N00B

Social Services Administration

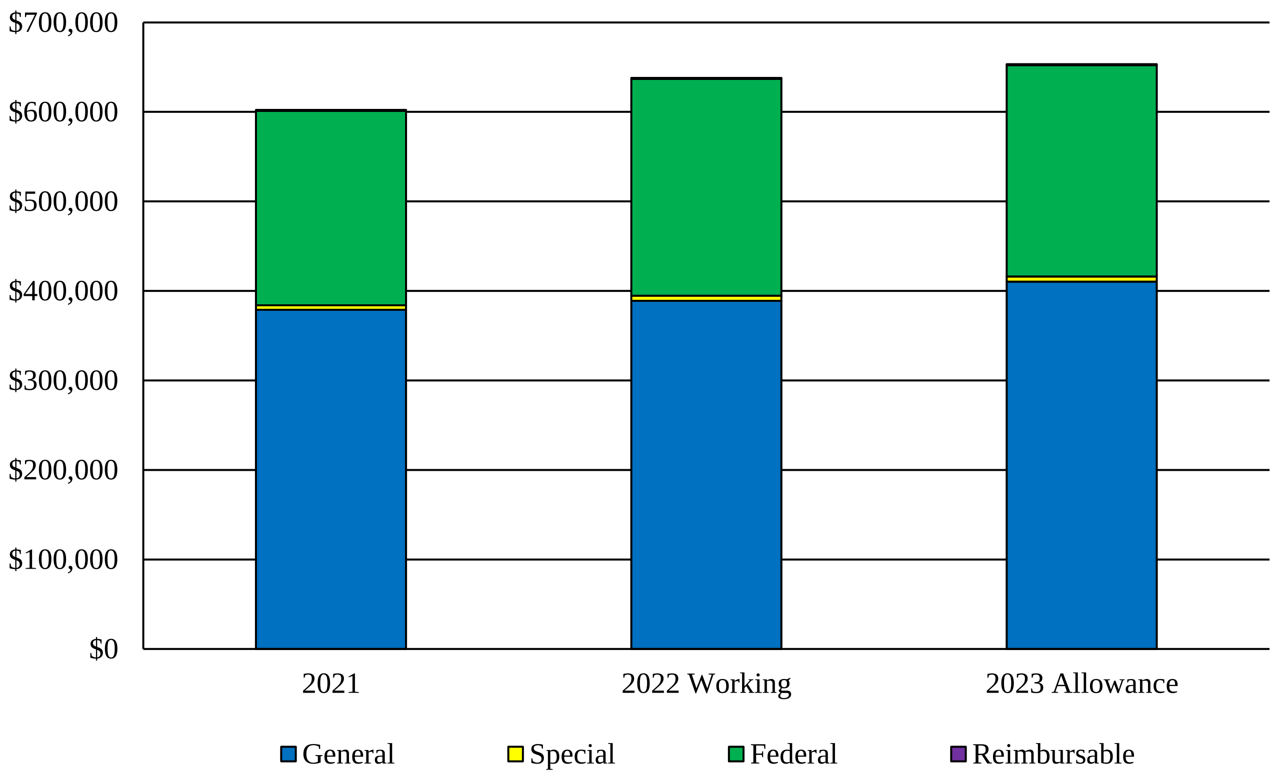
Department of Human Services

Executive Summary

The Department of Human Services (DHS) Social Services Administration (SSA) supervises child welfare programs, including foster care, subsidized adoptions, and subsidized guardianships, as well as programs to protect vulnerable adults and individuals with disabilities.

Operating Budget Summary

Fiscal 2023 Budget Increases $15.3 Million, or 2.4%, to $653.3 Million
($ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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- The fiscal 2023 allowance for SSA increases by $15.3 million compared to the fiscal 2022 working appropriation. This increase occurs mainly due to an increase in Foster Care Maintenance Payments of $18 million. The largest component of the increase in these payments is a $10.6 million increase in monthly placement costs for purchased institutions (group home) placements to better align average monthly placement costs with recent history. Other significant increases in this program are a $7.2 million increase in flexible spending funds, which are used primarily for other costs related to children in care.

- General funds in the fiscal 2023 budget for Foster Care Maintenance Payments increase by $18.2 million, as a result of less use of federal funds due to one-time federal stimulus funds in the fiscal 2022 budget, as well as due to projected caseload growth and cost increases for these additional placements.

- The fiscal 2023 allowance provides $10 million for the purpose of provider rate increases for providers with rates set by the Interagency Rates Commission (IRC). Without budget reconciliation legislation, fiscal 2023 will be one of the few times in recent history that provider rates are not frozen at a prior year level or increases capped, providing significant uncertainty about the funding level required to support such increases.

- Excluding the Foster Care Maintenance Payments program, the SSA budget decreases by a total of $2.7 million, or 0.8%, from the fiscal 2022 working appropriation. These decreases are mainly due to one-time federal stimulus funds received in fiscal 2022 for child welfare and adult protective services.

Key Observations

- ***Child Welfare Caseloads Continue to Be Impacted by the COVID-19 Pandemic:*** Reports of child maltreatment have remained low through August 2021, the most recent month for which data is available. The number of child maltreatment reports first decreased substantially in March 2020 following the closure of in-person schooling and other limitations on in-person contact between children and mandated reporters of child abuse. These lower levels of reports have continued, leading to reductions in entries into care. Foster care caseloads declined across all placement types throughout fiscal 2021 as a result. Despite predictions that caseloads would rebound to prepandemic levels in fiscal 2022, lingering effects of the pandemic have led to additional declines in caseloads during the first half of the fiscal year (through December 2021).

- ***Vacancies Increase Across SSA:*** Between January 1, 2021, and January 1, 2022, the number of vacant positions in SSA increased by more than 100, to a total of 342.73. This level of vacancies is nearly double the turnover expectancy and is more than 13% of all authorized positions in the agency. Vacancies among child welfare caseworkers and supervisors increased by 69.23, however DHS continued to meet Child Welfare League of America (CWLA) caseload standards, due to fewer positions being needed to meet those standards resulting from declines in caseloads.

- ***Youth Hospital Overstays Persist:*** Inpatient hospital stays longer than medically necessary continue to be an issue for youth in out-of-home placements. The length of overstays in calendar 2020 and 2021 is particularly high for psychiatric hospitalizations compared to medical hospitalizations. DHS and other child placing agencies continue to evaluate how to address service gaps in Maryland that contribute to hospital overstays.

- ***Implementation of Family First Prevention Services Act (FFPSA):*** Local departments of social services (LDSS) continue to implement a variety of evidence-based practices for prevention services as authorized in the FFPSA. DHS and the Department of Juvenile Services (DJS) have collaborated on the designation process for Qualified Residential Treatment Programs (QRTP) in order to qualify for federal reimbursement under the FFPSA.

Operating Budget Recommended Actions

1. Add language restricting general funds until a report is submitted by the Office of Legislative Audits indicating that the Department of Human Services has taken corrective action on repeat audit findings.

2. Adopt committee narrative requesting updated data on hospital stays for youths in out-of-home placements.

3. Adopt committee narrative requesting an update on the implementation of the Family First Prevention Services Act.

4. Adopt committee narrative requesting an update on the implementation of a new provider rate structure.

5. Add language restricting general funds in Foster Care Maintenance Payments to that purpose only.

6. Add language restricting general funds in Child Welfare Services to that purpose.

7. Adopt committee narrative requesting updated data on Child Welfare League of America caseload standards.

8. Adopt committee narrative requesting data on impacts of the COVID-19 pandemic on foster care removals and child maltreatment reporting.

Updates

- Child fatalities in which abuse or neglect was determined to be a factor increased for the fourth consecutive year in calendar 2020 to 53 statewide, an increase of 9 over the previous year. This number of fatalities was the highest level since at least 2001. In calendar 2020, the highest number of fatalities (21) occurred in Baltimore City.

- DHS has released a request for proposal (RFP) for a vendor for the actuarial services needed to develop a new rate structure for providers who have rates set by IRC. DHS anticipates that the contract will appear before the Board of Public Works (BPW) for approval in June 2022 and that the new rate structure will be fully implemented in mid-calendar 2025.

Operating Budget Analysis

Program Description

DHS SSA supervises child welfare programs that are intended to prevent or remedy neglect, abuse, or exploitation of children; preserve, rehabilitate, or reunite families; help children to begin or continue to improve their well-being; prevent children from having to enter out-of-home care; and provide appropriate placement and permanency of services. SSA is also responsible for policy development, training, and staff development and oversight and maintenance of the child welfare information system. SSA supervises programs to protect vulnerable adults and individuals with disabilities, promote self-sufficiency, and assist in avoiding or delaying unnecessary institutional care. Services are provided through LDSS, which are arms of DHS in each jurisdiction.

The goals of the department related to SSA are that (1) Maryland residents are safe from abuse, neglect, and exploitation and (2) Maryland children live in permanent homes, and vulnerable adults live in the least restrictive environment.

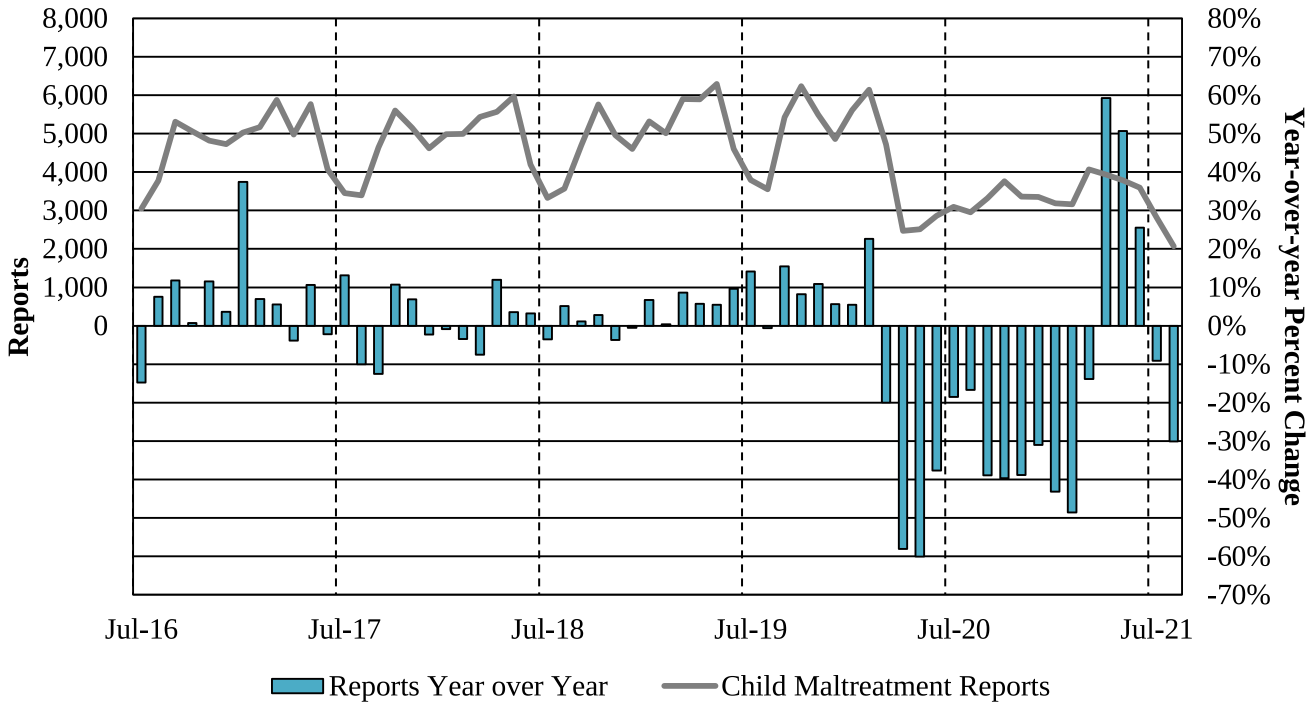
Performance Analysis: Managing for Results

1. Child Maltreatment Reports Decrease During the Pandemic

Since March 2020, corresponding to the beginning of the COVID-19 pandemic, Maryland has experienced substantial declines in reports of child maltreatment. These declines result primarily from the widespread closures of in-person school, child care facilities, medical visits, and court proceedings, which reduced opportunities for the observation and mandated reporting of child maltreatment. Although reports increased through early fiscal 2021 as some in-person activities resumed, the number of reports remained significantly lower than compared to prepandemic levels. Additional declines occurred at the end of the fiscal year and during the first two months of fiscal 2022. However, DHS has not yet reported data for the period that would reflect more in-person education and activities. DHS indicates data through December 2021 will be available by April 2022.

As shown in **Exhibit 1**, according to data reported by DHS through August 2021 on the number of child maltreatment reports by month and year-over-year change in these reports, reports of child maltreatment declined by nearly 60% between February and April 2020 and have remained below prepandemic levels through August 2021. Reports typically fluctuate throughout the year, with the fluctuation driven largely by the school schedule. In general, there are fewer reports during the summer months and higher levels immediately before the end of the school year and after it begins again. Although the number of reports increased by approximately 65% between April 2020 and March 2021, and reports were 59% higher year-over-year in April 2021, the number remained near typical summer levels from previous years. Despite these initial increases, between March and August 2021, reports once again declined, with large decreases occurring during the summer months at the beginning of fiscal 2022. In August 2021, the last month for which data is currently available, reports had declined below the previous lowest point in April 2020 and were 30% below reports in August 2020.

Exhibit 1
Child Maltreatment Reports
Fiscal 2016-2022 (through August)



Source: Department of Human Services; Department of Legislative Services

In July 2021, the U.S. Government Accountability Office (GAO) published a study (*Child Welfare: Pandemic Posed Challenges, but also Created Opportunities for Agencies to Enhance Future Operations)* on impacts of the COVID-19 pandemic on the child welfare system based on data that it had compiled through interviews with officials at the U.S. Department of Health and Human Services and officials from 5 states and 10 local child welfare agencies in California, Florida, Illinois, New York, and Texas, among other sources. In each of these states, officials reported having observed declines in the number of child abuse and neglect reports made to their agencies, particularly during the early months of the pandemic. In most state and local child welfare agencies that the GAO interviewed, officials observed more severe cases of child abuse during the pandemic, such that child maltreatment in those cases was not apparent until it became more severe. However, GAO found this varied by state, and in some states, the number of child abuse investigations remained similar to prepandemic trends.

