

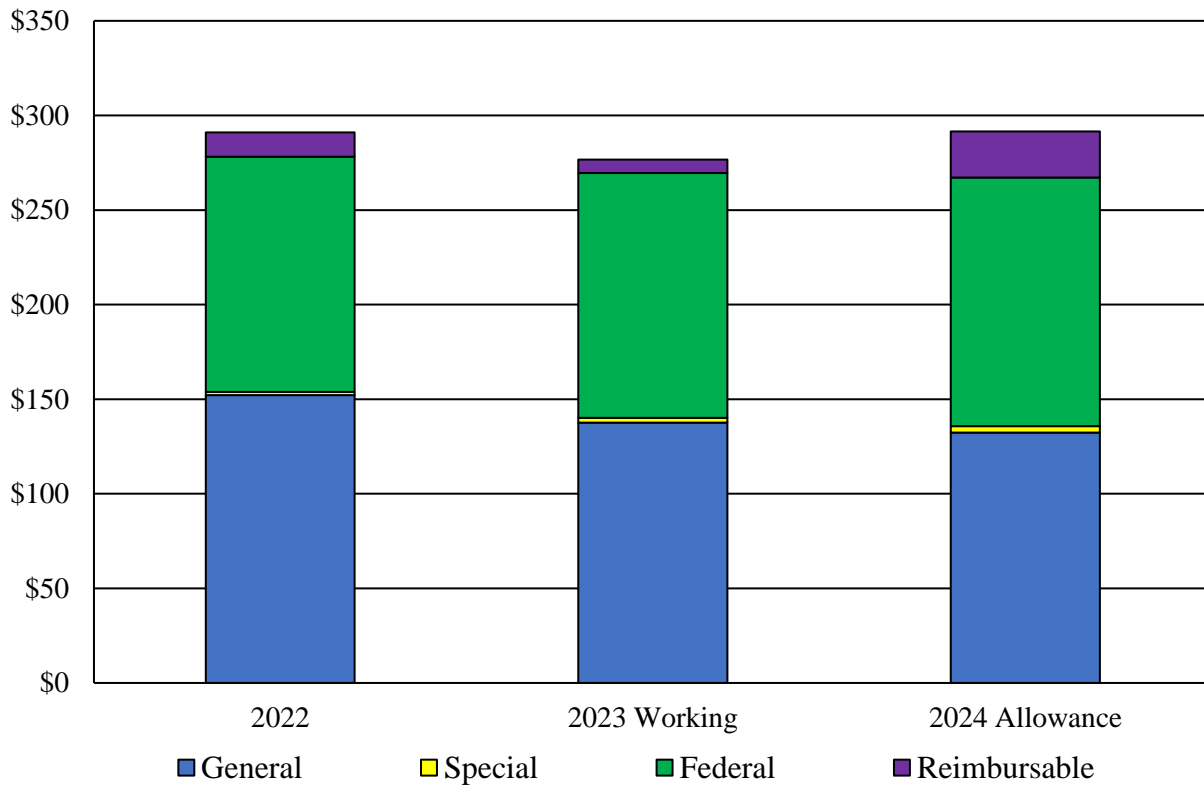
N00A01
Administration
Department of Human Services

Executive Summary

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

Operating Budget Summary

Fiscal 2024 Budget Increases \$14.9 Million, or 5.4%, to \$291.5 Million
(\$ in Millions)



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

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- The largest area of increase in the fiscal 2024 allowance is \$15 million in reimbursable funds for Maryland Total Human Services Integrated Network (MD THINK) web hosting services for external agencies.

Key Observations

- ***Departmentwide Vacancies:*** DHS has an departmentwide vacancy rate of 15.2%, which is the highest level DHS has experienced in at least 10 years. However, DHS has implemented strategies to improve recruitment and retention, including compensation adjustments for certain positions.
- ***MD THINK Moves to Maintenance and Operation (M&O) Stage:*** The development of the MD THINK platform will conclude in fiscal 2023. Expenses and activities related to MD THINK beginning in fiscal 2024 comprise of maintenance and interoperability efforts.

Operating Budget Recommended Actions

1. Add language restricting the general fund appropriation pending submission of report addressing audit findings.
2. Adopt committee narrative requesting a report to provide updates on the departmentwide recruitment and retention strategy.
3. Adopt committee narrative requesting information on State agency utilization of the Maryland Total Human Services Integrated Network.

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Operating Budget Analysis

Program Description

DHS manages human services programs through a State-supervised and locally administered system. DHS Administration provides direction through four major units:

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

Office of the Secretary

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

- Citizens Review Board for Children (CRBC);
- Maryland Commission for Women; and
- Maryland Legal Services Program (MLSP).

