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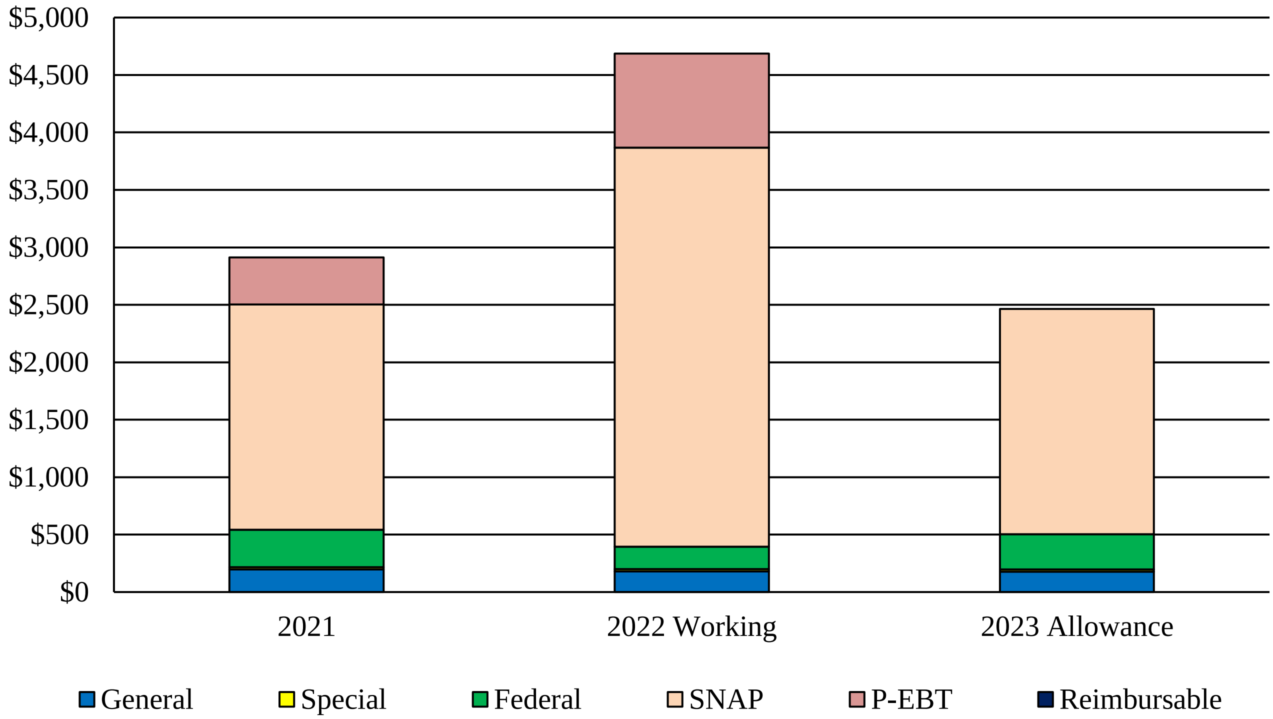
Family Investment Administration
Department of Human Services

Executive Summary

The Department of Human Services (DHS) Family Investment Administration (FIA) administers cash benefits and other grant programs that provide assistance to individuals and families in financial need as well as employment programs to promote self-sufficiency.

Operating Budget Summary

Fiscal 2023 Budget Decreases $2.2 Billion, or 47.4%, to $2.46 Billion
($ in Millions)



P-EBT: Pandemic Electronic Benefit Transfer
SNAP: Supplemental Nutrition Assistance Program

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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- Proposed deficiency appropriations for FIA total $2.94 billion primarily for federal Supplemental Nutrition Assistance Program (SNAP) and Pandemic Electronic Benefit Transfer (P-EBT) benefits ($2.9 billion).

- Decreases totaling $2.17 billion in federal funds in the fiscal 2023 allowance are the result of aligning the federal SNAP funding with the fiscal 2021 actual expenditures (a decrease of $1.3 billion) and the anticipated end of funding for the P-EBT program ($818.1 million) with the anticipated end of the national public health emergency.

- Excluding changes in the Assistance Payments program, the fiscal 2023 allowance increases by $7.1 million, or 2.6%, compared to the fiscal 2022 working appropriation after accounting for proposed deficiency appropriations.

Key Observations

- ***Program Expansions and Benefit Increases:*** The fiscal 2023 budget, including a proposed deficiency appropriation, provides more than $13.0 million in total funds to support enhancements to three public benefit programs: (1) increasing the Temporary Disability Assistance Program (TDAP) benefit to 100% of the maximum Temporary Cash Assistance (TCA) benefit for a one-person household in January 2022 rather than fiscal 2027; (2) increasing the maximum State-funded benefit available under the Supplemental SNAP Benefit for Seniors program to $20 (to provide a minimum SNAP benefit of $40) in fiscal 2023; and (3) increasing funding to allow for more children to be served through the Summer SNAP for Children program.

- ***SNAP Benefits Increased in Fiscal 2022:*** Following an update to the Thrifty Food Plan on which the SNAP benefit levels are based, the U.S. Department of Agriculture (USDA) announced increases in the monthly maximum allotments for SNAP benefits beginning October 1, 2022, of approximately 25%. This benefit increase is likely to eliminate the need for increases in TCA and TDAP benefits in the near future, as this increase will be more than sufficient to offset inflationary increases in the Maryland Minimum Living Level (MMLL).

- ***Case Closures Generally Limited, but Impending End of Waivers Cause for Concern:*** In fall 2021, case closures for TCA, TDAP, and SNAP were relatively limited due to the continued extension on recertifications through calendar 2021. However, data on case closures indicate some concern regarding the impact of the end of recertifications. In May 2021, the number of case closures in SNAP spiked to over 40,000 with the primary cause being failure to reapply/recertify. Ultimately, DHS indicates that these cases were reopened after a new waiver was granted, but this may provide some warning of difficulties that will be seen with the restart of recertifications in calendar 2022.

Operating Budget Recommended Actions

1. Adopt narrative requesting information on application processing times, application denials, and case closures.
2. Adopt committee narrative requesting a report on children served in the Summer Supplemental Nutrition Assistance Program.
3. Adopt narrative requesting data on Pandemic Electronic Benefit Transfer spending.
4. Adopt committee narrative requesting information on the Temporary Cash Assistance cliff initiative and the Temporary Assistance for Needy Families Pandemic Emergency Assistance Fund job retention incentives.

Updates

- DHS distributed $776 million of P-EBT benefits for the 2020-2021 school year and summer programs. DHS and the Maryland State Department of Education (MSDE) are still awaiting approval of the State plan to issue P-EBT benefits for the 2021-2022 school year for a limited subset of children who miss school due to COVID-19 or participate in virtual learning programs.

Operating Budget Analysis

Program Description

DHS FIA, through the local departments of social services (LDSS), administers cash benefits and other grant programs that provide assistance to individuals and families in financial need as well as employment and training programs to promote self-sufficiency. Benefit programs administered by FIA include:

- ***TCA:*** The State's largest cash assistance program provides financial assistance to dependent children and other family members due to death, incapacitation, underemployment, or unemployment of one or both parents. Although primarily federally funded through the Temporary Assistance for Needy Families (TANF) block grant, the State determines the eligibility criteria and benefit levels for cash assistance.

- ***TDAP:*** The State's cash assistance program for disabled adults provides a limited monthly benefit for individuals with a short-term disability (at least 3 months but less than 12 months) or long-term disability. If the individual has a long-term disability, they are required to pursue a Supplemental Security Income (SSI) application and can receive a benefit until a decision has been reached. The federal government reimburses the State for benefits paid during the processing of approved SSI applications.

- ***SNAP:*** The federal program provides benefits to individuals and families solely for the purchase of food. These benefits are 100% federally funded. However, the State provides two supplemental benefits: (1) a program to support a minimum benefit of $30 for seniors; and (2) State matching funds for a supplemental benefit for children in the summer and in December, which began in fiscal 2021. Administrative costs of federal SNAP are split evenly between the State and the federal government.

- ***TCA Cliff Program:*** This TANF-funded program provides a benefit at the same level as a case received prior to a TCA exit due to employment or income too high for three months after the TCA exit. The program is intended to reduce the impact of the benefit cliff for recipients.

- ***Public Assistance to Adults:*** This State program provides payments to indigent clients residing in licensed assisted living homes, Project Home clients, and adult foster care clients.

- ***Emergency Assistance to Families with Children:*** This TANF-funded program provides financial assistance to resolve an emergency situation as defined by the LDSS in which the recipient resides.

- ***Welfare Avoidance Grants:*** These TANF-funded grants allow an LDSS to divert customers from cash assistance when a one-time payment resolves a specific problem and allows the customer to become or remain independent.

- ***Burial Assistance Program:*** This State program subsidizes funeral expenses of public assistance recipients, youth in foster care, and Medicaid recipients.

LDSS, which are arms of DHS in each jurisdiction, are responsible for making eligibility determinations and redeterminations for the various benefit programs and certain populations in the Medicaid program, which is administered by the Maryland Department of Health (MDH).

FIA also administers the Family Investment Program, which provides services including efforts to divert potential TCA applicants through employment, move recipients to work, and provide job retention services to enhance skills and prevent recidivism. The goal of the program is to assist TCA applicants/recipients in becoming self-sufficient. After assessing each family's specific needs and resources, staff focus on the services required to move clients into work. Local departments have the flexibility to determine what training and job search activities will be required of applicants. In addition, LDSS are responsible for networking with employers and determining the most appropriate job training.

Two other programs are administered through FIA. The Maryland Office for Refugees and Asylees (MORA) oversees a federally funded refugee resettlement program that provides services to refugees and asylees residing in Maryland. These services are primarily provided by local resettlement agencies through grants from MORA. The Office of Grants Management provides funding to local government and community-based organizations for hunger programs and other community initiatives.

Performance Analysis: Managing for Results

1. Application Processing Timeliness

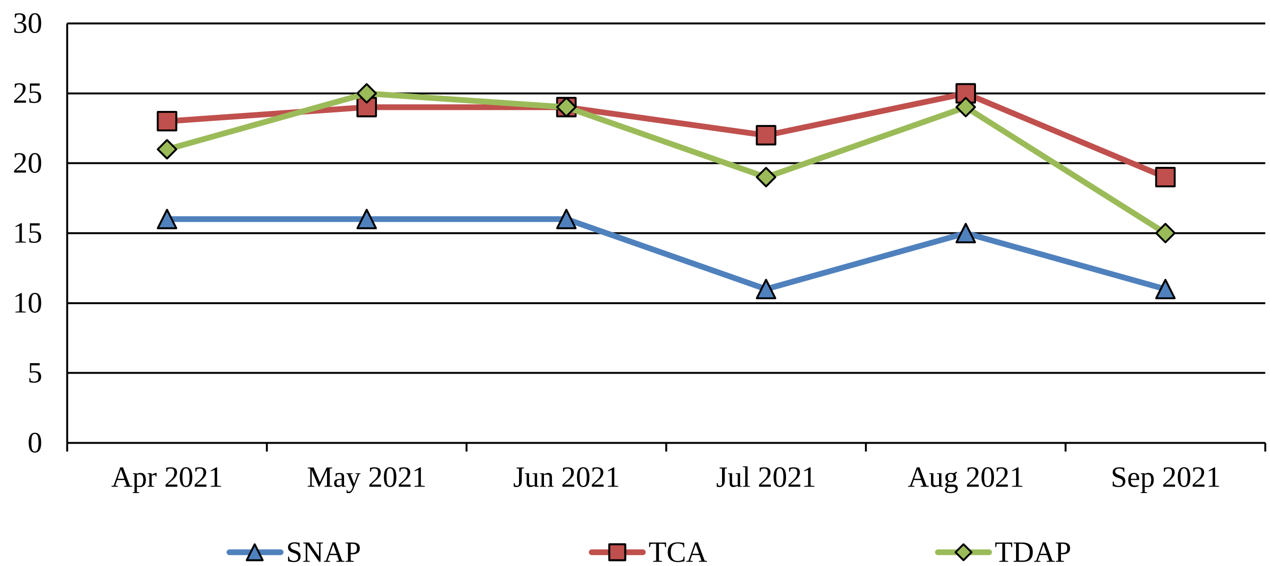
A key measurement of the success of FIA and LDSS is the ability to process applications in a timely manner to ensure that eligible households are receiving benefits timely. Due to concerns regarding the potential for increased applications following the end of the extension of recertifications, which was expected during the 2021 session to occur in June 2021, narrative in the 2021 *Joint Chairmen's Report* (JCR) requested that DHS submit three reports on applications processing timeliness. Two of the three reports have been submitted with the third due in June 2022. Data on application processing timeliness is available only from April through September 2021 through this requirement to date.

After an initial surge in applications for SNAP and TCA at the start of the COVID-19 pandemic, applications returned to more typical levels in June and July 2020. Applications increased to above prepandemic levels for SNAP, TCA, and TDAP from August through December 2020. These elevated levels were impacted by a temporary end to the extension on recertifications from July through

October 2020, resulting in a number of case closures and subsequent applications to reobtain benefits. Following the reissuance of the extension of recertifications, applications began to decline and have generally remained below prepandemic levels through October 2021, the most recent data available.

Given the generally low levels of applications in recent months, it would be expected that LDSS would be able to maintain application processing times within normal standards. In general, applications for benefits are to be processed within 30 days, though expedited SNAP applications are required to be processed within 7 days. DHS notes that applications can take up to 60 days to be processed due to delays in submitting all documentation, completing other requirements (such as interviews), or agency delays. As shown in **Exhibit 1**, during this period, the average time to process applications for SNAP, TCA, and TDAP remained within the 30-day standard in each month. The average days to process applications was lowest for SNAP in each month, which would be expected given that some of these applications have a 7-day processing requirement.

Exhibit 1
Average Days to Process Applications by Benefit Type
April through September 2021



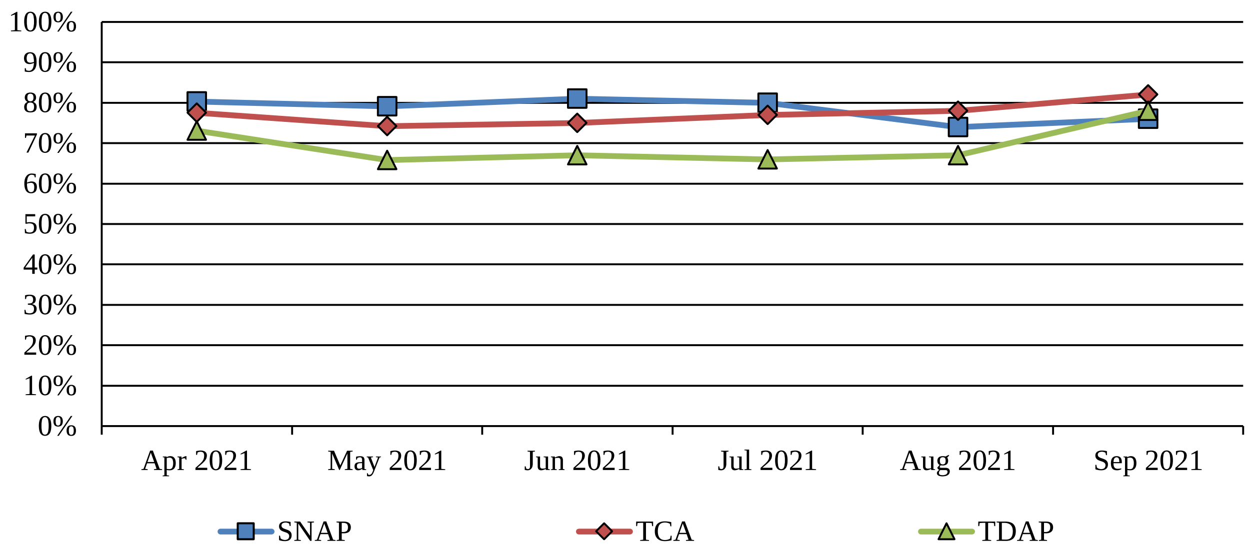
SNAP: Supplemental Nutrition Assistance Program
TCA: Temporary Cash Assistance
TDAP: Temporary Disability Assistance Program

Note: Data for September may be revised in the June 2022 submission of the application processing timeliness report as some applications may not be fully processed at the time of data collection.

Source: Department of Human Services

However, the average number of days to process applications tells only a portion of the story related to timeliness. As shown in **Exhibit 2**, while TCA and TDAP experience a similar average number of days to process applications in each month, the percent of applications processed within 30 days is substantially lower in most months of available data for TDAP as compared to TCA. From May through August 2021, the percent of TDAP applications processed within 30 days was between 65% and 67%, while for TCA, this percent was 75% or higher in three of these months. In addition, more than 25% of TDAP applications were processed in 46 days or longer during this period, while no more than 15% of TCA applications were processed in that length of time. September 2021 shows an improvement in timeliness for both programs; however, this data may be revised downward in the next submission as not all applications for September may have been processed. The lower share of TDAP applications processed within 30 days as compared to TCA and SNAP is not to be unexpected as this program contains additional documentation requirements (for example, medical certification of disability) that would be expected to lengthen the time for all verification documentation to be submitted. This is particularly true during the current COVID-19 pandemic as access to doctors has been at times limited.

Exhibit 2
Percent of Applications Processed within 30 Days
April through September 2021



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Note: Data for September may be revised in the June 2022 submission of the application processing timeliness report as some applications may not be fully processed at the time of data collection.

