

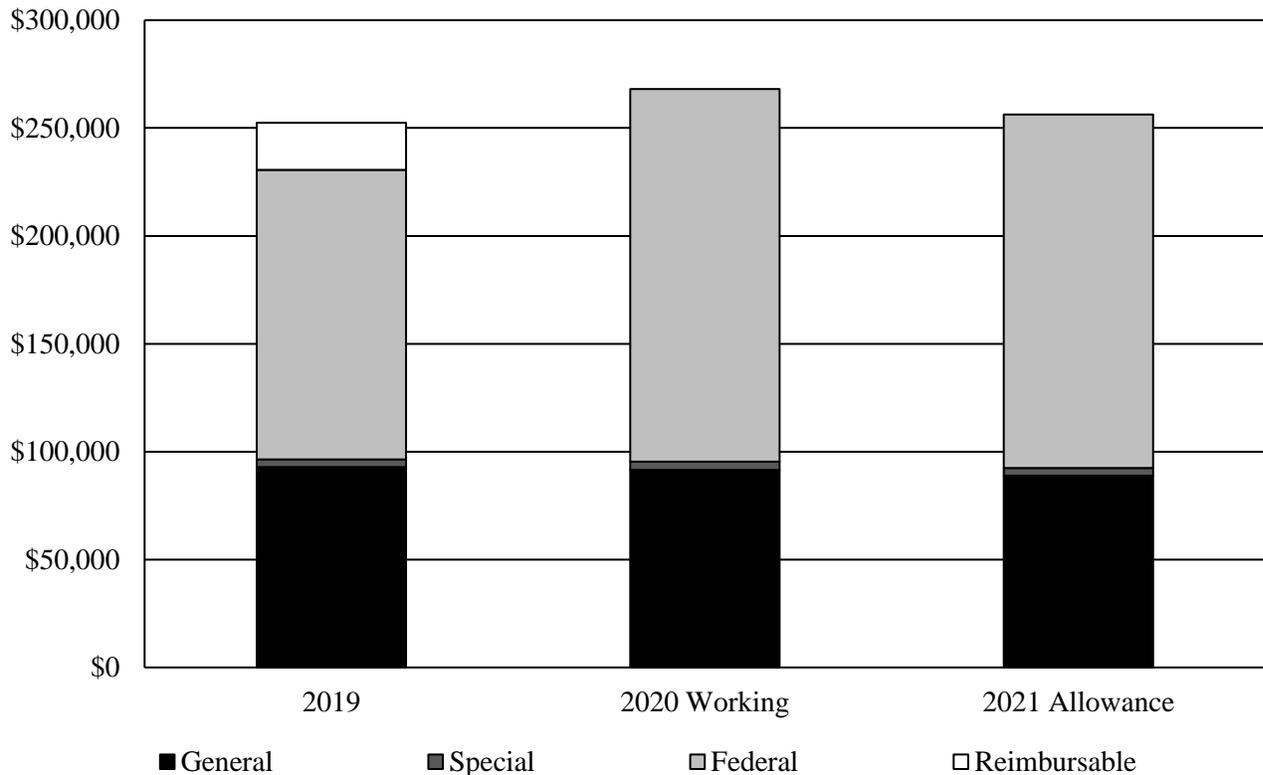
N00A01
Administration
Department of Human Services

Executive Summary

The Department of Human Services (DHS) Administration provides direction, coordination, financial services, information technology (IT) management, and overall operational support for all DHS programs and activities.

Operating Budget Summary

Fiscal 2021 Budget Decreases \$11.8 Million or 4.4% to \$256.3 Million
(\$ in Thousands)



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 fiscal 2021 budget decreases 4.4% from fiscal 2020 levels. This decrease is mainly due to decreased spending for the Maryland Total Human-services Information Network (MD THINK) Major IT Development Project.

Key Observations

- ***MD THINK Project Cost Increases Substantially:*** The Governor’s Fiscal 2021 Budget Books show that the total cost of the MD THINK project increased \$156.2 million compared to the estimate provided in the Governor’s Fiscal 2020 Budget Books. A portion of this growth occurs in fiscal 2020, for which the fiscal 2021 budget includes a \$61.1 million deficiency.

Operating Budget Recommended Actions

	<u>Funds</u>
1. Add language restricting the appropriation for the Maryland Legal Services Program to that purpose.	
2. Adopt narrative requesting a review of factors impacting social worker retention.	
3. Align appropriation for Maryland Total Human-services Information NetworkK with project needs.	\$ 7,500,000
4. Add language requiring a report on the planned Maryland Total Human-services Information NetworkK timeline and expenditures.	
5. Adopt narrative requesting bimonthly reports of Maryland Total Human-services Information NetworkK development and expenditures.	
6. Add language restricting funds until a Memorandum of Understanding is signed to allow for inclusion of Medicaid data in the annual Life After Welfare report.	
Total Reductions	\$ 7,500,000

Updates

- The Automated Financial System is completed ahead of the estimate provided in the Governor’s Fiscal 2020 Budget Books.

N00A01
Administration
Department of Human Services

Operating Budget Analysis

Program Description

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

- Office of the Secretary;
- Operations Office;
- Office of Technology for Human Services (OTHS); and
- local general administration.

The key goal of DHS Administration is to be recognized as a national leader among human services agencies.

Office of the Secretary

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

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

Operations Office

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

OTHS

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

- the Child Support Management System (CSMS);
- Child Juvenile and Adult Management System (CJAMS), the replacement of the Maryland Children’s Electronic Social Services Information Exchange;
- the Client Automated Resource and Eligibility System;
- the shared data platform of the Maryland Total Human-services Information Network (MD THINK);
- the Office of Home Energy Programs data system; and
- WORKS, the computer system for the Work Opportunities Program.

