N00B

Social Services Administration

Department of Human Services

Executive Summary

The Department of Human Services (DHS) Social Services Administration (SSA) supervises child welfare programs, including foster care, subsidized adoptions, and guardianships, as well as programs to protect vulnerable adults and individuals with disabilities provided through the local departments of social services.

Operating Budget Data

($ in Thousands)

	FY 18 Actual	FY 19 Working	FY 20 Allowance	FY 19-20 Change	% Change Prior Year
General Fund	$374,294	$372,416	$364,259	-$8,157	-2.2%
Adjustments	0	1,012	3,622	2,611	
Adjusted General Fund	**$374,294**	**$373,428**	**$367,881**	**-$5,547**	**-1.5%**
Special Fund	6,171	7,357	6,795	-562	-7.6%
Adjustments	0	14	51	37	
Adjusted Special Fund	**$6,171**	**$7,371**	**$6,846**	**-$526**	**-7.1%**
Federal Fund	174,006	188,836	204,804	15,969	8.5%
Adjustments	0	641	2,236	1,595	
Adjusted Federal Fund	**$174,006**	**$189,477**	**$207,040**	**$17,563**	**9.3%**
Reimbursable Fund	501	206	206	0	
Adjustments	0	0	0	0	
Adjusted Reimbursable Fund	**$501**	**$206**	**$206**	**$0**	**0.0%**
Adjusted Grand Total	**$554,972**	**$570,482**	**$581,973**	**$11,491**	**2.0%**

Note: The fiscal 2019 appropriation includes deficiencies, a one-time $500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

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

For further information contact: Tonya D. Zimmerman Phone: (410) 946-5530

- The largest increase in the fiscal 2020 allowance of SSA is in the Foster Care Maintenance Payments program ($8.8 million), largely driven by caseloads. Funding for placements increase compare to the budgeted level for fiscal 2019. However, fiscal 2019 caseloads have been much higher than the budgeted caseload. The Department of Legislative Services forecasts a shortfall of $8 million in fiscal 2019 in the program as a result of the higher than budgeted caseloads, while the fiscal 2020 allowance for the program appears adequately funded.

- The fiscal 2020 allowance of SSA includes $4.4 million for a 3% provider rate increase for both providers with rates set by the Interagency Rates Committee and the family foster care board rate. The fiscal 2020 allowance also includes $420,452 for an interagency agreement to develop a new rate setting process for providers, which is expected to be implemented in fiscal 2021.

Personnel Data

	FY 18 Actual	FY 19 Working	FY 20 Allowance	FY 19-20 Change
Regular Positions	2,686.95	2,652.45	2,654.45	2.00
Contractual FTEs	5.00	2.50	2.50	0.00
Total Personnel	**2,691.95**	**2,654.95**	**2,656.95**	**2.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	186.67	7.11%
Positions and Percentage Vacant as of 12/31/18	206.00	7.77%

- The fiscal 2020 allowance includes a number of position transfers, both within administrations and between administrations. These transfers result in a net increase of 2 positions in SSA. In general, DHS indicates that most of the position transfers are intended to more accurately reflect the work performed by the position.

Key Observations

- ***Measures of Child Welfare Performance Have Mixed Results in Fiscal 2018 but Generally Fail to Meet Goals:*** In fiscal 2018, SSA's performance improved in some measures related to reducing child welfare and safety. However, performance deteriorated in other measures, including the rate of recurrence of maltreatment. Even in measures with improved performance, SSA often failed to meet the performance goals. In fiscal 2018, SSA met only one of its child welfare performance goals (percent of children under age 18 in care for 24 or more continuous months).

- ***SSA Begins Transition Away from Title IV-E Waiver:*** Since fiscal 2016, SSA has operated with a Title IV-E waiver that has allowed for use of federal funds for services and children that would not otherwise be eligible for federal reimbursement. The waiver ends on September 30, 2019. The fiscal 2020 allowance reflects the transition from the end of the waiver with increased regular Title IV-E spending and reduced Title IV-E Waiver spending. The fiscal 2020 allowance does not include federal funds to continue the evidence-based practices and support services funded through the waiver beyond September 30, 2019. However, changes in federal law, effective October 1, 2019, will allow for federal Title IV-E funding for certain evidence-based prevention services.

- ***DHS Fails to Submit a Report on Hospital Stays by Youth in Out-of-home Placements.***

Operating Budget Recommended Actions

1. Add language restricting funds until a report is submitted on plans for continuing evidence-based practices at the end of the Title IV-E Waiver.
2. Add language restricting funds until a report is submitted on hospital stays by youth in out-of-home placements.
3. Adopt committee narrative requesting a copy of a report on the planned new foster care rate structure.
4. Add language to restrict the Foster Care Maintenance Payments program to that purpose.
5. Add language to restrict the funding for the Foster Youth Savings Program until the department provides information on the planned use of funds.
6. Add language to restrict funding for the Child Welfare Services program to that purpose.
7. Adopt committee narrative requesting information on child welfare caseloads and caseworkers.

Updates

- ***DHS Offers a Higher Foster Care Board Rate in Charles and Prince George's Counties to Compete with Washington, DC:*** To encourage families in Charles and Prince George's counties to continue serving as foster parents for Maryland rather than Washington, DC, DHS provides a $40 higher foster care board rate in these jurisdictions. However, the rates are still much lower (more than $200) than what is offered by the Child and Family Services Agency in Washington, DC.

- ***Office of Legislative Audits Follow-up Review Indicates Corrective Actions Are Ongoing for Findings from an Audit Released in 2017 for SSA.***

Social Services Administration

Department of Human Services

Operating Budget Analysis

Program Description

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

SSA also supervises programs to protect vulnerable adults and individuals with disabilities, promote self-sufficiency, and assist in avoiding unnecessary or delaying institutional care.

DHS has two key goals related to SSA, which are that:

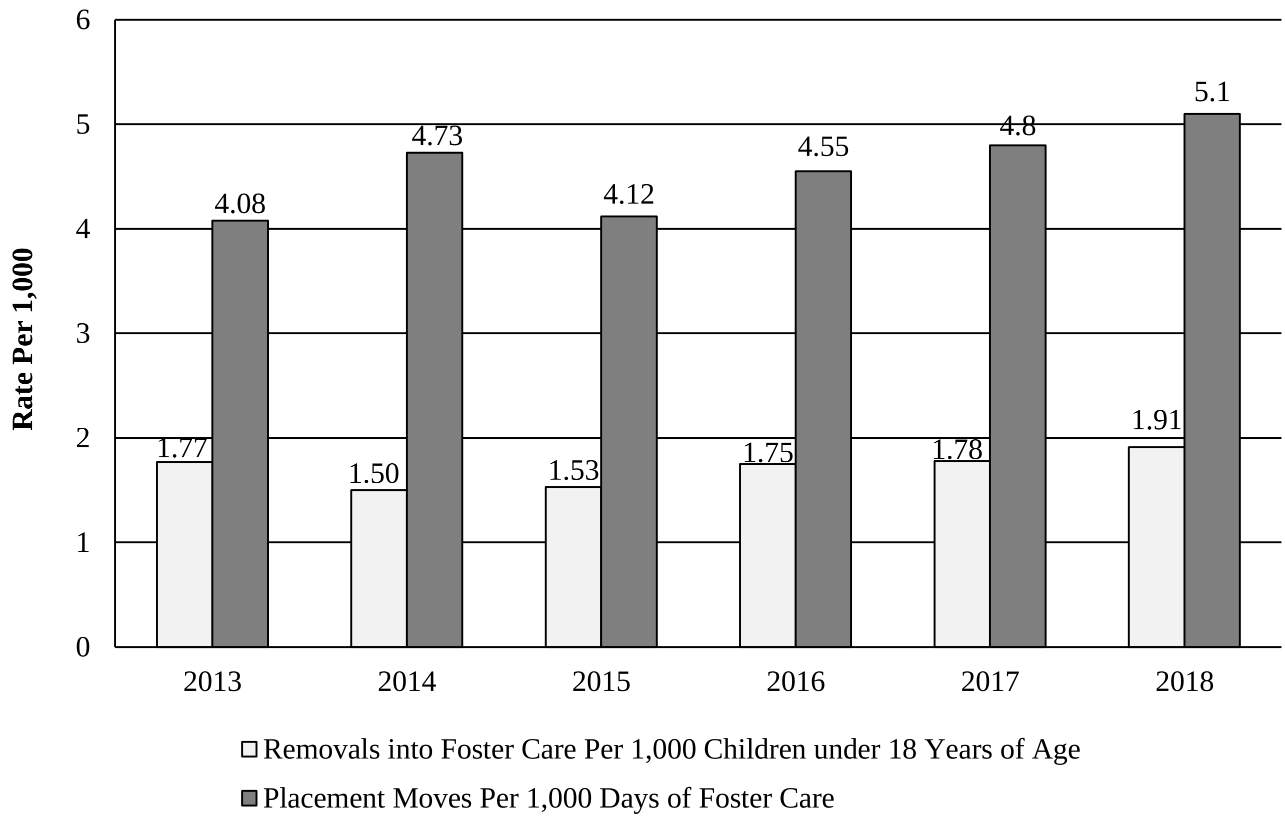
- Maryland residents are safe from abuse, neglect, and exploitation; and
- Maryland children live in permanent homes, and vulnerable adults live in the least restrictive environment.

Performance Analysis: Managing for Results

1. Performance in the Rate of Entry into Care and Placement Stability Continues to Deteriorate

SSA has a goal of no more than 1.5 removals into care per 1,000 children under age 18. As shown in **Exhibit 1**, after essentially meeting this goal in fiscal 2014 and 2015, the rate of removal into care has increased in each year. In fiscal 2019, the rate of removal into care, 1.91 per 1,000 children under age 18 was 24.8% higher than fiscal 2015 (1.53). The statewide increase masks a substantial variation by jurisdiction. The highest rates of removals are concentrated in three jurisdictions (Allegany and Garrett counties and Baltimore City). In fiscal 2018, Garrett County and Baltimore City each had a rate of removal greater than 10 per 1,000 children under age 18, while Allegany County had 5.7 removals into care per 1,000 children under age 18. The increased rate of removal has been impacted by the opioid epidemic and other substance use issues in recent years.

Exhibit 1
Out-of-home Care and Placement Stability
Fiscal 2013-2018



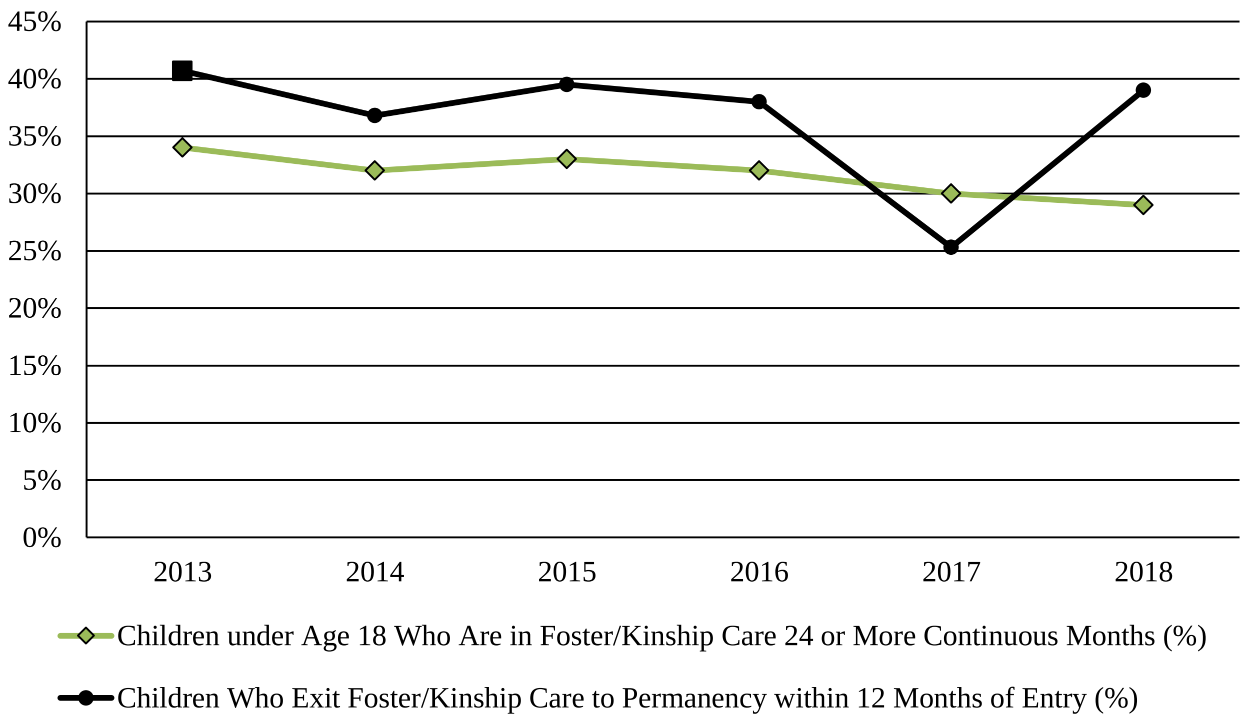
Source: Governor's Fiscal 2019 and 2020 Budget Books; Department of Human Services; Department of Budget and Management

SSA has a goal of limiting the number of placement moves to 4.12 per 1,000 days of foster care, which equates to a move approximately every 243 days. After meeting the goal in fiscal 2015, the rate of placement moves has increased in each of the last three years, as shown in Exhibit 1. In fiscal 2018, children in care in Maryland experienced 5.1 placement moves per 1,000 days of foster care, a move approximately every 196 days. DHS indicates that the increase has resulted partly from the number of youth entering care with complex needs, which has led to challenges in finding appropriate placements. SSA is working to provide more information to LDSS staff about services available from various providers to reduce improper placements. SSA is also working to improve the referral form to give providers more information about the youth being referred for placement. SSA also noted that some placement moves are to ensure that youth are in the least restrictive placement or with a relative, who may not have been identified at the time of the initial placement.

2. SSA Makes Progress in Reducing Lengths of Stay in Care

As shown in **Exhibit 2**, after a substantial decrease in the percent of children who exit foster/kinship care to permanency within 12 months of entry in fiscal 2017, performance in this measure in fiscal 2018 (39%) returned to levels closer to historical performance and near the goal (40%). DHS indicated that there has been an increased focus on timely moves to permanency, particularly due to the low rate in fiscal 2017. DHS also explained that more use of evidence-based practices has resulted in assisting families in ways that allow for earlier reunifications.