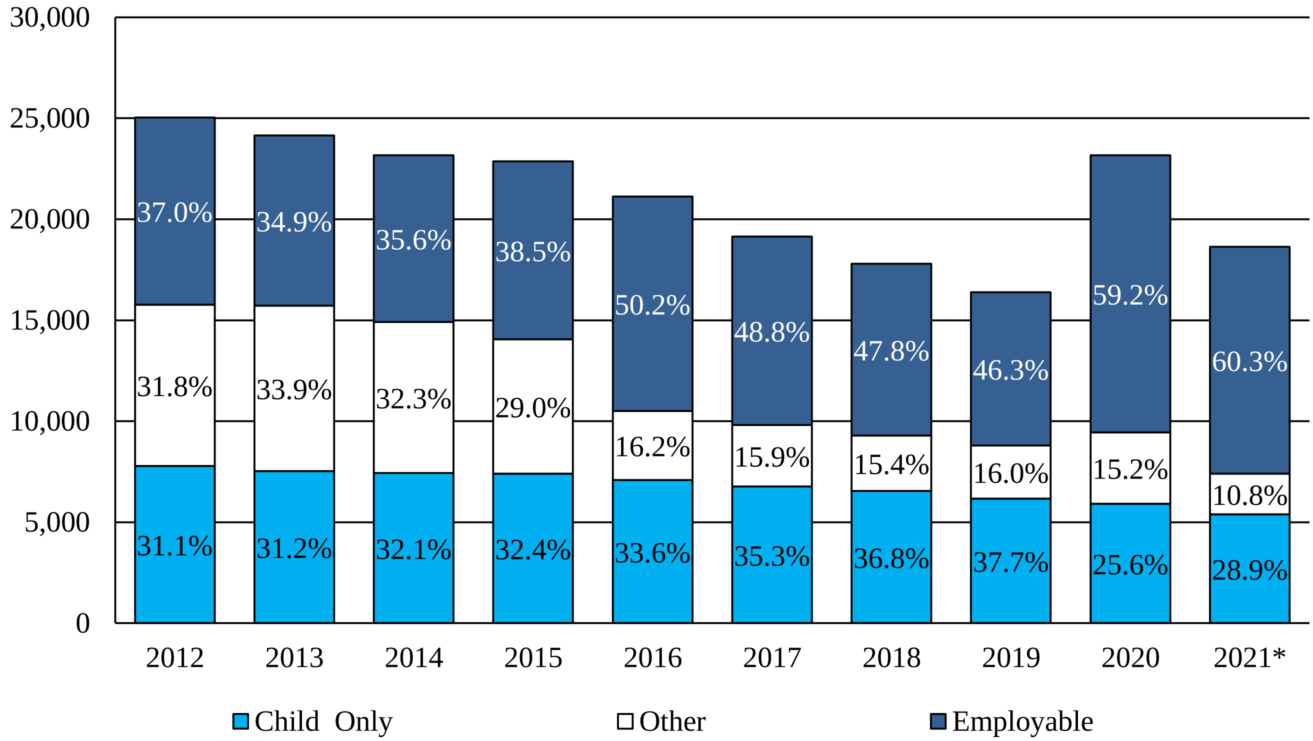
Source: Department of Human Services

2. COVID-19 Economic Impact Results in a High Share of TCA Cases Determined as Work Eligible

The TCA caseload can be divided into two main groups: (1) the core caseload; and (2) cases headed by an employable adult. Core cases include child-only cases, cases with children under age one, caretaker relatives, and other cases exempt from work requirements. Prior to federal fiscal 2016 (October 1, 2015), cases with individuals with a long-term disability were work exempt. However, following this date, these cases were subject to work requirements.

Exhibit 3 presents information on TCA cases (which may consist of multiple recipients) categorized into employable, child only, and other. Other cases represent all other core cases except child-only cases. Typically, this data is presented as July data for each year shown. However, for 2021, due to the transition to the new Eligibility and Enrollment (E&E) system, DHS was not able to provide the July 2021 data, and instead, data was presented in a nine-month average from July 2020 through March 2021. In general, as employable adults successfully enter the labor market, core cases represent a larger share of the TCA caseload. This pattern generally alters during and immediately after recessions. The only recent exception to this pattern was the impact of the policy change regarding individuals with long-term disabilities, which increased the share of cases classified as employable between July 2015 and July 2016. The 50.2% of cases deemed employable in July 2016 was the highest share since July 2004. Subsequent to that change, the share of cases considered employable resumed the typical trend of declines while remaining elevated compared to the period prior to the change.

Exhibit 3
TCA Caseload and Share of TCA Caseload That Is Work Eligible or Work Exempt
July 2012-2021*



TCA: Temporary Cash Assistance

*Nine-month average from July 2020 through March 2021

Note: For each year except 2021, the data is TCA cases as of July of that year. Due to issues related to the transition to the new Eligibility and Enrollment system; data for 2021 is a nine-month average for July 2020 through March 2021.

Source: Department of Human Services; Department of Legislative Services

Due to economic shutdowns to slow the spread of COVID-19, the TCA caseload began to rise in March 2020. The caseload increases continued for several months at an unprecedented pace, peaking in June 2020. Although the July 2020 data does not represent the peak month in TCA caseload, it emphasizes the dramatic increase and changes to the caseload. The number of cases in that month (23,176) was 41.4% higher than in July 2019 (16,391). As shown in Exhibit 3, this increase also resulted in a substantial increase in the share of TCA cases deemed to be employable, an increase of 12.9 percentage points between these two periods. The majority of this increase occurred among cases considered work eligible – no earnings. At the time, the share of employable cases was the highest of any July dating back to at least July 2001. In fact, only four prior Julys between 2001 and 2019 had shares of employable cases exceeding 50%.

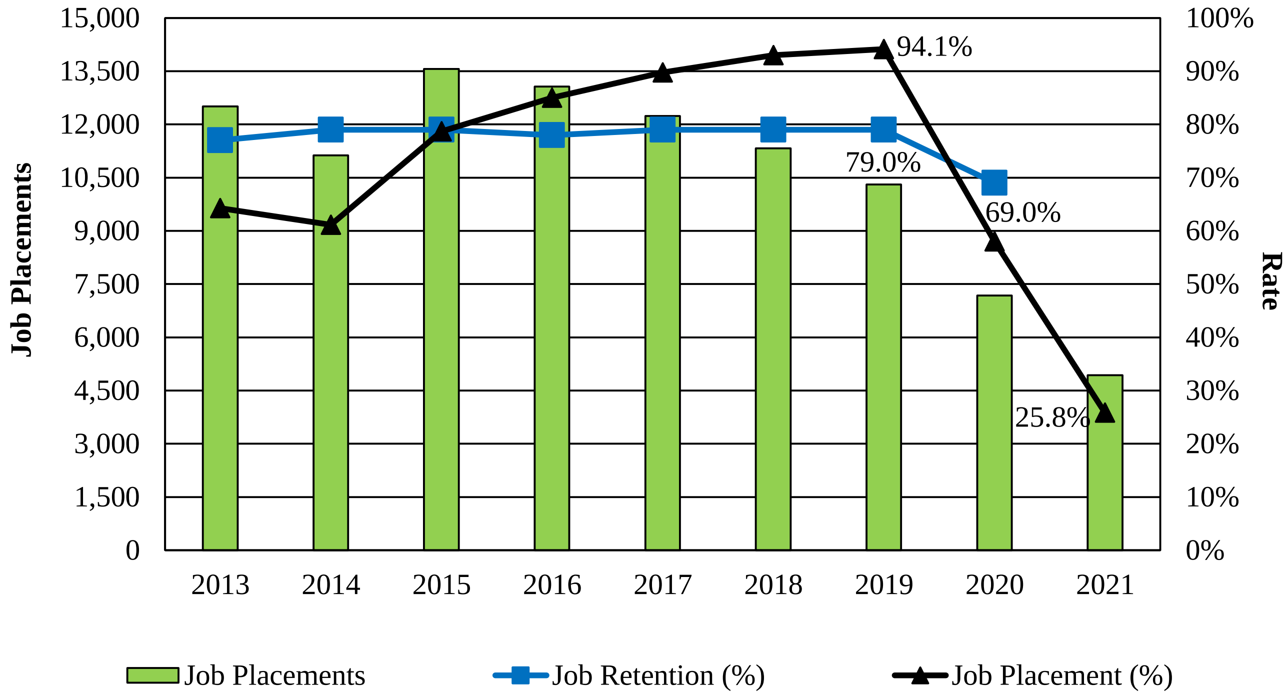
The 2021 data reflects an overall decline in cases of nearly 20% compared to the July 2020 data. The declines reflect reopenings, general economic improvements, availability of Unemployment Insurance (UI) that counts as income in TCA, and decreases that occurred during temporary periods of recertifications. Decreases occurred among all categories. The largest number of declines occurred among employable cases (2,484 cases), particularly work eligible – no earnings (2,341 cases). However, as a share of July 2020 cases, the largest decline occurred among other cases (43%), including cases with an individual with a disability, those caring for an individual with a disability, and those with a child under age one. As a result, of the proportionately larger decrease among other core cases, the share of employable cases slightly increased in 2021 compared to July 2020 (1.1 percentage points), exceeding 60%. Although high relative to historical experience, this data is consistent with that discussed in the DHS Overview analysis from the *Life on Welfare* report produced by the University of Maryland School of Social Work, which demonstrated that those who entered TCA during the early months of the COVID-19 pandemic had several demographic differences compared to those who entered TCA prior to the pandemic. Several of these differences would be expected to make the cases more likely to be determined employable (for example, a higher share of two-parent households and a higher share employed prior to entering TCA).

3. TCA Job Placements Remain Low Consistent with Limited Enforcement of Work Requirements

Although the caseload continues to be designated into work-exempt and work-eligible categories, work requirements were suspended during the early portions of the COVID-19 pandemic (March through September 2020). Following the end of the suspension, DHS modified the requirements rather than returning to regular enforcement. As a result, most TCA cases were in good cause designation. DHS once again suspended work requirements due to the transition to the new E&E system. This suspension also occurred at the same time as changes resulting from Chapter 457 of 2020, which alters the sanction process, defines good cause, and establishes a conciliation process for noncompliant cases. DHS indicates that the enforcement of work requirements began on January 3, 2022, using the new requirements from Chapter 457.

As shown in **Exhibit 4**, the ability to place TCA recipients in jobs varies to a large extent with the economy. During the COVID-19 pandemic, this is compounded by widespread economic shutdowns and the temporary suspensions of work requirements. The job placement number in more typical economic times is also sensitive to the overall caseload size. For example, the number of job placements may decline in a year, even though the overall rate of job placement increases, due to declines in the overall size of the caseload. To calculate the job placement rate, the Department of Legislative Services (DLS) uses the average number of adult recipients in the State fiscal year. DHS notes that an individual might be counted multiple times in one year in the number of job placements if the individual is placed in multiple jobs during the federal fiscal year. As a result, the job placement rate overstates the number of unique job placements per adult recipient.

Exhibit 4
Job Placement and Retention
Federal Fiscal 2013-2021



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

The number of job placements declined after reaching a recent peak in federal fiscal 2015; however, the number of job placements as a share of the number of adult recipients continued to increase through federal fiscal 2019. The number of job placements and the job placement rate decreased substantially in federal fiscal 2020 due to the caseload decline at the beginning of the year, combined with the economic effects of the COVID-19 pandemic and subsequent rapid increases in the caseload. The job placement rate fell to its lowest level (58%) since fiscal 2011 (49%). Due to the timing of the rapid increase in cases, the full impact of the increase on the number of adult recipients was not felt until fiscal 2021 despite the overall cases being lower in that year. In federal fiscal 2021, the number of job placements and the job placement rate continued to decline. The lower rate is unsurprising given the alterations and suspensions of the work requirement enforcement during that year.

The job retention rate (defined as individuals obtaining employment in one calendar quarter that remain in employed in the following quarter) decreased substantially in federal fiscal 2020 compared to fiscal 2019, a decrease of 10 percentage points, due to impacts of the pandemic. Prior to federal fiscal 2020, the job retention rate was 77% or higher in each year from federal fiscal 2012 through

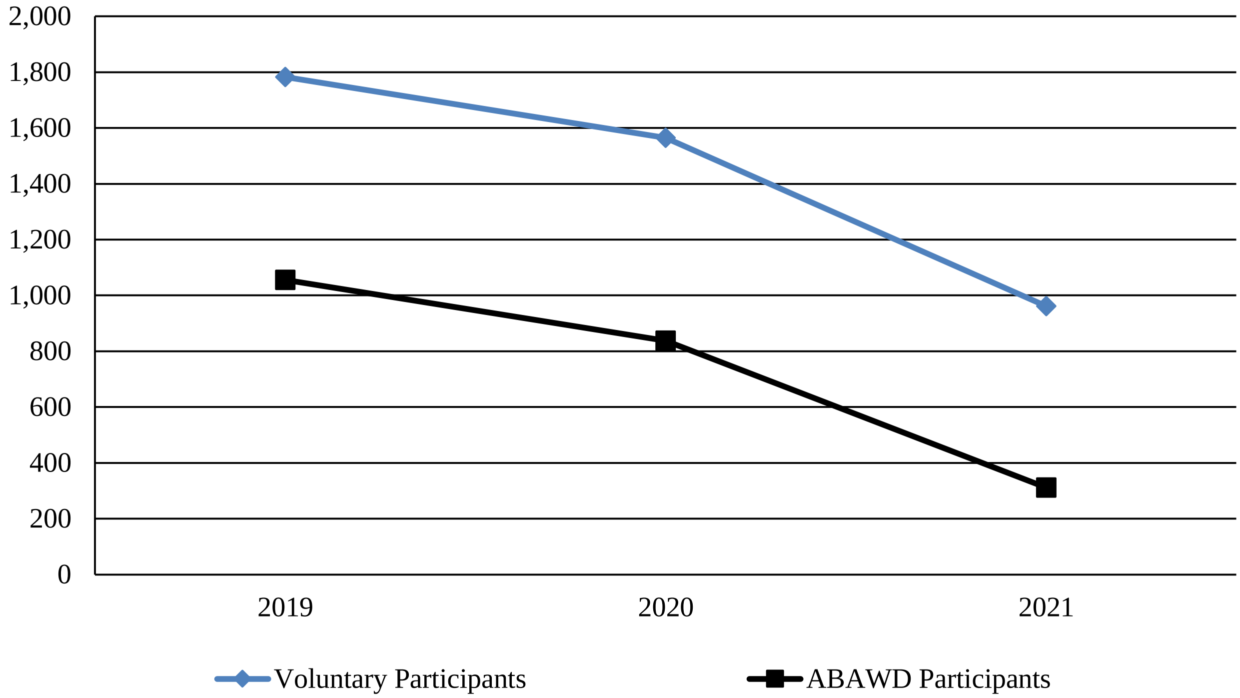
2019. In fact, the reported rate of 69% was the lowest in available data (through federal fiscal 1998). DHS anticipates that the job retention rate will gradually rebound with the continuing recovery from the impacts of COVID-19. In addition, DHS anticipates that the recent reinstitution of enforcement of work requirements and current labor market shortages will result in more individuals becoming stably employed. In addition, one of the planned uses of the TANF Pandemic Emergency Assistance Fund is employment incentives focused on job retention, which will provide cash bonuses at four months ($350) and six months ($400) for TCA recipients maintaining employment.

4. SNAP Employment and Training Performance Measures

SNAP contains two types of work requirements. General work requirements apply to individuals between ages 16 and 59 and require individuals to register for work and participate in a program if offered. The second pertains to able-bodied adults without dependents (ABAWD) and limits SNAP receipt for those between ages 18 and 49 to 3 months in a 36-month period unless working or participating in an employment and training program an average of 20 or more hours per week. The federal SNAP Employment and Training (E&T) program provides states funding to support E&T programs for SNAP recipients. SNAP E&T participation would assist ABAWD cases to meet the work requirements. In Maryland, work requirements for SNAP, except in nonexempt or nonwaived ABAWD cares, are voluntary. ABAWD work requirements have been suspended throughout the COVID-19 pandemic and, in Maryland, will be suspended through at least June 2022. However, individuals can still choose to participate in programs to the extent that programs are operating during the pandemic.

Committee narrative in the 2021 JCR requested that DHS begin including the SNAP E&T performance measures in its annual Managing for Results submission. As shown in **Exhibit 5**, the number of both voluntary and ABAWD participants decreased slightly in federal fiscal 2020 due to the onset of the COVID-19 pandemic before declining substantially in federal fiscal 2021. With the suspension of the ABAWD requirements, 70.5% fewer ABAWD individuals participated in the SNAP E&T program in federal fiscal 2021 than in federal fiscal 2019. DHS anticipates that the number of ABAWD participants will begin to increase in federal fiscal 2022 but remain below the prepandemic levels. Voluntary participants in SNAP E&T decreased by 46% between federal fiscal 2021 and federal fiscal 2019. DHS anticipates a return to a prepandemic level of participation in federal fiscal 2022 for these individuals.

