

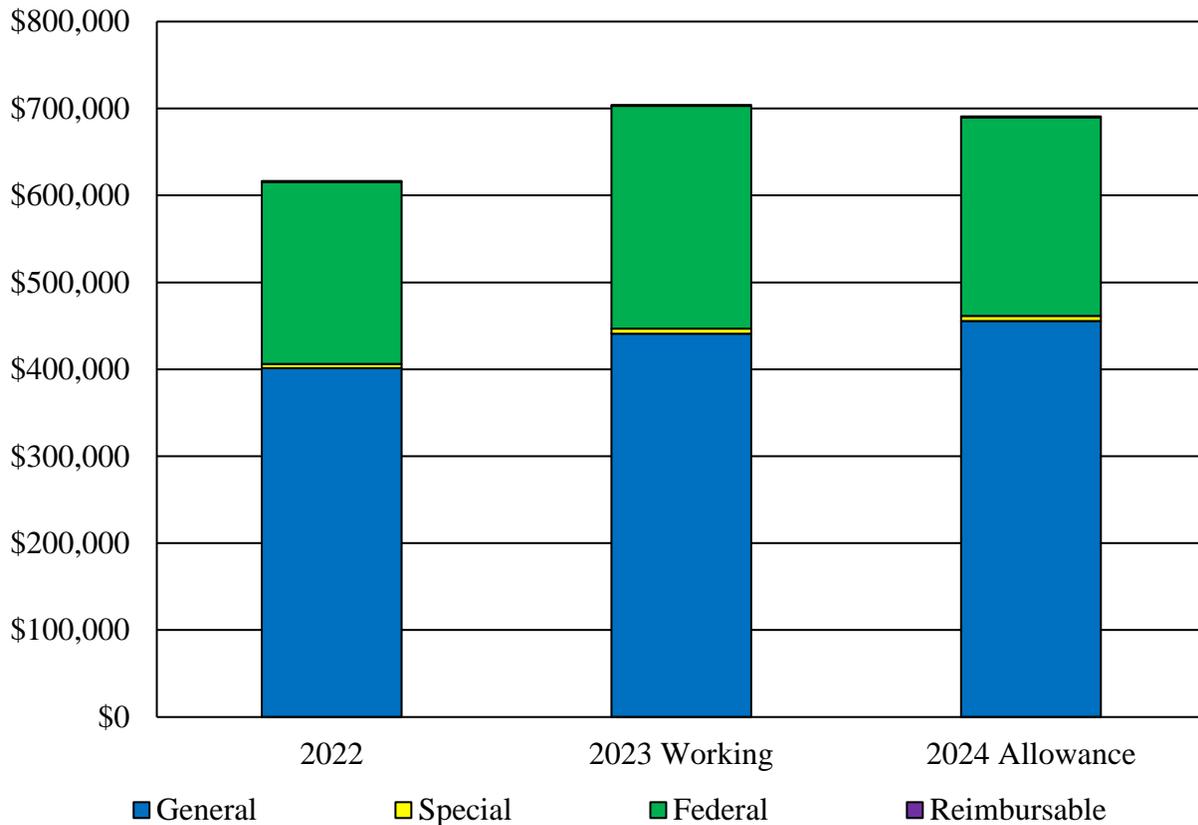
N00B
Social Services Administration
 Department of Human Services

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 2024 Budget Decreases \$13.2 Million, or 1.9%, to \$690.8 Million
 (\$ in Thousands)



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

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- The fiscal 2024 allowance for SSA decreases by \$13.2 million compared to the fiscal 2023 working appropriation after accounting for deficiency appropriations, which is driven by a decrease in the Foster Care Maintenance Payments program of \$18.4 million. This decrease occurs due to lower overall caseloads assumed in the development of the fiscal 2024 budget compared to what was assumed at the time of development of the fiscal 2023 budget and more accurately reflects recent actual caseloads through December 2022. Overall caseload decreases offset increases in certain placement types, and fiscal 2023 provider rate increases.
- Excluding the Foster Care Maintenance Payments program, the fiscal 2024 allowance for SSA increases by \$5.2 million due to increases in personnel expenses and contracts for local child welfare and adult services that are partially offset by decreases due to one-time federal stimulus funds received in fiscal 2023 for child welfare services and adult protective services.

Key Observations

- ***Foster Care Caseloads and Total Number of Children Experiencing Out-of-home Placements Continue to Decline:*** In fiscal 2022, average monthly caseloads across all foster care placement types declined by 7.3% compared to fiscal 2021, and the total number of children experiencing at least one out-of-home placement through the department declined by 1.7%. In fiscal 2022, the statewide rate of removal into foster care was 1.2 per 1,000 children, marking the second consecutive year in which DHS met the goal of no more than 1.5 removals per 1,000 children statewide. These decreases are reflective of efforts made by DHS to reduce the number of children removed from their homes by providing alternative in-home services. These include family preservation services and evidence-based prevention practices that focus on strengthening the parent-child relationship and improving overall family functioning.
- ***Vacancies Increase Across SSA:*** Between January 1, 2022, and January 1, 2023, the number of vacant positions in SSA increased by 93 positions, to a total of 435.73. This level of vacancies is more than double the number needed to meet the budgeted turnover expectancy and is nearly 17% of all authorized positions. Vacancies among child welfare caseworkers and supervisors increased by 119.27 between September 1, 2021, and September 1, 2022, however DHS continued to meet Child Welfare League of America standards despite the total number of positions needed to meet those standards increasing from the prior year. Although foster care caseloads were similar compared to the previous year, caseloads in other areas of child welfare services outside of foster care have increased, including caseloads in the areas of intake and screening, investigations, and in-home services.

- ***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), with the first six providers receiving a QRTP designation in 2022 in order to qualify for federal reimbursement under the FFPSA.

Operating Budget Recommended Actions

1. Adopt committee narrative requesting data on hospital stays for youth in out-of-home placements.
2. Adopt committee narrative requesting an update on the implementation of provisions of the federal Family First Prevention Services Act.
3. Adopt committee narrative requesting an update on the implementation of the new foster care provider rate structure.
4. Adopt language restricting general funds in the Foster Care Maintenance Payments program to that purpose only.
5. Adopt language restricting general funds in Child Welfare Services to that purpose.
6. Adopt committee narrative requesting data on Child Welfare League of America caseload standards and efforts to improve recruitment and retention of caseworker and social worker positions.

Updates

- Child fatalities in which abuse or neglect was determined to be a factor increased for the fifth consecutive year in calendar 2021 to 54 statewide, an increase of 1 over the previous year. In calendar 2021, the highest number of fatalities (15) occurred in Baltimore City.
- A contract with a vendor to provide the actuarial services necessary for the development of the new provider rate structure for providers who have rates set by the Interagency Rates Commission (IRC) was fully executed on July 1, 2022. DHS anticipates that the new rate structure will be fully implemented in calendar 2025.

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Operating Budget Analysis

Program Description

DHS SSA supervises child welfare programs, the State’s foster care program, and programs serving vulnerable adults. DHS is also responsible for policy development, training, and staff development in these areas. Child welfare services provided by DHS SSA are intended to investigate, prevent, or remedy instances of 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. Adult services provided by DHS SSA focus on the needs of the elderly, disabled, and vulnerable adults. Adult services promote safety, self-sufficiency, and assist in avoiding or delaying unnecessary institutional care. The Adult Protective Services program investigates, prevents, and remedies instances of neglect, abuse, and exploitation of vulnerable adults. DHS SSA provides services through LDSSs, which are arms of DHS in each jurisdiction.

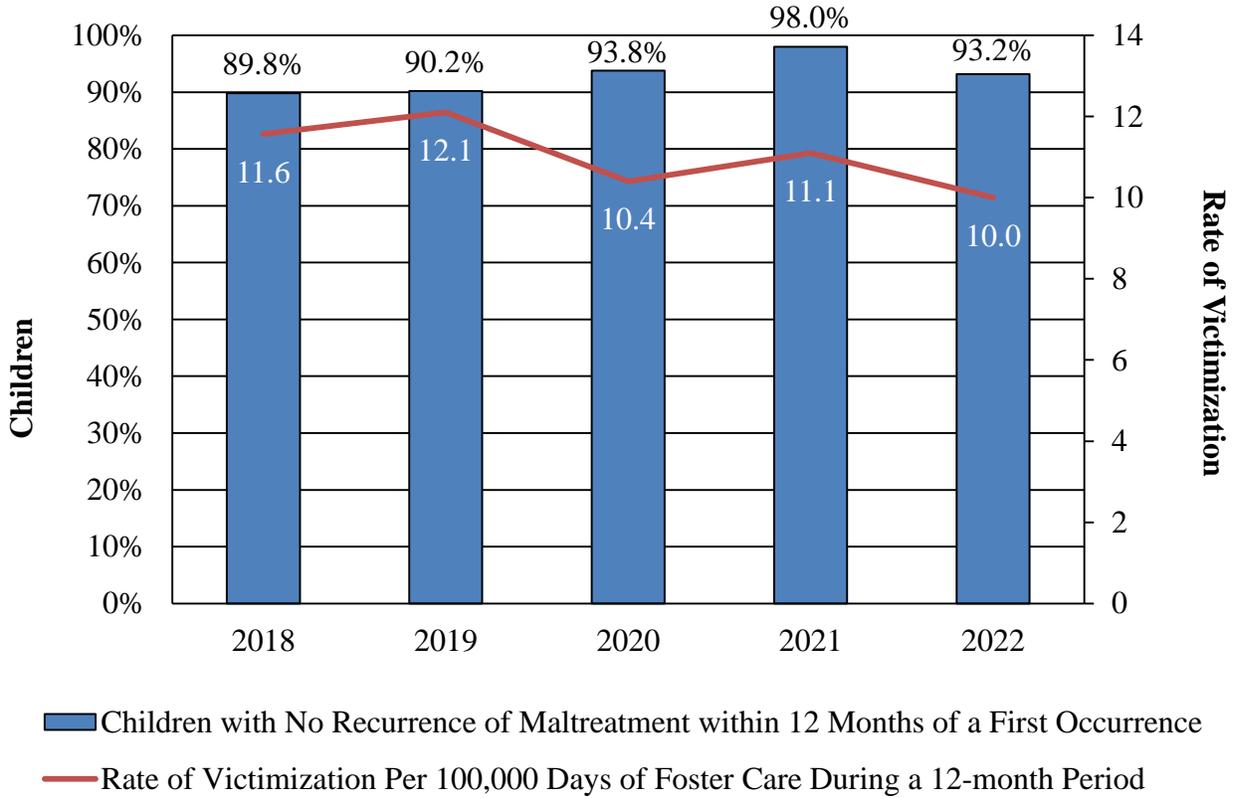
Performance Analysis: Managing for Results

1. Performance in Child Safety Measures

DHS reports two primary performance 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 having at least 90.9% of children experience no recurrence of maltreatment within 12 months of a first occurrence. As shown in **Exhibit 1**, DHS has exceeded this goal in each of the past three years. However, the percentage of children with no recurrence decreased by nearly 5 percentage points in fiscal 2022, which is consistent with slight increases in the reporting of child maltreatment during the fiscal year. Improvement in this performance measure in recent years corresponds with the department’s continued focus on efforts to reduce child maltreatment through the provision of in-home services and other supports to families of children most at risk of experiencing maltreatment.