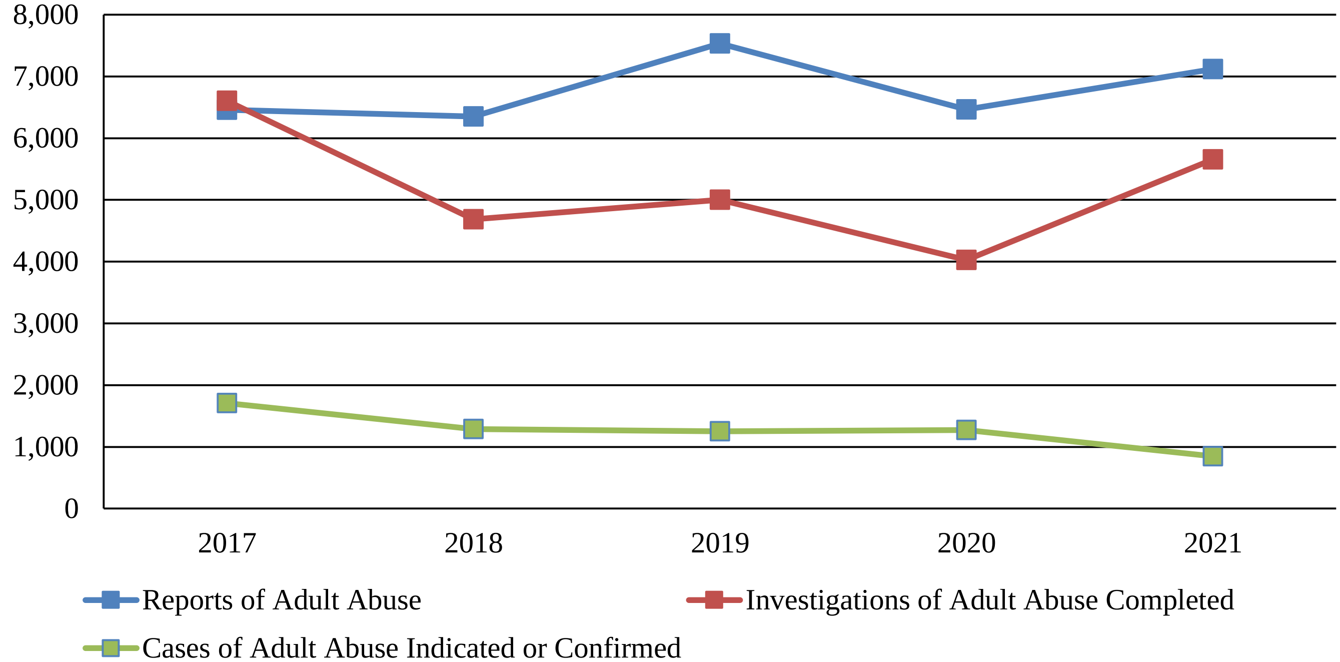
Officials in some states also noticed that cases of child maltreatment were impacted as a result of the negative economic effects of the pandemic, as increased unemployment and mental health concerns negatively impacted family conditions.

Maryland child welfare caseload fluctuations during the early months of the pandemic appear to be similar to those reported nationwide and by other state and local child welfare agencies within the states GAO interviewed in its report. However, GAO found evidence that in many states, maltreatment reporting and child welfare caseloads began to return toward prepandemic levels during summer and fall 2020. Officials in the majority of state and local child welfare agencies interviewed by GAO reported that as children returned to school in fall 2020, either in-person or virtually, state child maltreatment reporting returned to similar levels observed prior to the beginning of the pandemic. In comparison, the currently available data for Maryland does not yet show this rebound. DHS has indicated that reports and caseloads have risen since in-person education returned more fully. However, as data remains unavailable beyond August 2021, the Department of Legislative Services (DLS) is unable to determine the impacts of the return to more fully in-person education in the fall of 2021 on maltreatment reporting trends. **DHS should discuss any potential causes behind the slower than expected rebounding of maltreatment reports and child welfare caseloads, any data on trends in the last quarter of 2021, and whether issues with more severe cases of abuse have been observed in Maryland due to the fewer reports in earlier periods.**

2. Adult Abuse Reports Increase, but Indicated or Confirmed Cases Decline

As shown in **Exhibit 2,** the number of reports of adult abuse increased in fiscal 2021 by about 10% from the fiscal 2020 total, to 7,116. This increase follows declines in reporting in fiscal 2020 during the initial portion of the pandemic, caused in part by the closures of adult day programs and stay-at-home orders that reduced the number of contacts between vulnerable adults and others. Although the number of reports of adult abuse increased during fiscal 2021, the total number of indicated or confirmed cases of adult abuse declined by 33%, to the lowest total in at least the last five fiscal years.

Exhibit 2
Adult Abuse Reports, Investigations, and Findings
Fiscal 2017-2021



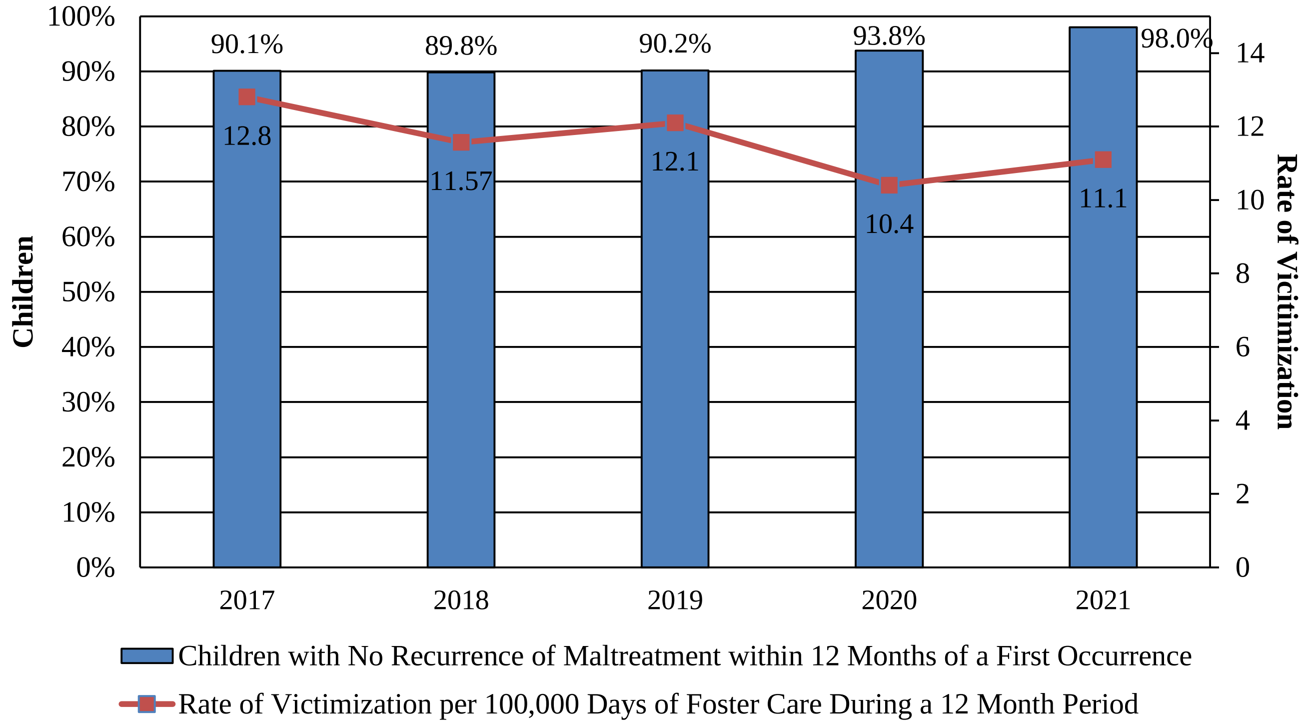
Source: Department of Budget and Management; Department of Human Services

3. Performance in Child Safety Measures

DHS reports two primary measures related to child safety: (1) the percentage of children with no recurrence of maltreatment within 12 months of a first occurrence; and (2) the rate of victimization per 100,000 days of foster care during a 12-month period. The rate of victimization includes all instances of maltreatment while in foster care and is not limited to foster parents or facility staff members.

DHS has a goal of 90.9% of children having no recurrence of maltreatment within 12 months of a first occurrence. As shown in **Exhibit 3**, DHS exceeded this goal for the second consecutive year in fiscal 2021. DLS also notes this is a period of generally lower caseloads and child maltreatment reports overall. Increases in this performance measure correspond with the department's continued focus on prevention services prior to removal with additional engagement with families allowing for provision of additional support services that reduce future maltreatment.

Exhibit 3
Child Safety Performance Measures
Fiscal 2017-2021



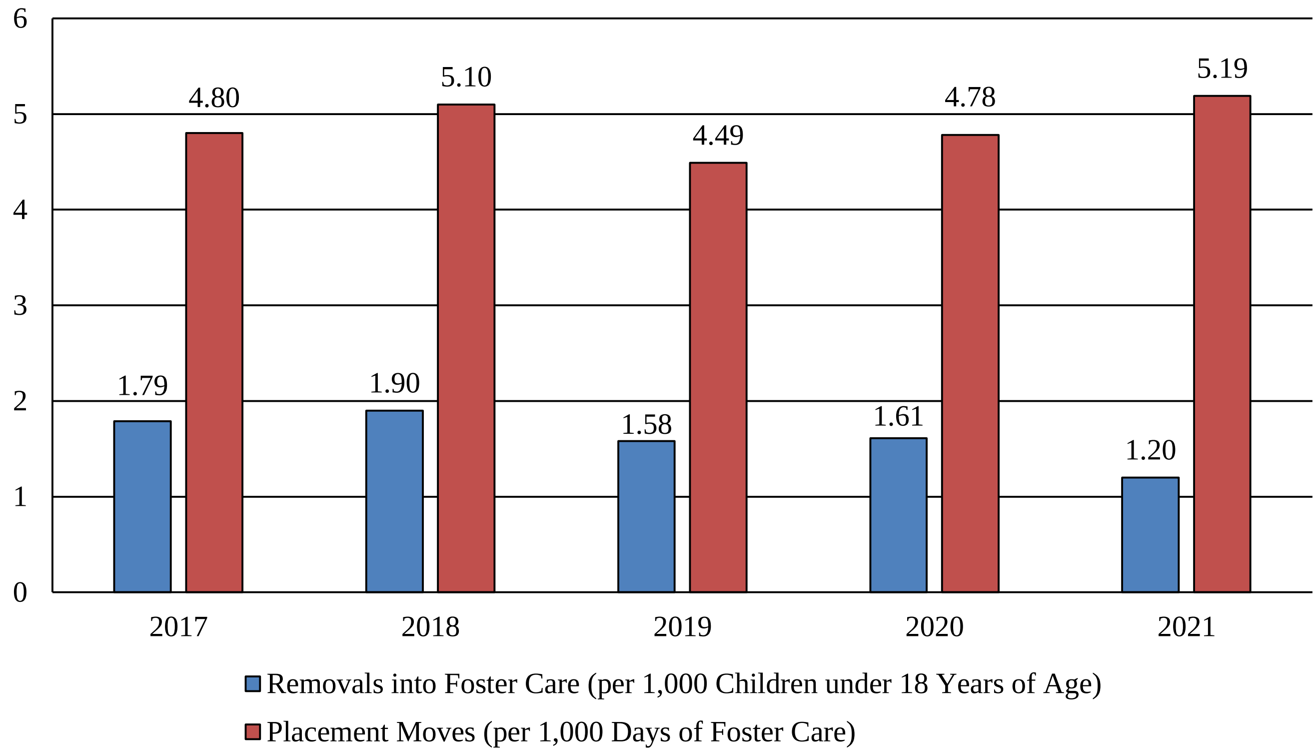
Source: Department of Human Services; Department of Budget and Management

The department's goal is a rate of victimization of 8.5 or less per 100,000 days of foster care during a 12-month period. DHS has not met this goal in any recent year. The fiscal 2021 rate of 11.1 was a slight increase over the fiscal 2020 rate of 10.4, which was the lowest level since fiscal 2015. DHS indicates that it anticipates that the rate of victimization will decrease in future years as it continues to implement evidence-bases prevention services under the FFPSA. **DHS should discuss steps that it is taking to reduce the rate of victimization for youth in foster care.**

4. Rate of Removals into Foster Care and Placement Moves

DHS has a goal of no more than 1.5 removals into foster care per 1,000 children under the age of 18. As shown in **Exhibit 4**, DHS met this goal in fiscal 2021 for the first time in recent fiscal years as the rate of removal declined to 1.2 per 1,000 children. This decrease is consistent with efforts by DHS to continue to implement eight evidence-based practices under the FFPSA that focus on strengthening the parent-child relationship and improving overall family functioning to prevent removals into foster care through alternative in-home services. The fiscal 2021 rate of removals into foster care also reflects reduced overall child maltreatment reports and foster care caseloads due to impacts of the COVID-19 pandemic.

Exhibit 4
Removal Rate and Placement Moves
Fiscal 2017-2021



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

SSA has a goal of limiting the number of placement moves to no more than 4.12 per 1,000 days of foster care, which equates to a move approximately every 243 days. The rate of placement moves increased to 5.19 in fiscal 2021 and has exceeded the goal in each of the five most recent fiscal years. The fiscal 2021 rate represents a 15% increase from fiscal 2019. Placement stability has likely been negatively impacted by the COVID-19 pandemic due to quarantine related needs. **DHS should comment on steps that it plans to take to minimize placement moves.**

Fiscal 2021 Federal Stimulus Funds

SSA received a total of $14 million in federal stimulus funds in fiscal 2021, which included the following:

- $11.8 million for foster care maintenance payments, including $11.7 million from the Coronavirus Relief Fund through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide supplemental funding for basic care, diagnosis, training, education, including costs of quarantining for foster children, and $126,653 from the Promoting Safe and Stable Families (PSSF) program from the Coronavirus Response and Relief Supplemental Appropriation Act (CRSSA) to support family stabilization during the pandemic.