Exhibit 5
SNAP Employment and Training Participation
Federal Fiscal 2019-2021

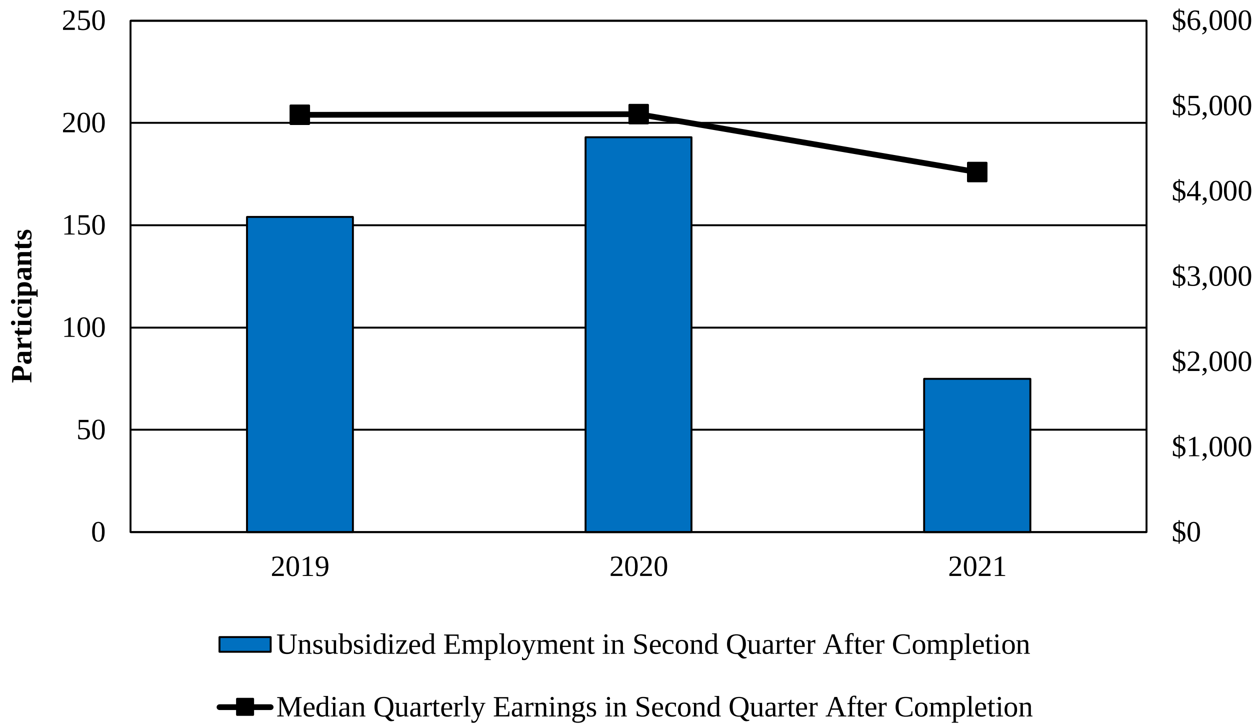


ABAWD: Able-bodied Adults without Dependents
SNAP: Supplemental Nutrition Assistance Program

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

As shown in **Exhibit 6**, fewer than 200 participants remained in unsubsidized employment in the second quarter after completion in each federal fiscal 2019 or 2020. However, notably, the number slightly increased in federal fiscal 2020, before declining by 61.1% in federal fiscal 2021. The decline is impacted not only by economic conditions but also the decline in participation in SNAP E&T programs in federal fiscal 2021. Median quarterly earnings in the second quarter after completion held relatively steady in federal fiscal 2019 and 2020 at approximately $4,900 before declining by approximately 14% in federal fiscal 2021. DHS reports that no participants remained in unsubsidized employment in the fourth quarter after completion of the program, leading to some concerns about the effectiveness of the programs. **DHS should comment on efforts it intends to make to improve employment retention for participants in the SNAP E&T programs.**

Exhibit 6
Unsubsidized Employment and Earnings in the Second Quarter After Completion
Federal Fiscal 2019-2021



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

Fiscal 2022 Proposed Deficiency Appropriations and Federal Stimulus Funds

The fiscal 2023 budget includes six proposed deficiency appropriations totaling $2.94 billion, including one proposed deficiency that changes a source of funds rather than the overall appropriated level. The vast majority of this funding ($2.9 billion) provides funding for SNAP due to higher caseloads and benefit levels than were anticipated for fiscal 2022 and P-EBT benefits.

One deficiency appropriation provides approximately $1.7 million in total funds ($1.5 million in general funds and $0.2 million in special funds) to support an early phase in of the increase in TDAP benefits to 100% of the TCA benefit for a one-person household in January 2022 ($328). Under Chapter 408 of 2018, the TDAP benefit was not expected to reach this level until fiscal 2027. The fiscal 2023 allowance assumes that this monthly benefit level continues into fiscal 2023, continuing the higher than mandated level.

The remaining deficiency appropriations use stimulus funding for one-time or limited-time activities. **Exhibit 7** presents information on federal stimulus spending and appropriations in FIA, including items with proposed fiscal 2022 deficiency appropriations.

Exhibit 7
Federal Stimulus Funds
Fiscal 2021-2022
($ in Millions)

	2021	2022	2023	Total Funding	Source
Assistance Payments					
P-EBT (Includes a Proposed Deficiency) – Discussed in Update 1	$408.3	$818.1		$1,226.3	FFCRA, Continuing Appropriations Act, Consolidated Appropriations Act, ARPA
TCA – Fund Swap with TANF (Includes a Proposed Deficiency)	50.0	90.0		140.0	State Fiscal Recovery/ARPA
TCA and TDAP Continue Additional $100 Per Recipient Per Month Benefit from July to December 2021 (Supplemental Budget No. 5 of Fiscal 2022 Budget)		46.0		46.0	State Fiscal Recovery/ARPA
Supplemental Benefits/ Step-down from Additional Benefit and Employment Incentives (Proposed Deficiency)		17.8		17.8	TANF Pandemic Emergency Assistance Funds/ARPA
TDAP – Reenrollment and Additional Benefit of $100 Per Recipient Per Month through June 2021 (RELIEF Act)	13.5			13.5	State Fiscal Recovery/ARPA

	2021	2022	2023	Total Funding	Source
Office of Grants Management					
Food Banks – Maryland Food Bank and Capital Area Food Bank for Distribution to Local Food Banks and Pantries (RELIEF Act)	10.0			10.0	State Fiscal Recovery/ARPA
Emergency Food Assistance Program (Food Commodities) (Includes a Proposed Deficiency)[1]	8.8	1.0		9.7	CARES/CRRSA
Emergency Food Assistance Program (Administrative)	2.6			2.6	CARES/CRRSA
Local Family Investment					
188 Contractual Staff to Assist in SNAP Case Management – (Proposed Deficiency/Fiscal 2023 Allowance)[2]		10.2	10.2	20.5	Three-year SNAP Administrative Grant/ ARPA
Total by Year	**$493.1**	**$983.0**	**$10.2**	**$1,486.4**	

ARPA: American Rescue Plan Act
CARES: Coronavirus, Relief, and Economic Security
CRRSA: Coronavirus Response and Relief Supplemental Appropriations
FFCRA: Families First Coronavirus Relief Act
P-EBT: Pandemic Electronic Benefit Transfer
SNAP: Supplemental Nutrition Assistance Program
TANF: Temporary Assistance for Needy Families
TCA: Temporary Cash Assistance
TDAP: Temporary Disability Assistance Program

[1]An additional $5.9 million of support from federal stimulus funds was expended for this purpose in fiscal 2020.
[2] Overall, Maryland received an allocation of $26.1 million for this purpose. The remaining $5.6 million has not yet been appropriated.

Note: This exhibit does not include funding available from SNAP Emergency Allotments as these funds are not able to be separated from other SNAP spending. P-EBT spending may continue into fiscal 2023; however, no funds are currently appropriated for that purpose.

Source: Governor's Fiscal 2023 Budget Books

Supplemental Budget No. 5 of the fiscal 2022 operating budget included a fiscal 2021 deficiency that replaced $100 million of TANF with American Rescue Plan Act (ARPA) State Fiscal Recovery Funds for caseloads that exceeded what otherwise would have been expected due to the COVID-19 pandemic for fiscal 2021. An additional $40 million in replacement of budgeted fiscal 2022 TANF was also included. The unneeded TANF would then be available for future general fund relief or other initiatives. However, following budget enactment, federal guidance prohibited the use of these funds for expenditures prior to March 3, 2021. As a result, it was determined that only $50 million of the State Fiscal Recovery Funds could be used in lieu of TANF in fiscal 2021 rather than the $100 million originally planned. The Department of Budget and Management indicated that it planned to use $90 million of the State Fiscal Recovery Funds in fiscal 2022 rather than the originally planned $40 million, maintaining the original commitment for this fund swap while conforming to the federal guidance. A proposed deficiency appropriation would effectuate this plan. In fiscal 2023, the funding for TCA returns to a more typical level of TANF following the end of these fund swaps.

Chapter 39 of 2021 (the RELIEF Act) required the reenrollment of TDAP of recipients denied benefits on or after July 1, 2020, unless the closure was the result of a final determination on an SSI application, and prohibited case closures for reasons other than a final determination on an SSI application through the remainder of fiscal 2021 and provided a $100 per month additional benefit to all TDAP recipients through June 2021 (consistent with a similar benefit that had previously been announced for TCA recipients). The RELIEF Act provided $22 million to DHS to support the reenrollment and additional benefit. However, fewer individuals were reenrolled than anticipated, and as a result, only $13.5 million of the funds were required.

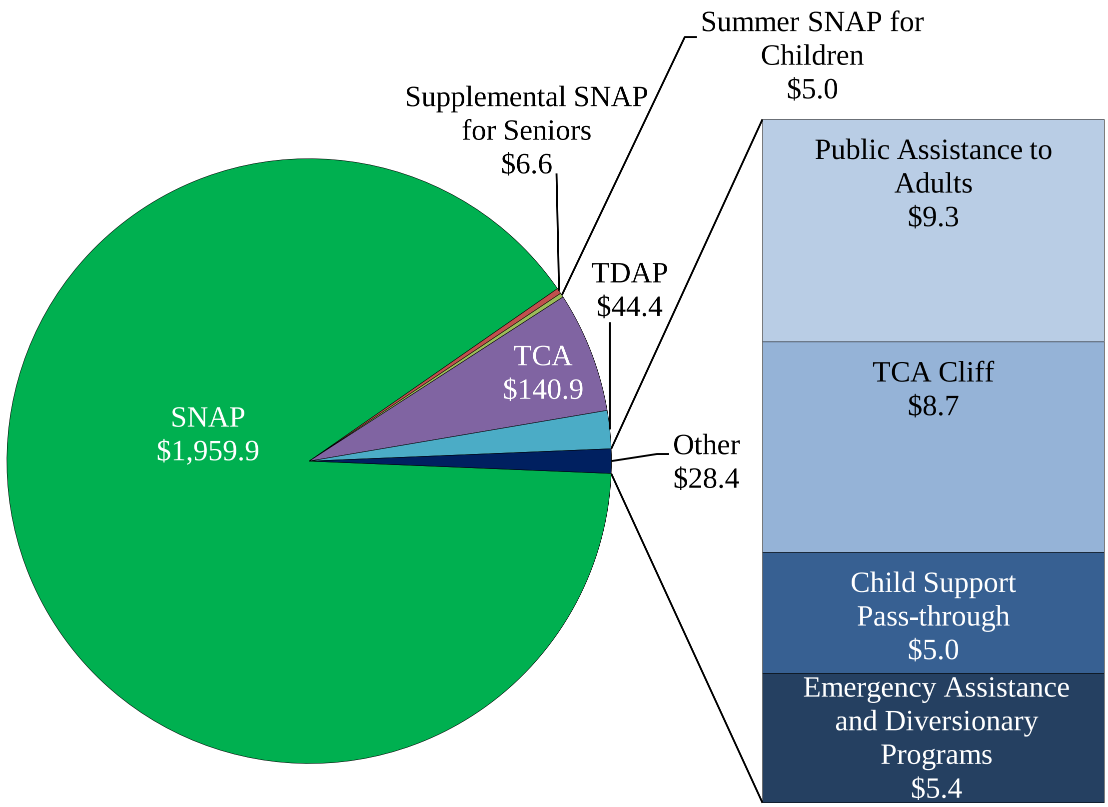
Supplemental Budget No. 5 to the fiscal 2022 budget provided $46.0 million of State Fiscal Recovery Funds from the ARPA to support the continuation of the additional $100 per recipient per month benefits provided to TCA and TDAP recipients from July through December 2021. Based on the number of recipients in each program during those months, approximately $4.2 million of these funds may not be required for this purpose.

A proposed deficiency appropriation provides $17.8 million from the TANF Pandemic Emergency Assistance Fund from the ARPA to provide a phase-down of the supplemental $100 per recipient per month benefit TCA recipients received throughout calendar 2021 as well as employment incentives. Under the phase-down, the additional benefit is decreased by $20 per month from January through May 2022 when no additional benefit is provided. DLS anticipates that $14.5 million of these funds will be required for the supplemental benefits with the remainder available for the job retention incentives noted previously.

Fiscal 2023 Overview of Agency Spending

The fiscal 2023 allowance for FIA totals $2.46 billion. Approximately 89% of the fiscal 2023 allowance for FIA occurs in the Assistance Payments program, the program in which the public benefit programs are budgeted. **Exhibit 8** describes the Assistance Payments spending by benefit type in fiscal 2023. The vast majority of this spending is budgeted for SNAP, which comprises 79.5% of the total FIA budget. TCA benefits are budgeted at $140.9 million (5.7% of the fiscal 2023 allowance). All other public benefit programs account for 3.4% of the fiscal 2023 allowance.

Exhibit 8
Assistance Payments Program Spending
Fiscal 2023 Allowance
($ in Millions)



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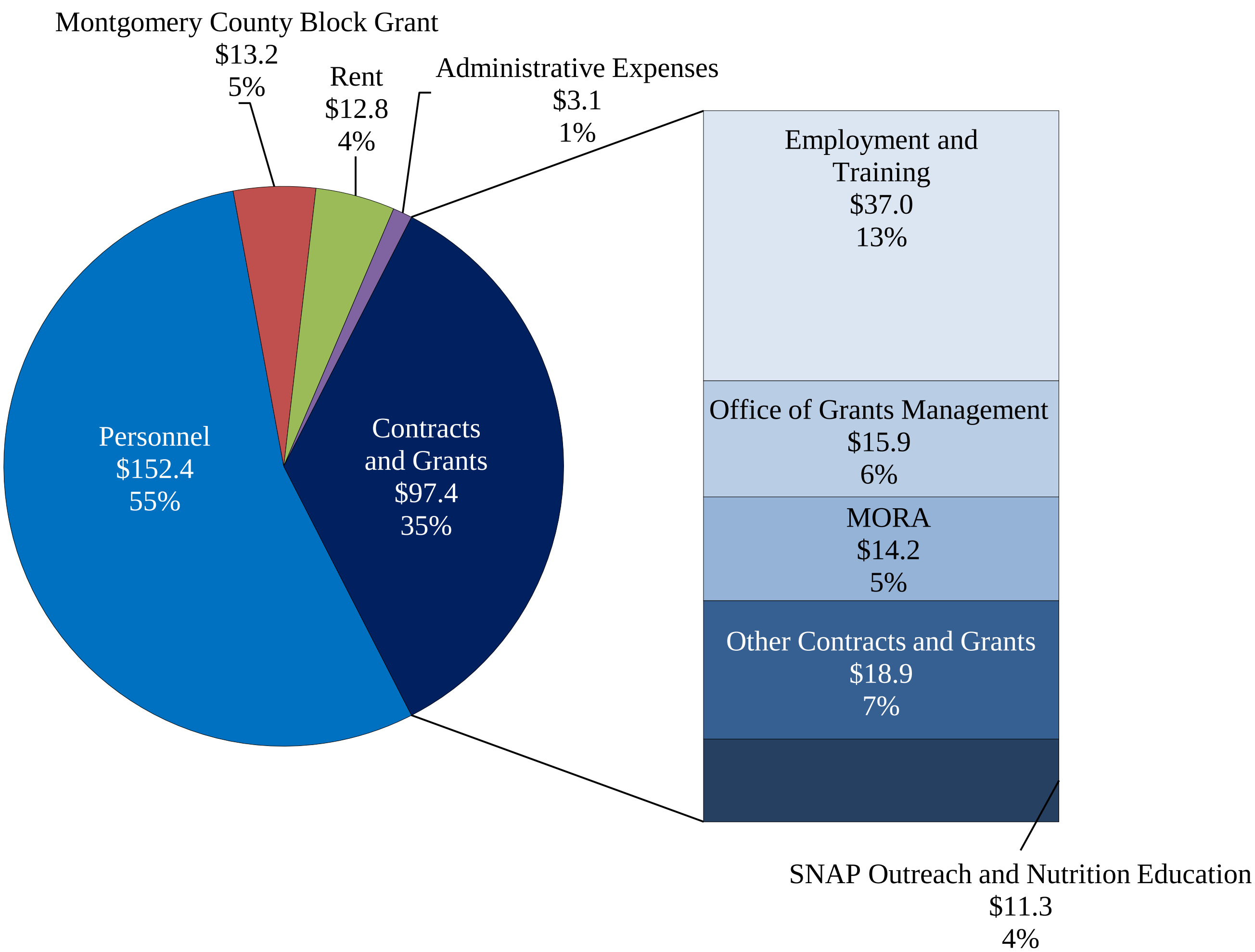
TDAP: Temporary Disability Assistance Program

Source: Governor's Fiscal 2023 Budget Books; Department of Budget and Management

As shown in **Exhibit 9**, excluding Assistance Payments, the fiscal 2023 allowance for FIA totals $279 million of which 55% is for personnel, including contractual employee payroll and other technical assistance, primarily in LDSS. Contracts and grants comprise 40% of this spending. Employment and training-related contracts and grants, which includes the SNAP E&T program, the Noncustodial Parent Employment program, and the Work Opportunities program under TANF, total $37 million. This spending also includes other services that support employment (such as transportation). The Montgomery County block grant totals 5% of FIA spending outside of Assistance Payments. Montgomery County receives a block grant for child welfare, adult services, family investment, and administrative expenditures rather than operating like other LDSS. This allows the county to offer higher pay and other flexibility. The same type of spending in other jurisdictions would be split among personnel, administrative, and other contracts and grants spending.

Exhibit 9
Spending by Activity, Excluding Benefits
Fiscal 2023 Allowance
($ in Millions)



MORA: Maryland Office of Refugees and Asylees
SNAP: Supplemental Nutrition Assistance Program

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

Proposed Budget Change

As shown in **Exhibit 10**, the fiscal 2023 allowance for FIA decreases by $2.22 billion, or 47.4%, compared to the fiscal 2022 working appropriation after accounting for deficiency appropriations. A decrease of $2.23 billion occurs in Assistance Payments, which includes $63.8 million in federal funds for the time-limited additional benefits provided to TCA and TDAP that were discussed earlier. Excluding the Assistance Payments program, FIA's fiscal 2023 allowance increases by $7.1 million, or 2.6%, compared to fiscal 2022 after accounting for proposed deficiency appropriations. These increases primarily result from the availability of federal funds to support SNAP outreach and SNAP E&T third-party partners that provide the employment and training activities.

