

## R00A04 Interagency Fund

### *Operating Budget Data*

(\$ in Thousands)

	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 06-07</b>	<b>% Change</b>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$35,834	\$34,214	\$32,157	-\$2,056	-6.0%
Special Fund	2,252	648	600	-48	-7.4%
Federal Fund	21,236	23,625	14,917	-8,707	-36.9%
Reimbursable Fund	<u>1,891</u>	<u>1,500</u>	<u>1,897</u>	<u>397</u>	<u>26.5%</u>
<b>Total Funds</b>	<b>\$61,212</b>	<b>\$59,986</b>	<b>\$49,572</b>	<b>-\$10,415</b>	<b>-17.4%</b>

- The decrease in fiscal 2007 results from program transfers to other State agencies totaling \$18.9 million. When the effect of these transfers and the transfer of \$1.2 million from DJS is removed, the allowance increases by \$7.3 million.
- New initiatives include funding for local Single Points of Entry (\$1.8 million) and residential care resource development (\$1.5 million).
- Program enhancements include \$2.0 million for wraparound services and \$1.2 million for Local Management Board administrative costs.

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

For further information contact: Steve McCulloch

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## *Analysis in Brief*

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### Major Trends

***Out-of-home Placements:*** Although out-of-home placements have steadily decreased since fiscal 2000, the cost of out-of-home placements continues to increase due to higher costs associated with group home and other higher cost placements.

### Issues

***An Out-of-Home Placement Outcome Evaluation System Is Under Development:*** Chapter 536 of 2004 requires the Office for Children (OC) in cooperation with the Departments of Human Resources and Juvenile Services to plan for and determine the cost of implementing an outcome evaluation system of out-of-home placements. A report outlining the framework for such a system was submitted in August 2005. A final report detailing the system and providing cost estimates is expected by July 31, 2006.

***State Resource Plan Nearing Completion:*** During discussions that took place over the 2005 interim on improving oversight of group homes, it became evident that Maryland needed to assess the current residential services available throughout the State and identify where additional services were needed. The OC, working with the child serving agencies, has started this process and should have the first draft of a resource plan by late spring or early summer.

***Transferred Funding for Juvenile Delinquency Prevention Services Would Be Better Spent through the Youth Strategies Initiative:*** Management of various contracts for juvenile delinquency prevention services was transferred from the Department of Juvenile Services to the Office for Children. The Children’s Cabinet Interagency Fund already distributes juvenile delinquency prevention funding on a competitive basis through the Youth Strategies Initiative. **It is recommended that the transferred funding also be awarded on a competitive basis through the Youth Strategies Initiative.**

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**Recommended Actions**

	<b><u>Funds</u></b>
1. Add language to the budget bill restricting funds for administrative expenses to the greater of \$200,000 or 15 percent of programmatic spending.	
2. Add language to the general fund appropriation requiring funds budgeted for juvenile delinquency prevention to be awarded competitively through the Youth Strategies Initiative.	
3. Add language to the general fund appropriation restricting expenditure of funds for resource development until the Office for Children submits a report on how the funds will be used.	
4. Reduce funds budgeted to expand Wraparound pilot projects.	\$ 500,000
<b>Total Reductions</b>	<b>\$ 500,000</b>

**Updates**

***Youth Strategies Initiative Grant Awards Reported:*** As required by language added to the fiscal 2006 budget, the Office for Children reported on awards made through the Youth Strategies Initiative.

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**Interagency Fund**

*Operating Budget Analysis*

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**Program Description**

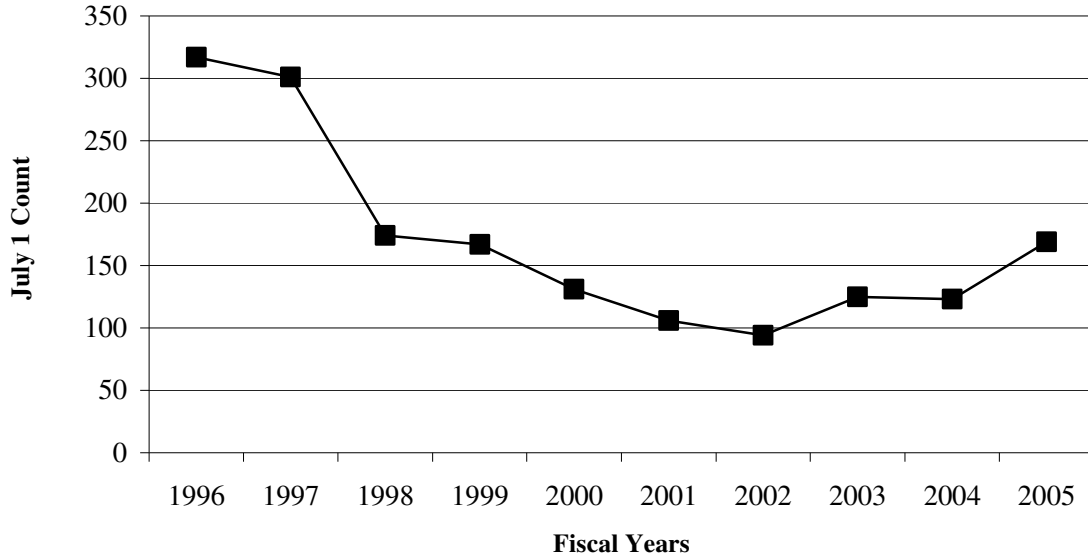
Executive Order 0101.2005.34, created the Maryland Children’s Cabinet to ensure the effective, efficient and comprehensive delivery of services to Maryland’s children and families by coordinating the programs, policies and budgets of the State child-servicing agencies. The Maryland Children’s Cabinet is chaired by the Executive Director of the Governor’s Office for Children (OC) and includes the Secretaries of Budget and Management, Disabilities, Health and Mental Hygiene, Human Resources, Juvenile Services, and the State Superintendent of Schools. As part of this system, the Maryland Children’s Cabinet maintains an Interagency Fund; develops a plan for a continuum of services that is family and child oriented; implements an interagency effort to maximize available resources; uses outcome measures and fiscal incentives to encourage more effective use of State funds; and enters into community partnership agreements with local management boards. The Interagency Fund is administered by OC on behalf of the Maryland Children’s Cabinet.