- $972,839 for child welfare services to respond to impacts of the COVID-19 pandemic, including $405,561 from the Stephanie Tubbs Jones Child Welfare Services Program from the CARES Act, and $567,278 through the American Rescue Plan Act of 2021 (ARPA).

- $1.2 million for adult services to fund elder abuse prevention programs, including $941,435 from the Coronavirus Relief Fund through the CARES Act, $40,539 from CRSSA, and $172,687 from the ARPA.

Fiscal 2022 Federal Stimulus Funds and Proposed Deficiency Appropriations

SSA is projected to receive a total of $9.7 million in federal stimulus funding in fiscal 2022. Of this amount, $1.3 million is from the CRSSA for the purpose of elder abuse prevention provided in Supplemental Budget No.2 of the fiscal 2022 Budget Bill. The remaining $8.4 million of federal stimulus funds are included in proposed deficiency appropriations:

- $4.2 million in total from PSSF, to support family stabilization, and the Chafee Foster Care Program for Successful Transition to Adulthood (Independent Living), to provide assistance in maintaining self-sufficiency for older youth currently and formerly in care, which is available through the CRSSA;

- $2.5 million supplements the fiscal 2022 federal fund appropriation for child welfare services to respond to impacts of the COVID-19 pandemic, including $1.8 million from the Child Abuse State Grants from the ARPA, $449,718 for Education and Training Vouchers (ETV) from the CRRSA, and $259,079 from the Child Welfare Services Program from the CRRSA; and

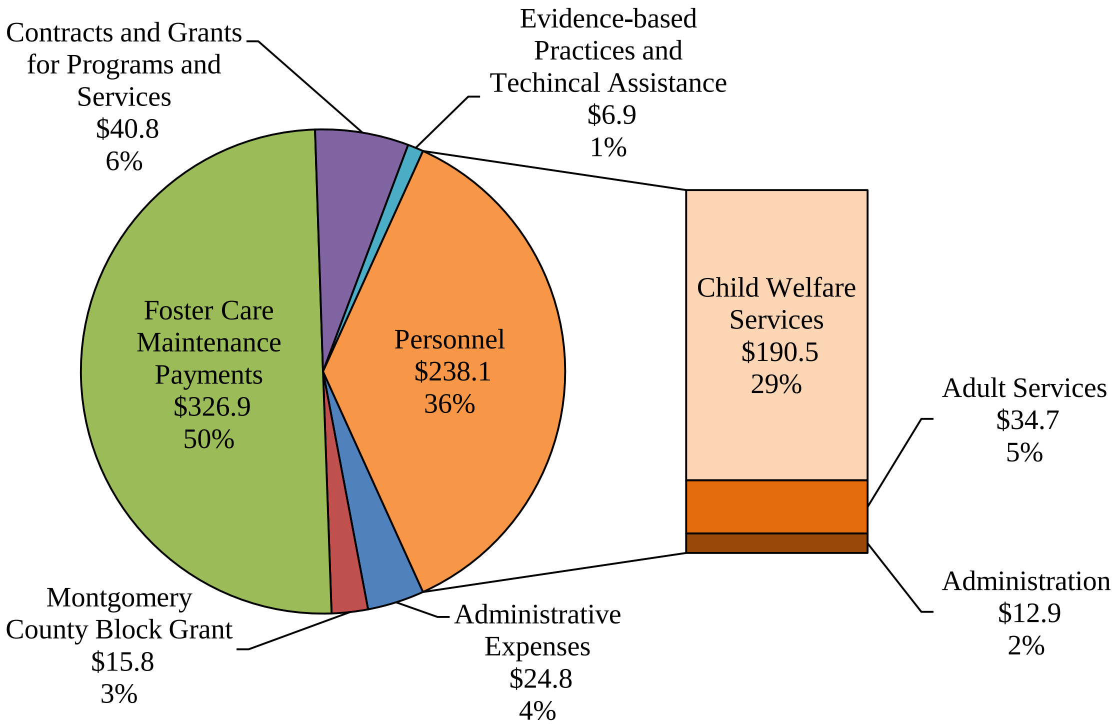
- $1.6 million for adult services and the General Administration program to fund elder abuse intervention programs, which is available through the CRRSA.

The fiscal 2023 budget includes one additional proposed deficiency appropriation impacting SSA of $5 million in general funds, which will support provider rate supplements for providers with rates set by IRC. **DHS should discuss how these supplements will be distributed.**

Fiscal 2023 Overview of Agency Spending

The fiscal 2023 allowance for SSA totals $653.3 million. Foster Care Maintenance Payments account for $326.9 million, or 50%, of the fiscal 2023 allowance, including funding for both placement costs and related costs for these children. Outside of Foster Care Maintenance Payments, the remainder of the budget for SSA totals $326.4 million, of which the Child Welfare Services program makes up $246.5 million. As shown in **Exhibit 5**, personnel expenses total $238.1 million, or 36%, of the fiscal 2023 allowance, most of which is for the local child welfare services program personnel.

Exhibit 5
Overview of Agency Spending
Fiscal 2023 Allowance
($ in Millions)



Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor's Fiscal 2023 Budget Books; Department of Legislative Services

The Montgomery County Block Grant accounts for $15.8 million, or 5%, of SSA's non-Foster Care Maintenance Payments spending. Montgomery County receives a block grant for child welfare, adult services, family investment, and administrative expenses. This block grant provides the county with the ability to provide higher pay and other flexibility. In SSA, the block grant includes the child welfare and adult services components. The activities budgeted through this block grant are similar to those that would be split between personnel, contracts, and administrative expenses for the other LDSS. DHS pays the portion of the salaries equivalent to what those positions would earn if they were State employees.

Proposed Budget Change

As shown in **Exhibit 6**, the fiscal 2023 allowance for SSA increases by $15.3 million, or 2.4%, compared to the fiscal 2022 working appropriation after accounting for proposed fiscal 2022 deficiency appropriations. Excluding Foster Care Maintenance Payments, SSA's fiscal 2023 budget decreases by $2.7 million, or 0.8%. This net decrease results primarily due to one-time federal stimulus funds received in fiscal 2022 for child welfare and adult protective services. These decreases are partially offset by increases in personnel expenses, including a $3.1 million increase in employee and retiree health insurance premiums.

Exhibit 6
Proposed Budget
DHS – Social Services
($ in Thousands)

How Much It Grows:	**General Fund**	**Special Fund**	**Federal Fund**	**Reimb. Fund**	**Total**
Fiscal 2021 Actual	$378,931	$4,893	$217,573	$1,038	$602,435
Fiscal 2022 Working Appropriation	388,943	5,759	242,411	828	637,941
Fiscal 2023 Allowance	410,327	5,923	236,186	828	653,264
Fiscal 2022-2023 Amount Change	$21,384	$164	-$6,225	$0	$15,323
Fiscal 2022-2023 Percent Change	5.5%	2.9%	-2.6%	0%	2.4%

Where It Goes:	**Change**
Personnel Expenses	
Employee and retiree health insurance premiums	$3,104
Workers' compensation premium assessment	212
Turnover adjustments	164
Reclassification	95
Other fringe benefit adjustments	60
Regular earnings due to net abolishment of 2.77 positions and other position transfers	-1,099

Where It Goes:	**Change**
Foster Care Maintenance Payments	
Fiscal 2023 funding for provider rate increases for providers with rates set by the Interagency Rates Commission.	10,000
Flexible spending funds based on most recent actual expenditures	7,265
Placement costs for all other placement types (non-regular foster care) to better align with higher recent average payment levels and account for fiscal 2022 rate increases, partially offset by lower caseloads	5,331
Subsidized adoptions due to higher estimated placement costs partially offset by lower caseloads	3,153
Subsidized guardianships due to higher estimated placement costs partially offset by lower caseloads	1,311
Hospital overstay costs budgeted as a separate item for the first time	1,071
Child support collection funds to align with most recent actual expenditures	140
Independent living funds to align with most recent actual expenditures	102
Local Education Agency collection funds to align with most recent actual expenditures	-93
Waiver Intervention Services funds budgeted only in fiscal 2022	-195
Placement costs for regular (family) foster care reflecting lower projected caseloads partially offset by higher estimated average payments	-299
Foster Youth Savings Program to align with most recent actual expenditures	-501
One-time supplemental federal stimulus funds for foster care maintenance payments	-4,247
Fiscal 2022 provider rate supplement	-5,000
Other Changes	
Contracts for implementation of Center for Excellence in Foster Family Development (discussed further in Issue 2 of this analysis)	341
Replacement of 22 motor vehicles for child welfare services	115
Kinship Navigator development and evaluation grants	68
Communications expenses for telephone and postage	54
Child welfare services administrative contracts for local LDSS operations	43
Contracts for adult services	40
Rent paid to Department of General Services	40
Other	15
Contractual personnel expenses	-53
Fuel and utilities costs for electricity and water	-58
Administrative hearings for child protective services	-365
One-time supplemental federal stimulus funds for child welfare services	-2,519
One-time supplemental federal stimulus funds for adult protective services	-2,972
Total	**$15,323**

LDSS: local departments of social services

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Foster Care Maintenance Payments

The fiscal 2023 allowance for Foster Care Maintenance Payments increases by $18 million, or 5.8%, compared to the fiscal 2022 working appropriation after accounting for deficiency appropriations supporting a provider rate increase supplement in fiscal 2022 and allocating available federal stimulus funds. This increase consists mainly of a general fund increase of $18.2 million. Federal funds decrease by $316,807 due to a $4.2 million decrease in federal stimulus funds received in fiscal 2022, which are offset by increases in Temporary Assistance for Needy Families (TANF) and Title IV-E spending. TANF spending in the fiscal 2023 allowance increases by $3.9 million, to $34.9 million in total.

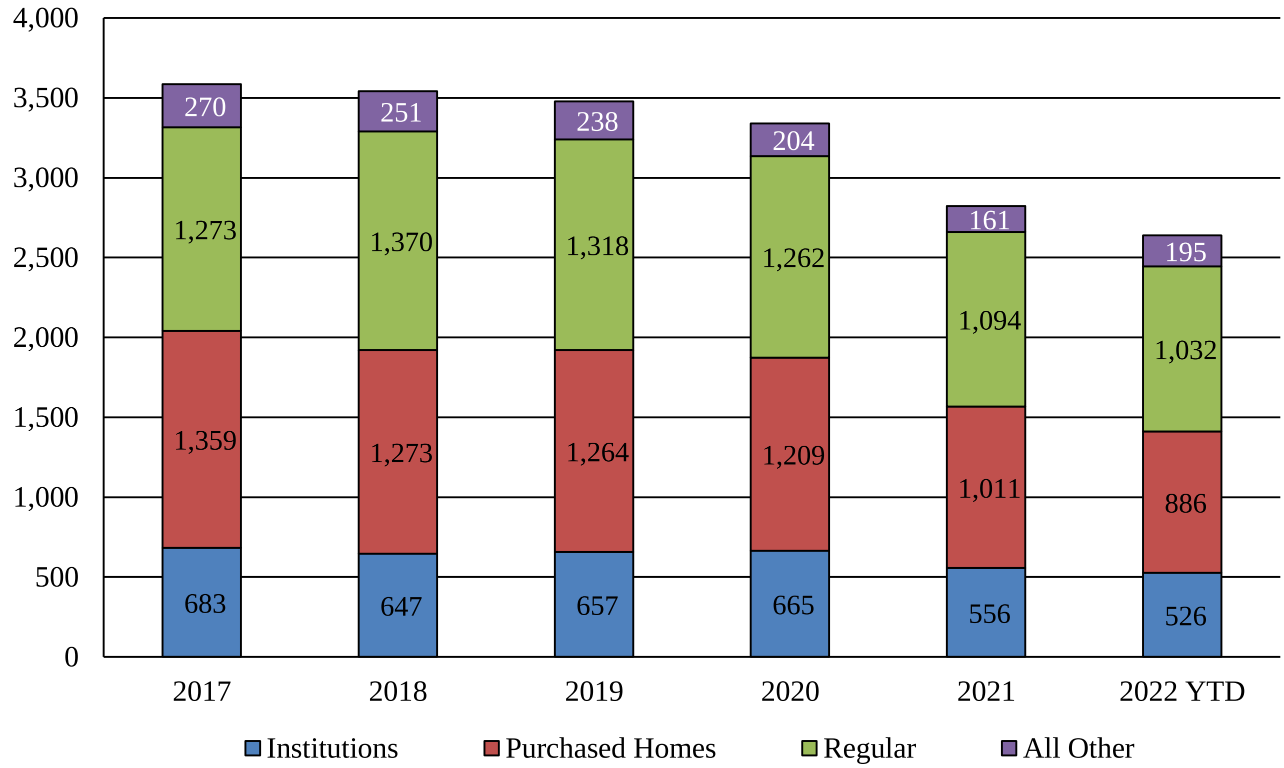
The largest increase in the Foster Care Maintenance Program is due to $10 million budgeted in fiscal 2023 for provider rate increases for providers with rates set by IRC. The next largest increases in the fiscal 2023 allowance for this program are an increase of $7.2 million in flexible spending funds to better reflect recent experience, followed by a net increase of $5.3 million in the placement costs for all other placement types outside of regular foster care. These increases reflect the recent history in average monthly placement costs, factoring in provider rate increases in fiscal 2022, which is partially offset by a declining caseload. Within this total, the largest increase in placement costs is a $10.6 million increase for institutional (group home) foster care, which continues to be the most expensive placement type. The largest decreases in this program account for funding for provider rate supplements budgeted in fiscal 2022, as well as one-time federal stimulus funds.

