

N00C01
Adult and Community Services
Department of Human Resources

Operating Budget Data

(\$ in Thousands)

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$39,460	\$41,908	\$35,280	-\$6,628	-15.8%
Special Fund	35,089	34,445	34,494	49	0.1%
Federal Fund	90,146	97,976	96,554	-1,422	-1.5%
Reimbursable Fund	<u>375</u>	<u>375</u>	<u>375</u>	<u>0</u>	
Total Funds	\$165,069	\$174,704	\$166,703	-\$8,001	-4.6%

- A fiscal 2006 deficiency appropriation in the amount of \$13 million has been requested to set aside funds for the potential increased demand for energy assistance. The funds are included in the Dedicated Purpose Account rather than the Department of Human Resources (DHR) budget.
- The fiscal 2007 allowance decreases by \$8 million from the 2006 working appropriation with general funds decreasing by 15.8% and federal funds decreasing by 1.5%. The decrease in funding is mainly caused by the transfer of the Living at Home Waiver to the Department of Health and Mental Hygiene (\$14.8 million).

Personnel Data

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>
Regular Positions	557.83	581.03	596.03	15.00
Contractual FTEs	<u>2.97</u>	<u>3.80</u>	<u>2.30</u>	<u>-1.50</u>
Total Personnel	560.80	584.83	598.33	13.50

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	23.96	4.02%
Positions Vacant as of 12/31/05	36.00	6.20%

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

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- The fiscal 2007 allowance includes an additional 15 positions for the Community Services Administration (CSA). These positions will be allocated to the Baltimore City Department of Social Services to help the office implement strategic plan initiatives.
- The net change to contractual full-time positions is a decrease of 1.5. This consists of a 2-contractual position decrease for the administration of the Office of Home Energy Programs (OHEP), and a 0.5 increase in the local departments of social services.
- As of December 31, 2005, DHR's adult and community services programs had a vacancy rate of 6.2%, which consists of 36 vacancies. The department reports that one of these vacant positions has been filled. Ninety percent of the vacancies are in the local departments of social services. Three of the vacant positions in the adult services local offices have been vacant for more than a year.

Analysis in Brief

Major Trends

OHEP Consistently Is Not Reaching Managing for Results Goal: The percent of eligible households certified to receive the Maryland Energy Assistance Program and the Electric Universal Service Program benefits is consistently below the department's goal of 34%.

Level of Funding Is Not Tied to Performance for CSA Programs: The budget for the Maryland Office for New Americans has been increasing while the performance measures are decreasing. The Shelter and Nutrition program is expecting performance measures to remain stable while funding for the program is decreasing.

Issues

Increasing Demand for OHEP Programs Expected: CSA expects demand for the energy assistance programs to increase in fiscal 2006 and 2007 due to heating fuel prices rising and the deregulation of the Baltimore Gas and Electric Company rates in the summer of 2006.

Staffing for Adult Services: From 2001 through 2006, local offices experienced significant decreases in authorized adult services positions caused mainly by cost containment. DHR claims adult services have the fastest-growing demand of all services.

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete 5 of the proposed 15 new regular positions.	\$ 181,883	5.0
Total Reductions	\$ 181,883	5.0

N00C01 – DHR – Adult and Community Services

N00C01
Adult and Community Services
Department of Human Resources

Operating Budget Analysis

Program Description

The Department of Human Resources (DHR) Community Services Administration (CSA) provides programs and services that foster independence and safety for vulnerable individuals and families in their communities. CSA works in partnership with local departments of social services (LDSS) and Maryland's community-based and faith-based organizations by providing leadership and resources. Key goals are:

- to ensure that individuals and families in crisis will have their needs met through emergency services;
- to ensure that individuals and families will have their safety needs met; and
- to ensure that individuals and families served by CSA achieve their maximum level of economic and personal independence.

CSA consists of the following programs:

Maryland Office for New Americans

The Maryland Office for New Americans' (MONA) mission is to provide services to ensure that refugees in Maryland become economically self-sufficient and to assist refugees and immigrants in their adjustment to mainstream society. MONA manages a federally funded refugee resettlement program that provides cash, medical assistance, and social services such as employment services, English language, cultural training, and support services to refugees residing in Maryland. MONA also helps legal foreign-born residents successfully complete the naturalization process. MONA's services are intended to lead to refugees' early economic independence and social adjustment.

Maryland Legal Services Program

The Maryland Legal Services Program's (MLSP) mission is to protect the legal rights and interests of DHR's customers in legal proceedings by providing effective legal counsel. MLSP provides the legal representation for children in Child in Need of Assistance (CINA) and Termination of Parental Rights proceedings and for disabled indigent adults in Adult Public Guardianship proceedings. MLSP contracts with legal organizations, or pays for court-appointed private attorneys if a conflict of interest exists, to provide effective legal counsel.

Shelter and Nutrition

The Shelter and Nutrition Program includes departmental initiatives to provide emergency shelter, transitional housing, emergency food, housing counseling, supportive services, and related activities for homeless persons and persons at risk of becoming homeless. The program includes the following subprograms: (1) Emergency and Transitional Housing and Services Program; (2) Housing Counseling Program; (3) Service-Linked Housing Program; (4) Homeless Women-Crisis Shelter Home Program; (5) Emergency Food Assistance Program; (6) Maryland Emergency Food Program; (7) Meal Delivery to Patients with AIDS Program; (8) Statewide Nutrition Assistance Program; and (9) Homelessness Prevention Program, which is administered by CSA but budgeted through the Family Investment Administration.

Adult Services

Adult Services provides protective services for vulnerable adults, case management, supportive housing, assistance of in-home aides, and respite for family caregivers through local Department of Social Services and community-based agencies. These services prevent or delay unnecessary or premature institutional care. Also, Adult Services funds the fatherhood programs, Responsible Choices, Access and Visitation, and the Healthy Marriage Initiative, but these programs are administered by the Office of Community Initiatives.

Office of Victim Services

The mission of the Office of Victim Services is to meet the needs of victims in crisis and transition, former Temporary Assistance for Needy Families customers, unemployed, and qualifying displaced homemakers. The Office of Victim Services promotes departmental initiatives to provide an environment of greater safety for victims of crime and their families, especially for victims of domestic violence, rape, sexual assault, and child abuse. It includes the following subprograms: Victims of Crime Assistance Program; Domestic Violence Program; and Rape Crisis Program. Funded under the Office of Victim Services but administered by the Office of Community Initiatives includes the Displaced Homemaker Program; Project Retain; and Child First Authority. The Homeless Women-Crisis Shelter Program is also funded by the Office of Victims Services.