Exhibit 2
Length of Stay in Care
Fiscal 2013-2018



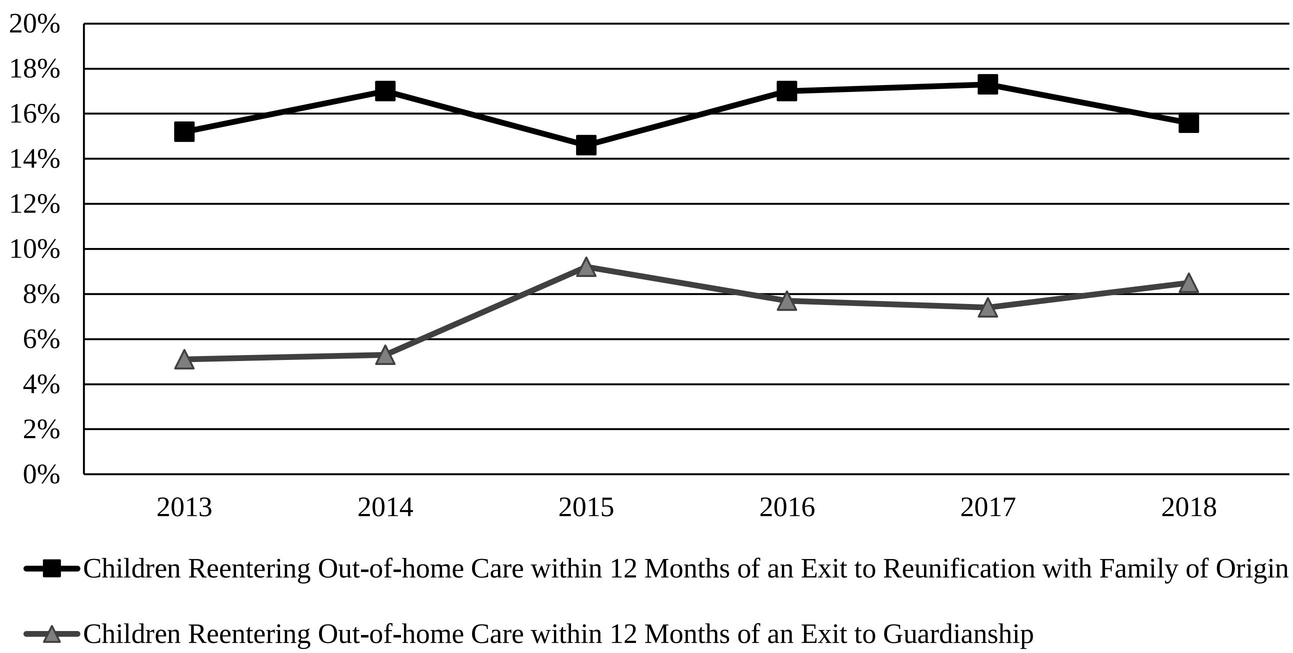
Source: Governor's Fiscal 2019 and 2020 Budget Books; Department of Human Services; Department of Budget and Management

SSA continues to make progress in reducing the percent of children under age 18 who are in foster/kinship care for 24 or more continuous months. The percent of children in care for 24 or more continuous months has decreased from 33% in fiscal 2015 to 29% in fiscal 2018. In fiscal 2018, SSA met the goal of having no more than 30% of children under age 18 remain in care 24 or more continuous months. DHS credits an increased focus on this measure in reducing the length of time in care.

3. Rate of Reentry into Care Fails to Meet Goal

SSA has a goal of no more than 12% of youth reentering care after an exit to reunification. As shown in **Exhibit 3**, the rate of reentry into care from reunification has been higher than this goal in each year between fiscal 2013 and 2018. In fact, the rate of reentry in care was below 15% in only one of these years (fiscal 2015). Despite continuing to have a reentry rate much higher than the goal, SSA reduced the reentry rate in fiscal 2018 by 1.7 percentage points. DHS indicates that the improved performance was the result of the use of evidence-based practices implemented with the Title IV-E waiver and efforts by LDSS staff to ensure that families have necessary supports available when a reunification occurs. SSA is continuing to examine additional reasons for the high reentry rates.

Exhibit 3
Reentry into Care
Fiscal 2013-2018



Source: Governor's Fiscal 2019 and 2020 Budget Books; Department of Human Services; Department of Budget and Management

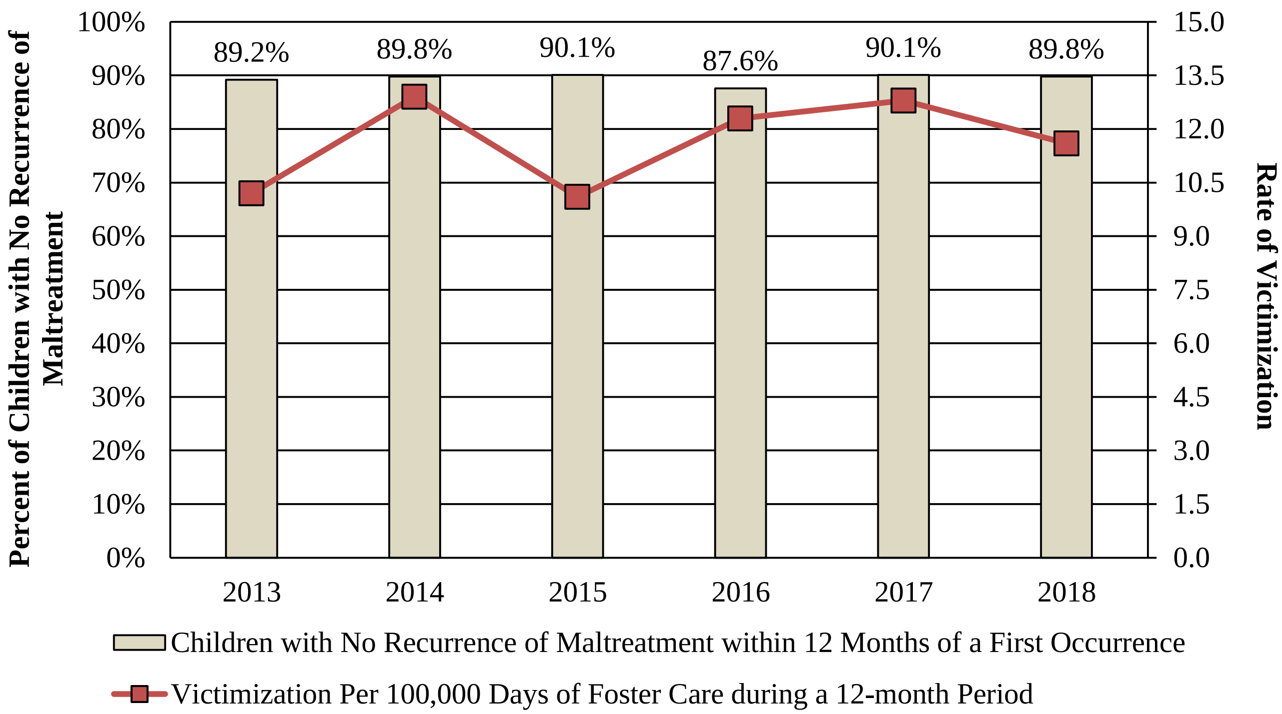
The rate of reentry into care within 12 months of an exit to guardianship exceeded 5% in each year between fiscal 2013 and 2018. In fiscal 2018, the rate of reentry from guardianship increased by 1.1 percentage points to 8.5%, the second highest rate since fiscal 2013. SSA explains that high reentry rates occur primarily among nonrelative guardianship placements. SSA expects additional focus by LDSS to ensure that guardians are aware of available supports will assist in reducing the reentry rate.

4. Performance in Measures of Child Safety Remains Below Goals

DHS reports two primary measures related to child safety: (1) the percentage of children with no recurrence of maltreatment within 12 months of a first occurrence; and (2) the rate of victimization per 100,000 days of foster care during a 12-month period. The rate of victimization includes all instances of maltreatment while in foster care and is not limited to foster parents or facility staff members.

DHS has a goal of 90.9% of children having no recurrence of maltreatment within 12 months of a first occurrence. As shown in **Exhibit 4**, SSA has failed to meet this goal in any year between fiscal 2013 and 2018, though in both fiscal 2015 and 2017, more than 90% of children had no recurrence of maltreatment within 12 months. In fiscal 2018, performance in this measure decreased slightly. SSA anticipates that performance will improve with the implementation of a new practice model that focuses on improving the engagement with, and assessment of, families.

Exhibit 4
Child Safety
Fiscal 2013-2018



Source: Governor's Fiscal 2019 and 2020 Budget Books; Department of Human Services; Department of Budget and Management

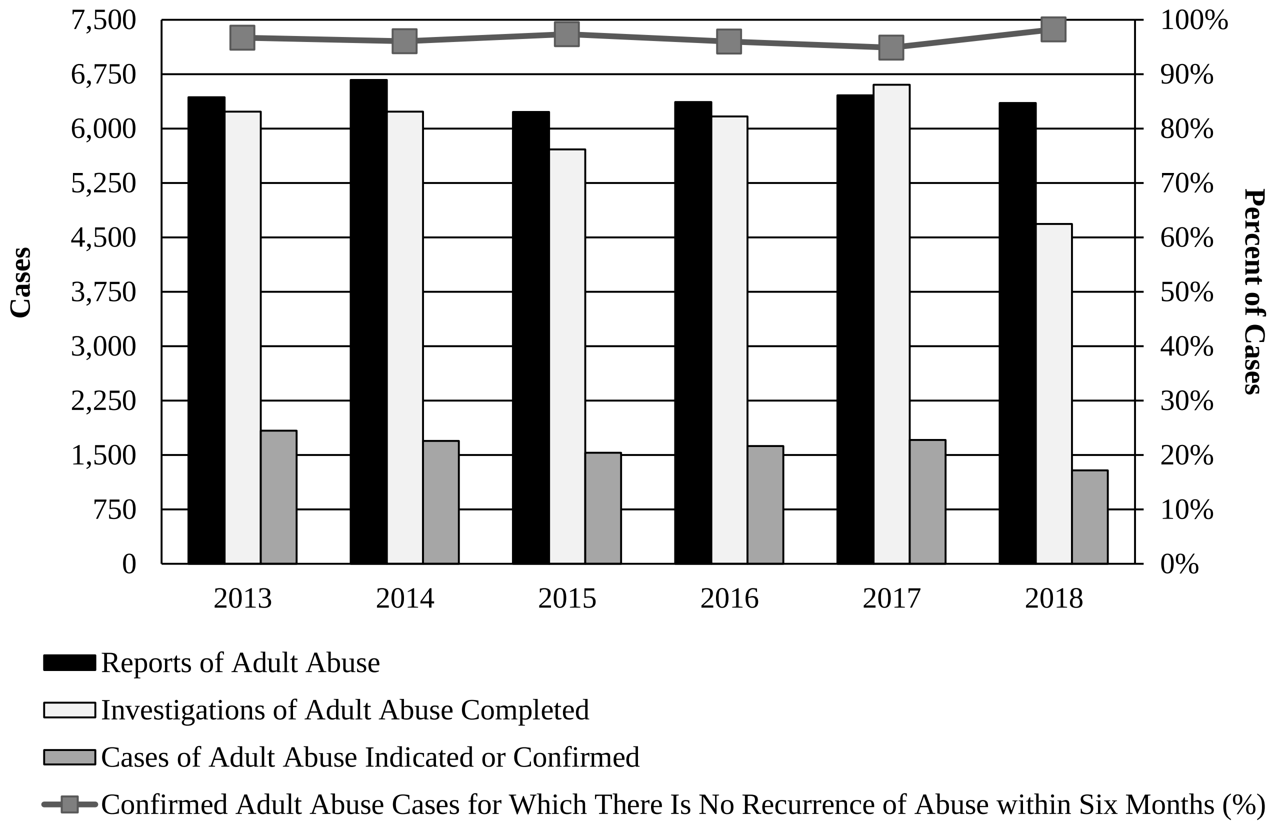
After increasing in each of the prior two years, the rate of victimization per 100,000 days of foster care during a 12-month period decreased in fiscal 2018. Despite the improvement, the rate of victimization (11.6 per 100,000 days of foster care) in fiscal 2018 was 36% higher than the goal (8.5). SSA failed to meet the goal in this area in any year between fiscal 2013 and 2018. SSA indicates that the improved performance in fiscal 2018 was due to the allocation of additional resources to LDSS to ensure that foster care providers actively reduce the risks of maltreatment of children that they serve. SSA also noted an increased focus on the need for improved assessments of children prior to unsupervised visitation with the child's biological family members.

5. SSA Meets Goal Related to Recurrence of Maltreatment for Victims of Abuse of Adults

As shown in **Exhibit 5**, from fiscal 2013 to 2017, the number of investigations of adult abuse completed was relatively near the number of reports of abuse, at least 90% of the number of reports of adult abuse in each of these year. In fiscal 2017, the number of investigations exceeded the number of reports, due to investigations that began in the prior year and because some reports result in investigations of multiple types of abuse that are each counted separately in this measure. However, in fiscal 2018, the number of investigations of adult abuse was only approximately 74% of the reports of abuse. Consistent with the reduction in investigations, in fiscal 2018, the number of indicated or confirmed cases of adult abuse decreased by 24.6%. SSA attributes the reduction of completed investigations relative to reports to technical assistance regarding the utilization of the screening tool. DHS explains that the assistance is allowing workers to become more skilled at gaining information from the source of the referral, which increases the number of reports screened out rather than being assigned for investigation.

DHS has a goal of 96.5% of adult abuse cases having no recurrence within six months. In fiscal 2018, at 98.2%, SSA exceeded this goal for the first time since fiscal 2015. SSA explains that one-third of jurisdictions piloted a new Adult Protective Services assessment tool for a portion of the year. SSA stated that a formal evaluation of the assessment has not yet occurred. However, SSA noted that local staff reported that the new assessment tool resulted in more comprehensive assessments, which leads to improved service provision and allows the worker to assist the family in identifying their needs and understanding the importance of undertaking the recommended services. SSA plans to implement this tool statewide during spring 2019.

Exhibit 5
Adult Protective Services
Fiscal 2013-2018



Source: Governor's Fiscal 2019 and 2020 Budget Books; Department of Human Services; Department of Budget and Management

Fiscal 2019 Actions

Proposed Deficiency

There are two statewide deficiency appropriations for fiscal 2019; of which SSA's share is:

- $1.4 million for a one-time bonus; and

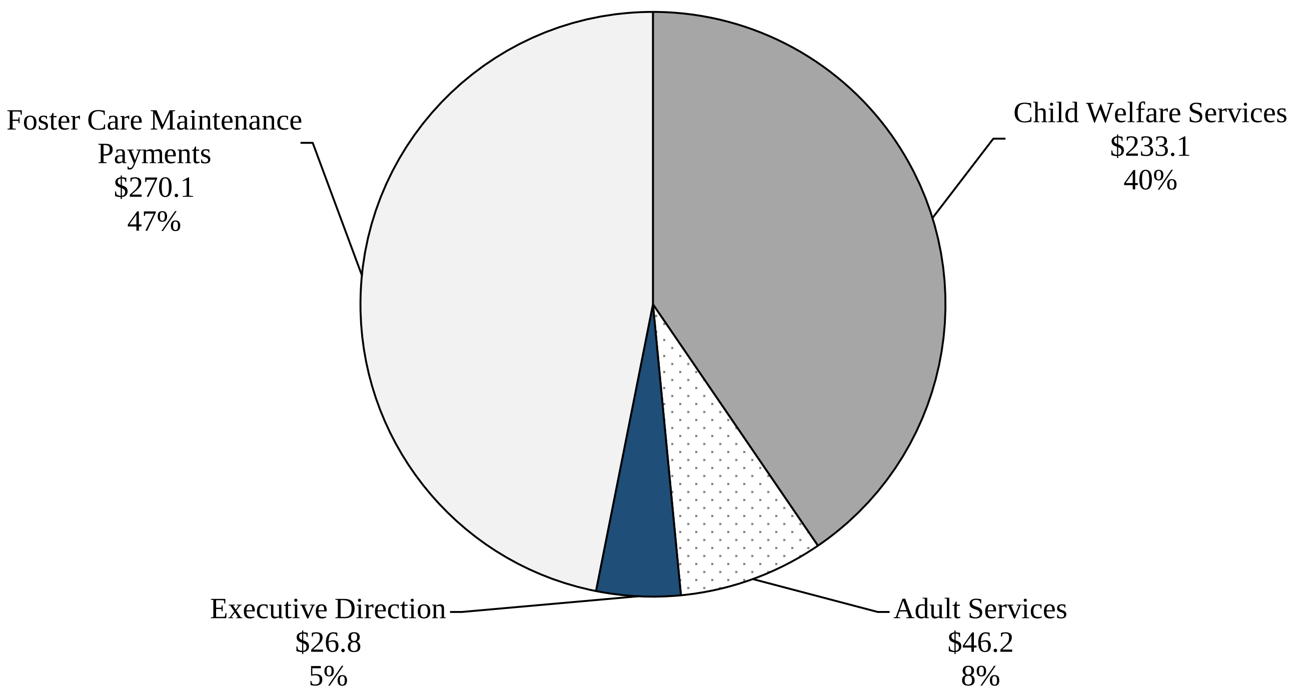
- $226,647 for a 0.5% general salary increase effective April 1, 2019.