Operations Office

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

OTHS

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

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

Local General Administration

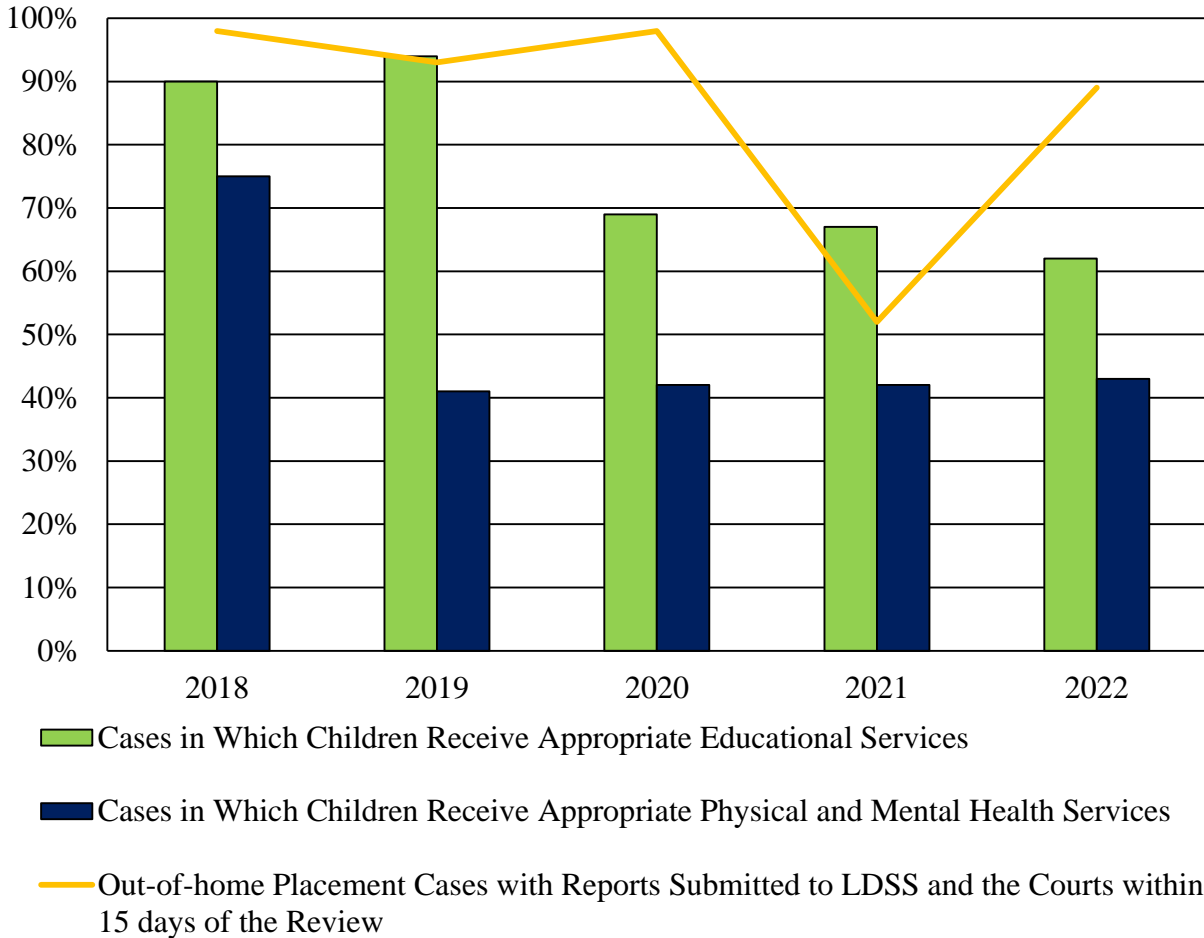
Local departments of social services (LDSS) are the arms of DHS in each jurisdiction. The administrative budgets of each LDSS are combined into the Local General Administration (LGA) unit for the purposes of the State budget. The LGA unit provides essential support services and staff to operate the 24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

Performance Analysis: Managing for Results

1. Children Receiving Appropriate Care

CRBC reviews cases of children in out-of-home placement and makes recommendations to the LDSS to ensure children receive proper educational and health services. As shown in **Exhibit 1**, the percentage of cases reviewed by CRBC in which children receive appropriate educational services decreased from over 90% to approximately 60% in fiscal 2022 but has remained level since fiscal 2020.

Exhibit 1
Receipt of Appropriate Care for Children in Out-of-home Placements and
Timeliness of Report Submission
Fiscal 2018-2022



LDSS: local departments of social services

Source: Governor’s Fiscal 2024 Budget Books

DHS also reports on the proportion of out-of-home placements in which reports were submitted to LDSS and courts within 15 days of CRBC’s review. Prompt report submission ensures timely coordination of services for children in out-of-home placements. The percentage of cases in which reports were submitted within 15 days decreased in fiscal 2021 to 52% from 98% in fiscal 2020 but has since risen to 89% in fiscal 2022. Although an improvement, this level of timely reporting is still below fiscal 2020 and prior years’ levels. **DHS should address efforts to continue to improve timeliness of reporting by CRBC.**

Fiscal 2023

Proposed Deficiency

The fiscal 2024 allowance for DHS Administration includes two proposed fiscal 2023 deficiency appropriations totaling \$16.1 million. One of the proposed deficiency appropriations would provide \$15.3 million to OTHS to decommission certain legacy IT systems. DHS reports that as of December 31, 2022, all systems included in the MD THINK project have transitioned from legacy IT systems to MD THINK. Further discussion of expenditures and the implementation timeline for MD THINK can be found in Issue 2 of this analysis.

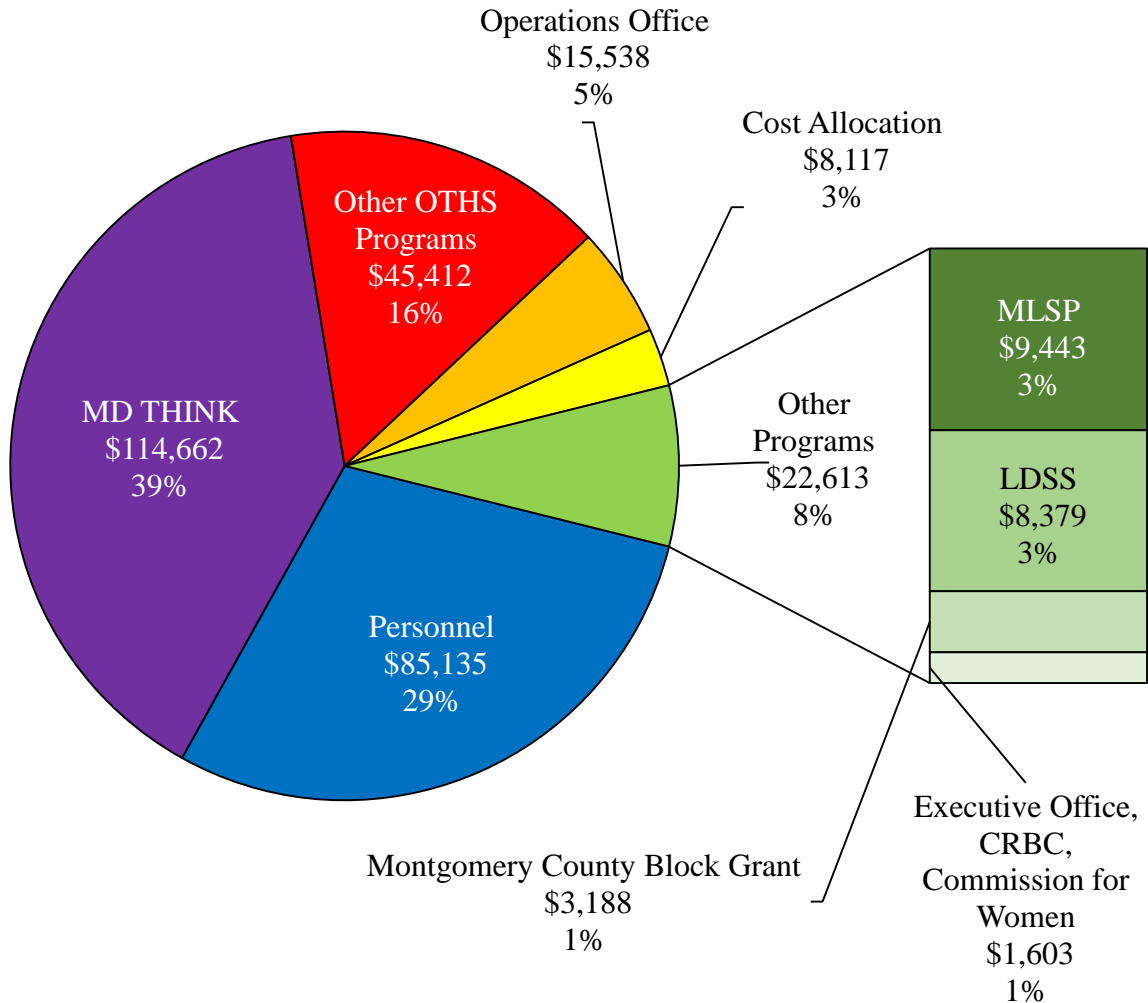
The remaining \$878,766 in general fund deficiency appropriation represents the administration's share of departmentwide deficiency appropriations for the Montgomery County Block Grant to reflect the prior year fund split for expenditures. Montgomery County receives a block grant for child welfare, adult services, family investment, and administrative expenditures rather than operating like other LDSS. This allows the county to offer higher pay and other flexibility for personnel.