Local General Administration

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

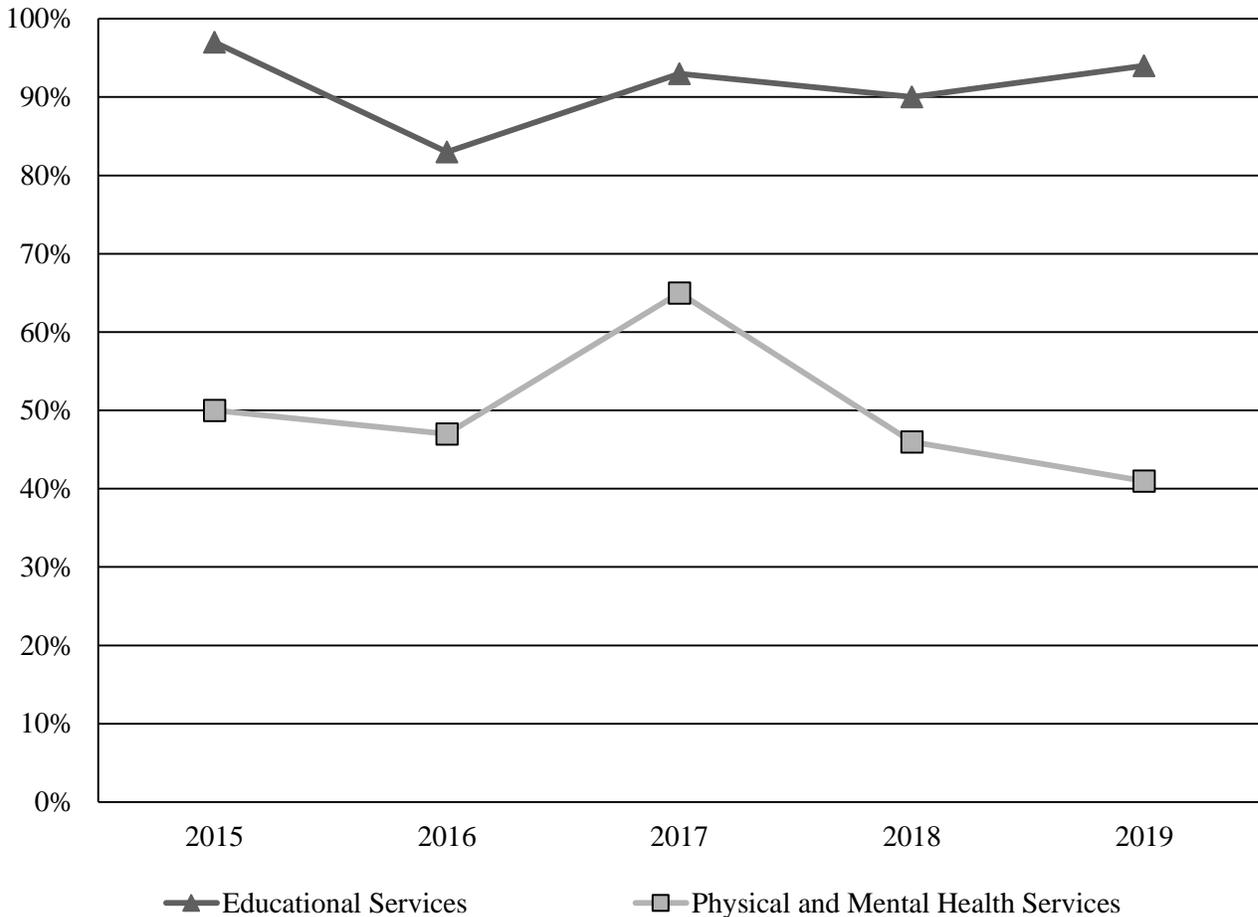
Performance Analysis: Managing for Results

1. Provision of Appropriate Services to Children

The Citizens’ Review Board for Children tracks the percent of applicable cases reviewed in which children receive appropriate services. The previously stated goals for these measures were that 85% of youth receive appropriate educational services and 85% of youth receive appropriate physical and mental health services. **Exhibit 1** shows that from fiscal 2015 to 2019, no less than 80% of applicable cases received appropriate educational services. Over the same timeline, physical and mental health services were much lower with just 41% of applicable cases receiving appropriate physical and

mental health services in fiscal 2019. The agency should comment on the low proportion of cases receiving appropriate physical and mental health services.

Exhibit 1
Percent of Applicable Cases Reviewed
In Which Children Receive Appropriate Services
Fiscal 2015-2019