Fiscal 2020 Allowance

Overview of Agency Spending

The fiscal 2020 allowance of SSA totals $576.1 million, before accounting for statewide employee compensation adjustments. As shown in **Exhibit 6**, the Foster Care Maintenance Payments program accounts for 47% of the fiscal 2020 allowance. This program provides both the funds for placement costs for children in out-of-home care, subsidized adoptions, and subsidized guardianships, as well as related costs for these children (for example, day care expenses to assist foster parents and educational expenses). Over half of the Foster Care Maintenance Payments funding is used to support foster care placements ($149.9 million). An additional 32% of this funding is for subsidized adoption and subsidized guardianship placements.

Exhibit 6
Spending by Program
Fiscal 2020 Allowance
($ in Millions)

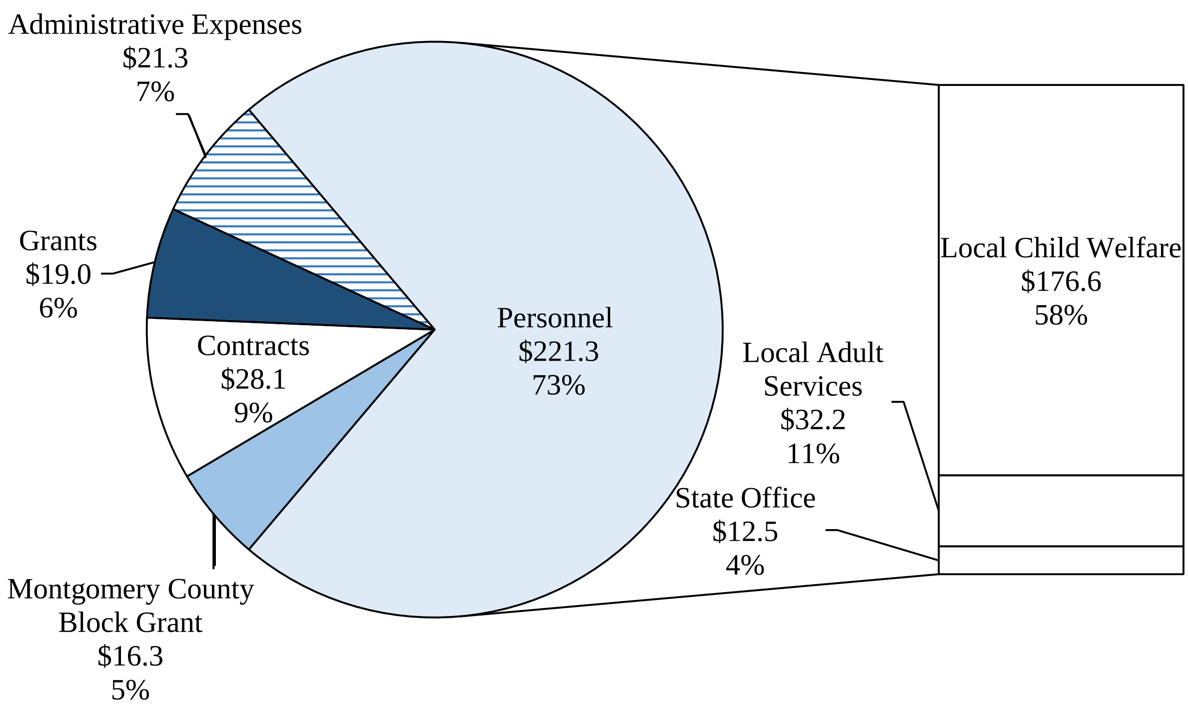


Note: Numbers may not sum due to rounding. Spending excludes statewide employee compensation adjustments.

Source: Governor's Fiscal 2020 Budget Books

As shown in **Exhibit 7**, when excluding Foster Care Maintenance Payments, personnel expenses account for 73% of the fiscal 2020 spending of SSA. The majority of the personnel spending is for caseworkers and supervisors in the local child welfare services programs at LDSS, which accounts for 58% of SSA's fiscal 2020 non-Foster Care Maintenance Payment spending. The Montgomery County block grant accounts for 5% of SSA's non-Foster Care Maintenance Payments spending. Montgomery County receives a block grant for child welfare, adult services, family investment, and administrative expenses. This block grant provides the county with the ability to provide higher pay and other flexibility. In SSA, the Montgomery County block grant includes the child welfare and adult services components. The activities budgeted through the block grant are similar to those that would be split between personnel, contracts, and administrative expenses for the other LDSS. DHS pays the portion of the salaries equivalent to what those positions would earn if they were State employees.

Exhibit 7
Spending by Category, Excluding Foster Care Payments
Fiscal 2020 Allowance
($ in Millions)



Note: Numbers may not sum due to rounding. Spending excludes statewide employee compensation adjustments.

Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 8**, the fiscal 2020 allowance of SSA increases by $11.5 million, or 2%, compared to the fiscal 2019 working appropriation after accounting for statewide employee compensation adjustments. Federal funds increase by $17.6 million, primarily from Temporary Assistance for Needy Families (TANF) funds ($16.3 million). The additional TANF reduces general fund need throughout SSA, in part to ease the transition from the end of the Title IV-E Waiver. However, the TANF balance that enabled the increased support is largely eliminated at the end of fiscal 2020. As a result, TANF support for the program is expected to be reduced to levels more in line with historical experience in fiscal 2021.

Exhibit 8
Proposed Budget
DHS – Social Services Administration
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2018 Actual	$374,294	$6,171	$174,006	$501	$554,972
Fiscal 2019 Working Appropriation	373,428	7,371	189,477	206	570,482
Fiscal 2020 Allowance	367,881	6,846	207,040	206	581,973
Fiscal 2019-2020 Amount Change	-$5,547	-$526	$17,563	$0	$11,491
Fiscal 2019-2020 Percent Change	-1.5%	-7.1%	9.3%		2.0%

Where It Goes:	
Personnel Expenses	
Fiscal 2020 salary increase and annualization of additional 0.5% fiscal 2019 general salary increase	$5,682
Employee and retiree health insurance	2,455
Retirement contributions	1,534
Regular earnings due to annualization of fiscal 2019 general salary increase partially offset by budgeting vacant positions at lower salaries	684
Other personnel adjustments	-16
One-time fiscal 2019 bonus	-1,440
Foster Care Maintenance Payments	
Foster care placements due to increase in budgeted caseload and changes in placement costs, including funds for a 3% provider rate increase	5,535
Flexible spending funds and other services to align with recent experience	2,526
Day care expenditures to align with recent experience	605

Where It Goes:	
Subsidized guardianships due to increased placements partially offset by lower subsidized adoption caseloads	451
Independent living services to align with recent experience	294
Waiver intervention services	177
Education expenditures to align with recent experience	-803
Impending End of Title IV-E Waiver on September 30, 2019	
Contracts and grants for project implementation, consultation, and technical support	-2,073
Support for reinvestment strategies and evidence-based practices	-6,000
Contract and Grant Changes	
Local care coordination reimbursement (technical adjustment as funds are intended to be provided in fiscal 2019 but are not yet reflected in the fiscal 2019 working appropriation)	1,200
Interagency agreement for development of a revised provider rate setting process	421
Administrative hearings	258
Grant to Maryland Resource Parent Association for foster parent recruitment and retention (technical adjustment as funds are intended to be provided in fiscal 2019 but are not yet reflected in the fiscal 2019 working appropriation)	158
Telephone and cell phone expenditures to better align with recent experience partially offset by postage	133
Travel to align with recent experience including for monitoring of out-of-state facilities	118
Baltimore Child Abuse Center contract (technical adjustment as funds are intended to be provided in fiscal 2019 but are not yet reflected in the fiscal 2019 working appropriation)	100
Montgomery County Block Grant primarily related to health insurance and fringe benefits partially offset by increases in other administrative expenditures	-87
DBM paid telecommunications due to statewide reallocation of costs for these activities and centralized budgeting of costs in DHS	-100
Locally funded services to support emergency needs of vulnerable adults in Prince George's County to align with recent experience	-578
Administrative Expenses	
Other changes	256
Total	**$11,491**

DBM: Department of Budget and Management
DHS: Department of Human Services

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

Foster Care Maintenance Payments

The fiscal 2020 allowance for Foster Care Maintenance Payments increases by $8.8 million (3.4%) compared to the fiscal 2019 working appropriation. The increase occurs among both general ($3.1 million) and federal funds ($5.8 million). The federal fund increase is primarily from additional TANF (an increase of $12.3 million), partially offset by a loss resulting from the end of the Title IV-E waiver.

The fiscal 2020 allowance includes funding for a 3% provider rate increase, including the family foster care board rate ($4.4 million). This level of provider rate increase is the same as was included in the fiscal 2019 budget, after accounting for the funds restricted for an additional 2% provider rate increase.

Special Fund Support for Foster Care Maintenance Payments Likely Overstated

The department, as the custodian of youth in out-of-home placements, may apply and receive certain federal benefits (Veterans Administration, Supplemental Security Income, or Social Security) on behalf of these children as the representative payee. These benefits have historically been used to pay for the cost of care offsetting the general fund cost of placements. In recent years, this offset of spending has been shown as special funds (Cost of Care Reimbursement) in the Foster Care Maintenance Payments program. In fiscal 2018, the department spent $1.9 million of these funds on the cost of care.

Chapters 815 and 816 of 2018 alter how the department can use federal benefits that it receives on behalf of foster youth. The department is required to use the funds in the child's best interest, including for needs that would not otherwise be provided by the department, or conserve the funds for the youth. Beginning at age 14, the department is required to reduce the amount of these benefits used for the cost of care. In particular, the chapters require that (1) at ages 14 and 15, no more than 60% may be used for the cost of care; (2) at ages 16 and 17, no more than 20% may be used for the cost of care; and (3) from ages 18 through 20, none of the funds may be used for the cost of care. The department is also expected to monitor any federal asset or resource limits for the benefit to ensure that using or conserving the funds avoids any federal limits that would impact the child's eligibility to receive the benefits. The chapters also require the department to provide an accounting to the child and the child's attorney regarding how the funds have been used and to provide financial literacy for older youth. The chapters became effective on October 1, 2018.

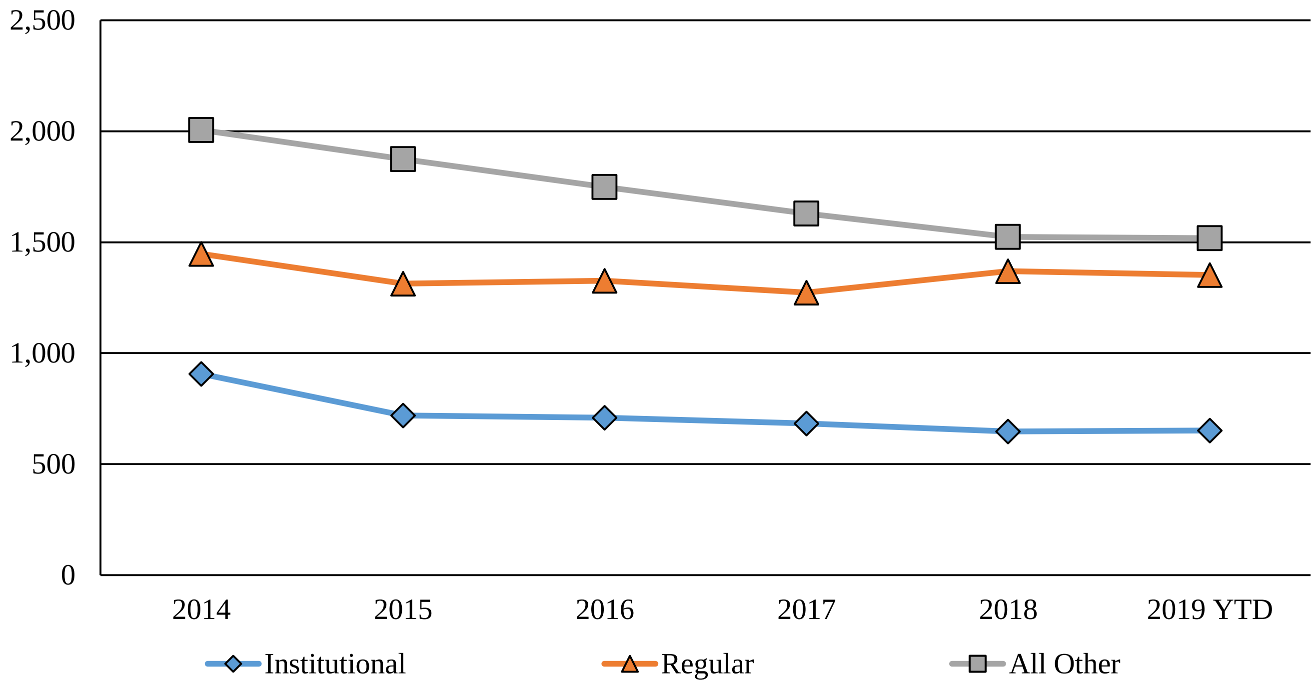
DHS issued policy guidance to LDSS consistent with the legislation. DHS is currently conserving the funds not used for the cost of care at the levels established in the statue in LDSS-established trust fund accounts or Special Needs Trusts. DHS indicates that through January 15, 2019, 30 accounts have been opened as a result of this legislation, and slightly more than $50,000 has been conserved.

The fiscal 2020 budget includes $1.9 million of special funds from cost-of-care reimbursement, which does not account for the reduction in available funds due to Chapters 815 and 816. As a result, the appropriation overstates the special funds available from cost-of-care reimbursement and understates the need for general funds for foster care placements. The fiscal note for Chapters 815 and 816 estimated this impact at $0.9 million in fiscal 2019 and $1.2 million in fiscal 2020.

Caseload Trends and Estimates

Beginning in calendar 2017, the total number of youth in out-of-home placements began increasing. However, in the latter half of calendar 2018, this trend reversed. Though this count includes youth that are not included in the placements supported by Foster Care Maintenance Payments, placements in regular foster care have followed a similar trajectory. As shown in **Exhibit 9**, in fiscal 2018, the average monthly number of children in regular foster care increased 7.6% but decreased by 1.3% in the first half of fiscal 2019.