Office of Home Energy Programs

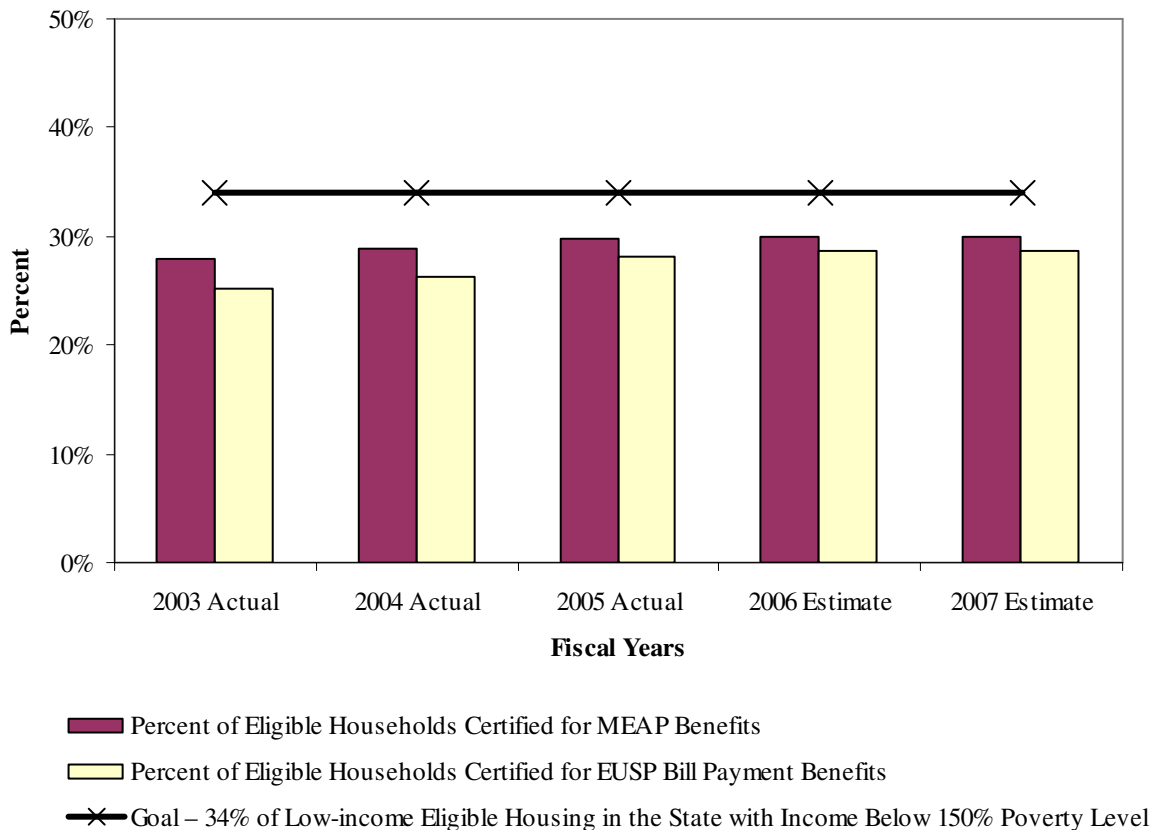
The Office of Home Energy Programs (OHEP) administers home energy assistance programs that provide services for low-income families who are vulnerable to the costs of higher energy consumption. These services, administered through local agencies in each State jurisdiction, include direct cash payments (benefits); indirect assistance (budget counseling, vendor arrangements, and referrals); and non-cash assistance (energy heating/cooling equipment repair and replacement). OHEP administers the Maryland Energy Assistance Program (MEAP) and the Electric Universal Services Program (EUSP).

Performance Analysis: Managing for Results

Office of Home Energy Programs

Exhibit 1 shows the Managing for Results (MFR) data for OHEP. The percent of eligible households certified to receive MEAP, EUSP bill payment, or EUSP arrearage payment assistance is far below the goal for each of these programs. In fiscal 2005, OHEP reported that it was spending considerable time and effort on new campaigns to promote public awareness of these programs. The publicity work of OHEP, along with the media coverage of home heating costs this year, and the increased eligibility of the OHEP programs, should show the performance measures increasing for fiscal 2006 and 2007.

**Exhibit 1
Managing for Results – OHEP
Fiscal 2003 – 2007**

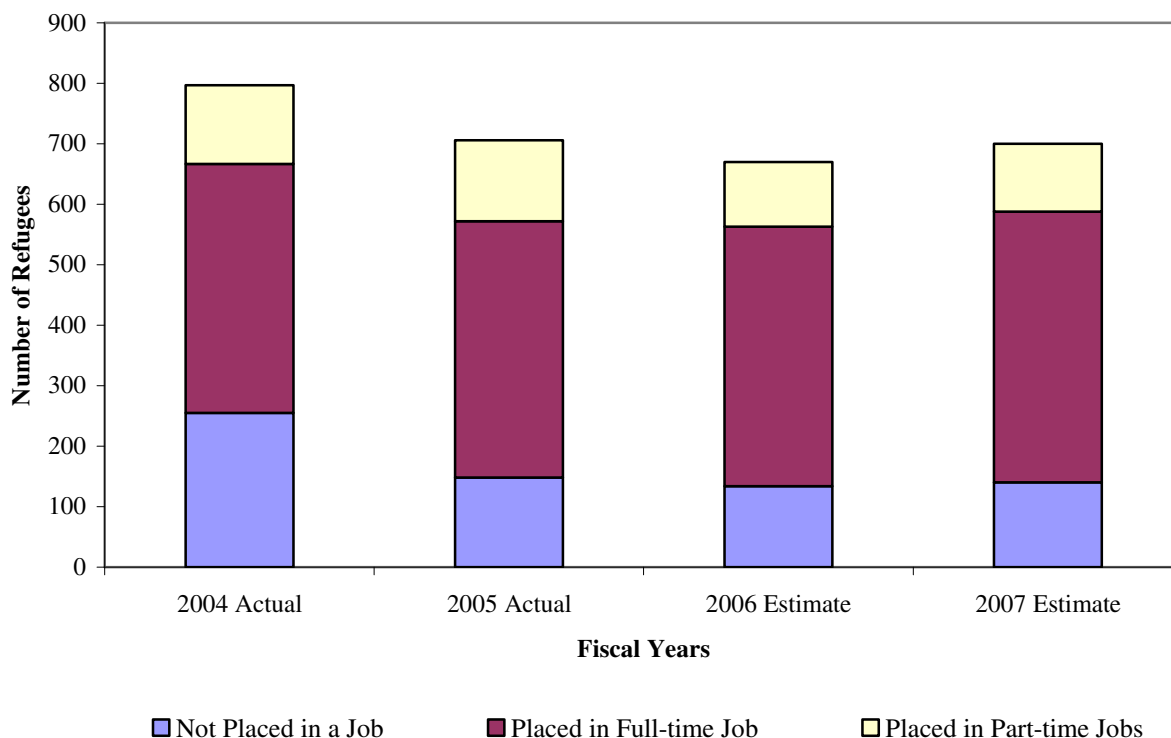


Source: Department of Human Resources

Maryland Office for New Americans

Exhibit 2 shows performance data specific to MONA. MONA’s fiscal 2007 budget allowance is an 88% increase over the fiscal 2005 actual expenditure, but the performance measures are expected to slightly decrease through fiscal 2006 and 2007.

