

N00B
Social Services
Department of Human Resources

Operating Budget Data

(\$ in Thousands)

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$347,566	\$347,658	\$364,544	\$16,886	4.9%
Contingent & Back of Bill Reductions	0	0	-6,282	-6,282	
Adjusted General Fund	\$347,566	\$347,658	\$358,262	\$10,604	3.1%
Special Fund	6,203	4,610	3,777	-834	-18.1%
Contingent & Back of Bill Reductions	0	0	-11	-11	
Adjusted Special Fund	\$6,203	\$4,610	\$3,765	-\$845	-18.3%
Federal Fund	247,279	287,062	290,309	3,247	1.1%
Contingent & Back of Bill Reductions	0	0	-3,908	-3,908	
Adjusted Federal Fund	\$247,279	\$287,062	\$286,401	-\$661	-0.2%
Reimbursable Fund	5,572	0	0	0	
Adjusted Reimbursable Fund	\$5,572	\$0	\$0	\$0	
Adjusted Grand Total	\$606,620	\$639,330	\$648,428	\$9,099	1.4%

- The budget as introduced includes a \$7.8 million deficiency to supplement funding for foster care placement. The deficiency comprises \$5.1 million general funds and \$2.6 million in federal Foster Care IV-E funds.
- The fiscal 2010 allowance increases \$9.1 million (1.4%) over the fiscal 2009 working appropriation. This growth reflects contingent reductions to the State match for deferred compensation and a freeze in foster care provider rates but does not reflect unallocated statewide contingent reductions to personnel and to health insurance contributions nor does it reflect departmentwide across-the-board reductions related to the elimination of 200 vacant positions, a reduction in contractual employee full-time equivalents (FTEs), nor a reduction to reflect estimated savings from rebidding contracts.

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

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Personnel Data

	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 09-10</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	3,054.20	3,044.20	3,031.20	-13.00
Contractual FTEs	<u>3.39</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>
Total Personnel	3,057.59	3,047.20	3,034.20	-13.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	151.26	4.99%
Positions and Percentage Vacant as of 12/31/08	167.60	5.51%

- Regular positions decrease by 13 representing the abolition of vacant positions as a cost savings measure.
- The number of contractual FTEs remains unchanged from fiscal 2009 to 2010.

Analysis in Brief

Major Trends

Child Safety Improves, Permanency Results Mixed and Questionable Data Issues Continue: Measures of recurrence of maltreatment and maltreatment of children in care indicate improvement in both areas. Permanency measures show improvement in adoption but loss of ground in reunification. Data for fiscal 2007 was not reported with the budget submission due to incomplete data from the new child welfare information system.

Issues

The Department of Human Resources Is Losing Ground in Filled Child Welfare Caseworker Positions and Is Still Having Difficulties Reporting Caseload Numbers: As of December 1, 2008, the Department of Human Resources (DHR) had fewer filled child welfare caseworker and supervisor positions than it had a year prior. As part of its fiscal 2009 cost containment actions, DHR gave up the \$1 million restricted appropriation, the release of which was conditioned on increasing the number of filled caseworker and supervisor positions. To date, DHR has also failed to report detailed caseload data requested first by the budget language and subsequently requested by the budget committee chairs. This underscores the difficulties DHR continues to have in generating usable management data from the Maryland Children’s Electronic Social Services Information Exchange.

Place Matters Initiative in Its Second Year Is Showing Some Progress: The Place Matters Initiative started in July 2007 with a focus on permanency for children, keeping children in their communities, and reducing the number of children in out-of-home care. In its second year the initiative is showing some progress.

Evaluation of the Pilot Project to Integrate Child Welfare and Drug Treatment Services: Evaluation of a program started in fiscal 2002 in which qualified addiction specialists were placed in child welfare offices in two jurisdictions yielded suggestions for program improvements which have not been implemented.