Exhibit 9
Foster Care
Average Monthly Caseloads
Fiscal 2014-2019 YTD (through December 2018)



YTD: year to date

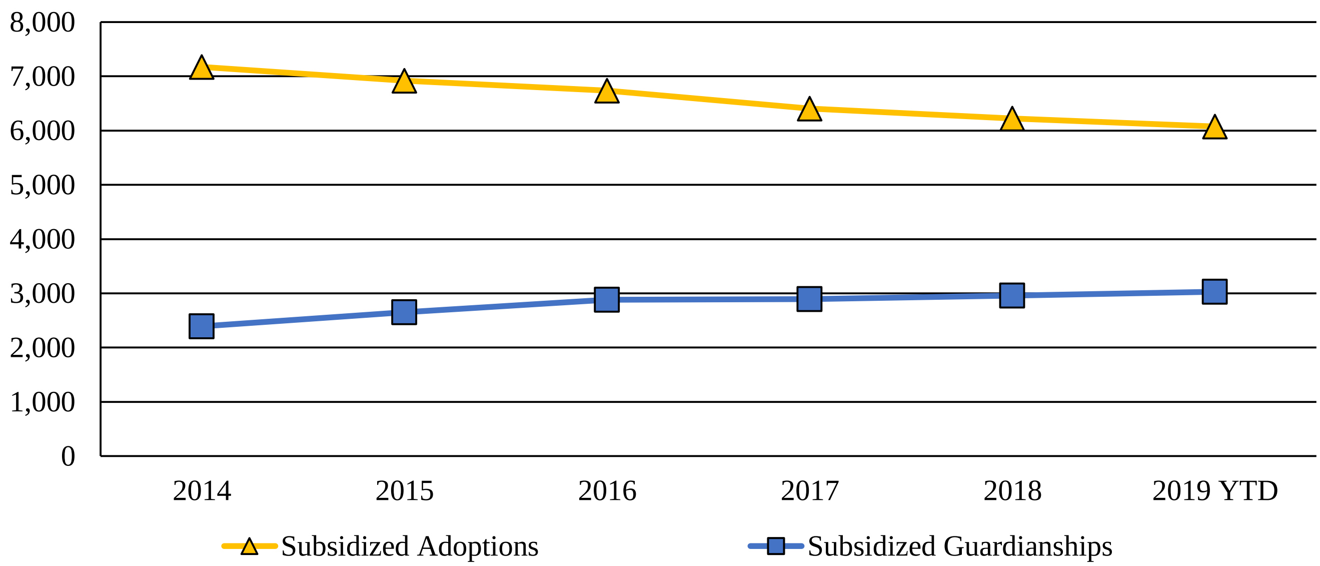
Note: Excludes certain types of placements that are paid for in other areas of the State budget, such as kinship care or Regional Institutes for Children and Adolescents. Data is year to date through December 2018.

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

Between fiscal 2015 and 2018, the average monthly number of youth in all other foster care settings decreased between 6.5% and 7% per year, largely driven by purchased home placements. Purchased home placements are foster care placements made with licensed child placement agencies. However, in the first half of fiscal 2019, the decrease in these placements has slowed to 0.4% with placements in purchased homes actually increasing slightly. Similarly, in the first half of fiscal 2019, average monthly institutional placements have increased slightly (0.6%). It is not uncommon for institutional placements to increase during part of the year and end the year with a net decrease. Due to these combined effects, the decrease in total average monthly placements in the first half of fiscal 2019 was 0.9% compared to 1.2% in fiscal 2018.

As shown in **Exhibit 10**, the average number of youth in subsidized guardianships has increased in each year since fiscal 2014. After the rate of increase slowed to 0.5% in fiscal 2017, the average monthly number of youth in subsidized guardianship placements increased by 2.2% in fiscal 2018. A similar rate of growth has continued in the first half of fiscal 2019. The average number of youth in subsidized adoption placements has decreased in all recent years, though the rate of change has slightly varied. In fiscal 2018, the average number of youth in these placements decreased by 2.9% with a slight slowing in fiscal 2019 year to date (2.4%).

Exhibit 10
Subsidized Adoptions/Guardianships
Average Monthly Caseloads
Fiscal 2014-2019 YTD (through December 2018)



YTD: year to date

Note: Data is year to date through December 2018.

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

Exhibit 11 presents a comparison of the Department of Legislative Services (DLS) estimates for the average monthly placements and the caseload estimate on which the budget is based in fiscal 2019. Although there are differences among individual placement types, in fiscal 2020, overall, the caseload estimate of DLS is similar to the allowance. While the caseload estimates are relatively similar for fiscal 2020, DLS projects a substantially higher caseload in fiscal 2019 than the budgeted level (556 average monthly placements). The higher estimated caseloads occur throughout placement types, but subsidized adoption and regular foster care are the two largest areas of difference. These differences are primarily driven by higher fiscal 2018 actual caseloads compared to the budgeted levels in that year. For example, the fiscal 2019 budget assumed regular foster care placements would decrease by 3.4% compared to fiscal 2018 budgeted levels, but this decrease now appears as a 13% decrease. A similar effect occurs for subsidized adoption placements, which reflected a decrease of 4.5% when compared to the fiscal 2018 budgeted level, but now appears as a 6% decrease.

Exhibit 11
Caseload Projections by Placement Type
Average Monthly Caseloads
Fiscal 2018-2020 Est.

	2018	**2019**				**2020**
	Actual	**Approp.**	**Revised Estimate**	**DLS**	**2019 DLS – 2019 Approp. Difference**	**DLS**
Regular	1,370	1,188	1,468	1,343	155	1,329
Other Placements	251	274	225	246	-28	244
Purchased Home	1,273	1,174	1,196	1,260	86	1,235
Purchased Institution	647	582	643	641	59	634
Total Foster Care	**3,541**	**3,218**	**3,532**	**3,489**	**271**	**3,442**
Subsidized Guard	2,961	2,947	3,027	3,020	73	3,050
Subsidized Adoption	6,224	5,857	6,042	6,068	211	5,917
Total Subsidized Adoptions/Guardianships	**9,185**	**8,804**	**9,069**	**9,089**	**285**	**8,967**
Total Combined	**12,726**	**12,022**	**12,601**	**12,578**	**556**	**12,409**

DLS: Department of Legislative Services

Note: Numbers may not sum due to rounding. Fiscal 2019 appropriation caseloads reflect those on which the budget was based and do not reflect current estimates by the Department of Budget and Management.

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

These adjustments have largely been accounted for by more recent estimates produced by the Department of Budget and Management (DBM). If the DLS estimate were to be compared to the revised estimates, the gap between the estimates of average monthly placements is much smaller, just 23 average placements per month lower than the revised estimate.

Forecast

As shown in **Exhibit 12**, due to the relatively similar caseload estimates, the overall DLS forecast is within $200,000 of the amount provided in the fiscal 2020 allowance. However, there are several differences in funding sources. As noted, DLS anticipates that additional general funds are required to compensate for a decrease in cost-of-care reimbursement special funds. Despite this, DLS projects a slight surplus in general funds because DLS projects that regular Title IV-E funds will be available at a higher rate than assumed in the budget. If the higher availability of federal funds materializes, a portion of the TANF funds could be reallocated to the Family Investment Administration to cover a portion of the anticipated shortfall for TCA.

Exhibit 12

Foster Care Maintenance Payments Program Expenditure Forecast

Fiscal 2018-2020

($ in Millions)

	2018	**2019**	**2020**	**% Change 2019-2020**
Budgeted Expenditures				
General Funds	$191.9	$188.2	$191.2	1.6%
Total Funds	**$266.6**	**$261.3**	**$270.1**	3.4%
DLS Forecasted Expenditures				
General Funds	$191.9	$196.5	$190.4	-3.1%
Total Funds	**$266.6**	**$269.2**	**$270.3**	**0.4%**
General Fund Shortfall (Compared to Budget)		-$8.3	$0.8	
Total Shortfall (Compared to Budget)		**-$7.9**	**-$0.2**	

DLS: Department of Legislative Services

Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

However, DLS anticipates a shortfall of approximately $8 million in fiscal 2019. A portion of this shortfall is the result of the impact of Chapters 815 and 816 on the availability of special funds. The remainder results from the higher estimated caseload and aligning flexible funding estimates to recent experience. At times in the past, DHS has increased the use of TANF in the program to cover shortfalls. The fiscal 2019 budget includes a cap on TANF spending, which limits the additional TANF that would be available to cover the shortfall, and in any event, much of the available balance is required to support expenditures in fiscal 2020. DHS has indicated its intention to increase Title IV-E Waiver spending by $1.5 million in fiscal 2019 with funds that are not currently included in the budget, which would reduce the shortfall. However, this additional federal funding requires a 50% match, and a substantial shortfall would remain even with this funding. **DHS should discuss how it plans to cover any fiscal 2019 shortfall.**

Rate Reform

The State has been working on developing a new rate setting methodology for foster care providers who have rates set by the Interagency Rates Committee (IRC) for several years. A 2013 *Joint Chairmen's Report* (JCR) on this issue included a recommendation that a new rate structure (1) allow for flexibility and innovation to meet the needs of children; (2) establish a link between rates and performance; and (3) maximize federal financial participation. IRC has had a rate reform workgroup for several years. The workgroup planned to unbundle clinical family supports from the room/board/supervision rate, which is thought would allow agencies using these rates to begin billing Medicaid for rehabilitative services. DHS has been unable to bill Medicaid for these services since fiscal 2015 due to the existing bundled rates. Originally, a new rate structure was expected to be in place for fiscal 2017 but, to date, no new rate structure has been finalized. The fiscal 2020 allowance of SSA includes $420,452 to support an interagency agreement to develop a revised rate-setting process. The University of Maryland School of Social Work Institute for Innovation and Implementation and the Hilltop Institute at the University of Maryland Baltimore County are involved in the development of this new rate process. DHS anticipates that the new rate structure will be developed by December 2019 and be used for the first time in fiscal 2021. **DLS recommends that the department provide a copy of the report describing the new rate structure to the budget committees.**

Issues

1. Family First Prevention Services Act Impact on State Programs and Spending

On February 9, 2018, President Donald J. Trump signed the Bipartisan Budget Act of 2018, which included the Family First Prevention Services Act (FFPSA). The FFPSA made a number of changes to the child welfare system, particularly related to the use of federal Title IV-E funding and reauthorized certain other child welfare-related funding. This issue summarizes the major changes included in the legislation.

Placement of Foster Youth

The FFPSA made several significant changes to rules regarding federal reimbursement of placement of foster youth.

Qualified Residential Treatment Program

Effective October 1, 2019, the FFPSA limits federal Title IV-E reimbursement for placements in child care institutions to two weeks unless it is a qualified residential treatment program (QRTP). The FFPSA does not prevent youth from being placed at a program not meeting the QRTP rules for longer than two weeks, but the placement would not be eligible for federal reimbursement after that time.

To be a QRTP, a child care institution must meet a number of requirements including:

- having a trauma-informed treatment model designed to address the needs of children with serious emotional or behavioral disorders;
- facilitating the participation of family members in the child's treatment program as appropriate in accordance with the child's best interest;
- facilitating outreach to family members of the child (including siblings), documenting outreach efforts, and maintaining contact information for any known biological family or fictive kin;
- documenting how family members are integrated into the child's treatment process and how sibling connections are maintained;
- providing discharge planning and family-based aftercare support for at least six months after discharge;
- holding a license and accreditation by certain organizations; and

- having registered or licensed nursing staff and other licensed clinical staff who provide care onsite according to the treatment model and are available 24 hours per day, seven days per week.

The QRTP reimbursement rules do not apply for certain programs: (1) minor mothers; (2) independent living for youth who are at least age 18; (3) youth who have been found to be, or are at risk of becoming, sex trafficking victims; or (4) a licensed residential family-based treatment facility for substance use. The placing agency and QRTP must also meet other requirements, including submitting assessments that support the continued placement and efforts to prepare the child to return home or be placed in a family home setting.

DHS reports that there are 116 community-based residential programs in the State (63 Child Placement Agency programs and 53 Residential Child Care programs). Of these, 71 (46 Child Placement Agency programs and 25 Residential Child Care programs) use a trauma-informed model. However, it is not clear that all would qualify as a QRTP because rules defining these programs have not been finalized. In addition, given the impending federal reimbursement change, other programs not currently operating with this type of model may choose to transition during the upcoming year. DHS explained that the requirement to have nursing and other clinical staff available 24 hours a day, seven days per week, and onsite (dependent on the needs of the youth) may be difficult for programs to meet.

Other Placement Changes

Beginning October 1, 2018, federal Title IV-E foster care maintenance payments are allowable for up to 12 months for an eligible child placed with a parent in a licensed residential family-based substance abuse treatment facility. The facility must also provide trauma-informed services and offer parenting skills training, parent education, and individual and family counseling. As of December 27, 2018, DHS had not made any placement of this type and did not believe a facility was available that would be eligible for reimbursement under this provision.

The FFPSA also limited the number of children able to be placed in a foster home to six children, effective October 1, 2019. However, exceptions were established to allow siblings to stay together, allow children with a meaningful relationship with the family to remain with the family, allow a family with special training or skills to care for a child with severe disabilities, or for a foster youth to remain with their child.

Model Licensing Standards for Family Foster Homes

The legislation also required the U.S. Department of Health and Human Services (HHS) to identify national model licensing standards for foster family homes. The FFPSA requires that states report to HHS by April 1, 2019, on whether its licensing standards are consistent with the model licensing standards identified by HHS, among other information. HHS published proposed national model family foster home licensing standards on August 1, 2018, for comment. The standards cover a number of areas, such as background checks, physical and mental health of applicants, home health and safety, sleeping arrangements, emergency preparedness, transportation, and training. Examples of the proposed standards include:

- the home must be in a reasonable state of repair within community standards and have a continuous supply of safe drinking water, a properly operating kitchen, at least one properly operating bathroom, heating and/or cooling consistent with acceptable community standards and in safe operating condition, and a working phone or access to a working phone in close walking proximity;

- the home must have adequate lighting, ventilation, proper trash and recycling disposal, be free from rodents and insect infestation, have proper water temperature, and have all pets be vaccinated;

- applicants must have a safe sleeping space, including sleeping supplies for each individual child, as appropriate for the child's needs and age and similar to other household members; and

- applicants must have reliable, legal, and safe transportation with safety restraints, which can include access to reliable public transportation.

Prevention Services and Family Reunification Support Services

The FFPSA authorizes for the first time, without a Title IV-E Waiver, federal Title IV-E reimbursement for time-limited prevention services beginning October 1, 2019. Reimbursement is authorized at 50% and includes administrative costs. The reimbursement would be available for up to 12 months and is available regardless of whether the youth would be eligible for Title IV-E reimbursement for an out-of-home placement. The reimbursement for these services is available to youth that are identified in a prevention plan as a candidate for foster care or a pregnant or parenting foster youth. Youth in an adoption or guardianship setting are also eligible if the placement is at risk of an out-of-home placement. The prevention services must be trauma-informed and evidence-based. The eligible services include mental health or substance abuse prevention or in-home parenting skills. HHS is still in the process of identifying eligible practices and establishing a clearinghouse for these practices. In November 2018, HHS identified the first set of practices that it will review for potential eligibility. The list included a total of 10 evidence-based practices. In fiscal 2019, eight jurisdictions in Maryland are implementing or planning to implement at least 1 of these practices. Three additional jurisdictions had implemented at least 1 of these practices under the Title IV-E Waiver. These implemented practices represent 5 of those being reviewed for eligibility. Final determinations on the eligibility of practices will be made after the review. HHS plans periodically to review additional practices for eligibility.

