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Family Investment Administration

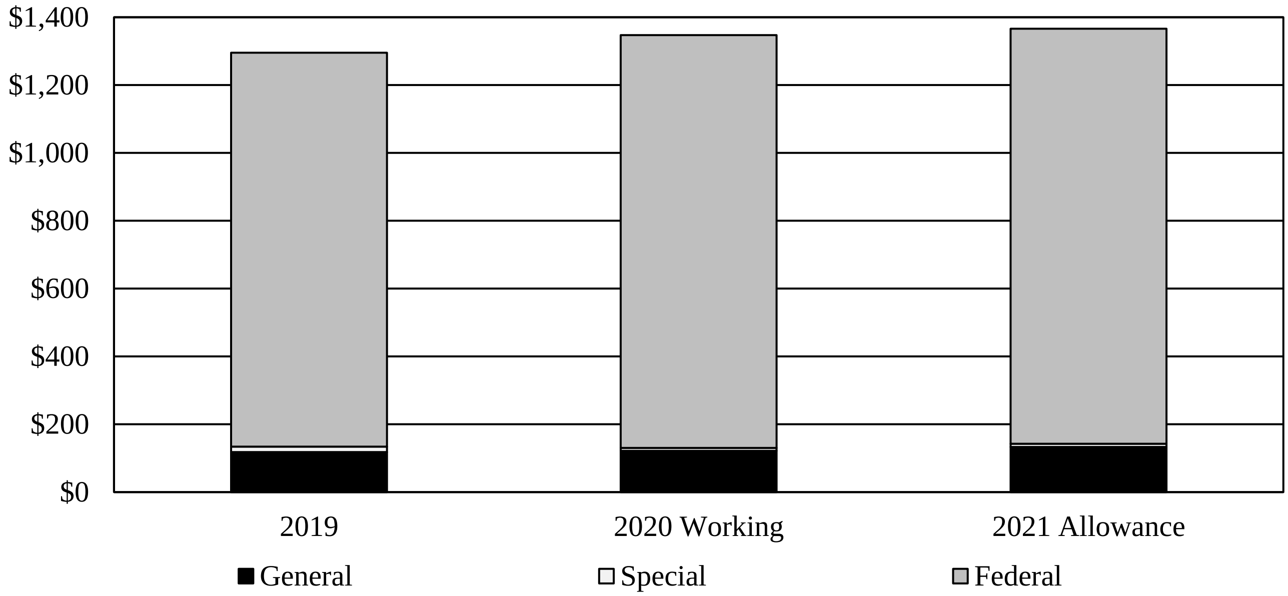
Department of Human Services

Executive Summary

The Department of Human Services (DHS) Family Investment Administration (FIA) administers cash benefits and other grant programs that provide assistance to individuals and families in financial need as well as employment programs to promote self-sufficiency.

Operating Budget Summary

Fiscal 2021 Budget Increases by $18.2 Million or 1.3% to $1.37 Billion
($ in Millions)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

- The largest increase in the fiscal 2021 allowance for FIA occurs in the Temporary Disability Assistance Program (TDAP), which increases by $7.5 million compared to the fiscal 2020 working appropriation. The majority of this increase ($5.3 million) is the result of Chapter 408 of 2018, which required benefit increases in the program to be phased in from fiscal 2020 through 2027, from $215 in fiscal 2020 to 74% of the maximum benefit for a one-person household in the Temporary Cash Assistance (TCA) program in fiscal 2021 (estimated at $252.49).

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- Outside of TDAP, funding in the fiscal 2021 allowance is relatively stable for most benefit programs. Funding for TCA decreases by less than $1 million, primarily due to expected continued decline in the caseload.

- The fiscal 2021 allowance also includes an increase of $6.8 million for the value of federal food commodities in the Temporary Emergency Food Assistance Program. Historically, DHS has added these funds through the year-end closeout process based on the value of actual commodities received.

Key Observations

- ***Able-bodied Adults without Dependents (ABAWD) Time Limit:*** In December 2019, the U.S. Department of Agriculture (USDA) finalized rule changes for the Supplemental Nutrition Assistance Program (SNAP) that limit states' abilities to request waivers of the ABAWD time limit for jurisdictions. These changes are expected to result in the end of waivers in 13 jurisdictions in Maryland effective April 1, 2020, potentially impacting 23,644 ABAWDs in those jurisdictions. Maryland, along with other states, has filed a lawsuit regarding these rule changes, including a motion for a preliminary injunction. A hearing on this lawsuit is scheduled for March 2020.

- ***Proposed Rule Changes for SNAP:*** USDA also issued two proposed rule changes in calendar 2019 that could impact the ability of individuals to qualify for SNAP benefits. One rule change would limit the application of broad-based categorical eligibility, with the effect of reimposing asset tests for the benefit, and the other alters the calculation of a deduction.

- ***Summer SNAP for Children Act Funded but Unlikely to Meet Demand:*** Chapters 365 and 366 of 2019 mandated $200,000 beginning in fiscal 2021 to provide a State match for the provision of additional benefits for children in the summer and December, which would support supplemental benefits for at least 2,000 children. Additional funding would be available from participating jurisdictions due to the required local match. Thirteen jurisdictions submitted a notice of interest in participating. Given this level of interest and the number of children receiving SNAP benefits, it is unlikely that all youth will receive benefits in the interested jurisdictions or benefits at the full level authorized.

Operating Budget Recommended Actions

		Funds	Positions
1.	Reduce funds for the Supplemental Nutrition Assistance Program to better reflect anticipated spending.	$ 50,000,000	
2.	Adopt narrative requesting information on children served through the Summer SNAP for Children Program.		
3.	Add language restricting funds until the Department of Human Services Family Investment Administration's repeat audit findings are resolved.		
4.	Add language restricting funds until the Department of Human Services provides information on the impact of recent and planned federal rule changes.		
5.	Delete 1 regular position that has been vacant for longer than one year.	67,222	1.0
6.	Adopt narrative requesting performance data for the Supplemental Nutrition Assistance Program Employment and Training Program.		
	Total Reductions	**$ 50,067,222**	**1.0**

Updates

- ***TCA Core Caseload:*** The share of the TCA caseload that is subject to the work requirements continues to decline (46.3%, a 1.5 percentage point decline), consistent with typical nonrecession periods, but remains higher than the level prior to a policy change on individuals with long-term disabilities.

- ***Temporary Assistance for Needy Families (TANF) Reauthorization:*** The TANF program is currently operating under a temporary extension. This extension is scheduled to end May 22, 2020.

- ***Supplemental SNAP Benefit for Seniors:*** The supplemental SNAP benefit for seniors program has grown substantially since it began in October 2016. The growth has largely occurred among those between ages 62 and 69, indicating that the growth results primarily amongst those who are newly eligible.

Operating Budget Analysis

Program Description

The Department of Human Services (DHS) Family Investment Administration (FIA), along with the local departments of social services (LDSS), administers cash benefits and other grant programs that provide assistance to individuals and families in financial need as well as employment and training programs to promote self-sufficiency. Benefit programs administered by FIA include:

- ***Temporary Cash Assistance (TCA):*** The State's largest cash assistance program provides financial assistance to dependent children and other family members due to death, incapacitation, underemployment, or unemployment of one or both parents. Although primarily federally funded through the Temporary Assistance for Needy Families (TANF) block grant, the State determines the eligibility criteria and benefit levels for cash assistance.

- ***Temporary Disability Assistance Program (TDAP):*** The State's cash assistance program for disabled adults provides a limited monthly benefit for individuals with a short-term disability (at least 3 months but less than 12 months) or long-term disability. If the individual has a long-term disability, they are required to pursue a Supplemental Security Income (SSI) application and receive a benefit until a final decision has been reached. The federal government reimburses the State for benefits paid during the processing of approved SSI applications.

- ***Supplemental Nutrition Assistance Program (SNAP):*** The federal program provides benefits to individuals and families solely for the purchase of food. These benefits are 100% federally funded. However, the State provides two supplemental benefits, including State matching funds for a supplemental benefit for children in the summer and December, which begins in fiscal 2021. Administrative costs of the federal SNAP are split evenly between the State and federal government.

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

- ***Emergency Assistance to Families with Children Program:*** This federally funded program provides financial assistance to resolve an emergency situation as defined by the LDSS.

- ***Welfare Avoidance Grants:*** These federally funded grants allow an LDSS to divert customers from cash assistance when a one-time payment resolves a specific problem and allows the customer to become or remain independent.

- ***Burial Assistance Program:*** The State and locally funded program subsidizes funeral expenses of public assistance recipients, youth in foster care, and Medical Assistance recipients.

LDSS, which are arms of DHS in each jurisdiction, are responsible for making eligibility determinations and redeterminations for the various benefit programs and certain populations in the Medical Assistance program, which is administered by the Maryland Department of Health.

FIA also administers the Family Investment Program, which provides services including efforts to divert potential TCA applicants through employment, move recipients to work, and provide job retention services to enhance skills and prevent recidivism. The goal of the program is to assist TCA applicants/recipients in becoming self-sufficient. After assessing each family's specific needs and resources, staff focus on the services required to move clients into work. Local departments have the flexibility to determine what training and job search activities will be required of applicants. In addition, LDSS are responsible for networking with employers and determining the most appropriate use for job training.

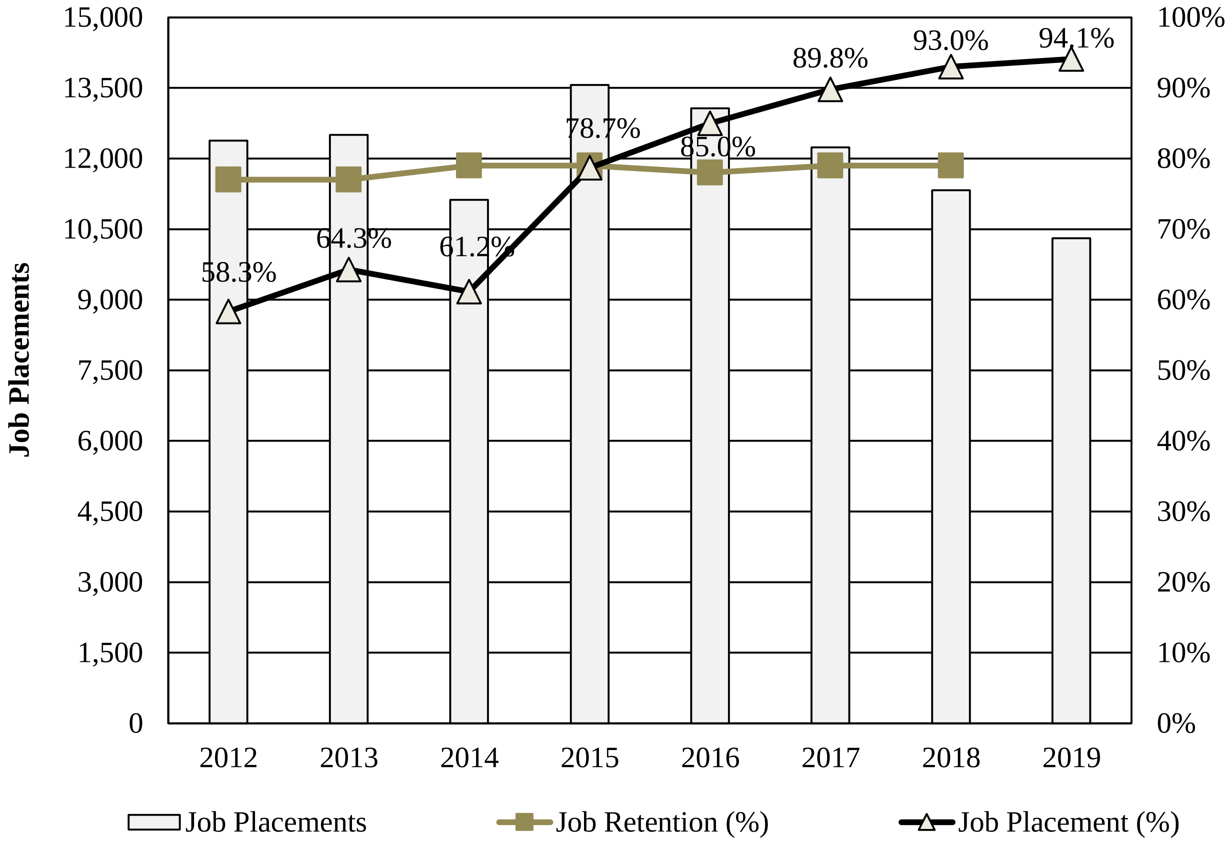
Two other programs are administered through FIA. The Maryland Office for Refugees and Asylees (MORA) oversees a federally funded refugee settlement program that provides services to refugees and asylees residing in Maryland. These services are primarily provided by local resettlement agencies through grants from MORA. The Office of Grants Management provides funding to government and community-based organizations for hunger programs and other community initiatives.

Performance Analysis: Managing for Results

1. Job Placement and Retention for TCA Cases

The goal of welfare reform was not only that caseloads would decrease but that customers would get jobs and keep them, eliminating the family's need for cash assistance. As shown in **Exhibit 1**, the ability to place TCA recipients in jobs varies to a large extent with the economy. The job placement number is also sensitive to the overall caseload size. For example, the number of job placements has decreased each year since fiscal 2015. However, the number of job placements as a share of adult recipients has increased each year. In federal fiscal 2019, approximately 94% of adult TCA recipients were placed in a job. However, DHS notes that an individual might be counted multiple times in one year if the individual is placed in multiple jobs during the federal fiscal year. As a result, the job placement rate overstates the number of unique job placements per adult recipient.

Exhibit 1
Job Placement and Retention
Federal Fiscal 2012-2019



Note: The job placement rate measures the total number of placements in a federal fiscal year as a percent of the average monthly number of adult Temporary Cash Assistance recipients in a state fiscal year. Some adult recipients are work exempt and, therefore, unlikely to be placed into work. Job retention measures the percent of individuals who obtained employment in one calendar quarter and remain employed in the following quarter. The job retention rate for federal fiscal 2019 is not expected to be available until fall 2020.

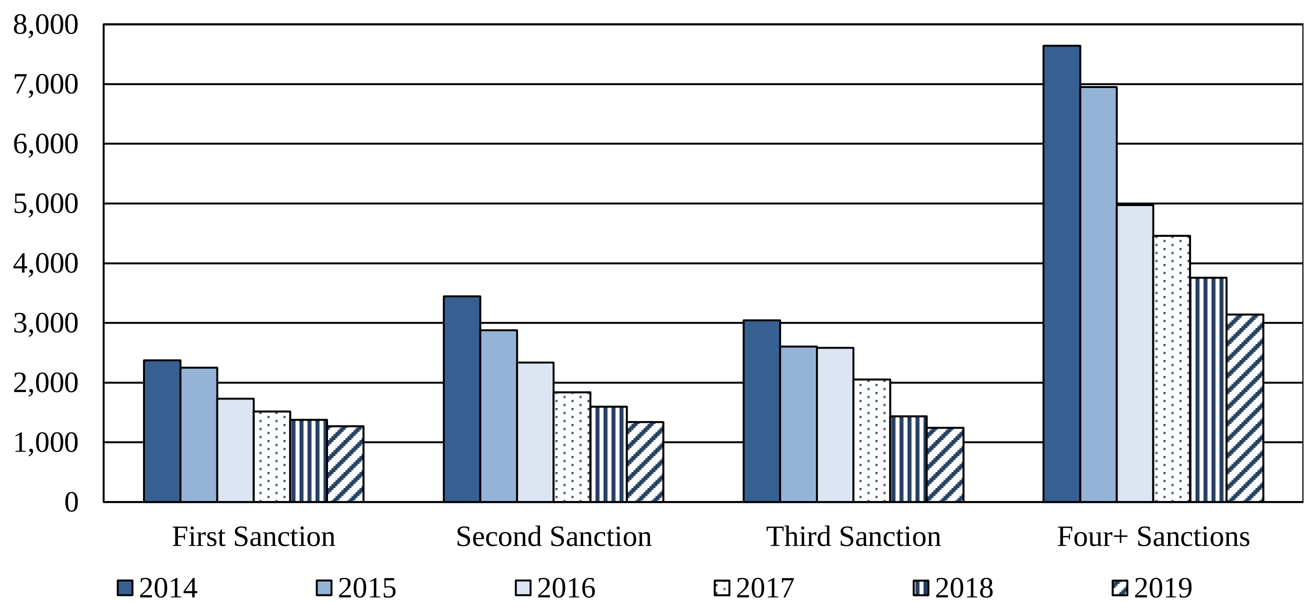
Source: Department of Human Services; Department of Budget and Management; Governor's Budget Books; Department of Legislative Services

2. Work Sanctions and Returns to TCA

TCA cases referred for work may be sanctioned for noncompliance with the program. When sanctioned, the cases are closed. Cases closed for sanction are reopened after the case returns to compliance. However, the length of the time that the individual must be in compliance before the case is reopened varies depending on how many times that the individual has been sanctioned. For example, for a first sanction, the individual must be in compliance 1 day; for a second sanction, the individual must be in compliance for 10 consecutive days; and for the third or more sanction, the individual must be in compliance for 30 days. DHS indicates that the most common reasons for noncompliance are (1) failure to submit the timesheet as required; (2) failure to appear for appointments with counselors, employers, or for other services to address employment barriers; and (3) failure to meet the number of required hours of activities per week. For each, if the customer presents good cause for the noncompliance, the individual is not sanctioned.

As shown in **Exhibit 2**, the number of case closures due to work sanctions decreased at each level of sanction each year between fiscal 2014 and 2019. In total, during this period, the number of case closures due to sanctions decreased by 57.7%. The number of TCA cases also decreased during this period, accounting for a portion of the decline in sanctions. In all years, cases closed for the fourth or more sanction represented the largest portion of all cases closed due to work sanction. This is driven by Baltimore City, which accounts for more than 40% of case closures due to work sanctions in each year. Only two other jurisdictions (Baltimore and Prince George's counties) accounted for more than 10% of sanctions in any year.