The fiscal 2023 allowance also contains $1.1 million budgeted for youth hospital stays that are not covered by Medicaid due to not being medically necessary. Fiscal 2023 is the first year that funds for this purpose are budgeted separately under their own subprogram. In addition, the fiscal 2023 allowance includes $10 million for provider rate increases, a similar level of funding as has been used for this purpose in fiscal 2022.

Caseload Trends and Estimates

As shown in **Exhibit 7**, the number of youths in out-of-home placements paid for by DHS has decreased each year since fiscal 2016. However, after relatively slow rates of declines in the prior years, the average monthly number of placements decreased by 15.5% in fiscal 2021 (compared to a 4% decrease in fiscal 2020). Caseloads declined across all placement types. Outside of the "all other" category (which includes regular foster care), the largest declines in fiscal 2021 were in purchased homes and institutions (each declined by 16.4%). These placements largely consist of treatment foster homes and other institutional care settings that provide a higher level of care. In fiscal 2022 year to date (through December 2021), the average monthly caseload has declined by an additional 6.5% over the previous fiscal year, but declines have varied by category. For example, purchased homes caseloads have decreased by an additional 12.4% in the first half of fiscal 2022, while caseloads in the "all other" category have increased by 21.1%. Although overall caseload declines have continued throughout the first half of fiscal 2022, as unanticipated impacts from the COVID-19 pandemic have lingered, declines are anticipated to continue to slow throughout the remainder of the fiscal year and return toward prepandemic levels throughout fiscal 2023.

Exhibit 7
Foster Care Caseload
Average Monthly Caseload
Fiscal 2017-2022 (through December 2021)

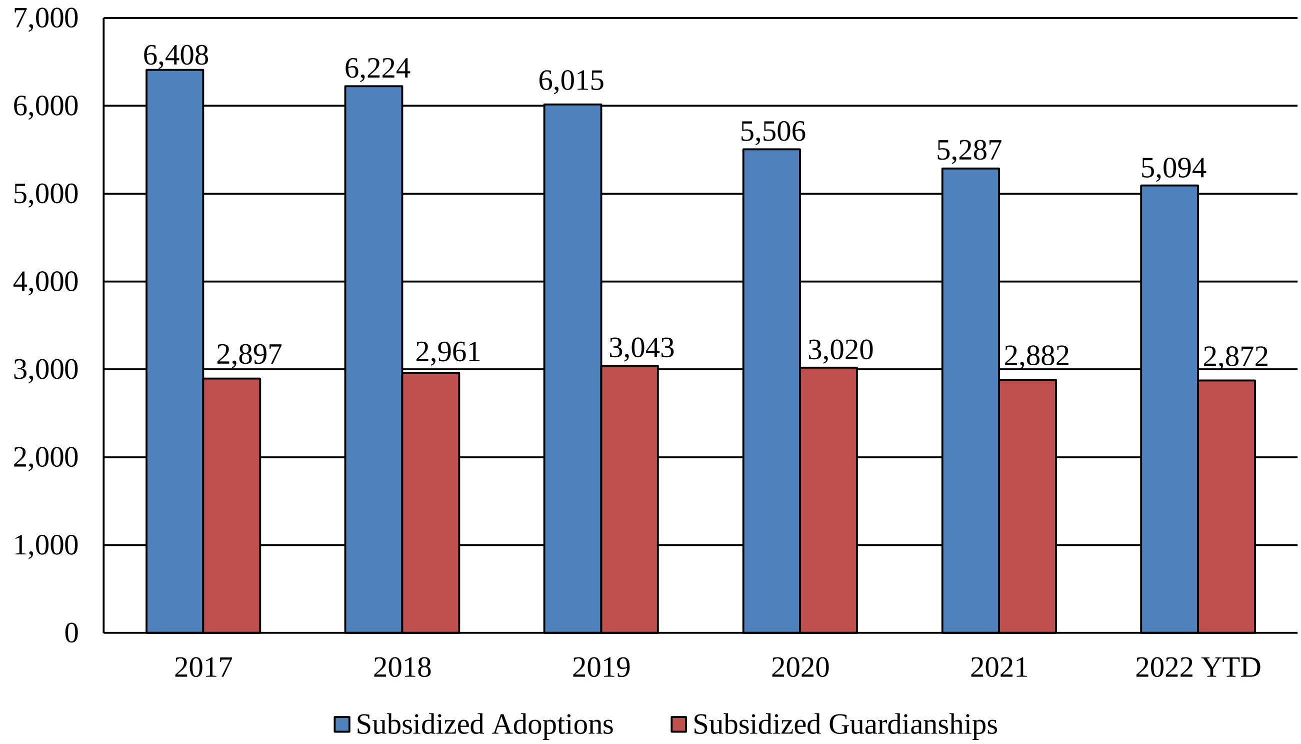


YTD: year to date

Source: Department of Human Services; Department of Legislative Services

The average monthly caseloads for subsidized adoptions and subsidized guardianships have also been impacted by the COVID-19 pandemic, primarily due to closures and reductions in court activities impacting movement into permanency options. As shown in **Exhibit 8,** both the average monthly number of subsidized adoptions and guardianships continued to decrease during fiscal 2021 and 2022 (through December). However, the rates of decrease have slowed throughout the first half of fiscal 2022, and the overall percent decreases in fiscal 2021 and 2022 are comparatively lower than decreases in foster care caseloads. Subsidized adoptions decreased by 3.9% in fiscal 2021 and an additional 2.5% in fiscal 2022. Subsidized guardianships decreased by 4.6% in fiscal 2021 and by an additional 0.4% in fiscal 2022. The resumption of court activities that began during fiscal 2021 has resulted in additional movement of children into permanency options allowing for the changes in these two placement types to move closer to prepandemic averages, especially for subsidized guardianships.

Exhibit 8
Subsidized Adoptions and Guardianships
Average Monthly Caseloads
Fiscal 2017-2022 (through December 2021)



YTD: year to date

Source: Department of Human Services; Department of Legislative Services

Exhibit 9 presents a comparison of the DLS estimate for the average monthly placements and the caseload estimate on which the budget is based for fiscal 2022 and 2023. For fiscal 2022, DLS forecasts a lower caseload overall, primarily due to actual caseload numbers remaining lower throughout the first half of the fiscal year than what was anticipated during the development of the fiscal 2022 budget, which anticipated a quicker rebound of caseloads to prepandemic levels. However, in fiscal 2023, DLS forecasts a caseload that is similar to that on which the budget is based, due to the anticipation that placements will rebound in fiscal 2023 as the unusual factors currently influencing the placements of youth will dissipate. While the overall caseload levels are similar, there are variations among placement types, which can influence costs. In particular, DLS forecasts a substantially lower caseload for subsidized adoption, which is largely offset by higher anticipated caseloads among other placement types, some of which are considerably more expensive.

Exhibit 9
Caseload Projections by Placement Type
Average Monthly Caseload
Fiscal 2021-2023 Est.

	2021	2022			2023		
	Actual	**Budget**	**DLS**	**2022 DLS - 2022 Budget Difference**	**Budget**	**DLS**	**2023 DLS - 2023 Budget Difference**
Regular	1,094	1,288	1,116	-172	1,121	1,194	73
Other Placements	161	216	165	-51	165	176	11
Purchased Home	1,011	1,200	1,011	-189	1,036	1,102	66
Purchased Institution	556	703	556	-147	570	600	30
Subsidized Adoptions	5,287	5,387	5,128	-259	5,339	5,077	-262
Subsidized Guardianships	2,882	3,019	2,911	-108	2,955	2,969	14
Total Combined	**10,991**	**11,813**	**10,940**	**-926**	**11,186**	**11,067**	**-68**

DLS: Department of Legislative Services

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

Provider Rate Increases

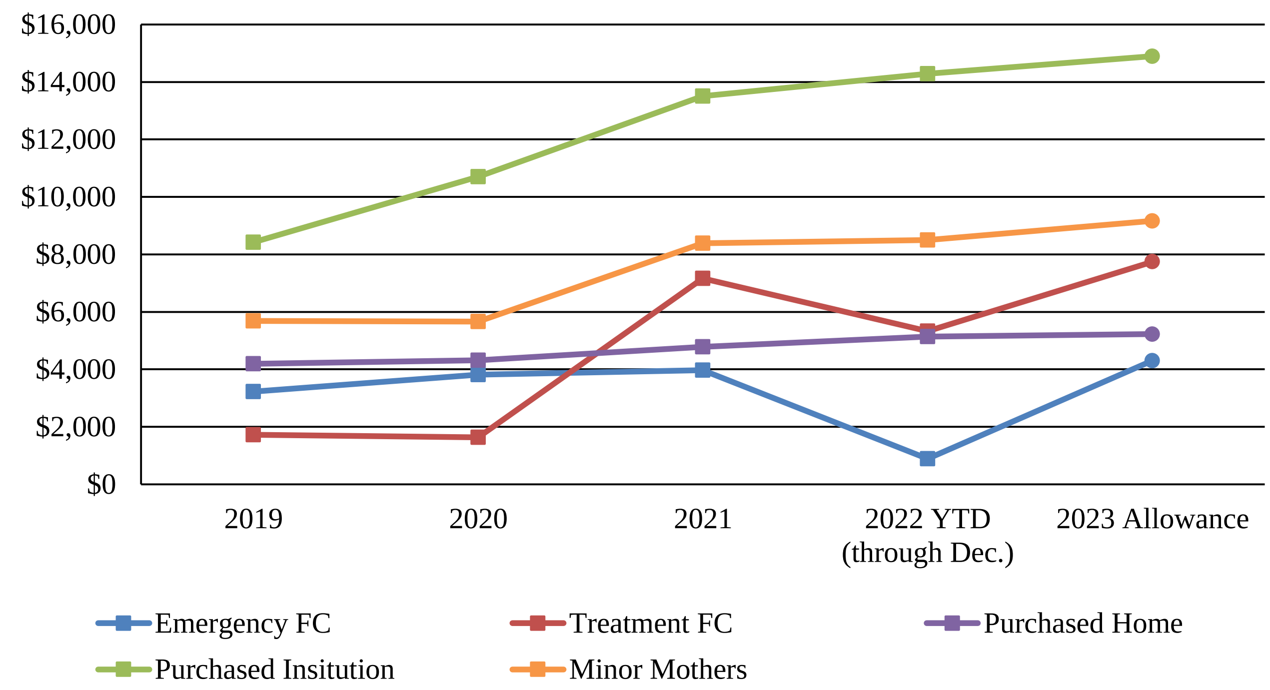
The fiscal 2023 allowance includes funding totaling $10 million for a provider rate increase for providers who have rates set by IRC. Based on historical experience, each 2% rate increase across providers would cost about $3 million. However, the amount budgeted for this purpose in the fiscal 2023 allowance is an estimate of these costs as the actual percentage amount for provider rate increases are determined for each provider and will not be determined by IRC until a later date. Although DLS has estimated a 4% provider rate increase consistent with the rate increases for other provider types, the actual provider rate increases in fiscal 2023 could be significantly higher as the increases are not limited by or determined by statute. Budget reconciliation legislation has frozen or limited rate increases in most years since the 2009 session. In fiscal 2020, also uncapped, rates for some providers increased substantially.

The fiscal 2022 working appropriation contains $6 million for this purpose, which was intended to fund a maximum 4% rate increase consistent with Section 3 of the Budget Reconciliation and Financing Act of 2021, which limited rate increases for providers who have rates set by IRC to no more than 4% over the rates in effect on January 1, 2021. An additional $5 million for provider rate supplements in fiscal 2022 is allocated through a deficiency appropriation in the fiscal 2023 Budget Bill.

Placement Costs

The five placement types that have had the largest percent increases in average monthly placement costs since fiscal 2019 are shown in **Exhibit 10.** Average monthly placement costs for all placement types within the Foster Care Maintenance Payments program increase between the fiscal 2022 and 2023 allowance, due to the understatement of placement costs in the fiscal 2022 budget. The largest increases between the fiscal 2022 budget and the fiscal 2023 allowance occur in treatment foster care (344.3%), minor mothers and infants (61.9%), purchased institutions (37.7%), purchased homes (21%), and emergency foster care (12.8%). These increases generally align with fiscal 2021 or 2022 year-to-date experience, while the estimates assumed in the fiscal 2022 budget were lower generally due to timing so that they did not fully account for average monthly payment costs in fiscal 2021. The DLS estimates for fiscal 2023 are generally consistent with the average monthly payments assumed for fiscal 2023.

Exhibit 10
Average Monthly Placement Cost Projections for Select Placement Types
Fiscal 2019-2023 Allowance
($ in Thousands)



FC: foster care
YTD: year to date

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

Forecast

As shown in **Exhibit 11**, DLS forecasts a surplus of $6.4 million in fiscal 2022 primarily due to the lower estimated number of placements in fiscal 2022 than could have been known at the time of budget development, despite higher placement costs for certain placements. DLS projects that the largest share of this surplus will be in general funds ($6.1 million). In fiscal 2023, DLS projects a surplus of $8.7 million. However, there are a number of factors that indicate that this forecast of a surplus should be viewed with caution:

- Without limitations on the rate increases that may be approved by IRC, the level of rate increase may vary substantially from the amount estimated, which could have a substantial impact on the cost.

- The overall surplus in fiscal 2023 may be impacted by caseloads rebounding toward prepandemic levels more rapidly than forecast.

- Uncertainty about the ability of the State to claim Title IV-E funds at levels assumed in the DLS forecast. Projecting Title IV-E claims is challenging due to limited experience since the expiration of the Title IV-E Waiver that provided a fixed level of funding. To the extent that the funds are not available at the level assumed, additional general funds may be required.

As a result of these uncertainties, DLS is not recommending a reduction based on the surplus but recommends the adding of annual budget bill language that restricts the general fund appropriation for this program to that purpose. This restriction, if adopted, would allow the State to achieve savings if this surplus occurs.