**Exhibit 1
Child Safety Performance Measures
Fiscal 2018-2022**



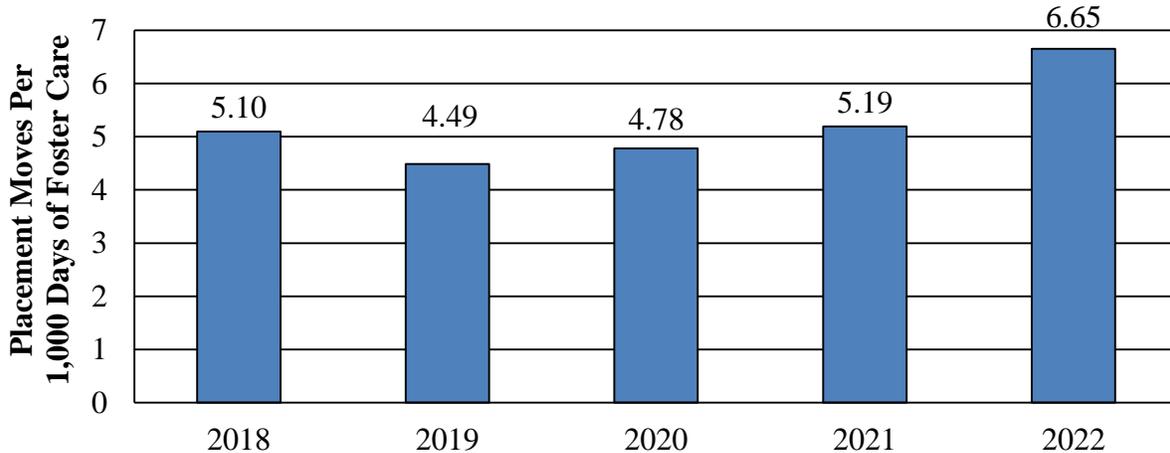
Source: Department of Human Services; Department of Budget and Management

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, although the fiscal 2022 rate of 10.0 was the lowest level since fiscal 2015. **DHS should discuss steps that it is taking to reduce the rate of victimization for youth in foster care.**

2. Rate of Placement Moves for Children in Foster Care

DHS has a goal of limiting the number of placement moves for children in foster care to no more than 4.12 per 1,000 days of foster care, which equates to a move approximately every 243 days. As shown in **Exhibit 2**, the rate of placement moves has increased since the beginning of the COVID-19 pandemic due to negative impacts on placement stability including quarantine-related needs. The fiscal 2022 rate of 6.65 represents a move every 150 days and is a 28% increase from the previous year and a 48% increase since fiscal 2019. **DHS should comment on steps that it plans to take to minimize placement moves and efforts it makes to minimize the impacts of these disruptions on the youth in care.**

Exhibit 2
Rate of Foster Care Placement Moves
Fiscal 2018-2022

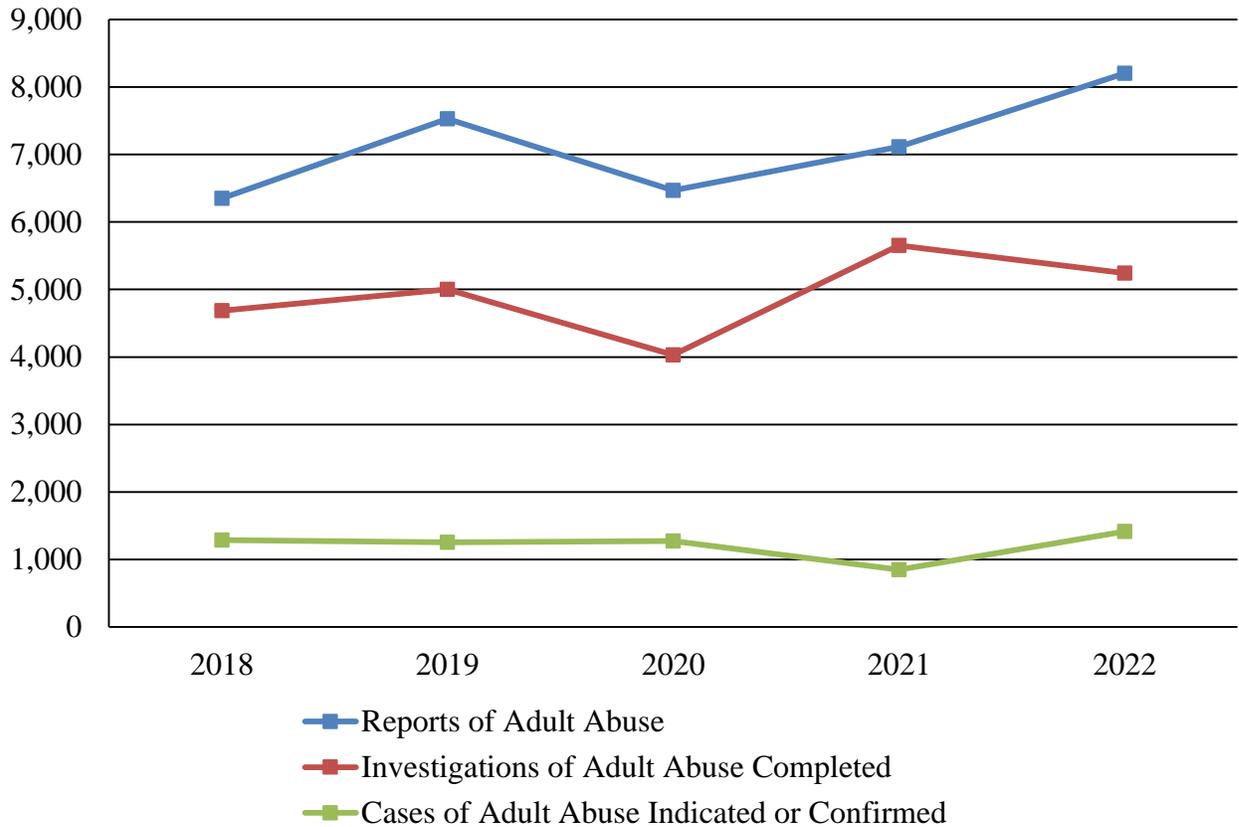


Source: Department of Human Services; Department of Budget and Management

3. Vulnerable Adult Safety Measures

As shown in **Exhibit 3**, the number of reports of adult abuse increased for the second consecutive year in fiscal 2022 to 8,202. Adult abuse reports have increased by approximately 27% since fiscal 2020, following declines in reporting that year during the initial portion of the COVID-19 pandemic. During the pandemic, reporting was impacted by reduced numbers of contacts between vulnerable adults and others. The total number of indicated or confirmed cases of adult abuse also increased in fiscal 2022, above prepandemic levels, to 1,412 following a decline in fiscal 2021. Findings of adult abuse have increased by about 11% over the two-year period since fiscal 2020.

Exhibit 3
Adult Protective Services Reports, Investigations, and Findings
Fiscal 2018-2022



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

Fiscal 2023

Proposed Deficiency

The fiscal 2024 Budget Bill includes proposed fiscal 2023 deficiency appropriations for DHS SSA totaling \$19.7 million. Of this total, \$8.2 million in general funds represents the local child welfare and local adult services share of overall adjustments to the fund split for the Montgomery County Block Grant to better reflect recent experience. Under State law, Montgomery County receives a block grant for child welfare, adult services, family investment, and administrative expenditures rather than operating like LDSSs in other jurisdictions. This block

grant provides the county with the ability to provide higher pay and other flexibility. DHS pays the portion of the salaries equivalent to what those positions would earn if they were State employees. The same type of spending in other jurisdictions would be split among personnel, administrative, and other contracts and grants spending.

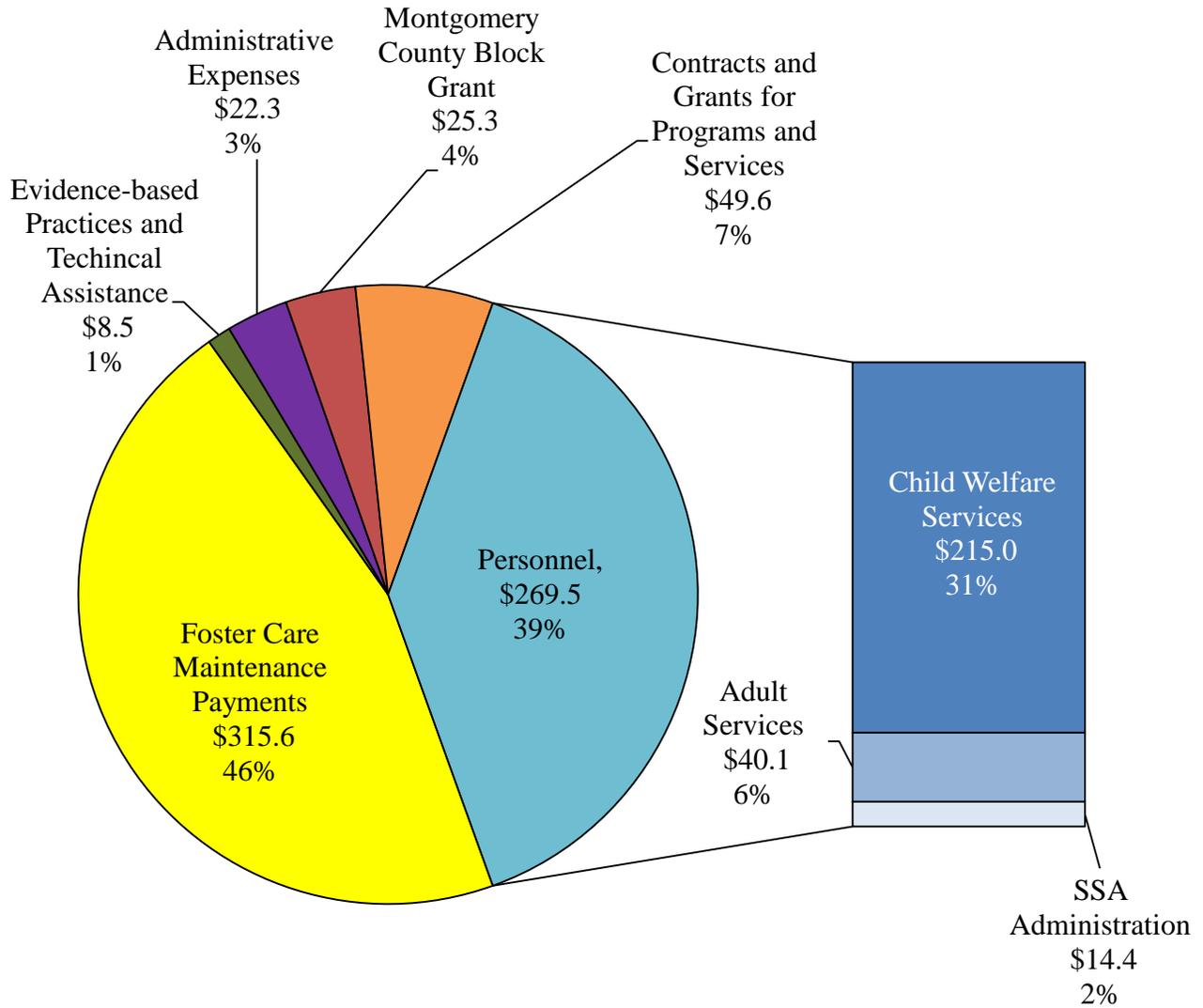
The remaining \$11.5 million of the proposed deficiency appropriations consist of federal funds available through federal stimulus legislation that remain available in fiscal 2023, including:

- \$6.5 million for child welfare services and child abuse prevention programming, including funds for older youth transitioning to adulthood, available through the American Rescue Plan Act of 2021 (ARPA) and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA); and
- \$5.0 million for adult protective services and elder abuse prevention and intervention programming, available through the ARPA and the CRRSA.

Fiscal 2024 Overview of Agency Spending

The fiscal 2024 allowance for SSA totals \$690.8 million. As shown in **Exhibit 4**, Foster Care Maintenance Payments account for \$315.5 million, or 46%, of the fiscal 2024 allowance. This program funds both the placement costs and related costs for children in the State’s foster care system. Outside of the Foster Care Maintenance Payments program, the remainder of the budget for SSA totals \$375.3 million. Personnel expenses total \$269.5 million, or 39%, of the fiscal 2024 allowance for SSA, most of which support personnel in local child welfare service programs. The fiscal 2024 allowance also includes \$8.5 million in funding for evidence-based prevention services implemented by LDSSs under the FFPSA and technical assistance to administer and evaluate the outcomes of these programs.

Exhibit 4
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Millions)



SSA: Social Services Administration

Note: The fiscal 2024 allowance does not reflect funding for statewide personnel actions budgeted in the Statewide Account within the Department of Budget and Management.

Source: Governor’s Fiscal 2024 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 5**, the fiscal 2024 allowance for SSA decreases by \$13.2 million, or 1.9%, compared to the fiscal 2023 working appropriation after accounting for proposed fiscal 2023 deficiency appropriations. Excluding the Foster Care Maintenance Payments program, the remainder of SSA’s fiscal 2024 budget increases by \$5.2 million. This net increase results primarily from increases in personnel expenses and contracts and grants for child welfare services and adult services, which are partially offset by federal stimulus funds received in fiscal 2023 for child welfare and adult protective services.

**Exhibit 5
Proposed Budget
Department of Human Services – Social Services
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2022 Actual	\$401,487	\$4,607	\$209,626	\$828	\$616,548
Fiscal 2023 Working Appropriation	440,846	6,121	256,229	828	704,024
Fiscal 2024 Allowance	<u>455,744</u>	<u>5,579</u>	<u>228,670</u>	<u>828</u>	<u>690,821</u>
2023-2024 Amount Change	\$14,897	-\$543	-\$27,558	\$0	-\$13,203
2023-2024 Percent Change	3.4%	-8.9%	-10.8%		-1.9%

Where It Goes: **Change**

Personnel Expenses

Employee and retiree health insurance premiums.....	\$5,367
Miscellaneous salary adjustments – departmentwide step increases for public facing staff.....	3,964
Annualization of statewide November 2022 4.5% cost-of-living adjustment	2,800
Employee retirement contributions	550
Other fringe benefit adjustments	15
Worker’s compensation.....	-146
Regular earnings primarily due to budgeting vacant positions at lower salaries	-360
Turnover adjustments including impacts of turnover expectancy increase from 7% to 7.19%	-418
Overtime earnings	-695

Foster Care Maintenance Payments Program

Fiscal 2024 funding for provider rate increases for providers with rates set by the Interagency Rates Commission.....	5,000
Flexible spending funds for other foster care related expenses, including daycare and other expenditures, based on most recent actual expenditures.....	2,362

N00B – DHS – Social Services Administration

Where It Goes:	<u>Change</u>
Foster care education expenditures (including local education agency collections) to align with most recent actual expenditures	1,709
Foster care day care expenditures to align with most recent actual expenditures...	1,582
Hospital overstay costs	-119
Child support collection funds to align with most recent actual expenditures.....	-204
Foster Youth Savings Program to align with most recent actual expenditures.....	-673
Placement costs for regular (family) foster care reflecting lower projected caseloads	-702
Subsidized guardianships due to lower caseloads	-1,759
Subsidized adoptions due to lower caseloads	-7,259
Placement costs for all other placement types (non-regular foster care) to better align with recent actual average payment levels offset by lower caseloads, and to account for fiscal 2023 rate increases	-8,408
Fiscal 2023 provider rate supplement	-10,000
Other Changes	
Baltimore City Health Suite and other contracts for children’s mental health services and reporting of health services to children in out-of-home placements in Baltimore City, to maintain compliance with the <i>L.J. v. Massinga</i> Consent Decree	4,081
Montgomery County Block Grant	1,280
Vehicle maintenance and fuel costs	607
Child welfare services contracts for statewide Child Protective Services and Adult Protective Services hotline.....	512
Administrative hearings for child protective services.....	466
Child welfare services outcome-based accountability system contracts.....	289
Baltimore City LDSS local child welfare services and adult services contracts ...	284
Cellular phone, telephone, and other communications expenses.....	272
Child Welfare Services Training Academy contracts	108
Other.....	224
Administrative contracts for local LDSS operations.....	94
Legal services for child welfare services	85
Office supplies and other materials	-106
Travel expenses	-250
Promoting Safe and Stable Families Program contracts and grants.....	-2,242
Supplemental federal stimulus funds for adult protective services.....	-4,969
Supplemental federal stimulus funds for child welfare services.....	-6,544
Total	-\$13,203

LDSS: local department of social services

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

Foster Care Maintenance Payments

The fiscal 2024 allowance for Foster Care Maintenance Payments decreases by \$18.4 million, or 5.5%, compared to the fiscal 2023 working appropriation. This decrease is primarily driven by federal fund decreases totaling \$24.2 million, including decreases of \$18.2 million in Temporary Assistance for Needy Families funding allocated for foster care and \$6.3 million in Title IV-E funding. General funds increase by \$6.5 million.

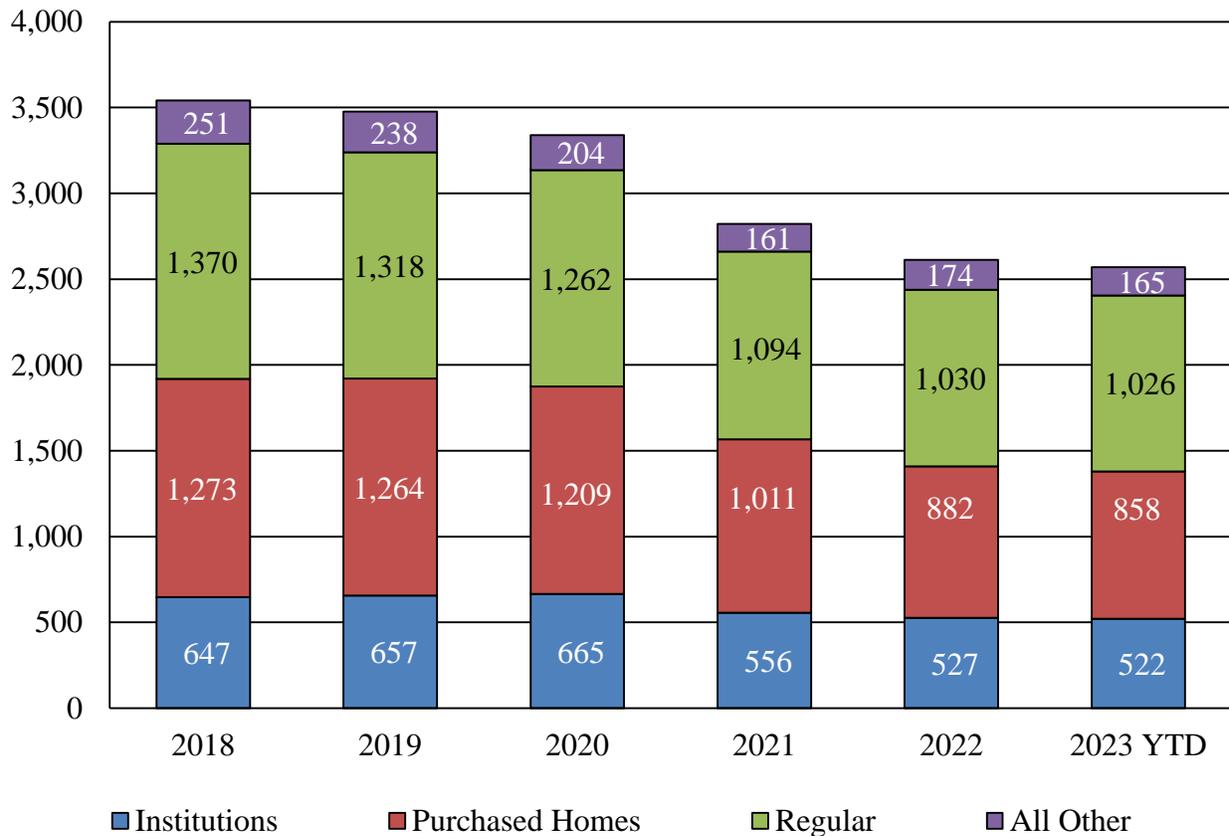
Expenses for the Foster Care Maintenance Payments Program decline primarily due to lower caseloads assumed in the fiscal 2024 budget to better align with the most recent actual caseloads, which offset provider rate increases and other changes in placement costs. The fiscal 2024 allowance includes \$5 million budgeted for provider rate increases for providers with rates set by IRC. Placement costs for subsidized adoptions decrease by \$7.3 million, and placement costs for subsidized guardianships decrease by \$1.8 million, reflective of lower caseloads assumed in the budget for these two placements to align with most recent actual caseloads.