Exhibit 2
Managing for Results – MONA
Fiscal 2004 – 2007

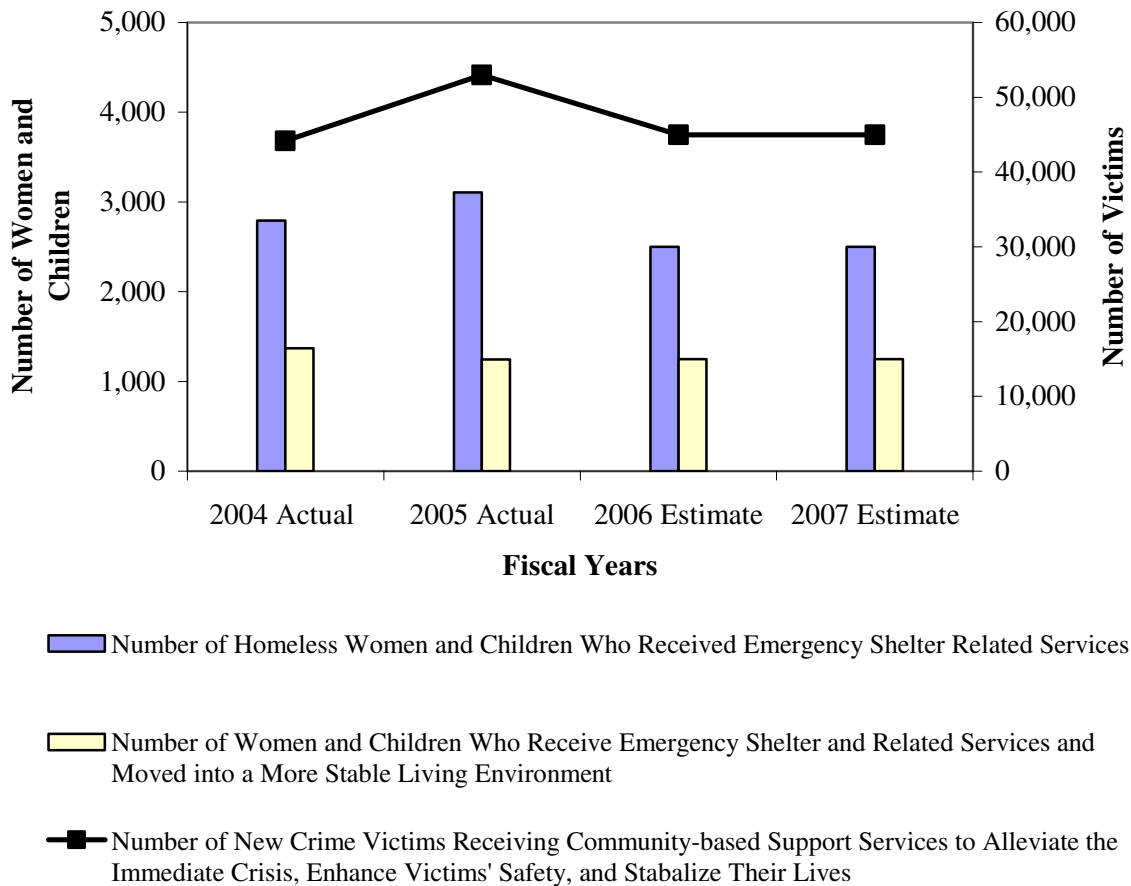


Source: Department of Human Resources

Office of Victims Services

The CSA’s Office of Victim Services performance data is shown in **Exhibit 3**. The performance measures remain relatively constant throughout the four years of data. In fiscal 2005, the department stated that performance was expected to improve as DHR assisted the reduced number of vendors in expanding their services. In addition, the fiscal 2007 allowance for the Office of Victims Services (\$19 million) provides a 13% increase over the fiscal 2005 actual expenditure. However, the performance measures for the Office of Victims Services are expected to remain constant.

**Exhibit 3
Managing for Results – Victims Services
Fiscal 2004 – 2007**



Source: Department of Human Resources

Shelter and Nutrition

MFR data for CSA’s Shelter and Nutrition Program is portrayed in **Exhibit 4**. The performance measures remain fairly constant in these areas throughout the four fiscal years. However, in past years, the department has explained that services have been declining as the budget was increased because the costs of services and housing have been rising. However, with the budget going down in fiscal 2006 and 2007, the department is expecting to be able to provide the same amount of services.

Exhibit 4
Managing for Results – Shelter and Nutrition
Fiscal 2004 – 2007
(\$ in Millions)



Source: Department of Human Resources

Fiscal 2006 Actions

Proposed Deficiency

The fiscal 2007 allowance includes a \$13 million deficiency appropriation in the Dedicated Purpose Account that sets aside funds for the potential increase for energy assistance programs and the Department of Housing and Community Development’s (DHCD) weatherization program. The

funding will be used to offset a possible shortfall in federal funding in fiscal 2006 and to cover increasing electric costs in fiscal 2007.

OHEP estimates that funds for MEAP and EUSP will be exhausted by the end of March 2006. The department plans to use the deficiency appropriation to fund the new Project Heat Up (\$4 million), the MEAP and EUSP programs (\$8.4 million) when the current appropriation is exhausted, and furnace replacement (\$400,000). See Issue 1 for additional information.

Governor's Proposed Budget

The highlights of the Governor's Proposed Budget are shown **Exhibit 5**. The fiscal 2007 allowance is \$8 million less than the 2006 working appropriation. This decrease is mainly caused by the \$14.8 million decrease in general and federal funds, due to the transfer of the Living at Home Waiver to the Department of Health and Mental Hygiene (DHMH).

Personnel

The fiscal 2007 allowance includes 15 new positions for Baltimore City's Department of Social Service's (BCDSS) Adult Services program to provide an array of services that include life skills, job development skills, and educational development. These additional positions will assist BCDSS in meeting its strategic plan initiatives that include an integration of all current organizational commitments for excellence in administration and program service outcomes.

The 15 positions will be comprised of nurses, administrators, and caseworkers to increase the ability to conduct home studies to ensure that the adults are safe in their homes. DHR claims that the need for positions is greater in adult services than other areas because adult services have the fastest growing need for services of all the services in Baltimore City.

Energy Assistance

The 2007 allowance includes an additional \$1.5 million (comprised mainly of federal funds) for energy assistance programs. MEAP will receive most of this money to increase the energy assistance benefits, while the administrative operation for OHEP will receive \$270,000.

MONA

Increase of \$771,633 in federal funds to expand the Public Private Partnership to Prince George's and Montgomery counties. In fiscal 2002, MONA entered into a public-private partnership with voluntary agencies at the Baltimore Resettlement Center. The project's purpose was to offer packages of services to refugees eligible for Refugee Transitional Cash Assistance in Baltimore metropolitan area. After a State worker determines client eligibility for food stamps and medical assistance, the private agencies issue cash payments and administer housing and employment incentives to help refugees attain independence.