Fiscal 2024 Overview of Agency Spending

As shown in **Exhibit 2**, the fiscal 2024 allowance for DHS Administration totals \$291.5 million. MD THINK represents more than one-third of the total allowance (39%). These costs represent ongoing IT maintenance and operating expenses, including web hosting services. MD THINK replaces many legacy IT systems previously used to store and manage data related to social services. The project aimed to increase interoperability of various systems across the agency and other State service providers and ultimately streamline users' experience assessing eligibility for State benefit programs, enrolling participants, and maintaining high-quality data.

MLSP provides legal representation in court proceedings for children involved in Child in Need of Assistance and Termination of Parental Rights cases. In addition, MLSP provides legal representation for indigent adults in adult protective services and adult public guardianship cases.

**Exhibit 2
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Thousands)**



CRBC: Citizens Review Board for Children
 LDSS: local departments of social services
 MD THINK: Maryland Total Human Services Integration Network
 MLSP: Maryland Legal Services Program
 OTHS: Office of Technology for Human Service

Note: Fiscal 2024 salary enhancements are budgeted in the Statewide Account within the Department of Budget and Management. The Operations Office is comprised of the Division of Budget, Finance, and Personnel and the Division of Administrative Services.

Source: Governor’s Fiscal 2024 Budget Books

Proposed Budget Change

As shown in **Exhibit 3**, the total fiscal 2024 allowance increases by \$14.9 million compared to the fiscal 2023 working appropriation. The \$3 million increase in personnel expenditures is driven mainly by this agency’s share of the statewide deficiency appropriation for the 4.5% cost-of-living adjustment provided in November 2022 (an increase of approximately \$903,000). Additional increases are due to increased health insurance costs (\$1.5 million increase) and other personnel adjustments (\$0.7 million).

**Exhibit 3
Proposed Budget
DHS – Administration
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2022 Actual	\$152,207	\$1,721	\$124,310	\$12,828	\$291,065
Fiscal 2023 Working Appropriation	137,614	2,599	129,269	7,115	276,596
Fiscal 2024 Allowance	<u>132,285</u>	<u>3,511</u>	<u>131,431</u>	<u>24,249</u>	<u>291,476</u>
Fiscal 2023-2024 Amount Change	-\$5,330	\$912	\$2,163	\$17,134	\$14,880
Fiscal 2023-2024 Percent Change	-3.9%	35.1%	1.7%	240.8%	5.4%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Employee and retiree health insurance.....	\$1,468
Annualization of 4.5% cost-of-living adjustment issued in November 2022	903
Salaries and wages	342
Employee retirement system	275
Other personnel adjustments	149
Turnover adjustment	-78
Information Technology Projects	
Additional Amazon Web Services costs for external agencies.....	15,000
Maintenance and operations (M&O) service of MD THINK for DHS programs ...	5,316
M&O service of MD THINK for MDH and other non-DHS state agencies	3,284
Implementation of a centralized financial management system to streamline business processes and provide oversight of local departments of social services (LDSS) chart of accounts	1,471
Software licenses for antiviral software	1,086

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Where It Goes:	<u>Change</u>
Customer support for the Electronic Payment Processing and Information Control system, which clients can use to access and manage Electronic Benefits Transfer-related benefits.....	469
Onsite support for maintenance and repair of information technology (IT) systems.....	-343
Decrease in managed printer service.....	-454
Fiscal 2023 deficiency to fund remainder of legacy IT systems contracts	-15,255
Local Departments of Social Services	
Montgomery County Block Grant for operating costs.....	67
Janitorial services and retention of security guards at LDSS offices.....	34
Other Changes	
Rent for new DHS headquarters in downtown Baltimore City.....	3,761
Cost allocation.....	503
Other expenses	237
Communication adjustments, including shift to increased teleworking expenses and decreased office communication costs	140
Contractual employee payroll	133
Office supplies.....	-386
Decrease in Child in Need of Assistance (CINA) contract for legal representation for children involved in CINA and Termination of Parental Rights cases due to fewer children entering care and availability of federal Title IV-E	-3,241
Total	\$14,880

DHS: Department of Human Services
MD THINK: Maryland Total Human Services Integrated Network

Note: Numbers may not sum to total due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

Other contributors to the increase are related to IT projects, the largest of which are service contracts for M&O of MD THINK, which is partially offset by a fiscal 2023 deficiency to fund legacy IT systems. Further discussion of MD THINK can be found in Issue 2 of this analysis. The fiscal 2024 allowance also includes a \$3.8 million increase for rent of DHS’ new headquarters in downtown Baltimore City, which is discussed further in the budget analysis for DHS Overview – N00.

