

**N00A01**  
**Administration**  
**Department of Human Resources**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Working</u>	<u>FY 16</u> <u>Allowance</u>	<u>FY 15-16</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$88,505	\$86,355	\$97,720	\$11,366	13.2%
Contingent & Back of Bill Reductions	0	0	-1,212	-1,212	
<b>Adjusted General Fund</b>	<b>\$88,505</b>	<b>\$86,355</b>	<b>\$96,508</b>	<b>\$10,154</b>	<b>11.8%</b>
Special Fund	4,393	4,030	4,021	-9	-0.2%
Contingent & Back of Bill Reductions	0	0	-20	-20	
<b>Adjusted Special Fund</b>	<b>\$4,393</b>	<b>\$4,030</b>	<b>\$4,001</b>	<b>-\$29</b>	<b>-0.7%</b>
Federal Fund	72,362	82,438	78,180	-4,258	-5.2%
Contingent & Back of Bill Reductions	0	0	-922	-922	
<b>Adjusted Federal Fund</b>	<b>\$72,362</b>	<b>\$82,438</b>	<b>\$77,258</b>	<b>-\$5,180</b>	<b>-6.3%</b>
Reimbursable Fund	2,057	360	0	-360	-100.0%
Contingent & Back of Bill Reductions	0	0	0	0	
<b>Adjusted Reimbursable Fund</b>	<b>\$2,057</b>	<b>\$360</b>	<b>\$0</b>	<b>-\$360</b>	<b>-100.0%</b>
<b>Adjusted Grand Total</b>	<b>\$167,317</b>	<b>\$173,183</b>	<b>\$177,767</b>	<b>\$4,585</b>	<b>2.6%</b>

Note: The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

- The fiscal 2016 allowance of the Department of Human Resources (DHR) Administration increases by \$4.6 million, or 2.6%, compared to the fiscal 2015 working appropriation after accounting for across-the-board reductions in fiscal 2016. An increase of \$10.2 million in general funds is partially offset by decreases in federal funds (\$5.2 million) and special funds (\$29,031).

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

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- A portion (\$1.75 million) of the general fund increase and federal fund decrease occurs in the Maryland Legal Services Program to account for the transition to the new Title IV-E waiver (foster care funding).
- Major changes in the fiscal 2016 allowance of DHR Administration occur in the area of personnel and information technology contracts, including the transition of the Enterprise Content Management System from the Major Information Technology Development Program into operations and maintenance.

***Personnel Data***

	<b><u>FY 14 Actual</u></b>	<b><u>FY 15 Working</u></b>	<b><u>FY 16 Allowance</u></b>	<b><u>FY 15-16 Change</u></b>
Regular Positions	879.50	880.00	879.00	-1.00
Contractual FTEs	<u>32.31</u>	<u>2.90</u>	<u>2.90</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>911.81</b>	<b>882.90</b>	<b>881.90</b>	<b>-1.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	62.85	7.15%
Positions and Percentage Vacant as of 12/31/14	n/a	n/a

- The fiscal 2016 allowance abolishes 1.0 vacant regular position in DHR Administration. The position was located in Local General Administration (Prince George’s County).
- Turnover expectancy in DHR Administration decreases from 7.34% to 7.15% in fiscal 2016.
- As of November 2014, DHR Administration had a vacancy rate of 7.7%, or 68.0 positions. After accounting for the abolished position the vacancy rate would be 7.6%. To meet the turnover expectancy of 7.15%, DHR Administration needs to maintain 62.85 vacant positions.

## ***Analysis in Brief***

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### **Major Trends**

***DHR Continues to Struggle with Procurement Goals:*** DHR failed to meet goals related to the percent of procurement contract dollars with minority business enterprises and the percent of contracts for which the date received by the Procurement Division is within the established guidelines for the number of days required to process the contract.

***Case Reviews Decrease in the Citizen’s Review Board for Children:*** In fiscal 2014, due to a declining number of local case review panels conducting child protection case reviews, only six such reviews were conducted. The Citizen’s Review Board for Children (CRBC) plans to re-establish relationships with local government entities to attempt to increase appointments of members to conduct these reviews. In addition, out-of-home placement case reviews decreased in fiscal 2013 and 2014 due to decreases in volunteers and staff vacancies. CRBC reports it has less than half of the volunteers needed to act at full capacity.

***DHR Fails to Meet Goals in Two of Three Areas of Services Provided to Children in Out-of-home Placement Reviews:*** In its Managing for Results submission for CRBC, DHR reports on several measures of outcomes that are captured in the out-of-home placement reviews. While these measures do not reflect the work of CRBC, the measures reflect the services provided by the local departments of social services. In fiscal 2014, the department did not meet its goals for the percent of children receiving appropriate educational services and the percent of children with a permanent connection identified.

### **Issues**

***DHR Office of the Secretary Audit:*** In June 2014, the Office of Legislative Audits released a fiscal compliance audit for the Office of the Secretary in DHR covering most of the administrative operations of the agency. The audit covered the period November 17, 2009, to August 12, 2012. The audit contained nine findings, of which four were repeated from the previous audit.

### **Recommended Actions**

#### **Funds**

1. Add budget bill language restricting general funds until corrective actions related to repeat audit findings are completed.
2. Adopt committee narrative recommending new performance measures related to the Earned Income Credit.

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3.	Add budget bill language restricting general funds in the Maryland Legal Services Program to that purpose.	
4.	Reduce funds for Automated Financial System project due to project delays.	\$ 338,250
	<b>Total Reductions</b>	<b>\$ 338,250</b>

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## ***Operating Budget Analysis***

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### **Program Description**

The Department of Human Resources (DHR) administers programs through a State-supervised and locally administered system. DHR Administration provides direction through four major units:

- Office of the Secretary;
- Operations Office;
- Office of Technology for Human Services (OTHS); and
- Local General Administration.

### **Office of the Secretary**

The Office of the Secretary provides overall direction and coordination for all programs and activities of DHR. The Office of the Secretary includes the offices of the Attorney General, chief of staff, deputy secretaries; communications; employment and program equity; inspector general; planning and performance; and government, corporate, and community affairs. Other programs contained within the Office of the Secretary are:

- the Citizen's Review Board for Children (CRBC)
- the Maryland Commission for Women; and
- the Maryland Legal Services Program (MLSP).

The key goal of the Office of the Secretary is to comply with statewide requirements for agency performance. The three programs within the Office of the Secretary contain goals specific to the program's operations.

### **Operations Office**

The Operations Office consists of two divisions. The Division of Budget, Finance, and Personnel supports the programs of other units in the department through the management and control of fiscal and personnel systems. The Division of Administrative Services provides key administrative services including fleet management, records management, and risk management to DHR, as well as

disaster relief and emergency response throughout the State. The key goals of the Operations Office are (1) to improve business processes to better serve the DHR central office, local departments of social services (LDSS), and community partners; and (2) to ensure a safe working environment for employees.

## **Office of Technology for Human Services**

OTHS is responsible for the overall management and direction of DHR's information systems. This includes responsibility for computer applications and systems; computer and communication equipment; computer peripheral equipment; ancillary facility and support equipment; and consumables and supplies. OTHS is responsible for the development and administration of DHR's information technology (IT) systems including:

- the Child Support Enforcement System;
- the Client Automated Resource and Eligibility System (CARES);
- the Maryland Children's Electronic Social Services Information Exchange (known as MD CHESSIE);
- the Office of Home Energy Programs data system; and
- WORKS, the computer system for the Work Opportunities Program.

The key goal of OTHS is to ensure the delivery of high quality products and services that are responsive to the changing needs of the department and the department's customers.

## **Local General Administration**

LDSS are situated in each county and Baltimore City; the administrative budgets of the LDSS' are combined into the Local General Administrative (LGA) unit for the purposes of the State budget. LGA provides essential support services and staff to operate the 24 LDSS, including the management of staff, finance, statistical reporting, general services, central records, fleet operations, buildings and grounds, equipment, supplies, procurement, and inventory.