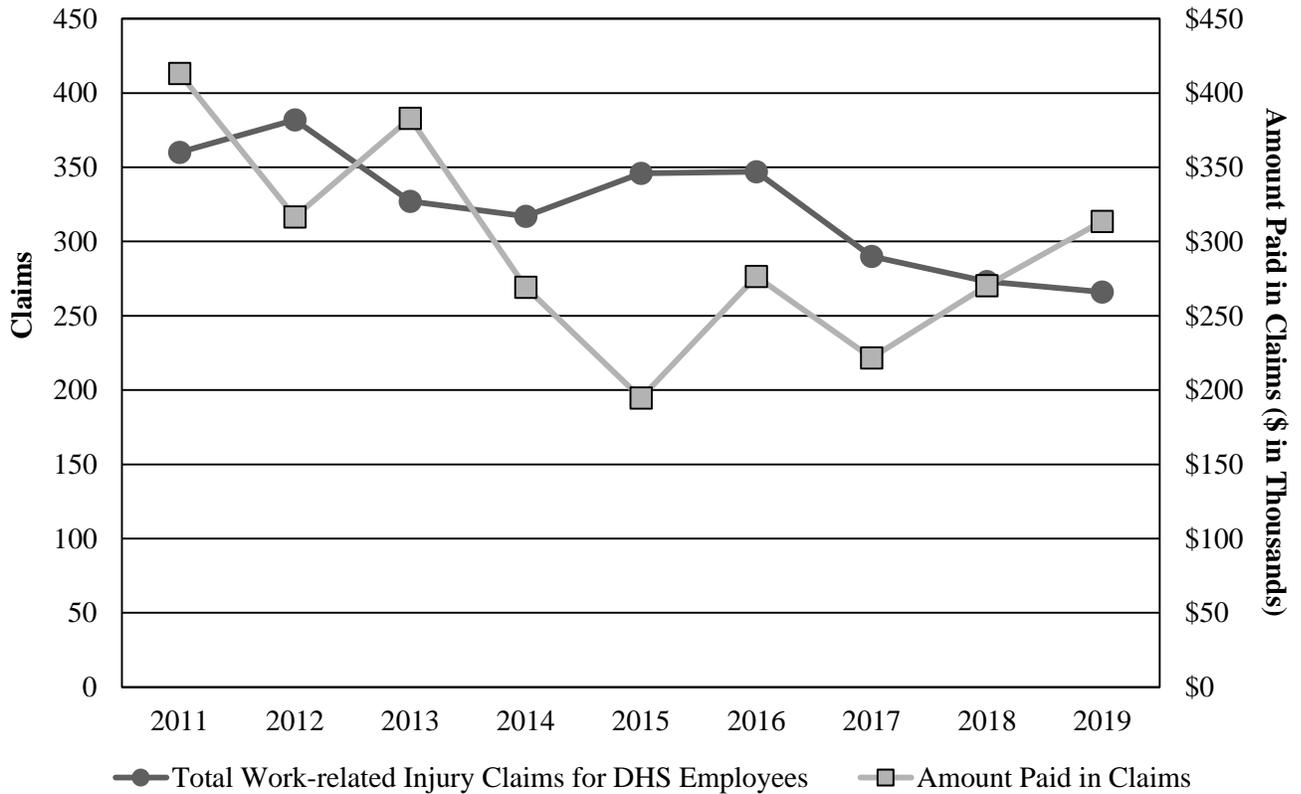
Source: Department of Human Services

2. Work-related Injuries Continue to Decline for DHS Employees

As shown in **Exhibit 2**, work-related injuries among DHS employees have declined since fiscal 2016. Between fiscal 2011 and 2019, the highest number of work-related injuries (382) occurred

in 2012, while 2019 had the lowest, with 266 injuries. Although the number of injuries has decreased overall, the amount paid in claims fluctuates, which may be related to the severity of the injury or other factors. Despite having the lowest number of injuries, fiscal 2019 had the fourth highest amount paid in claims in this period.

Exhibit 2
DHS Employees’ Work-related Injuries
Fiscal 2011-2019



DHS: Department of Human Services

Source: Department of Human Services; Department of Legislative Services

Fiscal 2020

Proposed Deficiency

The fiscal 2021 budget includes one proposed federal fund deficiency appropriation totaling \$33.9 million for DHS Administration’s MD THINK project. The general fund portion of this proposed deficiency, totaling \$27.2 million, is included in the Major Information Technology Development Project Fund (MITDPF) in the Department of Information Technology’s (DoIT) budget. Combined, these deficiency appropriations add \$61.1 million for the project in fiscal 2020 for a total fiscal 2020 allowance of \$151.6 million. These proposed deficiency appropriations are needed to cover higher than expected costs for development of MD THINK. Included in these unanticipated costs were expenditures that should reasonably have been anticipated, such as office space and parking needs as well as the full cost of software purchases that was “unrealized” at the time of the fiscal 2020 budget submission. However, it also includes scope changes in three major components of the platform.

The proposed deficiency amount accounts for anticipated fiscal 2020 levels of project spending that are higher than levels of funding originally appropriated but does not account for funding received in prior years for the project (both from the MITDPF and federal funds) that should still be available. These prior funds are available due to lower project spending than funds appropriated in those years.

As shown in **Exhibit 3**, after accounting for available funding from prior years and fiscal 2019 compared to actual project activity, \$30.9 million in unspent funding was available for fiscal 2020. Combined with the original fiscal 2020 appropriation, the deficiency appropriation for fiscal 2020 and the proposed fiscal 2021 budget, there is \$311 million in available funding to support projected spending of \$287 million in fiscal 2020 and 2021. Notwithstanding the department’s ability to actually spend that much funding on the project in two years, especially given recent experience with implementation delays, there is \$24 million more funding available than the department projects to spend. **The Department of Legislative Services (DLS) recommends reducing the fiscal 2021 general and federal fund allowance for this project to reflect project needs.** The general fund component of this recommendation is included in the DoIT analysis.