Exhibit 10
Proposed Budget
Department of Human Services – Family Investment Administration
($ in Thousands)

How Much It Grows:	**General Fund**	**Special Fund**	**Federal Fund**	**Total**
Fiscal 2021 Actual	$197,662	$17,668	$2,696,614	$2,911,945
Fiscal 2022 Working Appropriation	181,666	17,800	4,487,409	4,686,874
Fiscal 2023 Allowance	178,405	17,810	2,268,027	2,464,241
Fiscal 2022-2023 Amount Change	-$3,261	$10	-$2,219,382	-$2,222,633
Fiscal 2022-2023 Percent Change	-1.8%	0.1%	-49.5%	-47.4%

Where It Goes:	**Change**
Personnel Expenses	
Employee and retiree health insurance	$1,667
Reclassification primarily to allow for the hiring of individuals above base salaries as a recruitment strategy	689
Turnover adjustments	77
Employee retirement	-39
Abolition of 15.5 long-term vacant positions	-721
Regular earnings due to budgeting vacant positions at base salary levels	-790
Other fringe benefit adjustments	4
Assistance Payments	
Expansion of Summer SNAP for Children program	4,800
TDAP due to annualization of increase in benefits to 100% of TCA one-person benefit beginning in January 2022	4,793
TCA cliff program to align with actual expenditures	4,227
Supplemental SNAP benefit for seniors due to increase in maximum State-funded benefit to $20	1,986

Where It Goes:	**Change**
Child Support Pass-through to align with actual expenditures	1,830
TCA due to anticipated 12.5% decrease in caseload	-17,630
One-time TANF Pandemic Emergency Assistance Funds supporting the phase-down of supplemental benefits and employment incentives in fiscal 2022	-17,756
Additional $100 per recipient per month benefit provided to TCA and TDAP recipients from July to December 2021 through State Fiscal Recovery Funds	-46,000
P-EBT program not expected to continue into fiscal 2023 due to anticipated end of national public health emergency	-818,072
SNAP to align with fiscal 2021 actual expenditures	-1,347,954
Other Changes	
SNAP Employment and Training to align with requirements for third-party partners	4,053
SNAP outreach due to the availability of additional federal funds to community-based organizations undertaking this activity	1,635
Social Security Advocacy Project supporting eligibility screening and assistance in the application process to align with recent expenditures	1,369
Montgomery County block grant based on State employee compensation adjustments and health insurance as the State pays for costs equivalent to state personnel	812
New grant for Make-A-Wish Foundation	250
Wilson-Fish TANF Coordination Program grant to ensure that employable TANF-eligible refugees gain skills and resources needed for long-term economic well-being	199
Roberta's House grant to align with fiscal 2021 actual expenditures	100
Emergency Services Center to align with needs based on other funding available to support these services	-118
TEFAP for Food Commodities available from federal stimulus funds in fiscal 2022	-961
Consolidating work related activities funded by TANF into Work Opportunities Program consistent with fiscal 2021 expenditures	-1,000
Other adjustments	-84
Total	**-$2,222,633**

P-EBT: Pandemic Electronic Benefit Transfer
SNAP: Supplemental Nutrition Assistance Program
TANF: Temporary Assistance for Needy Families
TCA: Temporary Cash Assistance
TDAP: Temporary Disability Assistance Program
TEFAP: The Emergency Food Assistance Program

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.

SNAP and P-EBT Benefits

The vast majority of the decrease in the Assistance Payments program ($2.17 billion) occurs among two benefit programs (SNAP and P-EBT). A decrease of $1.35 billion in the fiscal 2023 allowance, after accounting for the proposed deficiency appropriation in fiscal 2022, provides a SNAP appropriation equal to the fiscal 2021 actual expenditures. However, the actual level of fiscal 2023 spending for SNAP is highly uncertain. This uncertainty relates to how and when the caseload will decline from the current historically high levels and the unknown timing for the end of Emergency Allotments, which have provided recipients the maximum allotment for a household's size to SNAP recipients since April 2020. The approval for Emergency Allotments is occurring on a month-to-month basis and would not be expected to continue beyond the national public health emergency (currently expected to end in April 2022). Upon the end of these allotments, monthly spending on SNAP would be expected to decrease significantly as benefits begin to be determined through the regular calculation of benefits. It is unknown what the average benefit levels will be when this occurs as the caseload has significantly grown and potentially changed in composition since this last occurred. Given that the fiscal 2021 actual spending included both high caseload and benefit levels, the fiscal 2023 allowance likely exceeds the funding requirements for the program by as much as several hundred million dollars. Any funding greater than benefits provided would be canceled at the close of fiscal 2023.

The fiscal 2023 allowance also assumes that no funding will be available for the P-EBT program, resulting in a decrease of $818.1 million. As discussed in Update 1 of this analysis, DHS is in the process of seeking approval for the 2021-2022 school year plan. If approved, some amount of P-EBT expenditures may continue through the summer into fiscal 2023 because children that receive benefits for a portion of the school year would be eligible to receive benefits in the summer. However, the extent to which this might occur is unclear. The P-EBT program is not expected to be available for the 2022-2023 school year because the program is only authorized through the end of the national public health emergency (and the summer following this end), which is currently expected to end in April 2022.

Summer SNAP for Children Program

Chapters 635 and 636 of 2019 created the Summer SNAP for Children program. Under this program, the State provides additional funding to supplement benefits received under SNAP for children in certain months. These funds are matched by local funds, with the local share determined by the local cost-share formula for the public school construction program. The supplemental benefit is $30 per month in the months of June, July, and August and $10 in the month of December per child in the household. The chapters mandated $200,000 in State funding for the program, which began to be funded in fiscal 2021. The program received the mandated funding in each fiscal 2021 and 2022.

To participate in the program, under Chapters 635 and 636, jurisdictions interested in participating must apply for the program and later submit a final plan that includes which children will be eligible to receive funding, if funding is insufficient to provide a minimum $100 benefit to all children in the jurisdiction receiving SNAP, and the criteria used to determine eligibility. DHS is to provide the State share of funds for each county with an approved final plan in an amount equal to the product of (1) the total amount of funds appropriated and (2) the number of children in households that receive a federal SNAP benefit in the county divided by the number of children in households that receive a federal SNAP benefit in all jurisdictions with an approved plan. A participating jurisdiction can provide funding higher than the required match to allow more children to be served.

As shown in **Exhibit 11**, in fiscal 2022, benefits were provided in six jurisdictions. In total, summer benefits were provided to 4,290 children. The December benefits were provided to 3,996 children, a smaller number than the summer benefits because some of the children receiving the benefit were no longer eligible for SNAP at the time of the December benefits. Queen Anne's County served the highest share of all children receiving SNAP; however, this rate was still under 20%. The only other two jurisdictions serving more than 1.5% of all children receiving SNAP were Howard and Montgomery counties, who contributed more than the required local match. Given the limited ability to serve eligible children as required, each jurisdiction identified a target population to serve. These target populations varied from children residing in certain zip codes or communities to children participating in certain other programs.

Exhibit 11
Children Receiving Benefits through Summer SNAP for Children Program
Summer Benefits – Fiscal 2022

	Summer Benefit Recipients	Average Monthly Children Receiving SNAP	Participation Rate
Baltimore City	1,000	74,513	1.3%
Baltimore County	450	51,627	0.9%
Howard County	212	9,447	2.2%
Montgomery County	1,672	31,856	5.2%
Prince George's County	667	48,973	1.4%
Queen Anne's County	289	1,636	17.7%
Total	**4,290**	**218,052**	**2.0%**

SNAP: Supplemental Nutrition Assistance Program

Note: December benefit participation had a net decrease to 3,996 due to changes in eligibility for SNAP (decreases of 69 in Baltimore City, 162 in Montgomery County, and 219 in Queen Anne's County were partially offset by increases of 93 in Baltimore County, 14 in Howard County, and 49 in Prince George's County

Source: Department of Human Services

The fiscal 2023 allowance increases funding for the program by $4.8 million to $5.0 million to increase the number of children that can be served by the State-funded portion of the program to 50,000. All existing program requirements remain, so the actual number of children that can be served will vary based on the jurisdictions approved for funding and if the jurisdictions provide more funding than the match requires. **DHS should comment on whether this increase is expected to allow more**

jurisdictions to participate or if it is expected to increase the participation rate in the six jurisdictions that participated in fiscal 2022. DLS also recommends adopting committee narrative requesting information on the number of children served through this program.

Supplemental SNAP for Seniors Benefit Enhanced

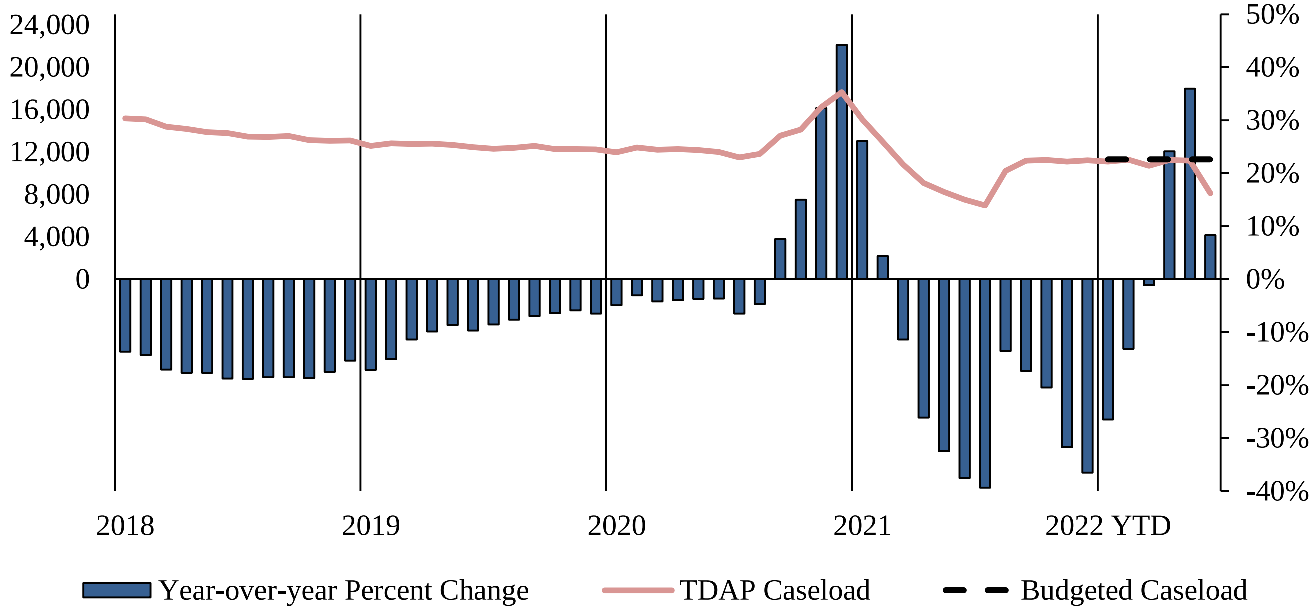
Chapter 696 of 2016 created a supplemental SNAP benefit for households that include an individual who is at least 62 years old and who receives federal SNAP benefits of less than $30 per month. The State-funded supplemental benefit provides the amount of benefit that is required to bring the household's benefit up to $30. Since the beginning of the distribution of Emergency Allotments, the program has been effectively suspended, as no households have received a federal SNAP benefit of less than $30. The fiscal 2023 allowance provides funding to raise the minimum combined benefit to $40. As of October 1, 2022, the federal minimum benefit is $20; as a result, the maximum State-funded benefit under this plan would be $20 as compared to $10 under current law. The actual benefit received would depend on the level of the federal benefit received.

As noted, there is significant uncertainty regarding when the Emergency Allotments will end, and, therefore when this program will resume. In addition, the number of recipients in this program when benefits resume is also unclear. In the last month that benefits were provided through the program (March 2020), there were 25,099 recipients; however, the overall number of SNAP recipients is more than 40% higher than it was in that month. The fiscal 2023 allowance assumes there will be an average of 27,363 recipients, the same level as was assumed for fiscal 2022. The higher benefit results in an increase of approximately $2.0 million in funding compared to the fiscal 2022 working appropriation, a total of $6.6 million. However, given that no benefits have been provided through February 2022, under the program, fiscal 2022 spending will be significantly lower than the level budgeted ($4.6 million).

TDAP Caseloads Hold Relatively Steady, but Funding Increases due to Benefit Enhancement

As shown in **Exhibit 12**, after initially increasing between March and June 2020, the number of TDAP recipients dramatically declined. The decline began as DHS reinstituted certain requirements, including medical certifications, even as access to doctors and the ability to submit documentation remained difficult. In addition, the program was also impacted by a temporary end to the extension on recertifications that also impacted TCA and SNAP. From June 2020 through January 2021, the number of TDAP recipients decreased by 60.5% to historically low levels. In fact, the number of recipients in January 2021 was 41% below the prepandemic levels (February 2020).

Exhibit 12
Temporary Disability Assistance Program Recipients
Fiscal 2018-2022 (through December)



TDAP: Temporary Disability Assistance Program
YTD: year to date

Note: Although recipients were re-enrolled and received retroactive payments for the period of the case closure, due to data limitations, the July 2020 through January 2021 recipient counts are not restated to reflect the higher levels. The December 2021 data reflects a substantial decrease that is related to inadvertent case closures. These cases will be reopened.

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

From January through March 2021, the number of TDAP recipients increased substantially (60.7%) due to a couple of factors. In early February 2021, DHS announced a plan to reenroll certain TDAP recipients who had cases closed due to medical certification issues, other verification issues, and a failure to reapply during the months of July through November 2020. Subsequent to that announcement, as discussed previously, the RELIEF Act required reenrollment of certain TDAP recipients and prevented case closures except in limited circumstances. Although the reenrollment did not result in a return to levels of TDAP recipients experienced during June 2020, the level returned to near prepandemic levels. Due to the prohibition on most case closures, the number of TDAP recipients remained relatively stable from March through June 2021. Through November 2021, the number of TDAP recipients remained near the level experienced at the end of fiscal 2021 despite the formal prohibition on case closure ending. However, in December 2021, the number of TDAP recipients decreased by 27.5% compared to November 2021, due to unintentional case closures. DHS reports that these cases will be reopened by February 18, 2022.

The average monthly caseload in fiscal 2022 through November 2021 of 11,100 is slightly lower than the level that could be supported with the fiscal 2022 budget (11,305). As shown in **Exhibit 13**, the fiscal 2023 allowance anticipates that the average monthly number of recipients will remain effectively level with fiscal 2022. DLS also anticipates that the caseload will remain near the current level through fiscal 2023 because the current number of recipients is still below the prepandemic level (11,812 recipients in February 2020).

Exhibit 13
Temporary Disability Assistance Program Caseload and Enrollment Trends
Fiscal 2021-2023

	2021	Working Approp. 2022	Budget Estimate 2023	% Change 2022-2023
Average Monthly Enrollment	10,465	11,305	11,282	-0.2%
Average Monthly Grant (Excludes Temporary $100 Per Recipient Increase from RELIEF Act)	$239.67	$312.08	$328.00	5.1%
Budgeted Funds ($ in Millions)				
General Funds	$22.4	$33.9	$38.2	12.7%
Total Funds	**$39.6**	**$39.6**	**$44.4**	**12.1%**

Note: Overall funding for fiscal 2021 includes the temporary benefit of $100 per recipient per month from February through June 2021 (fiscal 2021). However, fiscal 2022 funding excludes the $9.5 million of federal funds that supports this additional benefit from July through December 2021. For both fiscal 2021 and 2022, the average monthly grant shown in this exhibit excludes that temporary increase.

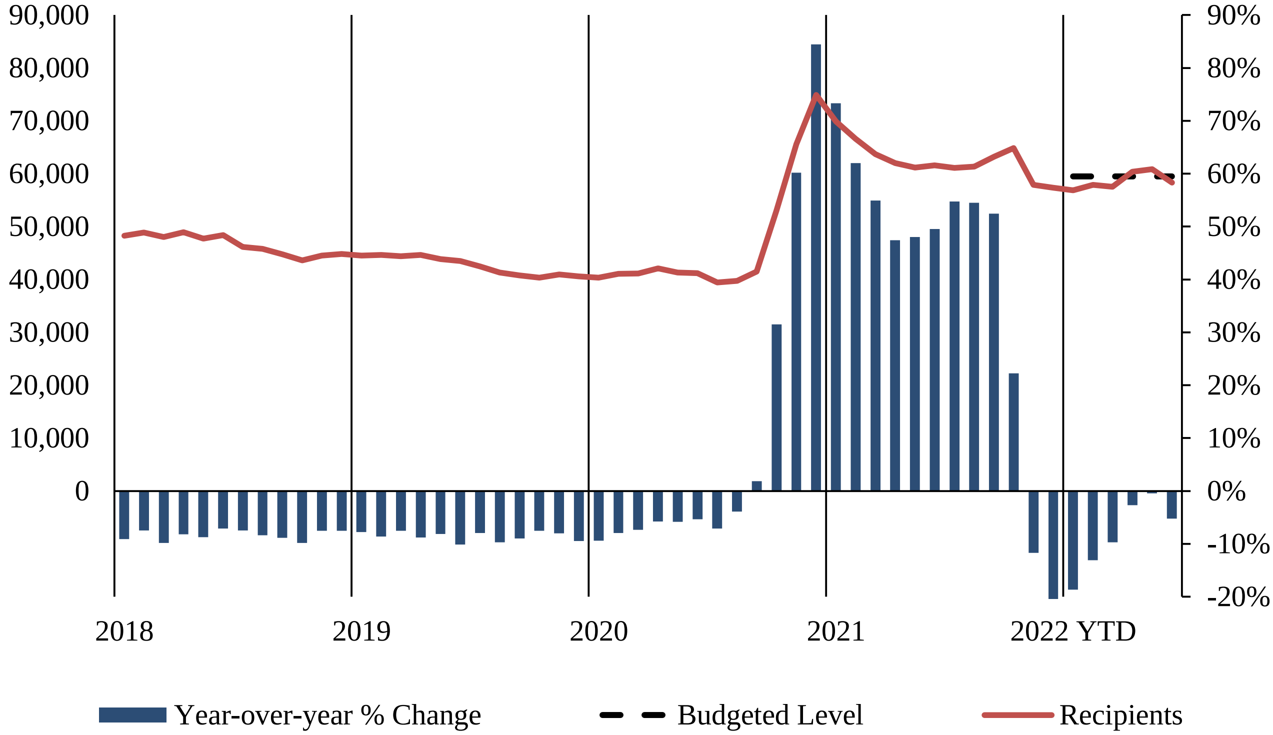
Source: Department of Human Services; Department of Budget and Management; Department of Legislative Services

DLS finds the overall funding for TDAP a reasonable estimate of costs in both fiscal 2022 and 2023. However, DLS is concerned that the fiscal 2022 working appropriation and the fiscal 2023 allowance may overstate the availability of special funds to support the program. Special funds budgeted in both years are higher than have been received in the program in any year since fiscal 2013. However, the higher benefits provided during calendar 2021 and the higher benefit level provided for the program beginning in calendar 2022 could result in higher reimbursements for approved applicants of SSI (the source of the special funds). DLS will continue to monitor the availability of special funds for the program and any impacts on the need for additional general funds to support the program.