Personnel Data

	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23-24</u> <u>Change</u>
Regular Positions	762.23	760.00	760.00	0.00
Contractual FTEs	<u>41.58</u>	<u>3.33</u>	<u>3.33</u>	<u>0.00</u>
Total Personnel	803.81	763.33	763.33	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	41.65	5.48%
Positions and Percentage Vacant as of 12/31/22	93.00	12.24%
Vacancies Above Turnover	51.35	

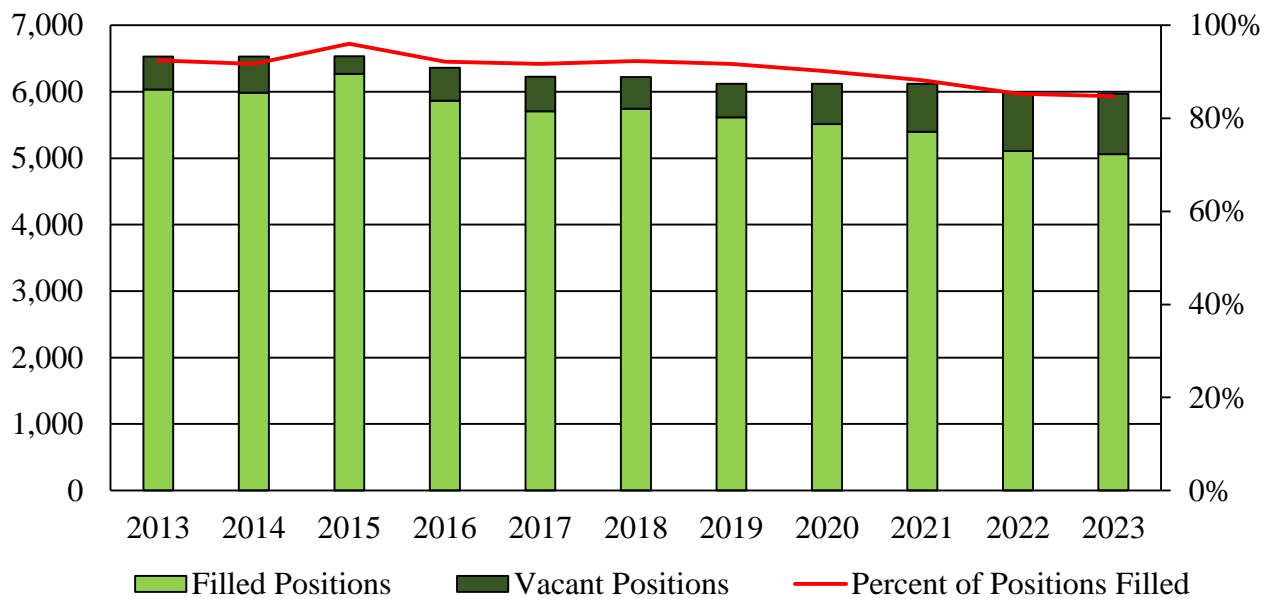
- DHS Administration has 51.35 vacancies above budgeted turnover. DHS continues to have high vacancy rates departmentwide. Further discussion of the DHS vacancy rate is discussed in Issue 1 in this analysis.

Issues

1. Record High Departmentwide Vacancy Rates Persist

As of January 2023, DHS had 910.23 total vacancies, or 15.2%, of the 5,970.68 authorized positions in fiscal 2023. The current vacancy rate increased slightly from the rate in January 2022 (14.7%) and is nearly double the January 2019 rate (8.3%). One-quarter of the total current vacancies have been unfilled for more than one year, and nearly half (47%) were vacated in the last six months. **Exhibit 4** presents information on the history of vacant positions and the share of authorized positions that were filled in January of each of the last 10 fiscal years.

Exhibit 4
DHS January Vacancy Rates
Fiscal 2013-2023

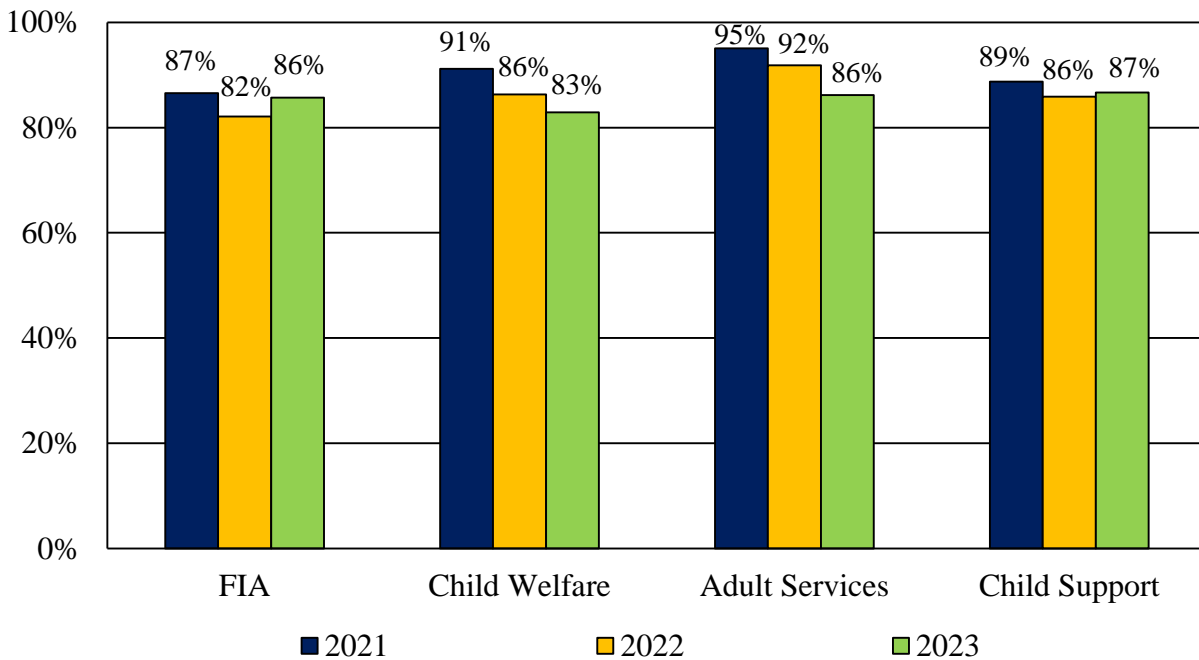


Source: Department of Human Services; Department of Legislative Services

Each of the individual DHS administrations have vacancy rates of at least 12%, with the Social Services Administration (SSA) and the Family Investment Administration (FIA) carrying vacancy rates of 16.6% and 15.3%, respectively. Nearly half of total departmentwide vacancies (435.7) are in SSA. Other DHS agencies were able to fill vacancies between January 2022 and January 2023, but the number of SSA vacancies increased by 93 during the same period.

The LDSS units have the highest number of authorized positions and vacancies as these offices in each jurisdiction staff both administrative functions and direct service functions, including child welfare and adult services caseworkers, eligibility determination and public benefit case management, and child support specialists. As of January 2023, there were 776.23 vacancies (15% vacancy rate) across all functions of the LDSS units. About 20% of these vacancies have been unfilled for more than one year. As shown in **Exhibit 5**, FIA and the Child Support Administration (CSA) increased the proportion of filled authorized positions, between January 2022 and January 2023, by 4% and 1%, respectively.

Exhibit 5
Percent of Filled Positions in By Function In
Local Departments of Social Services
Fiscal 2021-2023 (January Data for Each Year)

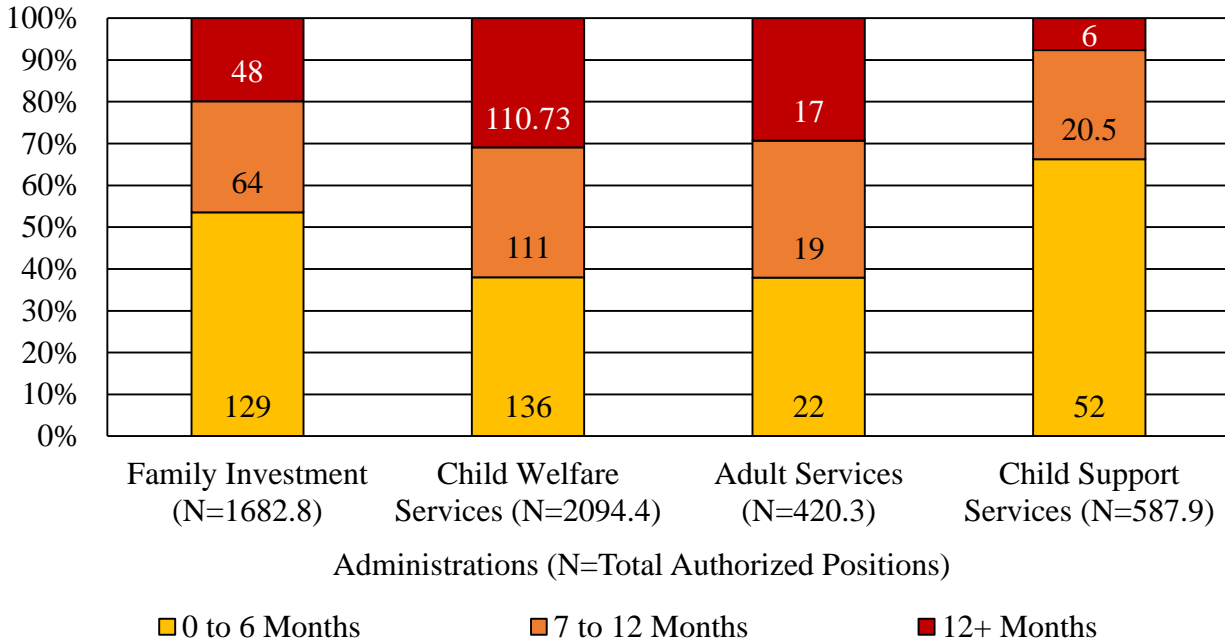


FIA: Family Investment Administration

Source: Department of Legislative Services; Department of Human Services

In the LDSS units, 40% of vacancies have remained unfilled for up to six months, and 21% have remained vacant for more than one year. As shown in **Exhibit 6**, vacancy durations vary by unit, with Child Welfare Services holding the highest proportion of long-term vacancies. About 30% of the Child Welfare Services’ total vacancies (110.73 positions) have been vacant for more than one year.

**Exhibit 6
Vacancy Duration in Local Public-facing Service Roles as of January 2023**



Source: Department of Legislative Services

DHS Recruitment and Retention Efforts

In a response to committee narrative in the 2022 *Joint Chairmen’s Report (JCR)* regarding departmentwide recruitment efforts, DHS reported filling 1,131 vacant positions departmentwide between January 1, 2022, and November 18, 2022. Challenges with employee retention during the same period could account for the continuation of a high vacancy rate. As part of its response, DHS identified factors contributing to the agency’s increasing vacancy rate since calendar 2019, noting also that the statewide hiring freeze implemented in April 2020 impeded DHS’s ability to hire staff during portions of this period. DHS cited six main factors that have contributed to the recent increase in the vacancy rate:

- the Great Resignation;
- low unemployment rates nationwide;
- challenges offering competitive compensation;
- ability to offer flexible work environments and schedules;

- sufficient professional development and advancement opportunities; and
- high barriers to entry-level positions that limit the pool of qualified applicants.

DHS analyzed the reasons given by departing employees in exit interviews for leaving DHS. According to DHS' review of this information, the main reason individuals gave for leaving their positions at the department was to pursue a growth position in a new job, closely followed by compensation, and then lack of career growth at DHS. To address these concerns and the factors outlined above, DHS compiled a plan and timeline to recruit and retain the necessary number of employees to bring down the agency's vacancy rate. Although it plans to institute these steps departmentwide, DHS is prioritizing recruitment in public-facing roles, most of which are in LDSS.

Ongoing Strategies to Reduce Vacancy Rates

In its 2022 JCR response, DHS outlined a five-pronged strategy to address the barriers identified earlier. As of the report's submission in December 2022, DHS had already implemented these strategies and reported ongoing efforts to reach these goals. Progress toward achieving each objective is briefly described below.

- ***Deepen the Pool of Candidates:*** DHS adjusted minimum education requirements for the family investment specialist series in March 2022 to open those roles to more candidates (this issue is discussed further in the budget analysis for FIA – N00I00). DHS is working with the Department of Budget and Management to make similar changes to the child support specialist series.
- ***Streamline the Recruitment Process:*** Beginning in fall 2021, DHS has been identifying and implementing methods to make its recruitment process more efficient. DHS reports that these efforts are ongoing.
- ***Increase and Improve Marketing of DHS as an Employer:*** DHS has leveraged social media and formed partnerships with local academic institutions to increase its visibility and improve its reputation as a potential employer. DHS also hired an external recruitment marketing specialist to develop a marketing strategy, expected for review January 2023.
- ***Offer Competitive Compensation:*** DHS increased base salaries for some job classifications, including social workers in FIA, SSA, and CSA. These increases took effect November 15, 2022. The agency continues to monitor job classifications and salary bands to institute salary adjustments as necessary.
- ***Promote Balanced Work Environments:*** Supervisorial training to foster better communication between managers and direct reports is ongoing, and DHS allows

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teleworking for qualifying job roles. The agency relies on employee surveys and exit interviews to identify additional opportunities for improvement.

As noted earlier, DHS established step increases for certain positions that had salaries below the minimum hiring step for new employees. Funding for the step increases appears in the fiscal 2024 allowance as new funding (\$10.5 million) because, in fiscal 2023, these costs (estimated at approximately \$6.6 million) are funded through savings from having a vacancy rate 8.1 percentage points higher than budgeted turnover of 7.1%. The savings from the higher than necessary vacancy rate in fiscal 2023 totals an estimated \$38.2 million, of which an estimated \$20.6 million is general funds. The Department of Legislative Services (DLS) estimates that \$16.8 million of the general fund savings is beyond the level needed to cover the State share of costs associated with the step increase. DHS can commit these surplus State funds to other spending, unlike federal funds that sometimes rely on securing matching funding. **DHS should comment on how the additional savings from the higher than budgeted vacancies will be used in fiscal 2023 to support operations of the department.**

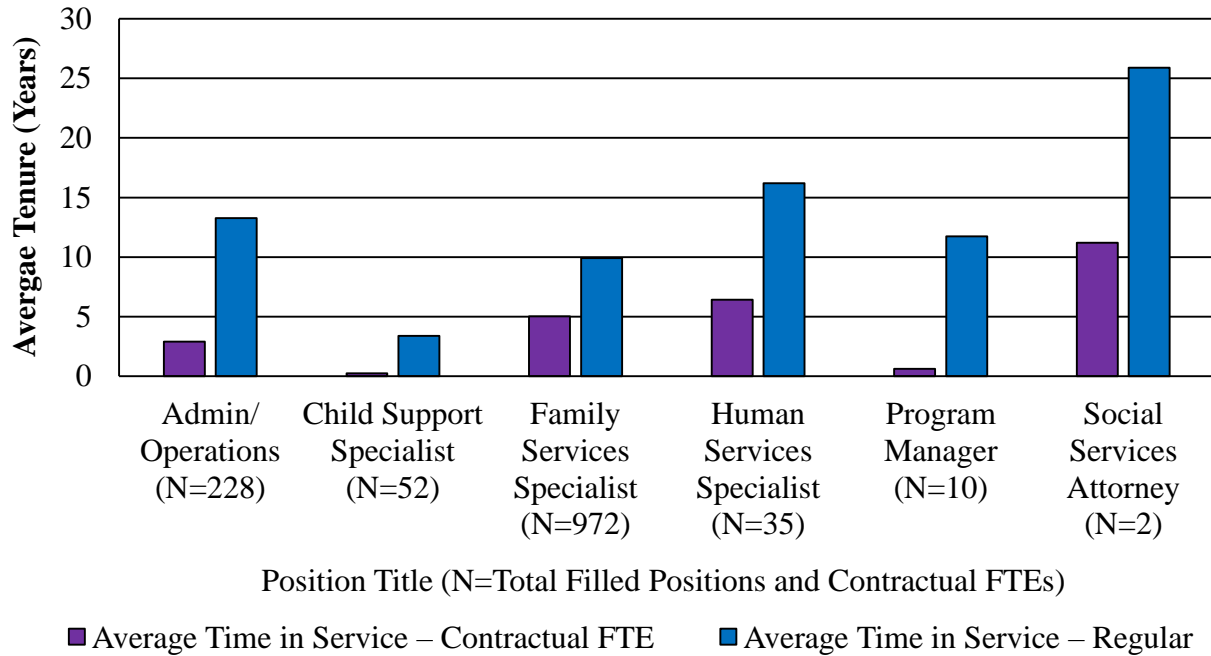
Given the ongoing recruitment and retention efforts of DHS, DLS recommends adopting committee narrative requesting that DHS provide progress updates on its recruitment efforts.

Utilization of Contractual Full-time Equivalents to Backfill Urgent Needs

DHS uses contractual full-time equivalents (FTE) to fill immediate staffing needs that are short-term or specialized. Committee narrative in the 2022 JCR also requested a report on the use of contractual FTEs at DHS in fiscal 2022 and 2023. In fiscal 2022 and 2023, DHS employed 280 contractual FTEs across programs. Of these, 188 were created using funding from the American Rescue Plan Act allocated to support case management for Supplemental Nutrition Assistance Program cases. This funding expires at the close of federal fiscal 2023. However, DHS aims to convert as many FIA contractual staff to regular personnel as possible and is actively recruiting for these roles to fill gaps in contractual positions that are not transferred or converted. Additional discussion of these contractual FTEs appears in the budget analysis for FIA – N00I00.

The response also included data comparing the average tenure of regular employees and comparable contractual FTEs. As shown in **Exhibit 7**, average tenure among contractual FTEs is about 25% of that of regular staff. DHS reports that part of the reason for this discrepancy is the high rate of contractual staff transferring or converting to regular positions. In addition, DLS notes that in general, contractual FTE are meant to be used for short-term needs.

**Exhibit 7
Comparison of Average Tenures of Contractual FTEs and Regular Staff
As of Fiscal 2023**



FTE: full-time equivalent

Note: Listed average tenures represent the average of the average tenures provided for all positions in each classification series, based on available data.