**Performance Analysis: Managing for Results**

**Out-of-state Placements**

In 1992 the General Assembly established the goal of returning all children from out-of-state placements by July 1, 1997. While not meeting this goal, the State has made significant progress in this area. As shown in **Exhibit 1**, out-of-state placements declined yearly from 317 at the beginning of fiscal 1996, to 94 at the beginning of fiscal 2002. Since fiscal 2002, the number of out-of-state placements has increased slightly and stood at 169 on July 1, 2005. The closing of the Hickey School is likely to lead to a further increase in out-of-state placements. **The Children’s Cabinet should comment on the factors leading to the increase in out-of-state placements since fiscal 2002, the estimated magnitude of future increases due to the closure of the Hickey School, and current efforts being made to continue to reduce out-of-state placements.**

**Exhibit 1  
Out-of-state Placements**



Note: Excludes Department of Juvenile Services' placements at Glenn Mills in Pennsylvania. The data provided by the Office for Children does not include placement at Glenn Mills prior to fiscal 2003. The Glenn Mills counts on July 1, 2003, though 2005, were 22, 21, and 35.

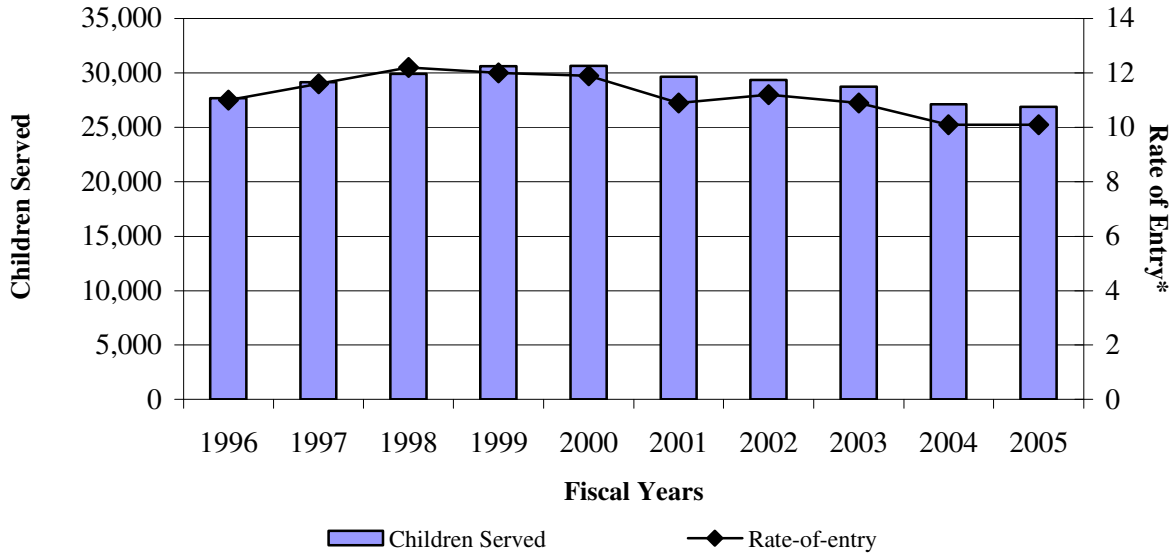
Source: Office for Children

**Out-of-home Placements**

**Exhibit 2** shows all out-of-home placements and the rate of entry from fiscal 1996 through 2005. Out-of-home placements rose steadily from fiscal 1996 through 2000 and have declined steadily since. The rate of entry peaked in fiscal 1998 and has trended downward since that time.