The FFPSA also authorized funding for supporting and retaining foster families and 15 months of post-reunification services through the Promoting Safe and Stable Families funds. Both changes went into effect in calendar 2018. DHS issued guidance in July 2018 on the revisions to the availability of family reunification funding to the LDSS.

Subsidized Adoptions

The Fostering Connections to Success and Increasing Adoptions Act of 2008 established a path to delink the income eligibility criteria for federal Title IV-E reimbursement for subsidized adoptions over a number of years. This delinking was to be phased-in based on the age of the youth in the year of adoption from federal fiscal 2010 through 2018. In federal fiscal 2018, all youth in subsidized adoptions would have been delinked from the income eligibility criteria. However, the FFPSA delayed the full phase-in until June 30, 2024. As a result, the income criteria remains in place for youth ages 2 or younger.

Conclusion

DHS should be in good position to receive prevention services funding because a number of jurisdictions are implementing evidence-based practices currently through available Title IV-E Waiver funds. However, the budget does not provide funds to continue current potentially eligible practices beyond the end of the waiver. **DHS should discuss why it did not include funding for these purposes, particularly given that several practices receiving initial consideration are currently being implemented by jurisdictions.** The budgetary impact of other provisions is unknown, as the department awaits final rules/regulations/guidance from HHS on the various provisions. Of particular concern is how the QRTP rules will impact federal reimbursement of placements with group home providers since it is not yet known which, if any, providers currently contracted with will qualify as a QRTP.

The FFPSA allows states to request a delay of up to two years in the effective date for the new rules regarding federal reimbursement of placement in child care institutions or requirements to limit the number of youth placed in a single foster family home. However, if a state requests a delay, the state is not eligible to receive funding for prevention services during that time period. **DHS should comment on whether it anticipates requesting a delay for the new QRTP rules and its readiness to implement these and other provisions of the FFPSA.**

2. Title IV-E Waiver Expires in Fiscal 2020

DHS received approval for a demonstration project and Title IV-E Waiver on September 30, 2014. DHS began implementing the waiver on July, 1, 2015, the earliest date allowed under the terms and conditions. The waiver ends on September 30, 2019. Under the demonstration project and waiver, DHS intended to expand family preservation and post-permanency services, essentially allowing the agency to spend federal funds for more than on just out-of-home placements. DHS expected to reduce entries and reentries into out-of-home care and reduce the length of stay in out-of-home care. DHS also anticipated that the waiver would begin an expansion of evidence-based practices for in-home services and post-permanency support. The specific waivers that DHS sought for the project were related to (1) expanded eligibility (allowing the State to use Title IV-E funds for children and families not otherwise eligible); (2) expanded claiming; and (3) expanded services (to allow the State to use funds for services not normally covered by Title IV-E funds, such as prevention services).

Title IV-E Spending

Under the waiver, funds are received based on a capped allocation with caps separately identified for maintenance payments and administration. The Title IV-E Waiver excluded spending on information technology, training, and subsidized adoption and guardianship payments, which continue to receive funding under the traditional Title IV-E program. The base allocation for each federal fiscal year for foster care maintenance costs is $77.64 million, and the base allocation for administrative costs is $48.99 million, of which the federal share was $38.8 million for foster care maintenance payments and $25.4 million for administrative expenses. The federal share is based on the federal Medical Assistance match rate (in Maryland 50%), which is also true of the traditional Title IV-E funding. The base allocations were adjusted for each year of the waiver. The capped allocation acts essentially as a block grant requiring the department to make choices about how to best utilize the available funds.

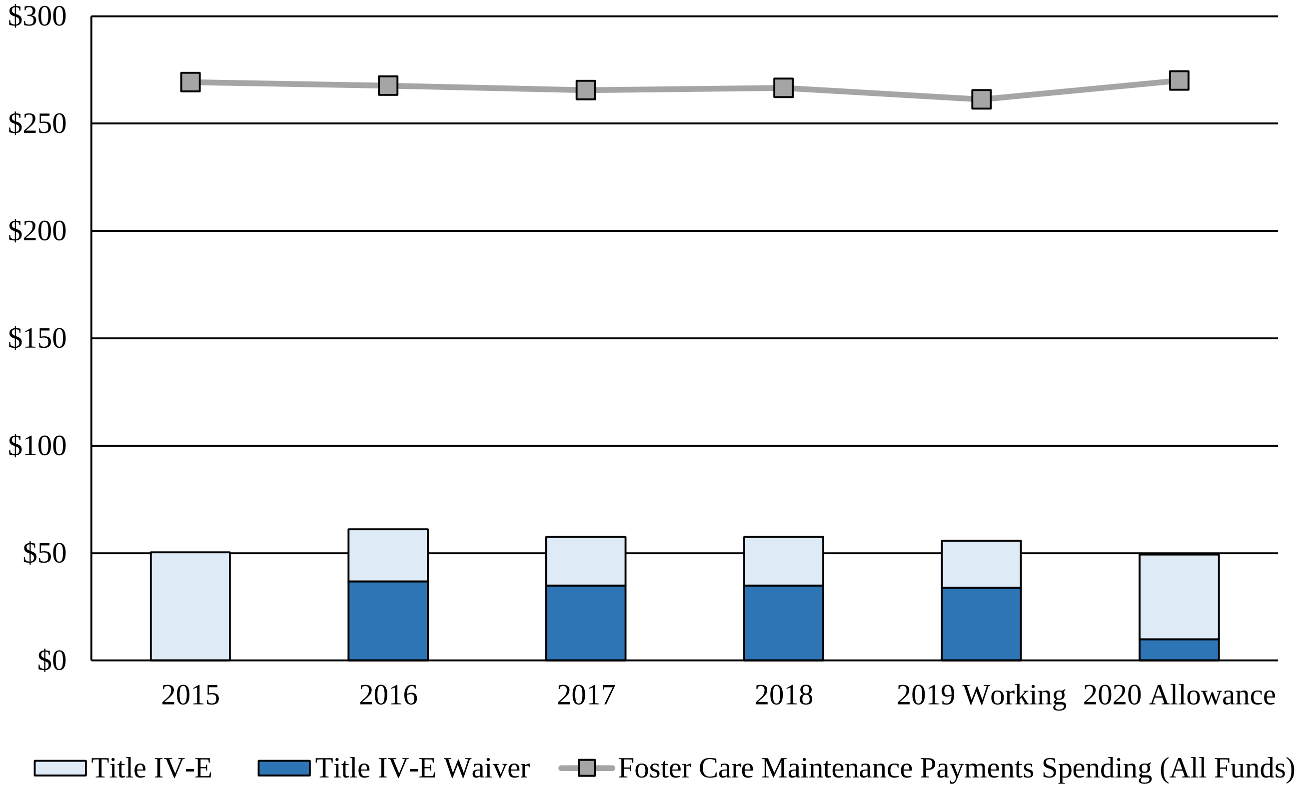
The waiver expires after the first quarter of fiscal 2020. As a result, departmentwide spending of Title IV-E Waiver funds decreases by $41.7 million between fiscal 2019 and 2020. As shown in **Exhibit 13**, the largest decrease occurs in Foster Care Maintenance that had a separate higher cap than the other expenses. As shown in **Exhibit 14**, the decrease in Title IV-E spending on foster care maintenance payments is partially offset by an increase in regular Title IV-E spending. However, DHS was able to use waiver funds for children that would not normally be eligible for Title IV-E reimbursement. As a result, the waiver funds are not fully replaced by regular Title IV-E spending. Title IV-E spending (including the waiver) on foster care maintenance payments in the fiscal 2020 allowance decreases by $6.4 million compared to fiscal 2019.

Exhibit 13
Title IV-E Waiver Federal Fund Spending
Fiscal 2016-2020 Allowance

	2016	2017	2018	Working 2019	Allowance 2020	Difference 2019-2020
Foster Care Maintenance Payments	$36,891,698	$34,957,091	$34,869,650	$33,877,607	$9,942,271	-$23,935,336
Local Child Welfare Services	16,163,486	14,884,281	14,336,588	16,628,445	5,360,173	-11,268,272
Social Services Administration – State Offices	3,149,015	6,174,209	6,720,462	4,676,809	1,398,582	-3,278,227
Local Adult Services	1,949,042	1,700,894	1,603,157	1,458,665	381,593	-1,077,072
Maryland Legal Services Program	108,846	0	0	0	0	0
Family Investment Administration	355,284	123,826	150,801	90,909	40,838	-50,071
General Administration	3,571,835	3,922,589	3,911,287	3,044,323	983,983	-2,060,340
Total	**$62,189,206**	**$61,762,890**	**$61,591,945**	**$59,776,758**	**$18,107,440**	**-$41,669,318**

Source: Governor's Fiscal 2018-2020 Budget Books

Exhibit 14
Title IV-E Foster Care Maintenance Payments Spending
Fiscal 2015-2020
($ in Millions)



Source: Governor's Fiscal 2017-2020 Budget Books

Departmentwide, Title IV-E spending including the waiver in the fiscal 2020 allowance decreases by $8.2 million compared to fiscal 2019. Some services supported by the waiver funds are no longer necessary because these were specific to the waiver implementation. Contracts for waiver implementation and technical assistance decrease by approximately $2.1 million in fiscal 2020. In addition, funding for evidence-based practices and other prevention services decrease by $6 million. These prevention services face an uncertain future because of the changes to Title IV-E under the FFPSA. The reduction indicates that DHS has not accounted for the availability of federal funds for these services under the FFPSA. Excluding these waiver specific items, the combined Title IV-E spending is fairly even between fiscal 2019 and 2020, a difference of less than $100,000.

The current fiscal 2019 appropriation and fiscal 2020 allowance would not fully expend all available Title IV-E Waiver funds, leaving $5.4 million unspent. However, DHS anticipates increasing spending in fiscal 2019 by this amount to ensure that all available funds are used. DHS plans to use this additional funding to increase spending throughout the department. The largest increases are expected in Foster Care Maintenance Payments, which could reduce the anticipated shortfall, and in the general administration program of SSA. DHS expects that the additional federal funds will be added by budget amendment during the fiscal 2019 closeout process. **DHS should comment on how it will accommodate the additional general fund spending necessary to match the additional waiver spending.**

Services Provided under the Waiver

Exhibit 15 lists the type of evidence based-practices implemented by jurisdictions. These practices were implemented in at least one of the years of the waiver, but it does not indicate that the jurisdiction implemented a practice in that area in all years or implemented the same practice in all years. Several jurisdictions based on a review of needs and resources did not implement evidence-based practices but instead focused on providing other supports. These types of supports are designed to promote safety, permanency, and well-being among clients and to prevent out-of-home placements (or reentry into care). Examples include summer camps; child care; assistance with housing and personal needs; interventions to support parents, caregivers, and youth with substance use disorders; behavioral health prevention; and parenting training supports. In addition, to these evidence-based practices and other family supports, in fiscal 2019, DHS also funded Sobriety Treatment and Recovery Team interventions for families with substance use issues to allow the children to remain with their families when safe and possible. This practice is being implemented in 13 jurisdictions.

The 2018 JCR requested that DHS submit a report on transition planning to ensure that evidence-based practices, support services, and other waiver interventions continue beyond the end of the Title IV-E Waiver, including the fund sources to be used to support the services. DHS provided little specific information on its plans regarding the continuation of initiatives started through the waiver. Instead, DHS described its ongoing planning process for determining which services should be continued, including consulting with stakeholders. The planning process will include consideration of the effectiveness and utilization of the evidence-based practices. DHS notes that the planning process will also determine how the evidence-based practices that it will continue or expand will be funded. **DLS recommends language restricting funds until DHS submits a report detailing plans for continuing or expanding evidence-based practices from the Title IV-E Waiver after the end of the waiver, including whether the practices have been determined to be eligible for Title IV-E funding as a result of the FFPSA.**

Exhibit 15
Evidence-based Practice Type by Jurisdiction

Casework Practice	Parenting Models	Parental Substance Use	Child Behavioral Health	Adult Behavioral Health
Baltimore City	Allegany	Baltimore City	Allegany	Allegany
Howard	Anne Arundel	Caroline	Anne Arundel	Charles
Prince George's	Garrett	Charles	Baltimore	
St. Mary's	Harford	Frederick	Calvert	
	Kent	Wicomico	Carroll	
	Prince George's		Cecil	
	Queen Anne's		Frederick	
	St. Mary's		Garrett	
	Talbot		Harford	
	Washington		Howard	
			Montgomery	
			Prince George's	
			Queen Anne's	
			St. Mary's	
			Washington	

Note: Three counties (Dorchester, Somerset, and Worcester) did not implement an evidence-based practices in any year due to a local determination of needs and service gaps. These jurisdictions are supporting families through other efforts. Jurisdictions were not implementing all of these types of practices in each year of the waiver. Some implemented new programs in later years of the waiver, while discontinuing others.

Source: Department of Human Services

3. Implementation of Foster Youth Savings Program

The fiscal 2019 budget contained $1.7 million in general funds for the second year for the Foster Youth Savings Program. Under the program, DHS establishes savings accounts using seed funds for foster youth (youth ages 14 to 20). DHS created accounts for youth with seed funding of $350 for youth ages 14 to 17 and $800 for youth ages 18 to 20. DHS reported that a total of 1,972 accounts have been opened through this program. DHS also provides financial literacy/education activities as part of the program, including discussing the benefits of saving and investing money, how to use banking services to achieve a long-term financial plan, and how credit works.

During the 2018 session, several key details of the program, including how/whether additional funds would be added to existing accounts, were still unclear because implementation was only just beginning. As a result, language was added to the fiscal 2019 budget to restrict the use of the program funding until a report was submitted on:

- the determination regarding implementing a matched savings component;
- any plans, other than matched savings, for the department to increase the amount of the savings accounts; and
- the planned use of the fiscal 2019 funds.

Enhancements to Savings Accounts

As described in its response and a later follow-up letter, DHS plans to increase funds in the accounts in two ways: (1) annually adding money to the accounts equivalent to the seed funding based on the current age of the youth; and (2) financial incentives. The financial incentives are provided for youth completing certain Ready by 21 benchmarks. These benchmarks are milestones designed to ensure that youth exiting care have the skills to be self-sufficient as developmentally appropriate (for example, completing school, obtaining and maintaining employment, and identifying housing). The report indicated that DHS had decided to provide an incentive for only one of these benchmarks, completing school. DHS will provide a one-time $500 deposit for youth receiving a high school diploma, a certificate of completion, or a GED. DHS estimated that 314 youth would receive this incentive in fiscal 2019 for a total cost of $157,000. To date, no incentives have been provided because it is intended to begin with verifications of graduations this spring.

Other Planned Uses of Fiscal 2019 Funds

DHS explained that a portion of the fiscal 2019 funds would be needed to create new savings accounts for youth reaching the age of program eligibility or for youth of an eligible age entering care, $178,850. In addition, a small amount of the funds ($15,000) is being used for a grant to The CASH (Creating Assets, Savings, and Hope) Campaign of Maryland for financial literacy education.

