

N00A01
Administration
Department of Human Resources

Operating Budget Data

(\$ in Thousands)

	FY 08	FY 09	FY 10	FY 09-10	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$102,532	\$102,325	\$106,079	\$3,755	3.7%
Contingent & Back of Bill Reductions	0	0	-448	-448	
Adjusted General Fund	\$102,532	\$102,325	\$105,631	\$3,306	3.2%
Special Fund	7,165	3,954	2,646	-1,308	-33.1%
Contingent & Back of Bill Reductions	0	0	-7	-7	
Adjusted Special Fund	\$7,165	\$3,954	\$2,639	-\$1,315	-33.3%
Federal Fund	94,225	93,486	93,787	301	0.3%
Contingent & Back of Bill Reductions	0	0	-267	-267	
Adjusted Federal Fund	\$94,225	\$93,486	\$93,520	\$34	0.0%
Reimbursable Fund	296	2,219	375	-1,844	-83.1%
Adjusted Reimbursable Fund	\$296	\$2,219	\$375	-\$1,844	-83.1%
Adjusted Grand Total	\$204,218	\$201,984	\$202,165	\$181	0.1%

- A \$8.75 million deficiency appropriation is proposed for the existing combined information technology (IT) hosting and maintenance contract.
- The fiscal 2010 allowance for the Department of Human Resources (DHR) Administration increases the overall budget by \$180,566, or 0.1%, when accounting for contingent reductions. Contingent across-the-board reductions are effected in this agency budget to reduce 2 positions and \$112,423 general funds to consolidate personnel classification functions within DBM and \$610,266 funds to delete the deferred compensation match.
- The major changes in the allowance are in the areas of personnel, IT, and the end of the Displaced Homemakers Program.

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

For further information contact: Tonya D. Zimmerman

Phone: (410) 946-5530

Personnel Data

	<u>FY 08 Actual</u>	<u>FY 09 Working</u>	<u>FY 10 Allowance</u>	<u>FY 09-10 Change</u>
Regular Positions	1,056.00	1,018.00	992.00	-26.00
Contractual FTEs	<u>29.00</u>	<u>2.90</u>	<u>2.90</u>	<u>0.00</u>
Total Personnel	1,085.00	1,020.90	994.90	-26.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	50.00	5.03%
Positions and Percentage Vacant as of 12/31/08	82.50	8.10%

- The number of regular positions within DHR Administration decreases by 24 in the fiscal 2010 allowance compared to fiscal 2009. This reduction includes 3 positions which are transferred to other State agencies. An additional 21 positions are abolished.
- The abolished positions occur within nearly all programs in DHR Administration including 1 position from the Office of the Secretary; 1 from the Citizen’s Review Board for Children; 2 from the Office of Grants Management; 4 from the Division of Budget, Finance, and Personnel; 1 from the Division of Administrative Services; 3 from the Office of Technology for Human Services; and 9 from Local General Administration.
- Two additional positions will be reduced associated with the consolidation of the personnel classifications functions within the Department of Budget and Management, as provided in Section 19 of the budget bill. This reduction makes the currently allocated position change for DHR Administration a decrease of 26 positions. Additional reductions may occur as a result of the position and full-time equivalent funding reductions in Section 18 and 23 yet to be allocated by administration within DHR.
- As of December 31, 2008, DHR Administration had a vacancy rate of 8.10% or 82.50 positions. When the vacant positions abolished in the fiscal 2010 allowance are accounted for the number of vacancies decreases to 61.50 positions. DHR Administration must keep 50 positions vacant to meet the turnover expectancy.
- The turnover expectancy decreases from 8.08 to 5.03% in the fiscal 2010 allowance.

Analysis in Brief

Major Trends

Minority Business Enterprises Below Statewide Goal: DHR remains well below the statewide goal of 25% of procurement dollars with the Minority Business Enterprises. However, DHR is taking steps to increase this percent toward the goal.

New Office of Grants Management Performance Measures: The new Office of Grants Management has incorporated key goals from existing programs to measure performance. The performance sometimes, but not always, follows the trend of the budget.

Issues

Maryland Children’s Electronic Social Services Information Exchange Challenges and Planned Enhancements: Despite the completed implementation of Maryland Children’s Electronic Social Services Information Exchange (MD CHESSIE) in fiscal 2007 and the provision of funding for enhancements to MD CHESSIE in fiscal 2008 and 2009, the system continues to face challenges. Most of the enhancements for fiscal 2008 have been completed; however, the work for fiscal 2009 enhancements will not be completed until fiscal 2010. The fiscal 2010 allowance provides \$4.35 million for additional enhancements.

Legal Services Program: In the 2008 session, a deficiency appropriation was provided for fiscal 2008 in the Legal Services Program. However, at the close of fiscal 2008, the Legal Services Program was not able to meet all payments to legal services vendors with its fiscal 2008 appropriation. Despite a lower appropriation in fiscal 2009, DHR anticipates being able to meet all payments to Legal Services vendors in fiscal 2009.

Recommended Actions

	<u>Funds</u>
1. Delete grant funding for the 2-1-1 program.	\$ 449,000
2. Add language to restrict the appropriation for Legal Services Program to that purpose.	
3. Reduce additional and replacement equipment in the Office of Technology for Human Services by \$800,000.	800,000
4. Delete funding for Maryland Children’s Electronic Social Services Information Exchange modifications and enhancements.	4,350,950
Total Reductions	\$ 5,599,950

Updates

IT Contract: In calendar 2008, DHR began the process of rebidding the existing combined hosting and outsourcing IT contract into two separate contracts. The hosting contract was awarded in October 2008. The maintenance contract procurement process is not yet completed.

Completion of Reorganization: In 2008, DHR reorganized its administrative functions. This process abolished the Community Services Administration (CSA) and consolidated or transferred the programs formerly within CSA. This reorganization has been completed.

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Operating Budget Analysis

Program Description

The Department of Human Resources (DHR) administers programs through a State-supervised and locally administered system. DHR Administration provides direction through four major units:

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

Office of the Secretary

The Office of the Secretary provides overall direction and coordination for all programs and activities of DHR. The Office of the Secretary includes:

- the Citizen's Review Board for Children (CRBC);
- the Maryland Commission for Women;
- the Office of Grants Management; and
- the Maryland Legal Services Program.

Key goals of the Office of the Secretary include providing excellent customer service in local department of social services (LDSS), and complying with statewide requirements for agency performance.

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 to DHR, as well as disaster relief and emergency response throughout the

State. Key goals of these divisions include improving customer service; providing a high quality workforce; providing a professional, well-designed, and safe physical work environment; and reducing the cost of work-related injuries.

Office of Technology for Human Services

OTHS is responsible for the overall management and direction of DHR's information systems. This includes responsibility for computer applications and systems; computer and communication equipment; computer peripheral equipment; telephone systems and equipment; ancillary facility and support equipment; and consumables and supplies. OTHS is responsible for the development and administration of DHR's information technology (IT) systems including;

- the Child Support Enforcement System (CSES);
- the Client Automated Resource and Eligibility System (CARES);
- the Office of Home Energy Programs System; and
- the Maryland Children's Electronic Social Services Information Exchange (MD CHESSIE).