## **Performance Analysis: Managing for Results**

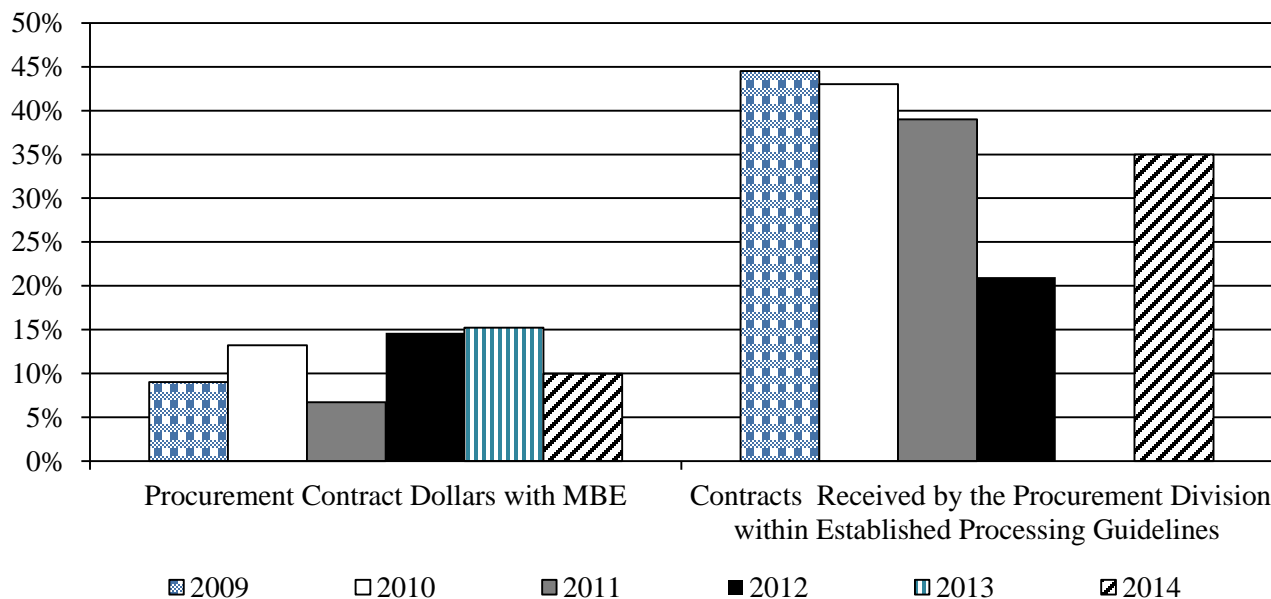
### **1. DHR Continues to Struggle with Procurement Goals**

DHR's goal for the Office of the Secretary is to comply with statewide requirements for agency performance. One of the measures for this goal is the percentage of procurement dollars with Minority Business Enterprises (MBE). Chapter 154 of 2012 eliminated the statewide 25% MBE goal instead

requiring the Special Secretary of Minority Affairs, in consultation with the Office of the Attorney General and the Secretary of the Department of Transportation, to establish a percentage goal on a biennial basis and apply the previous year’s goal for any year that a percentage goal is not established. The 25% goal remained in effect through fiscal 2013. The goal in fiscal 2014 and 2015, however, is 29%.

As shown in **Exhibit 1**, DHR failed to meet either the new 29.0% goal or the old 25.0% MBE goal in all recent years. After performance improved slightly in fiscal 2013 (increasing from 14.7% to 15.2%), the percentage of procurement dollars with MBEs decreased to 10.0% in fiscal 2014. DHR notes that while the overall percentage of procurement dollars with MBEs decreased, the total dollar value of contracts awarded to MBEs increased by \$5.8 million. Of note, DHR’s largest category of spending (human, cultural, social, and educational services) increased in both the total dollar value of contracts awarded to MBEs (an increase of \$8.8 million) and the total MBE participation percentage (an increase of 2.7 percentage points). **DHR should comment on efforts to improve performance in MBE spending.**

**Exhibit 1  
Procurement  
Fiscal 2009-2014**



MBE: Minority Business Enterprise

Source: Department of Human Resources; Governor’s Budget Books

In the 2014 session Managing for Results (MFR) submission, DHR eliminated a measure it had reported on for several years that was related to the percent of contracts received by the Procurement Division within established guidelines for the number of days required to process the contract. DHR instead included a measure of the percent of contracts processed by the Procurement Division within 30 working days of receipt. The Department of Legislative Services (DLS) expressed concern about the change because understanding delays in procurement requires understanding both internal Procurement Division processing timeliness as well as other potential delay points. In the 2015 session MFR submission, DHR has reintroduced the measure on the percent of contracts received by the Procurement Division within established guidelines and replaced the internal Procurement Division measure with a measure of the average working days from receipt from the program for the Procurement Division to process contracts. Due to these changes, there is no data available for fiscal 2013 for the percent of contracts received by the Procurement Division within established processing guidelines.

DHR's performance in this measure improved in fiscal 2014 from the level in fiscal 2012. However, the performance in this measure remains well below the goal of 50%. Only one year of actual data (fiscal 2014) is available for the average working days from receipt from the program for the Procurement Division to process contracts. In that year, DHR met the goal to process contracts, on average, in under 60 days (with an average of 58 days). **DHR should comment on steps it plans to take to improve timeliness in sending procurements to the Procurement Division for processing.**

## **2. Case Reviews Decrease in the Citizen's Review Board for Children**

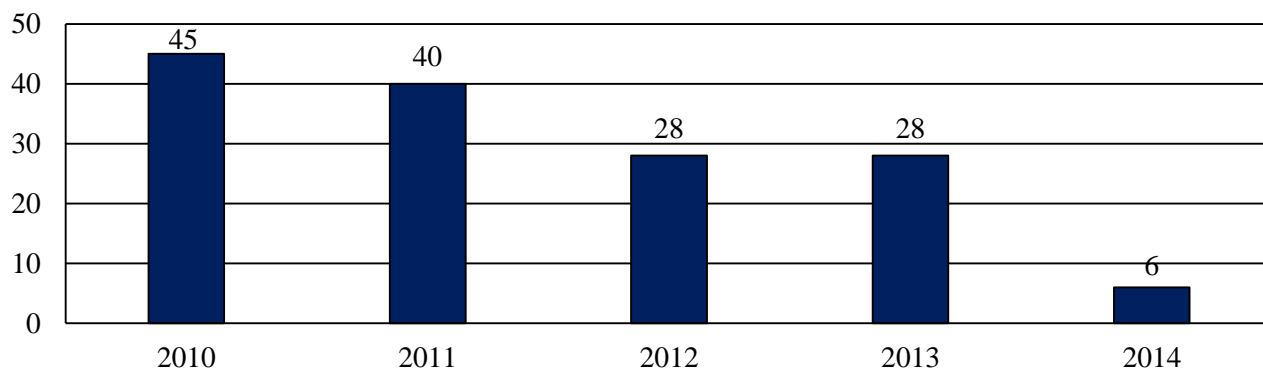
DHR presents a series of performance measures in its MFR submission related to CRBC, some of which track performance of the program and some of which track outcomes of work done by LDSS in cases reviewed by CRBC. CRBC reviews particular out-of-home placement cases in accordance with an agreement with the Social Services Administration.

**Exhibit 2** presents data on the number of child protection cases reviewed by case review panels and teams. The number of cases reviewed by these panels decreased by nearly 80% between fiscal 2013 and 2014. DHR indicates that in fiscal 2014 only one jurisdiction conducted these reviews while in other years multiple jurisdictions conducted the reviews. The local governing bodies, rather than the State, hold the authority to appoint the panels and provide guidance for the composition of the panel. CRBC plans to reestablish relationships with the local government entities in an attempt to increase appointments and reappointments of members.