Fiscal 2020 Funding

The fiscal 2020 allowance continues funding for this program at $1.7 million. In the letter authorizing the release of the fiscal 2019 withheld funds, the budget committees encouraged DHS to consider additional financial incentives based on Ready by 21 benchmarks and to be prepared to propose these during the 2019 session. This recommendation occurred, in part, because the initial report did not include a plan for full use of the funding. However, while DHS indicates that it plans to expand the program to provide additional incentives, it has not decided on particular incentives. DHS notes that it will be meeting with The CASH Campaign of Maryland in February 2019 to map out the plans for the program in fiscal 2020. The allowance also does not include any additional funding for the program, despite potential expansion of incentives, even though DHS indicated that it will use all budgeted funds in fiscal 2019.

DLS remains concerned about the implementation of this program. The fiscal 2020 budget provides the third year of funding for the program, and the department has failed to provide a consistent plan for the program, including expansion over time. **DLS recommends restricting the funds for the**

program until the department reports on the planned uses of the fiscal 2020 funding, including financial incentives to be offered and estimates for the number of youth that will receive each incentive.

Performance Measures

DHS indicates that it plans to track outcomes that align with the overall Ready by 21 benchmarks for youth with these savings accounts. These outcomes focus on, for example, whether the youth have and use a budget, whether the youth have the ability to manage finances and weather emergencies, and whether the youth are living within their income. These outcomes are general measures that are part of the preparation for the transition out of care, when youth will have full access to the funds. **DHS should comment on whether it plans to track outcomes after youth exit care to determine whether the savings accounts are easing the financial transition to out of care.**

4. Voluntary Place Agreement Requests Increase

Section 47 of the fiscal 2019 Budget Bill withheld $100,000 of the general fund appropriation of both the Maryland Department of Health (MDH) and DHS until a joint report was submitted on the use of voluntary placement agreements (VPA) for youth with a behavioral health disorder or co-occurring developmental disability and behavioral health disorder who are discharged from residential treatment centers (RTC). A VPA is an agreement entered into between LDSS and the youth's parent or legal guardian that gives the rights as guardian to LDSS because the parent or legal guardian is unable to care for the child. The language specifically requested data for fiscal 2016 through 2018 on:

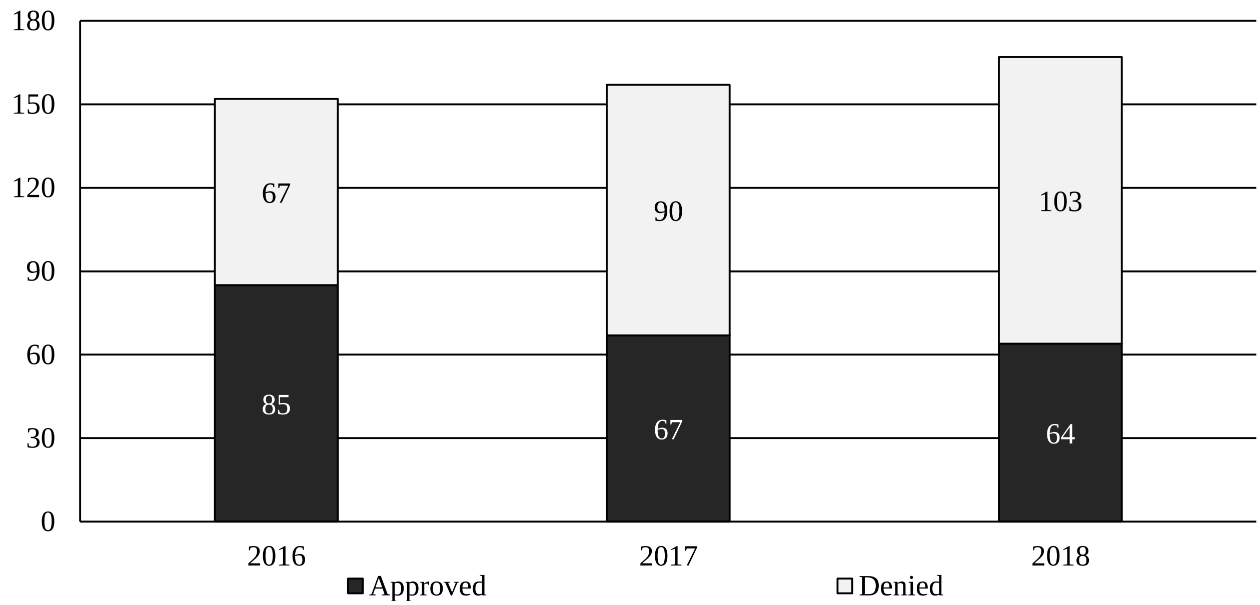
- the number of VPAs requested, approved, and denied;
- the reason VPA requests were denied;
- the subsequent disposition of the youth after placement in RTC (to be provided separately for those youth approved for a VPA and those denied a VPA);
- the extent to which the initial discharge planning recommendation made by RTC was followed; and
- the 30-day readmission rates to an inpatient hospital setting or RTC (to be provided separately for youth not placed in a setting initially recommended by RTC, those placed according to the initial discharge planning recommendation, youth approved for a VPA, and those denied a VPA).

The report was due by December 1, 2018. A portion of the requested data, specifically related to the placement of youth after discharge based on the VPA determination and the initial discharge plan, was not available with the submission of the response. The agencies indicated that this information required a survey of in-state RTCs, which was not completed at the time of the report submission. MDH subsequently provided additional information.

VPA Requests and Approval Rates

As shown in **Exhibit 16**, between fiscal 2016 and 2018, the number of VPAs requested increased by approximately 10%. During the same period, the number of VPAs denied increased by approximately 54%. In fiscal 2018, 38.3% of VPAs that were requested were approved, compared to 55.9% in fiscal 2016.

Exhibit 16
Voluntary Placement Agreements Requested, Approved, and Denied
Fiscal 2016-2018



Source: Department of Human Services; Maryland Department of Health

Reasons for Denial

As shown in **Exhibit 17**, the most common reason for denial changed during this period. In fiscal 2016, the largest share of denials was because the family had not exhausted all resources or was referred to community resources (30 denials, 44.8% of denials). This cause accounted for only 25.2% of denials in fiscal 2018. In fiscal 2018, more than half of denials (56.3%) were listed as parents that withdrew the request or did not follow through compared to 28.4% in fiscal 2016.

Exhibit 17
Reason for Denial
Fiscal 2016-2018

	2016		2017		2018		Total	
	Number	Share of Denials	Number	Share of Denials	Number	Share of Denials	Number	Share of Denials
Parents withdrew/did not follow through	19	28.4%	29	32.2%	58	56.3%	106	40.8%
Need to exhaust community resources/referred to community resources	30	44.8%	31	34.4%	26	25.2%	87	33.5%
Parents did not submit documentation/documentation was insufficient	4	6.0%	8	8.9%	9	8.7%	21	8.1%
Child became a CINA and placed in an out-of-home placement	3	4.5%	12	13.3%	4	3.9%	19	7.3%
Child transferred to Core Service Agency or another agency for placement	5	7.5%	4	4.4%	4	3.9%	13	5.0%
Parents used private insurance for placement	5	7.5%	4	4.4%	1	1.0%	10	3.8%
Child placed under Autism Waiver	1	1.5%	2	2.2%	1	1.0%	4	1.5%
Total	**67**		**90**		**103**		**260**	

CINA: children in need of assistance

Source: Department of Human Services; Maryland Department of Health

Disposition of Youth After Discharge and Readmission Rates

The departments initially reported on placement after discharge for 71 children for which VPAs were approved between fiscal 2016 and 2018. This data was not distinguished by the initial discharge plan, nor was the number of discharges per year provided. The departments note that the goal of a VPA is for the youth to return home after treatment. According to the report, more than 80% of youth discharged from RTCs were reunited with a family or relative in each year, fiscal 2016 through 2018. In fiscal 2018, the departments indicated that 95% were reunified with the family or a relative. The majority of the remaining youth were placed in a group home.

The departments provided information on readmission rates for youth placed in RTCs as a VPA who continued to have involvement with LDSS after discharge from RTC. Readmission rates were lower than 15% combined between RTCs and hospitals in each year, fiscal 2016 through 2018. In fiscal 2018, only 2 of the 33 youth had been readmitted to an RTC or hospital within 30 days of discharge. This data was not differentiated by whether the initial discharge plan was followed, and no data for readmissions was provided for those denied a VPA in the report.

Although not submitted with the initial report, MDH subsequently provided information on the placement of a limited subset of the youth by VPA determination and initial discharge plan. MDH reported that it received information from only two of the six RTCs initially surveyed, with information provided on a total of 10 youth. Of the 10 youth for which information was provided, 3 were placed in a group home after discharge from RTC consistent with the initial discharge plan. All 3 were approved for a VPA. Another 2, who were denied a VPA, were discharged to a group home consistent with the initial discharge plan after an unplanned change in custody of the youth. Of the remaining 5 who were denied a VPA, 4 reunified with their family and 1 was placed in a treatment foster home. No readmission rates were provided for these youth.

The information provided on outcomes for youth after a VPA was denied was very limited. Given the increasing number of requests and denials, it is concerning that so little is known about outcomes. However, the information submitted was generally responsive to the request. **As a result, DLS recommends the release of the withheld funds, and a letter to this effect will be sent if no objections are raised by the subcommittees. However, the department should comment on efforts to work with MDH to improve tracking of outcomes of youth following a VPA request.**

5. Child Welfare Caseworkers

Child welfare caseload ratios have been of concern to the General Assembly for many years. In 1998, the General Assembly passed the Child Welfare Workforce Initiative requiring that DHS and DBM ensure that the Child Welfare League of America (CWLA) recommended caseload-to-staffing levels are met. The Child Welfare Accountability Act of 2005 reiterated this requirement. In recent years, annual committee narrative has requested that DHS report on caseloads and caseload ratios needed to meet CWLA standards.

CWLA recommended caseload-to-staffing ratios are a series of ratios separated by type of case or work being undertaken. For example, intake, preservation services, out-of-home placement foster care, and adoption each have individual ratios. Therefore, the total number of needed caseworkers in a jurisdiction will depend on the mix of cases as well as the number of cases. DLS has historically viewed the cumulative number of caseworkers needed to meet the ratios compared to filled positions, both departmentwide and in individual local jurisdictions. By looking at the cumulative level, it is possible to understand whether the department (jurisdiction) has enough filled positions to meet the standards. The actual meeting of individual caseload ratios, if there are enough total filled positions, is a management function in LDSS.

Most LDSS Meet Caseworker Standards

Exhibit 18 shows the number of positions needed for the caseload by jurisdiction based on the average caseload from September 2017 through August 2018 and the number of filled and vacant positions as of December 1, 2018. The number of caseworker positions needed to meet the CWLA caseworker standards slightly decreased during the September 2017 through August 2018 period compared to the same time period in the prior year due to fewer cases, particularly intake/screening cases, and changes in caseload mix, a decrease of 4.4 positions. The slight decrease in needed caseworker positions allowed the caseworker ratios to continue to be met departmentwide despite a decrease of 39 filled caseworker positions. Nearly all jurisdictions had a decrease in filled caseworker positions, which results from a combination of fewer total caseworker positions and an increase in vacant positions.

Departmentwide, there were 132.1 surplus filled positions as of December 1, 2018, more than half of these (70.8) occurred in Baltimore City. While still very large, the surplus has been reduced in Baltimore City. Allegany, Frederick, and Wicomico counties also each had more than 10 surplus positions. DHS reports that the substantial surplus in Allegany County is the result of using average caseload data, which does not reflect the current caseload, and a more recent count of caseworker positions.

Despite the substantial departmentwide surplus, five jurisdictions (Anne Arundel, Baltimore, Carroll, Cecil, and Prince George’s counties) failed to meet the caseworker standards, only one fewer than the prior year. Of these jurisdictions, only Anne Arundel County could meet the ratio by filling existing vacant positions in that jurisdiction. The cumulative shortfall for the five jurisdictions that did not meet the guidelines is 39.2. With 105 vacant caseworker positions, there are sufficient caseworker positions available to allow the guidelines to be met in all jurisdictions if excess vacant positions were transferred to the jurisdictions in need and filled. DHS indicates that it regularly reviews caseload ratios to determine if there are changes in trends and a need to reallocate positions. In addition, the department reports that LDSS may make a formal request to SSA if it determines that additional positions are needed in order to meet the needs of their caseload. While DHS explains that it has procedures for reallocating staff, four of the jurisdictions that were experiencing shortfalls as of December 1, 2017, were still experiencing shortfalls on December 1, 2018. **DHS should explain when it last reallocated positions to a jurisdiction(s) to reduce or eliminate caseworker shortfall according to CWLA standards.**

Recruitment and Retention of Staff

Reducing vacancies would also improve the ability of the department to meet caseload ratios. DHS described several efforts in place to improve recruitment and retention of staff. One example is a collaboration with the University of Maryland, Baltimore Campus; Morgan State University; and Salisbury University to offer a work study program for Masters of Social Work Child Welfare, which commits employees to working in Child Welfare at an LDSS for 1.5 months for each month that the individual participates in the program. DHS continues to examine new strategies through a workgroup.

Exhibit 18
Child Welfare Position Status by Local Department
September 2017 to August 2018 Caseload Information and December 1, 2018 Position Status

	Filled Worker Positions Needed to Meet CWLA	Filled Worker Positions	Surplus/ Shortfall	Vacant Caseworker Positions	Filled Supervisor Positions Needed to Meet CWLA	Filled Supervisor Positions	Surplus/ Shortfall	Vacant Supervisors
Allegany	25.0	60.3	35.3	0.0	5.0	7.0	2.0	0.0
Anne Arundel	83.5	77.3	-6.2	8.0	16.7	14.0	-2.7	1.0
Baltimore	144.0	132.0	-12.0	8.0	28.8	21.0	-7.8	3.0
Baltimore City	337.7	408.5	70.8	47.0	67.5	89.0	21.5	7.0
Calvert	16.8	17.5	0.7	0.0	3.4	3.0	-0.4	0.0
Caroline	7.9	13.0	5.1	1.0	1.6	2.0	0.4	1.0
Carroll	27.9	24.0	-3.9	0.0	5.6	5.0	-0.6	0.0
Cecil	44.0	41.0	-3.0	1.0	8.8	8.0	-0.8	1.0
Charles	30.4	30.5	0.1	2.5	6.1	6.0	-0.1	0.0
Dorchester	12.4	14.0	1.6	2.0	2.5	1.0	-1.5	1.0
Frederick	27.4	42.5	15.1	2.0	5.5	8.0	2.5	0.0
Garrett	13.5	15.0	1.5	1.0	2.7	2.0	-0.7	0.0
Harford	51.7	55.5	3.8	3.5	10.3	9.0	-1.3	1.0
Howard	27.9	32.0	4.1	3.0	5.6	5.0	-0.6	0.0
Kent	4.1	6.0	1.9	0.0	0.8	1.0	0.2	0.0
Prince George’s	138.5	124.5	-14.0	8.0	27.7	21.0	-6.7	1.0
Queen Anne’s	5.1	8.0	2.9	0.0	1.0	1.0	0.0	0.0
Somerset	8.5	14.0	5.5	0.0	1.7	2.0	0.3	0.0
St. Mary’s	20.6	21.0	0.4	5.0	4.1	4.0	-0.1	1.0
Talbot	6.3	11.0	4.7	1.0	1.3	4.0	2.7	0.0

	Filled Worker Positions Needed to Meet CWLA	Filled Worker Positions	Surplus/ Shortfall	Vacant Caseworker Positions	Filled Supervisor Positions Needed to Meet CWLA	Filled Supervisor Positions	Surplus/ Shortfall	Vacant Supervisors
Washington	42.5	49.0	6.5	7.0	8.5	10.0	1.5	0.0
Wicomico	20.8	31.0	10.2	3.0	4.2	5.0	0.8	1.0
Worcester	16.9	18.0	1.1	2.0	3.4	5.0	1.6	0.0
Statewide	**1,113.5**	**1,245.6**	**132.1**	**105.0**	**222.7**	**233.0**	**10.3**	**18.0**
Total Shortfall in Jurisdictions Not Meeting Standards:			**-39.2**				**-23.3**	

CWLA: Child Welfare League of America

Note: Montgomery County is excluded from the data because positions are not part of the State personnel system. Vacant positions include those in frozen status. Personnel jurisdiction estimated using available information, therefore, some position counts may not accurately reflect the position counts. Does not account for positions transferred into or out of jurisdictions with the fiscal 2020 allowance.