Recommended Actions

1. Add language to N00G00.01 restricting appropriations for Foster Care Maintenance Payments to that purpose only or for transfer to Child Welfare Services.
2. Add language to N00G00.03 restricting appropriations for Child Welfare Services to that purpose only or for transfer to Foster Care Maintenance Payments.
3. Adopt committee narrative requesting reports on child welfare caseload data.

Updates

Child Fatalities Involving Abuse or Neglect Reported: DHR reported the number of child fatalities in which child abuse or neglect was a factor for calendar 2003 through 2007.

N00B
Social Services
Department of Human Resources

Operating Budget Analysis

Program Description

The Social Services Administration (SSA) supervises child welfare social service programs provided through Maryland's Local Departments of Social Services that are intended to prevent or remedy neglect, abuse, or exploitation of children; preserve, rehabilitate or reunite families; help children to begin or continue to improve their well-being; prevent children from having to enter out-of-home care when services can enable them to remain safely in their own homes; and for children who need out-of-home care, provide appropriate placement and permanency services. The administration is responsible for Child Welfare policy development, training and staff development, monitoring and evaluation of local department programs, oversight of development and maintenance of the child welfare information system (Maryland Children's Electronic Social Services Information Exchange (MD CHESSIE)), and all other aspects of program management.

SSA supervises adult social services programs for vulnerable adults and individuals with disabilities. This service delivery system protects vulnerable adults, promotes self-sufficiency, and avoids unnecessary institutional care. These services are delivered in a manner that maximizes a person's ability to function independently.

The key goals of the Social Services Administration are:

- children served by the Department of Human Resources (DHR) reside in permanent homes;
- children served by the department are safe from abuse and neglect;
- individuals served by Adult Services are safe from abuse (including neglect, self-neglect and exploitation); and
- individuals served by Adult Services achieve their maximum level of independence.

Performance Analysis: Managing for Results

Data Issues Continue to Hamper Analysis of Child Welfare Indicators

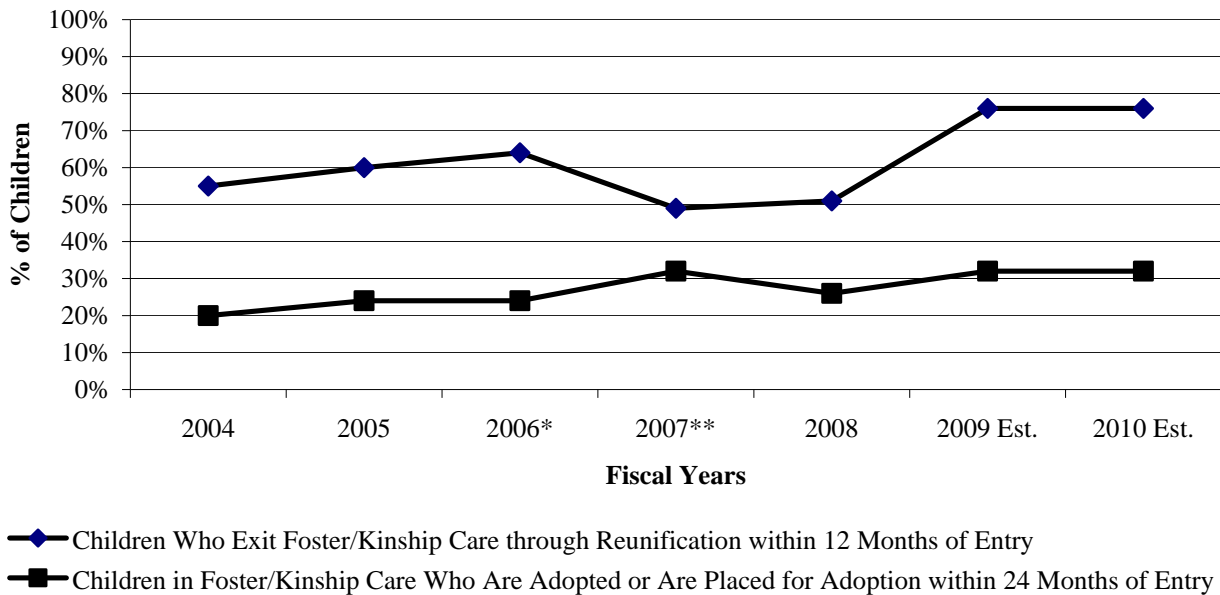
DHR did not provide Child Welfare Managing for Results data for fiscal 2007 due to incomplete data in MD CHESSIE. The data used in the following charts was reported last year with the warning that it was subject to change due to data clean-up efforts. The fiscal 2006 data used in the following charts does not include Harford County, due to its early conversion to MD CHESSIE. Care should therefore be taken when interpreting results in the child welfare area until a few years of