Exhibit 11
Foster Care Maintenance Payments Program Expenditure Forecast
Fiscal 2021-2023
($ in Millions)

	2021	**2022**	**2023**	**% Change 2022-2023**
Budgeted Expenditures				
General Funds	$206.2	$215.2	$233.4	8.5%
Special Funds	2.8	2.8	2.9	3.6%
Federal Funds	83.9	90.8	90.5	-0.3%
Total Funds	**$292.9**	**$308.8**	**$326.8**	**5.8%**
DLS Forecasted Expenditures				
General Funds	$206.2	$209.2	$222.5	6.4%
Special Funds	2.8	2.9	2.9	0.0%
Federal Funds	83.9	90.5	92.8	2.6%
Total Funds	**$292.9**	**$302.5**	**$318.2**	**5.2%**
General Fund Surplus/Shortfall (Compared to Budget)		$6.1	$10.9	
Special Fund Surplus/Shortfall (Compared to Budget)		-0.1	0.1	
Federal Fund Surplus/Shortfall (Compared to Budget)		0.4	-2.3	
Total Surplus/Shortfall (Compared to Budget)		**$6.4**	**$8.7**	

DLS: Department of Legislative Services

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

Personnel Data

	FY 21 Actual	FY 22 Working	FY 23 Allowance	FY 22-23 Change
Regular Positions	2,648.45	2,629.45	2,626.68	-2.77
Contractual FTEs	2.00	2.50	2.50	0.00
Total Personnel	**2,650.45**	**2,631.95**	**2,629.18**	**-2.77**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	184.13	7.01%
Positions and Percentage Vacant as of 12/31/21	342.73	13.03%
Vacancies Above Turnover	158.6	

- The fiscal 2023 allowance reduces the number of regular positions within SSA by a net total of 2.77 regular positions, which reflects abolitions and transfers within the department.

- There are currently 342.73 vacant positions in SSA, which is 158.6 positions greater than would be required based on the turnover expectancy, and approximately 13.0% of total positions. 287.23 of these vacancies are within Child Welfare Services. The current vacancy rate in SSA is an increase of 105.73 vacant positions over the same time one year ago. With the current lower caseloads, this increase in vacancies may be absorbable within the short term, but to the extent caseloads increase the high level of vacancies may prove challenging.

Issues

1. Youth in Out-of-home Placements Served in Hospital Settings

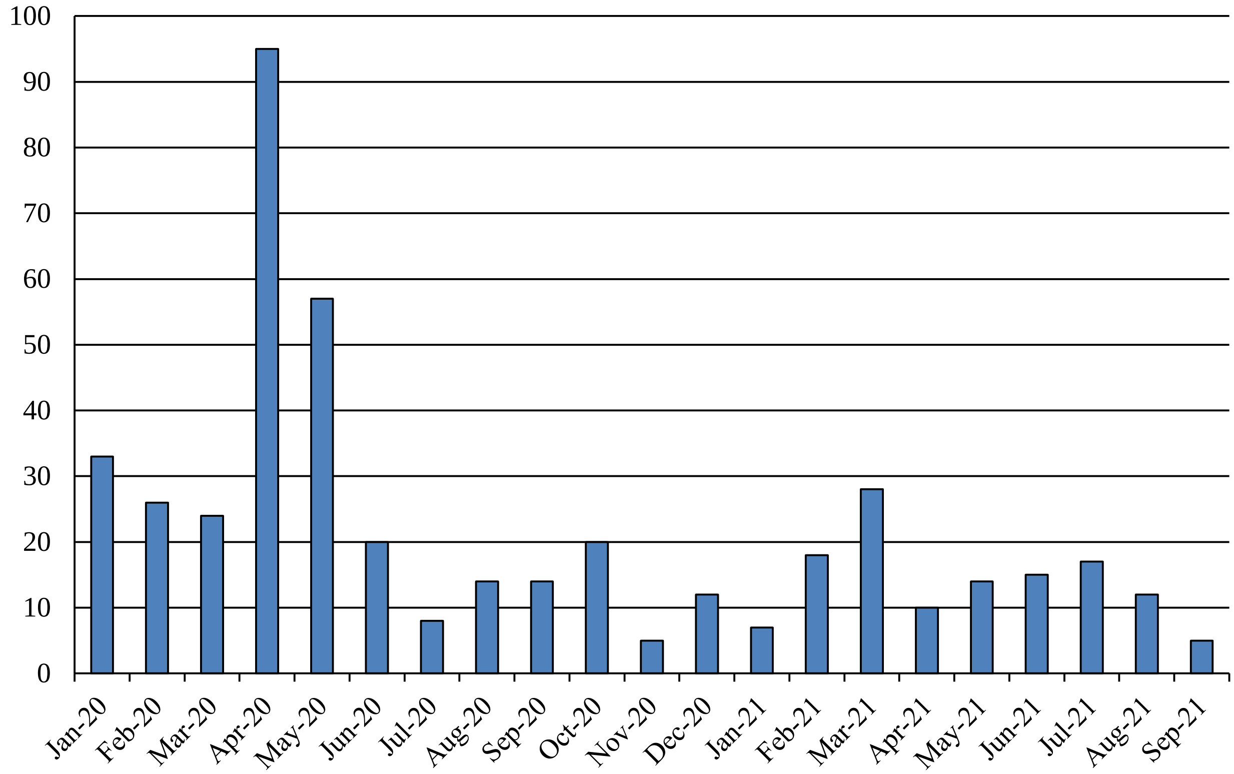
Over the last several years, the General Assembly has requested, and DHS has submitted, data regarding youth in out-of-home placements served in hospitals due to concerns raised regarding the length of stays in hospitals for youth in State custody. Of particular concern are youth who remain in hospital settings longer than is deemed medically necessary. Language in the fiscal 2022 Budget Bill restricted funds for DHS until a report was submitted that included updated data for the time period of October 2019 through September 2021 on the number of youth served in emergency rooms for psychiatric evaluation or crises and the average length of stay (ALOS), the number of youth served separately by medical hospitals and inpatient psychiatric hospitals and ALOS, the length of stay beyond medical necessity for both medical and psychiatric hospitals, and placement type after discharge, identifying the number of youth placed out-of-state. The report was submitted in December 2021, and the funds were released.

Prior to this December 2021 report, DHS had last submitted this data in September 2020, which contained data through September 2019, but did not contain data past that date due to limitations in the source of data used. The data used in that submission differed from reporting done in prior years. The data in that report was also limited to psychiatric hospitalizations (even for those reported as being in medical hospitals), rather than encompassing all hospitalizations. The December 2021 report contains data through September 2021, as requested, however some data requested from the period of October 2019 to December 2019 is unavailable due to the implementation of a new self-reporting system for LDSS for hospital admissions in calendar 2020. Due to this limitation, data on the number of youths served in an emergency room for psychiatric evaluation and crisis and the ALOS for these youth is included only for the time period of January 2020 through September 2021. Although the self-reporting system is a preferred method for reporting this data, compared to data used in the prior report, data contained in this report is not comparable to data contained in previous reports due to differing data sources.

Emergency Room Visits Due to Psychiatric Crisis/Evaluation

According to data reported by DHS, there were a total of 179 youth in out-of-home placements admitted to emergency rooms for psychiatric evaluation or crisis between January 2020 and September 2021. ALOS in an emergency room averaged 30 days during calendar 2020 and 14 days during calendar 2021 (through September). These averages were significantly higher than averages reported during fiscal 2019 and the first half of fiscal 2020 (through December 31, 2019), which were both less than 1 day. As shown in **Exhibit 12**, monthly averages ranged from a low of 5 days in November 2020 and September 2021 to a high of 95 days in April 2020. ALOS for emergency room visits is calculated by dividing the length of stay (date of discharge minus date of admission or date of "medical necessity" discharge) by the total number of discharges in a given month.

Exhibit 12
Average Length of Stay in Days for Emergency Room Visits
Calendar 2020-2021 (through September)

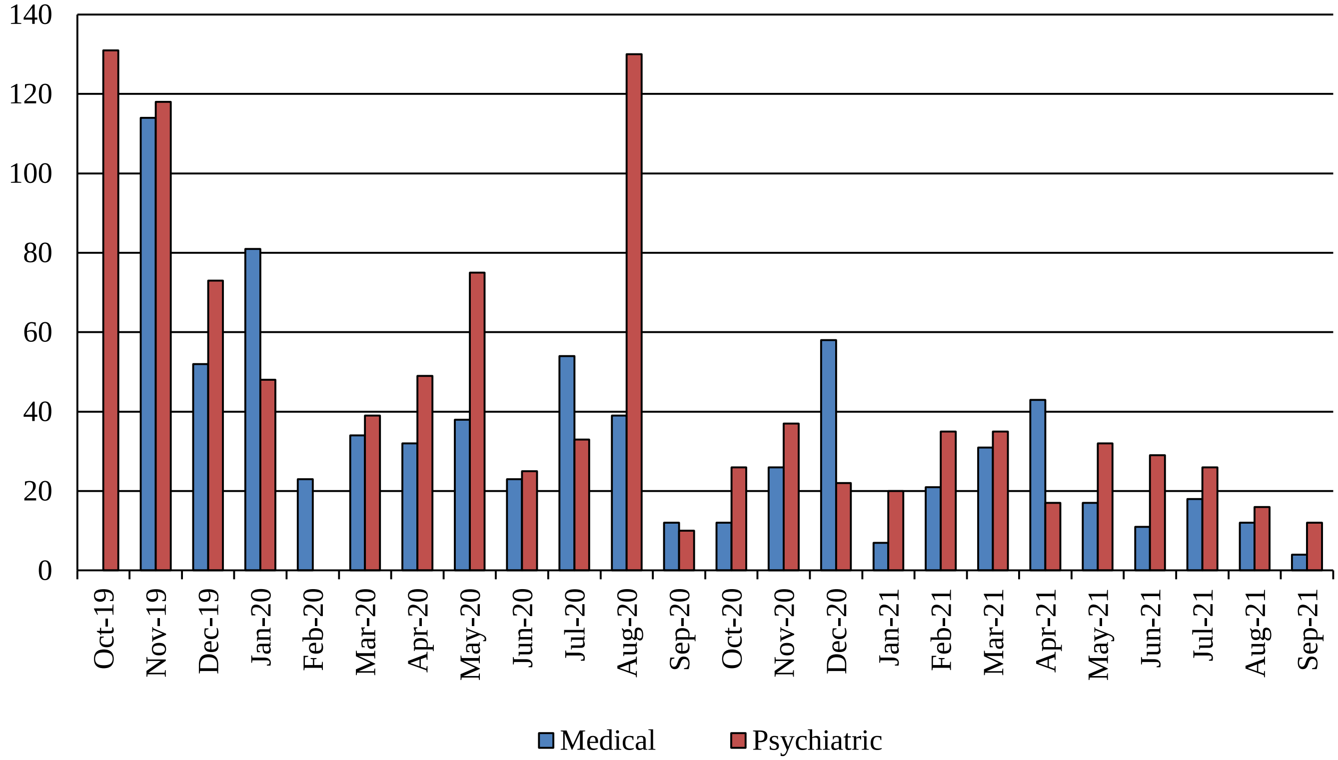


Source: Department of Human Services

Average Length of Stay for Medical and Psychiatric Hospital Admissions

For the period between October 2019 and September 2021, DHS reported that a total of 231 admissions to medical hospitals and 235 admissions to psychiatric hospitals occurred among youth in out-of-home placements. ALOS for these youths was 35 days during the period of October 2019 through December 2020 and 19 days during the period of January through September 2021 for medical stays and 50 days during the period of October 2019 through December 2020 and 26 days during the period of January through September 2021 for psychiatric stays. As shown in **Exhibit 13**, monthly averages for length of stay ranged from a low of 4 days in September 2021 to a high of 114 days in November 2019 for medical hospitalizations and a low of 10 days in September 2020 to a high of 131 days in October 2019 for psychiatric hospitalizations.

Exhibit 13
Average Length of Stay in Days for Inpatient Medical and Psychiatric Hospitalizations
October 2019 to September 2021



Source: Department of Human Services

Hospital Overstays

The length of hospital stays deemed longer than medically necessary are shown in **Exhibit 14**. As reported by DHS, youth hospitalized for psychiatric reasons experienced more hospital overstays and significantly more overstay days during both calendar 2020 and 2021 than youth hospitalized for medical reasons. DHS reports that during calendar 2020, there were a total of 84 youth reported to have experienced an overstay in a hospital. Of these, DHS reported 11 youth hospitalized for medical reasons experienced overstays totaling 312 overstay days, and 73 youth hospitalized for psychiatric reasons experienced overstay days totaling 2,865 overstay days. Overstay days in calendar 2020 exceeded 600 in two months, February and May, which contributed to the high overall total that year. During calendar 2021 (through September), a total of 86 youth experienced an overstay, including 12 youth hospitalized for medical reasons with a total of 171 overstay days, and 74 youth hospitalized for psychiatric reasons with overstays totaling 1,250 days.

Exhibit 14
Length of Hospital Stays Deemed Longer Than Medically Necessary in Days
Calendar 2020-2021 (through September)

Type of Hospitalization	Calendar 2020 Youth	Calendar 2020 Overstay Days	Calendar 2021 (through September) Youth	Calendar 2021 (through September) Overstay Days
Medical	11	312	12	171
Psychiatric	73	2,865	74	1,250
Total	**84**	**3,177**	**86**	**1,421**

Source: Department of Human Services

Placement after Discharge

A summary of placement types after discharge from medical and psychiatric hospitalizations is presented in **Exhibit 15**. DHS reports that of the 436 youths discharged from hospitals in fiscal 2021, the majority were subsequently placed in either residential child care (group homes), residential treatment centers (RTC), or treatment foster care. The most common placement type after discharge for medical hospitalizations was treatment foster care (47 placements out of 147 total), and the most common placement for psychiatric hospitalizations was residential child care (88 placements out of 283 total). A total of six youths were placed with out-of-state RTC following discharge (5 from psychiatric hospitalization and 1 from medical hospitalization).