In addition, the Chief Information Officer serves as the principal IT advisor to leaders of the department. The key goals of OTHS include ensuring delivery of high quality products and services responsive to the changing needs of DHR and its customers and ensuring the access and availability of information systems that readily meet the business needs of DHR.

Local General Administration

LDSS are situated in each county and Baltimore City; the administrative budgets of LDSS are combined into the local department operations unit for the purpose of the State budget.

The general administration program 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. Its key goal is to provide effective customer service in each LDSS.

Performance Analysis: Managing for Results

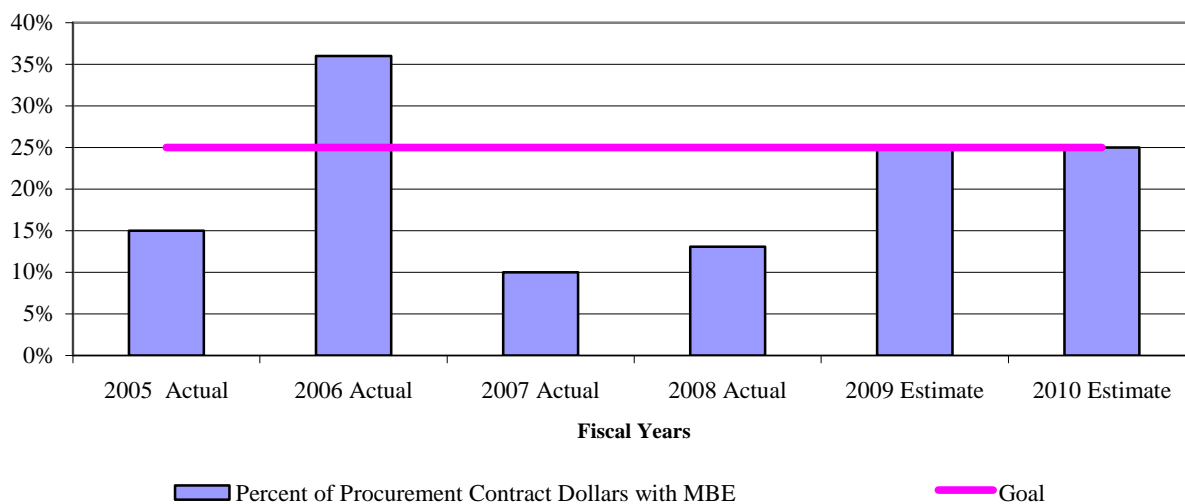
DHR recently began reporting performance measures related to IT projects that are completed on schedule and on budget. As a result, only limited information is available on DHR's performance in these areas. The Managing for Results (MFR) performance measures report that the percent of projects completed on schedule was 100% in fiscal 2008 and the percent of projects completed on budget was 100% in fiscal 2007 and 2008. DHR reports that two projects qualified for inclusion in this measure in each fiscal 2007 and 2008. DHR anticipates going forward that 80% of projects will be completed on schedule and on budget, which is higher than the industry average.

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Performance data continues to be unavailable for multiple child welfare measures in CRBC. Some measures have data available for fiscal 2008, but no data available for fiscal 2007, or estimates for fiscal 2009 or 2010. Examples of these measures are (1) percent of applicable cases reviewed in which children are safely maintained in their homes when possible; and (2) percent of applicable cases reviewed in which children are protected from abuse and neglect. However, no data was available for nine important CRBC performance measures, such as the incidence of child abuse or neglect for a child, who in the prior 12 months, was not removed from the home following an investigation that found indicated or unsubstantiated abuse or neglect; incidence of indicated findings of child abuse or neglect within 12 months following release of the child committed to DHR; and percent of children in out-of-home placement living in kinship or foster family setting. **DHR should comment on the continued unavailability of critical performance measures in CRBC and when it expects to fully report on these measures.**

DHR’s Office of the Secretary has a goal of complying with statewide requirements for agency performance. This goal is measured by the percent of procurement contract dollars with Minority Business Enterprises (MBE). As shown in **Exhibit 1**, after a substantial decrease in the percent of procurement dollars with MBEs between fiscal 2006 and 2007, this percent increased slightly in fiscal 2008. Despite the increase, DHR’s performance remained well below the goal. DHR has identified actions to increase this percent to the goal in fiscal 2009 and 2010. These plans include targeting certain types of procurement, reviewing per-diem contracts for MBE prime contracting or establishing MBE goals for the contracts, and encouraging group home providers to seek MBE certification. DHR also has plans for outreach activities designed to encourage participation in certain types of contracts by certified MBEs.

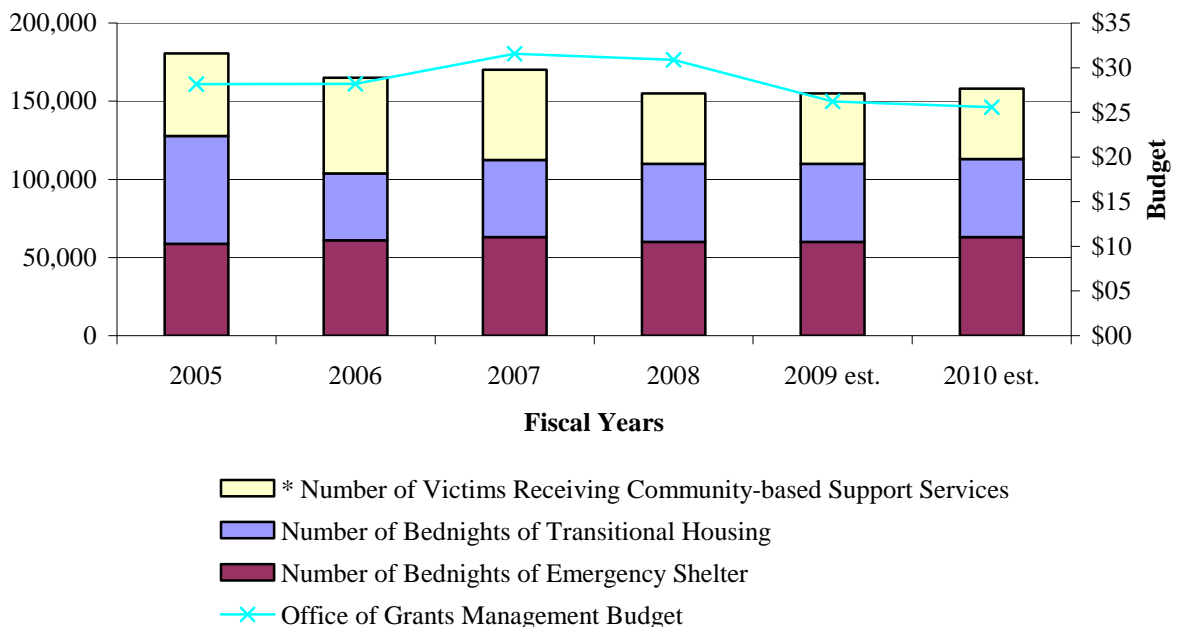
Exhibit 1
Percent of Procurement Contract Dollars with Minority Business Enterprises
Fiscal 2005-2010



Source: Department of Human Resources

Exhibit 2 highlights a few of the performance measures for the new Office of Grants Management. This new Office was created as a result of the DHR reorganization that occurred in 2008. This new office includes programs previously budgeted under the programs of Shelter and Nutrition, Office of Victim Services, and Office of Community Initiatives within Adult Services. In the MFR this new office incorporated key goals and measures from the separate programs that existed prior to the reorganization. As a result, the performance and budget for some fiscal years included in this exhibit actually reflects programs under the previous structure of DHR.