TCA Caseload and Expenditure Trends

As shown in **Exhibit 14**, after initially increasing at an unprecedented pace from March through June 2020, the number of recipients began to decline in the subsequent months. This decline occurred, in part, due to a temporary end of an extension on recertifications in July 2020. The number of TCA recipients decreased by approximately 17% between June and October 2020. In October 2020, DHS reimplemented these extensions, which generally remained in place through the end of calendar 2021. Between May and September 2021, the number of TCA recipients was relatively stable before beginning to increase in October 2021. In September 2021, a number of pandemic-related unemployment benefits ended. Because UI counts as income for the purposes of TCA, some households that were no longer receiving UI may qualify for TCA contributing to this increase. DHS also indicates that the end of other stimulus benefits (like the Advanced Child Tax Credit) may have led additional households to seek assistance. DHS reported a 4.2% decrease in recipients in December 2021; however, this is the result of cases closed in error. DHS reports that these cases will be reopened by February 18, 2022.

Exhibit 14
Temporary Cash Assistance Recipients
Fiscal 2018-2022 (through December)



YTD: year to date

Note: The December 2021 data reflects a decrease in cases resulting from inadvertent case closures. These cases will be reopened.

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

However, even with the recent increases, the average monthly number of recipients through November 2021 (58,693) is still lower than the average monthly number of recipients that could be supported with the fiscal 2022 working appropriation (59,488). DLS anticipates that the beginning of recertifications in January 2022 will result in the caseload beginning to decline with additional declines occurring with improvements in the outlook of the pandemic. However, the recent trend of recipients bears monitoring for impacts on spending in the program.

As shown in **Exhibit 15**, the fiscal 2023 allowance anticipates a decrease of 12.5% in the average monthly number of recipients. DLS forecasts a similar decrease in recipients through fiscal 2023. Consistent with the DLS expectations, the fiscal 2023 budget accounts for an average monthly benefit near or slightly higher than the average benefit being provided in fiscal 2021 prior to the additional monthly benefit. Neither DLS nor the budget anticipates that an increase in TCA benefits will be required to meet the 61.25% required in the MMLL due to recent SNAP benefit increases. Issue 1 in this analysis provides additional explanation for this expectation.

Exhibit 15
Temporary Cash Assistance Enrollment and Funding Trends
Fiscal 2021-2023

	2021	Working Approp. 2022	Budget Estimate 2023	% Change 2022-2023
Average Monthly Enrollment	62,552	59,488	52,053	-12.5%
Average Monthly Grant (Excludes Temporary $100 Per Recipient Per Month Increase)	$222.14	$223.26	$225.64	1.1%
Budgeted Funds ($ in Millions)				
General Funds	$85.5	$55.9	$39.2	-29.8%
Total Funds	**$202.1**	**$158.6**	**$140.9**	**-11.1%**

Note: Overall funding for fiscal 2021 includes funding for the temporary increase of $100 per recipient per month from January through June 2021 (fiscal 2021). For fiscal 2022 budgeted funding excludes the $36.5 million supporting the additional benefit provided for July through December 2021. Fiscal 2022 figures also exclude the supplemental step-down benefits provided through the Temporary Assistance for Needy Families Pandemic Emergency Assistance Fund. For both fiscal 2021 and 2022, the average benefit excludes the additional benefit and the supplemental step-down benefit.

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

There is some uncertainty as to the current average payment level excluding the additional benefit. DLS anticipates that there may be a modest shortfall in fiscal 2022 if average monthly benefits with the end of the additional benefit are higher than budgeted, particularly if the number of recipients does not decline as forecast. However, any such shortfall can be accommodated within a combination of general funds from other assistance payments program not needed for the budgeted purpose or the TANF balance.

TCA Cliff Initiative

Following initial implementation of the TCA cliff initiative, the number of recipients in the program averaged just under 1,900 between October 2019 and May 2021 with some decline during the initial months of the pandemic. The highest number of recipients during that period was 2,736 in December 2020. However, beginning in June 2021, the number of recipients dramatically increased and has exceeded 10,000 in three of the seven months since with data available. The remaining four months had recipients of more than 4,500. As a result, year-to-date expenditures (through December 2021) total $13.8 million, which is over $9 million more than is included in the fiscal 2022 working appropriation. The fiscal 2023 allowance provides funding at the level of the fiscal 2021 expenditures ($8.75 million), which includes only one month of unusually high expenditures.

These high levels of recipients are occurring at the same time as the number of case closures monthly remain very low. As the program is only intended to provide a transitional benefit as cases exit TCA, it is unclear what is driving these high spending levels. In addition, in response to committee narrative in the 2021 JCR, DHS indicated that it was conducting an evaluation of this program before making a determination on whether to continue the benefit as currently structured. **DHS should comment on why the program appears to be serving more people than should be eligible under the stated eligibility criteria. DLS recommends adopting committee narrative requesting a report on the causes of the increased recipients in the program and a copy of the evaluation.**

Personnel Data

	FY 21 Actual	FY 22 Working	FY 23 Allowance	FY 22-23 Change
Regular Positions	1,993.30	1,933.30	1,917.80	-15.50
Contractual FTEs	51.00	70.00	70.00	0.00
Total Personnel	**2,044.30**	**2,003.30**	**1,987.80**	**-15.50**

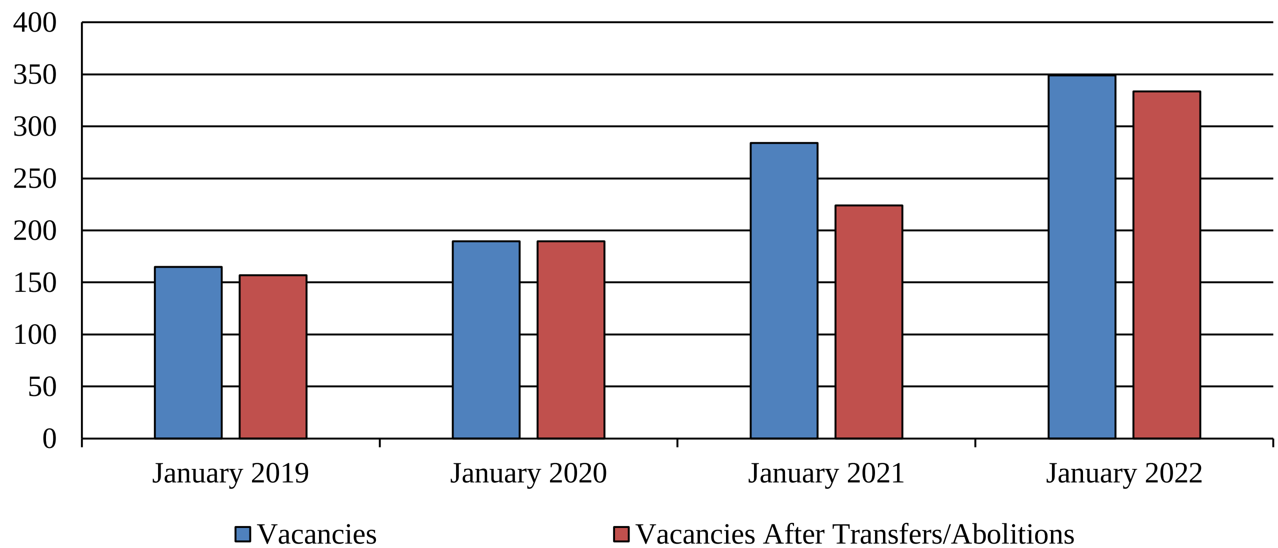
Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	143.07	7.46%
Positions and Percentage Vacant as of 12/31/21	349.00	18.05%
Vacancies Above Turnover	205.93	

- A total of 15.5 long term vacant positions are abolished in FIA in the fiscal 2023 allowance. Of these positions, 13.5 are from the Local Family Investment Program, while the remaining 2 are from the Director's Office. Each of these positions has been vacant since at least mid March 2020. Of the positions, 11.5 positions are family investment specialist positions, positions involved in the eligibility process. DHS indicates that, with statewide processing model implemented during the pandemic, the abolition of these positions will not have an impact on the work of FIA.

- As shown in **Exhibit 16**, the number of vacant positions has increased by 65 between January 2021 and January 2022 despite the abolition of 60 positions in FIA in fiscal 2022. After accounting for the abolished positions, FIA would have a vacancy rate of 17.4% (333.5 vacant positions) of which 99.5 have been vacant for longer than one year and 87 of which have been vacant for three months or less. DHS indicates that it is in the process of reviewing for potential changes the job requirements for certain classifications to broaden the pool of candidates. In particular, DHS anticipates removing the requirement that candidates for certain entry-level positions have a bachelor's degree and also allowing for a broader range of experience to be considered qualifying experience. Additional discussion of vacancies within DHS can be found in the DHS Administration analysis.

Exhibit 16
Vacant Positions as of January Each Year
Fiscal 2019-2022



Note: The fiscal 2020 budget included a net transfer of 8 positions out of the Family Investment Administration (FIA). The fiscal 2022 budget included an abolition of 60 positions in FIA. The fiscal 2023 budget includes an abolition of 15.5 positions. Although the abolition and transfers do not occur until after the January dates listed, the positions are not available to be filled.

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

- Although FIA has a substantial number of vacant regular positions among caseworkers, the fiscal 2023 budget and a proposed fiscal 2022 deficiency appropriation include $10 million in federal stimulus funds for the State Administrative Grant for SNAP (distributed over a three-year period), which DHS indicates will be used to hire contractual staff to assist in processing redeterminations for the SNAP caseload. DHS indicates that these funds can support 188 contractual full-time equivalents (FTE), though the FTE count provided for fiscal 2022 and 2023 do not yet reflect this planned use. **DHS should comment on its efforts to add contractual staff given the current high vacancy rates among caseworkers and if the contractual staff will have a pathway to transition to regular position employment in FIA.**

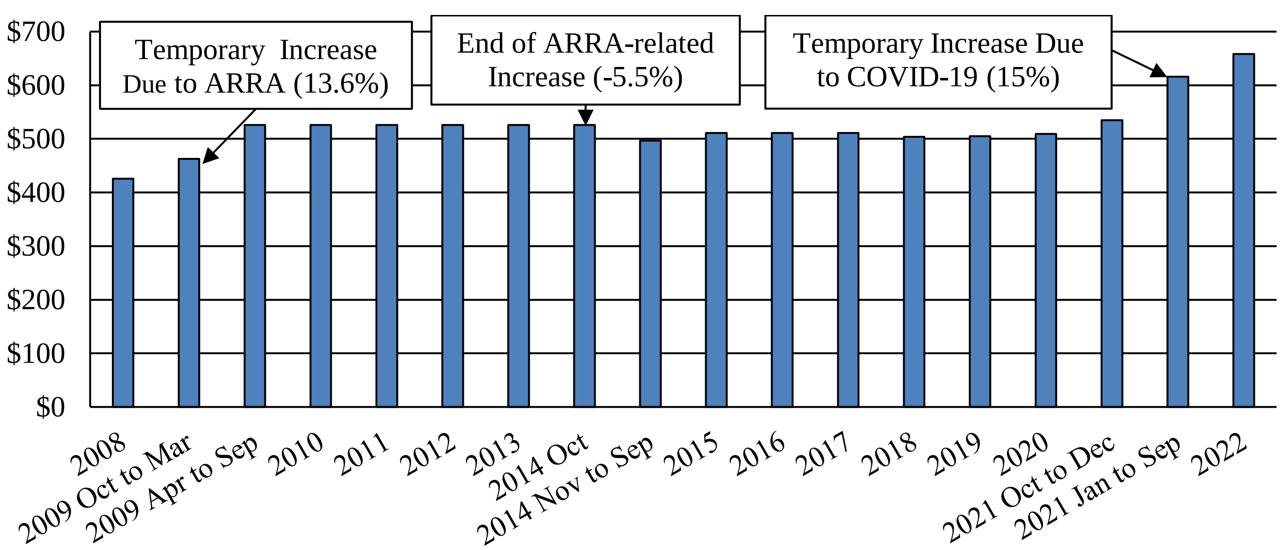
Issues

1. Federal SNAP Benefit Changes

Historical SNAP Benefit Levels

The USDA Food and Nutrition Service is required to annually announce maximum allotment (benefit levels) for SNAP. **Exhibit 17** compares the maximum allotment for a family of three between federal fiscal 2008 and 2022. During the Great Recession, SNAP benefits were increased during federal fiscal 2009 due to the American Recovery and Reinvestment Act of 2009 (ARRA) by 13.6% compared to the level previously determined for that year. The level at the beginning of the year had already been increased by over 8% compared to federal fiscal 2008. This temporary increase extended into federal fiscal 2014 before decreasing by approximately 5.5%. Through federal fiscal 2020, the maximum allotment for a household of three was still $17 per month lower than levels authorized in the ARRA. In federal fiscal 2021, benefit levels were increased by just over 5%, the second highest percent increase since federal fiscal 2005 (excluding the ARRA related increase), due to higher than typical inflation in the month used for comparison.

Exhibit 17
SNAP Maximum Monthly Allotment for a Household of Three
Federal Fiscal 2008-2022



ARRA: American Recovery and Reinvestment Act
SNAP: Supplemental Nutrition Assistance Program

Source: U.S. Department of Agriculture, Food and Nutrition Services

The Consolidated Appropriations Act of 2021, signed on December 27, 2020, temporarily increased maximum allotments by 15% for the period January 1 through June 30, 2021. This increase was later extended to September 30, 2021. Given the continued use of Emergency Allotments, under which all households receive the maximum allotment for their household size, the temporary increase provided a substantial additional benefit to all SNAP households. For example, for a household of three, the 15% increase resulted in an $81 per month increase. This temporary increase was in line with the level of temporary increase under the ARRA.

SNAP Benefit Changes Beginning in Federal Fiscal 2022

In August 2021, USDA released a reevaluation of the Thrifty Food Plan, which is the basis for calculating SNAP benefits. The Thrifty Food Plan is determined by using a market basket of goods (vegetables, fruits, grains, proteins, dairy, and other foods) that consist of categories that offer a variety of nutrient-dense, lower price options that could be purchased to support a healthy diet and is meant to align with personal and cultural preferences for a variety of age and gender categories. The different categories are meant to account for differing nutritional needs across age groups. Although many age group categories are considered, the Thrifty Food Plan uses a reference family of four consisting of two adults and two children (ages 6 to 8 and 9 to 11). This level is then translated into maximum allotments and adjusted for various household sizes.

The reevaluation was required as part of the 2018 Farm Bill. Although the Thrifty Food Plan had previously been updated, prior to this reevaluation, the updates were designed to be cost neutral. Under the 2018 Farm Bill, the Thrifty Food Plan must be reevaluated every five years, with the first reevaluation occurring by 2022. Prior to this, the reevaluations were at the discretion of the USDA Secretary. In addition, under the 2018 Farm Bill, the reevaluation was specifically required to be based on current food prices, food composition data, consumption patterns, and dietary guidance. This reevaluation was not constrained by a cost neutrality requirement. The removal of the cost neutrality constraint allowed the reevaluation to result in a significant increase in the Thrifty Food Plan and, ultimately, the SNAP benefit allotments. The change resulted in an approximately 23% increase in the maximum allotment level compared to the originally determined allotment level for fiscal 2021, or 6.8% over the level provided with the temporary increase. For a household of three, this translates to an additional $123 per month, compared to the original federal fiscal 2021 level, and $42 per month higher than the temporarily increased levels in that year.

USDA indicates that the increase in the Thrifty Food Plan without the cost neutrality constraint specifically increased due to:

- using food price data from major retailers for all households as compared to only low-income households;

- updating calorie levels based on the higher median weights for adults and a change in physical activity level for children;

- updating, resulting from changes in dietary guidelines, for example, the recommended level of seafood consumption and other changes in vegetables and proteins.

Food choices were also based on consumption patterns. For example, it reflects that the purchase of canned beans is more common than dry beans. However, consumption patterns were still fit within dietary guidelines. In addition, it assumes that some foods and beverages are purchased in their most convenient forms (for example, breakfast cereals, and pasta sauce in a jar).