Exhibit 2
Temporary Cash Assistance Cases Closed Due to Work Sanction
Fiscal 2014-2019

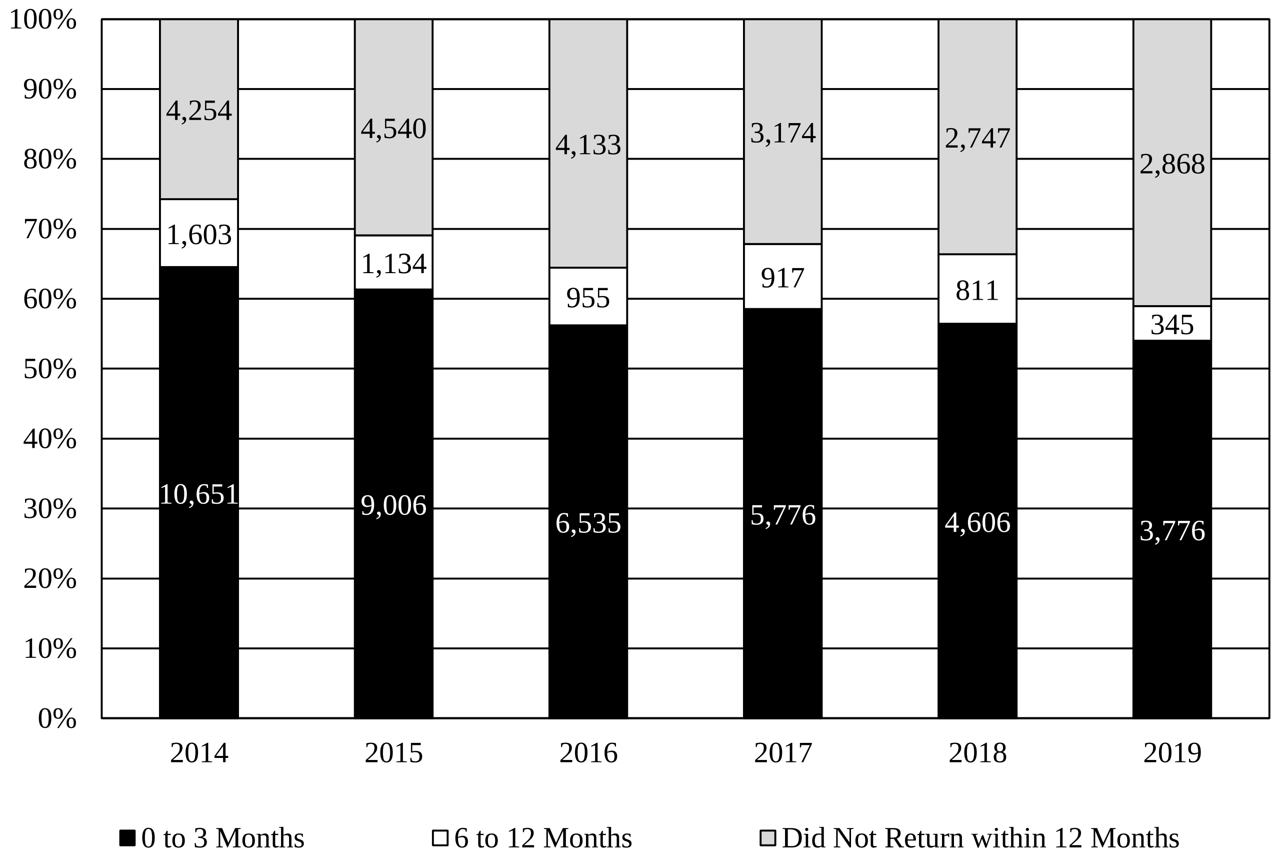


Note: This data does not represent an unduplicated count, so that if an individual has a case closed due to work sanctions more than once in a year, the case would appear multiple times in the data.

Source: Department of Human Services

DHS notes that the goal of sanctions is not to punish customers but to encourage them to participate in activities that will assist them in achieving self-sufficiency. As shown in **Exhibit 3**, the majority of cases closed due to sanction are reopened within 3 months of closure. However, the share of cases reopened within 3 months declined between fiscal 2014 and 2019. In fiscal 2014, 64.5% of cases were reopened within 3 months compared to 54.0% in fiscal 2019. The share of cases closed due to work sanction that were not reopened within 12 months was less than 35% in all but two years between fiscal 2014 and 2019. In fiscal 2019, 41% of cases closed due to work sanctions were not reopened within 12 months. However, data for fiscal 2019 is distorted by not having 12 months post closure for all cases.

Exhibit 3
Returns to Temporary Cash Assistance After Work Sanction
Fiscal 2014-2019



Note: This data does not represent an unduplicated count, so that if an individual has a case closed due to work sanctions more than once in a year and returns to benefits more than once in a year, the case would appear multiple times in the data.

Source: Department of Human Services

3. SNAP Employment and Training Outcomes

SNAP contains two types of work requirements. General work requirements apply to individuals between the ages of 16 and 59 and require individuals to register for work and participate in a program if offered. The second pertain to able-bodied adults without dependents (ABAWD) and limit SNAP receipt for those between the ages of 18 and 49 to 3 months in a 36-month period unless working or participating in an employment and training program an average of 20 or more hours per week. The federal SNAP Employment and Training Program (E&T) provides states funding to support E&T programs for SNAP recipients. In Maryland, work requirements for SNAP, except in nonexempt or nonwaived ABAWD cases, are voluntary. For ABAWD cases, SNAP E&T participation would assist individuals in meeting the requirements.

In federal fiscal 2019, DHS reports that 21 partners offered a variety of programs through SNAP E&T. These partners provide services including job readiness activities, case management, support services, job placement, and job retention services. Some of these partners provide adult basic education and/or a variety of vocational training. Certain programs also provide opportunities for participants to receive certificates or credentials.

Committee narrative in several recent *Joint Chairmen's Reports* (JCR) requested that DHS submit information on the State's performance for the SNAP E&T program on the federal performance measures. These measures include unsubsidized employment and median quarterly wages in the second and fourth quarter after completion of the program. Due to the need to capture data for a certain period of time after program completion, data is not available for the fourth quarter after program completion for federal fiscal 2018 program participants, and no data is available for federal fiscal 2019.

Participation

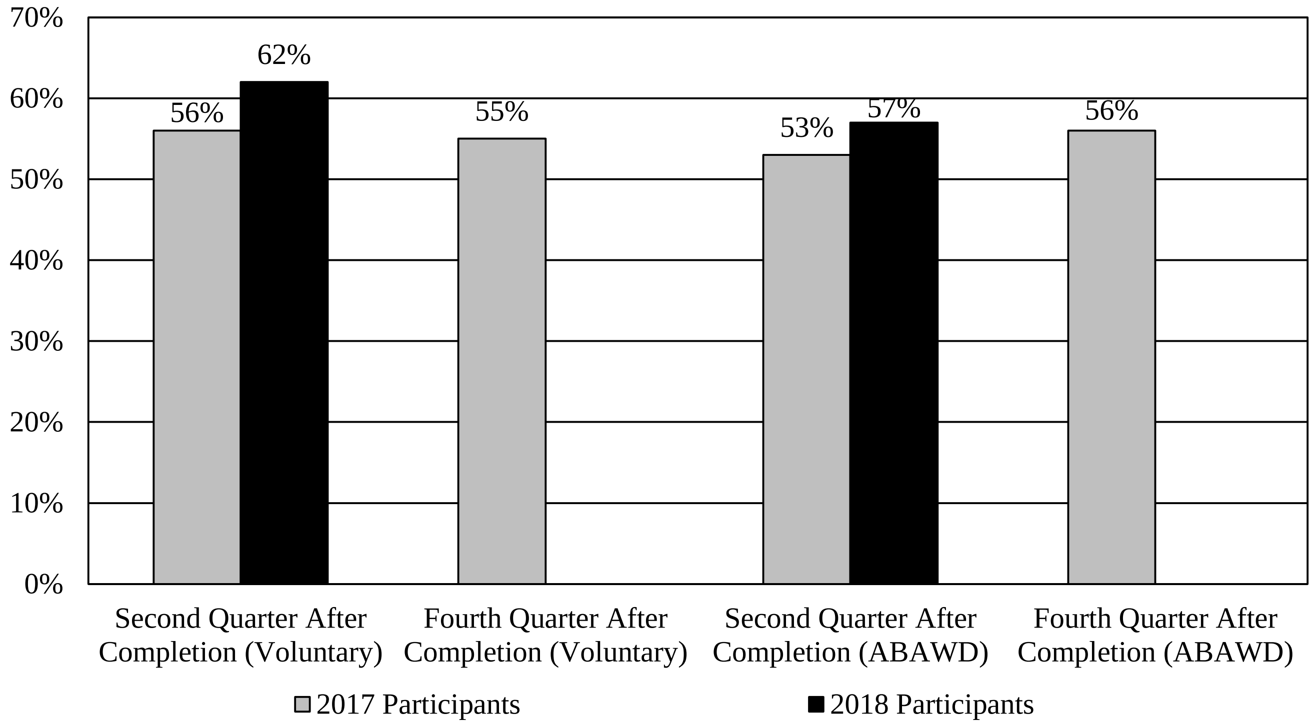
The number of individuals reported as SNAP E&T participants decreased between federal fiscal 2018 and 2019 by nearly 50%, from 3,114 to 1,579. The share of participants that had ABAWD status remained at relatively similar levels between the two years (49.3% and 47.3%). However, given the substantial decrease in reported participants, the number of ABAWD participants decreased by 51.3%, from 1,535 to 747 in federal fiscal 2019. The majority of participants in each year were between the ages of 18 and 35, accounting for 62% of participants in federal fiscal 2018 and 58.8% in federal fiscal 2019. However, in federal fiscal 2019, the share of participants that were 50 or older increased by 4.4 percentage points to 8.8%. **DHS should discuss the reason for the declining participation rates that occurred even while program offerings expanded. DHS should also describe efforts to increase participation, particularly among ABAWDs.**

Outcomes

In both federal fiscal 2017 and 2018, only relatively small numbers of individuals completed programs and for which there is data on employment available. As shown in **Exhibit 4**, the share of SNAP E&T participants in unsubsidized employment in the second quarter after program completion was greater than 50% for participants completing programs in federal fiscal 2017 and federal fiscal 2018.

Voluntary participants had higher unsubsidized employment rates than ABAWD participants in the second quarter after program completion but did not in the fourth quarter.

Exhibit 4
Unsubsidized Employment After
SNAP Employment and Training Program Completion
Participants in Federal Fiscal 2017-2018



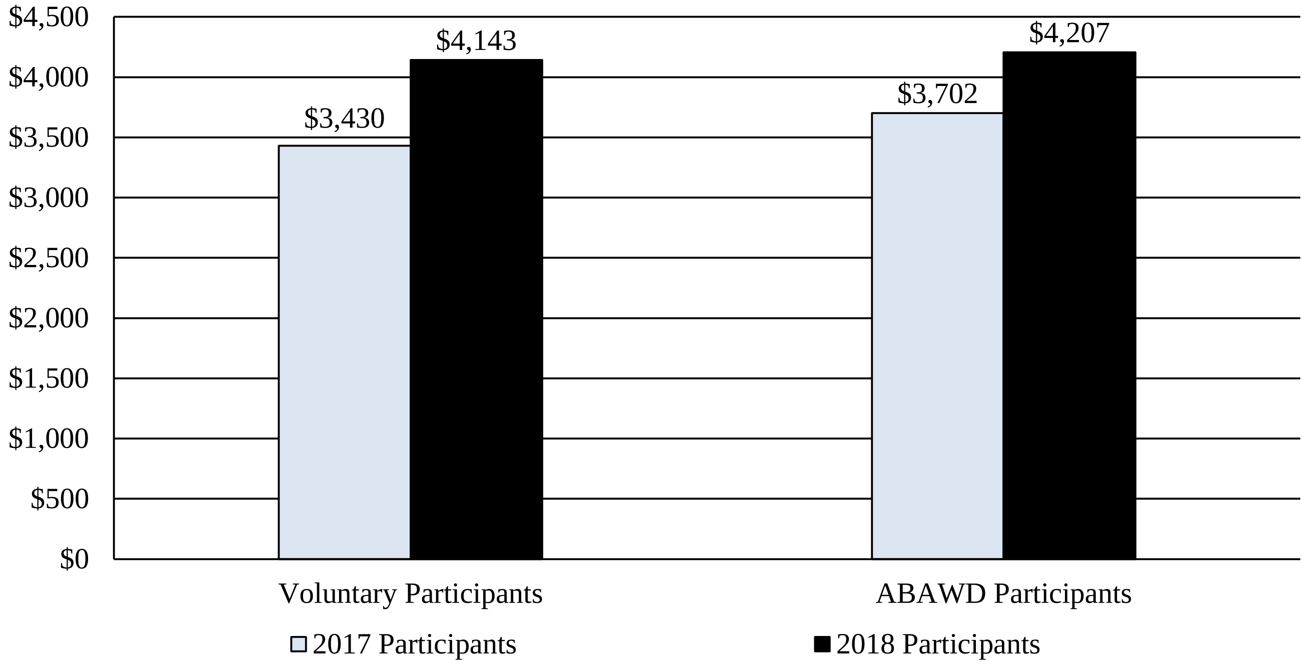
ABAWD: able-bodied adults without dependents
SNAP: Supplemental Nutrition Assistance Program

Note: The number of participants included in the second quarter after participation for federal fiscal 2017 is 232 for voluntary participants and 129 for ABAWDs, and for federal fiscal 2018, it is 229 for voluntary participants and 320 for ABAWDs. The number of participants included in the fourth quarter after participation for federal fiscal 2018 is 223 for voluntary participants and 108 for ABAWDs.

Source: Department of Human Services

As shown in **Exhibit 5**, consistent with the higher rates of unsubsidized employment in the second quarter after program completion for those completing programs in federal fiscal 2018, the median quarterly earnings were higher than those completing programs in federal fiscal 2017. The higher median earning occurred among both voluntary participants (20.8%) and ABAWD participants (13.6%). Of note, ABAWD participants had higher median quarterly earnings than all (or voluntary) participants for participants completing programs in either year.

Exhibit 5
Median Quarterly Earnings in Second Quarter After SNAP Employment and Training Program Completion
Participants in Federal Fiscal 2017-2018



ABAWD: able-bodied adults without dependents
SNAP: Supplemental Nutrition Assistance Program

Note: The report did not identify the number of individuals on which the earnings figures were based. The Department of Legislative Services assumes that these figures are consistent with the number of those employed (143 for voluntary participants and 182 for ABAWDs for those completing programs in federal fiscal 2018 and 129 for voluntary participants and 73 for ABAWDs for those completing programs in federal fiscal 2017).

Source: Department of Human Services

Fiscal 2020 Proposed Deficiency

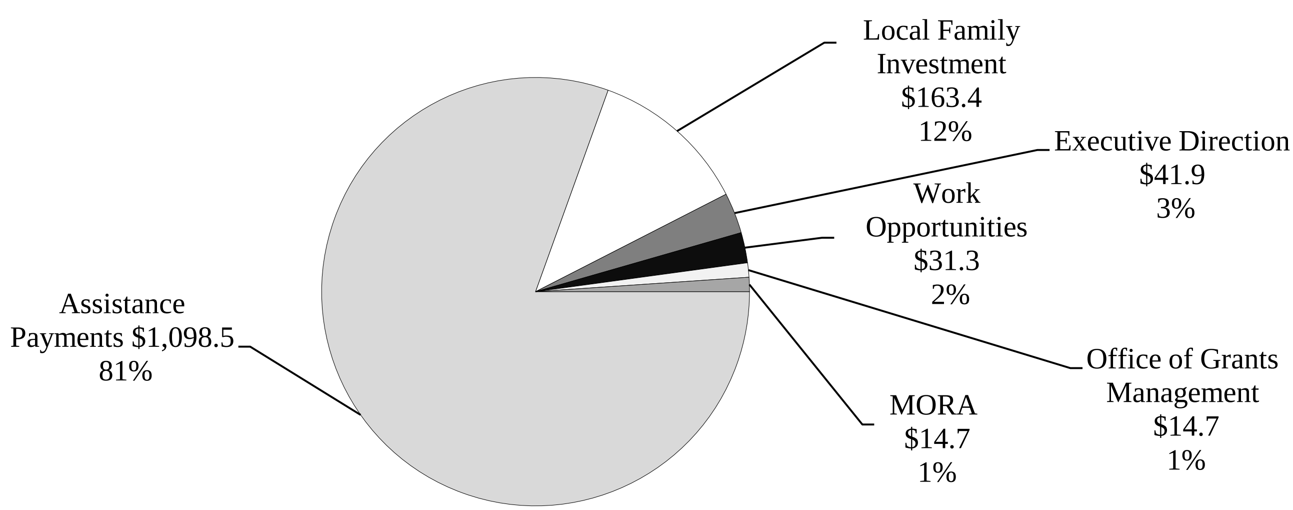
The fiscal 2021 budget includes one deficiency appropriation related to FIA. The proposed deficiency appropriation increases the general funds in the Local Family Investment Program by $950,000 to be used for a grant to support the transition to a two-generation model of service delivery. This proposed deficiency appropriation replaces funding of the same amount that was restricted in that program for the same purpose in the fiscal 2020 Budget Bill (Chapter 565 of 2019). The fiscal 2021 budget assumes the funding restricted for this grant will revert to the General Fund in fiscal 2020.

Although the restricted funds were not originally released, DHS awarded the grant to the Maryland Community Action Partnership. The first portion of the grant was provided in November 2019 with the remainder to be provided in February 2020. The majority of the funding ($850,000) is intended to be distributed to the community action agencies in the State. The fiscal 2021 allowance does not continue funding for the grant. However, DHS indicates that it is working with the Department of Budget and Management on how to continue funding the grant in fiscal 2021.

Fiscal 2021 Overview of Agency Spending

The fiscal 2021 allowance of FIA totals $1.37 billion. As shown in **Exhibit 6**, the vast majority of FIA spending (80.5%) occurs in the Assistance Payments program, the program in which the benefit programs are budgeted. The largest of these benefits programs is SNAP ($931.5 million), which accounts for 68.2% of FIA's fiscal 2021 allowance. TCA benefits are budgeted at $104 million (7.6% of the allowance). All other benefit programs total approximately 4.6% of FIA's spending. The next largest program in FIA is the Local Family Investment program, the program in which caseworkers and related LDSS expenses are budgeted.