Exhibit 2
Office of Grants Management Performance
Fiscal 2005-2010
(\$ in Millions)



*Number of victims receiving community-based support services to alleviate the immediate crisis, ensure safety, and help stabilize their lives

Source: Department of Human Resources; Department of Legislative Services

As shown in Exhibit 2, performance in these three areas has fluctuated in recent years. The performance follows the trend of the budget in some years. However, this does not occur in all years. For example, performance is expected to increase in fiscal 2010 while the budget declines. **The department should comment on factors that impact the performance of these grant programs and why the performance is expected to increase in fiscal 2010 despite a decreasing budget.**

Fiscal 2009 Actions

Proposed Deficiency

A fiscal 2009 deficiency appropriation of \$8.75 million is proposed for the existing combined IT hosting and maintenance contract. The \$8.75 million includes approximately \$4.29 million in general funds and \$4.46 million in federal funds.

The fiscal 2009 appropriation for this contract was approximately \$37.5 million. However, the contract cost for that year is approximately \$46.2 million. This deficiency appropriation provides additional funding required for DHR to fully fund the cost of this contract in fiscal 2009.

Impact of Cost Containment

In fiscal 2009, DHR Administration experienced reductions in personnel and its appropriation as a result of the cost containment actions taken by the Board of Public Works (BPW) in June and October 2008.

The October 2008 BPW action reduced 32 positions within DHR Administration, of which 6 were filled positions. The filled positions were located in the print shop and were part of the consolidations of print shops. DHR indicates that all 6 employees were transferred to other vacant positions within DHR effective October 30, 2008.

Of the vacant positions that were abolished:

- two were located in the Office of the Secretary;
- one was in CRBC;
- one was in the Office of Grants Management;
- four were in the Division of Administrative Services;
- nine were in OTHS; and
- nine were in Local General Administration.

In addition, \$500,000 of general funds appropriated for the Young Fathers Program and the Absent Parent Employment Program were eliminated. These programs will continue to exist but be budgeted with federal funds in the Local Family Investment Program in the future. DHR anticipated no impact on the persons served as a result of this change.

Some additional savings were realized through extending the hiring freeze and other salary and fringe benefit adjustments, reductions in travel, and reductions in motor vehicle operations.

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An additional decrease of approximately \$326,000 of general funds is expected as the result of the furlough plan pending BPW action.

Proposed Budget

As shown in **Exhibit 3**, the DHR Administration fiscal 2010 allowance increases by \$180,566, or 0.1%, compared to the fiscal 2009 working appropriation after contingent reductions. The major changes occur in the areas of personnel, IT, and the end of the Displaced Homemakers Program.

The fiscal 2010 allowance increases the general fund appropriation for DHR Administration by \$3.3 million, or 3.2%. The only other funding source that increases in DHR Administration is federal funds, which increases by \$33,997. The special fund and reimbursable fund appropriations decrease by approximately \$1.3 million and \$1.8 million, respectively.

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

How Much It Grows	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimbursable Fund</u>	<u>Total</u>
2009 Working Appropriation	\$102,325	\$3,954	\$93,486	\$2,219	\$201,984
2010 Governor's Allowance	106,079	2,646	93,787	375	202,887
Amount Change	\$3,755	-\$1,308	\$301	-\$1,844	\$903
Percent Change	3.7%	-33.1%	0.3%	-83.1%	0.4%
 Contingent Reductions	 -\$448	 -\$7	 -\$267	 \$0	 -\$723
Adjusted Change	\$3,306	-\$1,315	\$34	-\$1,844	\$181
Adjusted Percent Change	3.2%	-33.3%	0.0%	-83.1%	0.1%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance pay-as-you-go costs	\$3,258
Reduce turnover expectancy from 8.08 to 5.03%	1,778
Retirement contribution	668
Section 19 position reductions	-112
Other salary and fringe benefit adjustments	-256
Reclassifications	-392
Deferred compensation including reduction contingent on the passage of legislation.....	-624
Delete funds for Other Post Employment Benefits' unfunded liability	-715
Abolish 21 positions and transfer of 3 positions.....	-1,207

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Where It Goes:

Information Technology Changes

Additional and replacement of information technology (IT) equipment excluding capital leases	3,949
Software licenses	1,191
Quality assurance and quality control contract.....	589
Increased need for mobile connectivity to the network.....	468
Network integration and voice contract costs.....	370
Service contracts for equipment	333
Capital leases	-331
Fiscal 2009 IT infrastructure upgrades	-1,400
CARES modifications	-1,844
New IT contracts and changes to enhancement funding	-5,320

Other Changes

Increased costs of rent	484
Legal services contracts for adults in Legal Services Program	281
Overhead costs for local/federal programs in local general administration	210
Security contract of local department operations in Baltimore City.....	179
Central Collections Unit collection expenses in local department operations in Baltimore City	131
Technical training and research contract with Towson University	122
Travel.....	43
Insurance payments to State Treasurer's Office.....	-132
Grants for day care services operated by other entities	-139
Grant to Montgomery County Department of Health and Human Services.....	-341
Elimination of Displaced Homemakers Program	-1,071
Other	12

Total **\$181**

CARES: Client Automated Resource and Eligibility System
IT: Information Technology

Note: Numbers may not sum due to rounding.

Impact of Cost Containment

The Displaced Homemakers Program is eliminated in the fiscal 2010 allowance. This program received approximately \$1.07 million in fiscal 2009. This program provided support services to persons over 35 years of age who were primary caretakers in the home and who experienced a loss of income resulting from separation, divorce, disability, or death of the family member that provided income or received government assistance for which the person is no longer eligible, or received Temporary Cash Assistance for at least 24 months. The program served

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individuals out of 10 locations. The program provided primarily employment services and supportive services. In fiscal 2008, this program served 1,605 individuals, and in fiscal 2007, it served 1,318.

In addition, Section 19 of the budget bill reduces two positions and the associated general funds of \$112,423 as a result of the consolidation of personnel classification functions within DBM. Federal funding is also associated with these positions, and this funding is expected to be cancelled in the closeout process for fiscal 2010.

Additional reductions are expected when each administration's share of the departmentwide allocations of position reductions, contractual full-time equivalents, and contractual services in Sections 18, 23, and 24 are determined.

Personnel Changes

The fiscal 2010 allowance reduces the number of regular positions within DHR Administration by 24. Of this reduction, 3 positions are transferred to other State agencies and the other 21 positions are abolished. This results in a decrease of approximately \$1.2 million to the fiscal 2010 allowance.