Despite the decline in the number of out-of-home placements and the rate of entry into these placements, the total cost for placements continues to increase. The fiscal 2005 cost for out-of-home placements was \$643.1 million, a 3.4 percent increase over the \$621.8 million paid in fiscal 2004. The increased costs reflect the more expensive group care placements being utilized.

**Exhibit 2**  
**Children Served in Out-of-home Placements and**  
**Rate of Entry into Out-of-home Placements**

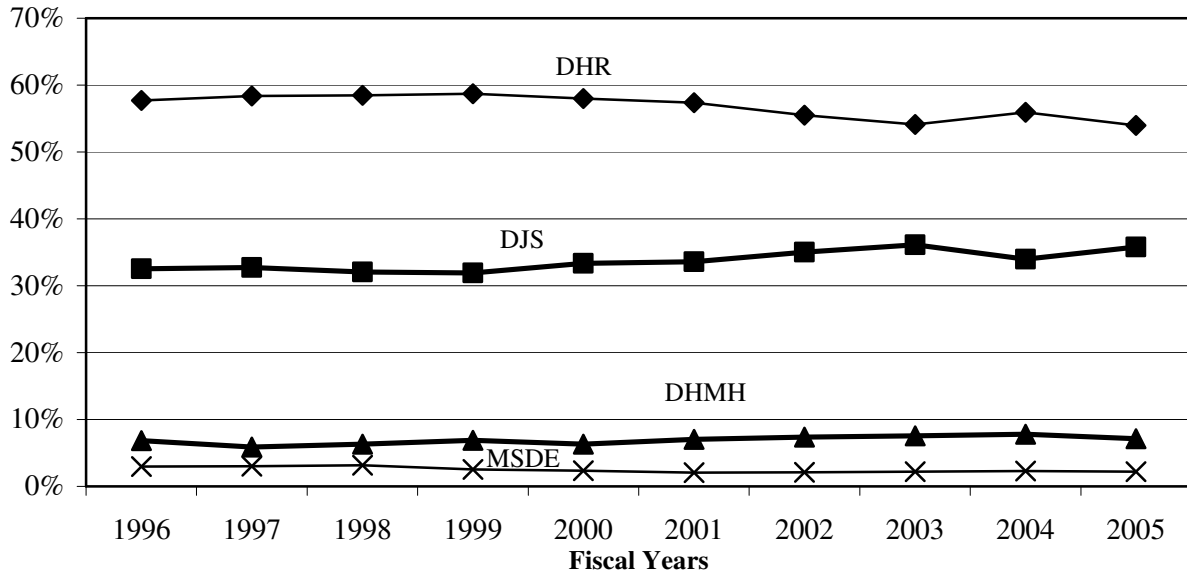


\*Per 1,000 children under 18 years of age.

Source: Office for Children

The proportion of children in out-of-home placements by agency has remained relatively stable as shown in **Exhibit 3**. In fiscal 2005, Department of Juvenile Service (DJS) placements increased slightly as a share of all placements; and those for Department of Human Resources (DHR), Department of Health and Mental Hygiene (DHMH), and Maryland State Department of Education (MSDE) all declined slightly.