**Exhibit 3** presents data on the number of out-of-home placement cases reviewed by local boards. The number of out-of-home placement cases reviewed decreased by approximately 25.0% in fiscal 2013 and 8.5% in fiscal 2014. The decreases in these years largely relate to staff vacancies in positions that impact the scheduling of reviews and other functions, and a decrease in volunteers. CRBC notes it needs 287 volunteers to be at full capacity but currently has only 132 (46.0% of the necessary level). CRBC plans to hire a volunteer recruitment coordinator to increase volunteers statewide.

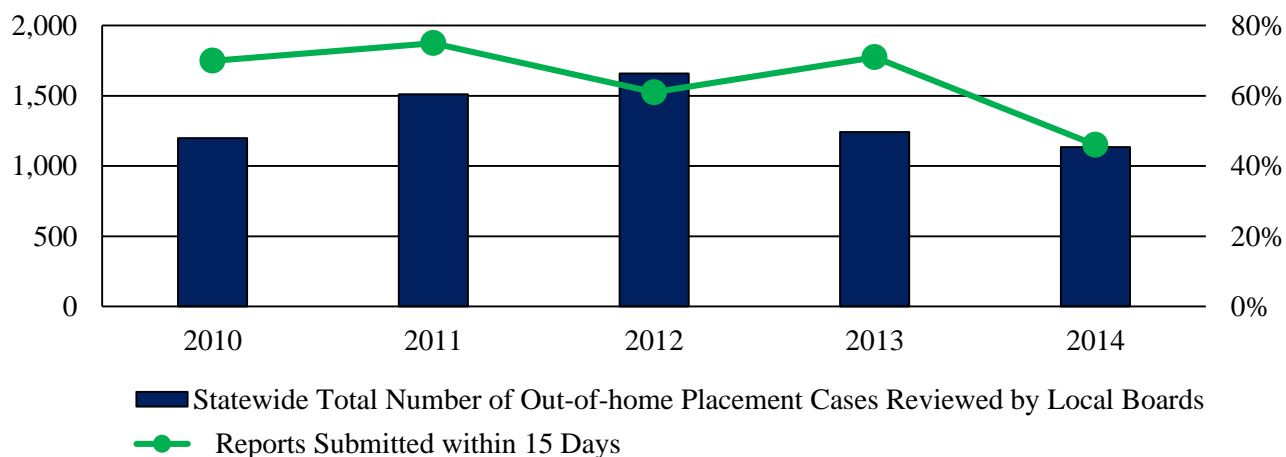


**Exhibit 2  
Citizen’s Review Board for Children  
Child Protection Cases Reviewed  
Fiscal 2010-2014**



Source: Department of Human Resources; Governor’s Budget Books

**Exhibit 3  
Citizen’s Review Board for Children  
Out-of-home Placement Reviews  
Fiscal 2010-2014**



Note: Out-of-home placement case reviews were conducted for eligible Another Planned Permanent Living Arrangements in fiscal 2010 and 2011, reunification reviews were added beginning in fiscal 2012.

Source: Department of Human Resources; Governor’s Budget Books

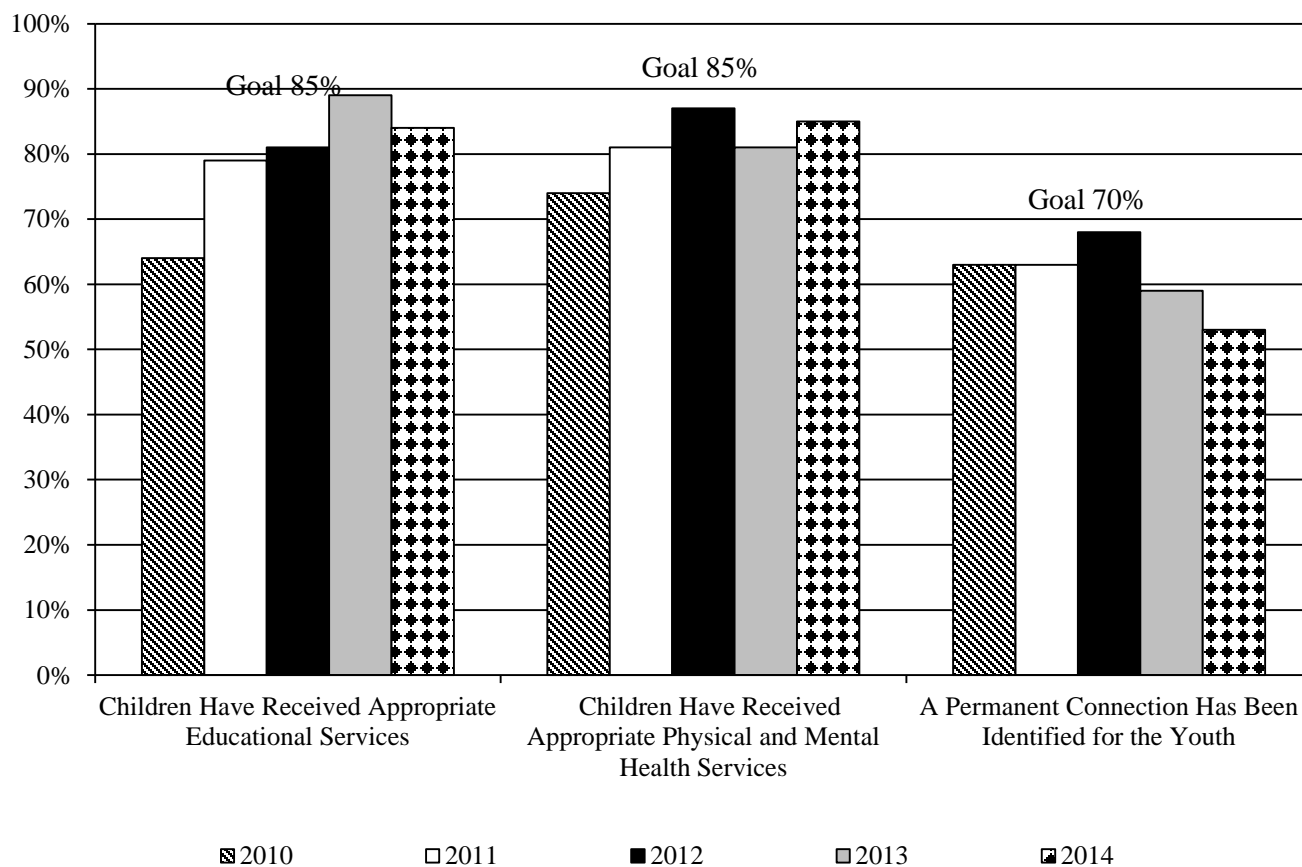
CRBC has a goal of submitting 75% of reports on the out-of-home placement case reviews within 15 days of the review. As also shown in Exhibit 3, after meeting the goal in fiscal 2011, CRBC's performance has been below the goal in each subsequent year. In fiscal 2013, CRBC nearly met the goal by submitting 71% of the reports within 15 days of the review; however, in fiscal 2014 only 46% of reports were submitted within 15 days of the review. DHR indicates that the substantial reduction in report submission timeliness is the result of training and communication issues. DHR intends to improve performance in this measure by increasing staff training and monitoring of the performance in this measure.

### **3. DHR Fails to Meet Goals in Two of Three Areas of Services Provided to Children in Out-of-home Placement Reviews**

**Exhibit 4** contains information on three outcome measures as determined by CRBC. While these outcome measures are not directly impacted by activities of CRBC, the measures provide a means of evaluating the LDSS' child welfare activities. Based on cases reviewed by CRBC, in fiscal 2014, the percent of children receiving appropriate physical and mental health services increased from 81% to 85% and met the performance goal. While the LDSS' failed to meet the goal of 85% of children receiving appropriate educational services in fiscal 2014, the performance was only 1 percentage point below the goal.

For the second consecutive year, based on cases reviewed by CRBC, the percent of cases in which a permanent connection had been identified for the youth declined. In fiscal 2014, 53% of cases had a permanent connection identified, 17 percentage points below the goal of 70%.