One position which has been detailed to the Office of the Governor is being transferred to that budget in the fiscal 2010 allowance. In fiscal 2009, the Commissions on Asian Pacific American Affairs, Indian Affairs, and Hispanic Affairs were transferred from DHR to the Governor's Office of Community Initiatives. Two positions are being transferred to the Governor's Office for Community Initiatives related to the recent transfer of these commissions.

The 21 abolished positions occur in nearly all programs of DHR Administration. Of the vacant positions that were abolished:

- 1 was located in the Office of the Secretary;
- 1 was in CRBC;
- 2 were in the Office of Grants Management;
- 4 were in the Division of Budget, Finance, and Personnel;
- 1 was in the Division of Administrative Services;
- 3 were in OTHS; and
- 9 were in the Local General Administration.

Information Technology

A decrease of \$5.32 million in the fiscal 2010 allowance is related to the IT hosting and maintenance contracts and enhancement funding for MD CHESSIE. A decrease totaling approximately \$9.7 million results from the new contracts associated with the rebidding of the combined IT hosting and maintenance contract in calendar 2008. This decrease is partially offset by an increase of \$4.35 million for modification and enhancements to MD CHESSIE. In fiscal 2010, all funding for enhancements to MD CHESSIE are located in the budget for OTHS.

A decrease of \$1.8 million reflects the unavailability of funding for CARES enhancements in fiscal 2010. The fiscal 2010 budget as introduced includes approximately \$3.6 million in a program in DHR Administration for major IT projects. It is the understanding of the Department of Legislative Services (DLS) that there are no funds provided in the fiscal 2010 allowance for DHR Administration for enhancements through the Major Information Technology Development Project Fund and the federal funding provided in this program will be transferred to OTHS as a technical correction to be used as part of the funding for the new hosting and maintenance contracts.

The fiscal 2010 allowance includes an increase of approximately \$3.9 million for additional and replacement equipment in OTHS including software licenses, servers, computers, network security, printers, and projectors.

In fiscal 2009, funding was provided for an upgrade of network infrastructure, including increasing bandwidth, routers, switches, and wireless networking equipment. A decrease of approximately \$1.4 million in fiscal 2009 is a result of this one-time spending.

Other Items

Supplemental Budget No. 2 for fiscal 2009 provided \$449,000 in general funds to DHR in the Office of the Secretary for a bridge grant for the 2-1-1 information and referral line. The fiscal 2010 allowance continues to provide this funding.

The fiscal 2010 allowance includes a decrease of \$1,730 to reflect the end of the Commission on Migratory and Seasonal Farm Labor. It is the understanding of DLS that the activities of this commission will be performed in the future by the Maryland Council for New Americans created by Executive Order 01.01.2008.18.

Issues

1. Maryland Children’s Electronic Social Services Information Exchange Challenges and Planned Enhancements

MD CHESSIE was fully implemented in all local departments during fiscal 2007. Funds were provided in the fiscal 2008 and 2009 budget for modifications and enhancements to MD CHESSIE. Despite this, the MD CHESSIE system continues to face challenges. This issue discusses the challenges of MD CHESSIE, as well as the status of enhancements planned and funded in fiscal 2008 and 2009.

Social Services Administration Audit

In October 2008, an audit of the Social Services Administration (SSA) was released by the Office of Legislative Audits covering the period May 3, 2004, to June 30, 2007. This audit highlighted some of the challenges of MD CHESSIE, particularly Finding 1, as shown in **Exhibit 4**.

Exhibit 4 Social Services Administration MD CHESSIE Audit Finding

Finding

Finding 1: SSA has not been able to successfully implement several critical components of the MD CHESSIE system, resulting in inaccuracies and preventing SSA from effectively monitoring foster care activities.

Recommendation

Recommendation 1: We recommend that SSA ensure the accuracy and completeness of all data in MD CHESSIE, and that all required and necessary reports from MD CHESSIE are likewise accurate and complete. We also recommend that SSA ensure that essential features in MD CHESSIE are fully operational, such as the ability to transmit data to the federal government in required formats, and the ability to interface fully and accurately with FMIS and CIS.

CIS: Client Information System

FMIS: Financial Management Information System

MD CHESSIE: Maryland Children’s Electronic Social Services Information Exchange

SSA: Social Services Administration

Source: Department of Legislative Services; Office of Legislative Audits

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Specifically, the discussion of Finding 1 highlighted:

- the inaccurate and incomplete information contained in MD CHESSIE;
- the inability to effectively monitor the eligibility of certain cases for the purposes of federal funding;
- the need to enter foster children into multiple systems because MD CHESSIE does not update other systems automatically;
- the inability to transmit Adoption and Foster Care Analysis and Reporting System information in the required federal government format due to problems with the information in MD CHESSIE; and
- the lack of interface of MD CHESSIE with the State financial system to process foster care and adoption provider payments.

In addition to Finding 1, MD CHESSIE was discussed in several of the other findings in some capacity.

DHR's response to this audit noted that progress has been made with MD CHESSIE since the time period covered in the audit and more cases have been included. DHR indicated that 90% of current cases were at a high level of completion as of August 2008. In addition, DHR discussed the plan for the financial payment function of MD CHESSIE to "go live" in December 2008. A press release issued after the audit announced a planned two-month live test beginning in December 2008 of the financial payment system prior to the beginning of the automated payments in February 2009.

DHR also noted in its response to various findings, that relevant system enhancements have been completed or are planned to address some of the challenges of MD CHESSIE. These enhancements include some of those completed with enhancement funding available in fiscal 2008 and 2009. **Exhibits 5 and 6** describe the enhancements funded in these two years and the status of the enhancements. The enhancements specifically mentioned by DHR in its response to the audit of SSA are referenced with a footnote.

Exhibit 5
Fiscal 2008 MD CHESSIE Enhancements

<u>Enhancement</u>	<u>Description</u>	<u>Status</u>
Client Merge ¹	Combines data and client information from multiple case files into a single record	Implemented September 17, 2008
Client Search ¹	Additional search features that will allow for enhanced capacity to match a client and reduce duplications	Implemented June 25, 2008
Financial Management ¹	Enhance procedures for financial payments	Implemented May 21, 2008
Statewide View of Investigations ¹	Allow workers to view information on investigations completed statewide rather than only their own jurisdiction	Implemented May 21, 2008
Administrative Override ¹	Allow certain persons to override a decision or edit erroneous information for case accuracy	In design stage September 2008; Expected implementation March 2009 (initially November 2008; delayed due to “live test” for FMIS)
On Demand Payments	One-time payments, payments to older foster children living in independent situations and working funds of local departments	Cancelled effective March 19, 2008, funds reallocated to Contact and Program Assignment
Contacts	Improve functionality in the area of contacts	BPW approved enhancement June 25, 2008; Implementation expected March 2009 (subject to change)
Program Assignment Phase 1	Modification relating to identifying the classification of services to improve case management and financial management	BPW approved enhancement June 25, 2008; Implementation expected March 2009 (Phase 2 expected to be completed with fiscal 2009 funding and both are to be implemented at same date)