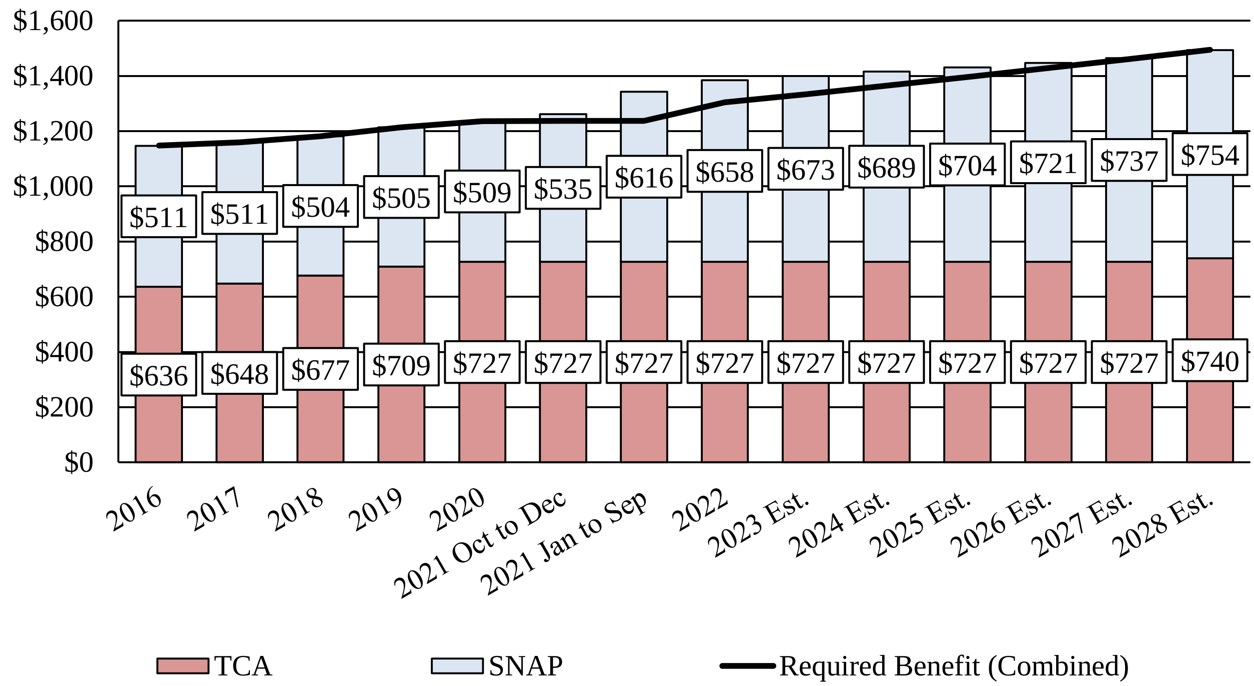
In general, USDA explains that the increase in the Thrifty Food Plan is consistent with food spending trends in the Consumer Expenditure Survey. In particular, USDA noted that the survey showed that households spent 59% more on food than the Thrifty Food Plan in 2006 (the last reevaluation), and the poorest households spent 27% more on food than that plan. The Consumer Expenditure Survey data was from 2019.

Impact of Change on TCA and TDAP Benefit Levels

Section 5-316(a1)(1)(i) of the Human Services Article requires the Governor to provide sufficient funding to ensure that the TCA benefit, when combined with the SNAP benefit, equals 61% of the Maryland Minimum Living Level. Chapter 13 of 2021 increased the requirement to 61.25%, which begins in fiscal 2023, although this was legislation from the 2020 session due to the timing of the override of the veto. This requirement means that changes in TCA benefit levels are dependent not only on inflationary adjustments to the MMLL but also decisions by USDA on SNAP benefit levels. As a result, the TCA benefit may remain level between years even with inflationary increases in the MMLL. In practice, DHS does not lower the benefit in instances when the required calculation might otherwise result in a lower TCA benefit level being needed to meet the statutory requirement, instead maintaining the benefit at the prior year level.

For example, due to the boost in SNAP benefit levels under the ARRA, the TCA benefit level remained unchanged at $574 for a household of three from fiscal 2009 through 2012 before increasing slightly in fiscal 2013. In fiscal 2014, the benefit increased by nearly $50 as the SNAP benefit declined after the end of the ARRA-related boost. Due to the higher than expected increase in SNAP benefits for federal fiscal 2021, TCA benefits were unchanged between fiscal 2020 and 2021, though the calculation itself would have resulted in a lower TCA benefit being required. This occurred because the inflationary increases for the MMLL calculation are different than SNAP, so the MMLL reflected minimal inflationary impacts. As shown in **Exhibit 18**, assuming both SNAP benefits and the MMLL increase by 2.3% (the three-year average of Consumer Price Index increases in May – the period used for the MMLL calculation), the TCA benefit would not need to increase until fiscal 2028 under the current statutory requirement.

Exhibit 18
Combined SNAP and TCA Maximum Allotments for a Household of Three Compared to Required Percentage of Maryland Minimum Living Level
Federal Fiscal 2016-2028 Est.



SNAP: Supplemental Nutrition Assistance Program
TCA: Temporary Cash Assistance

Note: Excludes $100 per month additional benefit provided from January through December 2021 and additional benefits of $80, $60, $40, $20 per month, respectively, as part of a phase-down of the additional benefit from January through April 2022 for TCA recipients. Estimates for 2023 through 2028 are from the Department of Legislative Services assuming a 2.3% inflationary increase for both the Maryland Minimum Living Level and SNAP benefits.

Source: Department of Human Services; *Welfare Rules Databook*; U.S. Department of Agriculture; Department of Legislative Services

Chapter 408 established a plan for increasing the TDAP maximum benefit to the level of the maximum allowable payment for a one-person household in TCA by fiscal 2027. Under Chapter 408, the TDAP benefit would have reached that level over time, beginning with 74% of that level in fiscal 2021, increasing by 4 percentage points per year annually until reaching 100% in fiscal 2027 and thereafter. However, as previously noted, the TDAP benefit was increased to the 100% level effective January 2022 and is expected to remain at that level going forward. Therefore, consistent with the TCA benefit, no additional increases would be expected for TDAP until at least fiscal 2028 due to the higher SNAP benefits.

2. Verification Issues and Income Levels Are Primary Causes of Case Closure and Application Denial for TCA and SNAP, Causes for TDAP More Varied

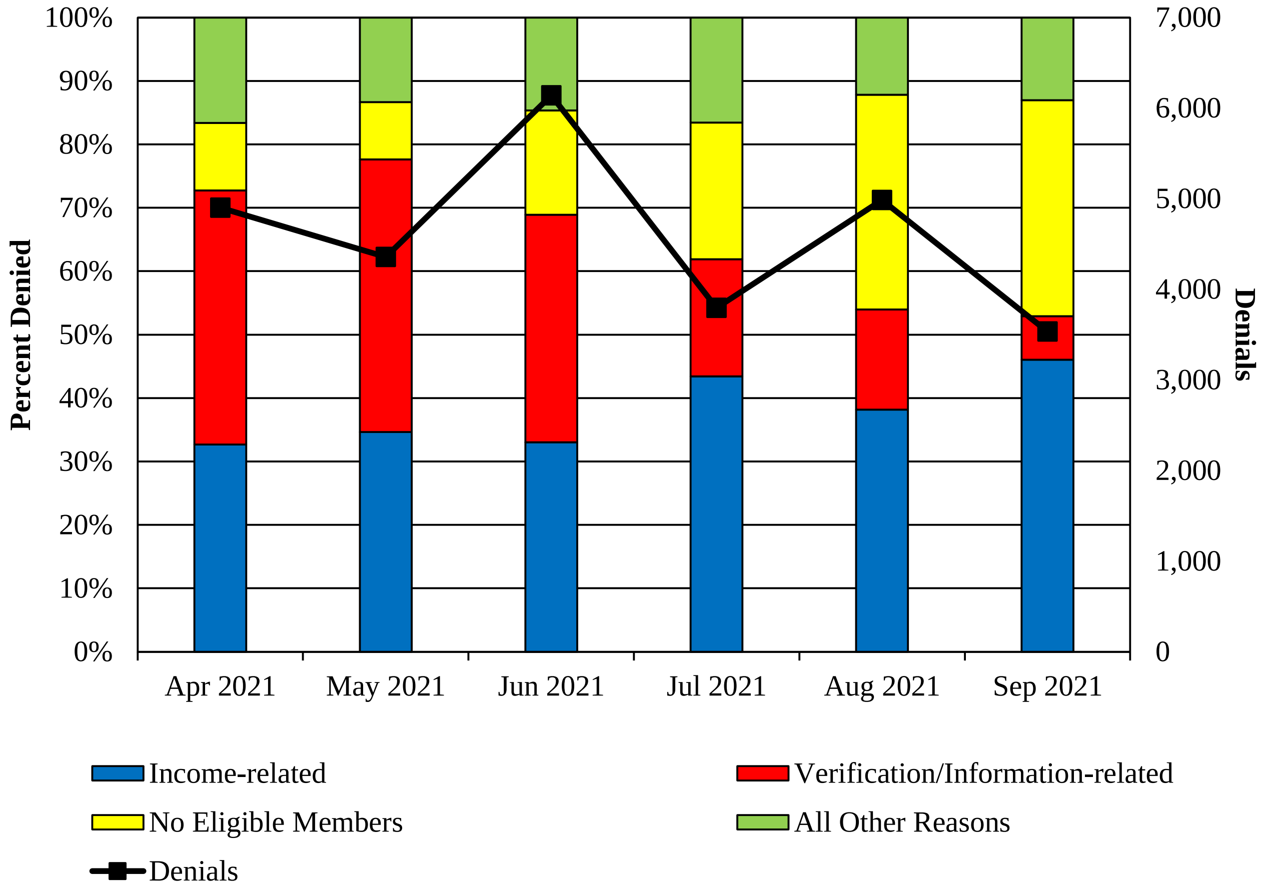
Due to concerns about what was anticipated to be the impending end of COVID-19-related flexibilities, including the extension of recertifications, the 2021 JCR requested reports on application denials and reasons for denial by benefit program as well as the reasons for case closure. However, ultimately, the extension of recertifications was continued throughout the remainder of calendar 2021, thereby limiting case closures. To the extent case closures limited churn and thus reapplications for benefits, this continued extension also reduced application denials. However, there were periods where an impending end of the extension, prior to the approval of a new waiver, led to temporary spikes in case closures.

SNAP and TCA Application Denials and TCA Case Closures Primarily Driven by Income or Documentation

Application Denials

As shown in **Exhibit 19**, from April through June 2021, the primary cause of SNAP application denials was failure to provide all verifications/documentation needed to process the application. In each of these months, more than one-third of denials were for this reason. However, beginning in July 2021, the number and share of application denials due to this reason decreased substantially. The number of application denials for income-related reasons held relatively steady during the period, with fluctuations in the share of denials for this reason largely related to changes in the overall number of denials. In general, between 33% and 46% of denials were due to income over the eligibility limits.

Exhibit 19
SNAP Application Denials and Reasons for Denial
April to September 2021



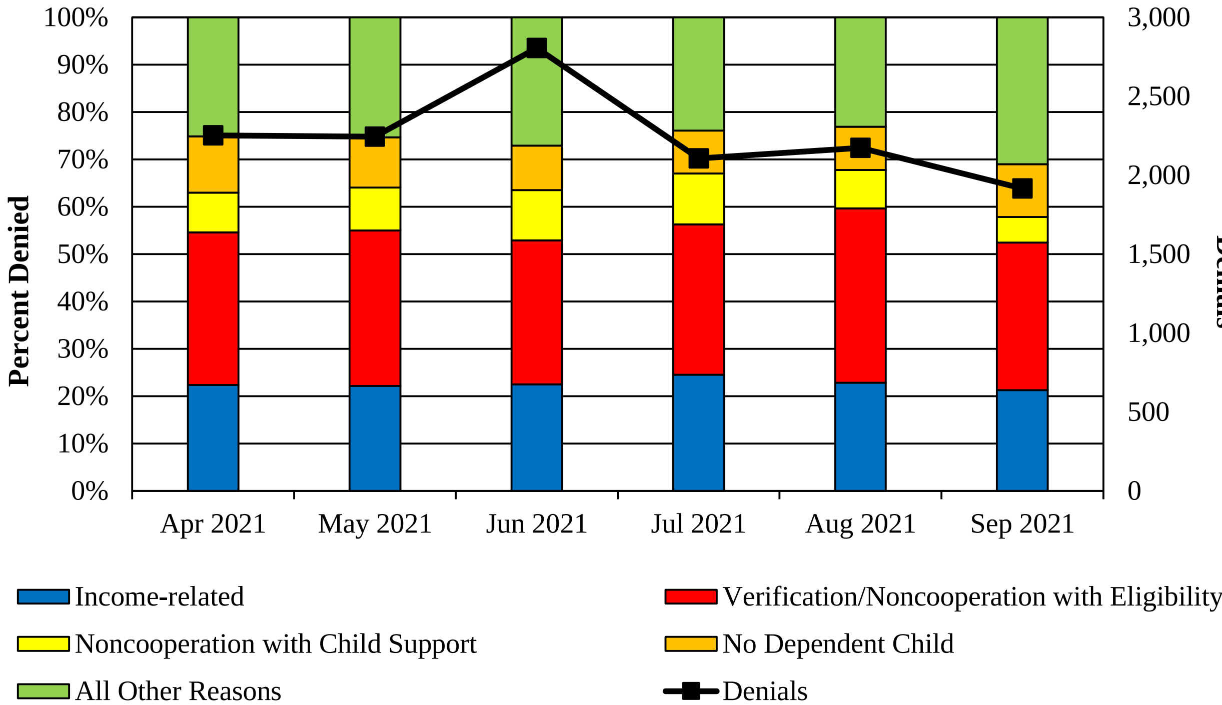
SNAP: Supplemental Nutrition Assistance Program

Note: Data for September may be revised in the June 2022 submission of the application processing timeliness report, as some applications may not be fully processed at the time of data collection.

Source: Department of Human Services; Department of Legislative Services

As shown in **Exhibit 20**, verification and other cooperation issues also represented the largest component of TCA application denials. However, in TCA, the share of denials for this reason held relatively steady throughout the period from April through September 2021, generally ranging between 30% and 33%, with only one month exceeding that level. Similarly, income-related reasons were the second highest share of application denials, ranging between 21% and 25%. Both the number of denials and reasons for denial were more consistent across the period than for SNAP applications.

Exhibit 20
TCA Application Denials and Reasons for Denials
April to September 2021



TCA: Temporary Cash Assistance

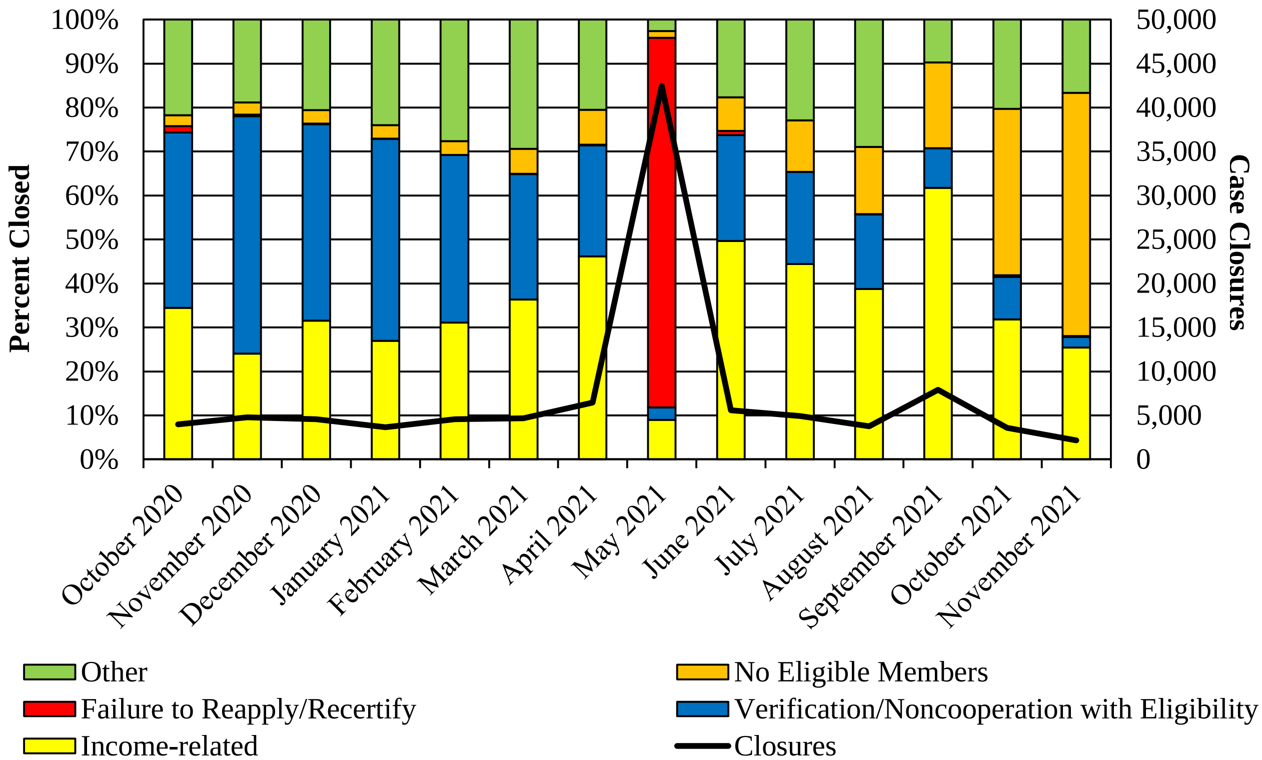
Note: Data for September may be revised in the June 2022 submission of the application processing timeliness report, as some applications may not be fully processed at the time of data collection.

Source: Department of Human Services; Department of Legislative Services

Case Closures

In general, as shown in **Exhibit 21**, verification/documentation issues and income-related reasons are also the primary causes of case closures in SNAP. Similar to the reasons for SNAP application denials, verification and other noncooperation with eligibility requirements changed from the largest cause of case closures to generally the second highest cause after February 2021. In particular, it was the primary cause of case closure through February 2021 but decreased substantially as a cause through November 2021 (the most recent data available) (from over 38% in each prior month to under 30% after that date and less than 10% since September 2021). During those months, with the exception of May 2021, the dominant cause of case closure was income that was too high or having no eligible members. Income too high represented nearly 50% of case closures in April and June 2021 and was over 60% in September 2021.

Exhibit 21
SNAP Case Closures and Reasons for Case Closure
October 2020 to November 2021



SNAP: Supplemental Nutrition Assistance Program

Note: In September 2021, the Department of Human Services conducted a reeligibility determination as part of updating benefit calculations with the October 2021 increase in benefit resulting in a higher than typical case closure number.