The fiscal 2024 allowance includes \$953,000 budgeted for youth hospital stays that are not covered by Medicaid due to not being medically necessary. This represents a decrease of \$119,000 from the fiscal 2023 working appropriation for these placements.

Caseload Trends and Estimates

Exhibit 6 presents annual average monthly foster care caseload data. 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 prior to fiscal 2021 (averaging an approximate 3% decrease annually between fiscal 2016 and 2020), the average monthly number of placements declined by 15.5% in fiscal 2021 and 7.3% in fiscal 2022. Although in fiscal 2021 caseloads declined across all placement types, in fiscal 2022, overall percentage caseload decreases have been lower and have varied across placement type. For example, regular foster care caseloads declined by 5.8% in fiscal 2022, compared to a 13.3% decline the previous year, and caseloads in the “all other” category, which include several smaller placement types, increased by 8.1% overall. Fiscal 2022 caseload declines in purchased home placements (12.7%) and purchased institution placements (5.1%) were also lower compared to their respective decreases in the previous year. In fiscal 2023 year to date (through December 2022), the average monthly caseload has declined by 1.7% compared to fiscal 2022 caseloads, suggesting a return to the prepandemic trend of slower annual rates of decline. However, the overall number of youths in out-of-home placements remains at a lower level compared to before the pandemic. **DHS should comment on overall trends in foster care caseloads since fiscal 2021 and if it is anticipated that caseloads will return to prepandemic levels beyond fiscal 2024 or continue a declining trend.**

**Exhibit 6
Foster Care Caseloads
Fiscal 2018-2023 YTD (December 2022)**

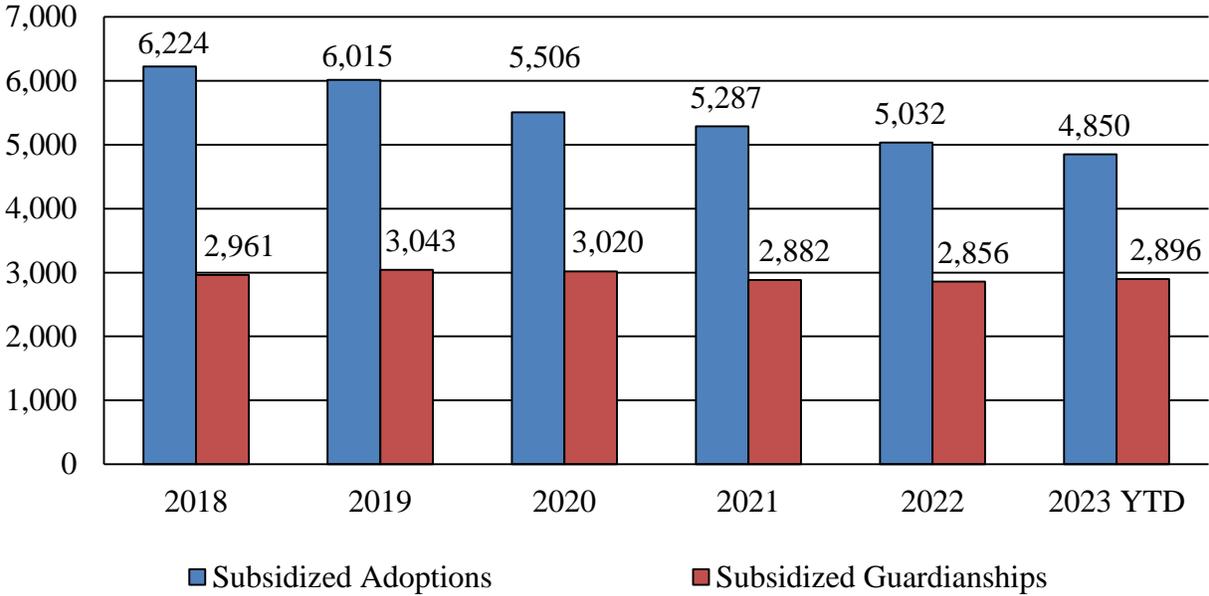


YTD: year to date

Source: Department of Human Services; Department of Legislative Services

As shown in **Exhibit 7**, the average monthly number of subsidized guardianships and subsidized adoptions both continued to decrease in fiscal 2022, consistent with decreases in foster care caseloads; however, the rates of decrease in fiscal 2021 and 2022 for these two placements are comparatively lower than foster care placements. Subsidized adoptions decreased by 4.8% in fiscal 2022 and an additional 3.6% during the first half of fiscal 2023. Subsidized guardianships decreased by 0.9% in fiscal 2022 but have since increased by 1.4% during the first half of fiscal 2023. This could indicate a rebound in the subsidized guardianship cases as full court operations continue after closures during various periods over the pandemic.

Exhibit 7
Subsidized Adoptions and Guardianships
Fiscal 2018-2023 YTD (December 2022)



YTD: year to date

Source: Department Human Services; Department of Legislative Services

Exhibit 8 presents a comparison of the Department of Legislative Services (DLS) estimate for the average monthly placements and the caseload estimate on which the budget is based for fiscal 2023 and 2024. For fiscal 2023, DLS forecasts a lower overall caseload, primarily due to actual caseload numbers through December 2022 remaining lower than what was anticipated during the development of the fiscal 2023 budget. At that time, it was anticipated that caseloads would rebound upward toward levels seen prior to the COVID-19 pandemic, however through the first half of fiscal 2023, caseload levels remain more similar to those in fiscal 2022. The fiscal 2024 allowance forecast is better aligned with recent experience and is generally consistent with the DLS forecast for fiscal 2024.

Exhibit 8
Caseload Projections by Placement Type
Fiscal 2022-2024

	2022		2023		2024
	<u>Actual</u>	<u>Budget</u>	<u>DLS</u>	<u>2023 DLS- 2023 Budget Difference</u>	<u>Allowance</u>
Regular Foster Care	1,030	1,121	1,061	-60	1,042
Other Placements	174	164	179	15	185
Purchased Home	882	1,036	926	-110	892
Purchased Institution	527	570	569	-1	560
Subsidized Guard	2,856	2,955	2,913	-42	2,922
Subsidized Adoption	5,032	5,339	4,982	-357	4,958
Total Combined	10,501	11,185	10,630	-555	10,559

DLS: Department of Legislative Services

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

Provider Rate Increases

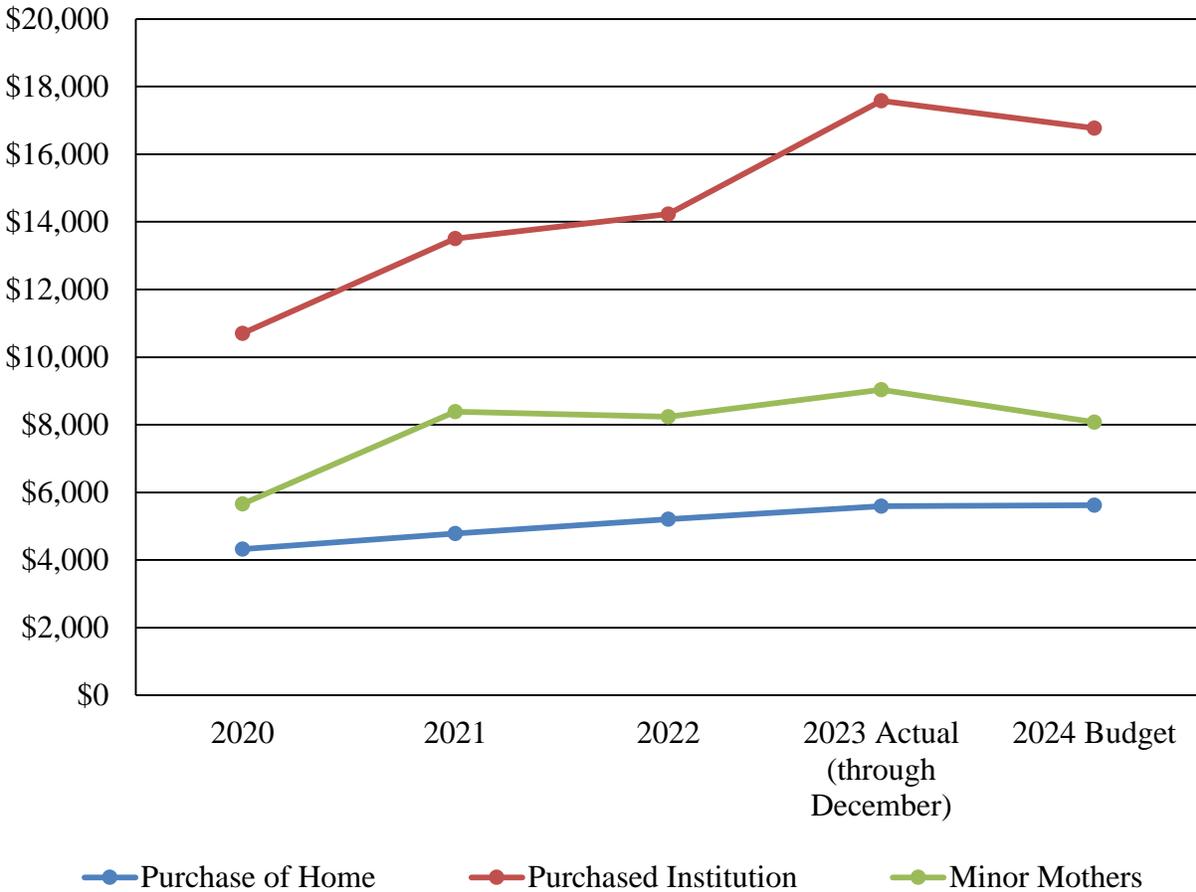
The fiscal 2024 allowance includes \$5 million in funding for provider rate increases for providers who have rates set by IRC. This funding level is consistent with an approximately 3% provider rate increase. However, actual provider rate increase percentages are determined by IRC and may vary from this level based on the rate setting process.

Placement Costs

As shown in **Exhibit 9**, average monthly placement costs through December 2022 are highest among purchased institutions, purchased homes, and minor mothers and infants foster care placements. Average monthly placement costs for these three placement types have also shown the largest percent increase between fiscal 2022 actual costs and fiscal 2023 costs (through December 2022). Average monthly placement costs for all placement types have increased by 15% during this period, although placement costs for purchased institutions (the most expensive placement type) increased by 24%. Fiscal 2023 placement costs reflect provider rate increases of approximately 10%. Actual rate increases vary based on the IRC rate setting process. Total average monthly placement costs for all foster care placements estimated in the fiscal 2024 budget are approximately 0.6% lower than the fiscal 2023 average (through December), primarily due to purchased institution and minor mother programs, which are approximately 4.6% and 10.6% lower in fiscal 2024 than the year-to-date averages. This would indicate some risk that placement costs

will be higher for these two placement types than is being accounted for in the fiscal 2024 allowance.