**Exhibit 3  
Proportion of Out-of-home Placements by Referring Agency  
Fiscal 1996 – 2005**

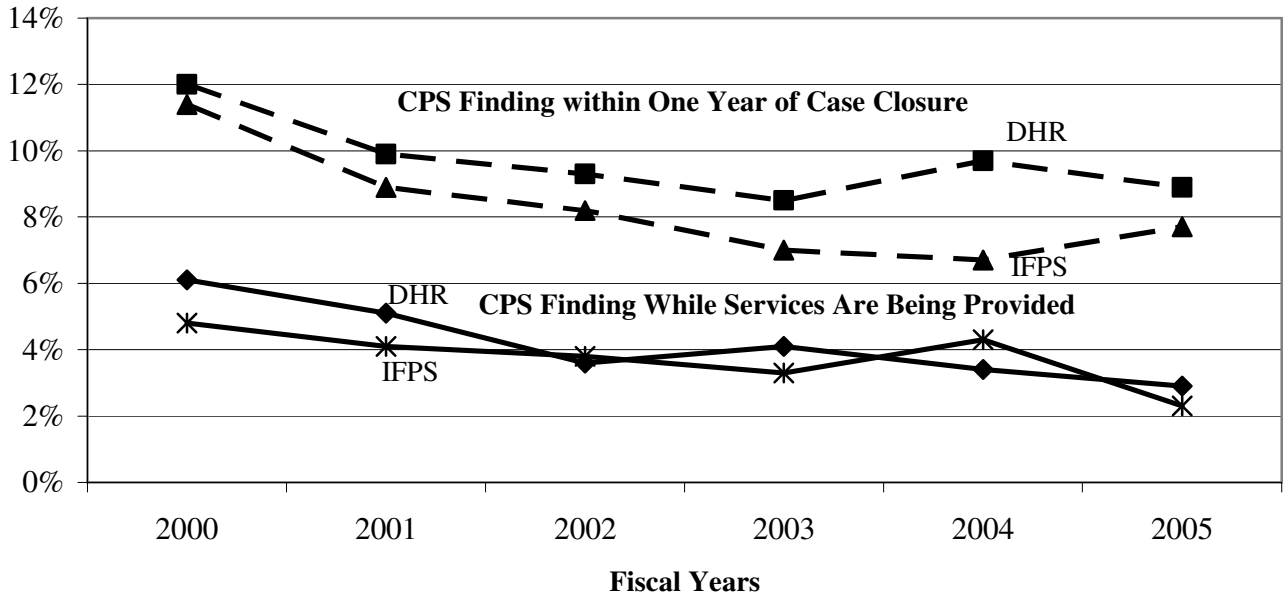


Source: Office for Children

**Family Preservation and the Safety of Children**

Family preservation services have been shown to be effective in reducing the need for out-of-home placements, but these services are not 100 percent effective in eliminating child abuse or neglect. **Exhibit 4** shows the percent of families that had an indicated finding of child abuse or neglect while receiving DHR family preservation services and Interagency Family Preservation Services (IFPS), and the percent of families that had an indicated finding of child abuse or neglect within one year of case closure for each program. Although there have been some year-to-year fluctuations in the percent of findings, while services are being provided, the overall trend has been downward for both programs. Findings, within one year of case closure, also declined from fiscal 2000 through 2003, but the fiscal 2005 percentages for both programs exceeded the fiscal 2003 level. **The Executive Director should comment on the increases experienced in reported findings within one year of case closure and whether additional follow-up services are necessary to reverse the upward trend in this measure.**

**Exhibit 4**  
**Family Preservation Services and Indicated Findings of Neglect or Abuse**  
**Fiscal 2000 – 2005**



CPS = Child Protective Services  
 DHR = Department of Human Resources  
 IFPS = Interagency Family Preservation Services

Source: State Budget; Office for Children *Report on Out-of-Home Placements and Family Preservation: Fiscal Years 1995 through 2005*.

**Governor’s Proposed Budget**

As shown in **Exhibit 5**, the fiscal 2007 allowance for the Interagency Fund decreases by \$10.4 million compared with the fiscal 2006 working appropriation. Transfer of funding in and out of the Interagency Fund to and from other State agencies totals a net \$17.7 million. If the fiscal 2006 working appropriation is adjusted to remove the funding associated with transfers, the fiscal 2007 allowance increases by \$7.3 million. Budgetary changes are discussed following Exhibit 5.

**Exhibit 5  
Interagency Fund  
Current and Proposed Budget**

	<b>FY 2006</b>	<b>FY 2007</b>	<b>\$ Change</b>
	<b><u>Wkg Approp</u></b>	<b><u>Allowance</u></b>	
<b>New Initiatives</b>			
Local Access Plans (Single Point of Access/Family Navigators)	\$0	\$1,800,000	\$1,800,000
Resource Development	0	1,500,000	1,500,000
<b>Reorganized Spending</b>			
Administration (planning, contracting, management and monitoring)	6,296,502	8,330,369	2,033,867
Indirect administrative expenses added into line above for comparison purposes	-328,963	0	328,963
Federal grant for One-stop Family Resource Center in Baltimore City	0	247,067	247,067
<b>Ongoing Spending</b>			
Wraparound Maryland	1,000,000	3,000,000	2,000,000
Juvenile Delinquency Prevention and Diversion Initiative	2,741,274	3,041,274	300,000
Single Point of Entry and State Coordinating Council	40,033	269,456	229,423
SCYFIS	112,990	250,000	137,010
Community Partnerships	5,409,507	5,409,507	0
LCC Local Staffing	1,980,000	1,980,000	0
Innovations Institute	300,700	196,463	-104,237
Community Services Initiative	8,958,842	8,558,842	-400,000
Early Intervention and Prevention	14,569,141	13,756,945	-812,196

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**Transfers**

IFS and Families Now – <b>Transferred to DHR</b>	12,090,643	0	-12,090,643
Home Visiting - <b>Transferred to MSDE</b>	4,590,343	0	-4,590,343
School Based Health Centers – <b>Transferred to MSDE</b>	2,175,206	0	-2,175,206
Adolescent Pregnancy Prevention – <b>Transferred to DHMH</b>	50,000	0	-50,000
DJS-Upstream Services – <b>Transferred from DJS</b>	0	1,231,695	1,231,695
<b>Total</b>	<b>\$59,986,218</b>	<b>\$49,571,618</b>	<b>-\$10,414,600</b>