Exhibit 6
Overview of Agency Spending by Program
Fiscal 2021 Allowance
($ in Millions)



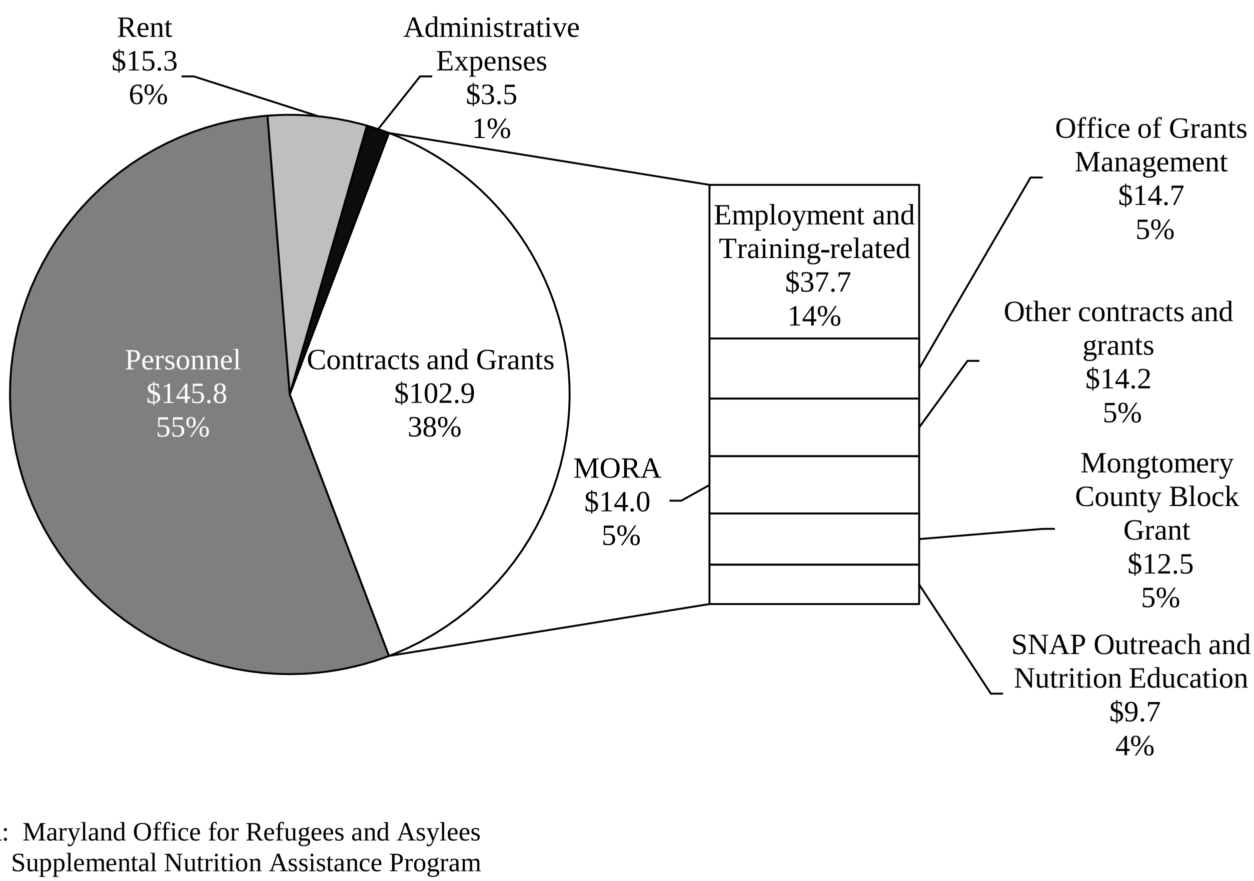
MORA: Maryland Office for Refugees and Asylees

Note: Numbers may not sum due to rounding. The fiscal 2021 allowance figures exclude statewide employee compensation adjustments.

Source: Governor's Fiscal 2021 Budget Books

Exhibit 7 provides information on the non-Assistance Payments program spending of FIA in the fiscal 2021 allowance. Approximately 55% of this spending is for personnel, including contractual employee payroll and other technical assistance, primarily in LDSS. Contracts and grants comprise 38% of this spending. Employment and training related contracts and grants, which include SNAP E&T and the Work Opportunities program under TANF, account for 14% of the spending. The FIA share of the Montgomery County Block Grant totals 5% of FIA spending outside of Assistance Payments. Montgomery County receives a block grant for child welfare, adult services, family investment, and administrative expenditures that allows the county to offer higher pay and other flexibility. The same type of spending in other jurisdictions would be split among the personnel, administrative, and other contracts and grants spending.

Exhibit 7
Spending by Activity, Excluding Benefits
Fiscal 2021 Allowance
($ in Millions)



MORA: Maryland Office for Refugees and Asylees
SNAP: Supplemental Nutrition Assistance Program

Note: Numbers may not sum due to rounding. The fiscal 2021 allowance includes statewide employee compensation adjustments

Source: Governor's Fiscal 2021 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 8**, the fiscal 2021 allowance for FIA increases by $18.2 million, or 1.3%, compared to the fiscal 2020 working appropriation after accounting for statewide employee compensation adjustments. Excluding the Assistance Payments Program, the fiscal 2021 allowance of FIA increases by $10.9 million, or 4.2%, compared to the fiscal 2020 working appropriation.

Exhibit 8
Proposed Budget
Department of Human Services – Family Investment Administration
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Total
Fiscal 2019 Actual	$117,673	$16,169	$1,161,883	$1,295,726
Fiscal 2020 Working Appropriation	122,085	8,362	1,217,325	1,347,772
Fiscal 2021 Allowance	133,386	9,383	1,223,188	1,365,958
Fiscal 2020-2021 Amount Change	$11,301	$1,021	$5,863	$18,186
Fiscal 2020-2021 Percent Change	9.3%	12.2%	0.5%	1.3%

Where It Goes:	Change
Personnel Expenses	
2% general salary increase, effective January 1, 2021	$1,046
Employee retirement	833
Annualization of 1% general salary increase, effective January 1, 2020	205
Turnover adjustments	-39
Other fringe benefit adjustments	-44
Employee and retiree health insurance	-176
Regular earnings due to a net increase of 2 positions more than offset by budgeting vacant positions at lower salaries	-412
Assistance Payments	
TDAP monthly benefit increase to comply with Chapter 408 of 2018, increasing benefit to 74% one person TCA benefit ($215 to estimated $252.49)	5,275
Average benefit increase of 3.8% in TCA due to expected adjustment in Maryland Minimum Living Level in fiscal 2021	3,801
Increase of 8.1% in the average monthly recipients in TDAP primarily due to an understatement of fiscal 2020 caseload	2,257
Supplemental SNAP for Seniors to better align with recent caseload trends (an increase of 13% in households)	472
Public Assistance to Adults primarily due to an increase in monthly benefits	269

Where It Goes:	**Change**
First year of mandate for Summer SNAP for Children (Chapters 635 and 636 of 2019)	200
Emergency assistance primarily due to declining costs and recipients in the Burial Assistance Program	-203
Decrease of 4.5% in estimated average monthly recipients in TCA	-4,739
Contracts and Grants	
Value of federal food commodities in TEFAP due to a technical adjustment as these funds have historically been added to the budget during year-end closeout	6,762
SNAP Employment and Training Program primarily to align with recent experience following an increase in program offerings	1,267
SNAP Outreach to better align with recent experience including the addition of vendors in fiscal 2019	902
Employment and verification services, which were budgeted in the Office of Home Energy Programs in fiscal 2020	350
Local Departments of Social Services Expenses	
Rent in Harford County due to a relocation	232
Security guard contracts to reflect anticipated costs in Baltimore City and Baltimore, Harford, and St. Mary's counties	231
Montgomery County block grant primarily due to lease costs	-257
Other changes	-44
Total	**$18,186**

SNAP: Supplemental Nutrition Assistance Program
TCA: Temporary Cash Assistance
TDAP: Temporary Disability Assistance Program
TEFAP: The Emergency Food Assistance Program

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

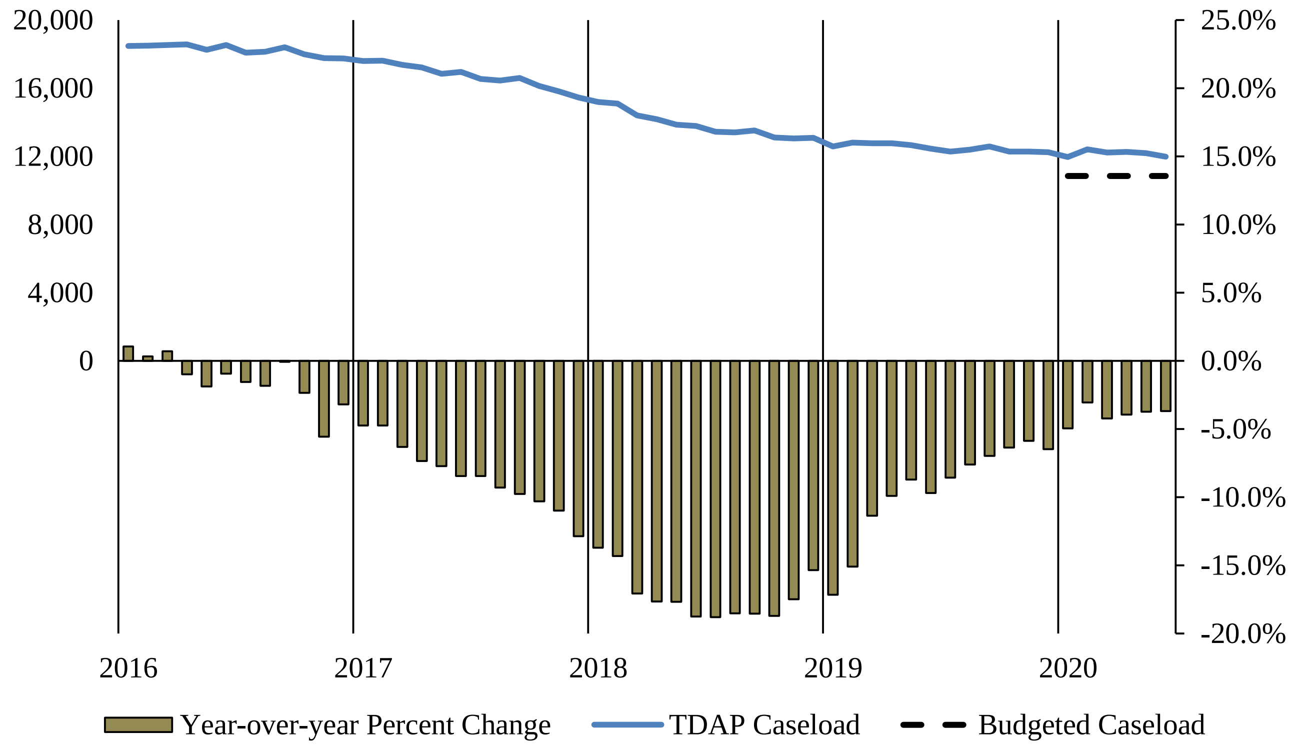
Benefits and Services to Clients

The fiscal 2021 allowance for the Assistance Payments program increases by $7.3 million, or 0.7%, compared to the fiscal 2019 working appropriation. The relatively level funding of the program is largely the result of maintaining funding for SNAP at the level budgeted in fiscal 2020 ($931.5 million), which reflects the fiscal 2018 actual spending level. The level funding of the program from the fiscal 2018 level occurs despite a caseload that is 6.4% lower than fiscal 2018 (654,256) in fiscal 2020 (through November 2019) (612,270). The fiscal 2021 allowance level exceeds the fiscal 2019 spending ($885.8 million) by approximately $45.7 million, and at the current rate of spending, SNAP expenditures in fiscal 2020 are likely to be at least $20 million lower than actual fiscal 2019 spending. **The Department of Legislative Services (DLS) recommends deleting a portion of the unneeded federal fund appropriation in recognition of the declining caseload.**

TDAP Caseload and Expenditure Trends

As shown in **Exhibit 9**, the number of monthly TDAP recipients has declined on a year-over-year basis since October 2015. The pace of the decline accelerated in September 2016 and remained at this relatively high rate through calendar 2017. However, the rate of caseload decline slowed considerably in the latter half of calendar 2018. The relatively slow rate of year-over-year caseload decline continued through calendar 2019. Between fiscal 2018 and 2019, the average monthly number of recipients decreased by 9.6%. However, the average monthly recipients in the first half of fiscal 2020, is only 2.7% lower than the average for fiscal 2019. In fact, the number of TDAP recipients was slightly higher in December 2019 than July 2019.

Exhibit 9
Temporary Disability Assistance Program Recipients
Fiscal 2016-2020 (through December)



YTD: year to date

Source: Department of Human Services; Department of Legislative Services

The average monthly number of TDAP recipients in the first half of fiscal 2020 (12,177) exceeds the budgeted level by 12.2%. As shown in **Exhibit 10**, DLS projects that that caseload will continue to decrease throughout the remainder of fiscal 2020 but still remain well above the budgeted level (10.8%). As a result, as shown in Exhibit 10, DLS anticipates a shortfall in the program of $2.7 million in fiscal 2020. **DHS should comment on how it anticipates covering the anticipated shortfall in fiscal 2020.** The fiscal 2021 allowance recognizes the understatement of the caseload in fiscal 2020, by budgeting for a higher caseload (11,726). The budgeted caseload in fiscal 2021 is consistent with the DLS forecast.

Exhibit 10
Temporary Disability Assistance Program Enrollment and Funding Trends
Fiscal 2019-2021

	Actual 2019	Approp. 2020	DLS Estimate 2020	Allowance 2021	DLS Estimate 2021	DLS % Change 2020-2021
Average Monthly Enrollment	12,509	10,851	12,021	11,726	11,720	-2.5%
Average Monthly Grant	$193.16	$215.00	$213.00	$252.49	$246.18	15.6%
Budgeted Funds ($ in Millions)						
General Funds	$24.3	$23.7	$26.4	$29.8	$29.2	10.5%
Total Funds	**$29.0**	**$28.0**	**$30.7**	**$35.5**	**$34.6**	**12.7%**
Estimated General Fund Surplus/Deficit			**-$2.7**		**$0.9**	

DLS: Department of Legislative Services

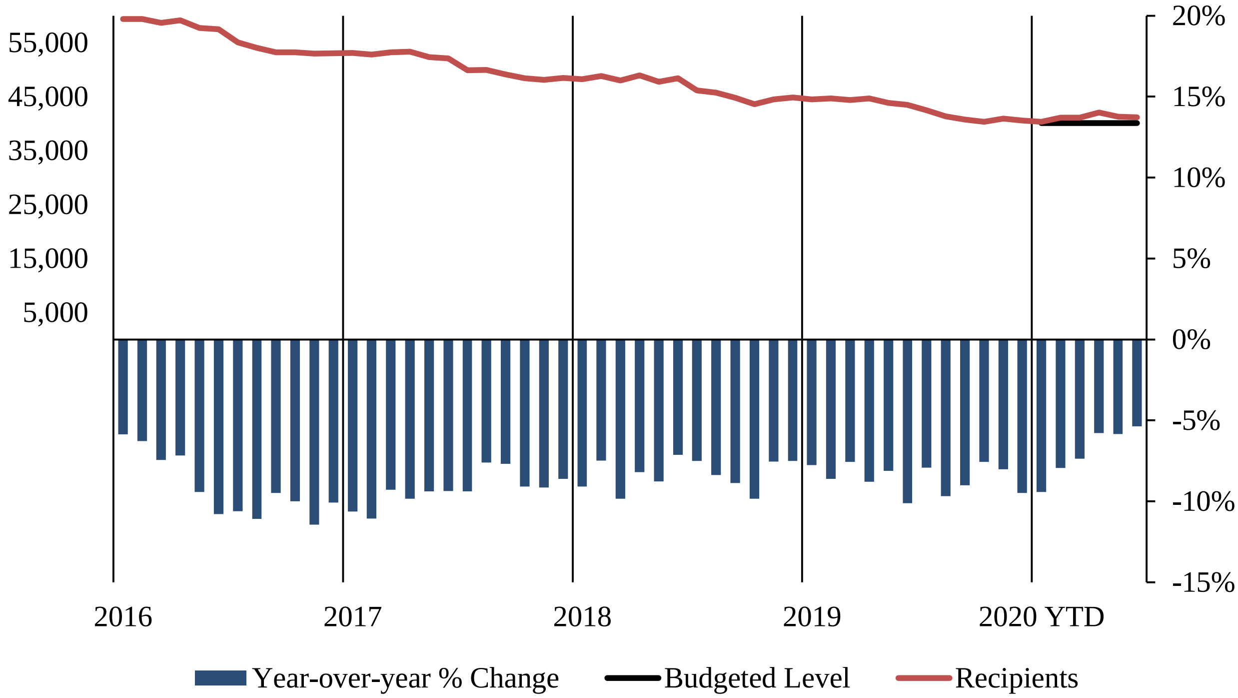
Source: Department of Budget and Management; Department of Human Services; Department of Legislative Services

Chapter 408 of 2018 mandated increases in the TDAP monthly benefit beginning in fiscal 2020. In fiscal 2020, the required benefit level was $215 per month. Beginning in fiscal 2021, the benefit level begins to be connected to the maximum benefit for a one-person household in TCA. In that year, the benefit is to be 74% of that level, which increases each year until fiscal 2027 when the benefit levels are expected to be equal going forward. The budget assumes that this change will result in a benefit of $252.49 in fiscal 2021. DLS anticipates a lower benefit level consistent with a lower estimated benefit in TCA. As a result of the lower anticipated monthly benefit, DLS projects a surplus of approximately $900,000 in fiscal 2021.

TCA Caseload and Expenditure Trends

The number of TCA recipients has generally declined since December 2011. While some months have seen an increase compared to the prior month, the monthly caseload has declined on a year-over-year basis since that time. As shown in **Exhibit 11**, after decreasing to an all-time low in July 2019 (40,321), the number of TCA recipients increased in three of the first four months of fiscal 2020. This was the first consecutive three-month increase since the first half of fiscal 2015. Despite declines in the subsequent two months, the number of TCA recipients in December 2019 was 2.1% higher than July 2019. The number of TCA recipients generally declines in January by 2% or more. The sustainability of that decrease through the remainder of the year is uncertain. However, accounting for the anticipated decrease in January, DLS expects the average monthly caseload will be 4% lower than fiscal 2019. As shown in **Exhibit 12**, DLS expects that the caseload will remain relatively stable in fiscal 2021 with only a modest decline in the average monthly number of recipients due to questions about the sustainability of the declines given the unprecedented low level of enrollment in the program.