consistently reported data is available. Conclusions drawn in the following discussions derive from comparisons between data from fiscal 2008 and 2006 and earlier. **DHR should brief the committees on the steps it is taking to ensure that data entered into MD CHESSIE is accurate. DHR should also inform the committees on when it expects to be able to rely on MD CHESSIE reports for caseload, Managing for Results, and other child welfare management needs.**

Children Reside in Permanent Homes

Exhibit 1 shows the percent of children leaving foster/kinship care through reunification who do so within 12 months of entry and the percent of children in foster/kinship care who are adopted or placed for adoption within 24 months of entering the child welfare system. The percent of children placed for adoption within 24 months of entering care improves slightly between fiscal 2006 and 2008 increasing from 24 to 26%. The percent of children exiting through reunification was lower in fiscal 2008 than at any time between fiscal 2004 and 2006. **DHR should explain to the committees how it intends to improve reunifications to the extent projected for fiscal 2009 through 2010.**

Exhibit 1
Children Served by DHR Reside in Permanent Homes
Fiscal 2004-2010



DHR: Department of Human Resources

*Data shown does not include Harford County due to conversion to the Maryland Children’s Electronic Social Services Information Exchange (MD CHESSIE).

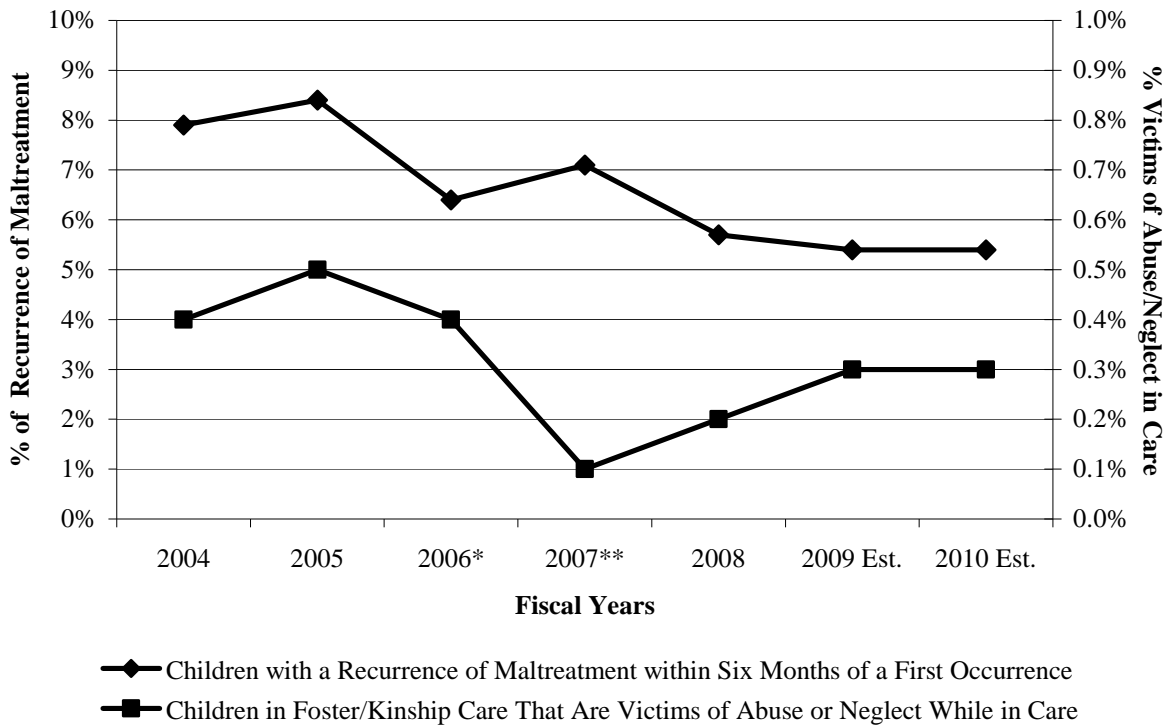
**Based on MD CHESSIE data (October 2007) and subject to change due to data clean-up efforts.

