

D18A18
Governor's Office for Children and Interagency Fund

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$24,076	\$21,891	\$20,585	-\$1,306	-6.0%
Adjustments	0	-3,389	-7	3,382	
Adjusted General Fund	\$24,076	\$18,502	\$20,578	\$2,076	11.2%
Special Fund	3	0	0	0	
Adjusted Special Fund	\$3	\$0	\$0	\$0	
Reimbursable Fund	0	52	52	0	
Adjusted Reimbursable Fund	\$0	\$52	\$52	\$0	0.0%
Adjusted Grand Total	\$24,079	\$18,554	\$20,630	\$2,076	11.2%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- The fiscal 2018 adjusted allowance for the Governor's Office for Children (GOC) and the Children's Cabinet Interagency Fund (CCIF) increases by \$2.1 million, or 11.2%, compared to the fiscal 2017 adjusted working appropriation. Reimbursable funds in the allowance are due to a grant for salaries between the CCIF and GOC.
- Increases in the fiscal 2018 allowance are driven by the inclusion of \$2.0 million in competitive funding to local management boards (LMB).

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

For further information contact: Jared S. Sussman

Phone: (410) 946-5530

Personnel Data

	<u>FY 16 Actual</u>	<u>FY 17 Working</u>	<u>FY 18 Allowance</u>	<u>FY 17-18 Change</u>
Regular Positions	16.50	16.00	16.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	16.50	16.00	16.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/16	2.00	12.50%

- Turnover expectancy is budgeted at 0.0%.
- As of December 31, 2016, GOC has a vacancy rate of 12.5%, or 2 vacant positions.

Analysis in Brief

Major Trends

Out-of-state Placements: Maryland’s goal is to be able to provide the services that children need within the State. A single day count of out-of-state placements taken in January 2016 found that 248 children were receiving services outside of the State. This is 53 fewer than in calendar 2015.

Out-of-home Placements: The number of children residing in out-of-home placements has declined by an average of 9.2% over the four most recent years. With the exception of Baltimore City, jurisdictions with low population densities tend to have higher out-of-home placement rates.

Issues

LMB Funding: Narrative in the 2016 *Joint Chairmen’s Report* (JCR) requested that GOC submit a report on LMB funding. The report included information on the allocation of funding by jurisdiction and to individual programs within each jurisdiction.

Report on Childhood Obesity: Narrative in the 2015 JCR requested that GOC work with member agencies of the Children’s Cabinet, community stakeholders, and outside experts to evaluate State-level initiatives to address child obesity and teen diabetes, as well as initiatives targeted at educating children and youth on healthy eating. This issue discusses findings of that collaborative effort.

Transfer of Care Management Entity: During the 2016 session, GOC indicated that the Care Management Entity (CME) program was being transferred to the Department of Health and Mental Hygiene (DHMH) to combine with the Targeted Case Management Program. Narrative in the 2016 JCR requested that GOC work with DHMH to submit a report detailing the services offered under the CME and the structure of the CME program before and after the transfer. The new program under DHMH has yet to enroll the same number of youth as the CME program.

Recommended Actions

	<u>Funds</u>
1. Adopt committee narrative to request an out-of-home placement report.	
2. Reduce appropriation intended for training and technical assistance.	\$ 100,000
3. Delete a deficiency appropriation intended for personnel costs.	100,775
Total Reductions to Fiscal 2017 Deficiency Appropriation	\$ 100,775
Total Reductions to Allowance	\$ 100,000

D18A18 – Governor’s Office for Children and Interagency Fund

D18A18
Governor's Office for Children and Interagency Fund

Operating Budget Analysis

Program Description

The Governor's Office for Children (GOC) oversees a coordinated, comprehensive, interagency approach to the development of integrated systems of care that are child and family focused and driven; emphasize prevention, early intervention, and community-based services for all children and families; and pay special attention to at-risk populations. GOC informs and supports the collective and specific work of the Children's Cabinet; works with local management boards (LMB) to plan, coordinate, and monitor the delivery of integrated services along with full continuum of care; oversees the use of monies from the Children's Cabinet Interagency Fund (CCIF) in accordance with policies and procedures established by the Children's Cabinet; and assists the Children's Cabinet in the allocation of any funds assigned for distribution as grants.

GOC promotes the State's vision for a stable, safe, and healthy environment for children and families. GOC supports the implementation of the Child and Family Services Interagency Strategic Plan, including interagency policies to carry out the plan and efficient interagency use of federal and State funds.