Exhibit 11
Temporary Cash Assistance Recipients
Fiscal 2016-2020 (through December)



TDAP: Temporary Disability Assistance Program
YTD: year to date

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

Exhibit 12
Temporary Cash Assistance Enrollment and Funding Trends
Fiscal 2019-2021

	Actual 2019	Approp. 2020	DLS Estimate 2020	Allowance 2021	DLS Estimate 2021	DLS % Change 2020-2021
Average Monthly Enrollment	42,661	40,073	40,955	38,263	40,136	-2.0%
Average Monthly Grant	$213.69	$218.18	$220.95	$226.46	$225.92	2.3%
Budgeted Funds ($ in Millions)						
General Funds	$4.1	$3.0	$6.7	$3.1	$7.9	18.3%
Total Funds	**$109.4**	**$104.9**	**$108.6**	**$104.0**	**$108.8**	**0.2%**
Estimated Shortfall			**-$3.7**		**-$4.8**	

DLS: Department of Legislative Services

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

DLS also projects that the average monthly benefit will be higher than the level estimated for the budget in fiscal 2020. Although the budgeted monthly benefit level is near the average year to date, the average monthly benefit is expected to increase through the remainder of the year due to the impact of the update of benefits related to the Maryland Minimum Living Level beginning in October 2019. In fiscal 2021, DLS is projecting a smaller increase in the average benefit (2.3%) than the budgeted level due to a lower anticipated inflationary increase. The differences in anticipated TCA benefit levels in fiscal 2021 result in the different estimated TDAP benefits in fiscal 2021 noted previously.

DLS is anticipating a shortfall of $3.7 million in fiscal 2020 and $4.8 million in fiscal 2021 in TCA due to the combined impacts of the higher than budgeted caseload and monthly benefit level. However, a sufficient TANF fund balance exists in each year to cover the anticipated shortfall.

TCA Benefit Cliff Initiative

The fiscal 2020 budget introduced a new benefit program to provide an additional three months of benefits for those exiting TCA due to employment or their income being too high. The benefit was to be provided at the same level as the household was receiving prior to the exit. The fiscal 2021 budget level funds the benefit at $6.3 million, assuming 9,635 recipients receiving benefits at the same average benefit for all TCA recipients ($218.18). The program is fully supported with TANF.

Limited data on the use of the benefit is available, as the benefit was not paid for the first time until August 2019. In the first five months of the benefit, the number of recipients has increased from 324 in the first month to 2,237 in the fifth month. In contrast, the average monthly benefit has generally declined and in December 2019 was noticeably lower than the budgeted level ($194.50). At the current rate of spending in fiscal 2020, it seems unlikely that the department will require the full appropriation for the program. The available TANF could also be used to cover the shortfall in TCA in lieu of the use of balance in each year.

Personnel Data

	FY 19 Actual	FY 20 Working	FY 21 Allowance	FY 20-21 Change
Regular Positions	2,000.30	1,992.30	1,994.30	2.00
Contractual FTEs	76.19	70.00	70.00	0.00
Total Personnel	**2,076.49**	**2,062.30**	**2,064.30**	**2.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	142.79	7.16%
Positions and Percentage Vacant as of 12/31/19	189.50	9.51%
Vacancies Above Turnover	46.71	

- FIA has a net increase of 2 positions resulting from transfers between programs in DHS. DHS indicates that the transfers result from an effort to align the work of the positions with where the positions are budgeted and reallocating positions between programs to better meet the needs of the department.

- As of January 1, 2020, the number of vacant positions in FIA exceeds the budgeted turnover by more than 45 positions. The number of vacant positions has increased by 24.5 since January 1, 2019. The majority of these vacant positions have been vacant for 6 months or fewer (137.5, 72.6%). DHS attributes this increase to a higher than normal number of retirements. Six of these positions have been vacant for longer than one year; the fiscal 2021 allowance transfers 5 of these positions to other areas of the department. **DLS recommends deleting the remaining regular position that has been vacant for longer than one year.**

Issues

1. Impact of Rule Change Related to Waivers of SNAP ABAWD Requirements

ABAWD Time-limited Benefits

ABAWDs may receive benefits for only 3 months in a 36-month period unless they are working or participating in an employment and training activity for at least 20 hours per week. ABAWD rules apply to individuals between the ages of 18 and 49. Historically, the U.S Department of Agriculture (USDA) granted both statewide and local/regional waivers of these requirements in times of, or areas experiencing, economic difficulties. These waivers allow ABAWDs in a jurisdiction to continue to receive SNAP benefits without being subject to the work requirements. Discretionary exemptions also allowed flexibility to not require an ABAWD to meet the requirement for one month.

During the Great Recession and Recovery, waivers were heavily used by states. However, this began to change as the economy continued to improve. For example between the first and second quarter of federal fiscal 2016, the number of states and territories with a statewide waiver decreased from 32 to 11. In the same time, the number of states with waivers covering part of the state increased from 12 to 28. Maryland's statewide waiver ended following the first quarter of federal fiscal 2016, and it began to operate with waivers in some jurisdictions in the second quarter. In the first quarter of federal fiscal 2020, only 4 states and territories had a statewide waiver, while 32 states (including Maryland) had a partial state waiver.

Final Rule

In December 2019, USDA finalized changes related to the ABAWD time-limited benefit requirements, primarily related to the rules under which waivers of the time-limited benefit requirements can be requested and exemption carryover rules. **Exhibit 13** compares the major changes under the final rule with the previous options for requesting a waiver. The rule change also requires the chief executive officer of a State support the waiver request. The waiver related changes are effective April 1, 2020. No existing waiver is effective beyond this date. For waivers to continue beyond that date, the waivers must be submitted using the new rules. Waivers can continue to be requested under the old rules, but they would expire March 31, 2020. The change in carryover of discretionary exemptions goes into effect on October 1, 2020.

Exhibit 13
Comparison of Rules Related to the ABAWD Work Requirements

	Current Waiver Rules	Waiver Rules Under New Federal Regulation
Circumstances to Request a Waiver (Do Not Need to Meet All Criteria)	24-month average unemployment rate 20% above the national average over the same period	24-month average unemployment rate 20% above the national rate over the same period but no less than 6%
	12-month average unemployment rate above 10%	12-month average unemployment rate over 10%
	3-month unemployment rate above 10%	Exceptional (ongoing) circumstances in an area that caused a lack of sufficient jobs or unemployment rate over 10%
	Designation as a labor surplus area	
	Qualification for extended unemployment benefits	
	Low and declining employment to population ratio	
Options for Geography of a Waiver Request	Statewide	Labor market areas
	Individual jurisdiction/county	
	Contiguous jurisdictions/counties	
	Jurisdictions considered part of the same economic region	
Carryover of Discretionary Exemptions	Indefinite	One year

Note: Additional options are provided for areas with limited data or evidence, which generally pertains to reservation areas and U.S. territories. Current rules are in effect until March 31, 2020. The new federal regulations are set to begin April 1, 2020.

Source: U.S. Department of Agriculture; Department of Legislative Services

Standards for Requesting a Waiver

As shown in Exhibit 13, the final rule change substantially limits the options for requesting a waiver. One key change is for the waiver requests based on having an unemployment rate 20% above the national rate. Previously, there was no floor for the 20% or more above the national rate standard. USDA indicated that, as a result of having no floor, a waiver could be approved with an unemployment rate as low as 4.7%. USDA states that creating a floor of 6% is consistent with the standard used by U.S. Department of Labor (DOL) standards for a labor surplus area designation. The floor in the final rule is lower than was included in the proposed rules (7%).

Although the rule allows for waiver requests based on exceptional circumstances, USDA does not specify a list of criteria to be used to determine exceptional circumstances. However, USDA did provide examples of exceptional circumstances in the final rule, including (1) the disintegration of an economically and regionally important industry; (2) the prolonged impact of a natural disaster; or (3) a sharp continuing economic decline.

Geography for Waiver Requests

Under the final rule, USDA will only allow waiver requests to be considered for Labor Market Areas as designated by DOL, and the unemployment rate for the entire Labor Market Area must support the request even if portions are outside of the State making the request. In general, USDA is concerned that combining areas in ways other than the Labor Market Area or separating Labor Market Areas is allowing states to extend waivers to areas that should not qualify based on available jobs in the labor market of the area (including commutable distances). Under the proposed rules, states would have retained the ability to receive a statewide waiver by requesting a waiver due to extended unemployment benefits and waivers could have been requested for individual counties. Both options were eliminated in the final rule.

Change in Allowable Carryover of Discretionary Exemptions

The Agriculture Improvement Act of 2018 reduced the allocation of discretionary exemptions from 15% to 12%. In the final rule, USDA altered the calculation of carryover of exemptions from indefinite to one year's worth of exemptions. DHS notes Maryland has not used any ABAWD exemptions since June 2017. DHS explained that, as a result, Maryland currently has 50,254 available exemptions. Most of these exemptions would not be available as a result of this rule change.

Impact of ABAWD Rule Changes in Maryland

In fiscal 2020, Maryland had waivers covering 13 jurisdictions (Allegany, Caroline, Cecil, Dorchester, Garrett, Harford, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties and Baltimore City). Under the proposed rule, DHS indicated that two jurisdictions (Somerset and Worcester counties) would have potentially still qualified for waivers. However, under the final rules, no jurisdictions in Maryland are expected to qualify for waivers. While Somerset and Worcester counties have a 24-month unemployment rate over 6%, which is more than 20% above the national rate, the Labor Market Area (the Salisbury, MD-DE Metropolitan Statistical Area) does not.

In January 2020, DHS provided a count of ABAWDs by jurisdiction in fiscal 2020. In total, DHS indicates that there are 39,011 ABAWDs in Maryland, approximately 6.4% of the average monthly SNAP recipients in fiscal 2020. However, in the 13 areas that currently have a waiver, the share of ABAWDs relative to the average monthly SNAP recipients is higher (9.1%, or 23,664 ABAWDs), while in the nonwaived areas, it is 4.4%. The substantial difference in waived versus nonwaived jurisdictions is due at least in part to determinations regarding exemption status, which is likely more robust in nonwaived areas. **Exhibit 14** provides information on the count of ABAWDs by jurisdiction and waiver status of the jurisdiction.

Exhibit 14
ABAWD Recipients by Jurisdiction
Fiscal 2020

Waived Jurisdictions			Nonwaived Jurisdictions		
	ABAWD Population	**Share of Jurisdiction's SNAP Population**		**ABAWD Population**	**Share of Jurisdiction's SNAP Population**
Allegany	1,505	10.8%	Anne Arundel	1,919	5.7%
Baltimore City	14,911	9.3%	Baltimore	4,229	4.7%
Caroline	421	7.4%	Calvert	334	5.6%
Cecil	1,180	9.6%	Carroll	408	4.6%
Dorchester	690	9.3%	Charles	535	3.7%
Garrett	294	8.0%	Frederick	782	5.0%
Harford	1,397	7.1%	Howard	754	4.5%
Kent	234	9.4%	Montgomery	1,462	2.7%
Queen Anne's	284	8.5%	Prince George's	3,145	4.0%
Somerset	460	8.8%	St. Mary's	470	4.3%
Talbot	349	8.8%	Washington	1,309	6.0%
Wicomico	1,487	8.7%			
Worcester	452	8.6%			
Total Waived Jurisdictions	**23,664**	**9.1%**	**Total Nonwaived Jurisdictions**	**15,347**	**4.4%**

ABAWD: able-bodied adults without dependents
SNAP: Supplemental Nutrition Assistance Program

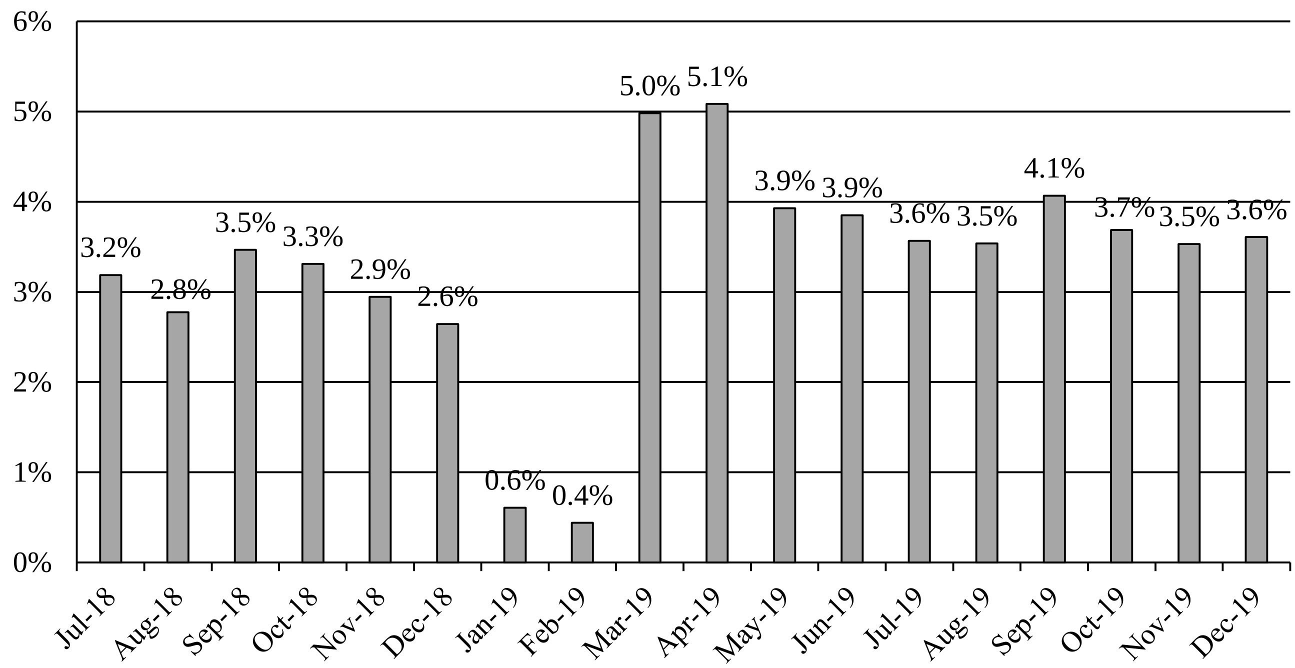
Source: Department of Human Services

Not all ABAWDs in the currently waived jurisdictions will experience a case closure due to the time limit after the waiver ends because some individuals are working sufficient hours to meet the requirements or are otherwise exempt. DHS has some experience with the impact of the requirements in the 11 jurisdictions that have not had a waiver since calendar 2016. **Exhibit 15** provides information on the monthly number of case closures relative to the ABAWD population in those jurisdictions. While this serves as an example of the potential impact, the initial impacts are likely to be higher, as this data represents a period well after the waivers ended in the jurisdictions. In addition, this data shows the combined impact in all nonwaived jurisdictions. Some jurisdictions experience higher monthly closure rates than others. For example, Charles County had closure rates exceeding 5% in each month, while Anne Arundel County had no months in which the closure rate exceeded 4%.

Exhibit 15

Nonwaived Jurisdictions: Case Closure Rate Due to Noncompliance with ABAWD Requirements

Fiscal 2018-2020 YTD (Data through December)



ABAWD: able-bodied adults without dependents
YTD: year to date

Note: Case closure rate is calculated as the number of ABAWD case closures in the 11 nonwaived jurisdictions as a share of ABAWDs in the nonwaived jurisdictions in that month. States can choose to implement the requirement based on either a set 36-month period or a rolling 36-month period based on an individual's participation in the Supplemental Nutrition Assistance Program. As evidenced in this data, a new 36-month period in Maryland began in January 2019 limiting closures in January and February but increasing closures in March and April.

Source: Department of Human Services; Department of Legislative Services

Recent Activity

On January 16, 2020, the Attorney General of Maryland, along with 13 states; Washington, DC; and New York City filed a lawsuit in the U.S. District Court for the District of Columbia, arguing that the finalized rule (1) contradicts congressional intent and statutory language; (2) amends the requirements for the waiver for arbitrary and capricious reasons; and (3) violates the federal rulemaking process. In particular, the lawsuit notes that there were changes included in the final rule that were not included in the proposed rule. For example, the final rule eliminated the ability to request a waiver due to the receipt of extended unemployment benefits, which the proposed rule specifically stated was not being changed. In addition, the lawsuit notes that several of the changes were reviewed by Congress in the recent program reauthorization and rejected. The Attorneys General also filed a motion for preliminary injunction to prevent the rule from going into effect on April 1, 2020. A hearing is scheduled in early March 2020 on the lawsuit.

2. Proposed Changes to SNAP Eligibility/Benefit Calculations

During calendar 2019, USDA proposed two other rule changes that if finalized would impact the number of households eligible for benefits and the method for determining eligibility/calculating benefits.

Eligibility Determinations and Benefit Calculation

Under federal rules, households without an individual who is elderly or disabled that apply for SNAP must meet a gross income test (130% of federal poverty guidelines (FPG) and a net income test 100% of FPG). Net income reflects countable income minus allowable deductions that include earned income, dependent care costs, medical expenses (for certain households), and excess shelter costs. Net income is part of the benefit calculation, as the benefit amount is the maximum allowable payment minus net income. These households must also meet an asset test (assets no greater than $2,250 or $3,500 for households with an individual who is elderly or disabled).

Federal law also provides an option for categorical eligibility, under which an individual or household that is determined eligible for need-based cash assistance program benefits provided under the TANF block grant (known in Maryland as TCA) and SSI qualify for categorical eligibility. This option streamlines eligibility for households that have already been determined eligible for other need-based programs. In calendar 2000, USDA issued regulations that allowed states to convey categorical eligibility for noncash TANF or (TANF-related Maintenance of Effort (MOE)), the rules required the noncash aid to be funded by at least 50% of TANF or MOE spending. However, USDA limited the ability to convey benefits to no more than 200% of FPG. The noncash benefit may include a brochure of application funded with TANF. In practice, broad-based categorical eligibility has been used by states to increase the gross income limit for households or increase or remove SNAP asset limits.