Source: Governor’s Budget Books, Fiscal 2009-2010

Children Are Safe from Abuse and Neglect

Exhibit 2 shows the percent of children with a recurrence of maltreatment within six months of a first occurrence and the percent of children in foster/kinship care who are victims of abuse or neglect while in care. Both measures are lower in fiscal 2008 than in fiscal 2006 and prior.

Exhibit 2
Children Served by DHR Are Safe from Abuse and Neglect
Fiscal 2004-2010



DHR: Department of Human Resources

*Data shown does not include Harford County due to conversion to the Maryland Children’s Electronic Social Services Information Exchange (MD CHESSIE).

**Based on MD CHESSIE data (October 2007) and subject to change due to data clean-up efforts.

Source: Governor’s Budget Books, Fiscal 2009-2010

Fiscal 2009 Actions

Proposed Deficiency

The budget as introduced includes a deficiency appropriation of \$7,782,085 to supplement foster care placement costs. The deficiency comprises \$5,136,176 in general funds and \$2,645,909 in federal Foster Care Title IV-E funds. The deficiency is required due to an increase in the projected monthly caseload and a decrease in expected federal fund attainment. Paradoxically, the deficiency appropriation includes increased authorization to spend additional federal dollars from the Title IV-E program, which is the primary program experiencing underattainment. The deficiency will also restore \$2.25 million (\$1.80 million in general, \$0.45 million in federal) in funding eliminated as part of the cost containment actions approved by the Board of Public Works (BPW.)

Impact of Cost Containment

Cost containment reductions approved by BPW in June and October 2008 for Social Services totaled \$11.8 million (\$10.5 million general, \$17,132 special, \$1.3 million federal.) These cost containment decreases comprise:

- hiring freeze savings (\$584,728 general, \$17,132 special, \$817,065 federal);
- a reduction to the Social Services Administration to reflect historical under spending (\$2,250,842 general);
- reductions in foster care maintenance payments to reflect estimated reductions in caseloads and average payments (\$1 million general) and a 1% reduction in foster care provider rates (\$800,000 general, \$450,000 federal);
- forfeiture of funds restricted by budget language unless DHR had a certain number of filled child welfare caseworker and supervisor positions (\$1.0 million general); and
- savings resulting from the elimination of positions (106 departmentwide), removal of Other Post Employment Benefits (OPEB) prefunding, and removal of funds for health insurance for which nonbudgeted statewide employee health insurance balances were substituted (\$4,885,766 general).

In addition, the estimated general fund savings resulting from employee furloughs is \$804,000. These funds are to be withdrawn in a future Board of Public Works action.

Proposed Budget

As illustrated in **Exhibit 3**, the fiscal 2010 allowance for DHR Social Services increases by \$9.1 million. This growth reflects contingent reductions to the State match for deferred compensation and a freeze in foster care provider rates but does not reflect unallocated statewide contingent reductions to personnel and to health insurance contributions. Nor does it reflect departmentwide across-the-board reductions related to the elimination of 200 vacant positions, a reduction in contractual full-time equivalent employees, nor a reduction to reflect estimated savings from rebidding contracts.