The Children's Cabinet works to ensure the effective, efficient, and comprehensive delivery of services to Maryland's children and families by coordinating the programs, policies, and budgets of the State child-serving agencies. The Children's Cabinet includes the secretaries of Budget and Management; Disabilities; Health and Mental Hygiene; Human Resources; Labor, Licensing, and Regulation; Juvenile Services; and Public Safety and Correctional Services, as well as the State Superintendent of Schools and the executive director of the Governor's Office of Crime Control and Prevention, and is chaired by the executive director of GOC. The Children's Cabinet maintains an interagency fund, enters into agreements with LMBs and other organizations, implements an interagency effort to maximize available resources, and uses outcome measures and fiscal incentives to ensure more effective use of State funds. The Interagency Fund is administered by GOC on behalf of the Children's Cabinet.

The key goals of GOC are to:

- work with LMBs and other State and local stakeholders to increase the capacity of communities to meet the specific needs of their jurisdictions' children and families;
- use data and technology to continuously monitor and evaluate outcomes;
- improve fiscal efficiency and accountability of programs that serve children and families, particularly those funded through the CCIF; and

D18A18 – Governor’s Office for Children and Interagency Fund

- provide support and assistance to the Children’s Cabinet, the Children’s Cabinet Implementation Team, the State Coordinating Council, and other interagency committees.

The key goals of the Interagency Fund are to:

- use a collaborative, results-oriented accountability framework to track and evaluate the well-being of children across the State and in each jurisdiction through eight identified Results for Child Well-being; and
- work collaboratively to ensure a safe, stable, and healthy environment for children and families through coordinated policy recommendations to Governor Lawrence J. Hogan, Jr.

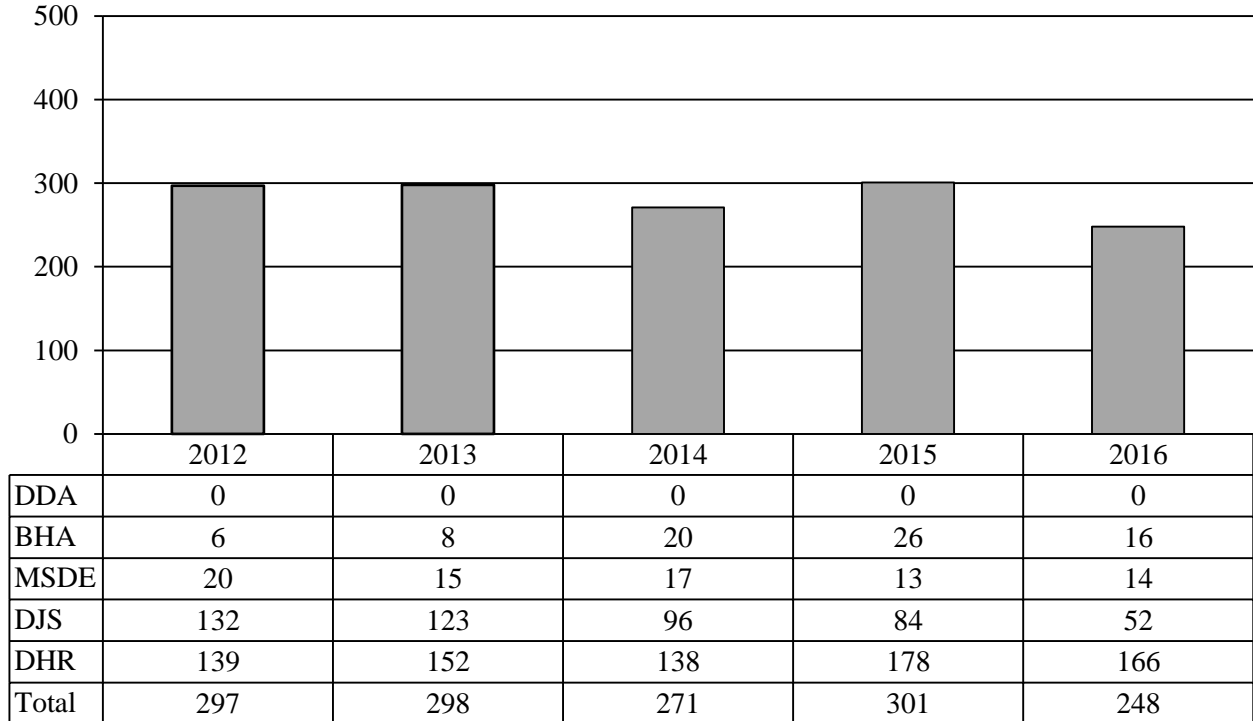
Performance Analysis: Managing for Results

1. Out-of-state Placements

Except in instances when children are placed with relatives out of the State, Maryland’s goal is to be able to provide the services that children need within the State. **Exhibit 1** shows a single day count of out-of-state placements taken in January of each year, 2012 to 2016. The 2016 count decreased to 248 from the high of 301 in 2015. The number of out-of-state placements decreased in every agency that makes placements, except the Maryland State Department of Education (MSDE), which increased by 1 from 2015. Since 2011, the Developmental Disabilities Administration has had no out-of-state placements.