**Exhibit 4  
Citizen’s Review Board for Children  
Outcomes of Reviews  
Fiscal 2010-2014**



Note: Out-of-home placement case reviews were conducted for eligible Another Planned Permanent Living Arrangements in fiscal 2010 and 2011, reunification reviews were added beginning in fiscal 2012.

Source: Department of Human Resources; Governor’s Budget Books

**Fiscal 2015 Actions**

**Cost Containment**

**Exhibit 5** provides information on the impact of fiscal 2015 cost containment actions on the available funding for DHR Administration in that year.

**Exhibit 5**  
**Fiscal 2015 Reconciliation**  
**(\$ in Thousands)**

<u>Action</u>	<u>Description</u>	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Legislative Appropriation with Budget Amendments</b>		<b>\$86,827</b>	<b>\$4,030</b>	<b>\$82,438</b>	<b>\$360</b>	<b>\$173,655</b>
July BPW	Reduce funds for DHR’s share of a statewide reduction for the personnel system (\$22,600) and DHR Administration share of a departmentwide reduction to hold positions vacant (\$450,000).	-473	0	0	0	-473
<b>Working Appropriation</b>		<b>\$86,355</b>	<b>\$4,030</b>	<b>\$82,438</b>	<b>\$360</b>	<b>\$173,183</b>
January BPW Across-the-board	This unit is part of DHR which received a 1% across-the-board general fund reduction totaling \$6,578,440. If allocated proportionally, it would equal \$905,202 in this program.					
<b>Total Actions Since January 2015</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Adjusted Working Appropriation</b>		<b>\$86,355</b>	<b>\$4,030</b>	<b>\$82,438</b>	<b>\$360</b>	<b>\$173,183</b>

BPW: Board of Public Works  
DHR: Department of Human Resources

Source: Department of Legislative Services

**Proposed Budget**

As shown in **Exhibit 6**, the fiscal 2016 allowance of DHR Administration increases by \$4.6 million, or 2.6%, compared to the fiscal 2015 working appropriation after accounting for across-the-board reductions in fiscal 2016. An increase in general funds (\$10.2 million) is partially offset by a decrease in federal funds (\$5.2 million) and special funds (\$29,031).

**Exhibit 6**  
**Proposed Budget**  
**DHR – Administration**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2014 Actual	\$88,505	\$4,393	\$72,362	\$2,057	\$167,317
Fiscal 2015 Working Appropriation	86,355	4,030	82,438	360	173,183
Fiscal 2016 Allowance	<u>96,508</u>	<u>4,001</u>	<u>77,258</u>	<u>0</u>	<u>177,767</u>
Fiscal 2015-2016 Amount Change	\$10,154	-\$29	-\$5,180	-\$360	\$4,585
Fiscal 2015-2016 Percent Change	11.8%	-0.7%	-6.3%	-100.0%	2.6%

**Where It Goes:**

**Personnel Expenses**

Salaries including increments and the annualization of the fiscal 2015 COLA ( before cost containment).....	\$2,267
Employee and retiree health insurance .....	1,977
Employee retirement.....	966
Social Security contributions .....	154
Accrued leave payout .....	124
Overtime, reclassifications, and unemployment compensation.....	-8
Abolish 1 position in Local General Administration.....	-48
Turnover adjustments .....	-123
Across the board elimination of increments .....	-1,072
Across the board salary reduction to withdrawal fiscal 2015 COLA .....	-1,083

**Maryland Legal Services Program**

Contracts for adult public guardianship cases due to increased caseload and higher cost per case .....	607
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**Information Technology**

Enterprise content Management System as it transitions to operations and maintenance from the MITDP Program and a new project management/quality assurance and quality control contract .....	1,724
Project management/quality assurance and quality control project for the Office of Home Energy Programs data system.....	300
Information technology hosting and maintenance contract .....	153
Third year of funding for Automated Financial System MITDP .....	77
Data carrier monthly charges as well as a reduced need for communications infrastructure and critical systems data communication switches replacements due to previous work .....	-134

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**Where It Goes:**

Printing equipment lease costs.....	-331
Electronic Benefit Transfer System contract to align with fiscal 2014 actual expenditures.....	-597

**Cost Allocations**

Statewide budget system .....	842
Department of Information Technology services allocation .....	259
Office of Attorney General administrative fee and Retirement administrative fee .....	7
Insurance coverage .....	-80
Department of Budget and Management paid telecommunications .....	-194
Statewide Personnel System allocation .....	-858

**Administrative Expenses**

Consultant services for a required federal review related to Medicaid Rehabilitation activities.....	400
Purchase of 10 replacement vehicles.....	160
Printing .....	142
DGS rent primarily for operating expenditures at Saratoga State Center partially offset by non-DGS rent largely due to a relocation for the Office of Inspector General.....	101
Pre-wiring of one shelter with federal funds rather than two shelters partially offset by storage and maintenance costs of a mobile backup generator .....	-290
Lower Medicaid Rehabilitation administration contract costs .....	-867
Other expenses.....	11

**Total** **\$4,585**

COLA: cost-of-living adjustment

DGS: Department of General Services

MITDP: Major Information Technology Development Plan

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

## **Cost Containment**

The fiscal 2016 allowance includes an across-the-board reduction of general funds. DHR’s share of the reduction is \$6.9 million, or 1% of the department’s general fund budget. The allocation of this reduction has not been determined, and the share of the reduction that will be allocated to DHR Administration is not known. If allocated proportionally, DHR Administration’s share of the reduction would be approximately \$1.0 million. **DHR should comment on how it intends to allocate the fiscal 2015 and 2016 reductions and the impact of the reductions on DHR Administration.**

The fiscal 2016 allowance includes an across-the-board salary reduction. DHR Administration’s share of this reduction is \$1.1 million (\$580,857 general funds, \$9,907 special funds, \$492,128 federal funds). The fiscal 2016 allowance also includes an across-the-board reduction to eliminate increments. DHR Administration’s reduction for this action totals \$1.1 million

(\$631,221 general funds, \$10,587 special funds, \$430,059 federal funds). These actions are fully explained in the analysis of the Department of Budget and Management (DBM) – Personnel.

### **Office of Grants Management Moves to the Family Investment Administration**

The Office of Grants Management was formed in a calendar 2008 department reorganization by consolidating grant programs previously operated through separate offices in the Community Services Administration. The Office of Grants Management includes a grant to the Maryland Food Bank and includes, among other programs, the Emergency Transitional Housing Services Program, the Service-Linked Housing Program, and the Meal Delivery to HIV/AIDS Patients Program. Since that time, the office has been budgeted within DHR Administration’s Office of the Secretary. The fiscal 2015 budget of the Office of Grants Management totals \$13.0 million (\$11.7 million in general funds and \$1.2 million in federal funds).

Recently, the program has been administratively managed in the Family Investment Administration. Consistent with the administrative management, the fiscal 2016 allowance alters the budgeting of the Office of Grants Management, moving it from DHR Administration’s Office of the Secretary to the Family Investment Administration. DBM advises that the change in budgeting for the Office of Grants Management is not effective until July 1, 2015 (fiscal 2016).