Exhibit 5
Governor's Proposed Budget
DHR – Adult and Community Services
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
2006 Working Appropriation	\$41,908	\$34,445	\$97,976	\$375	\$174,704
2007 Governor's Allowance	<u>35,280</u>	<u>34,494</u>	<u>96,554</u>	<u>375</u>	<u>166,703</u>
Amount Change	-\$6,628	\$49	-\$1,422	\$0	-\$8,001
Percent Change	-15.8%	0.1%	-1.5%		-4.6%

Where It Goes:

Personnel Expenses

Growth in health insurance costs.....	\$833
Increments and other compensation	723
15 new positions for the Baltimore City Department of Social Services (BCDSS).....	551
Fiscal 2006 personnel expenses inadequately funded	283
Retirement compensation	241
Turnover adjustments	200
Other fringe adjustments.....	-20

Other Changes

Federal funding for MEAP	1,297
Leases for BCDSS	873
Federal funds of the MONA private-public partnership.....	772
Increased grant to Montgomery County	270
Expansion the Meal Delivery for AIDS Patients.....	250
Program administration for OHEP	218
Federal grant award for Refugee Social Services Program	145
Funding from the federal Office of Refugee Resettlement.....	111
Transfer of Living At Home Waiver to DHMH.....	-14,822
Other	74

Total **-\$8,001**

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

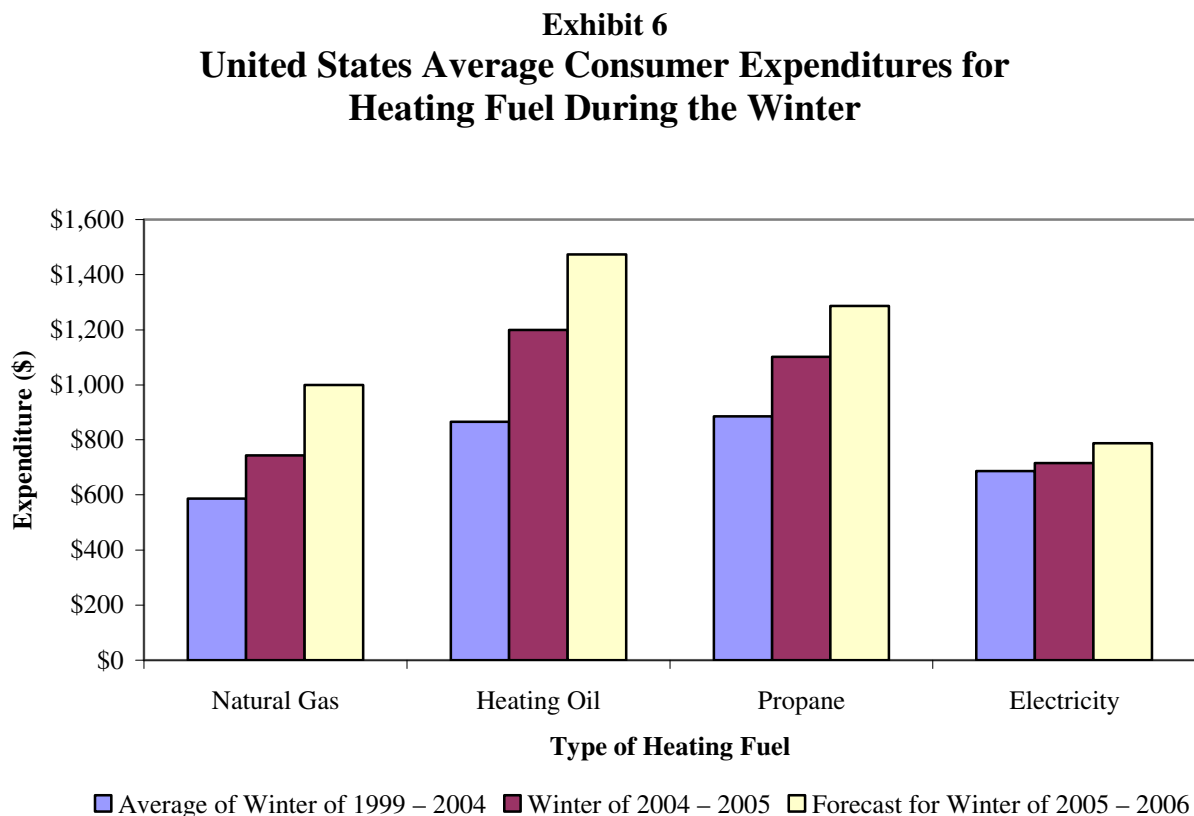
Issues

1. Increasing Demand for OHEP Programs Expected

The price of fuel has risen significantly over the last year, and the future prices for energy continue to be unpredictable. Throughout the United States, the cost of heating homes is estimated to rise 47.5% between the winter of 2005 and 2006. According to the Center on Budget and Policy Priorities, this is the steepest one-year increase in heating costs since 1974.

Energy costs in all fuel types, except electricity, have been fluctuating from 35 to 75% over the 2005 pricing, and OHEP expects the prices to stay high and change on a monthly basis. Even though heating usage may be down this winter due to milder than usual weather, the overall cost for heating this winter is up because the cost of heating has risen so significantly.

Exhibit 6 shows the trends in prices per type of fuel, and the percent change in expenditures from last year to this year are shown in **Exhibit 7**.



Source: Center on Budget and Policy Priorities

Exhibit 7
United States Percent Change in Expenditures for Heating Fuels
During the Winter from 2004 – 2005 to 2005 – 2006

<u>Type of Heat</u>	<u>% Change Over Last Winter</u>
Natural Gas	34.6%
Heating Oil	22.9%
Propane	16.7%

Source: Center of Budget and Policy Priorities

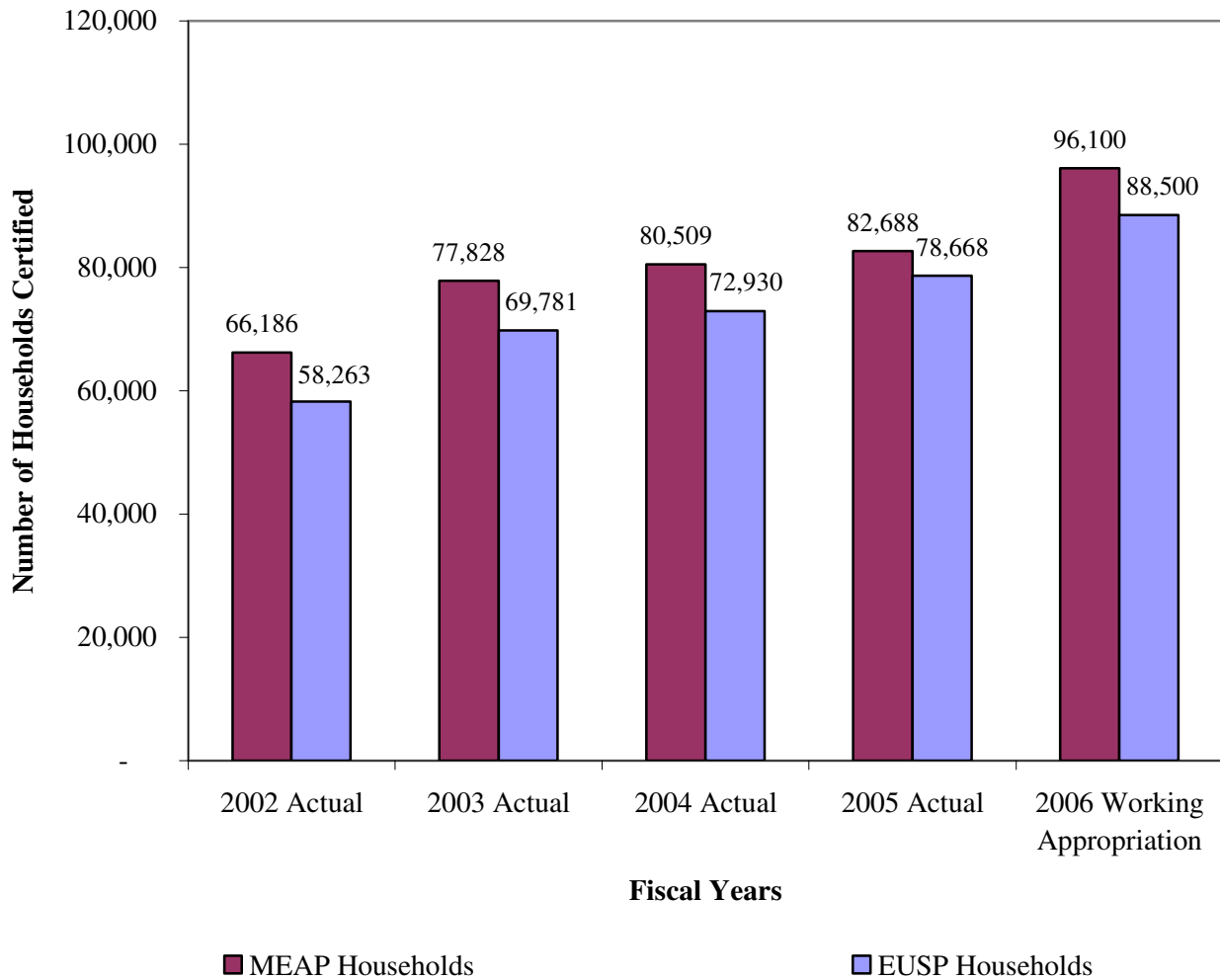
Already this year, OHEP is experiencing a significantly higher demand for the energy assistance programs. According to DHR's estimations, OHEP expects enrollment to increase throughout the 2006 winter to approximately 10 to 15% above last year's enrollment for home energy programs. In 2005, OHEP provided heating assistance to 96,689 households, and in 2006, DHR is expecting to assist 111,192 households.