According to USDA, of the 43 jurisdictions with broad-based categorical eligibility, 37 have no asset limit, and 33 have a gross income limit above 130% of FPG. Maryland, along with 15 other states and Washington, DC, use broad-based categorical eligibility to eliminate the asset test and allow for a gross income limit of 200% of FPG for at least some SNAP participants. In Maryland, it applies to all SNAP participants except those qualifying under the regular categorical eligibility. In Maryland, the broad-based categorical eligibility is conveyed with a referral to services on an application.

Even if a household is determined eligible for SNAP as a result of categorical eligibility or broad-based categorical eligibility, the household must still meet the net income test because the net income test is the method by which benefit amounts are determined. If the applicant's net income is too high, the household does not receive a benefit. The federal rules allow for one exception, which provides that all eligible households of one or two persons are eligible for at least the minimum monthly benefit ($15).

Proposed Changes to Broad-based Categorical Eligibility

In July 2019, USDA proposed changes to limit broad-based categorical eligibility. Under the proposed rule, TANF benefits used to convey categorical eligibility must be valued at a minimum of $50 and be provided for at least six months. Eligible noncash TANF benefits would be limited to those that support work (*i.e.*, subsidized employment, child care, or other work supports). USDA indicated that, in federal fiscal 2018, of the approximately 341,000 households in Maryland receiving SNAP benefits, approximately 89,000 receive a public benefit that qualifies for traditional categorical eligibility, while the remaining 253,000 use broad-based categorical eligibility.

DHS is not currently able to provide an estimate of the number of households or recipients likely to be impacted by the change in policy. The inability to estimate the impact results from the department not capturing asset information for applicants/recipients because these are not currently required for eligibility determination. In addition, it is unclear the number of households or recipients that may be receiving a noncash assistance TANF benefit that would continue to qualify for broad-based categorical eligibility. However, the Urban Institute estimated impacts of the proposed rules for all states, using its own modeling tools, and determined that, if implemented in federal fiscal 2018, in Maryland, approximately 40,500 households, or 74,800 participants, would not have qualified for benefits.

Proposed Changes to Utility Allowance

As noted earlier, one of the available deductions to income is the excess shelter deduction, for shelter expenses that exceed 50% of income (after other deductions). Utility costs are included in the shelter expense calculation. Currently, states are allowed to develop and use a standard utility allowance (SUA) in lieu of actual utility expenses for purposes of this deduction. The largest SUA is the heating and cooling SUA, though there are other SUAs including related to telephones. USDA indicates that, in federal fiscal 2019, individual state SUAs ranged from $278 to $826. Effective January 2020, in Maryland, the SUA will equal $392, and the telephone standard will equal $40.

In October 2019, USDA announced a proposed rule to alter the process for calculating SUAs. Among other changes, USDA proposed to standardize the calculation of the heating and cooling SUA to the eightieth percentile of utility costs for low-income households in the state. USDA would calculate the heating and cooling SUA using standard data. The proposed rule also eliminates options for states to vary the SUAs by certain factors, including geographic areas. The proposed rule still provided the states the flexibility to set certain other utility allowances, but they would be subject to limits set by USDA and require USDA approval. The proposed rule also alters the telephone standard to include the costs for basic internet service. States would still be able to choose whether to mandate the use of SUAs or allow for households to use actual costs.

According to USDA, in federal fiscal 2018, approximately 159,000 of the 341,000 households used the healing and cooling SUA in Maryland. The estimated impact on Maryland of the proposed rule is uncertain. DHS indicates that the proposed rule is likely to decrease benefits by reducing the allowable SUA. However, USDA and the Urban Institute each estimate a small positive impact in Maryland.

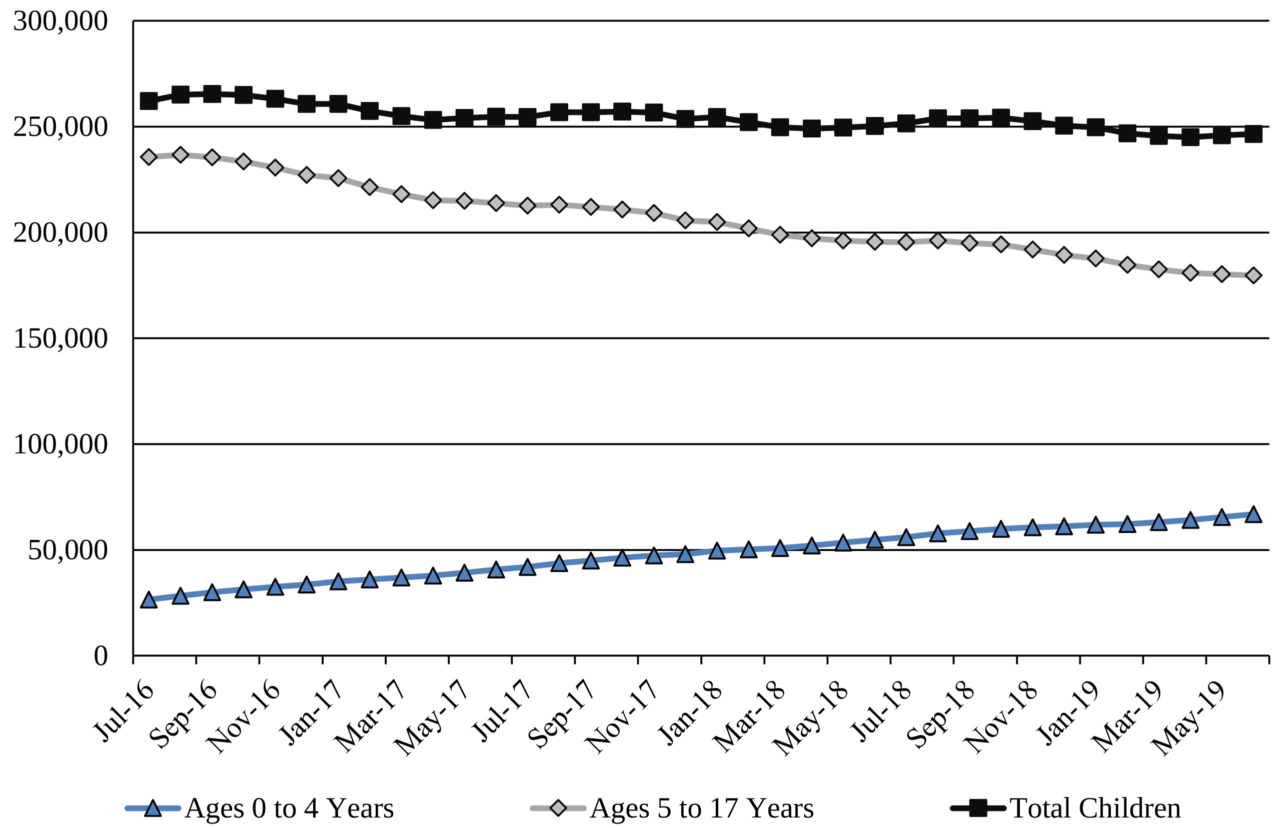
Given the uncertainty surrounding the potential impacts of the proposed changes to categorical eligibility and the calculation of utility allowances and the finalized rules related to ABAWDs, DLS recommends budget bill language restricting funds until DHS submits a report on the impact the changes in rules related to ABAWDs and any other finalized SNAP rule changes.

3. Implementation of Summer SNAP for Children Act

Children Receiving SNAP Benefits

Exhibit 16 provides information on the number of children receiving SNAP benefits between fiscal 2017 and 2019. Even as the overall number of SNAP recipients has declined, the number of children between ages 0 and 4 receiving SNAP benefits more than doubled to 66,809. However, during that same period, the number of children between ages 5 and 17 decreased by nearly 56,000 (approximately 24%) to 179,622. In June 2019, there were 246,431 children under age 18 receiving SNAP benefits.

Exhibit 16
Children Receiving Supplemental Nutrition Assistance Program Benefits
Fiscal 2017-2019



Source: Department of Human Services

Summer SNAP Benefit

Chapters 635 and 636 of 2019 created a process for the State to provide additional funding to supplement benefits received under SNAP for children in certain months. The supplemental benefit is $30 per month in the months of June, July, and August and $10 in the month of December per child in the household. The supplemental benefit is to be provided 15 days after the federally funded benefit is provided under the traditional SNAP in June, July, and August and after 7 days in December. The benefits are to be provided with combined State and local funds, with the State portion representing a match for the local funds. The chapters specified that the local match be determined by the State and local cost-share formula for the public school construction program. **Appendix 3** lists the State share and local match required for fiscal 2021 under the school construction program. Jurisdictions may provide an amount greater than is required to meet its share of the cost based on the amount of State funds provided.

Under Chapters 635 and 636, the jurisdictions choosing to apply for the State matching funds must submit an application to DHS, which must certify the maximum amount of local share funds available and describe the process by which the jurisdiction will evaluate the impact of the benefit. DHS is required to notify each jurisdiction that submitted a complete application of the amount of funding available for the supplemental benefits in the next fiscal year on or before January 15. The jurisdiction's receipt of funds is contingent on DHS approval of a final plan. The final plan is required to be submitted by March 1, with notification of DHS' decision by April 1. The final plan is required to include, among other information:

- a designation of which children will be eligible to receive funding, if funding is not sufficient to provide a minimum of $100 to all children in the jurisdiction receiving SNAP benefits; and

- the criteria used to determine eligibility.

Following approval of the final plan, DHS is required to certify the amount of funding that will be provided for the jurisdiction. All jurisdictions with an approved plan are required to receive funding. DHS is to provide the State share of funds for each county with an approved final plan in an amount equal to the product of (1) the total amount of funds appropriated and (2) the number of children in households that receive a federal SNAP benefit in the county divided by the number of children in households that receive a federal SNAP benefit in all jurisdictions with an approved plan.

Implementation Status

DHS has taken several actions to prepare for this new benefit. DHS facilitated two webinars in September 2019 for LDSS offices to provide information and answer questions. In addition, DHS provided a list of frequently asked questions to all LDSS offices in October 2019. Application materials were issued in September 2019. DHS requested interested jurisdictions submit a Letter of Intent by September 18, 2019. DHS reports that 13 jurisdictions submitted a Letter of Intent (Allegany, Anne Arundel, Caroline, Harford, Kent, Montgomery, Prince George's, Queen Anne's, Somerset, St. Mary's, Wicomico, and Worcester counties and Baltimore City). Applications were due to DHS on December 2, 2019. However, the final plans are not yet submitted. As a result, DHS is unable to identify which jurisdictions will operate the program in fiscal 2021.

Fiscal 2021 Funding

Chapters 635 and 636 mandate $200,000 for the program. The fiscal 2021 allowance includes the mandated level of funding. The State funding can support a full $100 supplemental benefit for 2,000 children; however, the additional funding provided through the local match will allow for additional children to receive the benefit. Local match rates range from 0% to 50% in the jurisdictions initially expressing interest in the program. The fiscal 2021 allowance does not account for the local match because of the uncertainty regarding participation, which limits the ability to understand how many children will be able to be served through the program. Although recognizing that more than 2,000 children will be served, the total funding available is likely to be far less than is required to support the benefit for all children in the jurisdictions that have applied. **DHS should comment on the**

number of children that it expects will be served when the State funding is combined with the local funding and the total funding that is expected to be available.

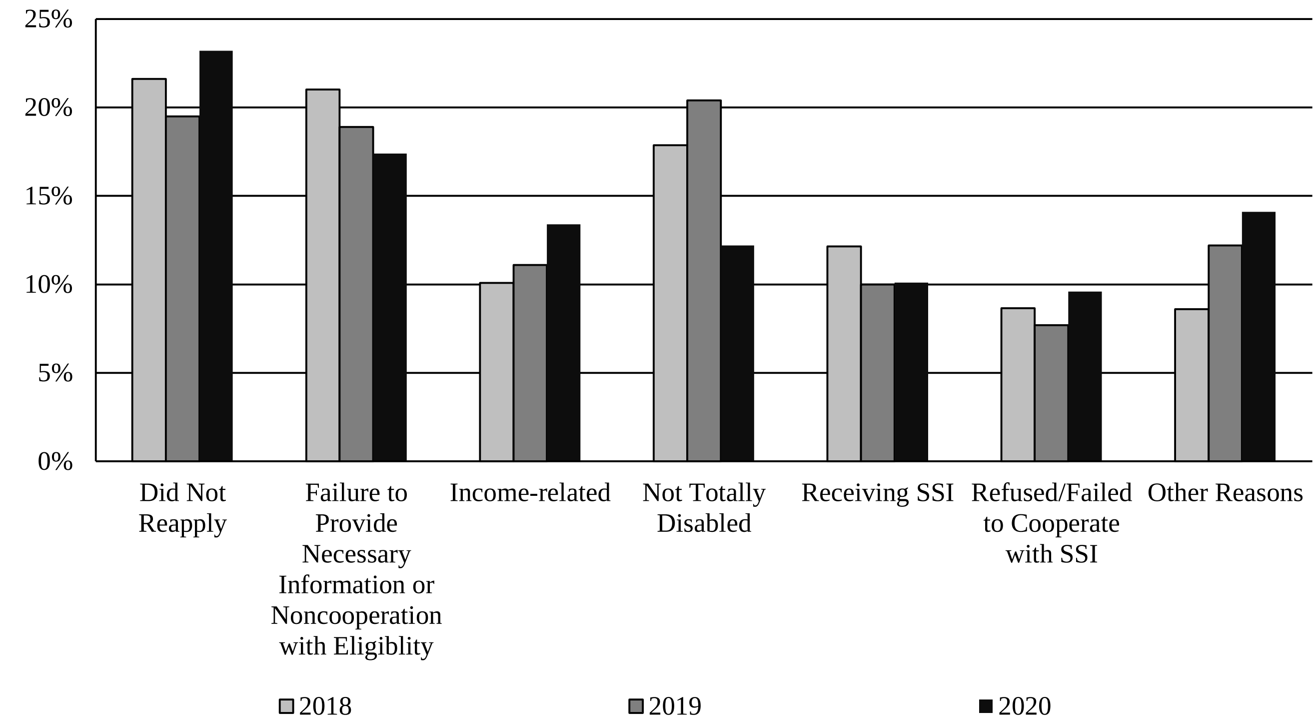
DLS recommends committee narrative requesting reports on the number of children receiving the benefit, the value of benefits provided to each child receiving the benefit per month, and the number of children in participating jurisdictions that did not receive a benefit due to the lack of funding.

4. TDAP Case Closures

During fiscal 2018, the share of case closures in TDAP due to failure to provide information necessary to establish eligibility or noncooperation with the eligibility process increased by 60% (from 13.1% to 21%). DHS indicated that this was the result of program integrity efforts. Due to the concerns about this increase, in subsequent years, DHS has been asked to provide updated information on case closures in TDAP through either committee narrative or budget bill language.

As shown in **Exhibit 17**, the share of case closures due to failure to provide information or noncooperation with eligibility declined in fiscal 2019 and in the first five months of fiscal 2020, by 2.1 percentage points and 1.5 percentage points, respectively. However, at 17.4% in fiscal 2020, the level remained higher than the period from fiscal 2015 through 2017. Also of note, in fiscal 2019, the share of cases closed due to a determination that the individual was not totally disabled increased to 20.4%, an increase of approximately 14% compared to fiscal 2018. The level of case closure due to this reason was the highest since before fiscal 2015. However, in the first five months of fiscal 2020, the case closures for this reason have returned to more historic levels.

Exhibit 17
Share of Temporary Disability Assistance Program Case Closures by Reason
Fiscal 2018-2020 YTD (July through November)



SSI: Supplemental Security Income
YTD: year to date

Source: Department of Human Services; Department of Legislative Services

Efforts to Assist TDAP Customers in Maintaining Benefits

DHS explains that, in addition to the regular efforts of LDSS staff to inform TDAP recipients of additional verifications needed to process applications/redeterminations when information is missing, it launched a pilot outreach project in May 2018 to assist customers. The pilot is in the Baltimore City Department of Social Services (BCDSS) and is conducted by Maximus (the department's Disability Benefits Advocacy vendor). Under the pilot, Maximus has an employee placed at BCDSS to work with TDAP customers. In the pilot, Maximus provides support for TDAP recipients and assists the customers by (1) answering questions about SSI; (2) completing and submitting SSI application and appeal forms; (3) obtaining and retaining medical records needed by the Social Security Administration; (4) providing referrals to other organizations; and (5) providing representation at appeals. DHS considers recipients working with Maximus on efforts to obtain SSI to be in compliance with TDAP requirements, and these individuals maintain their benefits.

In total, DHS reported that 1,979 recipients had been referred from BCDSS to Maximus. However, 79% (1,568) were returned to BCDSS due to a variety of reasons, including the individual opting out of working with Maximus, being nonresponsive, retaining outside legal assistance, or not meeting the criteria for SSI or Social Security Disability Insurance benefits. As of the submission of the report (December 2019), only 1% (18) of referred customers had been awarded SSI, with an additional 3.6% (72) having cases pending. A number of referrals were either still in the screening process or had not yet been seen by Maximus due to the timing of the referral.

Under Maximus' traditional services as the Disability Advocacy vendor, in fiscal 2018 and 2019, it had assisted 141 TDAP recipients in obtaining SSI. An additional 343 still had an SSI case pending.