At the time of the single day count, 54 of the Department of Human Resource’s (DHR) 166 placements were in community-based programs. Of the 54 children placed in community-based programs, 32 were at Advoserve in Delaware. Following the death of a child in September, DHR canceled its contract with Advoserve. Children that were formerly placed at Advoserve have been moved to in-state and other out-of-state facilities. As a result, as of October 2016, community-based out-of-state placements at DHR decreased to 31.

Exhibit 1
Out-of-state Placements – Single Day Count by Responsible Agency
January 31, 2012-2016



BHA: Behavioral Health Administration
 DDA: Development Disabilities Administration
 DHR: Department of Human Resources

DJS: Department of Juvenile Services
 MSDE: Maryland State Department of Education

Source: Governor’s Office for Children

2. Out-of-home Placements

Building family stability for children and reducing out-of-home placements is a goal of the State. The number of out-of-home placements counted during the one-day census has steadily decreased since 2010. As shown in **Exhibit 2**, the number of placements has decreased by an annual average rate of 9.2% over the most recent four years. The largest percent decrease between 2014 and 2015 is placements with no category identified (-72.0%), which decreased from 328 to 92 individuals. Hospitalization increased from 25 individuals in 2015 to 58 in 2016, which represents a 132.0% increase. It is unclear whether increases in placement categories in the last year are due to increased categorization of placements that would previously have been assigned to no category.

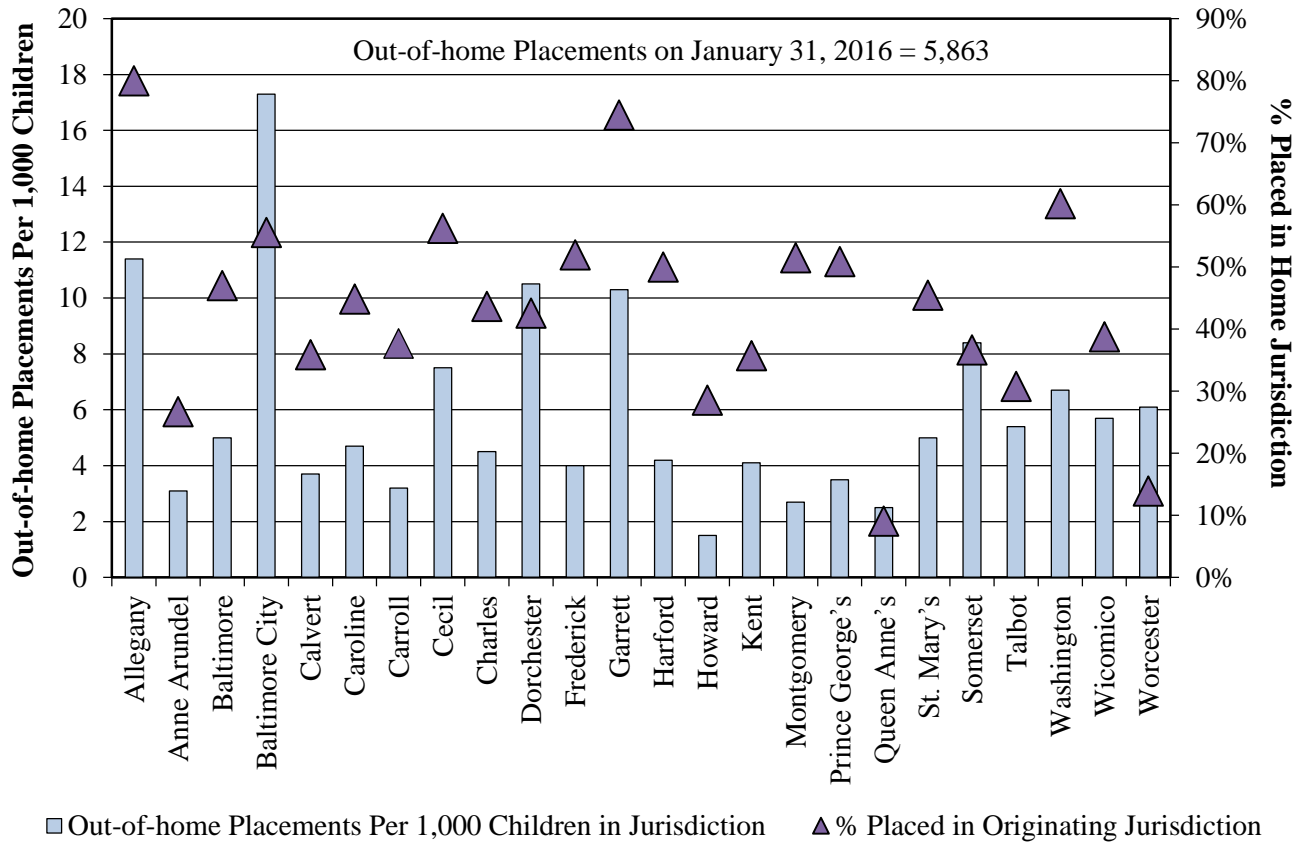
Exhibit 2
All Agency Out-of-home Placement Trends
Calendar 2013-2016