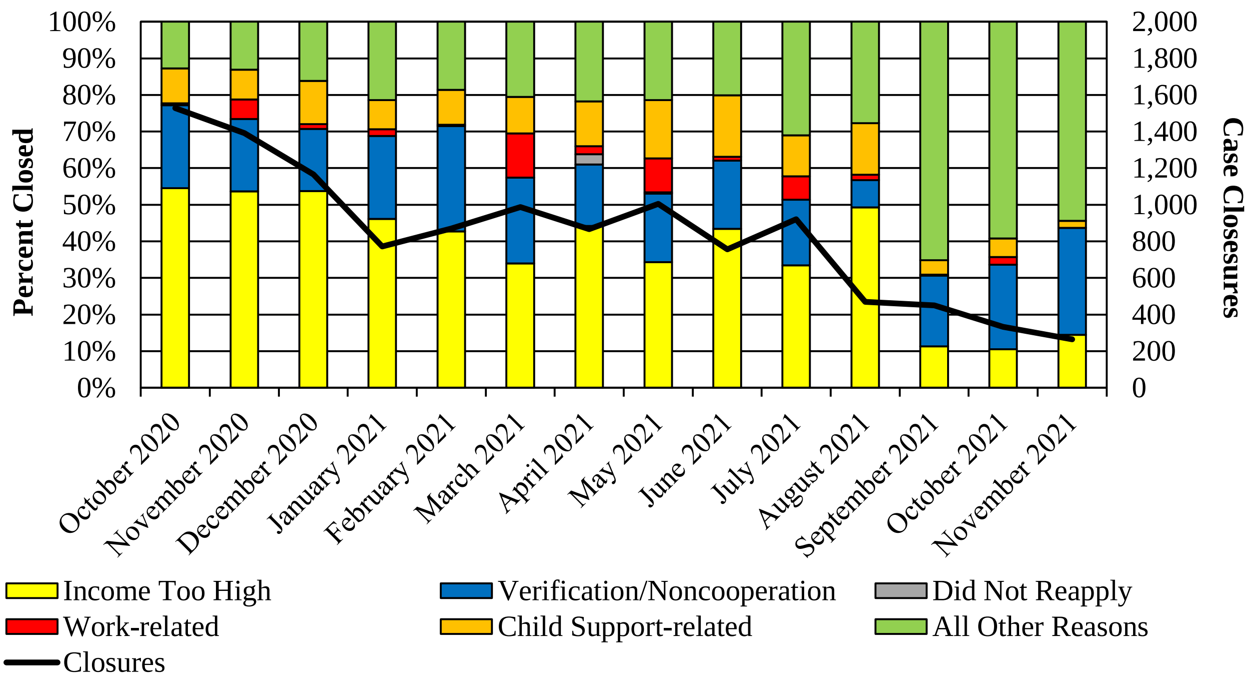
Source: Department of Human Services; Department of Legislative Services

In general, through most of this period, the number of case closures was relatively limited (under 5,000 in most months). However, in May 2021, DHS initially required recertifications for a number of cases prior to receiving an additional waiver. Under the authority that the department was using at the time to extend recertifications, the courtesy could only be extended once. So, the initial group that received this extension was due for recertification. A substantial number of cases did not submit recertification applications, resulting in over 35,000 case closures. However, DHS explains that, when it received approval in June 2021 from a waiver requested in March 2021 to continue to extend recertifications through December 2021, it retroactively reopened these cases. A similar situation with significant declines in cases, which were subsequently reopened, happened in summer/early fall 2020 during a prior period in which the extension of recertifications were ended. While some of these households may no longer be eligible for benefits following recertification and may choose not to reapply because of this expectation, these experiences highlight the administrative difficulties and the potential for lost benefits for households that may remain eligible with recertifications again beginning in January 2022. It is possible that some of the decline in recipients may occur from reinstituting requirements that have largely not been in effect for more than a year and a half and, therefore, the need to reeducate customers on the process. This could trickle into increased applications as those who remain in need and eligible for benefits but miss the recertification deadlines reapply.

Additional information on case closures will be submitted by DHS in April and June 2022, and DLS will continue to monitor monthly case/recipient counts. **DHS should comment on the educational efforts it undertook prior to the beginning of recertifications to refamiliarize customers with the process and steps it has taken and continues to take to limit case closures for those remaining eligible for benefits due to failure to submit recertification applications and documents.**

DHS followed similar COVID-19 flexibilities for TCA as it was able to provide for SNAP recipients. As a result, as shown in **Exhibit 22**, TCA case closures numbered under 1,000 for most of the period from October 2020 through November 2021. The higher numbers earlier in the period generally reflect the timing of the reissuance of the extension of certifications in October 2020, which had temporarily ended between July and mid October 2020.

Exhibit 22
TCA Case Closures and Reasons for Case Closure
October 2020 to November 2021



TCA: Temporary Cash Assistance

Source: Department of Human Services; Department of Legislative Services

Income-related was the largest reason for TCA case closures from October 2020 through August 2021, representing more than 40% of closures in all but three months. Verification and other noncooperation with eligibility-related reasons was the second leading cause of case closures. Although this cause did decline after March 2021, similar to SNAP, the decrease was much smaller. With the exception of August 2021, verification issues led to between 17% and 30% of case closures. However, from September through November 2021, the category all other reasons became the largest category; having no dependent child was the primary cause for this increase. DHS indicates that the higher closures for this reason were related to a data issue and the impacted cases were identified and reopened.

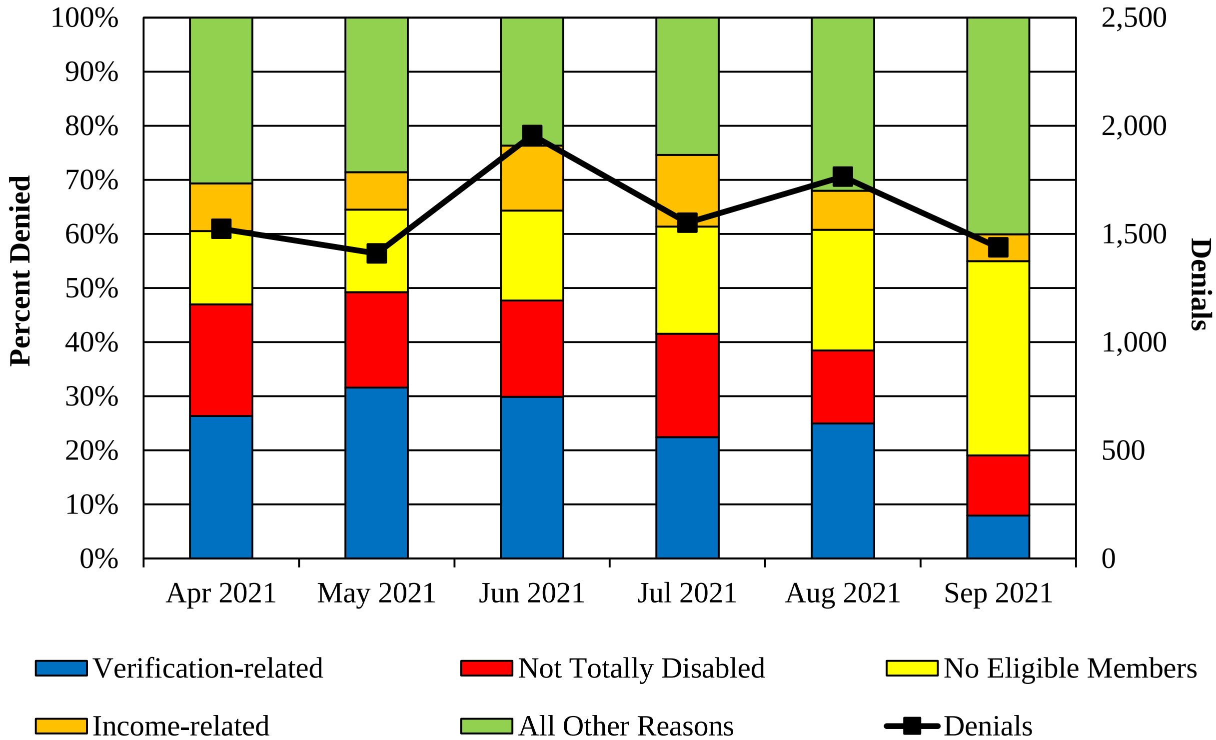
Of note, work-related closures generally made up a small share of case closures during this period. Although DHS during this period lifted the complete suspension of work requirements, DHS was providing a "good cause" designation for most cases. These requirements were again suspended during portions of 2021. As discussed earlier, a change in the work sanction policy in fall 2021 that will result in reduced benefits rather than closures is expected to further limit closures for work-related reasons going forward, following the reinstitution of work requirements.

Causes of Application Denials and Case Closures for TDAP More Varied due to Additional Requirements

To receive TDAP benefits, an individual may have only extremely limited income and be limited in the other public benefits that can be received. In addition, the individual must have a disability. If the disability is long-term, the individual is required to apply for SSI/Social Security Disability Insurance (SSDI) benefits and follow other requirements related to that process. Benefits terminate when a final decision on the SSI/SSDI application is made. Individuals with a disability lasting longer than 3 months but less than 12 months may receive TDAP without applying for SSI/SSDI but are limited to receiving benefits for only 9 months in a 36-month period. The additional requirements related to the time limit, medical certification of disability, application for SSI/SSDI, and final determination on that application result in some differences in the causes of both application denials and case closures compared to SNAP and TCA.

As shown in **Exhibit 23**, income is a much less substantial cause of application denials in TDAP with no more than 14% of denials due to this reason in any month between April and September 2021. Verification-related reasons, however, are the largest single reason for TDAP application denials in each month, excluding September 2021. Although the largest single reason, it is a lower share generally than among the other benefit types, exceeding 30% in only one month. The second largest reason for denial is not totally disabled, which represent cases in which a medical certification of disability was not provided. This cause represents more than 15% of denials in most months. No eligible members is also a substantial cause of denials with more than 15% of denials.

Exhibit 23
TDAP Application Denials and Reason for Denial
April to September 2021



TDAP: Temporary Disability Assistance Program

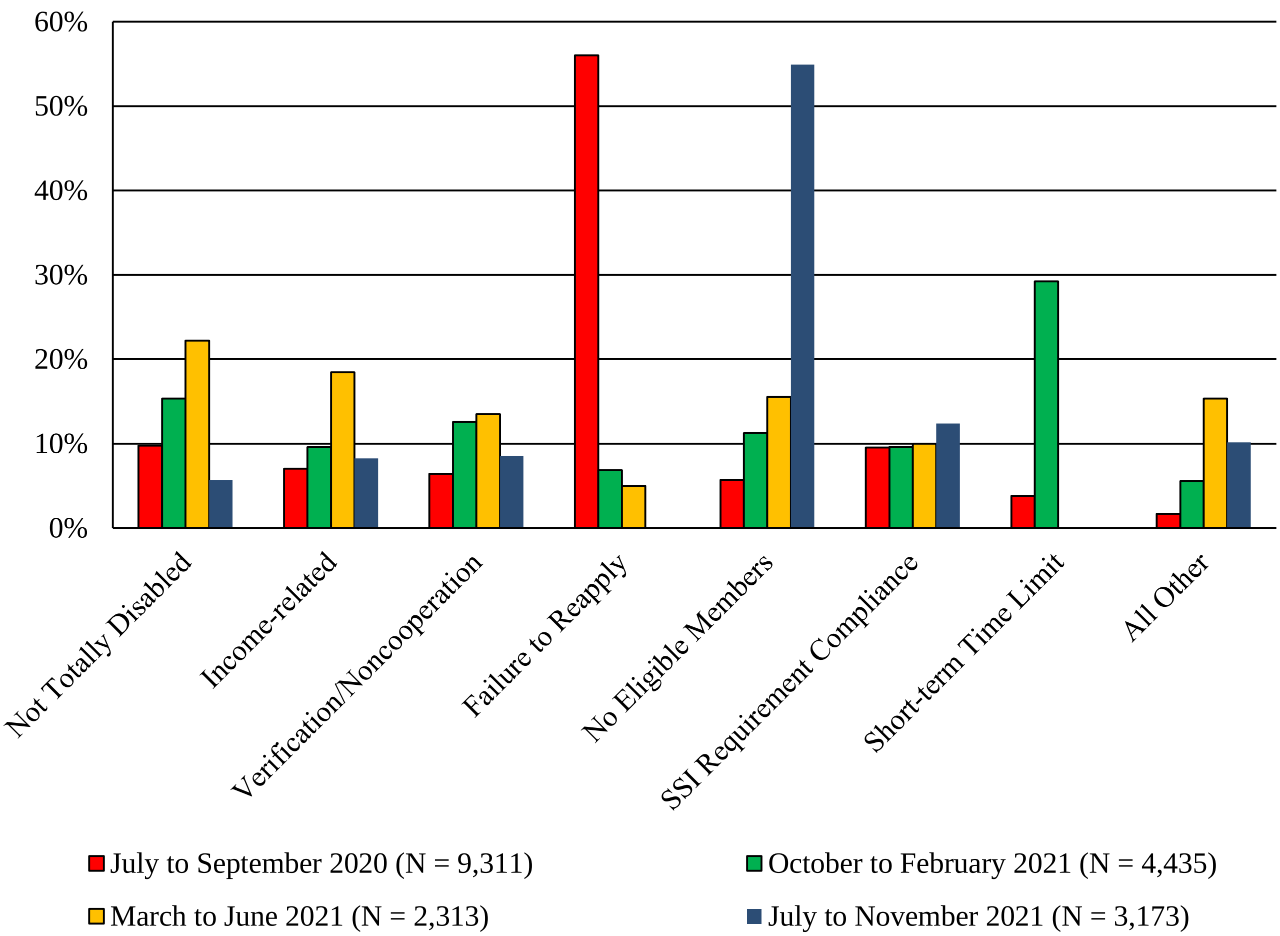
Note: Data for September may be revised in the June 2022 submission of the application processing timeliness report as some applications may not be fully processed at the time of data collection.

Source: Department of Human Services; Department of Legislative Services

As with TCA, DHS generally followed the same COVID-19 flexibilities for TDAP as it did for SNAP. As a result, a substantial number of case closures occurred in TDAP beginning in June 2020 (when the extended period to produce verification and medical certification documents ended) and continued through December 2020, several months after the extension of recertifications began again. As discussed earlier, the RELIEF Act specified that closures could only occur due to a final determination on an SSI/SSDI application from the time of enactment through June 2021. However, DHS explained that it continued to close cases due to recipient employment or receipt of earned or unearned income, movement out of State, incarceration, death, a minor present in the household, and failure to provide required verifications that includes any changes to medical certification of disability for short-term recipients in which the date of the inability to work ended. As a result, 2,313 cases were closed between February and June 2021 despite the prohibition.

As shown in **Exhibit 24**, the causes of TDAP case closures have varied throughout the period from July 2020 to November 2021. In the first portion of that time, more than half of case closures were due to failure to reapply; this was the period in which the extension of recertifications temporarily ended before resuming again in October 2020. Following October 2020 through the implementation of the RELIEF Act, which limited closures, nearly 30% of closures were due to short-term disability cases reaching the time limit of 9 months in a 36-month period. Outside of this period, the number of cases closing for this reason has typically been limited (fewer than 60 cases per month from December 2019 through August 2020).

Exhibit 24
TDAP Case Closures and Reasons for Case Closure
July 2020 to August 2021



SSI: Supplemental Security Income

Source: Department of Human Services; Department of Legislative Services

Given the restricted nature of case closures following the implementation of the RELIEF Act, case closures were distributed among a variety of reasons falling under the exceptions that that department used to the case closure prohibition. The highest share of case closures was in the not totally disabled category, which occurred primarily in June 2021, as the department began to prepare for the end of the prohibition. This category includes those for whom the medical certification of disability has expired or did not submit a medical certification of disability. In the five months of available data following the end of the RELIEF Act prohibition on closures, the cause of closures has again been relatively varied but generally related to the SSI/SSDI process. Approximately 55% of closures during this period are for no eligible members (historically situations in which the case has received the final determination on SSI/SSDI application). However, DHS has explained that a data issue led to some of the closures for this reason between September and November 2021, and impacted cases were identified and reopened. An additional 12.4% of closures are for failure to comply with requirements related to applying for SSI/SSDI. In general, data since July 2021 indicates that, while the prohibitions in TDAP closures ended, DHS has still generally limited closures to areas that would have been allowed under the RELIEF Act consistent with the indication that it is continuing to provide COVID-19 flexibilities and that the recertification periods it granted due to the RELIEF Act are still in effect. This limitation may, in part, be reflective of the length of time for which certifications were granted following the RELIEF Act reenrollment. However, it is also worth noting, the TDAP recipients remain below prepandemic levels, likely also contributing to limited closures in this program.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Application Processing Times, Denials, and Case Closures: The committees remain interested in tracking the timeliness of application processing as well as reasons for denials and case closures. The committees request that the Department of Human Services (DHS) submit quarterly reports that contain:

- the number of applications processed by benefit type for Temporary Cash Assistance (TCA), Supplemental Nutrition Assistance Program (SNAP), and Temporary Disability Assistance Program (TDAP) separately by month
- the average number of days to process applications by benefit type for TCA, SNAP, and TDAP separately by month;
- the percentage of applications processed in 0 to 30 days, 31 to 45 days, and longer than 45 days by benefit type for TCA, SNAP, and TDAP separately by month of application;
- the number and percentage of applications denied by benefit type for TCA, SNAP, and TDAP separately by month;
- the number and percentage of applications denied by reason for denial and by benefit type for TCA, SNAP, and TDAP separately by month;
- the number of case closures by benefit type for TCA, SNAP, and TDAP separately by month; and
- the reasons for case closure by benefit type for TCA, TDAP, and SNAP separately by month.

The first report should include data for April through July 2022, and each subsequent report should provide data for the appropriate quarter.

Information Request	Author	Due Date
TCA, TDAP, and SNAP applications and case closures	DHS	September 30, 2022 December 30, 2022 March 30, 2023 June 30, 2023

2. Adopt the following narrative:

Children Served in the Summer Supplemental Nutrition Assistance Program (SNAP): Chapters 635 and 636 of 2019 created a supplemental benefit for children receiving SNAP in jurisdictions that chose to implement the program. The chapters mandated $200,000, which was the funding level provided for the program in fiscal 2021 and 2022. Although benefits were provided through the program, implementation has been impacted by the federal Pandemic Electronic Benefit Transfer program, delaying summer benefit distribution in each year. In addition, the fiscal 2023 allowance increases funding to $5 million. The committees are interested in continuing to monitor the implementation of the program with a more typical benefit distribution and the impact of the increased funding on participation rates. The committees request that the Department of Human Services (DHS) provide two reports with the following information:

- the number of children served by participating jurisdiction;
- the benefit level provided by jurisdiction;
- the number of children in participating jurisdictions that are not able to receive benefits due to insufficient funding by jurisdiction; and
- participation rates by jurisdiction.