SCYFIS: Subcabinet for Children, Youth, and Families Information System

LCC: Local Coordinating Councils

IFS: Intensive Family Services

Source: Office for Children

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**New Initiatives**

- Local Access Plans – \$1.8 million. The funds are intended to assist local jurisdictions to implement Single Points of Access. Each jurisdiction will have one place for families to go to access services. Also to be funded are one or more Family Navigator pilot projects that use family-to-family mentoring to help families seeking services for the first time navigate through the various State agency services.
- Resource Development – \$1.5 million. The funds will be used to help develop residential care programs in underserved areas of the State so that children may be served in communities close to their homes. A portion of the funds will be used to implement an outcome measurement system. Based on the preliminary State Resource Plan being developed by the Children’s Cabinet, areas of focus will be Baltimore City and the Eastern Shore with Prince George’s County being the next area of focus. Funds may be used to provide startup operating grants or other incentives to providers opening facilities in underserved areas. **Because details on how this funding will be utilized are not yet known, language restricting the funds until the OC submits a report on the use of the funds is recommended.**

**Reorganized Spending**

- Administrative expenses increase by \$2.3 million overall. In fiscal 2007, all administrative expenses are budgeted directly, ending the practice used by local management boards (LMB), since fiscal 2004, of charging indirect administrative costs to each contract. The move to recover indirect costs was made in response to the 50% reduction to the direct administrative

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costs during the 2003 legislative session. This increase restores direct administrative funding. **Budget bill language is recommended to restrict administrative funding to the greater of \$200,000 or 15% of programmatic spending in each jurisdiction.**

- One-Stop Family Resource Center in Baltimore – \$247,067. The allowance includes federal funding for a center to help reduce the number of families that voluntarily relinquish custody of their children so that their children can receive needed mental health services. The federal grant is received by the Office for Children and is budgeted here as reimbursable funds.

### **Ongoing Spending**

Ongoing spending increases by \$1.4 million. Wraparound Maryland increases by \$2 million representing the annualization of funding for pilot projects in Montgomery County and Baltimore City (\$1 million), and an additional \$1 million for additional pilot projects. New pilot projects are being considered for two rural jurisdictions and an additional urban/suburban jurisdiction. Juvenile delinquency diversion funding increases by \$300,000. The new funds are for a mentoring project in Anne Arundel County. New spending is partially offset by removal of one-time-only funding for the Innovations Institute located at the University of Maryland Baltimore which provides training and support for the wraparound initiative (-\$104,237); removal of federal Title IV-E funds that have never been attained in the community services initiative (-\$400,000); and a decrease in early prevention and intervention funding made up of elimination of Title IV-E due to inability to receive federal approval to use the funds for this purpose (-\$750,000), combined with removal of unallocated family preservation funds (-\$62,196).

Funding for the Single Point of Entry and the State Coordinating Council increases by \$229,423. The Single Point of Entry is the first stop for providers wishing to be licensed as group home operators. The State Coordinating Council oversees the Local Coordinating Councils in each jurisdiction and is also involved in developing the State Resource Plan. Finally, an increase of \$137,010 is included for continued development of the Subcabinet for Children, Youth, and Families Information System (SCYFIS) which will be used to maintain the database of residential resources in the State along with case management for out-of-state placements.

### **Transfers**

- Four programs, budgeted at \$18.9 million in fiscal 2006, were transferred to other State agencies. Intensive Family Services and Families Now (\$12.1 million) were transferred to DHR which had been receiving the majority of the funds as reimbursable. Home Visiting (\$4.6 million) and School-based Health Centers (\$2.2 million) were transferred to the Maryland State Department of Education. Finally, the Adolescent Pregnancy Prevention program (\$50,000) was transferred to the Department of Health and Mental Hygiene.
- Department of Juvenile Services Upstream Services – \$1.2 million. This funding is for contracts to prevent juvenile delinquency. These services were previously funded in the Department of Juvenile Services' budget.

## *Issues*

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### **1. An Out-of-Home Placement Outcome Evaluation System Is Under Development**

Chapter 536 of 2004 (HB 1146) requires the Office for Children, Youth, and Families (now the Office for Children (OC)), in cooperation with the Department of Human Resources (DHR) and the Department of Juvenile Services (DJS), to plan for and determine the cost of an objective and standardized system of outcome evaluations for out-of-home placements used by State agencies. The law requires that the system for outcome evaluations be planned to allow the State to monitor the care, supervision, education, and treatment provided in State-operated and State-supported programs. The planned system must also allow the State to establish an evaluation system for the performance of out-of-home placements and assess the capacity of out-of-home placements to meet the needs of children. The system must use standardized measures to evaluate the treatment services that children receive while they are in the placements. The plan for the outcome system must ensure that DHR and DJS facilitate the participation of residential facilities and that contracts with private out-of-home placement providers include provisions requiring the facilities to collect and report specific information on each child in a facility. In addition, the plan must ensure that the data collected and used in the system maintain confidentiality standards for the children placed in facilities.