<u>Category</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Average Change</u>	<u>Last Year Change</u>
Community-based Residential Placement	1,335	1,161	1,009	1,015	-8.7%	0.6%
Family Home Settings	4,619	4,114	3,594	3,612	-7.9%	0.5%
Hospitalization	31	25	25	58	23.2%	132.0%
Noncommunity-based Residential Placement	1,514	1,482	1,095	1,086	-10.5%	-0.8%
Placement Category Not Available	324	322	328	92	-34.3%	-72.0%
All Categories	7,823	7,104	6,051	5,863	-9.2%	-3.1%

Source: Governor’s Office for Children

Exhibit 3 shows the rate of new out-of-home placements per 1,000 children in each jurisdiction and the percentage placed in the originating jurisdiction. With the exception of Baltimore City, the jurisdictions with the highest out-of-home placements are low-population density jurisdictions. Baltimore City remains the highest in the State, with 17.3 placements per 1,000 children. Although Baltimore City and low-population density jurisdictions have the highest out-of-home placements, these jurisdictions generally have a higher percentage of placements in the originating jurisdiction.

**Exhibit 3
New Out-of-home Placement Rates Per 1,000 Children by Jurisdiction
Fiscal 2016**



Source: Governor’s Office for Children

Fiscal 2017 Actions

Planned Reversion and Cost Containment

Language in the fiscal 2017 budget restricted \$3.5 million of the CCIF appropriation that was intended for LMB base funding for two specific purposes. The budget language restricted \$1,823,709 of the appropriation for allocation to Youth Services Bureaus (YSB) and \$1,665,915 of the appropriation for navigation or case management services. These funds were not released to the CCIF and are included in the list of planned reversions at the close of fiscal 2017. Some YSBs and some navigation/case management programs ultimately received funding in fiscal 2017 through the LMB base funding.

D18A18 – Governor’s Office for Children and Interagency Fund

GOC reverted \$650,000 of the fiscal 2017 legislative appropriation for the CCIF as part of a November Board of Public Works cost containment action. The funds were originally intended for training and technical assistance. The anticipated expenditure for training and technical assistance was originally \$1.65 million. Following the cost containment, a reallocation of dollars to LMB base funding, and a budget amendment, that funding has been reduced to \$159,960.

Exhibit 4 shows the difference between anticipated expenditures for fiscal 2017 and the current proposed expenditures for fiscal 2017. All competitive funding and a large majority of funds for training and technical assistance were used to supplant the base funding that was restricted and not released. **GOC should provide examples of training and technical assistance plans that the legislative appropriation was intended for and list what is being accomplished with the remaining funds for these purposes.**

**Exhibit 4
Anticipated vs. Current Expenditure Outlook
Fiscal 2017**

	<u>Anticipated Expenditures at Start of Fiscal Year</u>	<u>Planned Reversion of Restricted Funds</u>	<u>Reallocation of Funds after Reversion</u>	<u>Board of Public Works Cost Containment</u>	<u>Budget Amendments</u>	<u>Proposed Expenditures</u>
LMB Base Funding Restricted for YSBs and Case Management	\$12,569,567		\$3,489,624			\$16,059,191
LMB Competitive Funding	3,489,624	-\$3,489,624				0
Training and Technical Assistance	2,689,939		-2,689,939			0
Young Reader’s Program	1,645,795		-799,685	-\$650,000	-\$36,150	159,960
Results Scorecard Contract	200,000					200,000
Grant to GOC for Salaries	98,075				36,150	134,225
Total	\$20,745,000	-\$3,489,624	\$0	-\$650,000	\$0	\$16,605,376

GOC: Governor’s Office on Children
LMB: local management boards
YSB: Youth Services Bureaus

Note: Funds restricted for YSBs and case management are assumed to be a portion of LMB base funding.

Source: Governor’s Office for Children; Department of Budget and Management

Deficiency Appropriation

The allowance includes a deficiency appropriation of \$100,775 in general funds. This is intended to cover additional costs for 2 positions that have been reclassified for 1 communications position and 1 director of policy position. The employees were already employed by the Administration and were transferred to GOC using existing regular positions in the agency. The reclassifications were necessary to accommodate their salaries.

Section 20 Position Abolitions

Section 20 of the fiscal 2017 budget bill included an across-the-board position reduction accompanied by an across-the-board reduction in funds to match the position reduction. In some cases, including GOC, when the position reduction was allocated across State agencies, the funding reduction did not match the actual cost of abolished positions.