Exhibit 9
Average Monthly Placement Costs for Select Placement Types
Fiscal 2020-2024



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

Forecast

As shown in **Exhibit 10**, DLS forecasts a surplus of \$14.9 million in fiscal 2023 primarily due to the lower estimated number of placements in fiscal 2023 than assumed at the time of budget development, despite significant increases in placement costs for some placement types such as purchased institutions. DLS projects that the largest share of this surplus will be in federal funds (\$13.1 million), and that the general fund portion of this surplus will be \$1.4 million. Language annually included in the budget bill requires any general fund surplus in the program to be reverted.

In contrast, in fiscal 2024, DLS forecasts a shortfall of \$14.2 million shortfall overall and \$18.2 million in general funds. This shortfall is primarily due to higher average monthly payments for purchased institutions and other placement types based on most recent actual experience compared to the estimates on which the budget was based. The general fund shortfall is larger than the overall shortfall due to a lower estimate of the State’s ability to claim federal Title IV-E funds compared to levels assumed in the budget. Any actual shortfall will be impacted by the extent to which caseloads increase or decrease in fiscal 2024 and the extent that the federal Title IV-E funds are available.

Exhibit 10
Foster Care Maintenance Payments Program Expenditure Forecast
Fiscal 2022-2024
(\$ in Millions)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>% Change</u> <u>2023-2024</u>
Budgeted Expenditures				
General Funds	\$215.2	\$240.5	\$247.0	2.7%
Special Funds	2.2	2.9	2.2	-24.3%
Federal Funds	76.1	90.5	66.3	-26.8%
Total Funds	\$293.6	\$333.9	\$315.6	-5.5%
DLS Forecasted Expenditures				
General Funds	\$215.2	\$239.1	\$265.2	10.9%
Special Funds	2.2	2.6	2.6	0.0%
Federal Funds	76.1	77.4	61.9	-20.0%
Total Funds	\$293.6	\$319.1	\$329.8	3.3%
General Fund Surplus/Shortfall (Compared to Budget)		\$1.4	-\$18.2	
Special Fund Surplus/Shortfall (Compared to Budget)		0.3	-0.4	
Federal Fund Surplus/Shortfall (Compared to Budget)		13.1	4.3	
Total Surplus/Shortfall (Compared to Budget)		\$14.9	-\$14.2	

DLS: Department of Legislative Services

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

Personnel Data

	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23-24</u> <u>Change</u>
Regular Positions	2,629.45	2,626.68	2,627.18	0.50
Contractual FTEs	<u>3.00</u>	<u>2.50</u>	<u>2.50</u>	<u>0.00</u>
Total Personnel	2,632.45	2,629.18	2,629.68	0.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	188.89	7.19%
Positions and Percentage Vacant as of 12/31/22	435.73	16.59%
Vacancies Above Turnover	246.84	

- The fiscal 2024 allowance increases the number of regular positions within SSA by a net total of 0.5 regular positions, which reflects abolitions and transfers within the department, including the transfer of 0.5 regular positions from the local Family Investment Administration program to the local Adult Services program within SSA.
- There are currently 435.73 vacant positions in SSA, which is 246.84 positions greater, or more than double what would be required to meet the budgeted turnover expectancy, and approximately 16.6% of total positions. The largest share of the vacancies (357.73) are within Child Welfare Services, which is the largest share of positions authorized within SSA, and primarily includes social worker and other caseworker positions. Vacancies within SSA have increased by 93 positions since the end of calendar 2021, and vacancies within SSA consist of nearly half of all vacant positions across DHS as of January 1, 2023 (910.23). SSA consists of just under half of total positions authorized across DHS as of January 1, 2023 (2,627.18 out of 5,970.68 total positions). Additional discussion of DHS vacancies can be found in the budget analysis for DHS Administration – N00A01.

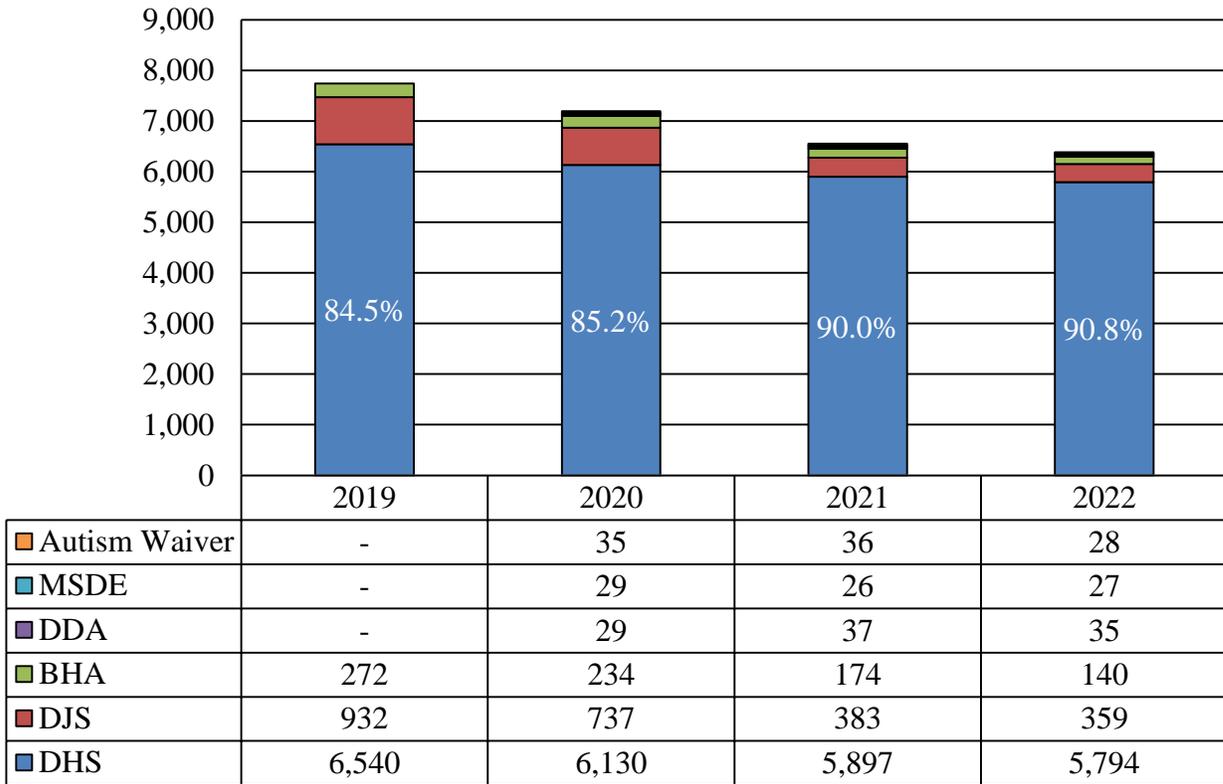
Issues

1. Out-of-home Placement Data Reported by DHS and the Governor’s Office of Crime Prevention, Youth, and Victim Services

In early calendar 2023, corresponding to the publishing of its *FY 2022 State of Maryland Out-of-Home Placement and Family Preservation Resource Plan*, the Governor’s Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) launched a new online out-of-home placement data dashboard. Data reported by GOCPYVS online is intended to supplement its annual reporting to the General Assembly on out-of-home placements in Maryland. The data dashboard includes both demographic data for children in out-of-home care and an overview of providers in both Maryland and out-of-state and covers placements made across child serving agencies.

As reported by GOCPYVS, a total of 6,382 youth experienced at least one out-of-home placement in fiscal 2022, and a total of 14,250 different placements were made across all child serving agencies during the fiscal year. As shown in **Exhibit 11**, approximately 90% of all youth were placed through DHS, but data also reflects youth placed by, and in placements funded through, DJS, the Maryland Department of Health’s (MDH) Behavioral Health Administration and Developmental Disabilities Administration, and the Maryland State Department of Education (MSDE), which are also involved in the placing of children. In total, out-of-home placements have decreased by 17.6% between fiscal 2019 and 2022.

**Exhibit 11
Out-of-home Placements by Agency
Fiscal 2019-2022**



BHA: Behavioral Health Administration
 DDA: Developmental Disabilities Administration
 DHS: Department of Human Services
 MSDE: Maryland State Department of Education

Source: Governor’s Office of Crime Prevention, Youth, and Victim Services

DHS Out-of-home Placements by Placement Category

The number of youths who experienced at least one out-of-home placement through DHS in fiscal 2022 totaled 5,794, which was an 11.4% decrease compared to fiscal 2019. Among these youth, a majority (4,863) of placements were in family homes, as shown in **Exhibit 12**. Community-based placements, the second most common placement category among these youth, totaled 1,251 placements in fiscal 2022. The average age at entry for all youth was 8.8 years, and the average length of placement for all placements was 174.9 days.

Exhibit 12
Out-of-Home Placements by Category
Department of Human Services
Fiscal 2022

	<u>Total Youth¹</u>	<u>Average Age at Entry</u>	<u>Average Days in Placement</u>
Family Home	4,863	7.3	204.5
Community Based Placement	1,251	13.3	170.5
Non-community Based Placement	313	13.0	173.2
Hospitalization	342	9.7	37.7
Other/Unknown	946	10.4	103.3

¹Data reflects individual placements in each category and do not sum to the total number of youths placed due to some youth experiencing multiple placements during the fiscal year.

Source: Governor’s Office of Crime Prevention, Youth, and Victim Services

Out-of-state Placements

A total of 246 youth placed through DHS were in an out-of-state placement at some point during fiscal 2022, with the majority of these placements located in states bordering Maryland, including Delaware, Pennsylvania, Virginia, and Washington, D.C. Out-of-state placements through DHS have decreased by approximately 14% since fiscal 2019. As shown in **Exhibit 13**, the majority (151) of these placements were in family homes, along with hospitalizations (55), and community-based placements (48).