BPW: Board of Public Works

FMIS: Financial Management Information System

MD CHESSIE: Maryland Children’s Electronic Social Services Information Exchange

¹ Mentioned in the Department of Human Resources response to Social Services audit as areas of improvement or enhancements which will serve to meet audit recommendations

Source: Department of Human Resources; Department of Legislative Services

Exhibit 6
Fiscal 2009 MD CHESSIE Enhancements

<u>Enhancement</u>	<u>Description</u>	<u>Status</u>
Performance Optimization ¹	Various activities designed to increase processing times	Expected to be implemented between October 1, 2009, and June 30, 2010
Program Assignment Phase 2	Modification relating to identifying the classification of services to improve case management and financial management	Expected to be implemented March 2, 2009
Ensure Accurate AFCARS ¹	Completing recommendations made by the National Resource Center to improve the reporting of AFCARS data	Expected to be implemented November 16, 2009
County Specific Room and Board Rate	Allow the system to accommodate different foster care room and board rates for jurisdictions	Expected to be implemented January 18, 2010
Private Adoption Subsidies	Modify the system to accommodate cases where a subsidy is applied for in a private adoption	Expected to be implemented August 17, 2009
Integrate Structured Decision Making	Include in MD CHESSIE an instrument that will allow for standardized, objective information to be used in decisionmaking for cases	Expected to be implemented November 16, 2009
Improve Title IV-E Processing ¹	Several actions to allow for the accurate claiming of IV-E funding and maximize federal IV-E funds	Expected to be implemented December 21, 2009
Enhancing Current Reports ¹	Modifications to existing reports in MD CHESSIE identified by staff	Expected to be implemented October 26, 2009
Over/Under Processing for Subsidies for Adoptions and Guardianship	Allow for automated over/under payment processing in case of a retroactive subsidy change	Expected to be implemented September 21, 2009
Implement Child and Adolescent Needs and Strengths	Implement an assessment tool designed to ensure children are placed in the least restrictive and least costly care	Expected to be implemented November 16, 2009

AFCARS: Adoption and Foster Care Analysis Reporting System

MD CHESSIE: Maryland Children's Electronic Social Services Information Exchange

¹ Mentioned specifically in the Department of Human Resources response to Social Services audit as areas of improvement or enhancements which will serve to meet audit recommendations; some other enhancements planned for fiscal 2009 funding are noted more generally.

Source: Department of Human Resources; Department of Legislative Services

Fiscal 2008 Enhancements

In fiscal 2008, \$5.0 million was available for MD CHESSIE modifications and enhancements. As shown in Exhibit 5, some changes were made to the enhancements originally planned with this funding. One enhancement (on demand payments) was cancelled effective March 19, 2008. DHR replaced this enhancement with two enhancements (Contacts and Program Assignments Phase 1). This change was approved by BPW on June 25, 2008.

The majority of the enhancements funded in fiscal 2008 have been implemented. The remaining three enhancements are expected to be implemented within a few months. DHR indicated that the implementation of the Administrative Oversight enhancement was delayed due to the “live test” of the financial payment system.

Fiscal 2009 Enhancements

Fiscal 2009 budget bill language withheld the \$4.0 million appropriation for MD CHESSIE modifications and enhancements until DHR submitted a report providing additional information on the planned modifications and enhancements. DHR submitted its response to this language in October 2008 and a letter recommending the release of funds was sent November 6, 2008. In addition to recommending the release of these funds, the letter requested DHR notify the budget committees of any enhancement described in the report which is reprioritized or determined to be unnecessary.

As shown in Exhibit 6, most of the enhancements identified and described in the DHR response are not expected to be implemented until fall 2009 or early 2010. Of note, the second phase of the Program Assignment enhancement, the first phase of which was funded in fiscal 2008, is expected to be implemented in March 2009.

DHR indicated that many of the enhancements were expected to be completed under the new IT maintenance contract expected to appear before BPW in February 2009. This contract change resulted in a delay in the implementation of these enhancements. A protest has been filed which may further delay the award and start date of the contract. **The department should comment on the impact of the delay in implementation of the fiscal 2009 enhancements on the services provided by SSA and the management of these services.**

Fiscal 2010 Enhancements

The fiscal 2010 allowance includes \$4.35 million for modifications and enhancements to MD CHESSIE, including approximately \$3.0 million in general funds and \$1.3 million in federal funds. DHR has not submitted an Information Technology Project Request for these modifications and enhancements. **In light of the fact that most fiscal 2009 enhancements are delayed significantly, as are several fiscal 2009 enhancements for CARES, and that DHR has not submitted proposed fiscal 2010 enhancements to the Department of Information Technology for necessary oversight, DLS recommends that the funding for these modifications and enhancements be deleted.**

2. Legal Services Program

The Statewide Review of Budget Closeout Transactions for fiscal 2007 released by the Office of Legislative Audits in January 2008, indicated that DHR had a general fund payable of approximately \$2.58 million in the Legal Services Program. DHR also indicated there was a federal fund payable of approximately \$1.07 million.

The Legal Services Program received a \$5.6 million deficiency appropriation for fiscal 2008, of this, \$3.7 million was general funds and \$1.9 million was federal funds. DHR indicates that this deficiency was able to cover the fiscal 2007 general fund payable identified in the audit. The federal fund payable was paid using a Title IV-E grant. The deficiency appropriation was also used for the payment of services in fiscal 2008.

In fiscal 2008, the Legal Services Program again ended the year with a payable totaling approximately \$1.08 million; the general fund portion equaled \$661,274. DHR indicated that this payable resulted from a fiscal 2008 appropriation that did not fully cover invoices received for services provided in fiscal 2008. DHR intends to use part of its fiscal 2009 appropriation to pay for the remaining invoices from fiscal 2008.

DHR indicates that it has a sufficient appropriation in fiscal 2009 to pay for both the fiscal 2008 payable and the fiscal 2009 contracts. However, the Legal Services Program overall has approximately \$259,000 less available to it in fiscal 2009 than in fiscal 2008.

The fiscal 2010 allowance increases the available funding for this program to near the fiscal 2008 level. **The department should comment on whether the fiscal 2010 allowance is sufficient to pay for contract costs in that year. DLS also recommends budget bill language restricting the general and federal funds for the Legal Services Program to that program.**

Recommended Actions

	<u>Amount Reduction</u>	
1. Delete fiscal 2010 funding for a grant for the 2-1-1 program. Funding for this grant was provided in fiscal 2009 as a bridge grant.	\$ 449,000	GF
2. Add the following language:		
<p><u>Provided that \$17,621,318 of this appropriation made for the purpose of the Legal Services Program may only be expended for that purpose. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose, and shall revert to the general fund or be cancelled.</u></p>		
<p>Explanation: This language restricts the appropriation for the Legal Services Program to that purpose. It also requires that all unexpended funds be reverted or cancelled at the end of the fiscal year. The funding for the Legal Services Program was inadequate in fiscal 2007 and 2008 to cover the costs of all invoices for services provided in that fiscal year. All funding available for the Legal Services Program should be used for this purpose to ensure all invoices for services can be paid.</p>		
3. Reduce funding for additional and replacement equipment in the Office of Technology for Human Services by \$800,000. The fiscal 2010 allowance includes approximately \$2.4 million in replacement equipment and \$1.5 million for additional equipment, excluding existing capital leases. Reducing funding by \$800,000 will still allow for the replacement and purchase of critical security and data back up materials.	468,148 331,852	GF FF
4. Delete funding for the Maryland Children’s Electronic Social Services Information Exchange modifications and enhancements. No Information Technology Project Request has been completed for these modifications and enhancements.	3,045,665 1,305,285	GF FF
Total Reductions	\$ 5,599,950	
Total General Fund Reductions	\$ 3,962,813	
Total Federal Fund Reductions	\$ 1,637,137	