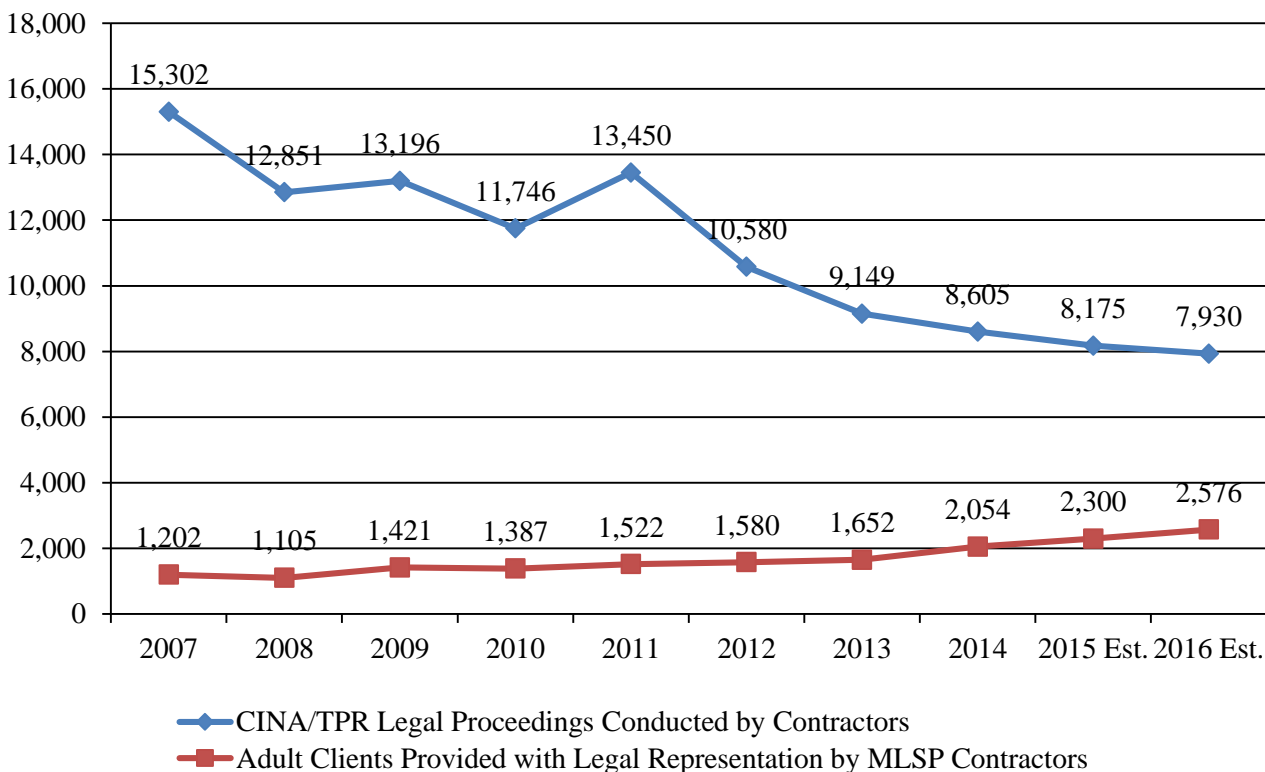
For comparison purposes, the *Governor’s Budget Books* show the fiscal 2014 actual spending and fiscal 2015 working appropriation for the Office of Grants Management in the new program (N00I00.07) in the Family Investment Administration. Similarly, for presentation purposes, the funding for these years and the fiscal 2016 allowance will be shown in the budget analysis of the Family Investment Administration.

### **Maryland Legal Services Program Funding for Adult Representation Increases and Federal Funds for Legal Representation for Children Decreases**

MLSP is statutorily mandated to provide representation in Children in Need of Assistance (CINA) and Termination of Parental Rights (TPR) cases and for indigent adults in adult protective services and adult public guardianship cases. Increases in representation of adult clients has posed challenges for the program budget in recent years. Since fiscal 2011, the amount spent for this purpose was higher than the amount originally budgeted. For example, fiscal 2014 expenditures were nearly \$135,000 more than originally budgeted, and in fiscal 2013, expenditures were approximately \$315,000 higher than originally budgeted. The fiscal 2016 allowance accounts for the increasing caseload (and a higher contract cost) by increasing the appropriation for contracts for adult representation (\$607,083).

As shown in **Exhibit 7**, the number of adult clients provided by MLSP legal representation has increased in most years since fiscal 2007. Between fiscal 2013 and 2014, the number of adult clients

**Exhibit 7  
Legal Services Program Representation  
Fiscal 2007-2016 Est.**



CINA: Children in Need of Assistance  
 MLSP: Maryland Legal Services Program  
 TPR: Termination of Parental Rights

Source: Department of Human Resources; Governor’s Budget Books

increased by 24.3%. Since fiscal 2007, in total, the number of adult clients provided with MLSP legal representation increased by 70.9%. DHR indicates that the higher number of adult clients is related to an aging population, an increase in guardianship petitions for younger adult clients with mental health challenges, and changes in rules relating to the legal authority to act on behalf of this population.

While there was no change in the dollar amount of funding for legal representation for CINA and TPR cases, the fiscal 2016 allowance includes a change in the fund split. In total, general funds for this representation increase by approximately \$1.75 million and federal funds (from Title IV-E foster care funding) decrease by an equivalent amount. In recent years, the program has experienced budgetary challenges, in part due to the underattainment of Title IV-E foster care funding. In September 2014, Maryland received approval for a five-year federal Title IV-E demonstration waiver



to allow for more flexibility in State foster care spending and more predictable budgeting. The change in fund split accounts for the amount of the waiver that will be available to MLSP in fiscal 2016. Previously, Title IV-E funding could be claimed for any eligible services. Under the new waiver, DHR receives a set amount of funding and determines how to allocate it among programs. Of note, the fiscal 2016 allowance for this representation is \$1.3 million lower than fiscal 2014 expenditures after accounting for prior year shortfalls paid in that year.

The program had unprovided for payables in fiscal 2007, 2008, 2012, and 2013. Given the lower funding budgeted, it appears that shortfalls in fiscal 2015 are possible. **DHR should comment on the adequacy of fiscal 2015 funding for these programs. Due to the recent history, DLS recommends budget bill language restricting general funds in the MLSP to that purpose.**

## **Major Information Technology Projects**

### **Enterprise Content Management System**

The Enterprise Content Management System (ECMS) has been a Major Information Technology Development Project (MITDP) since fiscal 2011. A key component of the ECMS project was the implementation of a document imaging system for use by the Family Investment Administration and Child Support Enforcement Administration. The implementation of the system began with a pilot in the Anne Arundel County Department of Social Services (DSS) – Annapolis office and the Charles County DSS in December 2011. DHR began to roll out the system to other offices beginning in February 2012. DHR finished the roll out of the system in May 2013. Additional reporting and features were implemented following the completion of the rollout. The fiscal 2015 budget included the ECMS as an MITDP for the final time.

Projects remain as an MITDP through the first year of operations and maintenance. The fiscal 2016 allowance, removes the ECMS as an MITDP because it is now in the second year of operations and maintenance. As an MITDP, the State share of costs are included in the budget of the Major Information Technology Development Project Fund (MITDPF) in the Department of Information Technology (DoIT). In operations and maintenance mode, the State share of costs is included in the budget of DHR Administration along with the special and federal fund share. In the fiscal 2016 allowance, this change in budgeting results in the appearance of an increase of \$1.1 million of DHR Administration; however, after accounting for the State share of funding in the MITDPF in fiscal 2015, the increase is less than \$200,000.

The fiscal 2016 allowance also includes an increase of \$600,000 for an Enterprise Project Management Office/quality assurance and quality control contract for the ECMS.

### **Automated Financial System**

The Automated Financial System Replacement project will create a system used in LDSS to maintain the financial transaction history and generate checks for vendor payments, including child care and foster care providers. The existing system is written in outdated language and, as a result,

DHR indicates that it is difficult to find maintenance and support for the application. Additional information on the project goals and schedule is shown in **Appendix 2**.