Exhibit 13
Out-of-state Placements
Department of Human Services
Fiscal 2022

	<u>Total Youth¹</u>	<u>Average Age at Entry</u>	<u>Average Days in Placement</u>
Family Home	151	8.0	142.9
Hospitalization	55	8.3	30.9
Community-based Placement	48	12.1	174.5
Non-community-based Placement	12	14.4	49.2
Other/Unknown	13	8.2	204.2

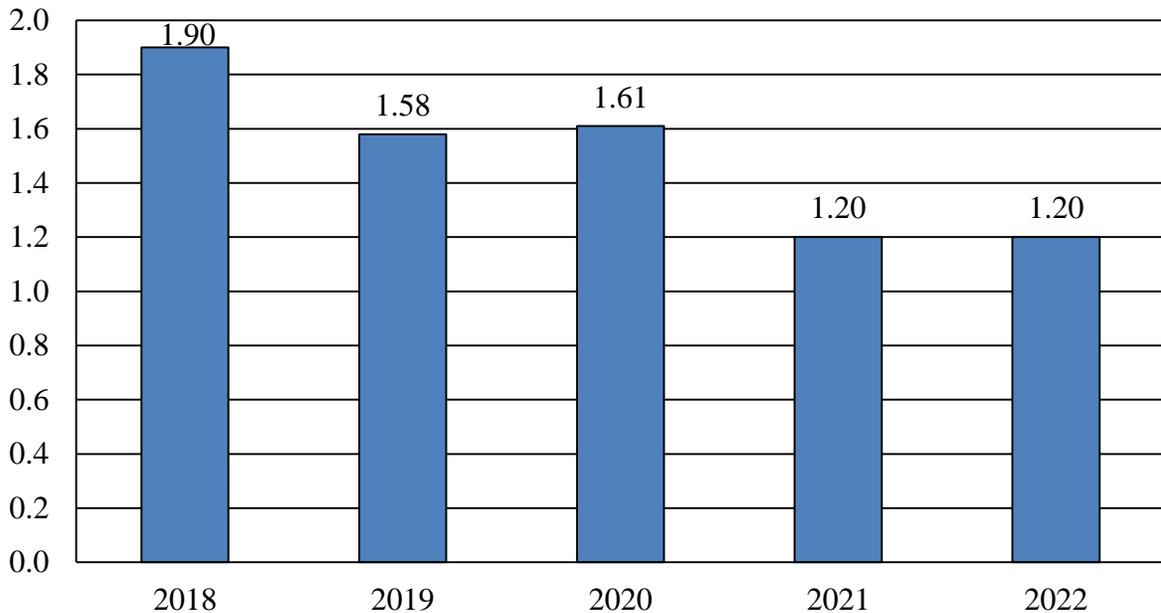
¹Data reflects individual placements in each category and do not sum to the total number of youths placed due to some youth experiencing multiple placements during the fiscal year.

Source: Governor’s Office of Crime Prevention, Youth, and Victim Services

Rates of Removal and Re-entry into Foster Care

As shown in **Exhibit 14**, DHS reported a rate of removals into foster care per 1,000 children under the age of 18 of 1.20 in fiscal 2022. This was the second consecutive year in which DHS met its goal of having a rate of removal of no more than 1.5 per 1,000 children. This decrease is consistent with the decrease in number of youths experiencing out-of-home placements through DHS since fiscal 2019 as reported by GOCPYVS and declines in average monthly foster care caseloads in recent years. While the lower rate of removal in fiscal 2021 can be attributed to reduced overall levels of child maltreatment reporting and lower caseloads due to impacts of the COVID-19 pandemic, it is also reflective of efforts made by DHS in recent years to reduce the number of children removed from their homes and placed in foster care by providing alternative in-home services. These services include family preservation services and evidence-based prevention practices that focus on strengthening the parent-child relationship and improving overall family functioning.

Exhibit 14
DHS Rate of Removal into Foster Care
Fiscal 2018-2022
(Per 1,000 Children)

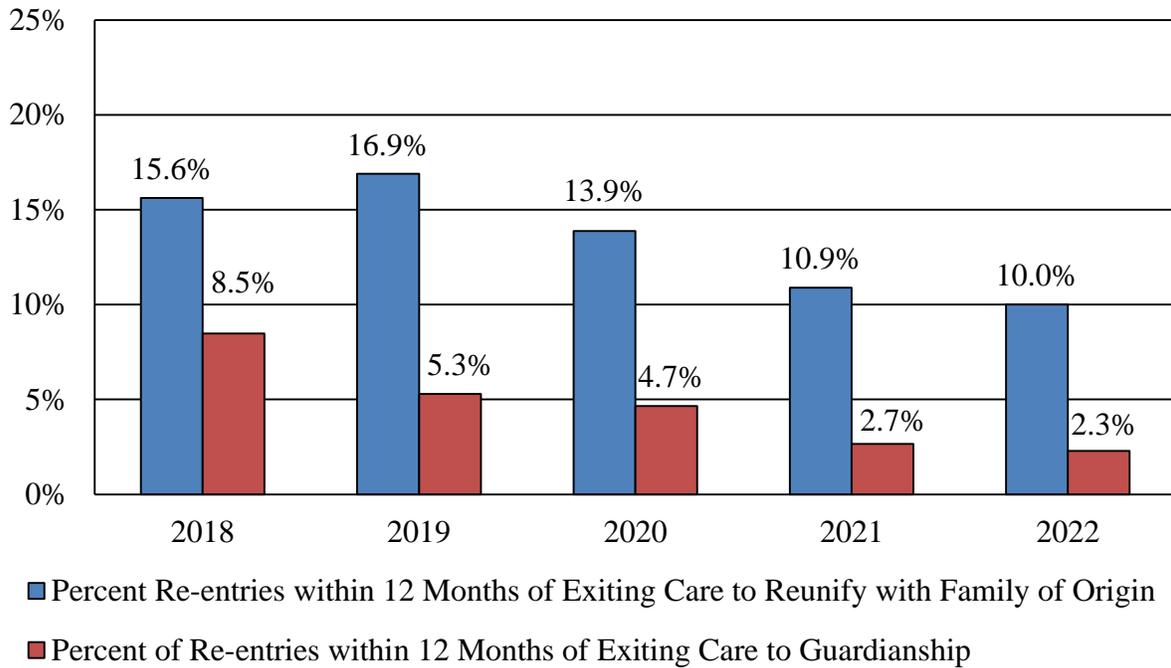


DHS: Department of Human Services

Source: Department of Human Services

Exhibit 15 presents rates of re-entry into foster care for children within 12 months following exiting care to either reunify with the child’s family of origin or exiting to guardianship. In fiscal 2022, the percent of re-entries into care was 10% from exits to reunification, and 2.3% from exits to guardianship. Rates of re-entry for each category have declined each year since fiscal 2019, consistent with declines in the rate of removal into care, although overall rates of re-entry from exits to reunification remain higher overall compared to rates of re-entry from guardianship.

Exhibit 15
Rates of Re-entry into Foster Care within 12 Months of Exiting
Fiscal 2018-2022



Source: Department of Human Services

Factors at Removal into Care

In response to committee narrative in the 2022 *Joint Chairmen’s Report* (JCR) requesting further information on the impacts of economic instability on child maltreatment and removals into care, including economic instability exacerbated by the COVID-19 pandemic, DHS provided data on circumstances of removal and removals by jurisdiction. In fiscal 2022, as reported by DHS, there were a total of 1,618 children removed from their homes and placed into foster care in Maryland. The largest number of removals were from the largest jurisdictions in Maryland: Baltimore City (587); Baltimore County (239); Prince George’s County (178); and Montgomery County (113).

According to DHS, the most common factors identified at removal in fiscal 2022 were neglect (53% of removals statewide), parent substance and/or alcohol abuse (29% of removals statewide), and housing issues (15% of removals statewide). Neglect was a factor in over 50% of removals in 18 jurisdictions, by far the most common of all factors at removal statewide. While percentages for neglect and substance abuse were roughly similar to fiscal 2021, housing issues saw the largest increase, rising by 5% since fiscal 2021.

In the context of child maltreatment, neglect may include a variety of failures of a parent or caregiver to provide for their child’s needs, including food, shelter, clothing, medical care, or supervision, among other basic needs. Neglect is legally defined by the federal Child Abuse Prevention Treatment Act as “any recent act or failure to act on the part of a parent or caretaker that presents an imminent risk of serious harm to the child” and by the Code of Maryland Regulations as “the failure to give proper care and attention to a child, leaving a child unattended where the child’s health or welfare is harmed or a child is placed in substantial risk of harm.”

The trend in Maryland of neglect as a leading factor at removal in recent years is similar to research on nationwide trends in factors related to child maltreatment. According to the 2022 presentation *Child and Family Well-Being System: Economic & Concrete Supports as a Core Component* by Chapin Hall, a research organization at the University of Chicago that specializes in child welfare policy, about 60% or more of substantiated child protective services responses nationally involve neglect only. While nationwide rates of other forms of child abuse, including physical and sexual abuse, have declined steadily since the 1990s, rates of neglect have remained roughly similar over the past two decades. As a result, research shows that family economic insecurity is often highly correlated with child welfare involvement, with nearly 85% of families investigated by child protective services earning below 200% of the federal poverty level.

Family Preservation Services

Several key research findings presented by Chapin Hall relate to the effectiveness of alternative in-home services or family preservation services combined with concrete supports in reducing the likelihood of child maltreatment occurring. Examples of concrete supports are broad and can include both public benefits programs addressing poverty as well as assistance in obtaining steady employment, child care, food, clothing, transportation, and other assistance.

In Maryland, DHS provides family preservation services to children and families at risk for child maltreatment and/or out-of-home placement through a LDSS. In fiscal 2022, SSA served a total of 6,424 family preservation cases, which included 13,445 children. GOCPYVS concludes that family preservation services offered through DHS are a key component of meeting the needs of thousands of vulnerable Maryland children and their families and in reducing the overall need for out-of-home placements.

2. FFPSA

The federal FFPSA, included in the Bipartisan Budget Act of 2018, was signed into law in February 2018. Among other provisions, the FFPSA altered the 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 enactment of 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. In order to receive federal reimbursement 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. Although it has not yet received final federal approval, DHS has submitted claims based on the proposed plan amendment, which is permitted, and those claims have been paid. DHS anticipates final approval in the near future. **DHS should comment on the status of the approval of the CAP, and its ability to seek federal reimbursement while the CAP is pending.**

Prevention services provided through evidence-based practices under the FFPSA include substance abuse prevention and treatment services, parent skill-based programs, and mental health prevention and treatment services. Services eligible for federal reimbursement must be rated by the Title IV-E Prevention Service Clearinghouse as either well supported, supported, or promising. As of December 2022, the clearinghouse has reviewed 129 programs and services, and a total of 66 have received a rating that would allow states to receive reimbursement if the state chose to implement it. The evaluation of practices by the clearinghouse is ongoing.

Practices Implemented under the FFPSA

At the time of approval of the Prevention Plan, five of the evidence based practices that DHS planned to implement had received a rating of “well supported” by the Title IV-E Clearinghouse. **Exhibit 16** provides updated data on four of these practices, including the jurisdictions implementing them and the number of families served in fiscal 2022. DHS indicates that the fifth of these five practices, Nurse Family Partnership (NFP), is planned for implementation by jurisdictions in fiscal 2023. NFP was previously implemented by the Baltimore City Health Department using other funding sources. DHS also sought transitional payments for NFP, Family Centered Treatment (FCT) and Sobriety Treatment and Recovery Teams (START),

of which FCT and START were not yet rated at the time the plan was approved. However, these programs have now been rated as meeting criteria for federal reimbursement, and DHS indicates that it will seek approval for a State plan amendment to add both START and FCT to its current array of practices. Additional practices not included in the approved plan must be funded with general funds.