Exhibit 3
MD THINK Funding through Fiscal 2021
(\$ in Thousands)

	<u>Prior to 2019</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Funding Received	\$95,970	\$80,368	\$150,577	\$129,393	\$456,288
Project Spending Actual/Estimated	59,636	85,770	145,267	141,591	432,264
Difference	\$36,334	-\$5,403	\$5,290	-\$12,197	\$24,024

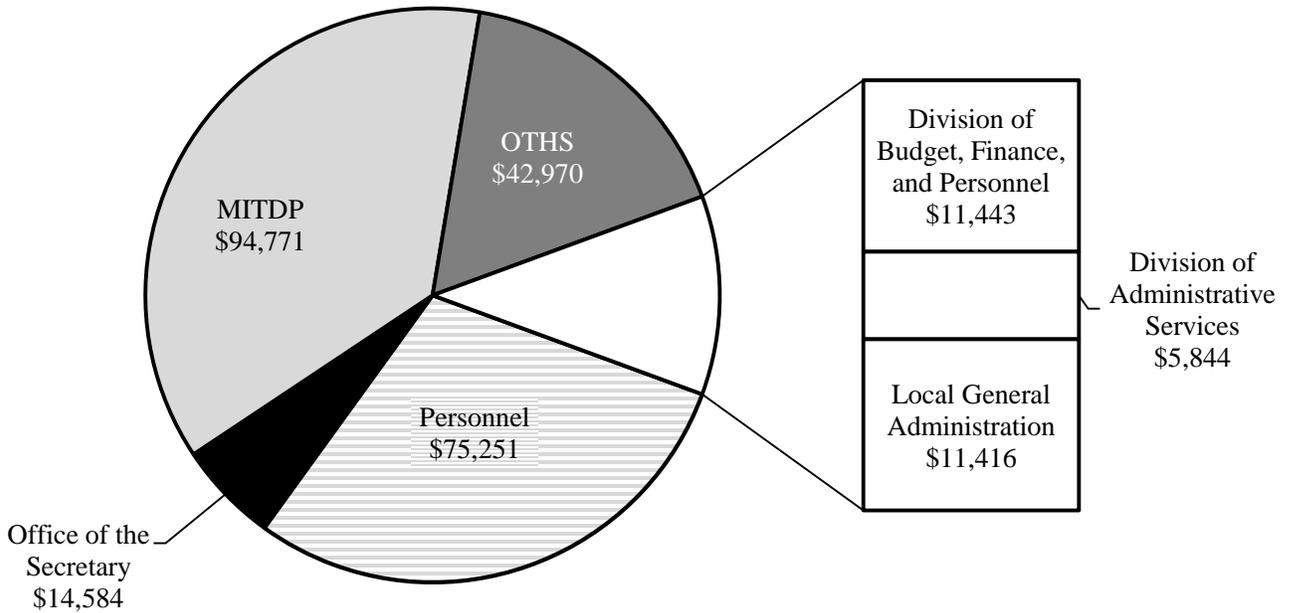
MD THINK: Maryland Total Human-services Information Network

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

Fiscal 2021 Overview of Agency Spending

As shown in **Exhibit 4**, personnel and IT spending make up a significant portion of this agency’s \$256.3 million budget. In addition to the MD THINK shared platform development, the Major IT Development Projects (MITDP) portion includes other DHS IT systems to be brought on to the shared platform, and the agency’s Voice Over Internet Protocol migration. Legacy system maintenance and other non-MITDP costs are included in OTHS.

Exhibit 4
Overview of Agency Spending
Fiscal 2021 Allowance
(\$ in Thousands)



MITDP: Major Information Technology Development Projects
 OTHS: Office of Technology for Human Services

Source: Governor’s Fiscal 2021 Budget Books

Proposed Budget Change

Exhibit 5 shows that the overall budget decreases by \$11.8 million, which is mostly driven by lower spending on the MD THINK project than in fiscal 2020, after accounting for the deficiency appropriation. However, the fiscal 2020 and 2021 data does not reflect reimbursable funds that will be transferred from DoIT for MD THINK at some point.

**Exhibit 5
Proposed Budget
DHS – Administration
(\$ in Thousands)**

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2019 Actual	\$92,878	\$3,488	\$134,212	\$21,875	\$252,454
Fiscal 2020 Working Appropriation	91,593	3,818	172,640	0	268,050
Fiscal 2021 Allowance	<u>88,874</u>	<u>3,590</u>	<u>163,816</u>	<u>0</u>	<u>256,279</u>
Fiscal 2020-2021 Amount Change	-\$2,719	-\$228	-\$8,824	\$0	-\$11,771
Fiscal 2020-2021 Percent Change	-3.0%	-6.0%	-5.1%		-4.4%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Fiscal 2020 and 2021 salary increases.....					\$710
Retirement contributions					622
Salary increases partially offset by 5 transferred positions					560
Other fringe benefit adjustments					-32
Employee and retiree health insurance					-181
MD THINK					
Software licenses					4,766
Tablet and cellphone purchases for social workers					1,652
Rent increases due to MD THINK office space growing from one floor of an office building to three floors and increased parking needs.....					1,111
Communication infrastructure upgrades to support cloud-based activities.....					873
Data center services					-2,955
Hardware purchases to support the shared platform.....					-6,547
Project management services due to a change in the procurement of these services					-8,171
Contracts for replacement of legacy systems with new systems					-10,607
Other Information Technology					
Purchase of software for non-MD THINK programs.....					2,728
New computer purchases.....					1,169
Transition of phone systems to new State VoIP solution					1,159
Purchase of software to support constituent self-service options at LDSS					474
Conclusion of the Automated Financial System project					-530
Administrative Expenses					
Expanded printing services and printing maintenance contract					380
Indirect costs for LDSS administration					94
Departmentwide leadership development training programs					30

N00A01 – DHS – Administration

Where It Goes:	<u>Change</u>
Printing expenditures for State and federally mandated forms	-50
Savings from CMS outsourced mail processing.....	-58
Courier service for State and federally mandated forms	-60
Montgomery County Block Grant to account for changes in personnel costs	-115
Aligning Expenditures with Recent Experience	
Postage for mailing clients information.....	459
Rental payments for leased vehicles.....	53
Promotional materials.....	50
Travel for outreach activities.....	48
Electricity	-60
Gas and oil.....	-62
Communication	-335
Other Adjustments	
Cost allocations.....	657
Contractual full-time equivalents	-20
Other changes	419
Total	-\$11,771

CMS: Centers for Medicaid and Medicare Services
 LDSS: Local Departments of Social Services
 MD THINK: Maryland Total Human-services Information Network
 VoIP: Voice over Internet Protocol

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.