Exhibit 15
Placement Types Following Discharge from Inpatient Hospitalizations
Fiscal 2021

	Medical		Psychiatric		
	In State	**Out-of-state**	**In State**	**Out-of-state**	**Total**
Reunification	24	0	19	0	43
Independent Living	16	0	11	0	27
Group Home	22	0	88	0	110
RTC	7	1	77	5	90
Treatment Foster Care	47	0	46	0	93
Other	31	0	42	0	73
Total	**147**	**1**	**283**	**5**	**436**

RTC: Residential Treatment Center

Source: Department of Human Services

The *Fiscal Year 2021 State of Maryland Out-of-Home Placement and Family Preservation Resource Plan* submitted by the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) included additional data on hospitalizations for youth in out-of-home placements and contains a discussion of the current service gaps in RTC and other high-level residential programs. This report found that in fiscal 2021, there were a total of 6,553 youths in out-of-home residential placements, of which 90%, or 5,898, were placed through DHS. Of the total, 629 placements were identified with either a medical or psychiatric hospital stay, which is a 23.4% decrease compared to fiscal 2020. Consistent with overall foster care caseload declines, as previously discussed in this analysis, the report notes that it is still not yet known how much of this decrease is attributable to the COVID-19 pandemic and not a decrease in out-of-home need.

During fiscal 2021, the Children's Cabinet continued the work of the Overstays Interagency Team to focus on developing the specialized programming needed in Maryland to reduce out-of-state placements as well as the number of children entering into out-of-home placements in general. A priority focus has been placed on trauma-informed practices and the prevention of, and treatment for, Adverse Childhood Experiences. Currently, 117, or 68%, of the 172 total residential programs in Maryland have a trauma-informed treatment model. While the report notes that this is a positive step taken, the number can be increased, and a larger emphasis can be placed on programs that provide discharge planning and family-based aftercare.

Overall, the total number of out-of-home providers in the State decreased by 1 in fiscal 2021, although the number of family home programs increased from 43 to 47, and the number of noncommunity-based providers decreased from 59 to 52, as a result of out-of-state providers that are no longer being utilized. Noncommunity-based placements significantly declined in fiscal 2021; however, the report notes that this is not necessarily due to a decrease in the need for these types of programs but more likely can be attributed to the closures of RTCs in Maryland. These closures have resulted in increased wait times between referral for these services and placement, and providers and State agencies agree that additional specialized residential treatment programming is needed in Maryland.

The report includes a discussion of efforts taken by the Maryland Department of Health (MDH), DHS, and other State placing agencies to continue to work to close service gaps for youth in out-of-home placements. In particular, $5 million in funding was awarded through MDH for residential providers to develop programming directly targeted at the youth population experiencing hospital overstays. Two programs have been awarded funding under this grant, and the first placement was made in December 2021. Within DHS, these efforts include the issuance of a Statement of Need to procure additional psychiatric respite and diagnostic, evaluation, and treatment program services in the State in order to address hospital overstays, as well as potentially defer youth from placement in an RTC. DHS created 49 specialized high-intensity group home beds in the first half of fiscal 2021, and an additional Statement of Need will be issued for 60 community-based beds for diagnostic services and psychiatric respite care. In addition, the continued work done by DHS regarding the implementation of the FFPSA will increase services and support available to children and their families prior to the need for more intensive services.

2. Family First Prevention Services Act Implementation

The federal FFPSA, included in the Bipartisan Budget Act of 2018, was signed into law in February 2018. Among other provisions, the FFPSA alters allowable uses of Title IV-E funding by expanding the eligibility of states to receive reimbursement for prevention services (for the first time outside of a waiver) in addition to the traditional use of such funds for administration and placement costs for eligible youth in out-of-home placements, subsidized adoptions, and subsidized guardianships. By placing an emphasis on prevention services, the FFPSA seeks to prevent children at risk of entering foster care from entering into care by providing services to their families so children are able to safely remain in their homes. In addition to reducing the rate of removal into foster care, these services are also anticipated to result in an overall reduction in incidents of maltreatment experienced by children statewide.

Prior to the FFPSA, DHS had operated under a Title IV-E waiver from July 1, 2015, through September 30, 2019. This waiver allowed DHS to use federal Title IV-E funds for prevention services and for children that would not otherwise have been eligible for reimbursement. The waiver simplified the transition by DHS to the ability to receive approval for and offer prevention services under the FFPSA. Most, but not all, of the practices implemented under the waiver fell under the categories allowed under the FFPSA. In order to receive federal funding for prevention services, under the FFPSA, the services must be trauma informed and evidence based, and a state must have an approved Title IV-E Prevention Services Plan. The prevention program plan submitted by DHS was approved in February 2020. DHS also submitted a revised Cost Allocation Plan (CAP) in December 2020. Once approved, the CAP will allow DHS, as necessary, to claim reimbursement for prevention services retroactively from October 2019. **DHS should comment on the status of the approval of the CAP.**

Services provided through evidence-based practices under FFPSA include substance abuse prevention and treatment services, parent skill-based programs, and mental health prevention and treatment services. Additionally, eligible services must be rated by the Title IV-E Prevention Service Clearinghouse as well supported, supported, or promising. As of the end of calendar 2021, 42 programs had received a rating by the Title IV-E Clearinghouse that would allow states to receive reimbursement if the state chose to implement it. The evaluation of practices is ongoing.

Practices Implemented under the FFPSA

DHS received approval of its Title IV-E Prevention Services Plan for Maryland in February 2020, which was retroactive to October 2019. At the time of approval, five evidence-based practices that DHS indicated that it planned to implement had received a rating by the Title IV-E Clearinghouse. **Exhibit 16** provides updated data on these five practices, including the jurisdictions implementing them and the number of families served. The Nurse-Family Partnership practice was not implemented by any jurisdiction through DHS but is being implemented by the Baltimore City Health Department using other funding sources. DHS also sought transitional payments for three programs (Nurturing Parenting Program, Family Centered Treatment, and Sobriety Treatment and Recovery Teams) which were not yet rated at the time the plan was approved. However, since that time, two of these programs (Family Centered Treatment and Sobriety Treatment and Recovery Teams) have been rated as meeting criteria for federal reimbursement. DHS indicates that it continues to implement this array of eight evidence-based practices in fiscal 2022. Additional practices not included in the approved plan must be funded with general funds.

Exhibit 16
Evidence-based Practices Approval Status and Implementation by DHS
Fiscal 2021-2022

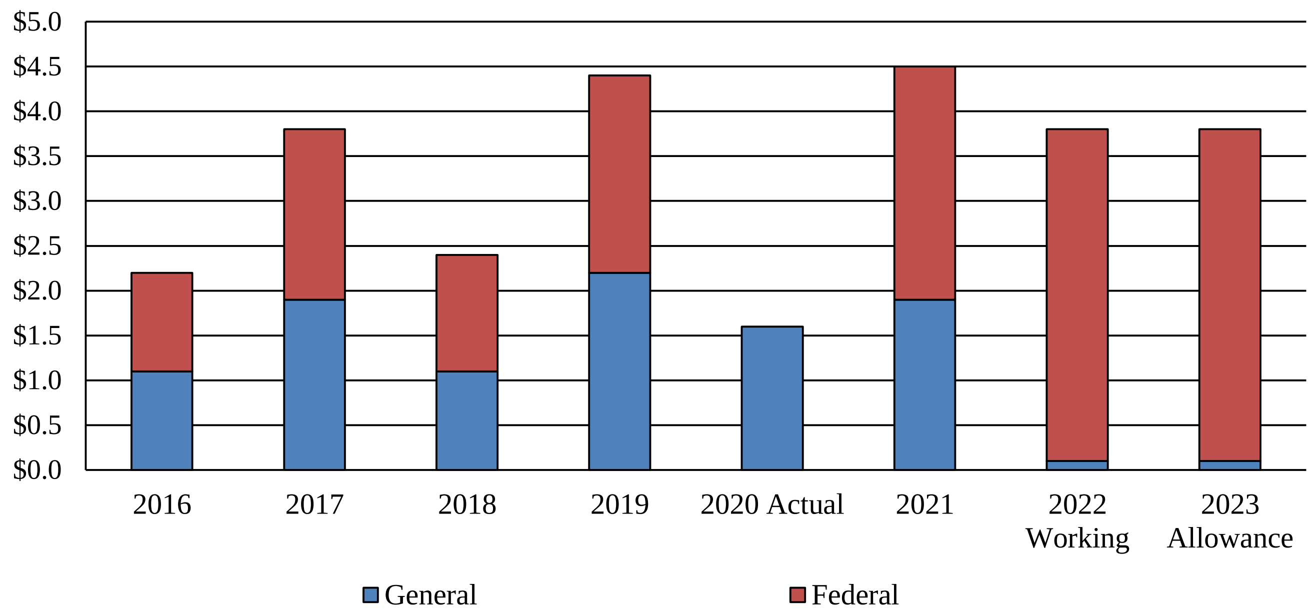
Practice	Jurisdiction(s) Implementing	Title IV-E Clearinghouse Rating	Part of MD's Title IV-E Prevention Plan	2021 Served	2022 Served
Functional Family Therapy	Anne Arundel, Baltimore, Carroll, Harford, Howard	Well Supported	Yes	141 families	69 families (through November 2021)
Multisystemic Therapy	Frederick, Prince George's, Washington	Well Supported	Yes	37 families	25 families (through November 2021)
Parent-Child Interaction Therapy	Anne Arundel	Well Supported	Yes	23 families	17 families (through November 2021)
Healthy Families America	Caroline, Kent, Queen Anne's, Somerset, Talbot	Well Supported	Yes	260 families	99 families (through September 2021)
Nurse Family Partnership	Baltimore City (through the Baltimore City Health Department)	Well Supported	Yes	Unavailable	Unavailable

Source: Department of Human Services; Title IV-E Prevention Services Clearinghouse

Spending on Evidence-based Practices

As shown in **Exhibit 17**, expenditures on evidence-based practices and other prevention services by SSA fluctuated during the four full years of the Title IV-E waiver implementation (fiscal 2016 to 2019); however, funding has remained relatively stable since fiscal 2021, including the fiscal 2023 allowance. Fiscal 2019 and 2021 had the highest levels of expenditures, and funding was relatively evenly split between general and federal funds, as would generally be expected given the federal reimbursement rate for Title IV-E. The fiscal 2020 expenditures were the lowest level in any of the years likely impacted by the transition from the waiver to the FFPSA and the pandemic. Funding in the fiscal 2022 working appropriation and the fiscal 2023 budget for evidence-based practices rely almost exclusively on federal funding, despite these services not currently qualifying for federal reimbursement and, even if or when reimbursement is allowed, the federal match rate is 50%. However, as previously discussed, DHS submitted its CAP to the U.S. Department of Health and Human Services (HHS) in December 2020 and is under review. If approved, it would allow for federal reimbursement for these services retroactively to October 2019. **DHS should comment on how it intends to support these practices, given that even when approved for federal funding, these programs require a State match.**

Exhibit 17
Evidence-Based Practices Funding
Fiscal 2016-2023 Allowance
($ in Millions)



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

Establishment of Center for Excellence in Foster Family Development

In addition to the implementation of evidence-based prevention practices, in fiscal 2022, DHS was awarded a four-year grant by the federal Administration of Children and Families, Children's Bureau to fund a national Center for Excellence in Foster Family Development (CFE). CFE will implement a model program for the selection, development, and support of resource foster families who will work in close collaboration with birth families to preserve and nurture critical parent-child relationships and support safely reunifying birth families with their children. The CFE model program will be implemented by participating LDSS in Prince George's, Montgomery, Carroll, Frederick, and Baltimore County and will target neighborhoods and communities with the highest rates of removal.

Qualified Residential Treatment Programs

The FFPSA also includes provisions amending the eligibility for federal Title IV-E reimbursement for certain nonfamily placements to promote the placement of children in the least-restrictive, ideally family-based setting appropriate to their individual needs. In order to be eligible for federal reimbursement under FFPSA, nonfamily placements in child care institutions are limited to two weeks unless the program is designated as a QRTP or is designated as one of the following programs:

- a placement for pregnant or parenting youth;
- a supervised independent living program for youth ages 18 and older;
- a specialized placement for children who are at risk of being or are victims of sex trafficking; or
- a family-based residential treatment facility for substance use disorders.

In order to qualify for designation as a QRTP, a child care institution must generally meet several criteria, including the use of a trauma-informed model of care; having licensed nursing or clinical staff on-site and available 24 hours a day, 7 days a week; facilitating family participation in a child's treatment program; providing discharge planning and family-based aftercare; and meeting licensing and accreditation requirements set by national accrediting organizations approved by HHS.

DHS received approval for its Title IV-E State Plan amendment, which includes provisions related to reimbursements for placements in nonfamily settings in May 2021. With this approval, DHS can claim federal reimbursement for QRTP as of April 2021; however, no QRTP had been designated as of the end of calendar 2021. DHS reports that it has worked with DJS to develop an application process for the designation of placement providers as QRTP in partnership with the University of Maryland School of Social Work Institute for Innovation and Implementation and Chapin Hall. An application process for providers was opened in September 2021, and a review of applications is currently underway. It is anticipated that the State of Maryland will have designated QRTP providers by January 2022. **DHS should comment on the status of its collaboration with DJS and provide an update on the designation of QRTP provides.**

3. Moratorium on Youth Aging Out of Care Ends

Foster youth in Maryland are generally allowed to remain in care after the age of 18, up until the age of 21, as long as the youth is in school; enrolled in a training program or other program/activity to promote or remove barriers to employment; employed at least 80 hours per month; or disabled. Independent living after care services are available for youth exiting care after turning the age of 18 but before turning the age of 21, including financial assistance, assistance with utilities and room and board, educational and employment services, counseling, and other services to assist with self-sufficiency. These services are available for up to 180 days but may be extended, and youth may reapply for services until the age of 21. Due to the COVID-19 pandemic, a State moratorium on youth aging out of care was instituted; however, a nationwide moratorium was subsequently instituted as part of the CRSSA passed in December 2020, which extended through the end of federal fiscal 2021.