Exhibit 3
Proposed Budget
DHR Social Services
 (\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Total</u>
2009 Working Appropriation	\$347,658	\$4,610	\$287,062	\$639,330
2010 Allowance	<u>364,544</u>	<u>3,777</u>	<u>290,309</u>	<u>658,629</u>
Amount Change	\$16,886	-\$834	\$3,247	\$19,300
Percent Change	4.9%	-18.1%	1.1%	3.0%
Contingent Reduction	-\$6,282	-\$11	-\$3,908	-\$10,201
Adjusted Change	\$10,604	-\$845	-\$661	\$9,099
Adjusted Percent Change	3.1%	-18.3%	-0.2%	1.4%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance	\$6,467
Annualize increments and recruitment – hiring above base	3,945
Retirement contributions.....	2,086
Overtime	973
Workers’ compensation	418
Increased turnover.....	-306
Abolish 13 positions	-696
Delete deferred compensation match contingent on legislation	-1,810
Health Insurance – eliminate Other Post Employment Benefits funding	-1,810
Other fringe benefit adjustments.....	69

Protecting Children and Adults

Increase in average monthly caseload from 14,377 to 15,120.....	18,037
Day care expenses for foster children in foster families	3,000
Increased grants for Independent Living Program.....	1,323

N00B – DHR – Social Services

Where It Goes:

Increase in block grant to Montgomery County	168
Decreased contractual services for Independent Living Workforce Initiative.....	-248
Decreased contractual services for administrative hearings	-266
Foster care provider rate increase freeze contingent on legislation	-8,405
Decrease in average monthly foster care payment from \$2,088 to \$2,007.....	-14,697
Administrative Expenses	
Increased rent	1,544
Decreased motor vehicle replacement	-272
Other Changes	-422
Total	\$9,099

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

Personnel items relating primarily to health insurance, annualization of increments, and retirement costs increase the budget by a net \$9.3 million. This increase is offset slightly by reductions in the remaining areas of the budget which net to -\$237,000. Nonpersonnel-related increases include an \$18.0 million increase in foster care payments due to an increase in the average monthly caseload and \$3.0 million to pay for day care for foster children residing with foster families. These increases are offset by a decrease in the average monthly foster care payment, resulting from an assumed shift towards less expensive placements (-\$14.7 million) and a contingent reduction based on freezing foster care provider rates at the fiscal 2009 level (-\$ 8.4 million.).

Impact of Cost Containment

As cost containment measures, the budget as introduced includes a number of reductions contingent on legislation. The elimination of the State match for employee deferred compensation (-\$1,796,637) and a reduction to foster care maintenance payments resulting from a provider rate freeze (-\$8,404,536) are included in the budget change calculations on the cover page of this analysis and in Exhibit 3. Not included in the budget change calculations are the following statewide and departmentwide contingent reductions:

Statewide

- Section 22 – a reduction in personnel expenses (-\$30.0 million); and
- Section 20 – a reduction to budgeted health insurance costs (-\$26.4 million);

Departmentwide

- Section 18 – abolition of 200 vacant positions (-\$3.8 million);

- Section 23 – a reduction in funding for contractual employees (-\$25,261); and
- Section 24 – a reduction in contractual services (-\$5.8 million.)

Foster Care Caseload Expenditure Trends

Exhibit 4 shows foster care and adoption caseload and expenditure data for fiscal 2008 through 2010. The foster care caseload is projected to grow at an annual rate of just under 1.0% during this period, and the subsidized adoption caseload is projected to grow at an annual rate 2.6%. The fiscal 2009 average monthly cost per case is expected to increase by 4.4% over the previous year and remain at that level in fiscal 2010 due to the rate freeze proposed as a cost saving measure. Expenditures are projected to grow by 2.8% annually over this period.