Maryland's Energy Assistance Programs

OHEP helps low-income Maryland citizens pay their heating bills, minimize heating crises, and make energy costs more affordable. The established energy programs are MEAP and EUSP. **Exhibits 8** and **9** show the number of households served in the past few years and the amount paid out to those households, and **Exhibit 10** shows the proportion of fuel types used by beneficiaries in fiscal 2005.

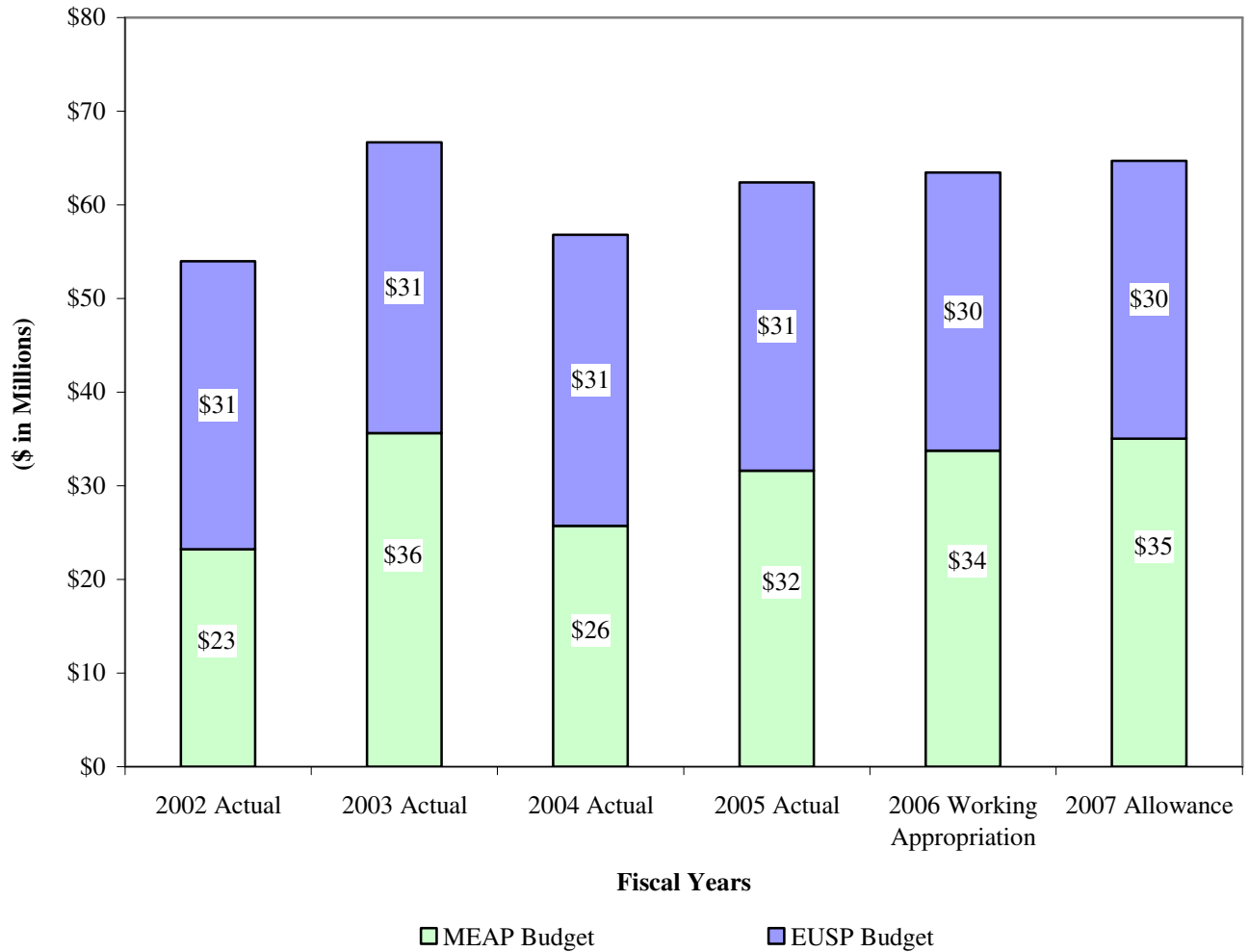
Both MEAP and EUSP provide assistance with home heating bills and have an income eligibility requirement of 150% of the federal poverty level or less. **Exhibit 11** provides detail about the exact benefit depending on income level. All benefit amounts were established prior to the heating season based on estimates of heating costs, as shown in **Exhibit 12**.