Updates

1. IT Contract

In June 2006, BPW approved a combined IT hosting and maintenance contract with ACS for the period July 1, 2006, to June 30, 2009. Prior to this, hosting and maintenance services operated under separate contracts. At the time the contract was awarded, only one bid was received. This bid was accepted, and the contract awarded. The contract was worth \$110.0 million at the time it was awarded. It was subsequently modified five times, adding approximately \$15.8 million to the cost of the contract, as shown in **Exhibit 7**.

Exhibit 7
ACS Contract Cost
 (\$ in Thousands)

<u>Contract Year</u>	<u>Actual Fixed Price Cost</u>
2007	\$28,200
2008	35,637
2009	46,177
Total Base Contract Cost	\$110,013
Modification 1	\$828
Modification 2	1,745
Modification 3	7,809
Modification 4	3,467
Modification 5	1,915
Total Modifications Cost	\$15,765
Total Contract Cost (to Date)	\$125,778

Source: Department of Human Resources; Board of Public Works Agenda Items on March 12, 2008, and June 25, 2008

This contract appeared in two findings of the November 2007 audit of the DHR Office of the Secretary and Related Units, as shown in **Exhibit 8**.

Exhibit 8

IT Hosting and Maintenance Contract Related Audit Finding

Finding

Finding 1: DHR’s decision to bundle two previously separate contracts into one procurement appears to have contributed to a lack of competition.

Finding 2: DHR did not ensure that the lowest possible contractor rates were obtained under a contract modification.

DHR: Department of Human Resources
IT: Information Technology

Source: Department of Legislative Services; Office of Legislative Audits

In calendar 2008, DHR began the process of rebidding the combined IT hosting and maintenance contract into separate hosting and maintenance contracts.

Hosting Contract

The Request for Proposal (RFP) for the hosting contract was issued April 28, 2008. The contract was approved by BPW on October 15, 2008, to ACS for a base period of November 1, 2008, to June 30, 2014, with one five-year renewal option. Three bids were received for this contract. **Exhibit 9** shows the cost of the contract as awarded.

Maintenance Contract

The RFP for the maintenance contract was issued June 13, 2008. The contract is expected to go to BPW in February 2009. The anticipated start date of this contract is March 2009. However, a protest has been filed in this procurement which could result in a delay in approval and award of this contract.

Exhibit 9
Hosting Contract Cost

<u>Contract Year</u>	<u>Cost</u>
Transition (8 months)	\$1,446,357.55
1	12,849,813.65
2	12,849,813.65
3	12,849,813.65
4	12,849,813.65
5	12,849,813.65
Total Cost Base Period	\$65,695,425.80
Option Year 1	\$12,849,813.65
Option Year 2	12,849,813.65
Option Year 3	12,849,813.65
Option Year 4	12,849,813.65
Option Year 5	12,849,813.65
Total Cost of Option	\$64,249,068.25
Total Cost of Contract with Option	\$129,944,494.05

Source: Department of Human Resources

2. Completion of Reorganization

During the 2008 legislative session, DHR announced a plan to reorganize. Chapter 116 of 2008, which was emergency legislation, formalized the reorganization of DHR.

This reorganization involved several key changes to the structure of DHR. Specifically, it abolished the Community Services Administration (CSA) and moved the programs which operated under this administration into other areas of DHR. **Exhibit 10** shows the changes in the organizational structure of DHR as a result of the reorganization.

Exhibit 10
Reorganization of the Department of Human Resources

<u>Community Services Administration Unit</u>	<u>Action</u>	<u>Location</u>
Office of Home Energy Programs MD Office for New Americans	Transfer to	Family Investment Administration
Office of Adult Services	Transfers to	Social Services Administration
Maryland Legal Services Program	Transfers to	Office of the Secretary
Office of Victim Assistance Office of Transitional Services Office of Community Initiatives	Consolidated into newly created	Office of Grants Management

Source: Department of Human Resources; Department of Legislative Services

As part of the reorganization, DHR anticipated a reduction in authorized positions, including those associated with CSA Executive Director's Office and other positions. On June 30, 2008, 20.5 positions were abolished related to the reorganization.

The fiscal 2009 appropriation was adjusted to reflect the changes in organizational structure that occurred as a result of the reorganization. The fiscal 2010 allowance also reflects the new organizational structure of DHR.

The reorganization process began immediately upon the signing of the legislation in April 2008 and was completed by June 30, 2008.

Current and Prior Year Budgets**Current and Prior Year Budgets**

(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2008					
Legislative Appropriation	\$101,789	\$3,022	\$90,731	\$375	\$195,917
Deficiency Appropriation	4,338	0	3,554	0	7,892
Budget Amendments	-1,379	4,161	4,663	0	7,445
Cost Containment	-2,216	0	-1,350	0	-3,566
Reversions and Cancellations	0	-18	-3,373	-79	-3,470
Actual Expenditures	\$102,532	\$7,165	\$94,225	\$296	\$204,218
Fiscal 2009					
Legislative Appropriation	\$105,224	\$3,947	\$94,203	\$375	\$203,749
Cost Containment	-3,540	-7	-717	0	-4,264
Budget Amendments	642	14	0	1,844	2,500
Working Appropriation	\$102,325	\$3,954	\$93,486	\$2,219	\$201,984

Notes: Numbers may not sum to total due to rounding. Fiscal 2008 information has been restated to reflect the change in the Department of Human Resources organizational structure in 2008.

Fiscal 2008

Fiscal 2008 legislative and actual appropriations have been restated to reflect the DHR reorganization that occurred in calendar 2008 as a result of Chapter 116 of 2008.

The general fund appropriation for DHR Administration increased by a net of \$742,899 during fiscal 2008, including reversions. This increase included:

- \$3.7 million in the Legal Services Program which is the general fund portion of a deficiency appropriation;
- \$637,807 for CARES enhancements which is the general fund portion of a deficiency appropriation;
- approximately \$1.6 million for costs associated with model office improvements in various DHR and local department offices;
- \$691,820 related to employee cost-of-living adjustments (COLA);
- \$443,783 associated with contractual services for attorneys' fees; and
- \$18,036 for travel for the Commission on Women and Commission on Hispanic Affairs.