Exhibit 16
Evidence-based Practices Implemented by DHS
Fiscal 2022-2023

<u>Practice</u>	<u>Jurisdictions Implementing</u>	<u>Title IV-E Clearinghouse Rating</u>	<u>Part of MD's Title IV-E Prevention Plan</u>	<u>Families Served Fiscal 2022</u>
Healthy Families America	Kent Queen Anne's Somerset Talbot	Well Supported	Yes	38
Parent-child Interaction Therapy	Anne Arundel	Well Supported	Yes	22
Functional Family Therapy	Anne Arundel Baltimore County Carroll Dorchester Harford Howard Kent Queen Anne's Somerset Talbot Wicomico Worcester	Well Supported	Yes	146
Multisystemic Therapy	Frederick Montgomery Prince George's Washington	Well Supported	Yes	47
Total	17 Jurisdictions			253

DHS: Department of Human Services

Note: Nurse Family Partnership is scheduled for implementation in fiscal 2023

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

Establishment of Center for Excellence in Foster Family Development

In addition to continued implementation of evidence-based prevention practices, in fiscal 2024, DHS will continue to develop the Center for Excellence (CfE) for Foster Family Development, for which a four-year federal grant was awarded to the State in fiscal 2022 by the Administration of Children and Families. The 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.

In fiscal 2022 and 2023, DHS contracted with the University of Maryland School of Social Work related to the implementation of the CfE, which included consulting agreements with the purveyors of two evidence-based practices for parents implemented through the CfE. Training for facilitators of both programs, Parenting Through Change–Reunification and Keeping Resource Parents Supported and Trained were held in early 2022. Several cohorts of resource parents were referred to participate in both programs, which were initially held throughout 2022.

Spending on Evidence-Based Practices

The fiscal 2024 allowance for SSA contains a total of \$8.5 million budgeted for evidence-based practices through LDSSs and funding for administration and technical assistance for these programs, a roughly similar level as in the fiscal 2023 working appropriation. Of this total, \$3.6 million is budgeted through general funds, and \$4.9 million is budgeted through federal funds. This fund split represents a \$1.3 million increase in general fund support for these programs compared to the fiscal 2023 working appropriation.

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 the 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 age 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.

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. In late 2021, DHS worked with DJS on the development of an application process for the designation of placement providers as QRTP, and together with DJS and the MDH Developmental Disabilities Administration, formed the QRTP workgroup to ensure that implementation is consistent across State agencies.

Requirements for QRTP designation include that providers must:

- be licensed or certified in accordance with Title IV-E requirements and accredited by an independent not-for-profit organization;
- have registered or licensed nursing staff and other clinical staff available 24 hours a day, 7 days a week;
- have a trauma-informed treatment model;
- facilitate outreach and include the participation of the child and family members; and
- provide discharge planning and family-based aftercare for six months.

As of December 2022, Maryland has six designated QRTP providers. Thirteen applications were received by DHS from providers, which were jointly reviewed by the DHS/DJS application review team. Approved providers receive a three-year designation. The QRTP workgroup plans to continue to meet in anticipation of a second application window for QRTP designation.

3. Child Welfare Worker Caseloads

Child welfare caseload ratios have been 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 the Child Welfare League of America (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 kinship care have a ratio of 1 worker per 12 cases. Therefore, the total number of caseworkers needed by 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 departmentwide 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 filled positions is a management function in the department and/or LDSS.

Positions Needed to Meet Standards Increase, Filled Positions Decrease

As discussed previously, overall entries into care and foster care caseloads have declined each year in recent fiscal years and since fiscal 2021, have been noticeably lower compared to caseloads prior to the onset of the COVID-19 pandemic. As a result of overall workload declines, SSA has maintained overall statewide CWLA standards despite decreases in the number of filled positions.

As shown in **Exhibit 17**, SSA had 138.1 more caseworker positions and 16.3 more supervisor positions than necessary to meet CWLA standards based on September 1, 2022 personnel data. However, the total number of filled caseworker positions (1,071.6) decreased by 117 filled positions since the previous year, and at the same time, the number of filled caseworker positions needed to meet CWLA standards (933.5) increased by 27.9 positions. September 2022 data is the first time that filled caseworker positions needed to meet CWLA standards have increased since 2017. As a result, the statewide surplus in caseworker positions as of September 1, 2022, has decreased by 144.9 positions since the previous year.

Six jurisdictions failed to meet the CWLA caseworker standard, and seven jurisdictions failed to meet the CWLA supervisor standard. In comparison, in the previous year, only one jurisdiction failed to meet the caseworker standard, and three jurisdictions failed to meet the supervisor standard. All six jurisdictions that failed to meet the caseworker standard had sufficient vacant positions to meet the standard if filled. However, only two of the jurisdictions that failed to meet the supervisor standard had sufficient vacant supervisor positions to meet the standard if filled.

Due to increased numbers of vacant positions, increases in the number of jurisdictions failing to meet caseworker standards, and the overall decrease in number of surplus caseworker positions shown in September 2022 personnel data compared to the previous year, the number of jurisdictions failing to meet CWLA standards could grow to the extent foster care caseloads increase or the overall number of filled caseworker positions decrease.

In the response to the committee narrative, DHS also notes that in an effort to fill vacant positions and retain staff, the department implemented step increases for the hiring of new caseworkers and supervisors and for current staff in these positions, among other efforts to fill vacant positions. **DHS should comment on efforts to increase filled caseworker and supervisor positions in Baltimore and Prince George’s counties, which failed to meet the standards for both position types and had the largest shortfalls among jurisdictions for caseworker positions.**

Exhibit 17

**Child Welfare Position Status by Local Department
September 2021 to August 2022 Caseload Data and September 1, 2022 Position Status**

	<u>Filled Worker Positions Needed to Meet CWLA</u>	<u>Filled Worker Positions</u>	<u>Surplus/ Shortfall</u>	<u>Vacant Caseworker Positions</u>	<u>Filled Supervisor Positions Needed to Meet CWLA</u>	<u>Filled Supervisor Positions</u>	<u>Surplus/ Shortfall</u>	<u>Vacant Supervisors</u>
Allegany	20.0	38.0	18.0	1.0	4.0	4.0	0.0	0.0
Anne Arundel	62.9	72.3	9.4	16.0	12.6	18.0	5.4	0.0
Baltimore	125.2	111.0	-14.2	28.0	25.0	22.0	-3.0	2.0
Baltimore City	242.9	313.5	70.6	116.0	48.6	58.0	9.4	34.0
Calvert	14.4	16.5	2.1	3.0	2.9	4.0	1.1	0.0
Caroline	7.8	18.0	10.2	1.0	1.6	5.0	3.4	0.0
Carroll	22.0	21.0	-1.0	3.0	4.4	3.0	-1.4	0.0
Cecil	35.1	33.5	-1.6	9.5	7.0	6.0	-1.0	2.0
Charles	16.9	27.0	10.1	5.0	3.4	4.0	0.6	3.0
Dorchester	13.9	16.0	2.1	1.0	2.8	4.0	1.2	0.0
Frederick	36.2	38.5	2.3	3.0	7.2	8.0	0.8	1.0
Garrett	9.1	15.0	5.9	2.0	1.8	2.0	0.2	0.0
Harford	53.6	61.0	7.4	1.0	10.7	10.0	-0.7	0.0
Howard	33.5	33.0	-0.5	2.0	6.7	5.0	-1.7	0.0
Kent	3.9	5.0	1.1	1.0	0.8	3.0	2.2	0.0
Prince George's	113.4	91.0	-22.4	40.5	22.7	18.0	-4.7	3.0
Queen Anne's	7.3	7.0	-0.3	2.0	1.5	2.0	0.5	0.0
Somerset	8.8	13.5	4.7	0.0	1.8	3.0	1.2	0.0
St. Mary's	17.5	17.8	0.3	7.0	3.5	2.0	-1.5	3.0
Talbot	5.2	13.0	7.8	1.0	1.0	4.0	3.0	0.0
Washington	44.7	55.0	10.3	7.0	8.9	9.0	0.1	2.0
Wicomico	24.4	35.0	10.6	2.0	4.9	5.0	0.1	0.0
Worcester	15.0	20.0	5.0	0.0	3.0	4.0	1.0	0.0
Statewide	933.5	1,071.6	138.1	252.0	186.7	203.0	16.3	50.0

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; Department of Legislative Services; Statewide Personnel System

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Recently, CWLA has recognized that maintaining adequate caseload ratios alone is an insufficient measure of child welfare staffing, and workloads associated with cases should also be considered. CWLA has begun work on revising its caseload and workload standards accordingly to shift the emphasis from caseloads (the number of cases a worker should be responsible for) to workload (the amount, complexity, and intensity of work being assigned). CWLA indicates that it will seek to conduct a cross-jurisdictional workload study as part of its work to issue new workload standards.

In addition to providing updated caseload and caseworker data, the committee narrative requested that DHS provide a discussion of efforts taken by both CWLA and the department to evaluate current workload standards. DHS indicates that following the issuance of revised caseload and workload standards by CWLA, it will conduct a workload implementation study in Maryland. DHS has outlined the following activities that at a minimum would be necessary to complete this study in Maryland:

- issue a request for proposals (RFP) and enter into a contract with a consultant with national and regional expertise in child welfare services to develop a Maryland-specific workload study model;
- conduct a study of the current workloads in Maryland;
- examine the feasibility of implementing new workload standards; and
- review existing policies, regulations, and statutes for appropriate revisions.

DHS indicates that the timeline for completing such as study is currently unknown and is dependent upon when CWLA ultimately issues new workload standards based on its own study.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Hospital Stays by Youth in Out-of-home Placements: The committees continue to be concerned about children and youth experiencing stays in emergency rooms or inpatient hospital settings longer than is medically necessary. Data has been requested on hospital stays by youth in out-of-home placement 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 2022 through September 2023:

- 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 placement 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 2023.