One part-time position was abolished representing 0.50 full-time equivalent positions. The fiscal 2017 salary for this position is \$45,271 in general funds. There was no reduction in funds as a result of the position abolition. The remaining funds can be used to offset the personnel costs in the proposed deficiency appropriation, with any additional required funding absorbed in the agency’s budget. **Therefore, the Department of Legislative Services (DLS) recommends deleting the deficiency appropriation.**

Proposed Budget

As shown in **Exhibit 5**, the fiscal 2018 allowance, after adjusting for a planned reversion and a decrease in pension payments, increases by \$2.1 million, or 11.2%, compared to the fiscal 2017 working appropriation. Reimbursable funds in the allowance are due to a grant for salaries between the CCIF and GOC.

Exhibit 5
Proposed Budget
Governor’s Office for Children and Interagency Fund
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
Fiscal 2016 Actual	\$24,076	\$3	\$0	\$24,079
Fiscal 2017 Working Appropriation	18,502	0	52	18,554
Fiscal 2018 Allowance	<u>20,578</u>	<u>0</u>	<u>52</u>	<u>20,630</u>
Fiscal 2017-2018 Amount Change	\$2,076	\$0	\$0	\$2,076
Fiscal 2017-2018 Percent Change	11.2%			11.2%

D18A18 – Governor’s Office for Children and Interagency Fund

Where It Goes:

Personnel Expenses

Retirement contributions	\$23
Other fringe benefit adjustments	14
Employee and retiree health insurance	-42

Children’s Cabinet Interagency Fund

Competitive funding for local management boards	2,000
Training and technical assistance	150
Governor’s Young Readers program	-100

Office for Children

Travel to align with recent experience and to account for two travel-intensive positions	25
Supplies and materials for Maryland Youth Advisory Council	4
Association dues	-3
Other	5

Total **\$2,076**

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

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This agency’s share of these reductions is \$6,836 in general funds. This action is tied to a provision in the Budget Reconciliation and Financing Act of 2017.

Competitive Funding of LMBs

The allowance includes \$2.0 million in general funds to provide competitive funding to LMBs. Previously, all grants to LMBs were not awarded competitively. The fiscal 2017 legislative appropriation included \$2.7 million intended for competitive funds. However, as noted previously, competitive funding was redirected to maintain base funding levels following the planned reversion in fiscal 2017. Therefore, no competitive grants were awarded in fiscal 2017.

Training and Technical Assistance

Training and technical assistance increases by \$150,000, compared to the fiscal 2017 working appropriation. As with competitive funding, training and technical assistance funding was redirected to maintain base funding levels following the planned reversion in fiscal 2017. As a result, the

allowance is much lower from the \$1.65 million than was originally intended in fiscal 2017. **DLS recommends reducing the funding by \$100,000, which will allow for a 31% increase over fiscal 2017.**

Imagination Library

The fiscal 2018 allowance includes \$100,000 for the imagination library, a decrease of \$100,000 compared to the fiscal 2017 working appropriation. The decrease is to align with actual spending in the program. A grant was awarded to the Family League of Baltimore for the full appropriation of \$200,000 in fiscal 2017. GOC does not expect the Family League of Baltimore to expend the entire amount in fiscal 2017. Some of the fiscal 2017 grant will be used in fiscal 2018 in addition to the \$100,000 in the allowance. **GOC should provide enrollment numbers and an update on future plans for the program, including whether it will expand across the State and whether it will continue to be funded through the CCIF.**

Issues

1. LMB Funding

GOC changed the way in which the CCIF awards grants to LMBs. Beginning in fiscal 2019, all funding to LMBs will be allocated competitively. Competitive allocations will be based on the Governor’s four strategic initiatives to reduce:

- the impact of parental incarceration on children, families, and communities;
- disconnected youth;
- childhood hunger; and
- youth homelessness.

In order to ensure that LMBs were prepared for the change in grant awards, GOC indicated that competitive funding would ramp upward over a three-year period beginning in fiscal 2017:

- ***Fiscal 2017:*** \$16.0 million base funding and \$2.7 million in competitive awards;
- ***Fiscal 2018:*** \$16.0 million base funding and \$5.8 million in competitive awards; and
- ***Fiscal 2019:*** \$21.8 million in competitive awards.

Following the loss of competitive grant funds in fiscal 2017, the decision was made to decrease the competitive funds from what was planned in fiscal 2018. However, GOC still plans to award all funding from the CCIF competitively, based on the Governor’s four initiatives, in fiscal 2019.

There is some concern that competitive funding will neglect LMBs where the issues in their jurisdictions are unrelated to the four specific initiatives. Additionally, successful programs that have received funding in previous years may lose funding because they do not directly address one of the four initiatives. The way in which LMBs are being evaluated is also being changed, which may potentially affect allocations.