These increases were partially offset by decreases including:

- approximately \$3.5 million related to the reorganization of DHR in calendar 2008;
- approximately \$1.8 million in cost containment actions in nearly all categories of spending, primarily in salaries and wages, communications, contractual services, and fixed charges;
- \$486,489 related to salaries and wages and fixed charges;
- \$391,711 related to the abolishment of 26 positions in BPW actions taken in 2008; and
- \$106,983 in OTHS for lower than expected telephone expenditures.

DHR Administration also reverted \$425 of the general fund appropriation.

The special fund appropriation increased by a net of approximately \$4.1 million during fiscal 2008, including cancellations. The majority of the increase resulted from \$2.5 million of funding for MD CHESSIE enhancements originally budgeted with the Major Information Technology Development Project Fund and approximately \$1.3 million of child support reinvestment funds for enhancements to the CSES. An additional increase of \$305,169 is associated with salaries

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and wages in Local General Administration and the Division of Budget, Finance, and Personnel due to a reallocation based on DHR's salary plan. The remaining increases are due to employee COLAs and indirect costs associated with the Electric Universal Service Program. These increases are partially offset by a cancellation of \$17,947.

The federal fund appropriation increases by a net of approximately \$3.5 million in fiscal 2008 including cancellations. This increase includes:

- \$1.9 million for the Legal Services Program which is the federal fund portion of a deficiency appropriation;
- \$854,281 for CARES enhancements which is the federal fund portion of a deficiency appropriation;
- \$800,000 deficiency appropriation for MD CHESSIE which replaced some Major Information Technology Development Project Funds with federal funds;
- approximately \$1.7 million related to salaries and wages and fixed charges;
- approximately \$1.5 million related to the reorganization of DHR in calendar 2008 and costs associated with federal food commodities in the Temporary Emergency Food Assistance Program;
- \$858,663 in technical and special fees for consultant services relating to the submission of invoices for Medicaid rehab; and
- \$540,563 for costs associated with model office improvements in various DHR and local department offices.

The federal fund appropriation decreased by approximately \$1.2 million due to cost containment actions, occurring in most areas of spending including salaries and wages, contractual services, communications, and grants. An additional decrease of \$196,710 was associated with the abolishment of 26 positions in a BPW action taken in 2008. DHR Administration also cancelled approximately \$3.4 million of federal funds. These cancellations include approximately \$1.0 million related to the Health Marriage Promotion and Responsible Fatherhood Program and approximately \$2.3 million for activities associated with Temporary Assistance for Needy Families, Title IV-E, and Title IV-D for which this funding was unavailable or other funding sources were available.

The reimbursable fund appropriation decreased by \$79,001 as a result of a cancellation of funds available from the Department of Health and Mental Hygiene Community Health Administration.

Fiscal 2009

The general fund appropriation has decreased by a net of approximately \$3.0 million in fiscal 2009. The general funds increased by \$633,513 due to employee COLAs. The general fund appropriation also increased due to the Annual Salary Review. These increases have been more than offset by cost containment actions of approximately \$3.5 million including a hiring freeze, the abolishment of 32 positions, and other reductions in operating expenses.

The special fund appropriation has increased by a net of \$7,049 in fiscal 2009. This change is the result of a \$13,573 increase due to employee COLAs, which was partially offset by cost containment actions.

The federal fund appropriation has decreased by \$717,379 in fiscal 2009, as a result of cost containment actions.

The reimbursable fund appropriation has increased by approximately \$1.8 million in fiscal 2009 as a result of a transfer of funding for CARES enhancements originally budgeted within the Major Information Technology Development Project Fund.

Major Information Technology Projects

Department of Human Resources Maryland Children’s Electronic Social Services Information Exchange Modifications III

Project Description:	Maryland Children’s Electronic Social Services Information Exchange (MD CHESSIE) was implemented statewide in January 2007. Following this implementation modifications and enhancements to improve the functionality of the system have been developed. These modifications were also designed to complete some recommendations made by the Administration for Children and Families’ after a site visit in November 2006.		
Project Business Goals:	The Department of Human Resources (DHR) indicates that the business goals of the enhancements include timely and correct payment of adoptions subsidies, a reduction of the number of children in out-of-home care, reduction in federal fund disallowances due to federal IV-E audits. While DHR has identified broad business goals, the specific measures and/or goal numbers have not been clearly defined for all measures at this time.		
Estimated Total Project Cost:	\$4.0 million (\$2.0 million provided in the Major Information Technology (IT) Development Project Fund and \$2.0 million in federal funds). This total does not include operations and maintenance costs.	New/Ongoing Project:	While MD CHESSIE has received Major IT Development Project Funds in previous years, including enhancement funding in fiscal 2008, the funding for fiscal 2009 was considered a new project.
Project Start Date:	Originally noted as August 2007, however, it was later listed as May 2008 for all but one enhancement (September 2008).	Projected Completion Data:	The initial information indicated that implementation of the enhancements was expected to occur between February and May 2009. However, more recently provided information indicated that only one enhancement will be implemented in this time frame (March/April 2009). The remaining nine enhancements will be implemented between September 2009 and June 2010.
Schedule Status:	Nine of 10 planned enhancements have been delayed so that implementation will not occur until fiscal 2010. One key reason for this delay involves the request for proposal process for the IT maintenance contract. The one enhancement that will be implemented in March/April 2009 is being completed under the existing combined hosting and maintenance contract. The nine enhancements that have been delayed are expected to be completed under this new contract, which will not be taken to the Board of Public Works (BPW) until February 2009. A protest has been filed for the new maintenance contract which could further delay the contract start date, and the implementation of enhancements.		

Cost Status:	More detailed information on the cost of each enhancement was described in response to budget bill language included in the fiscal 2009 operating budget. Because the description in that report was more detailed than information previously available it is difficult to compare the costs of specific enhancements. However, the report identifies the overall cost at the same level. One enhancement is being completed in two phases, including funding available as a result of the fiscal 2008 modification and enhancement appropriation.							
Scope Status:	More detailed information on specific enhancements became available as a result of fiscal 2009 budget bill language. The description of these enhancements generally falls under one of the four modules described initially of provider management, case management, financial management, and additional reporting functionality.							
Project Management Oversight Status:	DHR also has quarterly portfolio reviews with the Department of Information Technology (DoIT) which provides opportunity for oversight. In addition, DHR reports internal oversight of projects.							
Identifiable Risks:	Approval of IT Maintenance Contract – If the IT Maintenance contract is not approved in February 2009 or the start date of the contract is delayed; a further delay in schedule is possible, with the exception of the Program Assignment enhancement. A protest has been filed for this new contract making a delay in the awarding of the contract possible. An additional risk is related to new policies, workflows, and procedures that must be developed due to Place Matters to work with the enhancements. If the development of these policies is delayed, a delay in defining the system enhancements may occur.							
Additional Comments:	<p>The information provided in the response to the fiscal 2009 budget bill language clarified the specific enhancements planned, benefits, costs, and timeline for implementation of the enhancements planned with fiscal 2009 funding.</p> <p>Some of these enhancements were discussed in the department response to the Social Services Administration audit.</p> <p>This project has been moved into operations and maintenance beginning with the fiscal 2010 allowance. No further updates will be provided on this project.</p>							
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Balance to Complete	Total
Personnel Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Professional and Outside Services	4.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.0