Information Request	Author	Due Date
Report on hospital stays, average length of stay, and placement after discharge	DHS	December 1, 2023

2. Adopt the following narrative:

Implementation of Provisions of the Family First Prevention Services Act (FFPSA): The committees are interested in being updated on steps taken to continue efforts to implement evidence-based prevention practices and other services under provisions of the FFPSA and the outcomes of those programs and services for families served through the child welfare system. The committees request that the Department of Human Services (DHS) submit a report including:

- a list of all evidence-based practices being implemented through fiscal 2023, including data on jurisdiction and number of families or children served during the

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fiscal year, and any changes planned for evidence-based practices being implemented during fiscal 2024;

- a discussion of how DHS evaluates these programs, including the outcomes achieved and the effectiveness at preventing occurrences of maltreatment for each program;
- the current number of providers in the State that have received designation as a Qualified Residential Treatment Program to allow for federal reimbursement under the FFPSA, including if any additional providers received this designation during fiscal 2023;
- the status of the approval of the State’s revised Cost Allocation Plan; and
- a description of activities completed and outcomes achieved in fiscal 2023 in relation to the Center for Excellence for Foster Family Development.

Information Request	Author	Due Date
Update on the implementation of provisions of the federal FFPSA	DHS	December 15, 2023

3. Adopt the following narrative:

Implementation of the New Foster Care Provider Rate Structure: The committees are interested in receiving an update on steps taken during fiscal 2023 and 2024 as part of the development of the new foster care provider rate structure for providers who have rates set by the Interagency Rates Committee. In response to committee narrative included in the 2022 Joint Chairmen’s Report, the Department of Human Services (DHS) indicated that it had fully executed a contract with a vendor for actuarial services and that work on rate revision would begin in fiscal 2023, in preparation for implementation of the new provider rate structure in calendar 2025. The committees request that DHS submit a report on the status of implementation, including the status of any necessary amendments to the State Medicaid Plan to allow for clinical care costs to be eligible for reimbursement, and an update on the implementation timeline.

Information Request	Author	Due Date
Status of implementation of the new provider rate structure	DHS	December 31, 2023

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

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.

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).

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

. 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.

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.

6. 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;

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- 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. Specifically, DHS should discuss efforts to fill vacant positions in jurisdictions that had shortfalls in caseworker and supervisor positions, including Baltimore and Prince George’s counties, which had the largest shortfalls for caseworker positions among jurisdictions as of September 1, 2022.

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 efforts by DHS to improve recruitment and retention of caseworkers.

Information Request	Author	Due Date
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	DHS	December 1, 2023

Updates

1. Child Fatalities Remain at High Levels

DHS annually provides a listing by jurisdiction of the number of child fatalities that involved child abuse and/or neglect. **Exhibit 18** displays data provided by the department for calendar 2017 through 2021. In calendar 2021, there were 54 such deaths, an increase of 1 over calendar 2020. Calendar 2021 was the fifth consecutive year that these fatalities increased. In calendar 2021, the highest number of these fatalities occurred in Baltimore City (15). During the calendar 2017 to 2021 period, Baltimore City (64), Baltimore County (38), and Prince George’s County (30) had the highest number of fatalities. Of the calendar 2021 fatalities, the majority (31, or 57%) were of children age one or younger. Fatalities related to child neglect overall represented 72% of fatalities, with an additional 24% of fatalities involving both neglect and abuse.

Exhibit 18
Child Fatalities Reported to DHS Where Abuse or Neglect Are Determined by
DHS Staff to be a Contributing Factor
Calendar 2017-2021

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total 2017-2021</u>
Allegany	1	2	2	3	0	8
Anne Arundel	3	2	5	3	6	19
Baltimore City	5	12	11	21	15	64
Baltimore	9	7	7	6	9	38
Calvert	3	2	1	1	0	7
Caroline	0	0	0	0	1	1
Carroll	1	0	1	1	1	4
Cecil	1	1	0	1	4	7
Charles	0	1	1	1	0	3
Dorchester	0	0	1	1	1	3
Frederick	2	2	0	2	0	6
Garrett	0	0	0	0	0	0
Harford	0	2	2	1	2	7
Howard	0	1	1	0	1	3
Kent	0	0	0	0	0	0
Montgomery	2	3	3	2	1	11
Prince George’s	10	6	5	6	3	30
Queen Anne’s	0	0	0	0	0	0
St. Mary’s	0	0	1	0	3	4
Somerset	1	0	0	0	1	2
Talbot	0	1	0	1	0	2
Washington	3	1	2	2	6	14

N00B – DHS – Social Services Administration

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total 2017-2021</u>
Wicomico	0	0	0	1	0	1
Worcester	0	0	1	0	0	1
Total	41	43	44	53	54	235

DHS: Department of Human Services

Source: Department of Human Services

2. Establishment and Implementation of a 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. SSA has outlined 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. DHS and a subgroup of the IRC consisting of DJS, GOCPYVS, MSDE, and MDH have continued to meet over the past year as part of the Children’s Quality Service Reform Initiative (QSRI), which focuses on the implementation of Maryland’s rate reform process.

Following the completion of the development of an RFP for a vendor for the actuarial services for the new rate structure, a contract for the rate-setting entity went before the Board of Public Works and was fully executed on July 1, 2022. DHS currently projects that the new rate structure will be fully implemented in calendar 2025. This timeline 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 structure will be on the residential child care programs, with work on the other child placing agency rates and testing to follow. MDH plans to work on drafting and submitting the necessary amendments to the Medicaid State Plan to allow for clinical care costs to be eligible for reimbursement in fiscal 2025.

Appendix 1 2022 Joint Chairmen’s Report Responses from Agency

The 2022 JCR requested that DHS SSA prepare six reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Status of Corrective Actions Related to the Most Recent Fiscal Compliance Audit:*** Budget bill language restricted \$100,000 of the DHS SSA administrative appropriation until a report is submitted by the Office of Legislative Audits to the budget committees indicating that DHS SSA has adopted corrective action regarding repeat audit findings contained in its most recent fiscal compliance audit. The report has not yet been submitted, and the funds have not been released.
- ***Hospital Stays by Youth in Out-of-home Placements:*** A report was submitted providing data for the reporting period of October 2021 through September 2022 on the average length of stay for emergency room visits, hospital stays, and hospital stays beyond medical necessity for children and youth in out-of-home placements through the department. Further discussion of this data can be found in Issue 1 of the budget analysis for DHS Overview – N00.
- ***Status of the Implementation of the FFPSA:*** A report was submitted providing an update on evidence-based practices implemented by local jurisdictions and the number of families served in fiscal 2022. Additionally, the report provided an update on the QRTP provider designation process and activities completed to date under the CfE in Foster Family Development grant. Further discussion of this report can be found in Issue 2 of this analysis.
- ***Implementation of the New Foster Care Provider Rate Structure:*** A report was submitted providing an update to the planned development and implementation of a new rate structure for foster care providers as part of the work of the interagency Children’s QSRI. It is anticipated that the new rate structure will be fully implemented in calendar 2025. Additional discussion can be found in the Updates section of this analysis.
- ***Child Welfare Caseload Data:*** A report was submitted providing updated child welfare caseload ratios needed to meet CWLA’s caseload standards. The report also included discussion on efforts to improve recruitment and retention for vacant positions, compliance with individual CWLA unit standards, and efforts by DHS to complete a workload study based on efforts by CWLA to implement new workload standards. Further discussion of the data can be found in Issue 3 of this analysis.
- ***Impacts of Economic Instability on Child Maltreatment and Removals into Care:*** A report was submitted providing updated data on reasons for removal into foster care and discussion of efforts taken to assist families experiencing financial hardship during the COVID-19 pandemic. Further discussion of the data can be found in Issue 1 of this analysis.

Appendix 2
Object/Fund Difference Report
Department of Human Services – Social Services

<u>Object/Fund</u>	<u>FY 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	2,629.45	2,626.68	2,627.18	0.50	0%
02 Contractual	3.00	2.50	2.50	0.00	0%
Total Positions	2,632.45	2,629.18	2,629.68	0.50	0%
Objects					
01 Salaries and Wages	\$ 244,015,296	\$ 252,836,541	\$ 269,513,840	\$ 16,677,299	6.6%
02 Technical and Special Fees	1,534,257	2,044,441	2,086,211	41,770	2.0%
03 Communication	2,048,012	1,624,232	1,895,908	271,676	16.7%
04 Travel	979,155	1,132,086	881,970	-250,116	-22.1%
06 Fuel and Utilities	719,016	787,173	797,769	10,596	1.3%
07 Motor Vehicles	1,611,126	1,891,181	2,498,197	607,016	32.1%
08 Contractual Services	78,797,855	65,422,856	73,862,344	8,439,488	12.9%
09 Supplies and Materials	1,137,872	1,146,531	1,040,957	-105,574	-9.2%
10 Equipment – Replacement	11,681	350,000	350,000	0	0%
11 Equipment – Additional	81,961	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	274,330,870	340,856,631	327,289,251	-13,567,380	-4.0%
13 Fixed Charges	11,281,130	10,597,557	10,604,337	6,780	0.1%
Total Objects	\$ 616,548,231	\$ 678,689,229	\$ 690,820,784	\$ 12,131,555	1.8%
Funds					
01 General Fund	\$ 401,487,420	\$ 429,211,414	\$ 455,743,777	\$ 26,532,363	6.2%
03 Special Fund	4,606,648	6,071,456	5,578,792	-492,664	-8.1%
05 Federal Fund	209,626,454	242,578,640	228,670,496	-13,908,144	-5.7%
09 Reimbursable Fund	827,709	827,719	827,719	0	0%
Total Funds	\$ 616,548,231	\$ 678,689,229	\$ 690,820,784	\$ 12,131,555	1.8%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted within the Department of Budget and Management.

Appendix 3
Fiscal Summary
Department of Human Services – Social Services

<u>Program/Unit</u>	<u>FY 22 Actual</u>	<u>FY 23 Wrk Approp</u>	<u>FY 24 Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24 % Change</u>
04 General Administration - State	\$ 37,440,726	\$ 32,431,964	\$ 35,798,291	\$ 3,366,327	10.4%
01 Foster Care Maintenance Payments	293,578,050	333,929,988	315,552,375	-18,377,613	-5.5%
03 Child Welfare Services	237,596,866	261,549,860	284,872,398	23,322,538	8.9%
04 Adult Services	47,932,589	50,777,417	54,597,720	3,820,303	7.5%
Total Expenditures	\$ 616,548,231	\$ 678,689,229	\$ 690,820,784	\$ 12,131,555	1.8%
General Fund	\$ 401,487,420	\$ 429,211,414	\$ 455,743,777	\$ 26,532,363	6.2%
Special Fund	4,606,648	6,071,456	5,578,792	-492,664	-8.1%
Federal Fund	209,626,454	242,578,640	228,670,496	-13,908,144	-5.7%
Total Appropriations	\$ 615,720,522	\$ 677,861,510	\$ 689,993,065	\$ 12,131,555	1.8%
Reimbursable Fund	\$ 827,709	\$ 827,719	\$ 827,719	\$ 0	0%
Total Funds	\$ 616,548,231	\$ 678,689,229	\$ 690,820,784	\$ 12,131,555	1.8%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted within the Department of Budget and Management.