Exhibit 8
Number of Households Certified for the Energy Assistance Program
Fiscal 2002 – 2006



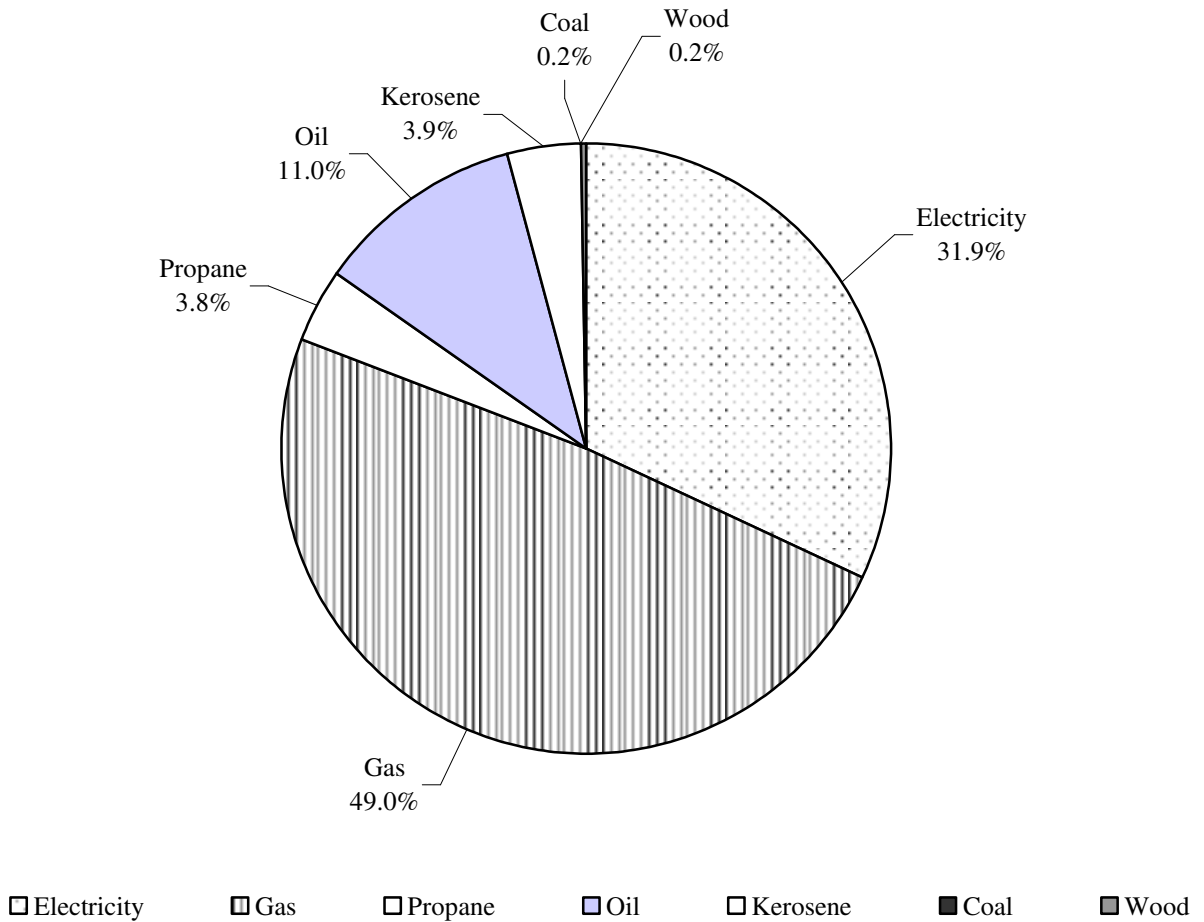
Source: Department of Human Resources

Exhibit 9
Amount Paid to Certified Households
Fiscal 2002 – 2007



Source: Department of Human Resources

Exhibit 10
Percent of Maryland Beneficiaries by Fuel Type in Winter 2005 – 2006



Source: Department of Human Resources

Exhibit 11
Benefit by Income Level and Fuel Type

<u>Poverty Level</u>	<u>Fuel Type</u>	<u>Benefit</u>
Level I (0 – 75% of Poverty)	Electricity	75% of Consumption
	Utility Gas	75% of Consumption
	Propane	\$807
	Oil	765
	Kerosene	765
	Coal/Wood	425
Level II (76 – 110% of Poverty)	Electricity	60% of Consumption
	Utility Gas	60% of Consumption
	Propane	665
	Oil	630
	Kerosene	630
	Coal/Wood	350
Level III (111 – 150% of Poverty)	Electricity	50% of Consumption
	Utility Gas	50% of Consumption
	Propane	617
	Oil	585
	Kerosene	585
	Coal/Wood	325
Subsidized Housing	Electricity	0
	Utility Gas	0
	Propane	380
	Oil	360
	Kerosene	360
	Coal/Wood	200
Project Heat Up (151 – 175% of Poverty)	Electricity	177
	Utility Gas	177
	Propane	225
	Oil	225
	Kerosene	225
	Coal	238
	Wood	125

Source: Department of Human Resources

Exhibit 12
Cost Estimate for 2006

<u>Fuel Type</u>	<u>Average Cost for 2006</u>
Electricity	\$708
Gas	710
Oil	900
Propane	950
Kerosene	900
Coal	500
Wood	500

Source: Department of Human Resources

The administration of these two programs is very similar, but there are distinctions between the two programs. MEAP provides heating assistance for all fuel types, but EUSP provides assistance to households with electric heat. MEAP benefits go towards current bills and past due bills, while EUSP has separate programs for past due bills and current bill assistance. In addition, MEAP is federally funded through the Low Income Energy Assistance Program (LIHEAP), and EUSP is funded through special funds collected from residential and commercial rate payers each month.

New This Winter

Since heating costs have become increasingly unpredictable, the State has attempted to increase the capacity for the energy assistance programs. First of all, the payment to electric and gas households is based on past usage rather than an average usage amount. This is a new method that provides the individual household with a benefit tailored to their needs and does not depend on an average benefit table. To ensure the programs do not encourage over consumption, OHEP has built a maximum limit into the consumption number to prevent any reward for over consumption.

Also, OHEP has reconfigured the benefit levels to provide a larger benefit to more households. The Level I benefit, which provides approximately 75% bill assistance went from being open to households with incomes from 0 to 50% of poverty in 2005, to being open to households with incomes from 0 to 75% of poverty. Another example of the reconfiguration of benefits, is the eligibility for Level II was raised from 100 to 110% of poverty because seniors relying on Social Security are at 104% of poverty. These seniors now qualify for a roughly 60% bill assistance in Level II as opposed to 2005's roughly 50% assistance through Level III.

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In addition, the State expects to serve additional beneficiaries through a new, temporary program called, Project Heat Up, which will assist families currently just above the income requirements for EUSP and MEAP. The program started accepting applications on January 15, 2006, and the first payment went out January 25, 2006, to 400 beneficiaries, which is a significantly larger number of households than OHEP was anticipating.

To be eligible for Project Heat Up, households must have an income between 151 and 175% of the federal poverty level. The State estimates that approximately 60,000 to 65,000 Maryland households fall into this income category, and based on the standards of enrollment in the EUSP and MEAP programs, about 30% of the eligible population will participate in the programs. Therefore, OHEP estimates that approximately 20,000 households will receive bill assistance through Project Heat Up, which will amount to approximately \$4 million.

OHEP intends to utilize \$4 million of the proposed deficiency appropriation to fund Project Heat Up in fiscal 2006. Another \$8 million may be needed to address the 15% increase in demand (14,503 households) for energy assistance that OHEP projects for this winter. **The department should comment on the reasons for establishing a new program without an approved funding source.**

Increasing demand for energy assistance is projected for fiscal 2007 when the Baltimore Gas and Electric Company's (BGE) prices become deregulated. BGE customers' bills will increase by 40 to 80% effective July 1, 2006. As a result, households that are currently self sufficient might turn to energy assistance programs.