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

Vacant Supervisor Positions Are Insufficient to Ensure All Jurisdictions Meet Standards

The supervisor-to-case ratio was met departmentwide with a surplus of 10.3 filled positions beyond the number needed to meet the CWLA standards. The surplus is driven by Baltimore City (21.5); no other jurisdiction has a surplus of even 3 positions. Twelve jurisdictions had a shortfall of supervisor positions, of which seven had a shortfall of less than 1 full-time position. Only two jurisdictions could meet the CWLA standards by filling the existing vacancies in that jurisdiction. Overall, there are not enough vacant supervisor positions (18) to meet the current needs (23.3) of all the jurisdictions with shortfalls. As a result, SSA will need to either wait until filled positions are vacated in jurisdictions already meeting the standards, or additional supervisor positions will need to be created. Additional supervisor positions could be created through reclassification or new positions. **DHS should comment on any plans to reclassify positions to create additional supervisor positions or any other actions planned to ensure that all jurisdictions can meet the CWLA supervisor-to-case ratio.**

DLS recommends committee narrative requesting DHS continue the annual reporting of caseload data compared to CWLA standards as well as providing information on the specific plans of SSA to address shortfalls in caseworkers and supervisors and any efforts to update the caseload standards by CWLA.

6. DHS Fails to Provide Information on Hospital Stays by Youth in Out-of-home Placements

Language in the fiscal 2018 Budget Bill restricted funds in DHS, MDH, and the Maryland State Department of Education (MSDE) until a report was submitted that discussed efforts to ensure coordination between the agencies and hospitals related to appropriate community placements and out-of-home placements for youth with complex medical needs as well as available resources and recommendations to improve the placement process to decrease inpatient lengths of stay beyond what is medically necessary. In the response, the agencies highlighted the coordinated efforts. Specifically, MDH's Behavioral Health Administration (BHA) tracks hospitalizations of children who are in State custody with either DHS or the Department of Juvenile Services or who are co-committed. Six psychiatric hospitals participate in the voluntary tracking. BHA provides DHS and MSDE with a weekly report of all hospital admission, discharge, and other relevant updates for these youth. The report also noted that SSA and MDH have weekly conference calls to discuss youth in these hospitals awaiting placement. The calls focus on identifying barriers to placement and ensuring that youth are not remaining in hospitals when it is not medically necessary.

In an effort to track progress in reducing lengths of stays in hospitals for youth in out-of-home placements, language in the fiscal 2019 Budget Bill restricted funding in SSA until a report was submitted on:

- the number of youth in out-of-home placements served in hospitals;

- the average length of hospital stay for these youth; and

- the number of days these youth were in the hospital longer than was deemed medically necessary by the hospital or a judicial finding.

The data was expected to be submitted by month for calendar 2017 and 2018 and provided separately by type of hospital. The report was due January 1, 2019. As of this writing, the report has not been submitted. **DLS recommends budget language again withholding funds until this report is submitted.**

Operating Budget Recommended Actions

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

, provided that $100,000 of this appropriation made for the purpose of administrative expenses in the General Administration program may not be expended until the Department of Human Services submits a report to the budget committees on:

(1) the evidence-based practices implemented under the Title IV-E Waiver that will continue after the end of the waiver;

(2) the evidence-based practices implemented under the Title IV-E Waiver that will expand to additional jurisdictions;

(3) any new evidence-based practices that are being implemented in fiscal 2020 or will be implemented in fiscal 2021;

(4) the source(s) of funding that will be used to continue or implement the evidence-based practices, including whether the practices will be eligible for Title IV-E funds as a result of the Family First Prevention Services Act (FFPSA); and

(5) any other budgetary impact for fiscal 2020 or 2021, including either the availability of additional federal fund reimbursement or additional general fund need, due to implementation of FFPSA provisions, particularly those related to the limitations on placements at residential child care institutions.

The report shall be submitted by December 1, 2019, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The State has operated with a Title IV-E Waiver since July 1, 2015, which allowed the Department of Human Services (DHS) and local departments of social services to implement evidence-based practices and other strategies to reduce entry and reentry into care and improve permanency and safety of youth. The waiver ends on September 30, 2019. Beginning October 1, 2019, under the FFPSA, states will be able to claim federal Title IV-E funds for certain prevention services that are evidence-based. At this time, DHS is in the process of determining which practices will continue, and the U.S. Department of Health and Human Services is in the process of identifying which practices will be eligible for reimbursement. This language requires DHS to identify which practices will continue and/or be expanded at the end of the waiver and how these practices will be funded. Specifically, the language requests the department to identify if any of the evidence-based practices that will continue, be expanded, or be implemented will be eligible for funding as authorized in the FFPSA. The language also requires that DHS report on any other budgetary impact of the implementation of FFPSA provisions, including those related to limitations on placements at residential child care institutions.

Information Request	**Author**	**Due Date**
Report on continuation or expansion of evidence-based practices	DHS	December 1, 2019

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

<u>Further provided that $500,000 of this appropriation made for the purpose of administrative expenses in the General Administration program may not be expended until the Department of Human Services submits a report to the budget committees detailing for each month of fiscal 2017, 2018, and 2019 and separately by hospital the number of youth in out-of-home placements served in hospitals; the average hospital length of stay for youth in out-of-home placements; and the number of days that these youth were in the hospital longer than was deemed medically necessary by either the hospital or a judicial finding. The report shall include information for all youth in the care of the department, regardless of whether the youth entered out-of-home care while in the hospital or prior to entering the hospital. The report shall be submitted by September 1, 2019, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.</u>

Explanation: In an effort to monitor whether youth in out-of-home placements were remaining in hospitals beyond the length of time that was deemed medically necessary as a result of delays in placements, language in the fiscal 2019 budget bill withheld funds in the Department of Human Services (DHS) until a report was submitted on the number of youth in out-of-home placements in hospitals, the average length of hospital stay for these youth, and the number of days that these youth stayed in the hospital longer than was deemed necessary for calendar 2017 and 2018. The report was due by January 1, 2019. DHS has not submitted this report. As a result, this language again withholds funding until this report is submitted but requests the information by fiscal year and includes additional months of data.

Information Request	**Author**	**Due Date**
Report on hospital stays by youth in out-of-home placements	DHS	September 1, 2019

3. Adopt the following narrative:

Development of a New Foster Care Rate Structure: The fiscal 2020 allowance of the Department of Human Services (DHS) Social Services Administration includes funding to support an agreement for the development of a new foster care rate structure. DHS is working with the University of Maryland School of Social Work Institute for Innovation and Implementation and the Hilltop Institute at the University of Maryland Baltimore County on this project. DHS anticipates that the report will be completed in December 2019 with a plan to begin using this structure for fiscal 2021. The budget committees are interested in understanding this new rate structure and how it will impact foster care rates and federal financial participation. The budget committees request that the department submit a copy of the report describing the new rate structure.

Information Request	**Author**	**Due Date**
Report on planned new foster care rate structure	DHS	With submission of the fiscal 2021 budget

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

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

Explanation: This annual language restricts general funds appropriated for foster care payments to that use only. This restriction prevents a transfer of general funds to other programs that might create, or increase, a deficit in spending in the Foster Care Maintenance Payments program (N00G00.01).

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

<u>Further provided that $1,700,000 of this appropriation made for the purpose of the Foster Youth Savings Program may not be expended until the Department of Human Services submits a report to the budget committees on (1) financial incentives to be provided to foster youth for achieving Ready by 21 benchmarks or other benchmarks to assist in ensuring a successful transition out of foster care; (2) the number of youth expected to achieve each financial incentive; and (3) other planned uses of the fiscal 2020 funding for the program, including annual deposits into the accounts, anticipated new accounts, and administration of the program. The report shall be submitted by July 1, 2019, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.</u>

Explanation: Language in the fiscal 2019 Budget Bill restricted funding for the Foster Youth Savings Program until the Department of Human Services (DHS) submitted a report on the planned operation of the program. In the letter authorizing the release of funds, the budget committees noted that they expected the department to propose additional incentives for the program during the 2019 session. While DHS has expressed its plan to work with The CASH (Creating Assets, Savings, and Hope) Campaign of Maryland to establish additional incentives and develop a plan for program expansion in fiscal 2020, the department has not yet developed those plans. This language restricts the funding for the program until the department submits information on the planned uses of the fiscal 2020 funding, including planned new financial incentives.

Information Request	**Author**	**Due Date**
Report on planned uses of the fiscal 2020 funding for the Foster Youth Savings Program	DHS	July 1, 2019

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

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

Explanation: This annual language restricts general funds appropriated for the Child Welfare Services program to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments.

7. Adopt the following narrative:

Child Welfare Caseload Data: The committees believe that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering the State's care. Therefore, in order to maintain oversight of this important issue, the budget committees request that the Department of Human Services (DHS), on December 1, 2019, report to the budget committees on the number of cases and positions required based on the caseload to meet the Child Welfare League of America (CWLA) caseload standards, by jurisdiction, for the following caseload types using data current within 70 days:

- intake screening;
- child protective investigation;

- consolidated in-home services;
- interagency family preservation services;
- services to families with children – intake;
- foster care;
- kinship care;
- family foster care;
- family foster homes – recruitment and new applications;
- family foster home – ongoing and licensing;
- adoption;
- interstate compact for the placement of children; and
- caseworker supervisors.

The budget committees also request that DHS discuss the specific actions taken by the department and the local departments of social services to reallocate positions to ensure that all jurisdictions can meet the standards for both caseworkers and supervisors. The report should note how many caseworker and supervisor positions were transferred to, transferred from, or reclassified within the jurisdiction to assist in meeting the caseload standard. DHS should also provide any update on efforts by CWLA to revise or update the caseworker caseload ratio standards.

Information Request	**Author**	**Due Date**
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types and how shortfalls are addressed	DHS	December 1, 2019

Updates

1. Washington, DC Youth Placed in Maryland Has Decreased, but Board Rate Differential Remains a Concern

Committee narrative in the 2018 JCR expressed concern that the lower foster care board rate in Maryland compared to Washington, DC encourages Maryland families to foster youth from Washington DC rather than Maryland. The committee narrative requested that DHS report on:

- efforts to coordinate with Washington, DC on foster family recruitment;
- efforts to maintain interested foster parents as Maryland foster parents rather than foster parents for youth from Washington, DC; and
- the number and jurisdiction of Maryland residents serving as foster parents for youth from Washington, DC.

Number of Washington, DC Foster Youth Placed in Maryland

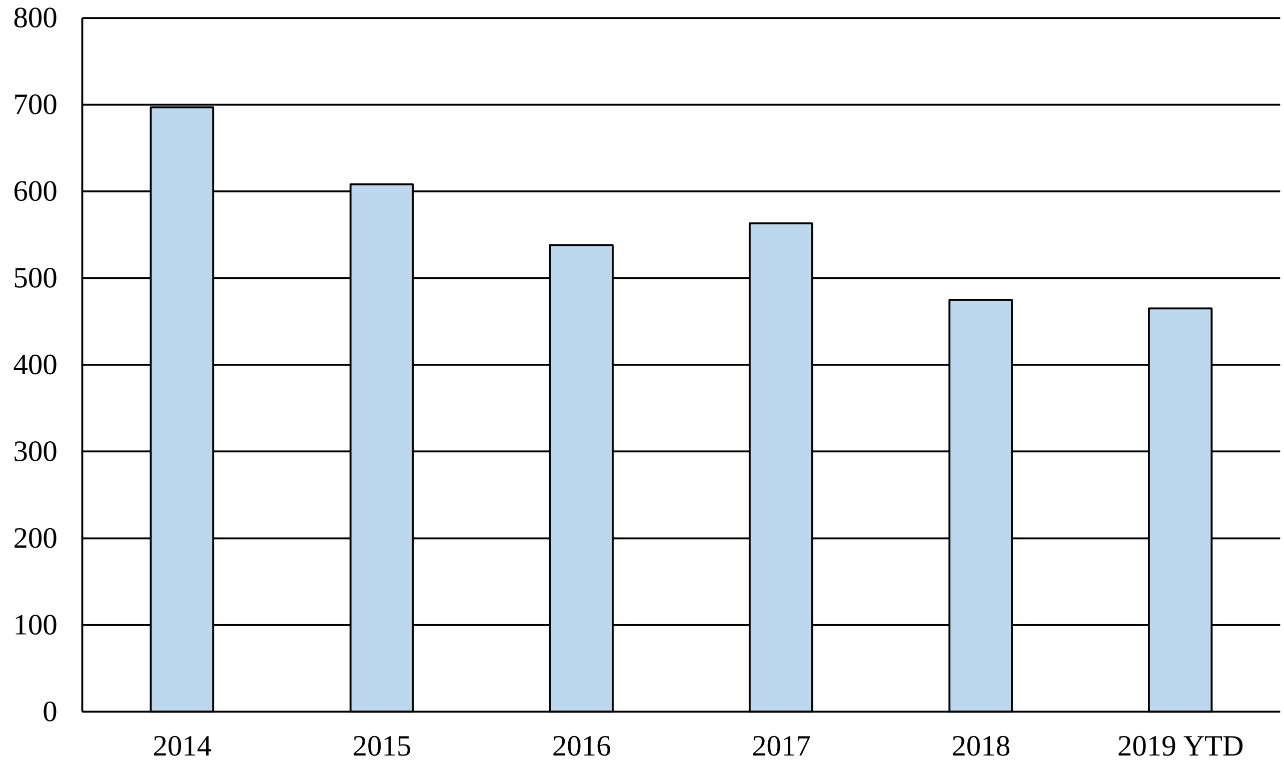
DHS reports that the number of foster youth from Washington, DC placed in Maryland is submitted monthly (to the Interstate Compact Placement Office) as part of a border agreement between the jurisdictions. DHS reported that as of June 30, 2018, there were 395 Washington, DC foster youth placed with providers in Maryland. DHS subsequently provided information on the average monthly number of foster youth from Washington, DC placed with providers in Maryland. As shown in **Exhibit 19**, the number of these youth placed in Maryland has generally decreased since fiscal 2014. Through September in fiscal 2019, the average monthly number of these youth placed in Maryland was approximately a third lower than in fiscal 2014.

Foster Care Board Rate Differential

Beginning January 1, 2018, the regular foster care board rate offered by Washington, DC is $1,140 for a 30-day month ($1,178 for a 31-day month) for youth of any age. To encourage families to foster youth from Maryland in border areas, SSA maintains a higher board rate (referred to as a differential board rate) in Charles and Prince George's counties. Currently, the differential board rate provides $892 per month for youth ages 0 to 11 years old and $907 per month for youth ages 12 years or older, which is $40 higher than the rates for the rest of the State. However, even these rates are much lower than those offered by Washington, DC. DHS indicates that differential board rates are reviewed at least every two years to ensure that the rates are competitive with the rates offered by the Child and Family Services Agency in Washington, DC.

