs associated with 45 new regular positions created by BPW in the Local Family Investment program to support medical assistance and health benefit application processing and a decrease of $800,000 to reduce TANF to address a prior year shortfall. Other increases are the result of:

- the value of commodities in the Temporary Emergency Food Assistance Program (TEFAP) ($5.6 million);

- salary and wage adjustments including the fiscal 2015 COLA ($4.5 million);

- contractual services for the FSP nutrition education program and the substance abuse treatment program ($1.7 million);

- contractual services associated with the subsidized employment program ($561,071); and

- contractual services associated with TEFAP ($236,679).

These increases are more than offset by cancellations totaling $100.9 million, largely due to a lower than anticipated SNAP caseload.

FIA also cancelled $1.1 million of the reimbursable fund appropriation due to the lack of available reimbursable funds for health care related activities.

Fiscal 2016

To date, the fiscal 2016 appropriation of FIA has increased by $70,709. An increase of $2.1 million is the result of the restoration of the 2% pay reduction ($1.5 million federal funds, $527,252 general funds, and $42,184 special funds). This increase is partially offset by a decrease of $2.0 million due to the realignment of the 2% across-the-board reduction and the addition of the federal fund share of the reductions ($832,528 general funds and $1.2 million federal funds).

Object/Fund Difference Report
DHR – Family Investment Administration

Object/Fund	FY 15 Actual	FY 16 Working Appropriation	FY 17 Allowance	FY 16 - FY 17 Amount Change	Percent Change
Positions					
01 Regular	2,113.42	2,093.42	2,089.42	-4.00	-0.2%
02 Contractual	88.42	68.00	68.00	0.00	0%
Total Positions	**2,201.84**	**2,161.42**	**2,157.42**	**-4.00**	**-0.2%**
Objects					
01 Salaries and Wages	$ 148,150,394	$ 134,884,508	$ 146,126,741	$ 11,242,233	8.3%
02 Technical and Spec. Fees	4,076,088	2,517,319	2,592,524	75,205	3.0%
03 Communication	1,178,986	1,180,611	1,039,570	-141,041	-11.9%
04 Travel	228,651	177,374	178,086	712	0.4%
06 Fuel and Utilities	1,533,142	1,655,985	1,575,769	-80,216	-4.8%
07 Motor Vehicles	54,006	25,038	19,781	-5,257	-21.0%
08 Contractual Services	65,133,307	60,150,994	59,490,036	-660,958	-1.1%
09 Supplies and Materials	1,315,616	786,541	1,037,593	251,052	31.9%
10 Equipment – Replacement	18,399	0	0	0	0.0%
11 Equipment – Additional	115,140	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	1,374,152,365	1,385,419,316	1,372,505,850	-12,913,466	-0.9%
13 Fixed Charges	13,625,197	14,530,277	14,687,132	156,855	1.1%
Total Objects	**$ 1,609,581,291**	**$ 1,601,327,963**	**$ 1,599,253,082**	**-$ 2,074,881**	**-0.1%**
Funds					
01 General Fund	$ 145,024,485	$ 138,045,677	$ 143,452,424	$ 5,406,747	3.9%
03 Special Fund	11,847,260	19,405,906	16,212,775	-3,193,131	-16.5%
05 Federal Fund	1,452,390,836	1,443,876,380	1,439,587,883	-4,288,497	-0.3%
09 Reimbursable Fund	318,710	0	0	0	0.0%
Total Funds	**$ 1,609,581,291**	**$ 1,601,327,963**	**$ 1,599,253,082**	**-$ 2,074,881**	**-0.1%**

DHR: Department of Human Resources

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

Fiscal Summary
DHR – Family Investment Administration

Program/Unit	FY 15 Actual	FY 16 Wrk Approp	FY 17 Allowance	Change	FY 16 - FY 17 % Change
02 Local Family Investment Program	$ 157,905,094	$ 157,994,924	$ 167,128,183	$ 9,133,259	5.8%
08 Assistance Payments	1,347,636,311	1,351,000,863	1,337,067,106	-13,933,757	-1.0%
10 Work Opportunities	34,680,216	33,288,084	33,311,034	22,950	0.1%
04 Director's Office	37,121,490	31,518,321	34,350,084	2,831,763	9.0%
05 Maryland Office for New Americans	13,264,792	14,396,684	14,215,543	-181,141	-1.3%
07 Office of Grants Management	18,973,388	13,129,087	13,181,132	52,045	0.4%
Total Expenditures	**$ 1,609,581,291**	**$ 1,601,327,963**	**$ 1,599,253,082**	**-$ 2,074,881**	**-0.1%**
General Fund	$ 145,024,485	$ 138,045,677	$ 143,452,424	$ 5,406,747	3.9%
Special Fund	11,847,260	19,405,906	16,212,775	-3,193,131	-16.5%
Federal Fund	1,452,390,836	1,443,876,380	1,439,587,883	-4,288,497	-0.3%
Total Appropriations	**$ 1,609,262,581**	**$ 1,601,327,963**	**$ 1,599,253,082**	**-$ 2,074,881**	**-0.1%**
Reimbursable Fund	$ 318,710	$ 0	$ 0	$ 0	0.0%
Total Funds	**$ 1,609,581,291**	**$ 1,601,327,963**	**$ 1,599,253,082**	**-$ 2,074,881**	**-0.1%**

DHR: Department of Human Resources

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

Appendix 3