Personnel Data

	<u>FY 19 Actual</u>	<u>FY 20 Working</u>	<u>FY 21 Allowance</u>	<u>FY 20-21 Change</u>
Regular Positions	799.23	802.23	797.23	-5.00
Contractual FTEs	<u>0.00</u>	<u>3.33</u>	<u>3.33</u>	<u>0.00</u>
Total Personnel	799.23	805.56	800.56	-5.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	55.97	7.02%
Positions and Percentage Vacant as of 12/31/19	100.10	12.48%
Vacancies Above Turnover	44.13	

- A net of 5 positions were transferred from DHS Administration to other areas of the department in the fiscal 2021 allowance to meet agency needs and better reflect the work of the position.
- The budgeted turnover rate decreases slightly from 7.12% in fiscal 2020 to 7.02% in fiscal 2021, despite DHS Administration having much higher actual vacancies than budgeted.

Issues

1. MD THINK Update

The MD THINK MITDP is intended assist the department and State with becoming more efficient and effective for the constituents it serves, especially those receiving social services and public assistance. This project is a significant undertaking for the department and requires collaboration with many stakeholders, including staff at LDSS, six State agencies, and the federal government. As noted previously, the project makes up over a third of DHS Administration’s fiscal 2021 budget.

Implementation Delays

MD THINK has received funding since fiscal 2017. Originally, funding needs were only expected to continue until fiscal 2021. However, since fiscal 2019, development has been expected to continue into fiscal 2022. The agency has identified several risks that could prevent the project from being completed on schedule: (1) the availability of federal and State resources; (2) training of LDSS’ staff; (3) and aligning the visions of the different contributors to this platform.

The Long Term Care system has been operational in the new Eligibility and Enrollment system (E&E) since fiscal 2018. In fiscal 2019, DHS successfully integrated the MHBE application with the platform. In addition, DoIT reports that case registration, referrals, case management, document generation, and other modules were successfully completed. As of the last quarterly report, DHS indicates that CSMS is currently on schedule and will be piloted in summer 2020. Statewide deployment of CSMS is expected by the end of fiscal 2021.

However, several components of the platform are currently behind schedule. CJAMS pilot deployment was expected to take place in fiscal 2019. As of this writing, CJAMS is at least one year behind. Washington County was the first CJAMS pilot jurisdiction, but necessary modifications identified in the Washington County deployment elongated this initial pilot testing period. Only recently has DHS rolled out CJAMS in the second pilot jurisdiction (Anne Arundel County). DHS now expects CJAMS to be deployed statewide by the end of fiscal 2020. The full E&E system was originally planned to be deployed statewide in fiscal 2020. However, it is currently two quarters behind, and statewide rollout is not expected until December 2021. E&E programs currently in development include the Supplemental Nutrition Assistance Program, the Temporary Cash Assistance program and non-Modified Adjusted Gross Income – Medicaid.

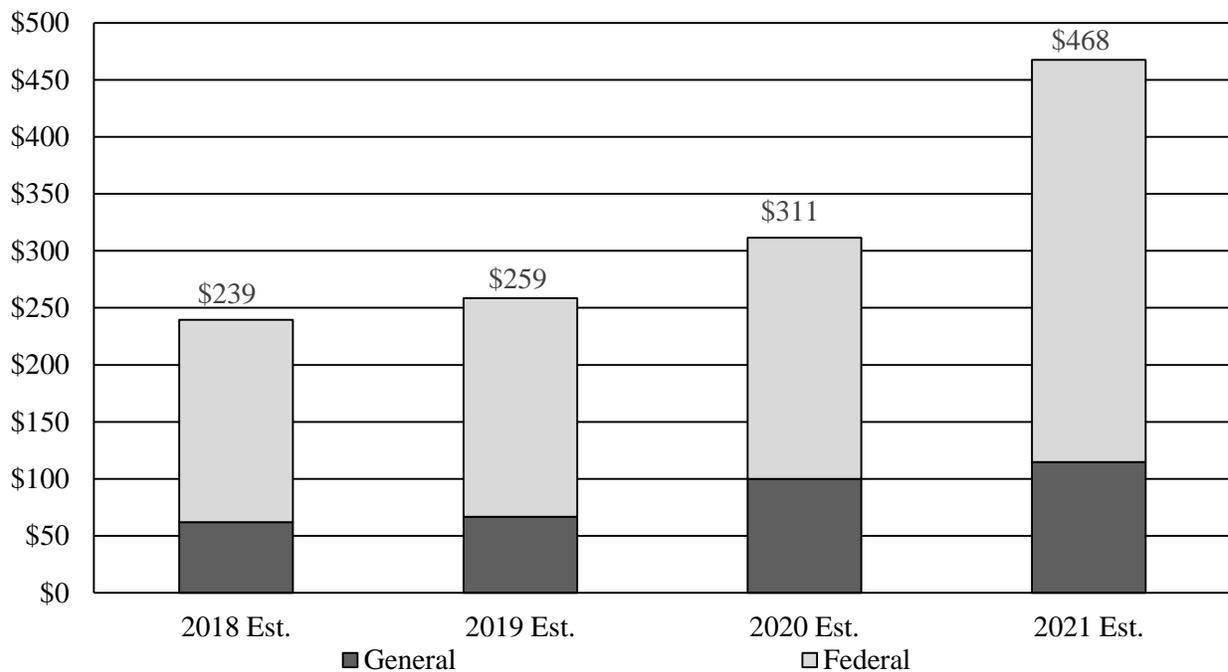
Higher Than Expected Costs

Throughout the project’s existence, the budget committees have requested quarterly reports on this project. The requested information has included project updates and approaches to resolving any issues with the system but did not specifically request information on expenditures. DHS has submitted total project cost estimates in the quarterly reports but not projected out-year spending. As of the most recent quarterly report, the total project cost from fiscal 2017 through 2020 was \$307.3 million. This figure is \$17 million more than the Governor’s Budget Books estimate for costs over this period.