On September 30, 2021, the nationwide moratorium on foster youth aging out of care ended, and certain temporary flexibilities granted to the states under the federal Supporting Foster Youth and Families Through the Pandemic Act (included in Division X of the Consolidated Appropriations Act) expired. These provisions included suspending Title IV-E eligibility criteria relating to age and participation in work or education activities, as well as providing additional funding and flexibility in usage for the John H. Chafee Foster Care Program for Successful Transition to Adulthood funds and ETV. These are the two primary sources of federal funds that states can use to assist transition age youth or youth aging out of care. In addition, youth that left care during the pandemic were able to re-enter care, effective January 21, 2021, for 90 days.

During the time that the national moratorium was in place, states were specifically authorized to use supplemental federal funding provided under COVID-19 relief legislation for costs related to youth remaining in care or reentering care, subject to some limitations. These temporary changes included:

- expanding eligibility for Chafee and ETV funds through age 26 for federal fiscal 2020 and 2021;
- removing a cap on the state use of Chafee funds on use for room and board, which is otherwise limited to 30%;
- authorizing states to use the room and board amounts in the Chafee program for youth otherwise eligible who are between 18 and 26 and were in foster care at age 14 or older;
- authorizing Chafee funds to be used to provide driving and transportation assistance for youth between the ages of 15 and 26, up to $4,000 per year, and disregarding this assistance when determining eligibility for other federal or federally supported programs;
- increasing the maximum ETV award from $5,000 to $12,000 per individual through federal fiscal 2022;

- authorizing states to eliminate the requirement for youth receiving the award to be enrolled in a post-secondary education or training program or making satisfactory academic progress, if they are unable to do so as a result of the pandemic; and

- authorizing states to use ETV funds to help support youth remaining enrolled in post-secondary education or training programs, including expenses that are not part of the cost of attendance.

On October 27, 2021, the U.S. House of Representatives passed the Continued State Flexibility to Assist Older Foster Youth Act (H.R. 5661), which would extend some of these provisions through the remainder of federal fiscal 2022, including provisions expanding age eligibility for Chafee program services, removal of the cap on use of Chafee funds for room and board, and allowing expanded use of ETV for expenses not normally considered a cost of attendance. The provision eliminating the requirement for youth participating in the ETV program to make satisfactory academic progress as a result of the pandemic would have been extended through December 31, 2021, only, had the bill been enacted. A companion bill has been introduced in the U.S. Senate, but its status is currently unclear. **DHS should comment on efforts that it has taken to support older foster youth following the expiration of the national moratorium on youth aging out of care.**

4. Audit Report Includes Repeat Findings

On June 3, 2021, the Office of Legislative Audits (OLA) within DLS released its fiscal compliance audit of SSA for the period beginning July 1, 2016, and ending April 30, 2020. The OLA audit report contained a total of eight findings, seven of which were repeat findings from the prior audit report dated November 20, 2017. OLA determined SSA's accountability and compliance level to be unsatisfactory in accordance with its rating system, due to the significance of the audit findings, the number of repeat audit findings, and insufficient monitoring of LDSS. A full list of findings contained in the audit report can be found in Appendix 2 of this analysis.

A hearing was held by the Joint Audit and Evaluation Committee (JAEC) on August 25, 2021, at which OLA presented the findings of its audit report, and a second follow up hearing was held on November 9, 2021, at which DHS was asked to provide an update on the status of actions taken to address the findings and recommendations issued by OLA. DHS indicated at that hearing that it had taken the following actions related to the audit report:

- launched a new enhanced statewide Child Protective Services (CPS) hotline to make it easier for mandated reporters and the public to report cases of child abuse or neglect;

- established a new Audit, Compliance, and Quality Improvement Unit in August 2021 to enhance oversight over delivery of services at the local level;

- developed a statewide quality assurance review process; and

- developed a regular and ongoing process for holding one-on-one meetings between SSA leadership and each LDSS in order to review their performance in certain critical areas.

Reflective of specific concerns by JAEC over the timeliness of completion of investigations by CPS into allegations of child abuse or neglect as well as the reporting by LDSS of required services provided to children in foster care, SB 820 was introduced on behalf of JAEC during the current legislative session, which would require the following for any LDSS that fails to conduct investigations or complete certain reports within timeframes outlined in statute:

- reporting of the delay in completing the investigation or required reporting to the supervisor of the LDSS;

- maintenance of a record of the delay and reasons for the delay in the child's case file maintained by the LDSS; and

- review by the supervisor of each LDSS of reports of these delays.

Additionally, SB 820 contains a reporting requirement that SSA provide an annual update to the General Assembly on the progress of LDSS in complying with the timeframes for conducting investigations into allegations of child abuse or neglect and completing required reports of services provided to children in foster care.

Due to the number of repeat audit findings contained in SSA's most recent fiscal compliance audit issued by OLA as well as the nature of the findings, DLS recommends adding budget bill language restricting funds in SSA until OLA submits a report indicating that corrective action has been taken to satisfactorily address the repeat findings contained in its audit report.

5. Child Welfare Worker Caseloads

Child welfare caseload ratios have been of a concern to the General Assembly for many years. In 1998, the General Assembly passed the Child Welfare Workforce Initiative requiring that DHS and the Department of Budget and Management ensure that CWLA recommended caseload-to-staffing ratios are met. The Child Welfare Accountability Act of 2005 reiterated this requirement. In recent years, committee narrative has annually requested that DHS report on caseloads and caseload ratios needed to meet the standard.

CWLA recommended caseload-to-staffing ratios are a series of ratios based on the type of case or work being undertaken. For example, intake has a ratio of 1 worker per 122 cases, while investigations, out-of-home placements foster care, and out-of-home placement kinship care have a ratio of 1 worker per 12 cases. Therefore, the total number of caseworkers needed by a jurisdiction and year to year will vary based on the mix of cases as well as the number of cases. DLS has historically focused on the cumulative number of caseworkers needed to meet the ratios compared to filled positions both department wide and in individual jurisdictions. By looking at the cumulative level, it is possible to determine whether the department (jurisdiction) has enough filled positions (or total available positions) to meet the standards. The actual meeting of individual caseload ratios by type and if there are enough total filled positions is a management function in the department and/or LDSS.

Positions Needed to Meet Standards Declines

As discussed earlier, the closures and limited availability of in-person contact between mandated reporters and children due to the COVID-19 pandemic dramatically reduced the number of child maltreatment reports. The reduced reports impact investigations, new entries into care, new in-home service cases, and entries into care. Each of these factors impact the number of positions needed to meet CWLA standards. As a result of the workload declines, DHS now has substantially more filled caseworker (283.0) and supervisor positions (49.9) than are necessary to meet the statewide CWLA standards.

As shown in **Exhibit 18**, only one jurisdiction (Cecil County) failed to meet the caseworker standard, and three jurisdictions failed to meet the supervisor standard, compared to five in the previous year. Only two out of the three jurisdictions that failed to meet the supervisor standard had sufficient vacant positions to meet the standard if filled. However, the remaining jurisdiction that failed to meet the supervisor standard and the jurisdiction that failed to meet the caseworker standard would have shortfalls of less than 1 position if all vacant positions were filled.

DHS should comment on efforts to fill vacant caseworker and supervisor positions so that standards can continue to be met if caseloads increase.

Exhibit 18
Child Welfare Position Status by Local Department
September 2020 to August 2021 Caseload Data and September 1, 2021 Position Status

	Filled Worker Positions Needed to Meet CWLA	Filled Worker Positions	Surplus/ Shortfall	Vacant Caseworker Positions	Filled Supervisor Positions Needed to Meet CWLA	Filled Supervisor Positions	Surplus/ Shortfall	Vacant Supervisors
Allegany	15.1	37.0	21.9	1.0	3.0	5.0	2.0	0.0
Anne Arundel	54.9	82.3	27.4	6.0	11.0	16.0	5.0	2.0
Baltimore	122.0	123.5	1.5	17.0	24.4	25.0	0.6	0.0
Baltimore City	282.5	369.5	87.0	78.0	56.5	79.0	22.5	10.0
Calvert	12.3	19.5	7.2	0.0	2.5	4.0	1.5	0.0
Caroline	7.9	17.0	9.1	2.0	1.6	5.0	3.4	0.0
Carroll	15.9	25.0	9.1	1.0	3.2	6.0	2.8	0.0
Cecil	43.3	37.0	-6.3	6.0	8.7	6.0	-2.7	2.0
Charles	15.5	29.0	13.5	4.0	3.1	6.0	2.9	1.0
Dorchester	9.6	15.0	5.4	2.0	1.9	3.0	1.1	0.0
Frederick	28.0	38.5	10.5	3.0	5.6	9.0	3.4	0.0
Garrett	8.7	14.0	5.3	2.0	1.7	2.0	0.3	0.0
Harford	46.0	59.0	13.0	2.0	9.2	10.0	0.8	0.0
Howard	24.6	33.0	8.4	1.0	4.9	5.0	0.1	0.0
Kent	3.4	6.0	2.6	0.0	0.7	3.0	2.3	0.0
Prince George’s	109.8	114.0	4.2	16.5	22.0	17.0	-5.0	7.0
Queen Anne’s	5.2	9.0	3.8	0.0	1.0	2.0	1.0	0.0
Somerset	8.4	15.5	7.1	1.2	1.7	2.0	0.3	1.0
St. Mary’s	18.6	23.8	5.2	4.0	3.7	3.0	-0.7	3.0
Talbot	5.3	13.0	7.7	2.0	1.1	4.0	2.9	0.0
Washington	33.0	57.0	24.0	4.0	6.6	9.0	2.4	1.0
Wicomico	23.1	35.0	11.9	1.0	4.6	5.0	0.4	0.0
Worcester	12.6	16.0	3.4	2.0	2.5	5.0	2.5	0.0
Statewide	**905.6**	**1,188.6**	**283.0**	**155.7**	**181.1**	**231.0**	**49.9**	**27.0**

CWLA: Child Welfare League of America

Note: Montgomery County is excluded from the data because positions are not part of the State personnel system.

Source: Department of Human Services; Statewide Personnel System; Department of Legislative Services

Operating Budget Recommended Actions

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

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

   (1) DHS has taken corrective action with respect to all repeat audit findings on or before November 1, 2022; and

   (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow for funds to be released prior to the end of fiscal 2023.

   Explanation: The Joint Audit and Evaluation Committee has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by OLA that each finding was corrected. OLA shall submit a report to the budget committees on the status of repeat findings.

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

2. Adopt the following narrative:

   Hospital Stays by Youth in Out-of-home Placements: The committees continue to be concerned about whether youth are remaining in emergency rooms or inpatient hospital settings longer than is medically necessary. Data has been requested on hospital stays for several years. In an effort to continue to monitor this issue, the committees request that the Department of Human Services (DHS) submit a report that provides for each month of the period October 2021 through September 2022:

   - the number of youths in out-of-home placements served in emergency rooms for psychiatric evaluation or crisis and the average length of stay (ALOS) by month;

   - the number of youths in out-of-home placements served separately by medical hospitals and inpatient psychiatric hospitals and ALOS by month;

- the number of days that youth in out-of-home placements served in hospitals were in the hospital longer than was deemed medically necessary by either the hospital or a judicial finding separately by type of hospital; and

- the placement type after discharge separately by type of hospital, including identifying the number of youths placed out-of-state after discharge for fiscal 2022.

Information Request	**Author**	**Due Date**
Report on hospital stays, average length of stay, and placements after discharge	DHS	December 1, 2022

3. Adopt the following narrative:

Status of the Implementation of the Family First Prevention Services Act (FFPSA): The committees are interested in steps taken during fiscal 2022 and to date in fiscal 2023 to continue efforts to implement evidence-based prevention practices and other services under provisions of the FFPSA and the impacts of those programs and services on families served through the child welfare system and on the State budget. The committees request that the Department of Human Services (DHS) submit a report on:

- the status of collaboration between DHS and the Department of Juvenile Services in the development of an application or certification process for Qualified Residential Treatment Programs (QRTP);

- the number of QRTPs in the State that have been designated to date as a result of this designation process to allow for federal reimbursement under the FFPSA;

- the status of the approval of the State's revised Cost Allocation Plan;

- a list of all evidence-based practices implemented through fiscal 2022, including data on jurisdiction and number of families or children served during the fiscal year, and any changes in evidence-based practices implemented in fiscal 2023; and

- a description of activities completed and outcomes achieved in fiscal 2022 and year to date in fiscal 2023 in relation to the creation of the new Center for Excellence for Foster Family Development.

Information Request	**Author**	**Due Date**
Status of implementation of the FFPSA	DHS	December 31, 2022

4. Adopt the following narrative:

Implementation of the New Foster Care Rate Structure: In response to committee narrative included in the 2021 Joint Chairmen's Report, the Department of Human Services (DHS) indicated that it had released a request for proposal for a vendor for actuarial services for developing the new foster care provider rate structure for providers who have rates set by the Interagency Rates Committee. According to the timeline projected by DHS, a contract would be fully established, allowing for rate revision to begin at the beginning of fiscal 2023, and the new provider rate structure would be fully in place by the beginning of fiscal 2026. The committees are interested in receiving updates on the timeline for implementation and monitoring the impact of the new provider rate structure on the budget. The committees request that DHS submit a report on the status of implementation, including the status of any amendments to the State Medicaid Plan to allow for clinical care costs to be eligible for reimbursement, and an update on implementation timeline.

Information Request	Author	Due Date
Status of implementing the new provider rate structure	DHS	December 31, 2022

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

<u>Further provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended shall revert to the General Fund.</u>

Explanation: This annual language restricts general funds appropriated for foster care maintenance payments to that use only. This restriction prevents a transfer of general funds to other programs that might create or increase a deficit in spending in the Foster Care Maintenance Payments program (N00G00.01).

