

**Department of Legislative Services**  
 Maryland General Assembly  
 2008 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1443 (Chair, Appropriations Committee)  
 (By Request – Departmental – Human Resources)

Appropriations Finance

**Department of Human Resources - Reorganization**

This emergency departmental bill reorganizes the Department of Human Resources by repealing the Community Services Administration, transferring the Energy Assistance Program to the Family Investment Administration, providing for the management of the Maryland Emergency Food Program by the department, and locating the Commission on Responsible Fatherhood in the department for budgetary and administrative purposes.

**Fiscal Summary**

**State Effect:** General and federal fund expenditures are reduced by \$1.9 million in the FY 2009 operating budget to reflect savings anticipated from reorganization. Future years reflect annualization. State revenues would not be affected.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	(1,500,600)	(1,637,000)	(1,637,000)	(1,637,000)	(1,637,000)
FF Expenditure	(367,300)	(400,700)	(400,700)	(400,700)	(400,700)
Net Effect	\$1,867,900	\$2,037,700	\$2,037,700	\$2,037,700	\$2,037,700

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** DHR has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

## Analysis

**Current Law:** The purpose of the Community Services Administration is to combat unemployment by establishing youth and work-training programs, urban and rural community action programs, employment and investment incentive programs, and work-experience programs. The administration maintains liaison with citizen groups and federal, State, and local agencies regarding economic opportunity programs. The administration is authorized to collect and disseminate information on available programs through advertisements, conferences, programs, and other means.

**Background:** According to DHR, the Community Services Administration has not achieved its goal of integrating State, local, and community unemployment programs with other departmental programs and services. The proposed reorganization is intended to eliminate redundancy in the department and improve service delivery. Proposed changes are detailed in **Exhibit 1**.

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### Exhibit 1 Proposed Department of Human Resources Reorganization

<u>Community Services Administration Unit</u>	<u>Action</u>	<u>Designated Unit</u>
Office of Home Energy Programs Office for New Americans	Transferred	Family Investment Administration
Office of Adult Services	Transferred	Social Services Administration
Maryland Legal Services Program	Transferred	Office of the Secretary
Office of Victim Assistance Office of Transitional Services Office of Community Initiatives	Consolidated in new unit	Office of Grants Management

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The entire staff complements of the following programs are expected to transfer: Office of Adult Services, Maryland Legal Services Program, Office of Home Energy Programs, and Maryland Office for New Americans.

Of 23 personnel in the Office of Victim Assistance, Office of Transitional Services, and Office of Community Initiatives, 12 will be assigned to a newly established Office of Grants Management. The remaining filled positions, as well as positions within the office of the executive director, are expected to be reassigned within the department.

**State Fiscal Effect:** The fiscal 2009 operating budget recognizes savings of \$1.9 million due to the planned reorganization of the department; of this amount, \$1.5 million is general fund savings. The budget assumes a transition period of one month, after which salaries and wages are reduced by a total of \$1.6 million. The remainder of savings results from reduced communication, travel, supply, and related expenditures.

DHR advises that reorganization will begin upon passage of the legislation, with the transfer of funds effected through a supplemental budget. The department has not indicated how the budgeted savings will be achieved should this bill fail.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Human Resources, Department of Legislative Services

**Fiscal Note History:** First Reader - March 6, 2008  
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