Although the legislation required the plan to be submitted to the General Assembly by July 31, 2005, the sunset of Article 49D and abolition of the Office for Children, Youth, and Families has delayed work on this project. OC submitted the first of two reports on August 26, 2005, intended to comply with the requirements of Chapter 536. It describes the framework for an outcome evaluation system and indicates the required plan and cost estimates of implementing such a system will be reported by July 31, 2006. According to the report, the outcome evaluation system will utilize data base matches to collect indicator data currently available; functional assessments to determine a child's functioning and progress while in out-of-home placement; and outcome/satisfaction data based on child and parent questionnaires. Selection of the assessment tools and development of the outcome/satisfaction questionnaire are in the process. **The Executive Director should brief the committees on the progress of efforts to complete the outcomes evaluation model and likely magnitude of additional resources that will be needed to implement the system.**

### **2. State Resource Plan Nearing Completion**

During the discussions of group home oversight that occurred during the 2005 interim, it became apparent that a comprehensive needs assessment needed to be undertaken to determine the current residential placement capacity and to identify areas of the State that are underserved. The recently released report by OC required by Chapter 304 of 2004 notes that the lack of capacity in Baltimore City impacts the entire central region in a ripple effect as children are placed in surrounding jurisdictions which forces those jurisdictions to seek capacity in other adjacent jurisdictions, which forces those jurisdictions to look for capacity elsewhere, etc. During the 2005 interim, the Department of Legislative Services compiled a list of the 365 licensed group homes

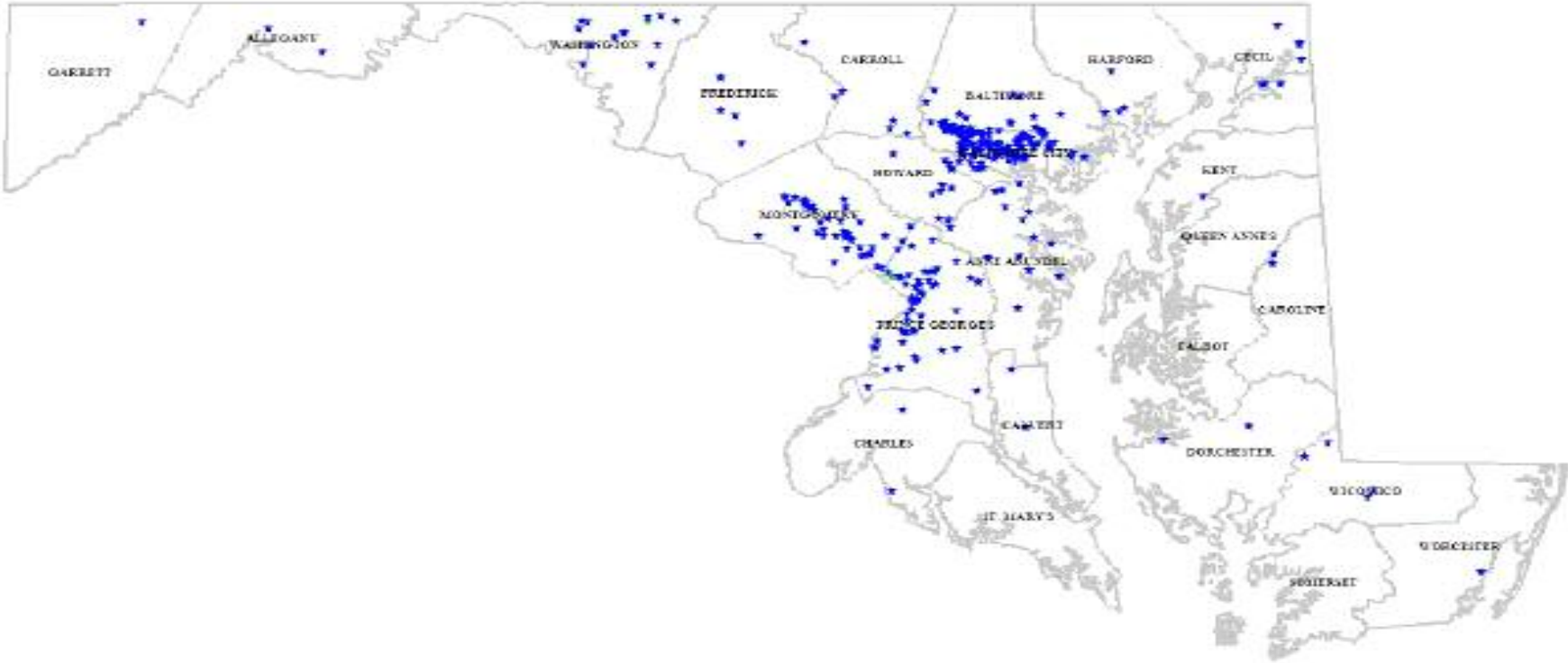
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serving children. **Exhibit 6** is a map showing the location of each group home. The map clearly shows the dearth of residential facilities on the Eastern Shore. Although there is a much greater concentration of facilities in both Baltimore City and Prince George’s County, additional resources are needed based on the number of children from these jurisdictions that are in out-of-home placements.