In the third year of funding, the project remains in the planning phase of the two phase IT process deployed by the State. DHR indicates that it is currently in the planning step (the third of four steps in the planning phase). DHR expects to begin the requirements analysis (the final step in the planning phase) in February 2015. DHR indicated in information provided on January 12, 2015, that the requirements analysis phase was expected to continue until November 2015. The Information Technology Project Request (ITPR) submitted by DHR for fiscal 2016, however, indicates that the requirements analysis would be completed in April 2015. Although the projected completion dates are inconsistent, this schedule indicates that DHR is approximately a year behind the schedule presented during the 2014 session. The ITPR submitted for fiscal 2015 projected the requirements analysis would begin in January 2014 and be completed in June 2014. The project delays result from project management contract delays. The project manager began work in October 2014. **DHR should comment on the reason for the difference in the projected completion date of the planning phase.**

The total estimated project cost is \$2.2 million. The fiscal 2014 budget included \$350,000 in total funds (\$182,000 in the MITDPF and \$168,000 of federal funds in DHR Administration) for the project, none of which was spent due to project delays. The fiscal 2015 budget initially included \$480,000 (\$240,000 in both the MITDPF and in federal funds in DHR Administration) for the project; however, an additional \$120,000 from the MITDPF has been appropriated for the project, which is available as a result of the unused funding in fiscal 2014. The fiscal 2016 allowance includes \$1.35 million for the project (\$676,500 in both the MITDPF and in federal funds in DHR Administration). The fiscal 2016 allowance provides nearly all of the remaining funding required under the estimated project cost, with the difference in the remaining fiscal 2014 cancelled funds. As noted, the project is still early in the planning phase, and under the projected timeline given by DHR, the implementation phase would not begin until November 2015. The ITPR for fiscal 2015 projected the implementation phase to last slightly more than one year. The current ITPR does not present a timeline for implementation. Based on the fiscal 2015 ITPR implementation timeframe and the schedule for completing planning provided by DHR, the implementation would be expected to continue until fiscal 2017. Therefore, not all of the funding to complete implementation will be required in fiscal 2016. **DLS recommends reducing the fiscal 2016 funding by 50%. A similar reduction for the State share of costs will be recommended in the analysis of DoIT.**

For this project, the fiscal 2015 funding appropriated in the MITDPF has already been transferred to DHR Administration, resulting in the appearance of only a \$76,500 increase in the fiscal 2016 allowance in DHR Administration, while the actual increase in total funding accounting for both DHR Administration and the MITDPF is much larger (\$753,000 total funds, federal funds \$436,500, and general funds \$316,500).

## Issues

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### 1. DHR Office of the Secretary Audit

In June 2014, the Office of Legislative Audits (OLA) released a fiscal compliance audit for the Office of the Secretary in DHR covering most of the administrative operations of the agency. The audit covered the period November 17, 2009, to August 12, 2012. The audit included nine findings, of which four were repeated from the previous audit, as shown in **Exhibit 8**. The four repeat findings are discussed in this issue.

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#### Exhibit 8 Audit Findings

Audit Period for Last Audit:	November 17, 2009 – August 12, 2012
Issue Date:	June 2014
Number of Findings:	9
Number of Repeat Findings:	4
% of Repeat Findings:	44.4%
Rating: (if applicable)	n/a

- Finding 1:** DHR recorded unsupported special fund revenues to offset deficit balances.
- Finding 2:** DHR did not ensure the propriety of the payments to certain legal firms.
- Finding 3:** DHR lacked sufficient procedures and accountability over certain grants.
- Finding 4:** DHR had not established sufficient monitoring controls over certain users' access.
- Finding 5:** Assignment of critical privileges and access and monitoring controls over mainframe systems were not sufficient.
- Finding 6:** Database controls were not sufficient to protect critical data.
- Finding 7:** Certain DHR networks were not adequately secured.
- Finding 8:** A vendor report did not address several key security controls.
- Finding 9:** DHR did not document its rationale for not assessing liquidated damages.

\*Bold denotes item repeated in full or part from preceding audit report.

Source: Office of Legislative Audits

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## **Maryland Legal Services Program**

Finding 2 stated that in MLSP, DHR did not ensure that payments to legal firms on behalf of individuals were proper and did not perform site visits to ensure that required services were provided. OLA noted that:

- DHR paid firms based on submitted invoices without verifying the firm was responsible for providing the legal services to the individuals (also included in the prior audit);
- DHR did not perform annual site visits for some firms as provided in the contracts or maintain documentation supporting the review and conclusion for some annual site visits performed (also included in the last two audits); and
- DHR did not obtain annual reports required for some firms.

OLA recommended that DHR verify payments are made to legal firms only for individuals for whom DHR is responsible for providing legal services, conduct on-site monitoring, and take appropriate follow-up actions to ensure annual reports are submitted.

The Council for Procurement of Health, Education, and Social Services began a review of the State's procurement of these services in calendar 2013 as requested by the Board of Public Works, which has not been completed. In January 2015, DHR released a request for information as part of the procurement planning process for contracts for legal representation for children.

## **Office of Grants Management**

Finding 3 stated that in the Office of Grants Management, DHR lacked sufficient procedures and accountability over certain grants. Specifically, OLA noted that DHR did not independently verify that grant funds were spent as intended and that DHR did not ensure that assistance activity reports were submitted by the grantee (also included in the prior audit). OLA recommended that DHR independently verify that grant funds were spent as intended, ensure that required reports are submitted, and ensure that annual site visits are performed.

## **Information Systems Security and Control**

Finding 4 stated that DHR had not established sufficient controls to ensure the propriety of actions taken by certain users in its automated payment systems. OLA cited that 16 employees had unrestricted access to critical CARES files, which would allow a user the ability to add and approve a case for benefits without supervisory review and approval (repeated from prior audit). OLA also noted that certain procurement transactions could be returned to the employee that initiated the transaction, who could then modify it, after approvals were obtained. OLA recommended that critical actions on CARES by users with unrestricted access be subject to independent supervisory review and approval and that available security features in the financial management system be used to properly control purchasing transactions.

Finding 7 stated that DHR’s internal network and vendor network that contained the mainframe and servers hosting critical DHR systems were not adequately secured. OLA noted that firewall rules allowed unsecure and unnecessary connections to the DHR internal network (repeated from prior audit), DHR allowed unnecessary virtual private network connections from several untrusted parties to the internal network, and that firewall rules were not configured to adequately secure the connections in the vendor’s network that hosted several major DHR IT systems (repeated from prior audit). OLA recommended that DHR configure its firewalls and virtual private networks to limit access to only those privileges needed to complete tasks and require the vendor hosting the major IT systems to configure to the firewall to properly protect the devices hosting the systems.

### **Corrective Actions**

DHR noted in the response to the audit that it had generally acted to respond to or implement the recommendations made in the audit. However, in some cases, either DHR disagreed with the audit finding, or the department believed that the recommendations could not be implemented.

The Joint Audit Committee (JAC) continues to be concerned with the number and frequency of repeat audit findings across State agencies as cited by OLA. In an effort to satisfactorily resolve these findings, JAC has asked the budget committees to consider action in the agency budgets where such findings occur. As noted this audit contained four repeat audit findings. **Therefore, DLS recommends withholding a portion of the department’s appropriation until OLA has determined that the repeat findings have been corrected.**

## ***Recommended Actions***

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

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

- (1) the DHR Administration has taken corrective action with respect to all repeat audit findings on or before November 1, 2015; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow for funds to be released prior to the end of fiscal 2016.

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

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

2. Adopt the following narrative:

**Performance Measures Related to the State Earned Income Credit:** In the Evaluation of the Maryland Earned Income Tax Credit draft released in calendar 2014, the Department of Legislative Services found that no State agency was responsible for promoting the program, which may have factored into lower responsiveness during the recent recession than other safety net programs. Recommendations in the evaluation included that the Department of Human Resources (DHR), in consultation with the Office of the Comptroller, be designated to promote the program and that DHR integrate goals, objectives, and performance measures related to the program into the department’s performance measures. The budget committees request that DHR include in its fiscal 2017 Managing for Results submission goals, objectives, and performances measures related to the State Earned Income Credit.

Information Request	Author	Due Date
Performance measures for the State Earned Income Credit	DHR	With the submission of the fiscal 2017 allowance.