Department of Human Resources
Client Automated Resource and Eligibility System Modifications

Project Description:	This project is designed to develop changes to the Client Automated Resource and Eligibility System (CARES) to reflect changes in legislation. This project specifically focuses on enhancements related to sanction policies, streamlining application processes, adaptations to a federally funded demonstration project for the food stamp program, and completion of the second phase of the Service Access Information Link (SAIL) interface project.							
Project Business Goals:	Business goals for this project include reduction in payment errors for Temporary Cash Assistance (TCA) and food stamps, increase in the work participation rate, timely application processing, increase in timely applications and redeterminations, accuracy of TCA and food stamp applications, and increase in food stamp participation. However, no specific numbers were provided for the goals.							
Estimated Total Project Cost:	\$3,476,925 (\$1,844,369 provided in the Major IT Development Project Fund and \$1,632,565 in federal funds). This total does not include operations and maintenance costs associated with this project.				New/Ongoing Project:		A new project in fiscal 2009, though some pieces of this project were partially completed with funding available in a fiscal 2008 deficiency appropriation.	
Project Start Date:	Initialization July 1, 2008 for all enhancements.			Projected Completion Data:		Originally estimated for June 30, 2009, new date of June 30, 2010		
Schedule Status:	The CARES/SAIL interface portion of the project is expected to be completed in March 2009 and is considered on schedule. The remaining enhancements are anticipated to be completed on schedule (June 30, 2010). The on schedule date is a delay from the original estimated completion date of June 30, 2009. This change is the result of these enhancements being completed under the new IT maintenance contract which is not expected to go to the BPW until February 2009. A protest has been filed for this new contract which may further the delay the contract start date, and the implementation of the enhancements.							
Cost Status:	DHR anticipates the project to be completed within the original budget. Some work on the CARES/SAIL interface was completed with funding available in fiscal 2008.							
Scope Status:	Unchanged							
Project Management Oversight Status:	DHR has quarterly portfolio reviews with DoIT which provides opportunity for oversight. In addition, DHR reports internal oversight of the projects.							
Identifiable Risks:	Approval of IT Maintenance Contract – If the IT Maintenance contract is not approved in February 2009 or the start date of the contract is delayed; a further delay in schedule is possible. A protest has been filed for this new contract which may further the delay the contract start date, and the implementation of the enhancements. An additional risk is the potential length of the knowledge transfer period for the new contract which could delay the schedule.							
Additional Comments:	This project has been moved into operations and maintenance beginning with the fiscal 2010 allowance. No further updates will be provided on this project.							
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Balance to Complete	Total
Personnel Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Professional and Outside Services	3.5	0.0	0.0	0.0	0.0	0.0	0.0	3.5
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$3.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3.5

**Object/Fund Difference Report
DHR Administration**

<u>Object/Fund</u>	<u>FY08 Actual</u>	<u>FY09 Working Appropriation</u>	<u>FY10 Allowance</u>	<u>FY09 - FY10 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1056.00	1018.00	994.00	-24.00	-2.4%
02 Contractual	29.00	2.90	2.90	0	0%
Total Positions	1085.00	1020.90	996.90	-24.00	-2.4%
Objects					
01 Salaries and Wages	\$ 69,232,166	\$ 67,093,669	\$ 70,212,598	\$ 3,118,929	4.6%
02 Technical and Spec. Fees	2,050,409	365,078	379,971	14,893	4.1%
03 Communication	8,217,010	11,046,759	10,074,821	-971,938	-8.8%
04 Travel	560,247	402,301	445,337	43,036	10.7%
06 Fuel and Utilities	638,822	557,913	639,669	81,756	14.7%
07 Motor Vehicles	784,669	552,393	468,610	-83,783	-15.2%
08 Contractual Services	85,827,346	86,432,485	81,689,460	-4,743,025	-5.5%
09 Supplies and Materials	1,574,798	1,311,429	1,319,888	8,459	0.6%
10 Equipment – Replacement	294,977	245,372	2,657,681	2,412,309	983.1%
11 Equipment – Additional	5,378,177	4,304,896	5,476,270	1,171,374	27.2%
12 Grants, Subsidies, and Contributions	20,789,035	21,225,739	20,539,389	-686,350	-3.2%
13 Fixed Charges	8,870,663	8,446,103	8,983,698	537,595	6.4%
Total Objects	\$ 204,218,319	\$ 201,984,137	\$ 202,887,392	\$ 903,255	0.4%
Funds					
01 General Fund	\$ 102,531,714	\$ 102,324,754	\$ 106,079,355	\$ 3,754,601	3.7%
03 Special Fund	7,165,238	3,954,482	2,646,271	-1,308,211	-33.1%
05 Federal Fund	94,225,368	93,485,541	93,786,766	301,225	0.3%
09 Reimbursable Fund	295,999	2,219,360	375,000	-1,844,360	-83.1%
Total Funds	\$ 204,218,319	\$ 201,984,137	\$ 202,887,392	\$ 903,255	0.4%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

**Fiscal Summary
DHR Administration**

<u>Program/Unit</u>	<u>FY08 Actual</u>	<u>FY09 Wrk Approp</u>	<u>FY10 Allowance</u>	<u>Change</u>	<u>FY09 - FY10 % Change</u>
01 Office of the Secretary	\$ 12,669,884	\$ 11,220,942	\$ 12,366,771	\$ 1,145,829	10.2%
02 Citizen's Review Board for Children	1,880,150	1,666,136	1,740,712	74,576	4.5%
03 Commissions	932,726	445,258	285,418	-159,840	-35.9%
04 Legal Services Program Management	17,650,820	17,391,862	17,621,318	229,456	1.3%
05 Office of Grants Management	30,892,065	26,215,179	25,654,430	-560,749	-2.1%
01 Division of Budget, Finance and Personnel	16,992,604	15,320,830	16,072,888	752,058	4.9%
02 Division of Administrative Services	10,948,500	7,962,677	8,802,011	839,334	10.5%
02 Major Information Technology Development Projects	4,977,324	5,476,925	3,632,565	-1,844,360	-33.7%
04 General Administration	65,051,476	72,171,761	71,931,611	-240,150	-0.3%
05 General Administration	42,222,770	44,112,567	44,779,668	667,101	1.5%
Total Expenditures	\$ 204,218,319	\$ 201,984,137	\$ 202,887,392	\$ 903,255	0.4%
General Fund	\$ 102,531,714	\$ 102,324,754	\$ 106,079,355	\$ 3,754,601	3.7%
Special Fund	7,165,238	3,954,482	2,646,271	-1,308,211	-33.1%
Federal Fund	94,225,368	93,485,541	93,786,766	301,225	0.3%
Total Appropriations	\$ 203,922,320	\$ 199,764,777	\$ 202,512,392	\$ 2,747,615	1.4%
Reimbursable Fund	\$ 295,999	\$ 2,219,360	\$ 375,000	-\$ 1,844,360	-83.1%
Total Funds	\$ 204,218,319	\$ 201,984,137	\$ 202,887,392	\$ 903,255	0.4%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.