In addition, the first report should also provide information on the number of jurisdictions that applied for the program funding; how the determination for funding was made by jurisdiction; the total funding available for benefits, including the local match by jurisdiction; and how jurisdictions determined which children would receive the benefit.

The first report should cover the summer portion of the program (June, July, and August 2022), while the second report should cover the winter portion of the program (December 2022).

Information Request	**Author**	**Due Date**
Children receiving benefits through the Summer SNAP for Children Act	DHS	October 1, 2022 February 1, 2023

3. Adopt the following narrative:

Pandemic Electronic Benefit Transfer (P-EBT) Spending: The committees remain interested in understanding the impact of the P-EBT program on the Supplemental Nutrition Assistance Program budget. Given the uncertainty around whether the program will continue for the 2021-2022 school year and summer 2022 and how this will impact spending in fiscal 2022 and 2023, the committees request that the Department of Human Services (DHS) and the Department of Budget and Management (DBM) separately identify in subprogram detail spending related to the P-EBT program in the fiscal 2022 actual, and to the extent applicable, the fiscal 2023 working appropriation.

Information Request	**Author**	**Due Date**
P-EBT costs	DHS DBM	With the submission of the fiscal 2024 allowance

4. Adopt the following narrative:

Employment Incentive Benefit Programs: The Department of Human Services (DHS) began providing a transitional benefit for cases leaving Temporary Cash Assistance (TCA) due to employment or income too high in fiscal 2020. After the initial implementation of the program, from October 2019 through May 2021, the number of recipients averaged just under 1,900, with the highest month (December 2020) having 2,736 recipients. Beginning in June 2021, the number of recipients has exceeded 10,000 in three of seven months with the remaining four months greater than 4,500 despite the low number of case closures. The committees are interested in understanding more about the program, including how individuals gain access to the program and why the number of recipients is higher than case closures would indicate. In addition, DHS plans to offer job retention bonuses for TCA recipients maintaining employment at four and six months through one-time federal stimulus funds. The committees request that DHS submit a report describing:

- the reason for the increased utilization of the TCA Cliff program beginning in June 2021, including any temporary or ongoing changes in policy that led to this increase;
- how individuals access the TCA cliff benefit;
- how cases are terminated from this benefit after reaching the end of the three-month period of the TCA cliff benefit;
- how DHS identified recipients of the job retention bonuses; and
- whether and how DHS plans to continue the job retention bonuses after the federal stimulus funds from the Pandemic Emergency Assistance Fund are fully utilized.

In addition, the committees request a copy of the evaluation of the TCA cliff program that DHS indicates is expected to be completed in June 2022.

Information Request	**Author**	**Due Date**
Employment incentive programs	DHS	August 1, 2022

Updates

1. P-EBT Benefit Distribution for the 2020-2021 School Year and Summer Program

Origin of Program

The Families First Coronavirus Relief Act (FFCRA) authorized P-EBT benefits to provide the value of the federal daily reimbursement for free meals to children receiving free and reduced-price meals (FRPM) but for whom schools were closed at least five consecutive days due to the pandemic. FRPM-eligible children also included those who attend a Community Eligibility School at which all children receive free meals. The FFCRA authorization for P-EBT expired on September 30, 2021, and provided benefits primarily for school closures during the 2019-2020 school year. However, some states, including Maryland, received approval under this authorization to provide benefits for the portion of the 2020-2021 school year that occurred prior to the expiration. The P-EBT program operates through SNAP and, therefore, benefit delivery occurs through DHS. For the 2019-2020 school year program, $167.4 million in P-EBT benefits were provided to 455,909 children. These benefits covered on average 65 days of school closures.

Extension and Expansion of Program

The Continuing Appropriations Act, signed into law on October 1, 2020, authorized the P-EBT program to continue for the 2020-2021 school year and expanded the program to include schools operating at reduced hours rather than only complete closures and to child care programs that are closed or operating at reduced hours. Although intended to expand the program to provide more flexibility in recognition of the more complex school arrangements available during the 2020-2021 school year than the 2019-2020 school year and to make the program available to other children impacted by the inability to attend in-person environments where meals might otherwise have been received, the changes brought additional complexity to the administration of the program. Two of the more complex issues related to the variety of school statuses and how to implement the child care program. Subsequent legislation and guidance assisted states in overcoming these challenges; however, the time to work through these issues delayed implementation in many states, including Maryland.

Ultimately, states through USDA guidance were able to use simplifying assumptions related to school schedules when individual or school-level detail is not available or feasible, including using the most common or predominant school schedule to determine benefit amounts. Schools were required to reassess at least once every two months. States were also able to use prior year eligibility for FRPM to determine eligibility in recognition that other waivers meant that local school systems may not have undertaken a FRPM application process for the 2020-2021 school year. However, children who were no longer eligible due to changes in school status were required to be removed, and children who were newly eligible were required to be offered the opportunity to receive benefits.

In addition, the Consolidated Appropriations Act subsequently amended the child care portion of the program to make it easier to implement by providing eligibility for the benefit for all children in

SNAP households at any time since October 1, 2020, and deeming all children younger than age six to be enrolled in a covered child care facility. Essentially this allowed them to provide the benefit to all children in SNAP households under age six as there is no FRPM program for child care programs. USDA guidance also allowed states to use school closures and reduced hours of schools in the area rather than the specific child care program to determine eligibility.

The ARPA extended the P-EBT program through the end of the national public health emergency and authorized a P-EBT benefit for the summer for all children who were eligible to receive the benefit during the current school year and those children under age six who received the P-EBT benefit. The benefit was available to children who would have been eligible but did not receive a P-EBT benefit in the last month of the school year because they attended school in person. Under the summer program, USDA allowed states to use a standard benefit level rather than making individual determination of benefit levels.

Approval of Maryland's Plan and Distribution of Benefits

Due to the complexity of the 2020-2021 school year program, Maryland's school year plan was not approved until April 27, 2021, and the summer program was approved July 15, 2021. As a result, benefits were provided retroactively, with benefits for several months at a time provided in each month. DHS indicates benefits were provided as follows:

- ***May 2021:*** benefits for October, November, and December 2020;
- ***June 2021:*** benefits for January and February 2021;
- ***July 2021:*** benefits for March and April 2021;
- ***August 2021:*** benefits for May and June 2021;
- ***September 2021:*** benefits for the first installment of summer benefits; and
- ***October 2021:*** benefits for the second installment of P-EBT benefits.

As shown in **Exhibit 25**, a total of 566,047 children received benefits from the P-EBT program during the 2020-2021 school year, and 544,664 children received benefits from the P-EBT summer programs. In total, DHS reports a distribution of $776.0 million under the combined programs. The number of school-aged children receiving benefits is higher than the 2019-2020 school year program (455,909). Some school-aged children receiving benefits attend private schools; to receive these benefits, the school must participate in the national school meals program.

Exhibit 25
Children Receiving P-EBT Benefits by Jurisdiction
2020-2021 School Year and Summer Program

	School Year Benefits		Summer Benefits	
Jurisdiction	**School Children**	**SNAP Children Under 6**	**School Children**	**SNAP Children Under 6**
Allegany	4,940	1,653	4,940	17
Anne Arundel	30,948	6,526	30,948	263
Baltimore City	70,409	15,744	70,454	15,847
Baltimore	3,115	800	3,115	102
Calvert	3,328	803	3,330	802
Caroline	5,456	1,295	5,456	210
Carroll	6,425	2,078	6,426	2,070
Cecil	11,414	2,663	11,414	319
Charles	4,706	969	4,706	950
Dorchester	12,971	2,841	12,971	575
Frederick	1,601	462	1,601	46
Garrett	13,987	3,233	13,998	3,275
Harford	14,891	2,538	14,897	2,478
Howard	1,239	302	1,239	6
Kent	63,028	9,477	63,065	9,547
Montgomery	91,055	19,065	91,079	18,710
Prince George’s	1,810	452	1,813	445
Queen Anne’s	5,078	1,528	5,078	36
St. Mary’s	2,947	911	2,949	890
Somerset	2,268	564	2,270	563
Talbot	12,633	3,263	12,633	62
Washington	14,626	3,078	14,639	3,080
Wicomico	3,098	695	3,168	702
Worcester	79,389	20,671	79,489	20,418
SEED	400		400	
Private Schools	1,260	12		12
DHS	192	1210	194	967
Total	**463,214**	**102,833**	**462,272**	**82,392**

DHS: Department of Human Services
P-EBT: Pandemic Electronic Benefit Transfer
SNAP: Supplemental Nutrition Assistance Program

Source: Department of Human Services

While benefits for the summer program were the same ($375) for both children under six and school-aged children, benefits for the school year program children under six were lower than school-aged children. This occurred because children under six were not eligible until October 2021 for the program, while school-aged children also received benefits for September 2021. Average benefits varied by jurisdiction for the school year program based on differences in the in-person/virtual mixes.

Future Plans

Under the ARPA, the P-EBT program is available throughout the national public health emergency, including the summer after the school year in which a public health emergency was in effect. The ability to actually provide the benefits will depend on the extent to which schools meet the criteria for the program or particular children are eligible due to individual learning choices or COVID-19-related situations. Program criteria requires at least one period of five consecutive days of school closure or reduced operations (attendance or hours) due to the pandemic for a school to qualify. As a result, it is possible only some schools and some jurisdictions might meet these criteria, and then benefits are only available for periods in which schools are operating at reduced hours or closed. Benefits would be available for the summer program if the criteria are met during the school year.

To participate, a state also needs to have a new state plan approved for the 2021-2022 school year. In guidance issued in August 2021, USDA encouraged states to have a plan on file, even if it was expected that there would be no need for the program because schools would be fully in person in case of unexpected COVID-19 impacts. As of February 18, 2022, 14 states have approved 2021-2022 school year plans for the P-EBT program. At this time, Maryland does not have an approved plan. DHS indicates that it, in collaboration with MSDE, submitted an initial plan to USDA in December 2021. Following initial submission, the plan needed to be revised based on feedback received.

DHS anticipates, when approved, only a limited subset of students will be eligible for benefits. As noted earlier, without the larger scale school closures in the 2021-2022 school year, fewer children will be eligible. DHS anticipates eligible categories of children under an approved plan would include children in fully virtual learning programs established by the local education agencies and children with COVID-19-related absences.

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

The 2021 JCR requested that DHS FIA prepare 13 reports, some of which are not yet due. Electronic copies of the full JCR responses for submitted reports can be found on the DLS Library website.

- ***Reasons for Case Closures:*** Five reports reflecting prior data and quarterly information for fiscal 2022 on the reason for case closures for TCA, SNAP, and TDAP were requested. The three reports requested through January 2022 have been submitted. Information from these reports may be found in Issue 2 of this analysis.

- ***Children Served in Summer SNAP:*** Two reports were requested reflecting the distribution of summer benefits and the December benefits. Benefits were provided in six jurisdictions (Baltimore, Howard, Montgomery, Prince George's, and Queen Anne's counties and Baltimore City). Further discussion of these reports is included in the Proposed Budget Change section of this analysis.

- ***Application Processing Times and Denial Rates:*** Three reports were requested from FIA providing information on application processing timeliness, denial rates, and reasons for denial. Two of these reports have been submitted, with the third due in June 2022. Information on the data contained in these reports may be found in the Performance Analysis section of this analysis (application processing times) and Issue 2 (application denials).

- ***Review of Alternative Benefit Cliff Programs:*** DHS indicated that the TCA income eligibility is higher than the cash assistance eligibility for surrounding states. DHS provided information on program actions in seven states related to efforts to mitigate the benefit cliff. These actions generally related to increasing or eliminating asset tests, altering income disregard policies, or increasing income eligibility for cash assistance of SNAP. Some programs also increased access to transitional child care or food assistance. DHS stated that although it would consider altering the existing transitional TCA benefit, it would not do so until after completing an evaluation of the existing program. DHS subsequently explained this evaluation is expected to be completed in June 2022. DHS, however, did explain in the report and subsequent follow-up responses that it is working to implement new protocols (to be in place by the end of February 2022) to require case managers to document what resources (other benefits) that the case manager assisted a TCA leaver in accessing. In addition, DHS notes that the notice related to the loss of TCA benefits will also include a resource list for other programs that the customer may be eligible to receive.

- ***Use of TANF Funds:*** Based on guidance prior guidance from the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, DHS confirmed that TANF can be used to support nonprofit organizations and other non-State entities providing case management if the services align with one or more of the purposes of TANF. The examples provided in the guidance included subcontracting with business organizations or associations to expand participation of employers in welfare to work initiatives, contracting with private organizations or services to refurbish previously owned cars provided to TANF recipients, and funding education or job training activities at colleges/secondary schools/technical schools. In general, DHS indicates that states taking advantage of this option use the funds for economic self-sufficiency activities and provides examples of two states' use of funds in this manner. However, DHS stated that it does not see a benefit in expanding use of TANF for case management in this way as it is an existing part of the self-sufficiency model used by the department.

- ***Options for Simplifying Applications and Coordinating Benefits:*** Language restricted funds from several agencies requesting a description of current coordination among agencies and planned actions to simplify applications to reduce the amount of information required, limit documentation, and improve coordination of documentation. DHS was the lead agency on the submission. The report described several planned actions to improve coordination including (1) prepopulation reapplication forms; (2) implementing a "one case" method for households that would include consolidating communications, updating information across programs that were provided for one, and evaluating households for all programs; (3) participation in the demonstration project to evaluate direct certification with Medicaid for the school meals programs beginning in the 2023 school year; (4) sharing daily files of SNAP, TCA, and foster care students for school meal purposes; (5) implementing categorical eligibility for energy assistance; (6) implementing a common customer intake assessment; and (7) improved integration to allow for seamless transitions between different Medicaid categories. The report, however, did not provide information on coordination with all requested programs. As a result, funds continued to be withheld from DHS, MDH, and the State Department of Assessments and Taxation until additional information is provided.

Appendix 2
Object/Fund Difference Report
Department of Human Services – Family Investment Administration

Object/Fund	FY 21 Actual	FY 22 Working Appropriation	FY 23 Allowance	FY 22 - FY 23 Amount Change	Percent Change
Positions					
01 Regular	1,993.30	1,933.30	1,917.80	-15.50	-0.8%
02 Contractual	51.00	70.00	70.00	0.00	0%
Total Positions	**2,044.30**	**2,003.30**	**1,987.80**	**-15.50**	**-0.8%**
Objects					
01 Salaries and Wages	$ 141,350,058	$ 138,343,374	$ 139,231,094	$ 887,720	0.6%
02 Technical and Special Fees	3,309,275	2,959,989	13,217,690	10,257,701	346.5%
03 Communication	1,561,376	759,235	787,149	27,914	3.7%
04 Travel	19,811	182,945	182,945	0	0%
06 Fuel and Utilities	1,020,410	1,100,439	985,506	-114,933	-10.4%
07 Motor Vehicles	3,842	6,777	6,777	0	0%
08 Contractual Services	54,985,868	52,004,028	53,148,625	1,144,597	2.2%
09 Supplies and Materials	534,788	1,025,805	1,079,264	53,459	5.2%
10 Equipment – Replacement	1,774	22,721	22,721	0	0%
11 Equipment – Additional	81,623	35,197	35,197	0	0%
12 Grants, Subsidies, and Contributions	2,692,840,364	1,537,396,971	2,242,732,182	705,335,211	45.9%
13 Fixed Charges	16,235,707	12,779,078	12,812,329	33,251	0.3%
Total Objects	**$ 2,911,944,896**	**$ 1,746,616,559**	**$ 2,464,241,479**	**$ 717,624,920**	**41.1%**
Funds					
01 General Fund	$ 197,662,195	$ 180,217,124	$ 178,404,537	-$ 1,812,587	-1.0%
03 Special Fund	17,668,085	17,564,020	17,810,085	246,065	1.4%
05 Federal Fund	2,696,614,453	1,548,835,415	2,268,026,857	719,191,442	46.4%
09 Reimbursable Fund	163	0	0	0	0.0%
Total Funds	**$ 2,911,944,896**	**$ 1,746,616,559**	**$ 2,464,241,479**	**$ 717,624,920**	**41.1%**

Note: The fiscal 2022 appropriation does not include 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.

Appendix 3
Fiscal Summary
Department of Human Services – Family Investment Administration

Program/Unit	FY 21 Actual	FY 22 Wrk Approp	FY 23 Allowance	Change	FY 22 - FY 23 % Change
02 Local Family Investment Program	$ 153,858,461	$ 158,444,667	$ 169,416,707	$ 10,972,040	6.9%
08 Assistance Payments	2,632,934,393	1,485,998,099	2,185,284,042	699,285,943	47.1%
10 Work Opportunities	26,262,048	28,806,462	28,883,806	77,344	0.3%
04 Director's Office	52,762,333	43,131,190	49,859,215	6,728,025	15.6%
05 Maryland Office for Refugees	10,588,463	14,684,906	14,896,474	211,568	1.4%
07 Office of Grants Management	35,539,198	15,551,235	15,901,235	350,000	2.3%
Total Expenditures	**$ 2,911,944,896**	**$ 1,746,616,559**	**$ 2,464,241,479**	**$ 717,624,920**	**41.1%**
General Fund	$ 197,662,195	$ 180,217,124	$ 178,404,537	-$ 1,812,587	-1.0%
Special Fund	17,668,085	17,564,020	17,810,085	246,065	1.4%
Federal Fund	2,696,614,453	1,548,835,415	2,268,026,857	719,191,442	46.4%
Total Appropriations	**$ 2,911,944,733**	**$ 1,746,616,559**	**$ 2,464,241,479**	**$ 717,624,920**	**41.1%**
Reimbursable Fund	$ 163	$ 0	$ 0	$ 0	0.0%
Total Funds	**$ 2,911,944,896**	**$ 1,746,616,559**	**$ 2,464,241,479**	**$ 717,624,920**	**41.1%**

Note: The fiscal 2022 appropriation does not include deficiency appropriations. The fiscal 2023 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.