OC has taken the lead and is working with the child serving agencies to complete a State Resource Plan to address this issue. When completed, the plan will be used to guide State efforts to develop residential placement capacity in underserved areas. OC reports that the first resource plan should be completed by late spring/early summer. The preliminary indications are that Baltimore City and the Eastern Shore have the greatest need for additional residential capacity followed by Prince George’s County. **The Executive Director should brief the committees on the status of development of the resource plan and other efforts being made to increase residential care capacity in underserved areas of the State.**

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**Exhibit 6**  
**Licensed Child Serving Group Homes in Maryland**



Source: Department of Health and Mental Hygiene; Department of Human Resources; Department of Juvenile Services

### 3. Transferred Funding for Juvenile Delinquency Prevention Services Would Be Better Spent through the Youth Strategies Initiative

The fiscal 2007 allowance for the Interagency Fund includes \$1.2 million in juvenile delinquency prevention and diversion contracts that were previously funded through the DJS. Exhibit 7 shows the proposed distribution.

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#### Exhibit 7 Juvenile Delinquency Prevention and Diversion Funding Transferred from the Department of Juvenile Services

	<b>Fiscal 2007 <u>Allowance</u></b>
Baltimore City Community Conferencing	\$100,000
Neighborhood Youth Panel – Cecil County	13,594
Chesapeake Ctr. – Hollywood Diner	668,094
Living Classrooms	207,763
CINS Diversion – Harford County	31,374
Comprehensive Prevention – Worcester County	50,870
Youth Diversion – Prince George's County	160,000
<b>Total</b>	<b>\$1,231,695</b>

CINS = Child in Need of Supervision

Source: Office for Children

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According to the Department of Budget and Management, this funding is being transferred to OC to promote greater interagency collaboration. In essence, however, management of the contracts is simply being transferred from DJS to OC.

The Interagency Fund already has funds targeted towards juvenile delinquency prevention and diversion that were distributed on a competitive basis through the Youth Strategies Initiative which started in the current year (see Update 1). To receive funding, programs had to document need, identify at-risk target populations, demonstrate strong collaborative planning and integration of services, and employ effective practices. This process distributes funding based on expected outcomes and requires programs to include an evaluation component. **It is recommended that language be added to the budget to require the new delinquency funds to be distributed through the Youth Strategies Initiative.**

## Recommended Actions

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1. Add the following language:

Provided that no Local Management Board may receive funds for administrative expenses in excess of the greater of \$200,000 or 15 percent of the programmatic funds allocated to the Local Management Board.

**Explanation:** This language limits the amount of State funds used to cover administrative expenses for Local Management Boards to the greater of \$200,000 or 15 percent of programmatic spending and will help ensure that priority is maintained on funding services.

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

, provided that \$1,231,695 of this appropriation intended for juvenile delinquency prevention efforts being transferred from the Department of Juvenile Services may only be awarded on a competitive basis through the Youth Strategies Initiative.

**Explanation:** Management of various juvenile delinquency prevention contracts is being transferred from the Department of Juvenile Services to the Office for Children which administers the Children’s Cabinet Interagency Fund. Funding is already included in the Interagency Fund for juvenile delinquency prevention and is awarded on a competitive basis through the Youth Strategies Initiative to ensure that funds are utilized in the most effective manner. This language requires that the funding associated with the transferred contracts also be awarded through the Youth Strategies Initiative.

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

Further provided that the funds budgeted for Resource Development may not be expended until:

1. The Office for Children has submitted a report to the budget committees detailing how the funds will be spent; and
2. The budget committees have reviewed and commented on the report or 45 days have elapsed from the date the committees received the report.

**Explanation:** The details on how the funds budgeted to provide incentives for residential child care to open facilities in underserved areas of the State have not yet been worked out. This language restricts expenditure of these funds until the Office for Children report to the committees on how the funds will be spent and the committees have reviewed and commented on the report.

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<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on how funds budgeted for Resource Development will be spent.	Office for Children	45 days prior to expenditure.

	<b><u>Amount Reduction</u></b>
4. Reduce funds budgeted to expand Wraparound pilot projects. The fiscal 2006 budget included \$1 million for Wraparound pilot projects in Montgomery County and Baltimore City. The fiscal 2007 allowance includes an additional \$2 million comprising \$1 million to annualize the two existing pilots and \$1 million to start up new pilots in up to two rural jurisdictions and one additional urban/suburban jurisdiction. Because the effectiveness of the existing pilot projects cannot be evaluated until several years of data is collected, funding should only be allowed to start a pilot in one rural jurisdiction. Expansion of this program beyond the three pilots should only be done once the program has data showing that this model of service delivery is effective in Maryland.	\$ 500,000 GF
<b>Total General Fund Reductions</b>	<b>\$ 500,000</b>

## *Updates*

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### **1. Youth Strategies Initiative Grant Awards Reported**

The fiscal 2006 budget, as originally introduced, proposed the consolidation of funding for juvenile delinquency prevention and diversion programs and the awarding of contracts on a competitive basis to provide these services through a new Youth Strategies Initiative. A portion of the funds proposed for consolidation, however, was the funding that had previously gone to Youth Service Bureaus (YSBs). The General Assembly added language to the appropriation restricting a portion of the funds for use by YSBs in the same amount as they each received in fiscal 2005. The language also requested a report by jurisdiction on funding granted under the Youth Strategies Initiative and the funding provided to the YSBs. **Exhibit 7** shows the awards made in fiscal 2006.