Narrative in the 2016 *Joint Chairmen’s Report* (JCR) requested that GOC conduct a report on LMB funding, which includes:

- funding allocations to LMBs in fiscal 2016 and 2017;
- funding to LMBs from all other sources by program;

D18A18 – Governor’s Office for Children and Interagency Fund

- all programs funded through LMBs in fiscal 2016 and 2017, including whether the funding is sourced from base LMB funding or part of the competitive allocations;
- identification of which of the four strategic initiatives each funded program addresses;
- identification of programs that were rejected for funding, including an explanation for rejection; and
- a description of performance measures used in the Results Scorecard, including how performance data will be used to determine what programs will receive funding in future years.

LMB Program Funding Allocations

LMBs received the same allocation of funds in fiscal 2017 as in fiscal 2016 (see **Exhibit 6**). As stated previously, GOC originally intended to award an additional \$2.7 million in competitive grants. Due to the Administration’s decision to revert restricted funds, GOC chose to offset that loss by using funds intended for competitive grants and additional funds intended for technical assistance to maintain level funding in fiscal 2017.

Exhibit 6
Children’s Cabinet Interagency Fund Distribution
Fiscal 2017

<u>Jurisdiction</u>	<u>2017</u>
Allegany	\$462,798
Anne Arundel	1,114,752
Baltimore City	2,478,978
Baltimore	1,101,963
Calvert	249,422
Caroline	563,425
Carroll	513,102
Cecil	377,865
Charles	383,826
Dorchester	433,413
Frederick	393,603
Garrett	530,263
Harford	482,994
Howard	448,049
Kent	376,358
Montgomery	1,087,701
Prince George’s	1,724,396

D18A18 – Governor’s Office for Children and Interagency Fund

<u>Jurisdiction</u>	<u>2017</u>
Queen Anne’s	335,286
St. Mary’s	401,718
Somerset	288,755
Talbot	333,643
Washington	674,447
Wicomico	764,487
Worcester	537,947
Total	\$16,059,191

Source: Governor’s Office for Children

The report includes information on the programs that LMBs funded in fiscal 2016 and 2017. **Exhibit 7** provides a count of the number of programs that lost funding in fiscal 2017 and newly funded programs. LMBs varied in the number of fiscal 2016 programs that were maintained. Five jurisdictions maintained all of their fiscal 2016 programs and were able to conform them to one of the four initiatives without establishing any new programs.

Exhibit 7
Local Management Board Old and New Program Count
Fiscal 2017

<u>Jurisdiction</u>	<u>Programs That Lost Funding</u>	<u>Newly Funded Programs</u>	<u>Percentage of Program Funding Toward New Programs</u>
Allegany	5	4	55%
Anne Arundel	7	4	14%
Baltimore City	5	2	64%
Baltimore	0	0	0%
Calvert	2	1	36%
Caroline	8	0	0%
Carroll	2	0	0%
Cecil	4	3	70%
Charles	0	0	0%
Dorchester	8	5	100%
Frederick	0	0	0%
Garrett	2	1	14%
Harford	1	0	0%
Howard	7	4	58%
Kent	8	3	54%

D18A18 – Governor’s Office for Children and Interagency Fund

<u>Jurisdiction</u>	<u>Programs That Lost Funding</u>	<u>Newly Funded Programs</u>	<u>Percentage of Program Funding Toward New Programs</u>
Montgomery	0	2	51%
Prince George’s	2	1	16%
Queen Anne’s	0	0	0%
St. Mary’s	1	0	0%
Somerset	4	2	66%
Talbot	6	5	57%
Washington	2	0	0%
Wicomico	2	3	60%
Worcester	0	0	0%
Total	76	40	

Source: Governor’s Office for Children

Governor’s Strategic Initiatives

LMBs were not required to conform fiscal 2017 programs to the Governor’s strategic initiatives. However, many LMBs did change programs to address the strategic goals due to the requirement that all funding will be based on these goals in fiscal 2019.

Of the 124 programs funded through LMBs in fiscal 2017, only 10 did not address one of the four strategic initiatives. This is the case even though a majority of the total programs funded carried over from fiscal 2016. It raises the question of how GOC decides that a program addresses one of the initiatives. Some program descriptions are vague and can fit into any initiative. **GOC should explain how it decides that a program meets one of the four Governor’s strategic initiatives, including all criteria that inform the decision and whether specificity of the program is taken into account.**

The programs that did not meet at least one of the four goals encompass nearly \$1 million, or 6.2% of all LMB funding from the CCIF. A majority of program funding in Baltimore County does not address one of the four initiatives, while Anne Arundel, Cecil, Washington, Wicomico, and Worcester counties all have at least one program that does not address one of the initiatives. **GOC should explain whether it is working with the identified jurisdictions to ensure that they are prepared to alter the programs that they offer by fiscal 2019.**

2. Report on Childhood Obesity

Narrative in the 2015 JCR requested that GOC work with member agencies of the Children’s Cabinet, community stakeholders, and outside experts to evaluate State-level initiatives to address childhood obesity and teen diabetes, as well as initiatives targeted at educating children and

youth on healthy eating. The request for information is due to concern from the budget committees about the increasing rates of child obesity and teen diabetes among Maryland’s children and youth.