The changes in the estimates for project costs are reflected in the data provided in the Governor’s Budget Books. During the 2019 session, the Governor’s Budget Books anticipated that fiscal 2020 costs would total \$115.5 million and fiscal 2021 costs would total \$39.8 million. The Governor’s Fiscal 2021 Budget Books now estimate that fiscal 2020 costs will total \$145.3 million and that fiscal 2021 costs will total \$141.6 million. The higher funding levels are due to higher than expected development needs for several components of the platform and software costs.

Exhibit 6 shows the total cost in the Governor’s Budget Books for each fiscal year since the project began to be included as a major IT project. Based on these data the total project cost has nearly doubled the original estimate. The latest estimate is \$467.7 million, 33% more expensive than the \$311.5 million estimate projected just last year. However, this estimate does not reflect the additional funding included in the deficiency appropriation, making the actual total cost of the project unclear.

Exhibit 6
Total Project Cost Estimates by Year
Fiscal 2018-2021 Est.
(\$ in Millions)



Note: The 2021 estimate does not include the \$61.1 million deficiency included in the Governor’s proposed budget but not reflected in Appendix N of the Governor’s Budget Highlights.

Source: Governor’s Fiscal 2018-2021 Budget Books

The agency should comment on the factors driving the project’s increasing cost and its plans for keeping expenditures in fiscal 2021 within the budgeted appropriation. While DLS understands that project costs can change, the variance in the several different estimates for the project’s total cost published throughout the last year are concerning, especially as the most recent estimate seems to again understate the total cost. Therefore, the agency should provide its current estimate for this project’s actual cost at completion.

Going forward, it will be helpful to receive additional information related to spending on the project. **DLS recommends restricting funds until DHS submits a report describing an anticipated project development and spending timeline for completion of the shared platform. In addition, DLS recommends requesting bimonthly reports describing expenditures, fund splits, accomplishments and delays, and progress toward the timeline submitted at the beginning of fiscal 2021. DHS should brief the committees on the likelihood that it will maintain the project schedule, requiring almost \$300 million in spending across fiscal 2020 and 2021, given the various delays experienced so far.**

Operating Budget Recommended Actions

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

Provided that this appropriation made for the purpose of the Maryland Legal Services Program may be expended only for that purpose. Funds not used for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: The language restricts the general fund appropriation of the Maryland Legal Services Program (MLSP) to that purpose and if it is not needed for that purpose requires that the funds revert to the General Fund. During the fiscal 2013 closeout process, the Department of Human Services recorded an unprovided for payable in the MLSP. That was the second consecutive year that an unprovided for payable was recorded and the fourth since fiscal 2007. Given the important functions of the MLSP, it remains necessary to ensure that the program is adequately funded. Similar language has been adopted in each of the last six fiscal years.

2. Adopt the following narrative:

Factors Affecting Low Social Worker Retention: The committees request that the Department of Human Services investigate the factors at play affecting low social worker retention rates, including but not limited to compensation, work environment, workload, adequacy of staffing, and sufficient opportunities for employee growth. The committees request that the findings regarding factors affecting low social worker retention be reported to the committees on November 1, 2019.

Information Request	Author	Due Date
Factors affecting low social worker retention	DHS	November 1, 2020

- | | <u>Amount Reduction</u> |
|--|--------------------------------|
| 3. Reduce federal funds for Maryland Total Human-services Information NetworK (MD THINK). The available funding for MD THINK through fiscal 2021 is higher than needed to cover planned expenditures, and planned expenditure levels are unlikely to be realized. A companion general fund reduction is made in the Department of Information Technology budget. | \$ 7,500,000 FF |

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

. provided that \$250,000 of this appropriation made for the purpose of general administration may not be expended until the Department of Human Services submits a report describing the timeline to completion, including detail for each system, for the Maryland Total Human-services Information NetworK development. The report should also include spending by source over the course of fiscal 2021 and 2022 with monthly milestones to be achieved.

Explanation: The fiscal 2021 allowance includes a \$66.1 million deficiency for the Maryland Total Human-services Information NetworK (MD THINK) expenditures in fiscal 2020. The total project cost has grown each year. To monitor the use of its appropriation the General Assembly is interested in further monitoring of project spending in addition to schedule and scope updates. This language restricts funding until the Department of Human Services (DHS) submits a timeline of development and spending over the remainder of the project’s estimated funding timeline.

Information Request	Author	Due Date
MD THINK spending and development timeline	DHS	July 1, 2020

5. Adopt the following narrative:

Bimonthly Maryland Total Human-services Information NetworK (MD THINK) Development and Expenditure Updates: The committees request that the Department of Human Services (DHS) provide bimonthly updates including the following information on the fifteenth day of each month in fiscal 2021:

- MD THINK encumbrances/expenditures by project component since the prior report, specifically identifying components supported by other agencies;
- the actual general/federal fund split for each category of expenditures;
- a description of the activities since the prior report;
- an update on the timeline for activities to be completed during the year; and
- a description of any schedule delays, scope changes, or cost increases including the reason for the delay or changes.

N00A01 – DHS – Administration

Information Request	Author	Due Date
Bimonthly updates of MD THINK expenditures and development	DHS	Fifteenth day of each month

6. Add the following section:

SECTION XX. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation in the Department of Human Services (DHS) and \$100,000 of the general fund appropriation in the Maryland Department of Health (MDH) made for the purpose of general administration may not be expended until DHS and MDH submit a Memorandum of Understanding (MOU), signed by the secretaries of both agencies, that provides for the sharing of Medicaid data and inclusion of this data in the Life After Welfare report from the University of Maryland School of Social Work beginning with the 2020 report. The signed MOU shall be submitted by July 1, 2020, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of the MOU may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the MOU is not submitted to the budget committees.

Explanation: The Life After Welfare Annual Update reports analyze outcomes of Temporary Cash Assistance (TCA) receipt. Nearly all of those that exit the TCA program receive Medicaid, yet this information has not been included in the Life After Welfare analysis since 2017 because this data is now owned by MDH. This language requests that an MOU be signed by both agencies to provide for sharing of Medicaid data and incorporation of Medicaid data into the Life After Welfare analysis.

Information Request	Authors	Due Date
MOU providing for the sharing of Medicaid data and inclusion of this data in the annual Life After Welfare report	DHS MDH	July 1, 2020

Total Federal Fund Reductions	\$ 7,500,000
--------------------------------------	---------------------

Updates

1. Automated Financial System Completed Ahead of Fiscal 2020 Estimate

This \$8 million MITDP received its final appropriation in fiscal 2020. The Governor’s Fiscal 2020 Budget Books estimated that the project would cost \$10.3 million at the time of scheduled completion in fiscal 2022. DHS reports that lower than estimated development costs and internal project management contributed to the completion ahead of the most recent estimates. DHS anticipates that the project will actually cost approximately \$6.7 million at completion. DLS expects that unused funds appropriated for this purpose will be canceled at the end of fiscal 2020.

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) Administration prepare two reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Agency Staffing and Compensation:*** DHS has six job classifications that include licensed social workers and caseworkers that have duties similar to licensed social workers. DHS provided the compensation range and minimum educational qualifications for these six classifications. DHS also provided compensation ranges and educational qualifications for similar positions in Delaware, Pennsylvania, Virginia, and Washington, DC. Further discussion of this data can be found in Issue 2 of the DHS Overview analysis.

- ***Maryland Total Human-services Information NetworK (MD THINK) Quarterly Progress Report:*** Three systems are currently operational. In addition, the Maryland Health Benefit Exchange has successfully migrated to the MD THINK platform. Child Juvenile and Adult Management System is in the pilot testing phase. Three Eligibility and Enrollment programs are being developed. Further discussion of these reports can be found in Issue 1 of this analysis.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	December 15, 2014 – March 12, 2018
Issue Date:	June 2019
Number of Findings:	8
Number of Repeat Findings:	4
% of Repeat Findings:	50%
Rating: (if applicable)	n/a

Finding 1: The Department of Human Services’ Office of the Inspector General (OIG) reported numerous instances in which local departments of social services (LDSS) controls over fiscal management activities were inadequate, including bank accounts, procurements, and gift cards.

Finding 2: OIG reported numerous LDSS deficiencies related to critical Family Investment Administration policies, such as those intended to ensure the propriety of recipient eligibility for public assistance and food benefits.

Finding 3: OIG reported numerous LDSS deficiencies related to critical Social Services Administration policies, including child and adult protective services, and the out-of-home placement program.

Finding 4: OIG reported numerous LDSS deficiencies related to user access to critical computer systems.

Finding 5: The scope of the LDSS audits conducted by OIG did not routinely include reviews of certain critical procurement and disbursement processes.

Finding 6: DHS did not have a process in place to ensure that the contracts that the Department of Legislative Services (DLS) reviewed at one LDSS were adequately monitored and that LDSS complied with DHS and State procurement policies and regulations. DLS’s review disclosed contract monitoring deficiencies and instances of noncompliance with certain procurement requirements.

Finding 7: One LDSS reviewed did not establish adequate controls to ensure all disbursement transactions were independently approved.

Finding 8: OIG did not refer all instances of possible criminal or unethical employee conduct to the appropriate State authorities as required.

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

Appendix 3
Major Information Technology Project
Department of Human Services
Maryland Total Human-services Information NetworK (MD THINK)

Further discussion of this Major Information Technology Project can be found in Issue 1 of this analysis.

New/Ongoing: Ongoing								
Start Date: Fiscal 2017					Est. Completion Date: Fiscal 2022			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2020	2021	2022	2023	2024	Remainder	Total
GF	\$38.5	\$22.0	\$34.6	\$19.6				\$114.8
FF	137.8	67.4	94.8	52.9				\$352.9
Total	\$176.3	\$89.4	\$129.4	\$72.5				\$467.7

Note: Funding levels provided in the above table only reflect amounts as listed in the *Governor’s Budget Highlights* Appendix N. These amounts do not include the fiscal 2021 \$61.1 million deficiency appropriation also included for this purpose in the Governor’s proposed budget.

- **Project Summary:** The Maryland Total Human-services Information NetworK (MD THINK) project will bring previously separated human service information technology systems onto one shared cloud-based platform. A web-based and mobile front-end will provide a central place to access any service from any participating agency.
- **Need:** With the implementation of MD THINK, the Department of Human Services (DHS) legacy systems will be replaced and integrated with the human services systems of the Maryland Department of Labor, the Department of Juvenile Services, the Maryland Department of Aging, the Maryland Health Benefit Exchange (MHBE), the Department of Housing and Community Development, and the Maryland Department of Health. This integration will offer more coordinated and collaborative social services and will be able to identify Marylanders that are not receiving services for which they are eligible.
- **Observations and Milestones:**
 - Eligibility and Enrollment demonstrations are currently being conducted.
 - The Child Juvenile and Adult Management System has been piloted in Washington County and has been rolled out in Anne Arundel County.
 - The Child Support Management System is currently being developed and is set for pilot implementation in summer 2020 and will be implemented statewide in summer 2021.
 - MHBE has successfully moved onto the platform.

N00A01 – DHS – Administration

- **Changes:** The anticipated cost at completion has grown over \$156 million since fiscal 2020 estimates. Several components of the platform’s scope have changed leading to the increase:
 - Eligibility and Enrollment has been expanded to include 30 applications to be consolidated on one single sign-on page. Demonstrations are currently being conducted; and
 - the Child Juvenile and Adult Management System has added interfaces for court and education systems. Deployment of this system has been delayed one year.
- **Concerns:** Several components of the platform are delayed. The estimated total project cost has grown significantly in each fiscal year since it began to be included in the budget. The fiscal 2021 estimate is nearly double the 2018 estimate. A deficiency request of over \$61 million was requested because costs were higher than anticipated.

The agency has also identified the following risks that could prevent the project from being completed on schedule: the availability of federal and State resources; training of local department of social services’ staff; and aligning visions of the different contributors to this platform.

**Appendix 4
Object/Fund Difference Report
DHS – Administration**

<u>Object/Fund</u>	<u>FY 19 Actual</u>	<u>FY 20 Working Appropriation</u>	<u>FY 21 Allowance</u>	<u>FY 20 - FY 21 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	799.23	802.23	797.23	-5.00	-0.6%
02 Contractual	0.00	3.33	3.33	0.00	0%
Total Positions	799.23	805.56	800.56	-5.00	-0.6%
Objects					
01 Salaries and Wages	\$ 74,968,206	\$ 72,958,132	\$ 73,926,441	\$ 968,309	1.3%
02 Technical and Spec. Fees	2,205,004	517,774	497,714	-20,060	-3.9%
03 Communication	8,592,411	6,717,521	10,825,485	4,107,964	61.2%
04 Travel	426,016	281,039	396,578	115,539	41.1%
06 Fuel and Utilities	501,143	549,027	484,630	-64,397	-11.7%
07 Motor Vehicles	290,108	355,934	298,009	-57,925	-16.3%
08 Contractual Services	144,236,386	123,563,522	143,753,093	20,189,571	16.3%
09 Supplies and Materials	1,170,855	1,032,994	1,190,743	157,749	15.3%
10 Equipment – Replacement	1,122,115	1,700,595	2,869,590	1,168,995	68.7%
11 Equipment – Additional	7,642,328	10,548,256	4,451,908	-6,096,348	-57.8%
12 Grants, Subsidies, and Contributions	111,021	4,746,774	4,858,456	111,682	2.4%
13 Fixed Charges	11,188,303	11,069,886	11,900,426	830,540	7.5%
Total Objects	\$ 252,453,896	\$ 234,041,454	\$ 255,453,073	\$ 21,411,619	9.1%
Funds					
01 General Fund	\$ 92,878,446	\$ 91,524,642	\$ 88,390,970	-\$ 3,133,672	-3.4%
03 Special Fund	3,488,487	3,816,691	3,581,955	-234,736	-6.2%
05 Federal Fund	134,212,168	138,700,121	163,480,148	24,780,027	17.9%
09 Reimbursable Fund	21,874,795	0	0	0	0.0%
Total Funds	\$ 252,453,896	\$ 234,041,454	\$ 255,453,073	\$ 21,411,619	9.1%

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 4
Fiscal Summary
DHS – Administration**

<u>Program/Unit</u>	<u>FY 19 Actual</u>	<u>FY 20 Wrk Approp</u>	<u>FY 21 Allowance</u>	<u>Change</u>	<u>FY 20 - FY 21 % Change</u>
01 Office of the Secretary	\$ 17,122,034	\$ 15,125,335	\$ 16,574,918	\$ 1,449,583	9.6%
02 Citizen’s Review Board for Children	746,236	792,529	806,177	13,648	1.7%
03 Commissions	220,476	140,132	142,189	2,057	1.5%
04 Legal Services Program Management	13,170,746	13,171,348	13,040,431	-130,917	-1.0%
01 Division of Budget, Finance and Personnel	19,967,633	22,504,255	22,964,787	460,532	2.0%
02 Division of Administrative Services	12,539,478	9,908,469	10,198,235	289,766	2.9%
02 Major Information Technology Development	87,483,565	69,523,328	94,771,080	25,247,752	36.3%
04 General Administration	59,258,312	58,905,218	52,912,550	-5,992,668	-10.2%
05 General Administration	41,945,416	43,970,840	44,042,706	71,866	0.2%
Total Expenditures	\$ 252,453,896	\$ 234,041,454	\$ 255,453,073	\$ 21,411,619	9.1%
General Fund	\$ 92,878,446	\$ 91,524,642	\$ 88,390,970	-\$ 3,133,672	-3.4%
Special Fund	3,488,487	3,816,691	3,581,955	-234,736	-6.2%
Federal Fund	134,212,168	138,700,121	163,480,148	24,780,027	17.9%
Total Appropriations	\$ 230,579,101	\$ 234,041,454	\$ 255,453,073	\$ 21,411,619	9.1%
Reimbursable Fund	\$ 21,874,795	\$ 0	\$ 0	\$ 0	0.0%
Total Funds	\$ 252,453,896	\$ 234,041,454	\$ 255,453,073	\$ 21,411,619	9.1%

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.