5. Substance Use Screening in TCA

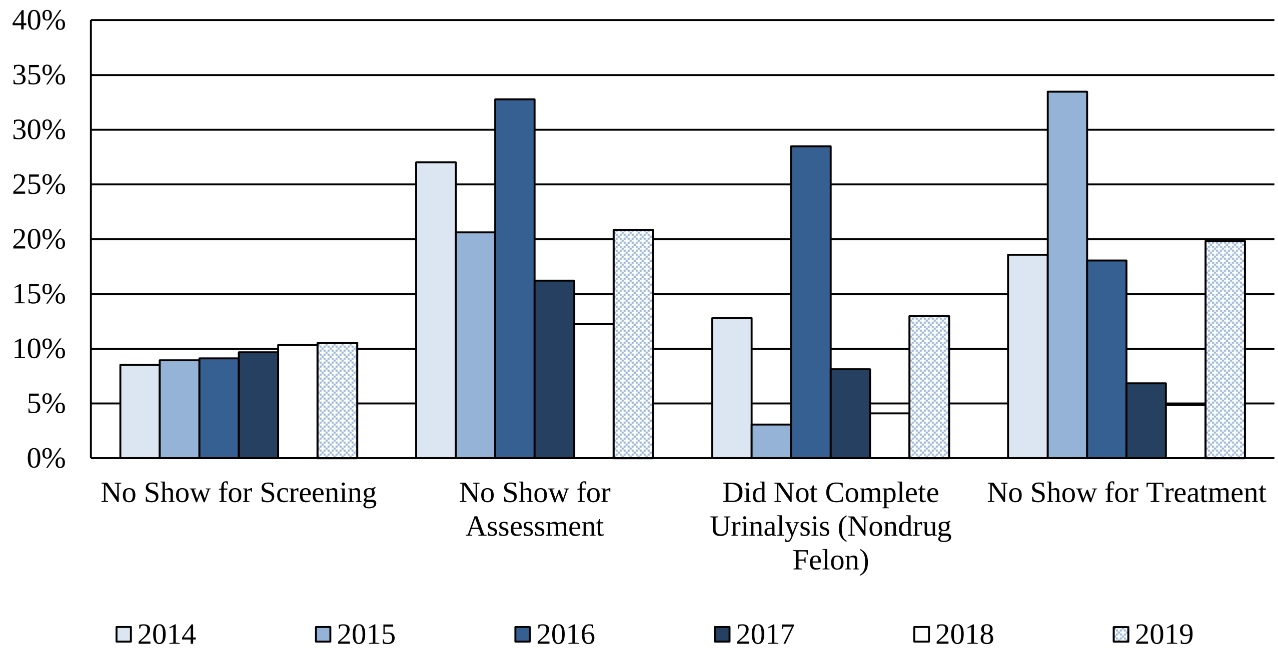
The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) restricted eligibility for TANF and SNAP benefits for individuals with prior drug convictions. The PRWORA established a lifetime ban, but states were able to modify this ban. According to the Congressional Research Service, as of August 2016 (the most recent information published), only 10 states maintained a lifetime ban. Thirteen states and Washington, DC had no ban for individuals with prior drug felonies. Twenty-seven states, including Maryland, had a modified ban. Maryland further modified its ban in the 2017 session. In Maryland, under current law, only recipients convicted under volume dealer and drug kingpin statutes are (1) ineligible for benefits for one year after the date of the conviction and (2) subject to testing and treatment for two years beginning the later of the date the individual is released from incarceration or completes any term of probation, parole, or mandatory supervision.

Under TANF, states may also have more general drug testing/screening requirements for applicants and recipients that include penalties. While requiring all applicants or recipients to be drug tested has been ruled unconstitutional, Maryland and other states have some type of drug screening, testing, and treatment requirements. Maryland's Welfare Innovation Act of 2000 required addiction specialists to be placed in all LDSS. All TCA applicants are screened for substance use and only after being screened are some applicants/recipients referred for testing or additional assessment and treatment. Applicants/recipients are not penalized for positive screening and tests, only for failure to comply with assessment, testing, and treatment if referred. Recipients are subject to sanction for failure to comply, while applications are denied for those not meeting requirements within a certain time period. These sanctions or denials do not impact other benefits for which the individual is eligible.

Higher Shares of Applicants/Recipients Failing to Show for Initial Screening

The number of individuals referred for screening varies from year to year primarily based on the number of applications, though some individuals are also screened at redetermination. The number of individuals referred for screening declined each year from fiscal 2014 to 2019, consistent with declines in the overall TCA caseload. Between fiscal 2014 and 2019, the number referred for screenings declined by 35.8%. The vast majority of those referred for screening appear for the screening. As shown in **Exhibit 18**, however, the share of those failing to show for screening increased each year between fiscal 2014 (8.5%) and 2019 (10.5%). Those that screen positive are referred for additional assessment and subsequently may be referred for testing or treatment. Unlike screenings, there are not consistent trends between years among those who fail to appear for assessment, testing, and treatment.

Exhibit 18
Failure to Appear for Screening, Assessment, or Treatment
Fiscal 2014-2019



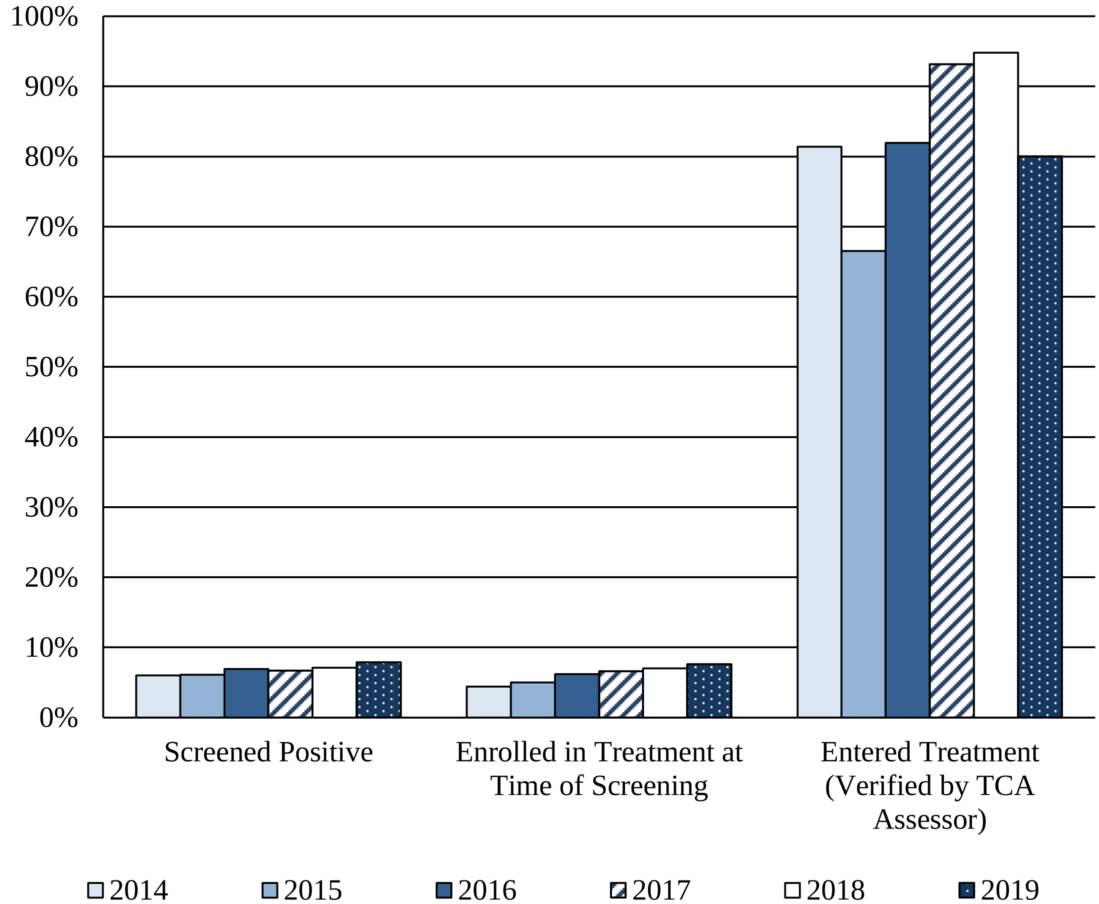
Note: The percentages reported represent those referred for that type of screening, assessment, testing, or treatment.

Source: Department of Human Services; Department of Legislative Services

More Applicants/Recipients Experiencing Positive Screenings or in Treatment at Screening

In general, a relatively low share of TCA applicants/recipients that were screened screen positive for substance use. As shown in **Exhibit 19**, between fiscal 2014 and 2019, fewer than 10% of individuals screened were screened positive. However, the share that screened positive increased annually, from 6.0% in fiscal 2014 to 7.9% in fiscal 2019. In addition to those screened positive, DHS tracks those already enrolled in treatment at the time of screening. The share of the TCA applicants/recipients that were enrolled in treatment at the time of screening also increased each year between fiscal 2014 and 2019. In fact, the share already in treatment increased by a greater amount than those screening positive, an increase from 3.3% in fiscal 2014 to 7.6% in fiscal 2019. These increases are consistent with the ongoing opioid epidemic.

Exhibit 19
Screening Results
Fiscal 2014-2019



TCA: Temporary Cash Assistance

Note: The percent of those screened positive and percent of those enrolled in treatment at time of screening are of those screened. The percent that entered treatment is of those that are referred for treatment.

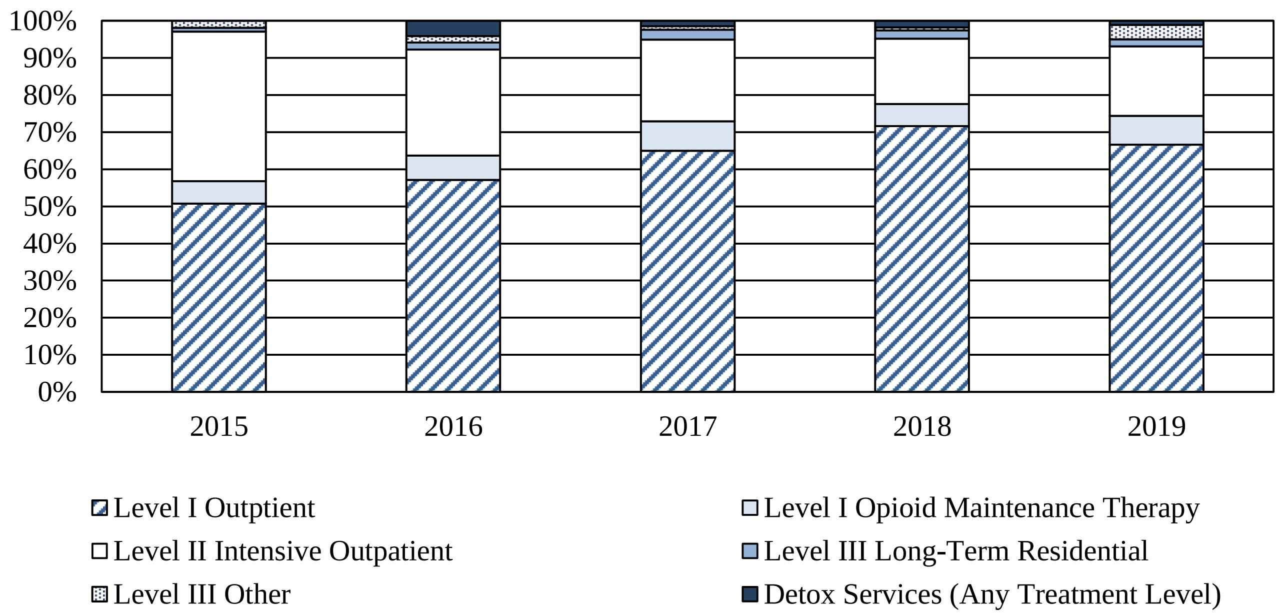
Source: Department of Human Services; Department of Legislative Services

Most of those that screen positive for substance use are referred for treatment. In all but one year, between fiscal 2014 and 2019, more than 70% of those that screen positive were referred for treatment. In fiscal 2018, 87.7% of those that screened positive were referred for treatment, the highest referral rate in this period. Of the individuals that that were referred between fiscal 2014 and 2019, 80% or more entered treatment each year, except in fiscal 2015. In fiscal 2017 and 2018, more than 90% entered treatment.

Treatment Type Varies Among Already Enrolled and Those Entering Treatment

Among those entering treatment after assessment, more than half entered Level I Outpatient treatment. As shown in **Exhibit 20**, the share entering that level of treatment increased from fiscal 2015 to 2018, before declining in fiscal 2019. Despite the decline in fiscal 2019, the share entering Level I Outpatient treatment was the second highest in that time period. Level II Intensive Outpatient had the second highest share of those entering treatment after assessment. Although the share entering that treatment type declined from 40.3% in fiscal 2015 to a low of 17.6% in fiscal 2018, it remained the second highest used treatment type. Between 5% and 10% of those entering treatment after assessment were placed in Level I Opioid Maintenance Therapy.

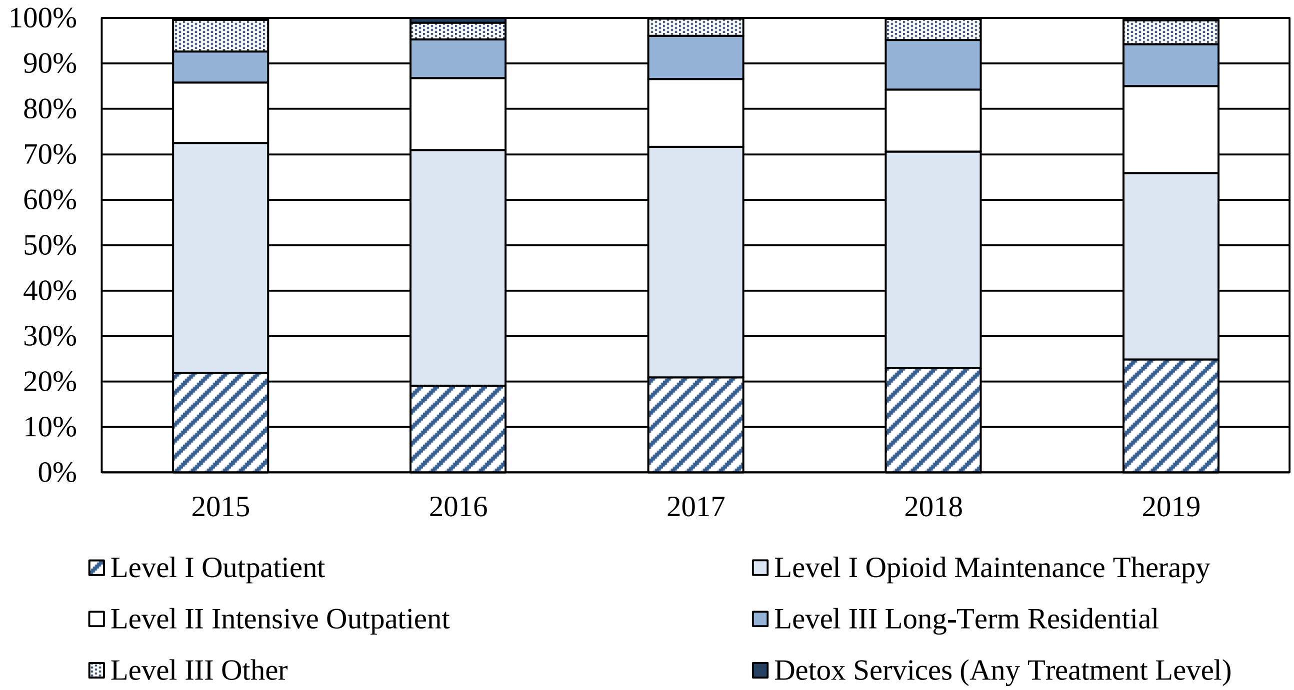
Exhibit 20
Applicants/Recipients Entering Treatment by Type
Fiscal 2015-2019



Source: Department of Human Services; Department of Legislative Services

A different treatment pattern emerges for those that were already enrolled in treatment at the time of screening. As shown in **Exhibit 21**, among those enrolled in treatment, the largest share in each year was in Level I Opioid Maintenance Therapy. During the early years of this period, more than half of those already enrolled were in this treatment type. However, in fiscal 2019 only 41% of those already enrolled were in this treatment type. The second highest treatment type for those enrolled was in Level I Outpatient. The share in this treatment type increased from fiscal 2016 to 2019, reaching nearly 25% in fiscal 2019.

Exhibit 21
Applicants/Recipients Already In Treatment by Type
Fiscal 2015-2019



Source: Department of Human Services; Department of Legislative Services

An additional substantial difference among those entering treatment after assessment and those already enrolled at the time of assessment occurs among Level III Long-Term Residential Treatment. Of those entering treatment after assessment, fewer than 3% entered this treatment type in each year. Among those who were already enrolled, more than 8% were in this treatment type in four of the five years, including one year (fiscal 2018) in which 10.9% were in this treatment type.

Overall, more than 90% of those entering treatment after assessment are in the lowest service levels (Outpatient, Intensive Outpatient, or Opioid Maintenance Therapy). The lower level of treatment is not unexpected, given that the goal is for individuals to be in the least restrictive settings/treatment types. While the vast majority of those already enrolled in treatment at the time of assessment area are also in these treatment types, the share was lower (approximately 85%).

Operating Budget Recommended Actions

		Amount Reduction	
1.	Reduced funding for the Supplemental Nutrition Assistance Program (SNAP) to better reflect anticipated spending. The fiscal 2021 allowance includes funding for SNAP at the level of the fiscal 2018 expenditures ($931.5 million) despite caseload decreases of more than 5%. The fiscal 2019 expenditures in the program were $885.8 million. This reduction still provides sufficient funding to support an increase in the caseload from the fiscal 2020 year-to-date spending levels.	$ 50,000,000	FF

2. Adopt the following narrative:

Children Served in the Summer Supplemental Nutrition Assistance Program: Chapters 635 and 636 of 2019 created a supplemental benefit for children receiving Supplemental Nutrition Assistance Program (SNAP) in jurisdictions that chose to implement the program. The program was designed to provide $100 in benefits ($30 per month in June, July, and August and $10 in December) per year. Jurisdictions are able to apply for State matching funds, which are based on the Public School Construction matching rate. The chapters mandated $200,000 in State funds for the program. At this level of funding, only 2,000 children could be served; however, the required local matches will enable additional children to receive the benefit. The participating jurisdictions and the amount of local funds available for the program are unknown, as the approval process is not complete. In June 2019, there were 246,431 children receiving SNAP benefits across Maryland. Given the limited State funding for the program and without information on the amount of local funding available to support the program, the committees request that the Department of Human Services (DHS) provide two reports with the following information:

- the number of children served by jurisdiction;
- the benefit level provided per child by jurisdiction;
- the total funding available for benefits in the program, including local funding by jurisdiction; and
- the number of children in participating jurisdictions that are not able to receive benefits due to insufficient funding by jurisdiction.

The first report should cover the summer portion of the program (June, July, and August), while the second report should cover the winter portion of the program (December).

Information Request	Author	Due Date
Children receiving benefits through the Summer SNAP for Children Act	DHS	September 1, 2020
Children receiving benefits through the Summer SNAP for Children Act	DHS	January 15, 2020

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

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

(1) DHS has taken corrective action with respect to all repeat audit findings on or before November 1, 2020; 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 2021.

Explanation: The Joint Audit and Evaluation 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 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 a report to the budget committees on the status of repeat findings.