SSA also provides a cash award ($500) to current foster parents who recruit new foster parents. The awards are provided after the new foster parent has received their first placement and after they have been an approved foster parent for one year.

Exhibit 19
Average Monthly Number of Foster Youth from Washington, DC Placed in Maryland
Fiscal 2014-2019 YTD



YTD: year to date

Note: Fiscal 2019 data is year-to-date through September.

Source: Department of Human Services

Foster Care Recruitment and Retention Efforts

DHS reported that regional coordination for foster care recruitment and retention largely occurs through SSA's participation in monthly regional Council on Governments meetings. DHS states that this group provides foster parent recruitment and retention support and technical assistance to Washington, DC, certain counties in Northern Virginia, as well as Charles, Frederick, Montgomery, and Prince George's counties.

SSA also provides technical assistance and support to LDSS on foster parent recruitment and retention. This assistance includes attending LDSS events and planning efforts and the development of marketing tools to enhance the efforts of the LDSS. Examples of recruitment efforts included in the 2018 plans of Charles and Prince George's counties are:

- events located at local schools, churches, and community events;
- production of videos highlighting families that have adopted or fostered older youth and youth with higher need levels;
- appreciation events; and
- holding resource parents meetings regularly.

In addition, SSA coordinates with the Maryland Resource Parent Association for events including the annual statewide resource parent appreciation event, LDSS-based appreciation events, and regional trainings for resource parents. The fiscal 2020 allowance includes funds for a grant to the Maryland Resource Parent Association of $158,000.

2. Follow-up Review of SSA Audit Indicates Corrective Actions Are Ongoing

In November 2017, the Office of Legislative Audits (OLA) released a fiscal compliance audit for SSA. The audit contained 14 findings. OLA determined that SSA's accountability and compliance level was unsatisfactory. As a result of the unsatisfactory rating, OLA conducted a follow-up review of the audit. In June 2018, SSA provided OLA with a report on the status of implementation of the corrective actions for each finding, including timelines and process to monitor the implementation. SSA indicated in the status report that 2 of the findings had been corrected and 12 of the findings required additional actions. OLA evaluated the appropriateness of the corrective actions taken by SSA for 6 of the 14 findings. **Exhibit 20** provides the status of corrective actions for the six findings reviewed by OLA.

Exhibit 20
Fiscal Compliance Audit Findings – Follow-up Review Status

Finding	DHS Status	OLA Status
SSA did not have comprehensive quality assurance processes in place to adequately monitor the administration of child welfare program services by the State's LDSS.	In progress	In progress
SSA had not established procedures to monitor LDSS to ensure that foster children were placed in the least restrictive environment and received required services. Further, reports from MD CHESSIE did not accurately reflect services provided to children in foster care, hampering the ability of SSA to monitor service delivery.	In progress	In progress
SSA did not establish procedures to ensure that LDSS complied with State regulations regarding the initial approval of foster care providers, as well as ongoing monitoring requirements for foster care providers, adoptive parents, and guardians.	In progress	In progress
SSA did not have adequate procedures to ensure that it received federal reimbursement for all children eligible for Title IV-E funding.	In progress	In progress
SSA did not monitor the timeliness of child abuse and neglect investigations conducted by LDSS. In addition, reviews and investigations of allegations were not always performed timely.	In progress	In progress
SSA had not established procedures to ensure that adoption assistance payments were suspended, terminated, or as permitted, renegotiated with the adoptive parent when an adoptive child was removed from the adoptive home.	In progress	In progress

DHS: Department of Human Services
LDSS: local departments of social services
MD CHESSIE: Maryland Children's Electronic Social Services Information Exchange
OLA: Office of Legislative Audits
SSA: Social Services Administration

Source: Office of Legislative Audits

OLA Findings

OLA's review of the status of corrective actions for six of the findings concluded that SSA was in the process of correcting, but had not corrected, the findings. OLA's review did not include the actions for the two findings that SSA's status report indicated were completed. In general, OLA found that progress was still needed on the six reviewed findings because:

- written procedures for monitoring various activities were updated as recommended but not comprehensive or sufficient to meet standards;
- procedures were still not required to ensure activities were captured in the Maryland Children's Electronic Social Services Information Exchange (MD CHESSIE);
- follow-up with LDSS did not always occur when reviews showed that it was warranted (for example, when documentation of medical examinations was not recorded in MD CHESSIE);
- procedures for reviewing activities (such as compliance with requirements related to medical, dental, and education) excluded cases that should have been reviewed (or included in the sample for potential for review) or otherwise did not fully address the recommendations;
- planned new review activities had not yet begun; or
- actions to respond to one recommendation were not undertaken.

In its response to the follow-up review, DHS agreed that OLA's determination was factually accurate for four of the six reviewed findings. DHS also generally provided information on additional steps that had been taken since the status report was submitted in June 2018. According to the report, OLA will next review the status of the findings in the next audit, and no additional follow-up reports are planned.

3. Child Fatalities Increase Primarily Due to Unsafe Sleeping Arrangements

Committee narrative in the 2005 JCR requested that DHS provide a listing by jurisdiction of the number of child fatalities that involved child abuse and/or neglect. The narrative requested that the report be updated annually. **Exhibit 21** displays the data provided by the department for calendar 2013 through 2017. In calendar 2017, there were 41 such fatalities, a 24% increase over calendar 2016. This number of fatalities is the highest reported by DHS since at least 2001. In calendar 2017, the highest number of these fatalities occurred in Prince George's County (10) and Baltimore County (9). DHS reports that the increase is primarily due to infant deaths resulting from unsafe sleeping arrangements, particularly in those two jurisdictions. DHS indicates that it is working with MDH and other stakeholders to develop a plan to prevent fatalities and near fatalities. The plans are expected to include targeting pregnant or new parents for education around dangers of unsafe sleeping arrangement, such as co-sleeping.

Exhibit 21
Child Death Reports to Where Abuse of Neglect Are Determined by DHS Staff to Be a Contributing Factor
Calendar 2013-2017

	2013	2014	2015	2016	2017	Total 2013-2017
Allegany	0	0	1	3	1	**5**
Anne Arundel	1	1	1	2	3	**8**
Baltimore City	4	1	2	3	5	**15**
Baltimore	2	4	6	2	9	**23**
Calvert	0	1	0	0	3	**4**
Caroline	0	0	1	0	0	**1**
Carroll	1	0	1	1	1	**4**
Cecil	1	0	0	0	1	**2**
Charles	1	0	1	0	0	**2**
Dorchester	0	0	0	0	0	**0**
Frederick	2	2	0	1	2	**7**
Garrett	0	0	0	0	0	**0**
Harford	4	1	3	1	0	**9**
Howard	2	0	0	1	0	**3**
Kent	0	0	0	0	0	**0**
Montgomery	3	3	5	3	2	**16**
Prince George’s	1	3	5	10	10	**29**
Queen Anne’s	1	0	0	0	0	**1**
St. Mary’s	0	3	0	2	0	**5**
Somerset	0	0	0	0	1	**1**
Talbot	0	0	0	2	0	**2**
Washington	1	1	5	1	3	**11**
Wicomico	0	1	2	1	0	**4**
Worcester	0	0	0	0	0	**0**
Total	**24**	**21**	**33**	**33**	**41**	**152**

DHS: Department of Human Services

Source: Department of Human Services

Appendix 1
Current and Prior Year Budgets
DHS – Social Services Administration
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2018					
Legislative Appropriation	$379,181	$6,923	$186,273	$0	$572,377
Deficiency/Withdrawn Appropriation	-2,196	-24	-1,251	0	-3,470
Cost Containment	-173	0	0	0	-173
Budget Amendments	-637	-87	2,299	754	2,329
Reversions and Cancellations	-1,882	-641	-13,315	-253	-16,091
Actual Expenditures	**$374,294**	**$6,171**	**$174,006**	**$501**	**$554,972**
Fiscal 2019					
Legislative Appropriation	$368,875	$7,343	$188,205	$206	$564,629
Budget Amendments	3,541	14	631	0	4,186
Working Appropriation	**$372,416**	**$7,357**	**$188,836**	**$206**	**$568,815**

DHS: Department of Human Services

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time $500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

The fiscal 2018 expenditures of the Department of Human Services Social Services Administration (SSA) were $17.4 million lower than the legislative appropriation. General fund expenditures were $4.9 million lower than the legislative appropriation. An increase of $7.5 million occurred by budget amendment in part due to lower than expected federal fund attainment in the Foster Care Maintenance Payments program. This increase was more than offset by decreases occurring by budget amendment, cost containment, and withdrawn appropriations. These decreases include:

- salary and wage adjustments ($3.5 million);
- lower than expected expenditures for in-home aide services and adult protective services ($3.1 million);
- the general fund share of the withdrawn appropriation in Section 19 of the fiscal 2019 Budget Bill due to the surplus in the health insurance account ($2.2 million);
- the use of federal funds in lieu of general funds for contractual services and Respite Care expenditures in the State offices of SSA and the use of budgeted funds in local child welfare services for family support services rather than the funds budgeted in the State offices of SSA ($1.2 million);
- the use of federal funds in lieu of general funds for stipends and tuitions in the Local Adult Services program ($343,304); and
- the SSA share of a cost containment action approved at the September 6, 2017 Board of Public Works meeting to account for higher than expected vacancies ($172,572).

SSA also reverted $1.9 million due to higher than expected vacancies in the Child Welfare Services and Local Adult Services programs.

SSA's fiscal 2018 special fund expenditures were $751,659 lower than the legislative appropriation. Decreases totaling $110,669 were the result of salary and wage adjustments ($86,923) and the special fund share of the withdrawn appropriation in Section 19 of the fiscal 2019 Budget Bill ($23,746). SSA also canceled $640,990 in special funds primarily due to lower than anticipated attainment of local government payments in the Local Adult Services program ($560,858). The remainder of the cancellation ($80,122) was the result of lower than anticipated attainment of Local Education Agency funds and the Child Support Foster Care Offset funds in the Foster Care Maintenance Payments program.

The federal fund expenditures of SSA were $12.3 million lower than the legislative appropriation. An increase of $2.3 million occurred by budget amendment due to salary and wage adjustments. This increase was partially offset by the federal fund share of the withdrawn appropriation in Section 19 of the fiscal 2019 Budget Bill ($1.3 million). In addition, SSA canceled $13.3 million of the federal fund appropriation primarily due to higher than expected vacancies in the Child Welfare Services program ($9.9 million). The remainder of the federal fund cancellation was the result of lower than anticipated attainment of the federal Title IV-E funds, federal Title IV-E Waiver funds, Promoting Safe and Stable Families funds, and Independent Living funds in the Foster Care Maintenance Payments program ($3.4 million).

SSA's reimbursable fund appropriation increased by $500,952 compared to the legislative appropriation. An increase of $754,089 occurred by budget amendment for grants to local departments of social services from the Governor's Office of Crime Control and Prevention. A portion of these funds ($254,137) were canceled due to lower than expected expenditures of those grants.

Fiscal 2019

The fiscal 2019 appropriation of SSA has increased by $4.2 million ($3.5 million in general funds, $14,279 in special funds, and $631,149 in federal funds) compared to the legislative appropriation. The largest increase of $2.5 million results from a budget amendment that transferred funds restricted in the Revenue Stabilization Account to the Foster Care Maintenance Payments program to support an additional 2% increase in provider rates. The remainder of the increase, $1.7 million ($1.0 million in general funds, $14,279 in special funds, and $631,149 in federal funds), is due to the distribution of the general salary increase, which was centrally budgeted.

Appendix 2
Object/Fund Difference Report
Department of Human Services – Social Services Administration

Object/Fund	FY 18 Actual	FY 19 Working Appropriation	FY 20 Allowance	FY 19 - FY 20 Amount Change	Percent Change
Positions					
01 Regular	2,686.95	2,652.45	2,654.45	2.00	0.1%
02 Contractual	5.00	2.50	2.50	0.00	0%
Total Positions	**2,691.95**	**2,654.95**	**2,656.95**	**2.00**	**0.1%**
Objects					
01 Salaries and Wages	$ 227,680,457	$ 216,656,699	$ 221,314,465	$ 4,657,766	2.1%
02 Technical and Spec. Fees	1,652,320	1,842,295	1,936,896	94,601	5.1%
03 Communication	1,964,235	1,709,261	1,742,060	32,799	1.9%
04 Travel	1,738,533	1,145,209	1,263,315	118,106	10.3%
06 Fuel and Utilities	713,416	723,037	721,143	- 1,894	- 0.3%
07 Motor Vehicles	1,877,509	1,827,790	1,865,362	37,572	2.1%
08 Contractual Services	54,714,174	52,539,229	50,644,717	- 1,894,512	- 3.6%
09 Supplies and Materials	1,534,763	1,053,307	1,046,409	- 6,898	- 0.7%
10 Equipment – Replacement	63,560	350,000	350,000	0	0%
11 Equipment – Additional	152,548	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	252,574,814	278,636,610	282,798,826	4,162,216	1.5%
13 Fixed Charges	10,306,095	12,331,526	12,380,623	49,097	0.4%
Total Objects	**$ 554,972,424**	**$ 568,814,963**	**$ 576,063,816**	**$ 7,248,853**	**1.3%**
Funds					
01 General Fund	$ 374,294,194	$ 372,416,003	$ 364,258,603	- $ 8,157,400	- 2.2%
03 Special Fund	6,171,336	7,357,054	6,794,792	- 562,262	- 7.6%
05 Federal Fund	174,005,942	188,835,882	204,804,397	15,968,515	8.5%
09 Reimbursable Fund	500,952	206,024	206,024	0	0%
Total Funds	**$ 554,972,424**	**$ 568,814,963**	**$ 576,063,816**	**$ 7,248,853**	**1.3%**

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time $500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

Appendix 3
Fiscal Summary
Department of Human Services – Social Services Administration

Program/Unit	FY 18 Actual	FY 19 Wrk Approp	FY 20 Allowance	Change	FY 19 - FY 20 % Change
04 General Administration – State	$ 24,535,742	$ 27,926,484	$ 26,762,610	- $ 1,163,874	- 4.2%
01 Foster Care Maintenance Payments	266,615,940	261,276,333	270,061,328	8,784,995	3.4%
03 Child Welfare Services	221,167,362	234,017,164	233,076,571	- 940,593	- 0.4%
04 Adult Services	42,653,380	45,594,982	46,163,307	568,325	1.2%
Total Expenditures	**$ 554,972,424**	**$ 568,814,963**	**$ 576,063,816**	**$ 7,248,853**	**1.3%**
General Fund	$ 374,294,194	$ 372,416,003	$ 364,258,603	- $ 8,157,400	- 2.2%
Special Fund	6,171,336	7,357,054	6,794,792	- 562,262	- 7.6%
Federal Fund	174,005,942	188,835,882	204,804,397	15,968,515	8.5%
Total Appropriations	**$ 554,471,472**	**$ 568,608,939**	**$ 575,857,792**	**$ 7,248,853**	**1.3%**
Reimbursable Fund	$ 500,952	$ 206,024	$ 206,024	$ 0	0%
Total Funds	**$ 554,972,424**	**$ 568,814,963**	**$ 576,063,816**	**$ 7,248,853**	**1.3%**

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time $500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.