The report made three recommendations to address childhood obesity and teen diabetes:

- enhance collaborative focus on the issue;
- use existing local councils, coalitions, and workgroups to coordinate work and messaging at the local level; and
- study the feasibility and benefit of developing and collecting body mass index (BMI) data across the State.

Collaborative Focus

The report recommends transitioning the discussion on childhood obesity to the Partnership to End Childhood Hunger in Maryland. The partnership is a coalition of nutrition and food access experts. The partnership can eventually develop policy recommendations and implementation strategies.

Coordinate Work and Messaging at Local Level

The report recommends that State-level agencies such as MSDE, the Department of Health and Mental Hygiene (DHMH), the Department of Juvenile Services, and DHR identify opportunities to connect their work with local jurisdictions.

BMI Feasibility

The final recommendation involves the use of data to bolster what objective data that already exists. The report concludes that the State Health Council should work with partners to assess the availability of BMI data, determine data gaps, and assess the benefit and feasibility of collecting BMI data from children.

GOC should provide an update on implementation of any of the recommendations of the report since its submission in May 2016.

3. Transfer of Care Management Entity

During the 2016 legislative session, GOC indicated that the Care Management Entity (CME) program was being transferred to DHMH to combine with the Targeted Case Management Program. Narrative in the 2016 JCR requested that GOC work with DHMH to submit a report detailing the services offered under the CME and the structure of the CME program before and after the transfer.

D18A18 – Governor’s Office for Children and Interagency Fund

The CME program was established as the entry point for specific youth populations that coordinated their specific needs. The goal of the program was to serve youth in a nonrestrictive community environment while preventing restrictive placements. The average enrollment in the CME program in fiscal 2015 and 2016 was 300 youth, with approximately 80% enrolled in Medicaid.

On August 1, 2016, DHMH launched Targeted Case Management Plus (TCM Plus). TCM Plus is an additional piece of the Targeted Case Management Program that DHMH already offered and is meant to serve the target population of the CME that was previously administered through GOC. TCM Plus will serve 250 Medicaid enrolled youth and 50 nonMedicaid enrolled youth, which closely matches the average enrollment for CME.

As of November 10, 2016, 148 youth were enrolled in TCM Plus. It is expected that 300 youth will be enrolled by the close of fiscal 2017. However, as noted previously, 300 enrolled youth was the average enrollment in the CME program, not the end-year goal. This raises the concern that there are youth that would have otherwise been enrolled in the CME program that did not enroll in TCM Plus following the transfer of services. **GOC should explain why enrollment is lower in TCM Plus and provide an updated count of the number enrolled.**

TCM Plus has already enrolled the budgeted amount of nonMedicaid youth. Of the 148 enrollees, 98 are enrolled in Medicaid and 50 are not. Youth are eligible for six months. If all 50 slots are filled, a waitlist is used. **GOC should provide the number of nonMedicaid youth currently on the waitlist and comment on whether all youth that request the service in fiscal 2017 will be able to enroll.**

Recommended Actions

1. Adopt the following narrative:

Out-of-home Placements: To facilitate evaluation of Maryland’s family preservation programs in stemming the flow of children from their homes, the Governor’s Office for Children (GOC), on behalf of the Children’s Cabinet, is requested to prepare and submit to the budget committees a report on out-of-home placements containing data on the total number of out-of-home placements and entries by jurisdiction over the previous three years and similar data on out-of-state placements. The report should also provide information on the costs associated with out-of-home placements, the reasons for new placements, and an evaluation of data derived from the application of the Maryland Family Risk Assessment. Data should also be collected concerning indicated findings of child abuse and neglect occurring while families are receiving family preservation services or within one year of case closure. Each agency or administration that funds or places children and youth in out-of-home placements is requested to work closely with GOC and comply with any data requests necessary for production of the report.