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

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

Further provided that $100,000 of this appropriation made for the purpose of the Director's Office in the Family Investment Administration may not be expended until the Department of Human Services submits a report to the budget committees detailing the impact of recent federal Supplemental Nutrition Assistance Program (SNAP) rule changes. The detail should include for the period January 2020 through November 2020:

(1) the number of able-bodied adults without dependents (ABAWD) separately by jurisdiction and month;

(2) the number of ABAWDs determined ineligible for benefits due to ABAWD requirements separately by jurisdiction and month; and

(3) the number of ABAWDs that returned to benefits after complying with the requirements separately by jurisdiction and month.

The report should also include information on the number of SNAP applicants and recipients who no longer qualify, do not qualify for benefits, or have had their benefits reduced as a result of any finalized federal rule change related to broad-based categorical eligibility or the standard utility allowance. The report shall be submitted by December 15, 2020, 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 U.S. Department of Agriculture (USDA) finalized changes to the waiver process related to ABAWD requirements in December 2019. The rule changes go into effect on April 1, 2020. Waivers in 13 jurisdictions in Maryland are expected to end at that time, as none of these jurisdictions are expected to qualify for a waiver under the new rules. In addition, in calendar 2019, USDA also proposed rule changes related to the use of broad-based categorical eligibility for eligibility determination and the calculation of the standard utility allowance included in the deductions related to the income and benefit level. The General Assembly is concerned about the impact of these final and proposed rule changes. This language restricts funds in the Family Investment Administration until the Department of Human Services (DHS) provides a report detailing information about the impact of the changes.

Information Request	**Author**	**Due Date**
Report on the impact of final and proposed rule changes related to SNAP	DHS	December 15, 2020

		Amount Reduction		Position Reduction
5.	Delete 1 regular position (PIN 080945) that has been vacant for longer than one year. As of January 1, 2020, the Family Investment Administration had 189.5 vacant positions, including 6 positions that had been vacant for longer than one year. Five of the long-term vacancies are transferred to other areas of the Department of Human Services in the fiscal 2021 allowance. This action deletes the remaining long-term vacant position.	28,905 2,689 35,628	GF SF FF	1.0

6. Adopt the following narrative:

Performance Data for the Supplemental Nutrition Assistance Program Employment and Training Program: The committees continue to be interested in the participation in and performance of the Supplemental Nutrition Assistance Program (SNAP) Employment and Training Program (E&T), particularly given the changes to the waiver rules related to able-bodied adults without dependents (ABAWD). The committees request that the Department of Human Services (DHS) report on:

- spending by source for fiscal 2020 actual and fiscal 2021 estimates;
- distribution of funds by local department of social services and third-party partner;
- current program offerings, including those by third-party partners, and any planned changes in program offerings;
- performance in the national performance measures for the fourth quarter after completing an employment and training program, including both the total population and ABAWD population for federal fiscal 2018;
- performance in each of the national performance measures, including both the total population and the ABAWD population for federal fiscal 2019;
- performance in the State option measures identified in the State plan for program components serving 100 or more individuals, including both the total population and the ABAWD population for federal fiscal 2019 and, to the extent available, federal fiscal 2020;

- participation in SNAP E&T by participant characteristic as defined in the performance measures, including education, gender, age, and ABAWD status for federal fiscal 2020; and

- efforts to increase program participation, particularly for the ABAWD population.

Information Request	Author	Due Date
SNAP E&T participation and performance	DHS	December 31, 2020

Total Reductions	**$ 50,067,222**	**1.0**
Total General Fund Reductions	**$ 28,905**	
Total Special Fund Reductions	**$ 2,689**	
Total Federal Fund Reductions	**$ 50,035,628**	

Updates

1. TANF Continues to Operate on Temporary Extensions

The TANF program must be periodically reauthorized through legislation. The most recent reauthorization occurred in the Deficit Reduction Act of 2005. This reauthorization expired September 30, 2010. Since that time, TANF has operated under a series of temporary extensions. The current authorization expires on May 22, 2020.

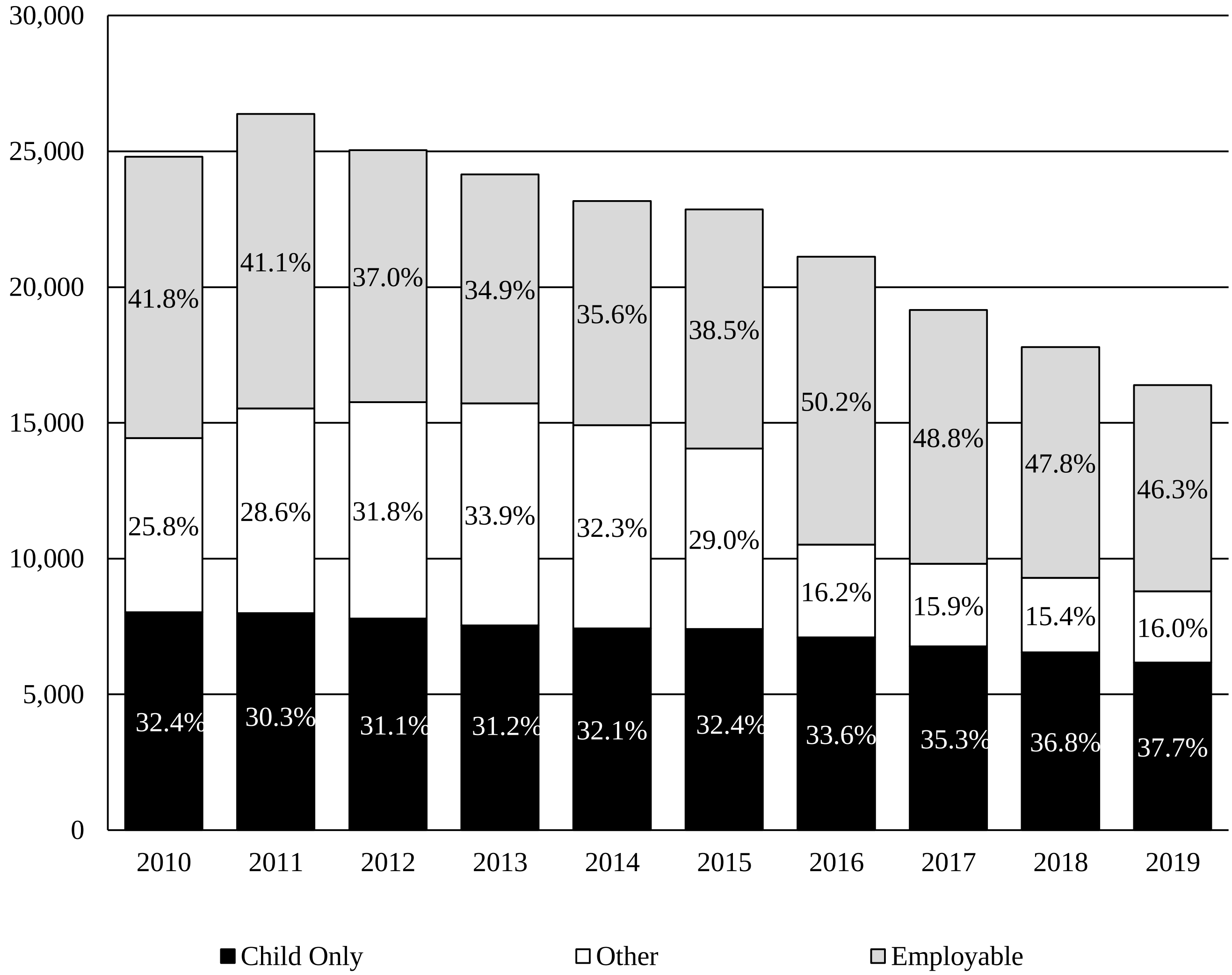
2. TCA Caseload Characteristics

Share of Caseload That Is Work Exempt

The TCA caseload can be divided into two main groups: (1) the core caseload; and (2) cases head by an employable adult. Core cases include child-only cases, cases with children under age one, caretaker relatives, and other cases exempt from work requirements. Prior to federal fiscal 2016 (October 1, 2015), cases with individuals with a long-term disability were work exempt; however, following this date, these cases are now subject to work requirements.

Exhibit 22 presents information on TCA cases (which may consist of multiple recipients) in July 2019 compared to prior years. These cases are categorized into employable, child only, and other. Other cases represent all other core cases except child-only cases. In general, as employable adults successfully enter the labor market, core cases represent a larger share of the TCA caseload. This pattern generally alters during and immediately after recessions. For example, on July 1, 2010, 41.8% of TCA cases were in the employable category. However, this share decreased in the following years. The policy change related to cases with a long-term disability made a significant change in the share of cases classified as employable, increasing by 11.7 percentage points from July 2015 to July 2016. In July 2016, over 50% of cases were considered employable, the highest since July 2005. In the subsequent years, the share of employable cases has resumed the typical trend but at 46.3% remains higher than typical nonrecession levels.

Exhibit 22
TCA Caseload and Share of TCA Caseload That Is Work Eligible or Work Exempt
July 2010 to July 2019



TCA: Temporary Cash Assistance

Source: Department of Human Services; Department of Legislative Services

In July 2019, the number of child-only cases decreased compared to the prior year, as has occurred in each year since July 2009. The decrease of 377 cases was the largest among core case categories. Despite this decline, the share of TCA cases that are child only increased by 0.9 percentage points (to 37.7%) in July 2019. This was the highest share of cases that were child only since July 2008.

Five-year Time Limit on Receipt

Federal law prohibits cases headed by an adult from receiving TANF-funded cash benefits for more than five cumulative years. However, federal law also provides for exemptions to the time limit for hardship. Under this provision, 20% of the caseload receiving TANF-funded cash assistance from the previous fiscal year may continue to receive these benefits beyond five years. Because the law only applies to federally funded cases, State-only cases are excluded from the calculation. In federal fiscal 2019, the annual average number of cases headed by adults that received assistance for more than 60 months that were subject to the time limit was 1,983, 12.0% of those subject to the limit (16,487). Since that number is below the 20% exemption limit for federal fiscal 2019, none of these cases were removed from TCA.

A fiscal compliance audit released by the Office of Legislative Audits (OLA) in March 2019 included a finding that FIA allowed recipients to continue to receive benefits beyond the five-year time limit. In particular, OLA noted that the benefits were automatically extended without a review of whether there were justified hardships. OLA noted that management at two LDSS explained that there was no process in place to ensure that benefits are extended only for recipients with documented hardships. The audit noted that FIA management believed that the recipients qualified for exemption, even though the reason was not documented. In the department's response to the audit, it explained that it disagreed with the assumption that all of the benefits provided beyond five years were provided improperly. However, the department indicated that it agreed with the recommendations. In particular, FIA explained that it has enhanced its monitoring of cases to include payment accuracy for TCA, including whether benefits should be terminated, and compliance with regulations. DHS also explained that it will mandate biannual training on TCA payment accuracy, including regulations related to recipients receiving TCA for longer than 60 months. In addition, DHS will include, as part of its information technology modernization efforts, a feature in the benefits system to require documentation of the reason for a hardship exemption.

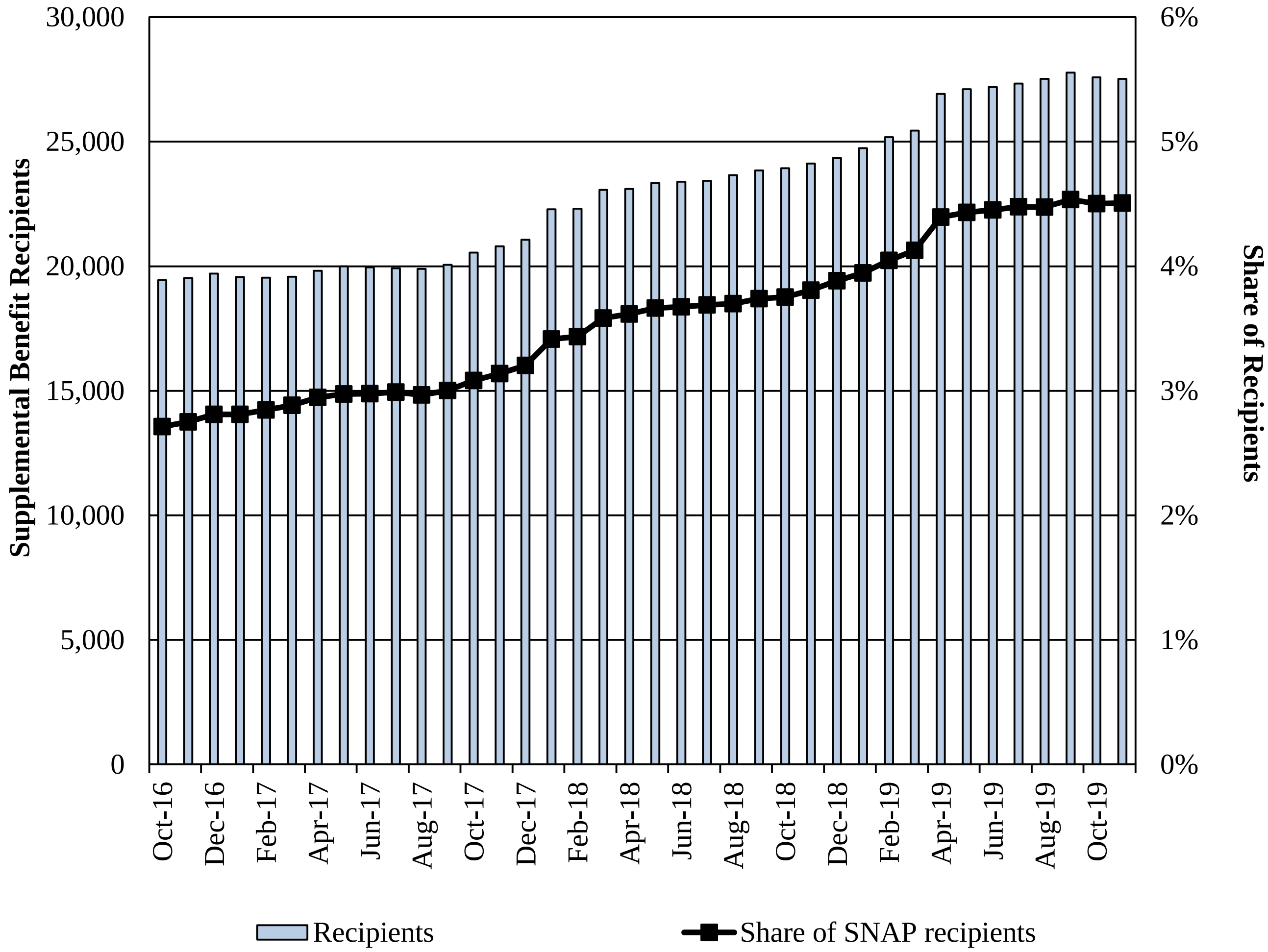
3. Supplemental Minimum Benefit for Seniors Program Growth

Chapter 696 of 2016 created a State supplemental SNAP benefit that ensures that households including an individual who is at least 62 years old receive a combined SNAP benefit of $30. The supplemental benefit provides the amount that is required to increase the total benefit to $30. The federal minimum benefit has been either $15 or $16 in the years since the State supplemental benefit was created. As a result, the maximum supplemental benefit has been either $14 or $15.

Trends

DHS began providing the supplemental benefit in October 2016. As shown in **Exhibit 23**, in the first month, the benefit was provided to 19,443 recipients. Since that time, the program experienced substantial growth peaking in September 2019 at 27,770 recipients, an increase of nearly 43% since the program began. As a result of the growth, combined with a decrease in SNAP recipients, the number of supplemental benefit recipients has increased as a share of total SNAP recipients. In October 2016, 2.7% of all SNAP recipients also received the supplemental benefit. By June 2019, that share was 4.5%, a level that has continued through November.

Exhibit 23
Supplemental Benefit Recipients as a Share of All SNAP Recipients
October 2016 through November 2019



SNAP: Supplemental Nutrition Assistance Program

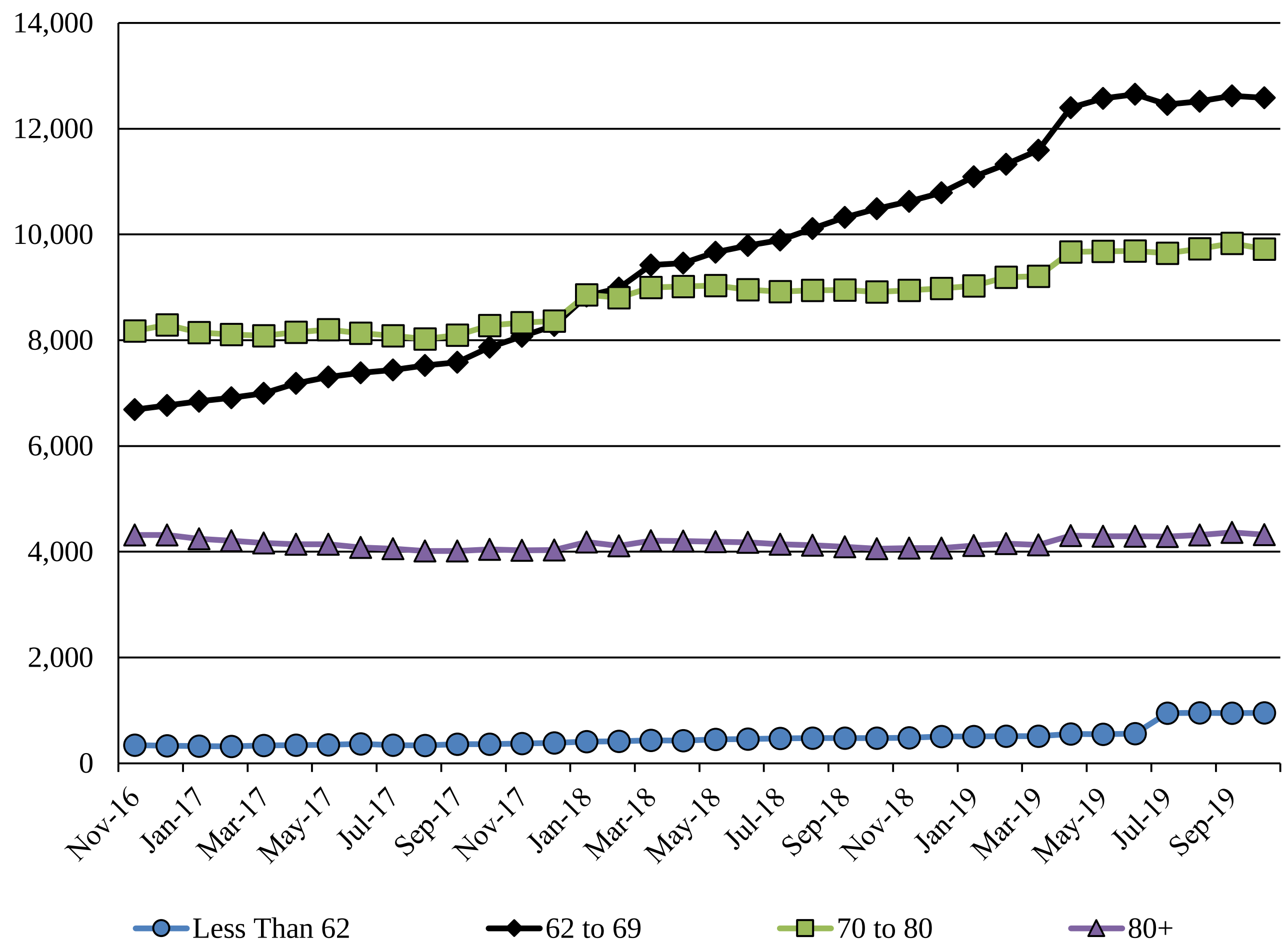
Source: Department of Human Services; Department of Legislative Services

Consistent with the SNAP rules regarding minimum benefit provision, the vast majority of supplemental benefit recipients are in one-person households (approximately 80%). Nearly all of the remaining recipients are in two-person households. Fewer than 1% of recipients are in households of 3 or more. Household size has varied little since the program began.