Source: Department of Human Services

2. MD THINK Platform Enters M&O Phase

DHS introduced the MD THINK project in fiscal 2017 to integrate IT systems for the suite of social services the State provides to eligible individuals. The project has three main goals: (1) streamline caseworkers’ job functions to enroll residents in appropriate programs; (2) serve as one point-of-entry system for potential clients to determine eligibility for multiple public programs; and (3) increase interoperability of systems across different State agencies. Through the MD THINK Major Information Technology Development Project, DHS transitioned most of the IT systems for the entire agency and a few other State human service providers from legacy systems to MD THINK. External agencies participating in MD THINK to date include the Maryland Health Benefit Exchange, the administrative unit of the Maryland Department of Health (MDH), and the Medical Care Programs Administration. The fiscal 2024 allowance includes

\$24.2 million in reimbursable funds to support these agencies costs related to MD THINK. DHS reports that all of its major legacy IT systems have been phased out as of December 31, 2022. As shown in **Exhibit 8**, multiple DHS systems have transitioned to MD THINK gradually through December 2022.

Exhibit 8
Transition Timeline to MD THINK

<u>Activity</u>	<u>Completed</u>
Child, Juvenile, and Adult Management System (Child Welfare, Adult Services, and Provider Portal Modules) for SSA Deployed Statewide	July 2020 March 2021 September 2021
Eligibility and Enrollment System for FIA Deployed Statewide	November 2021
Legacy SSA Child Welfare System Retired	December 2021
Migration of All DHS Small Applications to MD THINK Completed	August 2022
Child Support Management System for CSA Deployed Statewide	September 2022
Legacy FIA and CSA Data Systems Decommissioning Started, Including Archiving of Application Data	November 2022
Decommission of All DHS Legacy Systems and Applications Completed	December 2022

CSA: Child Support Administration
DHS: Department of Human Services
FIA: Family Investment Administration
MD THINK: Maryland Total Human Services Integration Network
SSA: Social Services Administration

Source: Department of Human Resources

Committee narrative in the 2022 JCR requested that DHS provide a list of reports that will be available through the MD THINK platform. As of October 2022, there were 953 available reports across five programs, with 92 reports in development for CJAMS, E&E, and CSMS, all with anticipated available dates in calendar 2023. The available reports include financial reports by program, reports on different metrics for service provisions, and reports of data required to be collected by federal contracts.

The fiscal 2023 working appropriation includes a \$15 million deficiency to decommission legacy IT systems. DHS does not anticipate additional expenses related to system transition in fiscal 2024 and reports that MD THINK has entered the M&O phase of implementation. The fiscal 2024 allowance includes \$135 million in expenditures to support M&O of MD THINK, an

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increase of \$23.6 million from the fiscal 2023 working appropriation. Of this increase, \$17.1 million in reimbursable funds for Amazon Web Services related to external agency usage. Moving forward, other agencies may opt to move to MD THINK for the Shared Platform.

DLS recommends adopting committee narrative requesting a report from DHS that identifies additional agencies that have transitioned or will transition their IT systems to MD THINK, the timeline for transition, and additional costs related to the transition.

Operating Budget Recommended Actions

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

, provided that \$100,000 of this appropriation made for the Office of the Secretary may not be expended until the Department of Human Services (DHS) submits a report to the budget committees detailing the department’s efforts to improve oversight of the local department of social services (LDSS) to ensure compliance with State law and regulations and DHS policy as well as improve oversight of procurement processes as included as a repeat finding in the fiscal compliance audit of Local Department Operations released by the Office of Legislative Audits in March 2022. The report shall also detail steps LDSS are taking to resolve repeat audit findings identified in the March 2022 fiscal compliance audit. The report shall be submitted by November 1, 2023, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: Due to concern over repeat audit findings, the Joint Audit and Evaluation Committee has requested language restricting funds until repeat audit findings are resolved. Given the unique nature of the Local Department Operations audit, which reviews DHS Office of Inspector General audit reports on each LDSS, this language represents a modification to the standard language. This language restricts funds within the Office of the Secretary pending information on efforts by the department to improve oversight of LDSS as well as information on the steps taken by LDSS to address the repeat audit findings.

Information Request	Author	Due Date
Report on efforts to improve oversight of LDSS	DHS	November 1, 2023

2. Adopt the following narrative:

Recruitment and Retention Strategy Update: The Department of Human Services (DHS) is experiencing departmentwide vacancy rates nearly double its vacancy rates from fiscal 2019. Given the agency’s recent adoption of multiple recruitment and retention efforts, the committees request that DHS submit a progress update on the impact of its strategy. The report should include the following information:

- a summary of DHS’ new recruitment marketing strategy, including recommendations from the marketing consultant;

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- the status of the update to qualification requirements for the child support specialist job series;
- detail on how the department reallocated savings from higher than budgeted vacancies and how much of these savings were reverted or canceled; and
- a compensation comparison of similar jurisdictions of positions with the highest vacancy rates.

Information Request	Author	Due Date
Recruitment and retention strategy update	DHS	November 1, 2023

3. Adopt the following narrative:

Report on External Utilization of the Maryland Total Human Services Integrated Network (MD THINK): The Department of Human Services (DHS) began the MD THINK project in fiscal 2017 and, as of December 2022, has completed the transition phase of the project for its department. Other State agencies, including agencies within the Maryland Department of Health, have also transitioned to using MD THINK as their information technology platform. To understand the extent agencies besides DHS could benefit from the new system, the committees request that DHS submit a summary of external agency participation with MD THINK. The report should include:

- list of non-DHS agencies that have transitioned, or plan to transition to, the MD THINK platform;
- implementation timeline for the identified potential transitions agencies, including the transition of the Department of Juvenile Services into the Child, Juvenile, and Adult Management System; and
- cost estimates for the transition phase for each agency.

Information Request	Author	Due Date
Report on external utilization of MD THINK	DHS	September 1, 2023

Appendix 1
2022 Joint Chairmen’s Report Responses from Agency

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

- ***Departmentwide Recruitment Plan:*** DHS identified six factors driving the agency’s high vacancy rate and outlined a recruitment and retention plan. Further discussion of DHS’s high vacancy rate is in Issue 1 of this analysis.
- ***Use of Contractual FTEs:*** DHS provided an update on its utilization of contractual FTEs during fiscal 2022 and 2023. Further discussion of the agency’s utilization of contractual FTEs is included in Issue 1 of this analysis.
- ***Catalog of Available Data Reports:*** DHS submitted a catalogue of available and future reports on the MD THINK platform. Discussion on MD THINK, including the scope of interoperability across state agencies, is included in Issue 2 of this analysis.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	March 13, 2018 – February 18, 2021
Issue Date:	March 2022
Number of Findings:	6
Number of Repeat Findings:	5
% of Repeat Findings:	83%
Rating: (if applicable)	n/a

Finding 1: DHS did not have an effective process to ensure that LDSS complied with State law regulations and DHS policies.