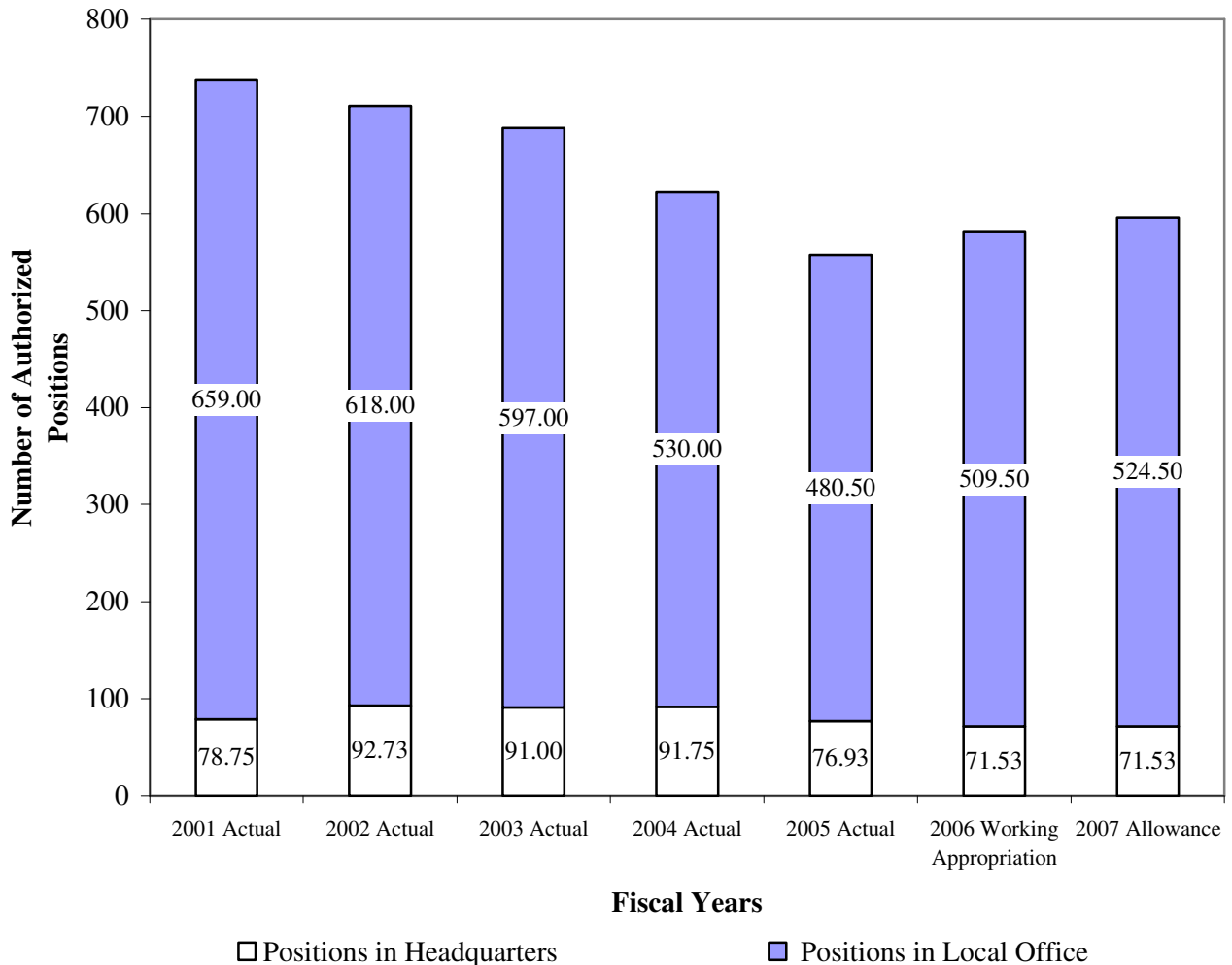
Using the national forecast for the price increases in heating fuels in 2006 and the information from the Public Service Commission regarding the effect of rate deregulation on electricity prices, the Department of Legislative Services (DLS) calculates the energy assistance programs will need \$69 million in fiscal 2006 and \$84 in fiscal 2007. This estimate assumes that demand for the programs is level from fiscal 2005, and does not account for the cost of Project Heat Up.

This means that for fiscal 2006 and 2007, the energy assistance programs will need an additional \$6.4 million and \$19 million, respectively, in excess of what is included in the OHEP budget. The deficiency appropriation provides funding for \$13 million of the \$25.4 million additional funds needed. **The department should update the committee on the demand for these programs, specifically how the demand this year compares with last year. Also, the department should comment on the plans for covering the additional costs of the energy assistance programs.**

2. Staffing for Adult Services

Exhibit 13 shows that the staff at the adult services local offices decreased from 659 to 509.5 regular authorized positions from 2001 through 2006. Most of the decrease in staff was the result of statewide cost containment, but some of the decrease was due to DHR’s inability to fill vacant positions. During the 2004 legislative session, the General Assembly cut 27 positions from the adult services budget because these positions had been vacant for a year or longer.

Exhibit 13
Staffing at Adult and Community Services
Fiscal 2001 – 2007



Source: Department of Human Resources

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The fiscal 2007 allowance includes 15 additional regular positions for the adult services in Baltimore City. DHR claims that the demand for adult services is increasing, which indicates the new positions are needed. However, currently CSA has 35 vacancies (DHR says that one of the positions that was vacant at the end of 2005 has now been filled) with 32 of the vacancies in the local departments of social services.

Baltimore City's vacancy rate for adult services programs of 7.8% exceeds the 6.2% rate across all of the local departments. The fiscal 2006 budget provides BCDSS with enough funding to fill 208 of its 218 positions, but as of December 31, 2005, the department had filled only 201 of its positions. The fiscal 2007 allowance provides BCDSS with enough funding to fill 221 positions, 20 more positions than are currently filled. **DLS recommends deleting 5 of the 15 new positions for BCDSS which will still leave BCDSS with sufficient funding to increase the number of filled positions to 216, a 7.5% increase from current levels.**

In addition, the adult services data statewide does not support DHR's assertion that the demand for adult services is increasing. Between 2002 and 2005, adult services have been providing services to significantly less number of adults as shown in **Exhibit 14**. This either indicates that the demand for adult services has fallen, or that DHR is falling dramatically short of meeting the rising demand for adult services. **The department should share with the committees the plan for filling these positions. Also, the department should comment about how the significant decrease in staff at the adult services local offices has affected services.**

Exhibit 14
Adult Services Provided
Fiscal 2002 and 2005

	<u>FY 2002</u>	<u>FY 2005</u>	<u>% Change</u>
In-home Aide Services – Active	3,896	3,586	-8.0%
In-home Aide Services – Waiting List	3,270	1,718	-47.5%
Short-term Intervention	25,265	21,245	-15.9%
Long-term Intervention	13,610	8,124	-40.3%
Investigations Completed	5,109	4,413	-13.6%