Demographic Factors Influencing Growth

As shown in **Exhibit 24**, the growth in recipients has largely occurred among households between the ages of 62 and 69, consistent with the idea that the growth in recipients results from individuals becoming newly eligible for the benefit. For example, the share of recipients that were between the ages of 62 and 69 in November 2016 was 34.2% but was 45.4% in December 2019. Further evidence that the growth has occurred largely due to newly eligible households was a slight increase in the share of recipients under age 62, which increased from a low of 1.6% in February 2017 to over 3% in the first half of fiscal 2020. These recipients are eligible because they share a household with an individual who is 62 or older.

Exhibit 24
Supplemental SNAP Recipients by Age Category
November 2016 through December 2019

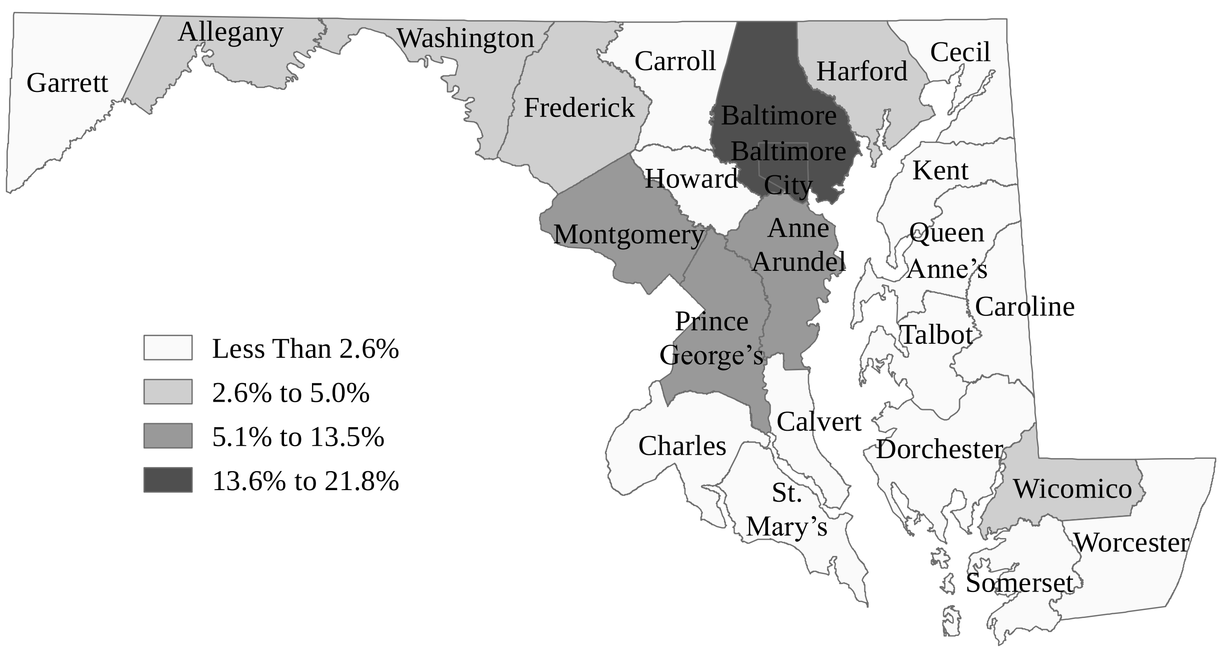


Source: Department of Human Services

Recipients Concentrated in Largest Jurisdictions

Exhibit 25 provides information on the share of recipients by jurisdiction in June 2019. The largest share of recipients occurs in the largest jurisdictions in Maryland. Baltimore City had more than 20% of supplemental benefit recipients in each month since the program began. Baltimore and Montgomery counties were the only other jurisdictions with more than 10% of recipients. The share of recipients by jurisdiction has varied little over time.

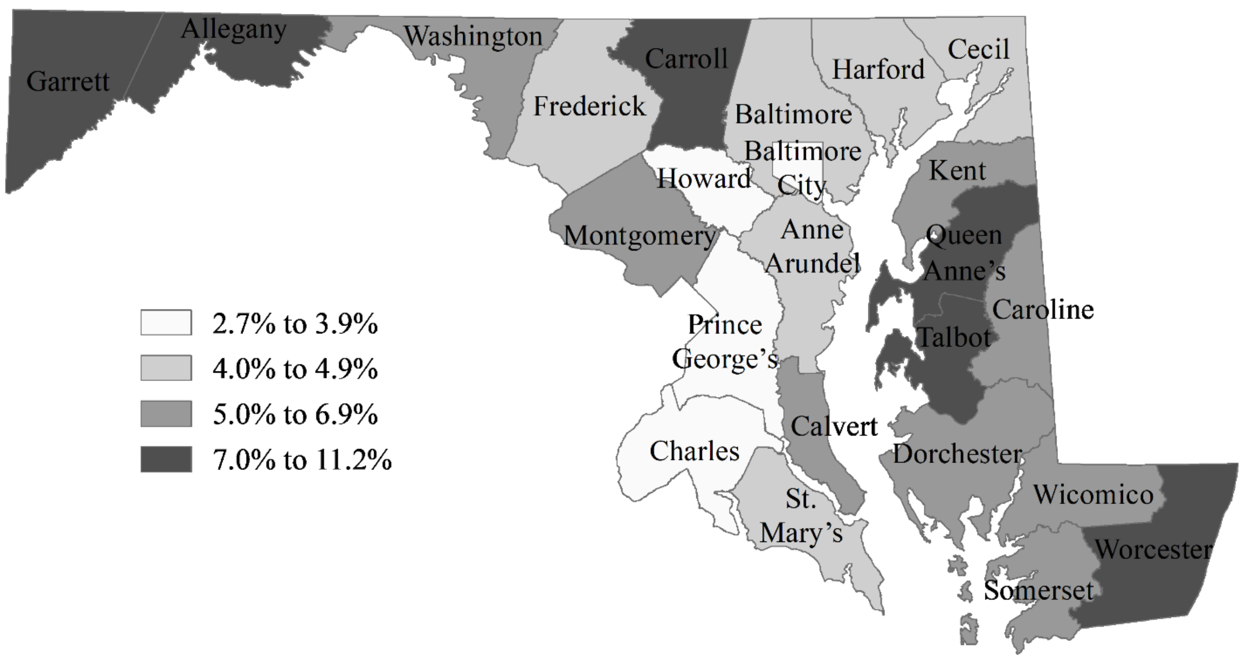
Exhibit 25
Distribution of Supplemental Benefit Recipients by Jurisdiction
June 2019



Source: Department of Human Services

However, when comparing the number of supplemental recipients to all SNAP recipients within a jurisdiction, the picture looks very different. As shown in **Exhibit 26**, in June 2019, Garrett County had the highest share of SNAP recipients that also received the supplemental benefit (11.1%). Allegany County (7.8%) had the second highest share, though several other jurisdictions also had 7.5% or more recipients as a share of all SNAP recipients. The higher share of recipients in these jurisdictions likely reflects the age distribution of the jurisdiction and recipients of SNAP as a whole. As has occurred overall, all jurisdictions have experienced an increase in the share of SNAP recipients that receive the supplemental benefit over time. The increases ranged from 0.9 percentage points in Kent County to 2.8 percentage points in Carroll and Worcester counties.

Exhibit 26
Supplemental Benefit Recipients
As Share of All SNAP Recipients in That Jurisdiction
June 2019



SNAP: Supplemental Nutrition Assistance Program

Source: Department of Human Services; Department of Legislative Services

Appendix 1
2019 *Joint Chairmen's Report* Responses from Agency

The 2019 *Joint Chairmen's Report* (JCR) requested that the Department of Human Services (DHS) Family Investment Administration prepare six reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Program to Assist Organizations in Transitioning to a Two-Generation Model of Service Delivery:*** DHS reports that a Memorandum of Agreement was established with the Maryland Community Action Partnership (MCAP), the recipient of the $950,000 grant for which funds were restricted in the fiscal 2020 budget. Although the restricted funds were not released, the first payment was provided on November 1, 2019, with the second to follow in February. MCAP worked with its 17 partner agencies to determine readiness to undertake a Two-Generation model, dividing the partners into three groups (beginning, pilot, and implementation). DHS described the planned timeline for the program, which includes completing design plans to implement the model in fall 2019/winter 2020.

- ***Work Sanctions in the Temporary Cash Assistance Program:*** DHS reported that noncompliance with program requirements, such as not submitting timesheets as required, not working all required hours, or missing meetings without good cause is the primary reason for work sanction closures. Further discussion of this data can be found in Performance Analysis 2 of this analysis.

- ***Temporary Disability Assistance Program Case Closures:*** In the response, DHS explained that it had begun a pilot project in the Baltimore City Department of Social Services under which the Disability Advocacy Vendor (Maximus) places staff on site to answer questions and assist customers with required efforts to obtain Supplemental Security Income benefits. Further discussion of this response can be found in Issue 4 of this analysis.

- ***Supplemental Nutrition Assistance Program (SNAP) Employment and Training Program (E&T) Participation and Performance:*** DHS stated that 55% of participants in federal fiscal 2017 were employed in the fourth quarter after program completion. In addition, DHS indicated that, in federal fiscal 2019, there were 21 third-party partners offering programs through the SNAP E&T program with a total budget of $9.6 million, including matching funds from the organizations. Further discussion of this data can be found in Performance Analysis 3 of this analysis.

- ***Abled-bodied Adults without Dependents (ABAWD) Recipients of the Supplemental Nutrition Assistance Program (SNAP):*** In the response, DHS noted that the information requested was not available due to the timing of the finalization of the federal rule change for SNAP related to ABAWDs. Further discussion of this rule change and the potential impact on ABAWDs can be found in Issue 1 of this analysis.

- ***Grants Provided through the Meal Delivery to Individuals with HIV/AIDS Patients Program:*** DHS reports that beginning in fiscal 2012, the Meal Delivery to Individuals with HIV/AIDS Patients Program expanded to include other illnesses including cancer, diabetes, and other life-challenging illnesses. Program funding increased for the two grantees in fiscal 2009 for Food and Friends and fiscal 2015 for both Food and Friends and Moveable Feast. The program served 2,828 individuals between fiscal 2016 and 2019 in 22 jurisdictions, and these two grantees served a combined 1.2 million meals. In fiscal 2019, Moveable Feast had 177 individuals on the wait list for participation, which would cost an additional $340,000 to serve. Food and Friends had no wait list in fiscal 2019.

Appendix 2
Audit Findings

Audit Period for Last Audit:	November 25, 2013 – April 30, 2017
Issue Date:	March 2019
Number of Findings:	8
Number of Repeat Findings:	4
% of Repeat Findings:	50%
Rating: (if applicable)	n/a

Finding 1: The Family Investment Administration (FIA) allowed certain recipients to continue to receive Temporary Cash Assistance beyond the five-year federal and State limit. In particular, FIA did not document the reason for the hardship exemption that allowed recipients continue to receive benefits.

Finding 2: FIA did not ensure that the local departments of social services (LDSS) conducted timely and appropriate follow-up on alerts from the Public Assistance Reporting Information System, including attempts to recover improper payments.

Finding 3: FIA did not ensure that all Social Security number alerts were recorded for follow-up purposes in the information technology system for benefits. In addition, the alerts that were recorded were not dispositioned for extended periods.

Finding 4: **FIA did not take adequate follow-up action when LDSS failed to conduct the required number of quality assurance reviews. In addition, FIA did not ensure errors identified during its own quality assurance reviews were corrected, and certain reviews it conducted were not comprehensive. Therefore, the reviews did not identify the full extent of any improper payments.**

Finding 5: **FIA did not obtain required documentation from Temporary Disability Assistance Program (TDAP) recipients, resulting in the failure to recover certain federal reimbursements. FIA did not close certain TDAP cases timely, allowing improper benefits to be issued.**

Finding 6: **FIA did not adequately monitor costs and deliverables for certain contracts and agreements related to its public assistance programs.**

Finding 7: **FIA did not verify that certain grant funds from the Office of Grants Management were spent as intended.**

Finding 8: FIA did not periodically review and adequately restrict user access to its Office of Home Energy Programs computer system, resulting in several hundred employees with unnecessary access to recipients' personally identifiable information.

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

Appendix 3
State Share of Costs Public School Construction

	State Share	Local Share
Allegany	89%	11%
Anne Arundel	50%	50%
Baltimore City	96%	4%
Baltimore	57%	43%
Calvert	53%	47%
Caroline	87%	13%
Carroll	59%	41%
Cecil	66%	34%
Charles	65%	35%
Dorchester	82%	18%
Frederick	64%	36%
Garrett	50%	50%
Harford	63%	37%
Howard	55%	45%
Kent	50%	50%
Montgomery	50%	50%
Prince George's	70%	30%
Queen Anne's	51%	49%
St. Mary's	58%	42%
Somerset	100%	0%
Talbot	50%	50%
Washington	79%	21%
Wicomico	100%	0%
Worcester	50%	50%

Source: Interagency Commission on School Construction; Department of Legislative Services

Appendix 4
Object/Fund Difference Report
Department of Human Services – Family Investment Administration

Object/Fund	FY 19 Actual	FY 20 Working Appropriation	FY 21 Allowance	FY 20 - FY 21 Amount Change	Percent Change
Positions					
01 Regular	2,000.30	1,992.30	1,994.30	2.00	0.1%
02 Contractual	76.19	70.00	70.00	0.00	0%
Total Positions	**2,076.49**	**2,062.30**	**2,064.30**	**2.00**	**0.1%**
Objects					
01 Salaries and Wages	$ 143,490,409	$ 141,240,588	$ 141,401,930	$ 161,342	0.1%
02 Technical and Special Fees	3,422,486	2,744,416	2,912,846	168,430	6.1%
03 Communication	960,755	770,115	768,877	- 1,238	- 0.2%
04 Travel	244,468	222,133	195,346	- 26,787	- 12.1%
06 Fuel and Utilities	1,223,274	1,201,143	1,250,084	48,941	4.1%
07 Motor Vehicles	6,191	29,376	6,777	- 22,599	- 76.9%
08 Contractual Services	54,336,749	54,957,769	55,289,780	332,011	0.6%
09 Supplies and Materials	1,358,895	1,182,760	1,216,465	33,705	2.8%
10 Equipment – Replacement	47,134	29,558	22,721	- 6,837	- 23.1%
11 Equipment – Additional	57,431	88,036	35,197	- 52,839	- 60.0%
12 Grants, Subsidies, and Contributions	1,075,775,561	1,130,048,482	1,146,075,860	16,027,378	1.4%
13 Fixed Charges	14,802,554	15,053,105	15,326,917	273,812	1.8%
Total Objects	**$ 1,295,725,907**	**$ 1,347,567,481**	**$ 1,364,502,800**	**$ 16,935,319**	**1.3%**
Funds					
01 General Fund	$ 117,673,347	$ 121,993,394	$ 132,738,952	$ 10,745,558	8.8%
03 Special Fund	16,169,423	8,358,249	9,352,533	994,284	11.9%
05 Federal Fund	1,161,883,137	1,217,215,838	1,222,411,315	5,195,477	0.4%
Total Funds	**$ 1,295,725,907**	**$ 1,347,567,481**	**$ 1,364,502,800**	**$ 16,935,319**	**1.3%**

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases

Appendix 5
Fiscal Summary
Department of Human Services – Family Investment Administration

Program/Unit	FY 19 Actual	FY 20 Wrk Approp	FY 21 Allowance	Change	FY 20 - FY 21 % Change
02 Local Family Investment Program	$ 153,227,397	$ 163,257,680	$ 163,369,397	$ 111,717	0.1%
08 Assistance Payments	1,042,940,861	1,091,203,926	1,098,505,513	7,301,587	0.7%
10 Work Opportunities	31,401,051	31,225,911	31,338,630	112,719	0.4%
04 Director's Office	40,612,802	39,299,755	41,917,433	2,617,678	6.7%
05 Maryland Office for Refugees	8,811,287	14,641,183	14,670,592	29,409	0.2%
07 Office of Grants Management	18,732,509	7,939,026	14,701,235	6,762,209	85.2%
Total Expenditures	**$ 1,295,725,907**	**$ 1,347,567,481**	**$ 1,364,502,800**	**$ 16,935,319**	**1.3%**
General Fund	$ 117,673,347	$ 121,993,394	$ 132,738,952	$ 10,745,558	8.8%
Special Fund	16,169,423	8,358,249	9,352,533	994,284	11.9%
Federal Fund	1,161,883,137	1,217,215,838	1,222,411,315	5,195,477	0.4%
Total Appropriations	**$ 1,295,725,907**	**$ 1,347,567,481**	**$ 1,364,502,800**	**$ 16,935,319**	**1.3%**

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases