

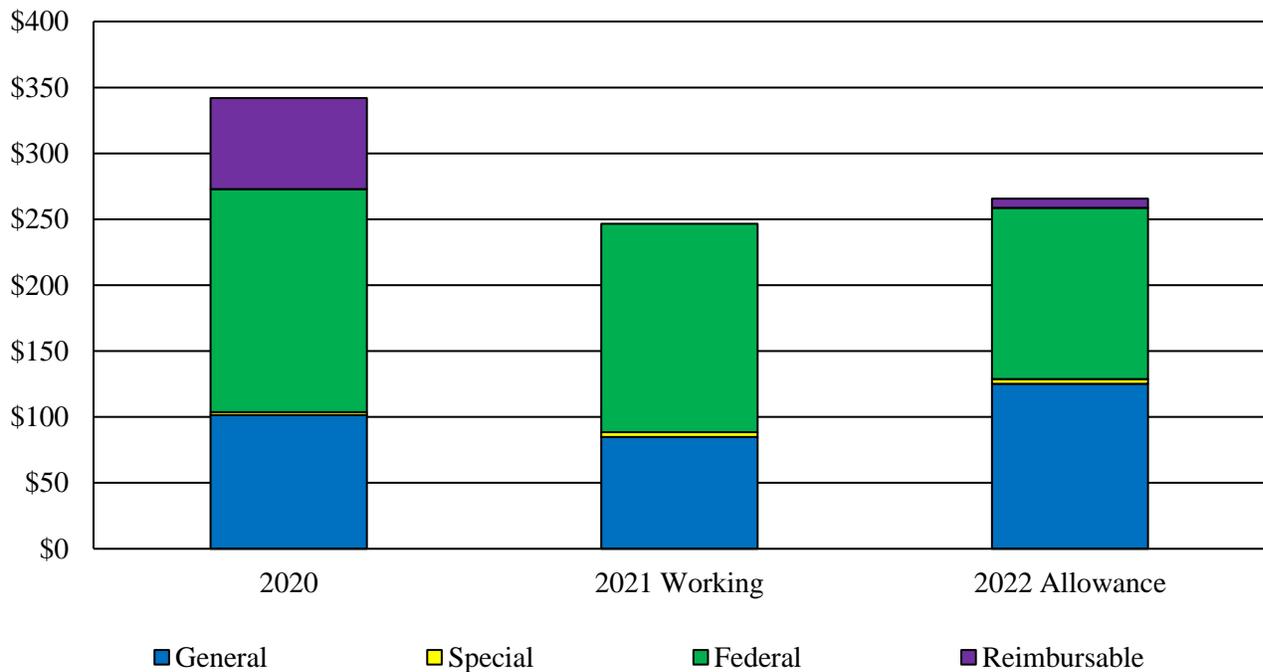
N00A01
Administration
Department of Human Services

Executive Summary

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

Operating Budget Summary

**Fiscal 2022 Budget Increases by \$19.1 Million, or 7.7%, to \$265.7 Million
(\$ in Millions)**



Note: The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes contingent reductions, annual salary review adjustments, and annualization of general salary increases.

- The overall change is driven by an increase in general funds of \$40.3 million, which is partially offset by a decrease in federal funds of \$28.3 million. The additional general funds support maintenance and operations of the Shared Human Services Platform, the end product of the six-year, \$448.2 million Major Information Technology Development Project (MITDP), the Maryland Total Human-services Integrated Network (MD THINK). As applications are moved from development to maintenance and operations, the federal fund match decreases.

Key Observations

- ***MD THINK Prepares for Project End:*** Fiscal 2022 is the final year of funding for this MITDP. In fiscal 2022, only the Child Support Management System will remain in development, while all other systems will have moved to maintenance and operations.
- ***Federal Fund Deficiency:*** A deficiency is provided to support greater federal fund expenditures than are currently provided for in the working appropriation for MD THINK. While the Governor’s Budget Books indicate federal funding available would support fiscal 2021 estimates, DHS has provided funding and expenditure data that substantially diverge from that data including expected total project cost.
- ***Children in Out-of-home Placements:*** In fiscal 2020, only 42% of children in out-of-home placement cases reviewed by the Citizens Review Board for Children had appropriate physical or mental health services. In addition, only 69% of the cases reviewed received appropriate educational services, a substantial decrease from prior years, mostly driven by school closures during the pandemic.

Operating Budget Recommended Actions

1. Add language restricting the appropriation for the Maryland Legal Services Program to that purpose.
2. Adopt committee narrative requesting periodic reports on the Maryland Total Human-services Integrated Network.
3. Adopt committee narrative requesting a report on the Maryland Total Human-services Integrated Network spending and development timeline.
4. Add language restricting funds pending submission of MD THINK project cost estimates.

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 (CRBC);
- 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 Maryland Total Human Services Integrated Network (MD THINK);
- 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 Eligibility and Enrollment System (E&E), the replacement of the Client Automated Resource and Eligibility System;
- the Office of Home Energy Programs data system; and
- WORKS, the computer system for the Work Opportunities Program.

Local General Administration

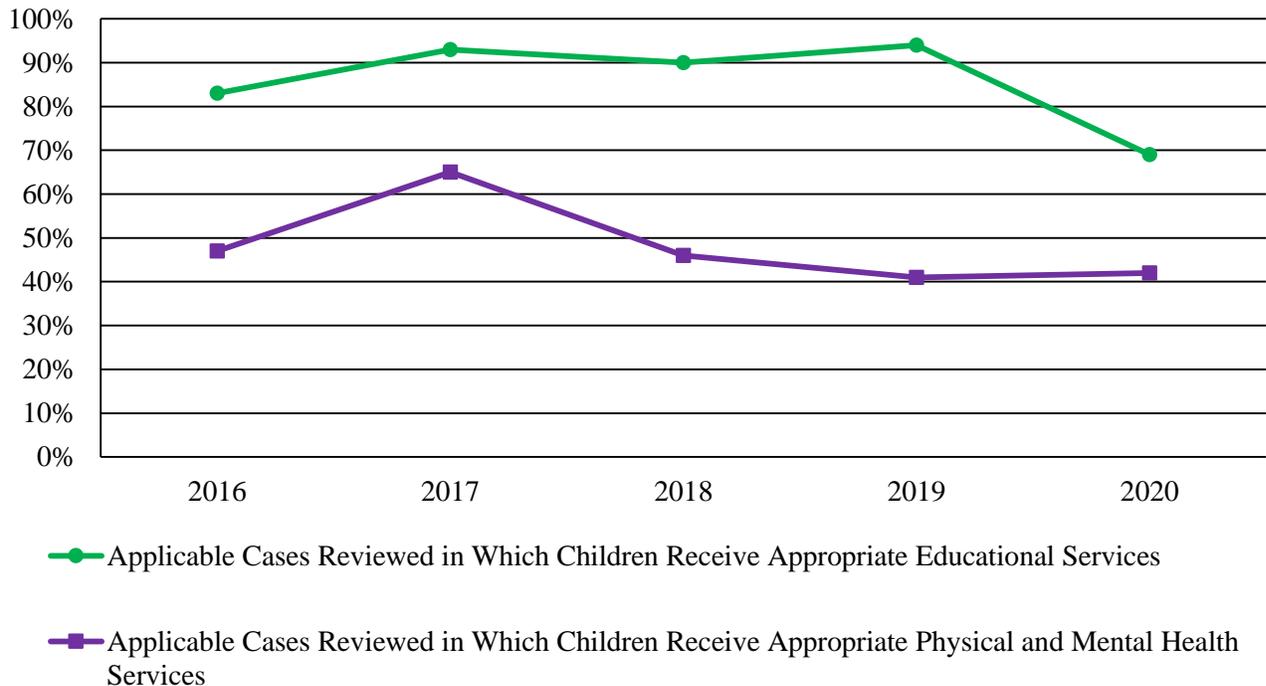
Local departments of social services (LDSS) are situated in each county and Baltimore City. The administrative budgets of each LDSS are combined into the Local General Administrative (LGA) unit for the purposes of the State budget. The LGA unit provides essential support services and staff to operate 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. Services Provided to Children in Out-of-home Placements

In the 2020 session, the budget committees expressed concern that only 41% of cases reviewed by CRBC for children in out-of-home placements received appropriate physical and mental health services. As shown in **Exhibit 1**, this trend continued in fiscal 2020, as only 42% of cases reviewed received appropriate physical and mental health services, level with fiscal 2019.

Exhibit 1
Cases Reviewed Receiving Appropriate Services
Fiscal 2016-2020



Source: Governor’s Fiscal 2022 Budget Books; Department of Human Services

In response to committee narrative in the 2020 *Joint Chairmen’s Report (JCR)*, DHS submitted a report identifying factors affecting physical and mental health services provided to children in out-of-home placements. DHS explained that the availability of health care professionals, medical recordkeeping (such as medical histories and medication reconciliation), and the adequacy of professional responses to patients’ childhood events and trauma all contribute to the quality of services provided to children in out-of-home placements.

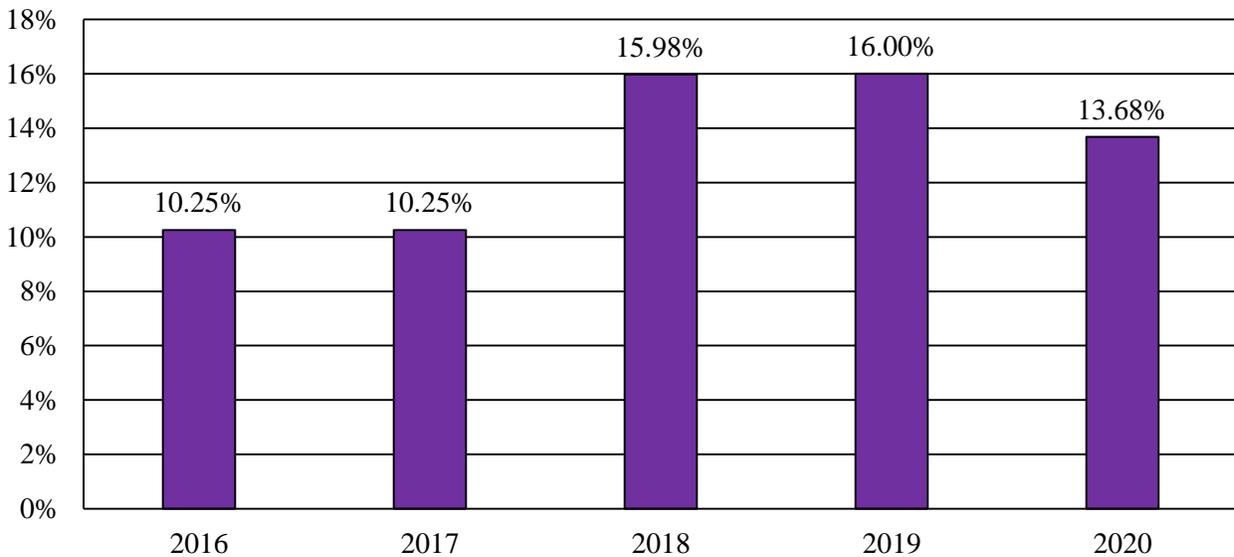
DHS reports that better communication and access to providers could improve services provided to children in out-of-home placements. DHS also explained that it will work to improve the LDSS health care plan management and oversight, increase supports for children and youth with greater health care needs, improve the timely access to and appropriate dissemination of health information, and continue to engage and coordinate with stakeholders in health care access planning. As part of these efforts, DHS indicates that it will update policies and procedures. **DHS should comment on its progress toward these activities, challenges faced in meeting these needs and improving service provision during the COVID-19 pandemic with limited access to medical care, and its planned activities for the remainder of fiscal 2021 and 2022.**

After performing relatively well in prior year reviews, in fiscal 2020, appropriate educational services provided to children in out-of-home placements was also relatively low, a decrease of 25 percentage points. DHS indicates that the diminished service results from the pandemic as youth no longer had access to school buildings and limited access to devices. The Social Services Administration in DHS continues to monitor the educational needs of youth in out-of-home placements and works with the Maryland State Department of Education (MSDE) to distribute devices.

2. DHS Procurement and Minority Business Enterprise Participation

As shown in **Exhibit 2**, the DHS fiscal 2020 Minority Business Enterprise (MBE) participation decreased by more than 2 percentage points from fiscal 2019. DHS notes that MD THINK procurements contributed to the temporary boost in the department’s total MBE participation in fiscal 2018 and 2019, but participation has since decreased. In all years, DHS’ participation was well below the State’s 29% MBE participation goal. **The agency should describe how it will approach attaining MBE participation when the MD THINK project concludes in fiscal 2022.**

Exhibit 2
MBE Participation
Calendar 2015-2020



MBE: Minority Business Enterprise

Source: Governor’s Fiscal 2022 Budget Books; Department of Human Services

In its most recent fiscal compliance audit of *Department of Human Services Office of the Secretary and Related Units*, released in November 2020, the Office of Legislative Audits found that during the period from September 2015 through June 2019, DHS did not always publish contract awards on eMaryland Marketplace (eMM) as required by State procurement laws and regulations. Publishing awards on eMM provides transparency about State procurement. In response, DHS has developed a checklist for procurement officers that will ensure compliance with procurement requirements. Further information about DHS Administration’s recent audit can be found in **Appendix 2** of this document.

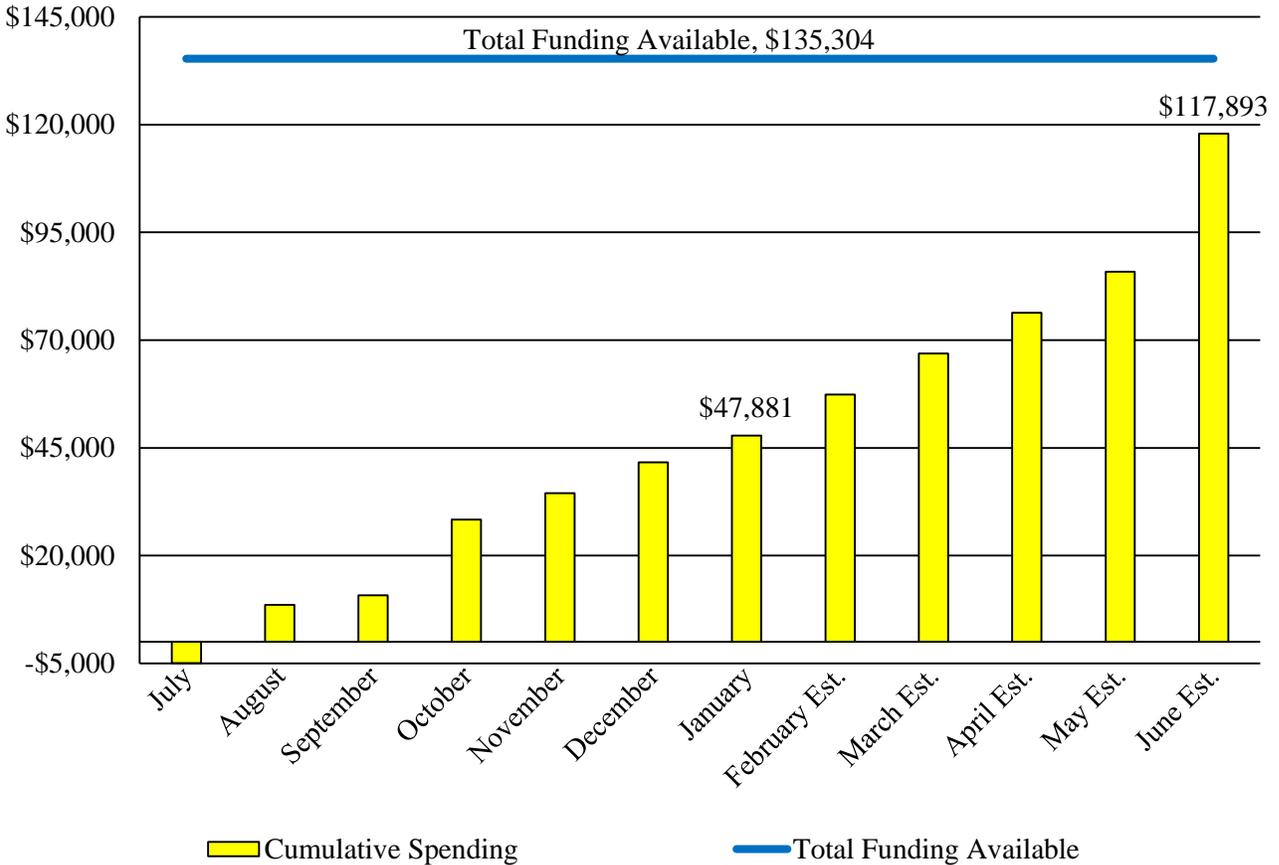
Fiscal 2021

Proposed Deficiency

The fiscal 2022 budget includes a \$6.4 million federal fund deficiency for the MD THINK project. Specifically, DHS indicates that the deficiency is needed to support Amazon Web Services (AWS), the cloud-based hosting environment for the Shared Platform; the maintenance and operations contract for the legacy systems to facilitate application migrations to the platform scheduled during fiscal 2021; changes and modifications to applications required as a result of the COVID-19 pandemic; and some costs arising from changes in scope requested by users of the platform. DHS and the Department of Budget and Management (DBM) indicate that a general fund deficiency to match these federal funds is not needed.

DHS provided the Department of Legislative Services (DLS) with actual monthly spending through January 2021 and projected monthly spending through the remainder of the fiscal year that indicates that fiscal 2021 expenditures will total \$117.9 million, as shown in **Exhibit 3**. This amount is less than the amount of funding the Governor’s fiscal 2022 Budget Books indicate as available. Nevertheless, DHS and DBM have since indicated that the Governor’s fiscal 2022 Budget Books misrepresent the amount of funding available to support the project’s cost.

Exhibit 3
Monthly Actual and Estimated Spending
Fiscal 2021
(\$ in Thousands)



Note: The estimate of total funding available reflects information provided in the Governor’s fiscal 2022 Budget Books, which the Department of Budget and Management and the Department of Human Services (DHS) have indicated includes canceled appropriations, skewing the data available about the project’s available funding. DHS indicates that negative spending in July is recorded because of accounting processes; the negative spending represents an accrual reversal from fiscal 2020. The exhibit does not reflect the proposed \$6.4 million deficiency appropriation.

Source: Department of Human Services

As shown in **Exhibit 4**, the Governor’s fiscal 2022 Budget Books reflect that the project had a balance of approximately \$29.9 million at the close of fiscal 2020. Based on the Governor’s fiscal 2022 Budget Books’ projected expenditures in fiscal 2021, even without the \$6.4 million deficiency, the fiscal 2021 appropriation would leave \$17.4 million available to support fiscal 2022 expenditures at a level greater than the allowance. However, DBM and DHS have indicated that the Governor’s

fiscal 2022 Budget Books include prior year federal fund cancellations in its calculation of the project’s funding stream, making the published estimate of the project’s funding inaccurate.

Exhibit 4
MD THINK Funding Available without Fiscal 2021 Deficiency
Fiscal 2017-2022

	<u>Prior to 2020</u>	<u>2020 Act.</u>	<u>2021 Approp.</u>	<u>2022 Allow.</u>
Beginning Balance	-	\$30,931,504	\$29,910,390	\$17,410,390
Funding Received	\$176,337,675	150,556,833	105,393,431	15,956,559
Expenditures	145,406,171	151,577,947	117,893,431	33,366,949
Ending Balance	\$30,931,504	\$29,910,390	\$17,410,390	\$0

MD THINK: Maryland Total Human-services Integrated Network

Note: Fiscal 2021 funding received does not include the proposed deficiency appropriation.

Source: Governor’s Fiscal 2022 Budget Books

DBM and DHS have provided a revised funding stream and expenditure estimates for this project, however in the time available, DLS was unable to verify the accuracy of these new estimates. The revised figures decrease the total project cost estimate by more than \$10 million from the level included in the Governor’s Budget Books. Under the revised numbers, the project appears to have been provided with substantially more general funds than it needs, and even with the \$6.4 million deficiency the project would have \$1.5 million less federal funds than are needed to support estimated fiscal 2021 federally funded expenditures.

As the project is planned to conclude in fewer than 17 months, DLS is concerned that the project’s cost estimates have changed by more than \$10 million in less than two months and that the most recently published cost estimates may not be an accurate reflection of the project’s funding needs. **Given that the available documentation of funding and expenditure is wholly inadequate to inform any meaningful analysis of the project’s costs and the adequacy of project funding, DLS recommends restricting funds in DHS, DBM, and the Department of Information Technology until a report is submitted with detail agreed upon by all three agencies on prior and future funding and expenditures representing the total project cost.**

Cost Containment

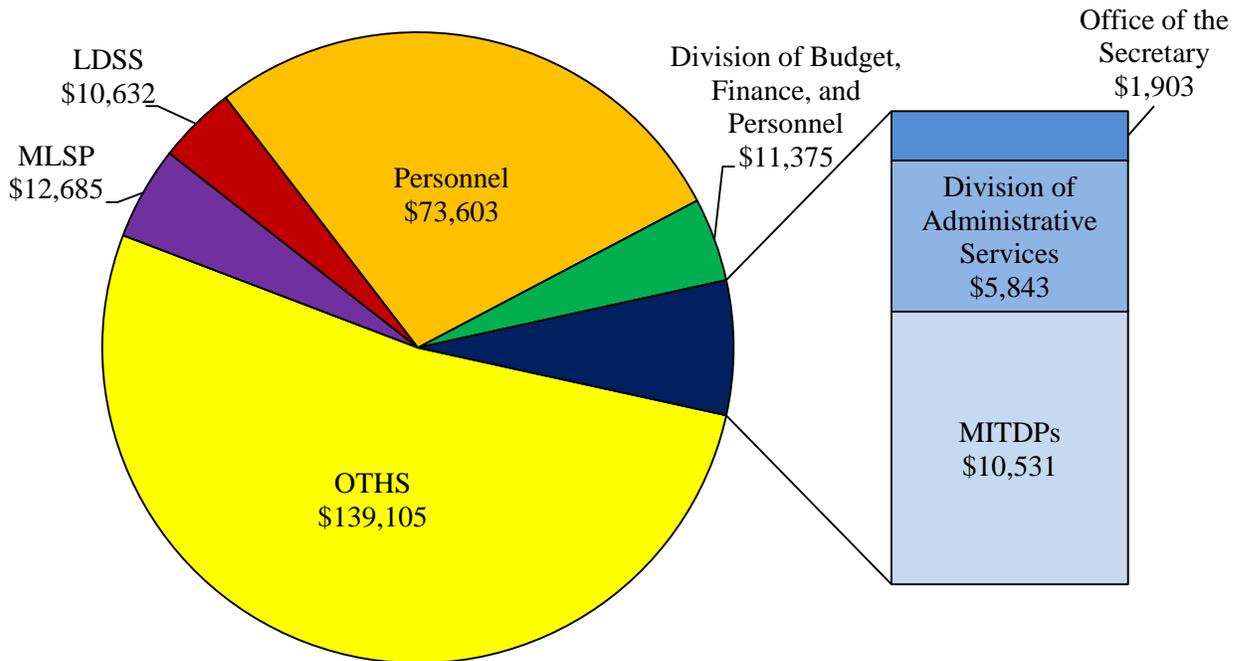
In response to the COVID-19 pandemic, the Administration’s budget balancing plan, approved by the Board of Public Works on July 1, 2020, decreased DHS Administration’s fiscal 2021

appropriation by \$8.7 million, including \$4.0 million in general funds, \$1,547 in special funds, and \$4.7 million in federal funds. The largest component of the decrease is \$8.5 million for software licenses and hardware to reflect purchases made in fiscal 2020 and to recognize savings from legacy systems due to the transition to MD THINK. The remainder of the decrease (\$143,032) was part of an across-the-board reduction to State agency unemployment insurance contributions.

Fiscal 2022 Overview of Agency Spending

As shown in **Exhibit 5**, OTHS comprises more than half of the budget unit’s allowance (52%). In prior years, OTHS did not comprise such a substantial portion of the agency’s budget. However, in fiscal 2022, DHS will move two of the three major human services applications, CJAMS and the E&E System, from development to maintenance and operations, increasing the relative size of the OTHS budget.

**Exhibit 5
Overview of Agency Spending
Fiscal 2022 Allowance
(\$ in Thousands)**



LDSS: Local Departments of Social Services
 MITDP: Major Information Technology Development Project
 MSLP: Maryland Legal Services Program
 OTHS: Office of Technology for Human Services

Note: The Office of the Secretary includes the Citizen’s Review Board for Children and the Maryland Commission for Women. The fiscal 2022 allowance includes annual salary review adjustments and annualization of general salary increases.

Source: Governor’s Fiscal 2022 Budget Books

Proposed Budget Change

As shown in **Exhibit 6**, DHS Administration’s allowance increases 7.7% over the fiscal 2021 working appropriation after accounting for the deficiency appropriation and statewide personnel adjustments. General funds increase 47.4%, while federal funds decrease 17.9%. The overall change and change in fund split are driven by MD THINK.

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

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimbursable Fund	Total
Fiscal 2020 Actual	\$101,560	\$2,212	\$169,029	\$69,174	\$341,976
Fiscal 2021 Working Appropriation	84,889	3,589	158,141	0	246,620
Fiscal 2022 Allowance	<u>125,154</u>	<u>3,572</u>	<u>129,835</u>	<u>7,115</u>	<u>265,676</u>
Fiscal 2021-2022 Amount Change	\$40,265	-\$17	-\$28,307	\$7,115	\$19,056
Fiscal 2021-2022 Percent Change	47.4%	-0.5%	-17.9%	n/a	7.7%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Annual salary review adjustments.....					\$679
Annualization of fiscal 2021 2% general salary increase.....					654
Restoration of a one-time reduction in unemployment compensation contributions.....					138
Turnover adjustments.....					120
Other fringe benefit adjustments.....					-78
Workers’ compensation premium assessment.....					-163
Employees’ retirement system.....					-210
Employee and retiree health insurance.....					-554
Abolition of 35 positions.....					-2,202
Information Technology					
Maintenance and operations of newly developed human services systems, including AWS hosting costs, net of costs related to development in the prior year.....					16,667
Anticipated reimbursable revenue from other agencies’ Shared Platform applications.....					7,115
Child Support Management System development costs.....					4,069
Consultant to draft EBT system RFP.....					300
Application related supplies.....					271
Decommission CHESSIE.....					-685
Local telecommunications costs.....					-1,154
Hardware and software purchases.....					-1,313
Application training costs for DHS’ end users.....					-2,692

Where It Goes:	<u>Change</u>
Administrative Expenditures	
Reduce rented space and remove two MD THINK data centers.....	-1,086
Other.....	512
Total	\$19,056

AWS: Amazon Web Services
 CHESSIE: Children’s Electronic Social Services Information Exchange
 DHS: Department of Human Services
 EBT: Electronic Benefits Transfer
 MD THINK: Maryland Total Human-services Integrated Network
 RFP: request for proposals

Note: The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes annual salary review adjustments, and annualization of general salary increases.

MD THINK Move to Maintenance and Operations Significantly Increases General Fund Costs in Fiscal 2022

In fiscal 2022, DHS will move CJAMS and E&E from development to maintenance and operations. This change has several impacts on the fiscal 2022 allowance of DHS Administration. First, while in development, expenditures are eligible for an enhanced federal match estimated to be 75%. However, the project’s fund split is a cumulative average, and the actual fund splits vary by fund source. For example, Medicaid expenditures made as part of the MD THINK project receive a 90% federal contribution, while other parts of the platform received a 66% match. However, after development is completed, the federal match decreases to approximately equally cost share maintenance and operations expenditures.

CSMS will still be in development in fiscal 2022, accounting for \$4 million of the allowance’s increase over fiscal 2021. CSMS is the only human services system still receiving an elevated match from the rest of the Shared Platform’s human services applications.

Although the fiscal 2021 appropriation currently includes no reimbursable funding, \$7.1 million is budgeted in the fiscal 2022 allowance distorting the year-to-year change. DHS receives reimbursable funds from other agencies to support the operational costs (AWS services, software, and other costs) of non-DHS applications on the Shared Platform. Fiscal 2022 is the first year this reimbursable funding is included in the allowance. Previously, including in fiscal 2021, the funds would be added to DHS’ budget by amendment during the fiscal year.

In addition, when in development, general fund costs are initially budgeted in the Major IT Development Project Fund and then added to the agency’s budget as reimbursable funds. The fiscal 2021 appropriation of DHS does not yet reflect that spending, further distorting the year-to-year change in the agency’s budget.

Personnel Data

	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 21-22</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	802.23	797.23	762.23	-35.00
Contractual FTEs	<u>45.49</u>	<u>3.33</u>	<u>3.33</u>	<u>0.00</u>
Total Personnel	847.72	800.56	765.56	-35.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	55.49	7.28%
Positions and Percentage Vacant as of 12/31/20	122.50	15.37%
Vacancies Above Turnover	67.01	

- The fiscal 2022 allowance abolishes 35 positions. DHS indicates that the removal of these positions will not impact service delivery.

Issues

1. MD THINK Prepares for Project End

Since first receiving funding in fiscal 2017, the MD THINK project has been a significant undertaking for DHS. The project is designed to both update the State’s three major human services systems and create communication between the systems to more efficiently serve DHS clients. From the outset, collaboration with other agencies was anticipated to facilitate communication across agencies’ IT systems and implement no wrong door service delivery. The project is designed to make State services more efficient, optimizing service provision to clients and reducing IT operating costs.

The Governor’s Fiscal 2022 Budget Books anticipate the project to receive its last allocation of funding as a major IT project in fiscal 2022. At the project’s close, total costs are expected to be \$448.2 million (\$111.4 million in general funds and \$336.9 million in federal funds), excluding the \$6.4 million federal fund deficiency in fiscal 2021. However, as noted above, DBM and DHS have more recently indicated that the published estimate of total project costs may no longer be accurate.

As the project prepares for its final year of development funding, several trends have emerged that may affect the project’s ability to meet its stated goals:

- with just five months left in the final year of funding for development, both CJAMS and E&E have experienced implementation delays;
- migration of two agencies’ applications onto the platform were recently canceled;
- DHS notes that annual operations and maintenance costs after the project concludes are expected to be 25% more expensive than operational costs before the project; and
- there is currently no quantitative evaluation of the project’s efficacy.

Implementation Status

Of the three human services systems to be replaced by the MD THINK project, only one system has been deployed statewide (CJAMS) thus far and even that is only one component (the Child Welfare system). Compared to the spending and development timeline DHS submitted at the beginning of fiscal 2021, all other applications are several months delayed, as described in **Exhibit 7**.

**Exhibit 7
System Deployment Timeline
July 15, 2020**

<u>Application</u>	<u>Planned Pilot Deployment</u>	<u>Planned Statewide Deployment</u>	<u>Months from Pilot to Statewide Deployment</u>	<u>Current Status</u>
CJAMS				
Child Welfare	October 2019	July 2020	9	Deployed statewide.
Adult Services	October 2020	December 2020	3	21 counties deployed. Statewide deployment now planned for March 2021.
Juvenile Services	December 2020	February 2021	3	Pilot deployment now planned for March 2021.
E&E	October 2020	February 2021	5	Application has not entered pilot phase. Date of pilot deployment TBD.
CSMS	April 2021	August 2021	5	Pilot deployment now planned for July 2021.

CJAMS: Child, Juvenile, and Adult Management System

CSMS: Child Support Management System

E&E: Eligibility and Enrollment

TBD: to be determined

Note: Juvenile Services, a Governor’s Office of Crime Prevention, Youth, and Victim Services system, will be deployed differently than the Department of Human Services systems. The Juvenile Services application was planned to complete user testing in December 2020.

Source: Department of Human Services; Department of Legislative Services

The CJAMS Child Welfare system is the only newly developed human service system that has been successfully deployed statewide. From pilot to statewide rollout, deployment took nine months. The most recent development timeline, submitted in December 2020, does not afford any other system as many as nine months between pilot and statewide deployment. The longest timeline is anticipated for E&E at just five months. CSMS is planned to move from pilot implementation to statewide deployment in four months. The CJAMS Juvenile Services and Adult Services systems are planned to progress from pilot deployment to statewide rollout within three months.

E&E is planned to be deployed statewide two weeks before the end of the fiscal year. The Juvenile Services system is expected to be deployed statewide six weeks before the end of the fiscal year. The Adult Services system is planned to be deployed statewide three months before the end of the fiscal year. DLS is concerned that these timelines do not provide a substantial cushion should additional delays occur because of the impact on project oversight. As the project shifts from development to maintenance and operations, the Department of Information Technology (DoIT) will no longer oversee the CJAMS and E&E applications. DHS indicates that CSMS is the only application DoIT will retain oversight for during fiscal 2022 because it is the only application budgeted to still be in development. No funding is budgeted for DoIT oversight in fiscal 2022, although \$500,000 is provided for independent verification and validation.

To continue monitoring the MD THINK project’s development and spending, DLS recommends committee narrative requesting that DHS submit a timeline of anticipated spending and development throughout fiscal 2022 and periodic reports that provide updates with respect to the timeline.

Canceled Migrations

The MD THINK project envisions improving State services by offering a multiprogram, multidepartmental shared human services platform. The Maryland Department of Health (MDH) and the Maryland Health Benefit Exchange (MHBE) currently have functioning applications on the Shared Platform. MSDE and MDH also planned to migrate two additional systems onto the platform. These plans were reflected in the timeline DHS submitted in response to the 2020 JCR. However, both new projects were recently canceled because neither system was compatible with the Shared Platform’s cloud hosting environment. Both agencies concluded that the migration would necessitate substantial investment and modifications to the two proposed additional systems. **DHS should describe how it approaches working with other agencies considering migrating systems to the platform, including providing realistic estimates of modifications needed and estimating costs of migrating to and operating on the Shared Platform.**

Future Platform Leadership

DHS indicates that after the MD THINK project has concluded, its leadership role over the Shared Platform will continue. DHS expects to continue overseeing operations of the platform and the maintenance of the DHS applications hosted on it. DHS also plans to continue its current cost-sharing agreements with other agencies.

Evaluation

One major goal of the MD THINK project was to reduce the cost of maintaining expensive legacy systems. DHS indicates that the full annual cost of the legacy system before MD THINK was \$72 million. DHS expects that once all new applications are in maintenance and operations, the annual operational expenditures will total approximately \$90 million, representing a 25% increase in operating IT expenditures. Contributing to this increase are AWS charges that have cost more than originally

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expected. DHS estimates that AWS for DHS systems alone will cost \$16 million annually. Similar increases are noted in other agency budgets. For example, MHBE’s fiscal 2022 allowance includes \$5.9 million for server utilization costs, which is an increase of over \$600,000 from the prior year. Thus, the return on investment for this project remains unclear.

Once operational, the project is hoped to improve casework and overall service to Marylanders. DHS notes that there are some qualitative improvements in benefits processing and service delivery, but substantive data indicating improvements offered by the Shared Platform remain unavailable. **DHS should comment on how it plans to evaluate efficiencies offered by the new system.**

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 seven fiscal years.

2. Adopt the following narrative:

Maryland Total Human-services Integrated Network Updates: The committees request that the Department of Human Services (DHS) provide three updates including the following information:

- monthly Maryland Total Human-services Integrated Network (MD THINK) 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.

The report submitted October 15, 2021, should include data for the period July 1, 2021, through September 30, 2021. The report submitted January 15, 2022, should include data for the period October 1, 2021, through December 31, 2021. The report submitted April 15, 2022, should include data for the period January 1, 2022, through March 31, 2022.

Information Request	Author	Due Date
MD THINK updates	DHS	October 15, 2021 January 15, 2022 April 15, 2022

3. Adopt the following narrative:

Maryland Total Human-services Integrated Network Spending and Development Timeline: The committees are interested in continuing to monitor the implementation status of Maryland Total Human-services Integrated Network (MD THINK) components and having a baseline to compare future information. The committees request that the Department of Human Services (DHS) submit a report identifying:

- the date each outstanding application, or component of an application, will be deployed to pilot counties;
- the date each application, or component of an application, will be deployed statewide;
- expected quarterly expenditures in each quarter of the fiscal year; and
- challenges anticipated throughout fiscal 2022 that may impact the project timeline.

Information Request	Author	Due Date
MD THINK spending and development timeline	DHS	July 1, 2021

4. Add the following section:

Section XX. Maryland Total Human Services Integrated Network (MD THINK) Project Cost Estimates

SECTION XX. AND BE IT FURTHER ENACTED, That \$1,000,000, of the general fund appropriation made for the purpose of general administration in the Department of Human Services (DHS) Office of Technology for Human Services (N00F00.04); \$1,000,000, of the general fund appropriation made for the purpose of MD THINK in the Department of Information Technology (DoIT) Major Information Technology Development Project Fund (F50A01.01); and \$100,000 of the general fund appropriation made for the purpose of general administration in the Department of Budget and Management (DBM) Office of the Secretary (F10A01.01) may not be expended until DHS, DoIT, and DBM, jointly submit a report with a full accounting by fund source of the MD THINK project’s funding, funding cancellations, and expenditures for each year of the project’s existence. The report should also include fiscal 2022 cost estimates by fund source. To the extent possible, the data shall be provided both in total,

and by component system. The report should include affirmation from the secretaries of DHS, DoIT, and DBM that the submitted cost estimates are the most updated and accurate reflection of project costs, informed by all available data on the project’s expenditures. The report shall be submitted by July 1, 2021, and the budget committees shall have 45 days from the date of receipt of the report to review and comment. Funds restricted pending receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if a report is not submitted.

Explanation: The committees have not been provided with sufficient, reliable documentation on MD THINK costs either in total, or by year. Accurate and reliable data on MD THINK expenditures and funding needs are perennially unavailable, obstructing any meaningful understanding or deliberation of the adequacy of project funding. This language restricts funds in DHS, DoIT, and DBM pending receipt of a report that provides actual prior year funding and expenditure data, and fiscal 2022 project cost estimates, regardless of the availability of funds in the fiscal 2022 budget.

Information Request	Authors	Due Date
MD THINK Project Cost Estimates	DHS DoIT DBM	July 1, 2021

Appendix 1
2020 Joint Chairmen’s Report Responses from Agency

The 2020 *Joint Chairmen’s Report* (JCR) requested that the Department of Human Services – Administration prepare nine reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Report on Factors Affecting Services Provided to Children in Out-of-home Placements:*** Further discussion of this data can be found in the Performance Analysis section of this analysis.
- ***Factors Affecting Low Social Worker Retention:*** DHS reports that compensation, work environment, workload, and opportunities for employee growth impact social worker retention.
- ***Maryland Total Human-services Integrated Network (MD THINK) Spending and Development Timeline:*** Further discussion of this data can be found in Issue 1 of this analysis.
- ***Bimonthly MD THINK Development and Expenditure Updates:*** Six bimonthly reports were requested throughout fiscal 2021, three of which have been submitted thus far. Further discussion of this data can be found in Issue 1 of this analysis.

Appendix 2
Audit Findings

Audit Period for Last Audit:	August 31, 2015 – July 31, 2019
Issue Date:	November 2020
Number of Findings:	5
Number of Repeat Findings:	1
% of Repeat Findings:	20%
Rating: (if applicable)	n/a

Finding 1: Sensitive personally identifiable information maintained by the Department of Human Services (DHS) was stored without adequate safeguards.

Finding 2: DHS did not adequately address numerous significant information technology security and operational issues for its Electronic Benefits Transfer System.

Finding 3: **DHS did not modify the payment rates for residential rehabilitation services, resulting in the use of State funds to cover the cost of services that are potentially eligible for federal reimbursement.**

Finding 4: DHS did not always publish contract awards on eMaryland Marketplace as required by State laws and regulations.

Finding 5: DHS had not completed an annual physical inventory of sensitive equipment since fiscal 2016, and DHS’ equipment records did not contain dollar values for numerous equipment items.

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

Appendix 3
Maryland Total Human-services Integrated Network
Major Information Technology Project
Department of Human Services

Ongoing								
Start Date: Fiscal 2017					Est. Completion Date: Fiscal 2022			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2021	2022	2023	2024	2025	Remainder	Total
GF	\$87.8	\$18.1	\$5.4	\$0.0	\$0.0	\$0.0	\$0.0	\$111.4
FF	239.1	87.3	10.5	0.0	0.0	0.0	0.0	336.9
Total	\$326.9	\$105.4	\$16.0	\$0.0	\$0.0	\$0.0	\$0.0	\$448.2

- **Project Summary:** The Maryland Total Human-services Integrated Network (MD THINK) project replaces three major human services information technology systems with new systems and uses a cloud-based hosting environment to allow a single client data record to be used across platforms.
- **Need:** MD THINK will replace inefficient legacy systems and implement no wrong door service delivery.
- **Observations and Milestones:** The Child Juvenile and Adult Management System Child Welfare component was deployed statewide in July 2020. The remaining systems have either not started development or are experiencing delays. Several systems are planned to be deployed within three months of the end of fiscal 2021.
- **Changes:** Total project cost estimates decreased \$19.4 million from fiscal 2021, as reported in the Governor’s fiscal 2022 Budget Books.
- **Concerns:** Reliable cost estimates remain unavailable. No funding is budgeted for Department of Information Technology (DoIT) oversight in fiscal 2022, raising concerns about the amount of DoIT oversight that will be provided in that fiscal year. This is especially concerning as most systems are planned to be deployed statewide within three months of the end of fiscal 2021. Should any delays push statewide deployment into fiscal 2022, there is no funding in the allowance to support DoIT’s oversight of that statewide deployment.

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

<u>Object/Fund</u>	<u>FY 20</u> <u>Actual</u>	<u>FY 21</u> <u>Working</u> <u>Appropriation</u>	<u>FY 22</u> <u>Allowance</u>	<u>FY 21 - FY 22</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	802.23	797.23	762.23	-35.00	-4.4%
02 Contractual	45.49	3.33	3.33	0.00	0%
Total Positions	847.72	800.56	765.56	-35.00	-4.4%
Objects					
01 Salaries and Wages	\$ 78,298,944	\$ 74,135,122	\$ 71,186,152	-\$ 2,948,970	-4.0%
02 Technical and Spec. Fees	2,469,096	497,382	489,527	-7,855	-1.6%
03 Communication	10,044,414	10,825,485	9,537,643	-1,287,842	-11.9%
04 Travel	494,069	396,578	353,411	-43,167	-10.9%
06 Fuel and Utilities	462,052	484,630	461,904	-22,726	-4.7%
07 Motor Vehicles	325,724	298,009	392,009	94,000	31.5%
08 Contractual Services	215,038,217	128,882,808	164,057,833	35,175,025	27.3%
09 Supplies and Materials	1,311,821	1,190,743	1,462,136	271,393	22.8%
10 Equipment – Replacement	2,602,180	1,701,000	1,701,000	0	0%
11 Equipment – Additional	10,551,196	4,451,908	1,857,796	-2,594,112	-58.3%
12 Grants, Subsidies, and Contributions	9,625,905	4,858,456	2,166,384	-2,692,072	-55.4%
13 Fixed Charges	10,752,578	11,900,426	10,083,007	-1,817,419	-15.3%
Total Objects	\$ 341,976,196	\$ 239,622,547	\$ 263,748,802	\$ 24,126,255	10.1%
Funds					
01 General Fund	\$ 101,560,446	\$ 84,542,587	\$ 124,028,863	\$ 39,486,276	46.7%
03 Special Fund	2,212,214	3,583,688	3,551,920	-31,768	-0.9%
05 Federal Fund	169,029,076	151,496,272	129,053,119	-22,443,153	-14.8%
09 Reimbursable Fund	69,174,460	0	7,114,900	7,114,900	N/A
Total Funds	\$ 341,976,196	\$ 239,622,547	\$ 263,748,802	\$ 24,126,255	10.1%

Note: The fiscal 2021 appropriation does not include deficiencies or general salary increases. The fiscal 2022 allowance does not include annual salary review adjustments or annualization of general salary increases.

Appendix 5
Fiscal Summary
Department of Human Services – Administration

<u>Program/Unit</u>	<u>FY 20 Actual</u>	<u>FY 21 Wrk Approp</u>	<u>FY 22 Allowance</u>	<u>Change</u>	<u>FY 21 - FY 22 % Change</u>
01 Office of the Secretary	\$ 18,291,171	\$ 16,638,975	\$ 15,714,091	-\$ 924,884	-5.6%
02 Citizen's Review Board for Children	864,344	805,715	819,967	14,252	1.8%
03 Commissions	238,619	142,702	142,478	-224	-0.2%
04 Legal Services Program Management	11,147,991	13,042,036	13,040,515	-1,521	0%
01 Division of Budget, Finance and Personnel	24,372,575	22,997,332	22,718,618	-278,714	-1.2%
02 Division of Administrative Services	19,645,339	10,209,145	10,118,645	-90,500	-0.9%
02 Major Information Technology Development	142,652,782	87,271,080	10,531,329	-76,739,751	-87.9%
04 General Administration	82,637,326	44,416,677	148,472,026	104,055,349	234.3%
05 General Administration	42,126,049	44,098,885	42,191,133	-1,907,752	-4.3%
Total Expenditures	\$ 341,976,196	\$ 239,622,547	\$ 263,748,802	\$ 24,126,255	10.1%
General Fund	\$ 101,560,446	\$ 84,542,587	\$ 124,028,863	\$ 39,486,276	46.7%
Special Fund	2,212,214	3,583,688	3,551,920	-31,768	-0.9%
Federal Fund	169,029,076	151,496,272	129,053,119	-22,443,153	-14.8%
Total Appropriations	\$ 272,801,736	\$ 239,622,547	\$ 256,633,902	\$ 17,011,355	7.1%
Reimbursable Fund	\$ 69,174,460	\$ 0	\$ 7,114,900	\$ 7,114,900	N/A
Total Funds	\$ 341,976,196	\$ 239,622,547	\$ 263,748,802	\$ 24,126,255	10.1%

Note: The fiscal 2021 appropriation does not include deficiencies or general salary increases. The fiscal 2022 allowance does not include annual salary review adjustments or annualization of general salary increases.