Source: Department of Human Resources

Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Delete 5 of the proposed 15 new regular positions for the adult services at Baltimore City’s Department of Social Services (BCDSS). The fiscal 2007 allowance provides BCDSS with enough funding to fill 221 positions, 20 more positions than are currently filled. With the 10 new positions, BCDSS will have sufficient funding to increase the number of filled positions to 216, a 7.5% increase from current levels.	\$ 23,646	GF	5.0
	\$ 158,237	FF	
Total Reductions	\$ 181,883		5.0
Total General Fund Reductions	\$ 23,646		
Total Federal Fund Reductions	\$ 158,237		

Current and Prior Year Budgets

Current and Prior Year Budgets DHR – Adult and Community Services (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2005					
Legislative Appropriation	\$43,973	\$35,115	\$98,047	\$375	\$177,510
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	-4,513	230	4,370	0	86
Reversions and Cancellations	0	-256	-12,271	0	-12,527
Actual Expenditures	\$39,460	\$35,089	\$90,146	\$375	\$165,069
Fiscal 2006					
Legislative Appropriation	\$43,007	\$34,400	\$94,774	\$375	\$172,555
Budget Amendments	-1,099	46	3,202	0	2,149
Working Appropriation	\$41,908	\$34,445	\$97,976	\$375	\$174,704

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

Fiscal 2005

In fiscal 2005, \$165.1 million was spent on adult service within DHR, which was \$12.4 million less than the legislative appropriation. General funds decreased \$4.5 million with \$3.3 million due to higher than budgeted turnover and \$1.4 million transferred to cover expenditures for the Maryland Children’s Electronic Social Services Information Exchange (MD CHESSIE). Special funds increase by \$229,772 due to higher than anticipated local government participation, administrative indirect costs from EUSP, and Hurricane Isabel-related costs.

Federal funds increased \$4.4 million through budget amendments with \$4.3 million going toward the Temporary Emergency Food Assistance Program. Also, federal funds increased by \$558,672 in the Victims Services Program, and decreased by \$598,710 to cover expenditures for MD CHESSIE. Amendments also increased funds for administrative indirect costs for MEAP and Children in Need of Assistance legal service contracts.

In fiscal 2005, DHR’s adult services cancelled \$12.5 million in special and federal funds. OHEP accounts for \$2.4 million of the cancelled funds due to the overestimation of the grant award. The Living at Home, Community Choices Program received \$2.7 million less than expected in Medicaid’s funds. MONA cancelled \$3.4 million, but these funds were carried forward to fiscal 2006. In the Local Adult Services Program, \$2.2 million in federal funds was cancelled because a smaller than anticipated share of administrative costs qualified for Federal Title IV-E (Foster Care) and Title XIX (Medicaid) funds.

Fiscal 2006

The working appropriation for fiscal 2006 is \$174.7 million, which is \$2.1 million greater than the legislative appropriation. The general funds have decreased by \$1.1 million with a \$1.2 million decrease due to the transfer of the Office of Personal Assistance Services and the Attendant Care Program to the Department of Disabilities. Special funds have increased \$45,839 through a grant from DHCD to allow the Washington County Department of Social Services to operate the Project Home CARES Program. Federal funds have increased \$3.2 million with \$3 million going to the to the Office of Victims Services for the Victim of Crime Assistance Program and \$174,000 going to adult services to administer programs assisting in mediation and visitation between non-custodial parents and their children.

Audit Findings

Audit Period for Last Audit:	October 19, 2000 – November 23, 2003
Issue Date:	March 2004
Number of Findings:	1
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: CSA had not established adequate control over collections.

**Object/Fund Difference Report
DHR – Adult and Community Services**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	557.83	581.03	596.03	15.00	2.6%
02 Contractual	2.97	3.80	2.30	-1.50	-39.5%
Total Positions	560.80	584.83	598.33	13.50	2.3%
Objects					
01 Salaries and Wages	\$ 32,932,351	\$ 31,017,729	\$ 33,829,060	\$ 2,811,331	9.1%
02 Technical & Spec Fees	278,884	234,354	198,431	-35,923	-15.3%
03 Communication	601,044	652,051	557,636	-94,415	-14.5%
04 Travel	281,375	273,902	281,380	7,478	2.7%
06 Fuel & Utilities	50,157	147,223	162,435	15,212	10.3%
07 Motor Vehicles	45,539	10,260	11,906	1,646	16.0%
08 Contractual Services	118,452,186	126,515,949	106,021,524	-20,494,425	-16.2%
09 Supplies & Materials	308,713	259,760	270,700	10,940	4.2%
10 Equip - Replacement	122,341	0	0	0	0.0%
11 Equip - Additional	105,442	7,379	63,574	56,195	761.6%
12 Grants, Subsidies, and Contributions	10,267,702	12,971,703	21,993,203	9,021,500	69.5%
13 Fixed Charges	1,623,681	2,613,820	3,313,271	699,451	26.8%
Total Objects	\$ 165,069,415	\$ 174,704,130	\$ 166,703,120	-\$ 8,001,010	-4.6%
Funds					
01 General Fund	\$ 39,459,504	\$ 41,907,721	\$ 35,280,186	-\$ 6,627,535	-15.8%
03 Special Fund	35,088,932	34,445,370	34,494,035	48,665	0.1%
05 Federal Fund	90,145,979	97,976,039	96,553,899	-1,422,140	-1.5%
09 Reimbursable Fund	375,000	375,000	375,000	0	0%
Total Funds	\$ 165,069,415	\$ 174,704,130	\$ 166,703,120	-\$ 8,001,010	-4.6%

Note: The fiscal 2006 appropriation does not include deficiencies.

Fiscal Summary
DHR – Adult and Community Services

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
01 General Administration	\$ 652,121	\$ 808,630	\$ 887,108	\$ 78,478	9.7%
03 Maryland Office of New Americans	3,416,042	5,466,383	6,412,081	945,698	17.3%
04 Legal Services	13,331,873	13,348,426	13,358,223	9,797	0.1%
05 Shelter and Nutrition	12,549,823	8,289,521	8,576,578	287,057	3.5%
07 Adult Services	16,197,405	19,247,204	4,055,308	-15,191,896	-78.9%
11 Victim Services	14,857,164	19,026,822	19,017,909	-8,913	0%
12 Office of Home Energy Programs	68,563,900	70,012,868	71,522,110	1,509,242	2.2%
04 Adult Services – LDSS	35,501,087	38,504,276	42,873,803	4,369,527	11.3%
Total Expenditures	\$ 165,069,415	\$ 174,704,130	\$ 166,703,120	-\$ 8,001,010	-4.6%
General Fund	\$ 39,459,504	\$ 41,907,721	\$ 35,280,186	-\$ 6,627,535	-15.8%
Special Fund	35,088,932	34,445,370	34,494,035	48,665	0.1%
Federal Fund	90,145,979	97,976,039	96,553,899	-1,422,140	-1.5%
Total Appropriations	\$ 164,694,415	\$ 174,329,130	\$ 166,328,120	-\$ 8,001,010	-4.6%
Reimbursable Fund	\$ 375,000	\$ 375,000	\$ 375,000	\$ 0	0%
Total Funds	\$ 165,069,415	\$ 174,704,130	\$ 166,703,120	-\$ 8,001,010	-4.6%

Note: The fiscal 2006 appropriation does not include deficiencies.