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

, provided that \$12,157,193 of this appropriation made for the purpose of the Maryland Legal Services Program may be expended only for that purpose. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

**Explanation:** The language restricts the general fund appropriation for Maryland Legal Services Program (MLSP) to that purpose and if it is not needed for that purpose, requires the funds to revert to the general fund. During the fiscal 2013 closeout process, the Department of Human Resources recorded an unprovided-for payable in the MLSP. This was the second consecutive year an unprovided-for payable was recorded and the fourth since fiscal 2007 in the program. Although no unprovided-for payable was recorded in fiscal 2014 and some of the underlying problems appear to have been addressed, given the important function of the MLSP, it remains necessary to ensure the program is adequately funded. Similar language has been adopted in each of the last two fiscal years.

	<b><u>Amount Reduction</u></b>
4. Reduce funds for Automated Financial System project due to project delays. The Automated Financial System project was initially expected to have completed the planning phase by June 2014; however, the current project schedule anticipates completing the planning phase instead in November 2015. The implementation phase was initially projected to last one year. Based on that timeframe and the current schedule, DHR would not complete the implementation phase until fiscal 2017. As a result, not all of the funds included in the fiscal 2016 allowance, which is the amount needed to complete the project, would be required. A reduction of the same amount is included in the Major Information Technology Development Project Fund for the State share of the project costs.	\$ 338,250 FF
<b>Total Federal Fund Reductions</b>	<b>\$ 338,250</b>

## *Current and Prior Year Budgets*

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### **Current and Prior Year Budgets** DHR – Administration (\$ in Thousands)

	<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Special</u></b> <b><u>Fund</u></b>	<b><u>Federal</u></b> <b><u>Fund</u></b>	<b><u>Reimb.</u></b> <b><u>Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2014</b>					
Legislative					
Appropriation	\$84,118	\$3,313	\$83,903	\$0	\$171,335
Deficiency					
Appropriation	-783	-14	-662	0	-1,459
Budget					
Amendments	5,170	1,304	1,846	2,605	10,924
Reversions and					
Cancellations	0	-210	-12,725	-547	-13,483
<b>Actual</b>					
<b>Expenditures</b>	<b>\$88,505</b>	<b>\$4,393</b>	<b>\$72,362</b>	<b>\$2,057</b>	<b>\$167,317</b>
<b>Fiscal 2015</b>					
Legislative					
Appropriation	\$86,522	\$4,025	\$82,174	\$0	\$172,721
Cost					
Containment	-473	0	0	0	-473
Budget					
Amendments	305	5	264	360	934
<b>Working</b>					
<b>Appropriation</b>	<b>\$86,355</b>	<b>\$4,030</b>	<b>\$82,438</b>	<b>\$360</b>	<b>\$173,183</b>

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies.

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## **Fiscal 2014**

DHR Administration's fiscal 2014 expenditures were approximately \$4.0 million lower than the legislative appropriation. Overall, the general fund expenditures of DHR Administration were \$4.4 million higher than the legislative appropriation. General funds increased by budget amendment and deficiency appropriation totaling \$8.6 million. The largest general fund increase was salary and wage adjustments including closeout actions, the cost-of-living adjustments (COLA), employee increments, and the annual salary review (\$4.3 million). The remaining increases supported:

- a deficiency appropriation and increase through budget amendment for MLSP to cover a prior year shortfall, adjust the share of total costs supported by general funds to account for underattainment of Title IV-E funding, and a higher than expected caseload for adult legal representation (\$2.7 million);
- contractual staff for inventory control and the Office of Emergency Operations, office improvements, rental and maintenance of printers, and rental of generators related to winter snowstorms in the Division of Administrative Services (\$1.4 million);
- contractual staff for the Office of the Attorney General, the Office of the Inspector General, the communications office, and the consultant services office (\$103,933);
- vehicle repair and replacement (\$51,951); and
- communications related to office improvements and cell phones in the Office of Emergency Operations in the Division of Administrative Services (\$47,976).

This increase in general funds is partially offset by decreases totaling \$4.2 million as a result of:

- a deficiency appropriation reducing funding for the statewide personnel system (\$1.6 million);
- a deficiency appropriation reducing funding for health insurance (\$764,316);
- reduced funding for contractual services for the IT maintenance contract due to fewer than anticipated task orders for some systems (\$723,886);
- a deficiency appropriation reducing funding for the retirement reinvestment (\$516,624);
- reduced funding for additional and replacement equipment due to lower than anticipated per unit costs for computers and printers (\$450,434); and

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- reduced funding for communications due to lower than expected infrastructure hardware costs and data carrier monthly charges (\$106,393).

DHR Administration also reverted a minimal amount of general funds.

DHR Administration's fiscal 2014 special fund expenditures were \$1.1 million higher than the legislative appropriation. DHR Administration's special funds increased by \$1.3 million largely from salary and wage adjustments due to available Child Support Reinvestment Funds, Electric Universal Service Program funds, local government payments, and health care reform (\$1.3 million). The remaining increases occurred as a result of the special fund share of employee compensation changes including the fiscal 2014 COLA (\$7,311), the annual salary review (\$4,273), and increments (\$2,781). These increases were partially offset by the special fund share of the deficiency appropriations reducing funding for the retirement reinvestment (\$8,591) and health insurance (\$5,422) and cancellations totaling \$216,386. The cancellations primarily occurred for the IT maintenance contract related to the Office of Home Energy Programs data system (\$209,769). The remaining cancellation occurred in the area of communications related to unavailable local government payments (\$6,617).

The fiscal 2014 federal fund expenditures of DHR Administration were \$11.6 million lower than the legislative appropriation. Increases totaling \$1.8 million occurred by budget amendment due to:

- the federal Low-Income Home Energy Assistance Program (LIHEAP) funds available to support the ECMS (\$864,363);
- the federal fund share of employee compensation changes including the fiscal 2014 employee COLA (\$387,656), employee increments (\$118,744), and the annual salary review adjustments (\$112,785); and
- the Division of Administrative Services for contractual staff particularly in the areas of inventory control and the Office of Emergency Operations, office improvements, rental and maintenance of printers, and rental of generators for winter snow storms (\$362,255).

These increases are more than offset by decreases resulting from deficiency appropriations to reduce the retirement reinvestment (\$444,986) and health insurance (\$217,091) and cancellations totaling \$12.7 million. The cancellations resulted largely from lower than expected federal fund attainment for the Supplemental Nutrition Assistance Program, Title IV-E, Child Support Enforcement, Medical Assistance, and LIHEAP for a variety of administrative expenditures as well as legal services for CINA and TPR cases, and the Medicaid rehabilitation contract.

The fiscal 2014 reimbursable fund expenditures for DHR Administration were \$2.1 million higher than the legislative appropriation resulting from increases to support the State share of costs associated with ECMS (\$2.4 million) and the Automated Financial System (\$156,000) partially offset by cancellations totaling \$547,263. The cancellations resulted from lower than expected costs for the

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ECMS (\$391,263) and delays in the awarding of the contract for the Automated Financial System project (\$156,000).

**Fiscal 2015**

DHR Administration's fiscal 2015 appropriation has increased by \$461,431. Increases in personnel costs resulting from the fiscal 2015 COLA totaling \$574,031 (\$305,266 in general funds, \$4,922 in special funds, and \$263,843 in federal funds) are partially offset by cost containment actions totaling \$472,600 in general funds from holding positions vacant (\$450,000) and a statewide reduction for the timesheet system (\$22,600). An increase of \$360,000 also occurred in reimbursable funds from the MITDPF for the State share of the costs for the Automated Financial System major IT project.