**Exhibit 7**  
**Juvenile Delinquency Prevention and Diversion Efforts**  
**Funded through the Youth Strategies Initiative**  
**Fiscal 2006 Grant Awards**

	<u>Competitive Awards</u>	<u>Youth Service Bureaus</u>	<u>Total</u>
Allegany	\$180,000	\$0	\$180,000
Anne Arundel	319,075	200,925	520,000
Baltimore City	1,066,817	453,183	1,520,000
Baltimore	500,692	339,308	840,000
Calvert	151,305	28,695	180,000
Caroline	120,000	0	120,000
Carroll	67,454	112,546	180,000
Cecil	173,942	0	173,942
Charles	23,772	156,228	180,000
Dorchester	0	73,341	73,341
Frederick	180,000	0	180,000
Garrett	120,000	0	120,000
Harford	180,000	0	180,000
Howard	180,000	0	180,000
Kent	119,999	0	119,999
Montgomery	394,207	125,793	520,000
Prince George's	53,040	424,509	477,549
Queen Anne's	119,977	0	119,977
St. Mary's	46,090	133,910	180,000
Somerset	120,000	0	120,000
Talbot	81,754	0	81,754
Washington	180,000	0	180,000
Wicomico	180,000	0	180,000
Worcester	180,000	0	180,000
<b>Total</b>	<b>\$4,738,124</b>	<b>\$2,048,438</b>	<b>\$6,786,562</b>

Source: Office for Children

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## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets Interagency Fund (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2005</b>					
Legislative Appropriation	\$35,771	\$2,405	\$25,049	\$1,500	\$64,724
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	195	0	0	432	627
Reversions and Cancellations	-132	-153	-3,813	-41	-4,139
<b>Actual Expenditures</b>	<b>\$35,834</b>	<b>\$2,252</b>	<b>\$21,236</b>	<b>\$1,891</b>	<b>\$61,212</b>
<b>Fiscal 2006</b>					
Legislative Appropriation	\$34,134	\$648	\$23,625	\$1,500	\$59,906
Budget Amendments	80	0	0	0	80
<b>Working Appropriation</b>	<b>\$34,214</b>	<b>\$648</b>	<b>\$23,625</b>	<b>\$1,500</b>	<b>\$59,986</b>

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

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**Fiscal 2005**

The fiscal 2005 budget for the Interagency Fund closed out \$3.5 million lower than the legislative appropriation. During the year budget amendments added \$627,089 for the cost-of-living allowance, \$195,372 for LMBs, local family preservation programs (\$100,000), and to provide federal grants for child abuse prevention and for a One-Stop Family Resource Center in Baltimore City. These increases were more than offset by year end reversions and cancellations. The general fund reversion of \$132,130 represents funds remaining for various grants that were unallocated. The special, federal, and reimbursable fund cancellations represent under attainment of funds due to program activity not occurring at the level originally planned.

**Fiscal 2006**

The fiscal 2006 working appropriation is \$80,369 more than the legislative appropriation and represents funds added to the budget via budget amendment for a cost-of-living allowance for the LMBs.

## ***Audit Findings***

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Audit Period for Last Audit:	January 15, 2003 – December 31, 2004
Issue Date:	November 2005
Number of Findings:	1
Number of Repeat Findings:	1
% of Repeat Findings:	100%
Rating: (if applicable)	n/a

**Finding 1:** A mechanism was not in place to recover State costs incurred on cases subsequently determined by OC to be ineligible for program participation. Five on-site reviews conducted by OC identified potentially ineligible costs of approximately \$1 million.

**Object/Fund Difference Report  
Interagency Fund**

<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>
<b>Objects</b>					
12 Grants, Subsidies, and Contributions	\$ 61,212,299	\$ 59,986,218	\$ 49,571,618	-\$ 10,414,600	-17.4%
<b>Total Objects</b>	<b>\$ 61,212,299</b>	<b>\$ 59,986,218</b>	<b>\$ 49,571,618</b>	<b>-\$ 10,414,600</b>	<b>-17.4%</b>
<b>Funds</b>					
01 General Fund	\$ 35,834,123	\$ 34,213,946	\$ 32,157,470	-\$ 2,056,476	-6.0%
03 Special Fund	2,252,011	647,712	600,000	-47,712	-7.4%
05 Federal Fund	21,235,589	23,624,560	14,917,081	-8,707,479	-36.9%
09 Reimbursable Fund	1,890,576	1,500,000	1,897,067	397,067	26.5%
<b>Total Funds</b>	<b>\$ 61,212,299</b>	<b>\$ 59,986,218</b>	<b>\$ 49,571,618</b>	<b>-\$ 10,414,600</b>	<b>-17.4%</b>

*R00A04 - Interagency Fund*

Appendix 3