Finding 2: The Office of the Inspector General (OIG) reported numerous instances in which LDSS controls over fiscal management activities were inadequate, including bank accounts, procurements, and gift cards.

Finding 3: OIG reported numerous LDSS deficiencies related to critical FIA policies, such as those intended to ensure the propriety of recipient eligibility for public assistance and food benefits.

Finding 4: OIG reported numerous LDSS deficiencies related to critical SSA policies, including child and adult protective services and the out-of-home placement program.

Finding 5: OIG reported numerous deficiencies related to LDSS user access to critical computer systems.

Finding 6: LDSS contracts were not adequately monitored, and sole source procurements were not adequately justified.

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

Appendix 3
Maryland Total Human Services Integrated Network
Major Information Technology Project
Department of Human Services – Administration

Further discussion of the MD THINK project can be found in Key Observation 2 in this analysis.

Ongoing								
Start Date: Fiscal 2017					Est. Completion Date: Fiscal 2023			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2023	2024	2025	2026	2027	Remainder	Total
GF	\$107.582	\$0.100	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$107.682
SF	39.169	0.000	0.000	0.000	0.000	0.000	0.000	39.169
FF	372.363	0.000	0.000	0.000	0.000	0.000	0.000	372.363
Total	\$519.114	\$0.100	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$519.214

- **Project Summary:** MD THINK integrates State social service IT systems into one platform to connect participant eligibility and program enrollments and streamline work processes for caseworkers
- **Need:** Legacy IT system employed by DHS and MDH lack interoperability necessary to allow multiple State agencies to share data, reduce case worker redundancies, and enable clients’ ability to track their own service applications and usage.
- **Observations and Milestones:** As of December 31, 2022, State legacy IT systems planned to transition to MD THINK have been decommissioned.
- **Changes:** The startup phase of MD THINK concludes in fiscal 2023, and the project has transitioned to the M&O phase of the platform’s implementation.
- **Concerns:** If additional State agencies decide to participate in the MD THINK platform, additional startup costs would be incurred.

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

<u>Object/Fund</u>	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u> <u>Appropriation</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23 - FY 24</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	762.23	760.00	760.00	0.00	0%
02 Contractual	41.58	3.33	3.33	0.00	0%
Total Positions	803.81	763.33	763.33	0.00	0%
Objects					
01 Salaries and Wages	\$ 81,958,994	\$ 79,587,190	\$ 84,451,923	\$ 4,864,733	6.1%
02 Technical and Special Fees	2,163,270	546,174	682,662	136,488	25.0%
03 Communication	11,810,050	12,986,020	13,125,773	139,753	1.1%
04 Travel	170,012	353,618	272,143	-81,475	-23.0%
06 Fuel and Utilities	493,532	424,266	421,424	-2,842	-0.7%
07 Motor Vehicles	188,637	369,542	365,123	-4,419	-1.2%
08 Contractual Services	167,098,280	146,877,492	170,454,181	23,576,689	16.1%
09 Supplies and Materials	834,071	1,551,253	1,165,647	-385,606	-24.9%
10 Equipment – Replacement	898,679	2,924,590	2,422,633	-501,957	-17.2%
11 Equipment – Additional	14,097,138	619,192	777,692	158,500	25.6%
12 Grants, Subsidies, and Contributions	44,028	2,338,608	3,284,269	945,661	40.4%
13 Fixed Charges	11,308,106	10,075,650	14,052,653	3,977,003	39.5%
Total Objects	\$ 291,064,797	\$ 258,653,595	\$ 291,476,123	\$ 32,822,528	12.7%
Funds					
01 General Fund	\$ 152,206,522	\$ 127,835,598	\$ 132,284,619	\$ 4,449,021	3.5%
03 Special Fund	1,720,968	2,579,401	3,510,678	931,277	36.1%
05 Federal Fund	124,309,774	121,123,696	131,431,456	10,307,760	8.5%
09 Reimbursable Fund	12,827,533	7,114,900	24,249,370	17,134,470	240.8%
Total Funds	\$ 291,064,797	\$ 258,653,595	\$ 291,476,123	\$ 32,822,528	12.7%

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

Appendix 5
Fiscal Summary
Department of Human Services – Administration

<u>Program/Unit</u>	<u>FY 22 Actual</u>	<u>FY 23 Wrk Approp</u>	<u>FY 24 Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24 % Change</u>
01 Office of the Secretary	\$ 19,925,254	\$ 16,829,674	\$ 17,833,074	\$ 1,003,400	6.0%
02 Citizen’s Review Board for Children	872,233	926,204	978,111	51,907	5.6%
03 Commissions	237,592	154,983	159,974	4,991	3.2%
04 Legal Services Program Management	10,929,191	13,076,941	9,799,200	-3,277,741	-25.1%
01 Division of Budget, Finance and Personnel	23,779,426	25,461,883	30,488,994	5,027,111	19.7%
02 Division of Administrative Services	9,773,371	10,562,984	10,749,479	186,495	1.8%
02 Major Information Technology Development	16,081,906	0	0	0	0%
04 General Administration	165,037,698	144,555,846	171,127,232	26,571,386	18.4%
05 General Administration	44,428,126	47,085,080	50,340,059	3,254,979	6.9%
Total Expenditures	\$ 291,064,797	\$ 258,653,595	\$ 291,476,123	\$ 32,822,528	12.7%
General Fund	\$ 152,206,522	\$ 127,835,598	\$ 132,284,619	\$ 4,449,021	3.5%
Special Fund	1,720,968	2,579,401	3,510,678	931,277	36.1%
Federal Fund	124,309,774	121,123,696	131,431,456	10,307,760	8.5%
Total Appropriations	\$ 278,237,264	\$ 251,538,695	\$ 267,226,753	\$ 15,688,058	6.2%
Reimbursable Fund	\$ 12,827,533	\$ 7,114,900	\$ 24,249,370	\$ 17,134,470	240.8%
Total Funds	\$ 291,064,797	\$ 258,653,595	\$ 291,476,123	\$ 32,822,528	12.7%

Note: The fiscal 2023 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.