Information Request	Author	Due Date
Report on out-of-home placements	GOC	December 15, 2017

	<u>Amount Reduction</u>	
2. Reduce appropriation intended for training and technical assistance. The reduction still allows for a 31% increase over planned fiscal 2017 spending.	\$ 100,000	GF
3. Delete a deficiency appropriation intended for personnel costs.	100,775	GF
Total Reductions to Fiscal 2017 Deficiency	\$ 100,775	
Total General Fund Reductions to Allowance	\$ 100,000	

Appendix 1
Current and Prior Year Budgets
Governor’s Office for Children and Interagency Fund
(\$ in Thousands)

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
Fiscal 2016					
Legislative Appropriation	\$24,220	\$0	\$0	\$0	\$24,220
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	29	3	0	0	32
Reversions and Cancellations	-173	0	0	0	-173
Actual Expenditures	\$24,076	\$3	\$0	\$0	\$24,079
Fiscal 2017					
Legislative Appropriation	\$22,519	\$0	\$0	\$52	\$22,571
Cost Containment	-650	0	0	0	-650
Budget Amendments	22	0	0	0	22
Working Appropriation	\$21,891	\$0	\$0	\$52	\$21,943

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

The Governor’s Office for Children (GOC) and the Children’s Cabinet Interagency Fund (CCIF) fiscal 2016 legislative appropriation was decreased by \$140,904.

The appropriation was increased by \$31,967 through three budget amendments: an amendment that restored a 2% cut to employee salaries increased the general fund appropriation by \$22,000; an amendment to realign health insurance costs across State agencies that increased the general fund appropriation by \$7,000; and an amendment to provide funds to support the Maryland Youth Advisory Council established a special fund appropriation of \$2,966.

Reversions to the general fund totaled \$172,870. GOC reverted \$83,244 to the General Fund that was intended for the State Children, Youth, and Families Information System, which has been permanently shut down. A \$60,000 reversion to the General Fund is the result of reimbursement to the CCIF for the Governor’s Young Readers Program. The remaining \$29,626 reversion is the result of less than expected expenditures on two contracts.

Fiscal 2017

To date, GOC’s fiscal 2017 budget has decreased by \$628,107. Board of Public works cost containment actions reduced the appropriation by \$650,000 that was originally intended for training and technical assistance to local management boards. This decrease was partially offset by an amendment that allocates centrally budgeted salary increments across State agencies and increases the general fund appropriation by \$21,893.

Appendix 2
Object/Fund Difference Report
Governor's Office for Children and Interagency Fund

<u>Object/Fund</u>	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u> <u>Appropriation</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17 - FY 18</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	16.50	16.00	16.00	0.00	0%
Total Positions	16.50	16.00	16.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 1,508,892	\$ 1,731,766	\$ 1,834,069	\$ 102,303	5.9%
02 Technical and Spec. Fees	399	3,839	2,000	-1,839	-47.9%
03 Communication	19,657	20,269	18,879	-1,390	-6.9%
04 Travel	20,336	11,850	36,522	24,672	208.2%
07 Motor Vehicles	1,343	5,360	2,597	-2,763	-51.5%
08 Contractual Services	37,246	46,766	47,742	976	2.1%
09 Supplies and Materials	8,259	6,300	9,680	3,380	53.7%
10 Equipment – Replacement	19,472	14,550	15,206	656	4.5%
11 Equipment – Additional	4,755	0	10,107	10,107	N/A
12 Grants, Subsidies, and Contributions	22,455,374	20,095,000	18,655,376	-1,439,624	-7.2%
13 Fixed Charges	3,623	7,073	4,523	-2,550	-36.1%
Total Objects	\$ 24,079,356	\$ 21,942,773	\$ 20,636,701	-\$ 1,306,072	-6.0%
Funds					
01 General Fund	\$ 24,076,390	\$ 21,890,773	\$ 20,584,701	-\$ 1,306,072	-6.0%
03 Special Fund	2,966	0	0	0	0.0%
09 Reimbursable Fund	0	52,000	52,000	0	0%
Total Funds	\$ 24,079,356	\$ 21,942,773	\$ 20,636,701	-\$ 1,306,072	-6.0%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

Appendix 3
Fiscal Summary
Governor's Office for Children and Interagency Fund

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Governor's Office for Children	\$ 1,623,982	\$ 1,847,773	\$ 1,981,325	\$ 133,552	7.2%
01 Children's Cabinet Interagency Fund	22,455,374	20,095,000	18,655,376	-1,439,624	-7.2%
Total Expenditures	\$ 24,079,356	\$ 21,942,773	\$ 20,636,701	-\$ 1,306,072	-6.0%
General Fund	\$ 24,076,390	\$ 21,890,773	\$ 20,584,701	-\$ 1,306,072	-6.0%
Special Fund	2,966	0	0	0	0.0%
Total Appropriations	\$ 24,079,356	\$ 21,890,773	\$ 20,584,701	-\$ 1,306,072	-6.0%
Reimbursable Fund	\$ 0	\$ 52,000	\$ 52,000	\$ 0	0%
Total Funds	\$ 24,079,356	\$ 21,942,773	\$ 20,636,701	-\$ 1,306,072	-6.0%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.