## Major Information Technology Projects

### DHR – Administration Automated Financial System

<b>Project Status<sup>1</sup></b>	Planning	<b>New/Ongoing Project:</b>	Ongoing.
<b>Project Description:</b>	Replace the Department of Human Resources' (DHR) existing Automated Financial System, which is used by the local departments of social services (LDSS) to record financial transactions of the LDSS; set up, print, and track vendor payments (including those for child care and foster care providers); and generate various financial reports. The project will lower costs of system support and maintenance because the existing system uses outdated language. The project will also improve security and performance, as well as improve ease of use.		
<b>Project Business Goals:</b>	The new Automated Financial System is expected to improve ease of use, eliminate workarounds necessitated by the difficulty of updating the current system, and reduce the cost of maintenance and support of the system. The new system is also expected to consolidate financial information and reduce the time it takes to generate vendor payments. DHR indicates the new system will also allow for the system to be easier to modify and enhance as State and federal requirements change. This project also supports the goal of the agency to standardize the development environment and allow the agency to centralize hardware, functionality, and data.		
<b>Estimated Total Project Cost<sup>1</sup>:</b>	\$2,183,000	<b>Estimated Planning Project Cost<sup>1</sup></b>	\$405,270
<b>Project Start Date:</b>	November 3, 2014	<b>Projected Completion Date:</b>	November 5, 2015 (Planning phase only)
<b>Schedule Status:</b>	DHR expected initially to begin the planning phase in July 2013 and complete the planning phase in in June 2014. However, DHR did not begin the planning phase until November 2014 and is not projected to complete the planning phase until November 2015. As a result, the implementation, originally anticipated for May/June 2015 will be delayed.		
<b>Cost Status:</b>	Total costs are subject to change as the planning phase is completed.		
<b>Scope Status:</b>	DHR is still in the process of defining the project scope.		
<b>Project Management Oversight Status:</b>	The fiscal 2016 allowance includes \$67,650 for project oversight. DHR plans to use a project management contract to oversee the project implementation. The project is included in DHR's portfolio reviews.		
<b>Identifiable Risks:</b>	The only high risk identified was implementation, which results from data conversion and application integration concerns. Medium risks identified were resource availability, interdependencies with the State system, organizational culture, and supportability. Risks will be reviewed further as the project moves through the planning phase.		
<b>Additional Comments:</b>	The fiscal 2016 allowance provides the funding that would be required to complete the implementation phase, based on an earlier cost projection included in the 2014 session ITPR of \$2.2 million, if the fiscal 2014 and 2015 appropriation were fully expended. However, the fiscal 2014 appropriation was not expended and only a portion of the unused funds have been appropriated in fiscal 2015. The costs below reflect the actual fiscal 2014 expenditures, fiscal 2015 appropriation, and fiscal 2016 allowance. These do not match the Major IT Appendix in the <i>Governor's Budget Books</i> which reflect the fiscal 2014 appropriation rather than expenditures. The balance to complete was estimated based on the total estimated cost. No out-year costs are currently projected in the Major IT Appendix.		

<b>Fiscal Year Funding (\$ in Thousands)</b>	<b>Prior Years</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>Balance to Complete</b>	<b>Total</b>
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	626.0	1,353.0	0.0	0.0	0.0	0.0	204.0	2,183.0
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>\$627.0</b>	<b>\$1,353.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$204.0</b>	<b>\$2,183.0</b>

<sup>1</sup>Initially, an agency submits a Project Planning Request. After the requirements analysis has been completed and a project has completed all of the planning required through Phase Four of the Systems Development Lifecycle (Requirements Analysis), including a baseline budget and schedule, the agency may submit a Project Implementation Request and begin designing and developing the project when the request is approved. For planning projects, costs are estimated through planning phases. Implementation projects are required to have total development costs.

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

<u>Object/Fund</u>	<u>FY 14 Actual</u>	<u>FY 15 Working Appropriation</u>	<u>FY 16 Allowance</u>	<u>FY 15 - FY 16 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	879.50	880.00	879.00	-1.00	-0.1%
02 Contractual	32.31	2.90	2.90	0.00	0%
<b>Total Positions</b>	<b>911.81</b>	<b>882.90</b>	<b>881.90</b>	<b>-1.00</b>	<b>-0.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 67,488,867	\$ 69,116,433	\$ 74,424,646	\$ 5,308,213	7.7%
02 Technical and Spec. Fees	1,276,426	263,366	617,870	354,504	134.6%
03 Communication	7,811,118	8,057,765	7,782,527	-275,238	-3.4%
04 Travel	245,755	192,951	221,835	28,884	15.0%
06 Fuel and Utilities	512,899	469,367	528,271	58,904	12.5%
07 Motor Vehicles	366,089	413,712	572,139	158,427	38.3%
08 Contractual Services	76,590,236	78,756,853	79,878,811	1,121,958	1.4%
09 Supplies and Materials	1,348,598	1,371,795	1,335,633	-36,162	-2.6%
10 Equipment – Replacement	2,416,825	2,111,822	2,236,321	124,499	5.9%
11 Equipment – Additional	616,388	536,820	313,801	-223,019	-41.5%
12 Grants, Subsidies, and Contributions	104,301	2,060,370	2,089,547	29,177	1.4%
13 Fixed Charges	8,539,854	9,831,273	9,920,463	89,190	0.9%
<b>Total Objects</b>	<b>\$ 167,317,356</b>	<b>\$ 173,182,527</b>	<b>\$ 179,921,864</b>	<b>\$ 6,739,337</b>	<b>3.9%</b>
<b>Funds</b>					
01 General Fund	\$ 88,505,142	\$ 86,354,672	\$ 97,720,385	\$ 11,365,713	13.2%
03 Special Fund	4,393,217	4,029,589	4,021,052	-8,537	-0.2%
05 Federal Fund	72,361,725	82,438,266	78,180,427	-4,257,839	-5.2%
09 Reimbursable Fund	2,057,272	360,000	0	-360,000	-100.0%
<b>Total Funds</b>	<b>\$ 167,317,356</b>	<b>\$ 173,182,527</b>	<b>\$ 179,921,864</b>	<b>\$ 6,739,337</b>	<b>3.9%</b>

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.

<b>Fiscal Summary</b>					
<b>DHR – Administration</b>					
<u>Program/Unit</u>	<u>FY 14 Actual</u>	<u>FY 15 Wrk Approp</u>	<u>FY 16 Allowance</u>	<u>Change</u>	<u>FY 15 - FY 16 % Change</u>
01 Office of the Secretary	\$ 13,049,389	\$ 13,829,782	\$ 14,849,574	\$ 1,019,792	7.4%
02 Citizen's Review Board for Children	782,777	886,782	919,972	33,190	3.7%
03 Commissions	170,233	204,194	239,756	35,562	17.4%
04 Legal Services Program Management	15,735,064	13,475,206	14,080,155	604,949	4.5%
01 Division of Budget, Finance and Personnel	19,307,155	21,554,603	21,191,575	-363,028	-1.7%
02 Division of Administrative Services	11,808,957	10,652,444	10,937,882	285,438	2.7%
02 Major Information Technology Development Projects	5,421,753	1,610,020	676,500	-933,520	-58.0%
04 General Administration	59,963,734	68,282,743	72,141,604	3,858,861	5.7%
05 General Administration	41,078,294	42,686,753	44,884,846	2,198,093	5.1%
<b>Total Expenditures</b>	<b>\$ 167,317,356</b>	<b>\$ 173,182,527</b>	<b>\$ 179,921,864</b>	<b>\$ 6,739,337</b>	<b>3.9%</b>
General Fund	\$ 88,505,142	\$ 86,354,672	\$ 97,720,385	\$ 11,365,713	13.2%
Special Fund	4,393,217	4,029,589	4,021,052	-8,537	-0.2%
Federal Fund	72,361,725	82,438,266	78,180,427	-4,257,839	-5.2%
<b>Total Appropriations</b>	<b>\$ 165,260,084</b>	<b>\$ 172,822,527</b>	<b>\$ 179,921,864</b>	<b>\$ 7,099,337</b>	<b>4.1%</b>
Reimbursable Fund	\$ 2,057,272	\$ 360,000	\$ 0	-\$ 360,000	-100.0%
<b>Total Funds</b>	<b>\$ 167,317,356</b>	<b>\$ 173,182,527</b>	<b>\$ 179,921,864</b>	<b>\$ 6,739,337</b>	<b>3.9%</b>

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.