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

<u>, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall revert to the General Fund.</u>

Explanation: This annual language restricts general funds appropriated for the Child Welfare Services program to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments

7. Adopt the following narrative:

Child Welfare Caseload Data: The committees believe that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering the State's care. Therefore, in order to maintain oversight of this important issue, the committees request that the Department of Human Services (DHS) report to the committees on the number of cases and positions required based on the caseload to meet the Child Welfare League of America (CWLA) caseload standards, by jurisdiction, for the following caseload types current within 70 days:

- intake screening;
- child protective investigation;
- consolidated in-home services;
- interagency family preservation services;
- services to families with children – intake;
- foster care;
- kinship care;
- family foster care;
- family foster homes – recruitment and new applications;
- family foster homes – ongoing and licensing;
- adoption;
- interstate compact for the placement of children; and
- caseworker supervision.

The committees also request that DHS discuss specific actions taken by the department and local departments of social services to reallocate positions, including the number of positions reallocated by type (caseworker or supervisor) between jurisdictions and identifying the jurisdictions that these positions were transferred from and to, in order to ensure that all jurisdictions can meet the standards for both caseworkers and supervisors.

In addition to caseload data, the committees also request that the report contain an update on the status of work done by CWLA to implement new workload standards for child welfare and the status of efforts by DHS to complete a workload study based off of these new workload standards.

Information Request	**Author**	**Due Date**
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	DHS	December 1, 2022

8. Adopt the following narrative:

Impacts of Economic Instability on Child Maltreatment and Removals into Care: The COVID-19 pandemic has had significant impacts on the rates of child maltreatment reporting and removals into foster care. The committees are interested in examining the impacts of economic instability caused by the COVID-19 pandemic on child maltreatment and removals into care, specifically in the area of child neglect. In order to evaluate the potential impacts on economic stability-related neglect, the committees request that the Department of Human Services (DHS) submit a report including data on:

- the removals into care by reason separately for fiscal 2020, 2021, and 2022 by jurisdiction, with separate identification or a discussion of causes behind removals into care due to a finding of neglect during fiscal 2020, 2021, and 2022 that could be related to economic hardship;

- proposed actions that could be taken or have been taken by the department to provide additional support to families experiencing financial hardship as a result of the COVID-19 pandemic to reduce the number of children entering care or re-entering care;

- a discussion of actions that have and can be taken to prevent child neglect and maltreatment from going unreported or reported prior to cases increasing in level of severity, reflecting continued rates of maltreatment reporting and foster care caseloads far below prepandemic levels through the first half of fiscal 2022.

Information Request	**Author**	**Due Date**
Report on the impacts of economic instability on child neglect and efforts to prevent cases of child maltreatment from going unreported	DHS	November 1, 2022

Updates

1. Child Fatalities Increase

DHS annually provides a listing by jurisdiction of the number of child fatalities that involved child abuse and/or neglect. **Exhibit 19** displays the data provided by the department for calendar 2016 through 2020. In calendar 2020, there were 53 such fatalities, an increase of 9, over calendar 2019. Calendar 2020 was the fourth consecutive year that these fatalities increased and is the highest level reported by DHS since at least 2001. In calendar 2020, the highest number of these fatalities occurred in Baltimore City (21), which is an increase of 10 from calendar 2019. During the 2016 to 2020 period, Baltimore City (52), Prince George's (37), and Baltimore County (31) had the highest numbers of fatalities.

Exhibit 19
Child Fatalities Reported to DHS Where Abuse or Neglect Are Determined by DHS Staff to be a Contributing Factor
Calendar 2016-2020

	2016	2017	2018	2019	2020	Total 2016-2020
Allegany	3	1	2	2	3	**11**
Anne Arundel	2	3	2	5	3	**15**
Baltimore City	3	5	12	11	21	**52**
Baltimore	2	9	7	7	6	**31**
Calvert	0	3	2	1	1	**7**
Caroline	0	0	0	0	0	**0**
Carroll	1	1	0	1	1	**4**
Cecil	0	1	1	0	1	**3**
Charles	0	0	1	1	1	**3**
Dorchester	0	0	0	1	1	**2**
Frederick	1	2	2	0	2	**7**
Garrett	0	0	0	0	0	**0**
Harford	1	0	2	2	1	**6**
Howard	1	0	1	1	0	**3**
Kent	0	0	0	0	0	**0**
Montgomery	3	2	3	3	2	**13**
Prince George's	10	10	6	5	6	**37**
Queen Anne's	0	0	0	0	0	**0**
St. Mary's	2	0	0	1	0	**3**
Somerset	0	1	0	0	0	**1**
Talbot	2	0	1	0	1	**4**
Washington	1	3	1	2	2	**9**
Wicomico	1	0	0	0	1	**2**
Worcester	0	0	0	1	0	**1**
Total	**33**	**41**	**43**	**44**	**53**	**214**

Source: Department of Human Services

Of the calendar 2020 fatalities, the majority, (37, or 70%) were of children age 1 or younger. Of the fatalities involving children age 1 or younger, 45% (24) were due to child neglect. Fatalities related to child neglect overall represented 60% of fatalities.

2. Establishment of New Provider Rate Structure

Since fiscal 2020, the budget of SSA has included funding to support an interagency agreement to develop a revised rate-setting process for providers who have rates set by IRC. In fiscal 2021, SSA submitted a report describing a proposed rate structure that includes rates based on classes/tiers of programs rather than individual provider rates and includes two sets of rates for programs for direct care and clinical care. Currently, DHS and a subgroup of the IRC consisting of DJS, GOCPYVS, the Maryland State Department of Education, and MDH have been meeting bi-weekly as part of the Children's Quality Service Reform Initiative, which focuses on the implementation of Maryland's rate reform process.

DHS reports that it has completed the process of developing an RFP for a vendor for the actuarial services for the new rate structure, which was submitted to the Office of State Procurement in September 2021 and issued in October 2021. DHS expects that the contract for a rate-setting entity will go before BPW for approval in June 2022 and that the new rate structure will be fully implemented in mid-calendar 2025. The timeline projected by DHS includes an opportunity to test rates with providers in order to assess the effect of new rates on providers regarding children served as well as financial impact. The initial focus of this new rate structure will be on the residential child care programs, with work on the child placement agency rates and testing to follow.

Appendix 1
2021 *Joint Chairmen's Report* Responses from Agency

The 2021 *Joint Chairmen's Report* (JCR) requested that DHS-SSA prepare 7 reports. Electronic copies of the full JCR responses can be found on DLS Library website.

- ***Emergency Room Visits, Hospital Stays, and Placements after Discharge:*** A report was submitted providing data on youth in out-of-home placements who were served in emergency rooms, medical and psychiatric hospital stays staying in a hospital deemed longer than medically necessary, and placement types after discharge. Further discussion of this data can be found in Issue 1 of this analysis.

- ***Status of the Implementation of the FFPSA:*** A report was submitted providing an update on the status of the implementation of evidence-based prevention practices and the designation of QRTP under the federal FFPSA. Further discussion of this data can be found in Issue 2 of this analysis.

- ***Status and Timeline for the Implementation of the New Foster Care Rate Structure:*** A report was submitted providing an update on the status of implementation of a new provider rate structure. Further discussion of this data can be found in Update 2 of this analysis.

- ***Youth Savings under the Foster Youth Savings Program and Chapters 815 and 816 of 2018:*** A report was submitted providing an update on activities in the Foster Youth Savings Program, which deposits funds into accounts for transitioned-age youth. Additionally, the report includes impacts of Chapters 815 and 816, which reduced the amount of federal benefits received on behalf of these youth that can be used for cost of care and required certain percentages of these funds to be conserved on behalf of these youth. Statewide, an average of 90 accounts per month had deposits made into them between July 2020 and October 2021 as a result of Chapters 815 and 816, with an average amount conserved ranging between $7,066 and $15,262 in fiscal 2021, depending on age group. A total of 1,488 youths received a deposit for new and annual deposits or incentives, totaling $708,700 into a Foster Youth Savings Account in fiscal 2021.

- ***Child Welfare Caseload Data and Filled Positions Assigned by Jurisdiction for Specified Caseload Types and Reallocation and Filling of Vacant Positions:*** A report was submitted providing updated caseload ratios needed to meet CWLA's caseload standards. The report also requested a discussion on efforts to reallocate or fill vacant positions. Further discussion of the data can be found in Issue 4 of this analysis.

- ***Child Welfare Caseworker Workload Study Planning and Timeline:*** CWLA has undertaken an initiative to update its caseload and workload standards in order to focus on measuring the amount and intensity of work associated with an assigned caseload. DHS reports that upon completion of CWLA's new workload standards, it will engage with a consultant to conduct a workload implementation study based on these new workload standards. Further discussion of this report can be found in Issue 4 of this analysis.

- ***Voluntary Placement Agreement Process Review and Access to Intensive Behavioral Health Services:*** A joint report was submitted by DHS and MDH Behavioral Health Administration on the current requirements and processes for obtaining a Voluntary Placement Agreement for access to high intensity behavioral health services for children requiring residential treatment. The report included a discussion of barriers to the access of care as well as an examination of processes and requirements in other states.

Appendix 2
Audit Findings

Audit Period for Last Audit:	July 1, 2016 – April 30, 2020
Issue Date:	June 2021
Number of Findings:	8
Number of Repeat Findings:	7
% of Repeat Findings:	87.5%
Rating: (if applicable)	Unsatisfactory

Finding 1: **Quality Assurance Program: Although SSA had implemented certain processes to monitor the administration of child welfare program services by the State's LDSS, [OLA] found they were not necessarily comprehensive or effective.**

Finding 2: **Monitoring Compliance with Foster Care Requirements: SSA had not established effective monitoring of LDSS to ensure that foster children were placed in the least restrictive environment and received required services.**

Finding 3: **CPS: SSA's monitoring process was not effective for both ensuring timeliness of child abuse and neglect investigations and for the required assessments of substance-exposed newborns conducted by LDSS.**

Finding 4: **CPS: SSA lacked adequate controls to ensure that LDSS were immediately notified of children born to individuals who previously had their parental rights terminated for abuse or neglect.**

Finding 5: **Federal Funds: SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations and had not conducted quality assurance reviews; both of which resulted in a potential loss of federal funds.**

Finding 6: Foster Care, Adoption, and Guardianship Payments: SSA did not pursue the collection of approximately $4.8 million in provider overpayments.

Finding 7: **Foster Care, Adoption, and Guardianship Payments: SSA had not established procedures to ensure that adoption assistance payments funded entirely by the State were suspended when an adopted child was removed from the adoptive home.**

Finding 8: **Interagency Agreements: SSA did not ensure that payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements.**

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

Appendix 3
Object/Fund Difference Report
DHS – Social Services

Object/Fund	FY 21 Actual	FY 22 Working Appropriation	FY 23 Allowance	FY 22 - FY 23 Amount Change	Percent Change
Positions					
01 Regular	2,648.45	2,629.45	2,626.68	-2.77	-0.1%
02 Contractual	2.00	2.50	2.50	0.00	0%
Total Positions	**2,650.45**	**2,631.95**	**2,629.18**	**-2.77**	**-0.1%**
Objects					
01 Salaries and Wages	$ 244,398,991	$ 233,567,349	$ 236,102,388	$ 2,535,039	1.1%
02 Technical and Special Fees	1,350,877	2,088,067	2,035,055	-53,012	-2.5%
03 Communication	2,060,987	1,570,653	1,624,232	53,579	3.4%
04 Travel	515,541	1,133,562	1,132,086	-1,476	-0.1%
06 Fuel and Utilities	631,649	845,580	787,173	-58,407	-6.9%
07 Motor Vehicles	1,163,785	1,776,151	1,891,181	115,030	6.5%
08 Contractual Services	66,952,283	63,023,670	65,422,856	2,399,186	3.8%
09 Supplies and Materials	1,175,662	1,145,086	1,146,531	1,445	0.1%
10 Equipment – Replacement	6,182	350,000	350,000	0	0%
11 Equipment – Additional	667,257	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	272,385,892	308,481,773	332,175,182	23,693,409	7.7%
13 Fixed Charges	11,125,882	10,557,078	10,597,557	40,479	0.4%
Total Objects	**$ 602,434,988**	**$ 624,538,969**	**$ 653,264,241**	**$ 28,725,272**	**4.6%**
Funds					
01 General Fund	$ 378,931,430	$ 383,942,544	$ 410,326,644	$ 26,384,100	6.9%
03 Special Fund	4,892,546	5,759,164	5,923,430	164,266	2.9%
05 Federal Fund	217,573,179	234,009,542	236,186,448	2,176,906	0.9%
09 Reimbursable Fund	1,037,833	827,719	827,719	0	0%
Total Funds	**$ 602,434,988**	**$ 624,538,969**	**$ 653,264,241**	**$ 28,725,272**	**4.6%**

Note: The fiscal 2022 appropriation does not include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Appendix 4
Fiscal Summary
DHS – Social Services

Program/Unit	FY 21 Actual	FY 22 Wrk Approp	FY 23 Allowance	Change	FY 22 - FY 23 % Change
00 Social Services	$ 26,357,813	$ 31,905,951	$ 31,598,768	-$ 307,183	-1.0%
00 Local Department Operations	576,077,175	592,633,018	621,665,473	29,032,455	4.9%
Total Expenditures	**$ 602,434,988**	**$ 624,538,969**	**$ 653,264,241**	**$ 28,725,272**	**4.6%**
General Fund	$ 378,931,430	$ 383,942,544	$ 410,326,644	$ 26,384,100	6.9%
Special Fund	4,892,546	5,759,164	5,923,430	164,266	2.9%
Federal Fund	217,573,179	234,009,542	236,186,448	2,176,906	0.9%
Total Appropriations	**$ 601,397,155**	**$ 623,711,250**	**$ 652,436,522**	**$ 28,725,272**	**4.6%**
Reimbursable Fund	$ 1,037,833	$ 827,719	$ 827,719	$ 0	0%
Total Funds	**$ 602,434,988**	**$ 624,538,969**	**$ 653,264,241**	**$ 28,725,272**	**4.6%**

Note: The fiscal 2022 appropriation does not include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.