The Department of Legislative Services (DLS) is projecting budgeted shortfalls of \$5.0 million in fiscal 2009 and \$5.4 million in fiscal 2010. The general fund shortfalls, however, are projected to be \$18.1 million in fiscal 2009 and \$11.1 million in fiscal 2010. The fiscal 2009 projections include the \$7.8 million deficiency.

Exhibit 4
Foster Care and Subsidized Adoption Caseload and Expenditure Trends
Fiscal 2008-2010

	<u>2008</u>	DLS Estimate <u>2009</u>	DLS Estimate <u>2010</u>	Average Annual % <u>Change 2008-10</u>
Monthly Caseload				
Foster Care	7,243	7,242	7,380	0.9%
Adoptions	7,552	7,800	7,948	2.6%
Total	14,795	15,042	15,328	1.8%
Monthly Cost Per Case				
Case	\$1,883	\$1,965	\$1,965	2.2%
Expenditures (\$ in Millions)				
General Funds	\$246.3	\$261.1	\$260.7	2.9%
Total Funds	352.6	373.0	372.5	2.8%
Shortfall – Total Funds		-\$5.0	-\$5.4	
Shortfall – General Funds		-\$18.1	-\$11.1	

DLS: Department of Legislative Services

Source: Department of Human Resources; Department of Legislative Services

N00B – DHR – Social Services

The primary factor contributing to the general fund shortfall is under attainment of federal Foster Care Title IV-E funding, which covers a portion of the room and board costs for certain foster care children. The fiscal 2009 and 2010 budgets assume attainment rates of 26.8 and 24.6%, respectively, despite attainment rates not exceeding 22.9% in the previous two years. The DLS estimate assumes a 22.6% attainment rate. The federal matching rate for the Title IV-E program would increase from 50.0 to 54.9% for the period October 1, 2008, to December 31, 2010, under federal stimulus legislation being considered by Congress and could increase further depending on the State's unemployment rate. Were this to occur, the projected general fund shortfall would be reduced. **DHR should brief the committees on the magnitude of additional funds it is likely to receive from the increased matching rate, how additional funds would be used, and if this additional funding is likely to be sufficient to close the projected shortfalls discussed above.**

Issues

1. The Department of Human Resources Is Losing Ground in Filled Child Welfare Caseworker Positions and Is Still Having Difficulties Reporting Caseload Numbers

Filled Caseworker/Supervisor Effort

In 1998, the General Assembly passed the Child Welfare Workforce Initiative requiring DHR and the Department of Budget and Management to develop appropriate caseload to staff ratios as recommended by the Child Welfare League of America (CWLA). The Child Welfare Accountability Act of 2006 reiterated this requirement and every year since the 2004 legislative session, the General Assembly has made a portion of the DHR budget contingent on DHR having a certain number of filled child welfare caseworker and supervisor positions.

Language added to the fiscal 2009 budget restricted a total of \$1 million to be released in two increments of \$500,000 if DHR, on December 1, 2008, and March 1, 2009, had at least 2,071 filled child welfare caseworker and supervisor positions. As part of the fiscal 2009 cost containment actions, however, DHR gave up the restricted funds. As shown in **Exhibit 5**, DHR would not have met the filled positions requirement at the December 1, 2008 checkpoint (likely a major factor in its decision to give up the funding.) As of December 1, 2008, DHR had a total of 2,012.6 filled child welfare caseworker and supervisor positions – 58.4 filled positions short of the level necessary for the release of the funds and 13.2 fewer than it had on the same date the previous year.

Caseload Reporting Difficulties

In addition to imposing the filled position targets, the language added to the fiscal 2009 Child Welfare Services budget also required DHR to report to the budget committees, at each date, the actual number of cases and filled positions assigned, by jurisdiction for 14 caseload types using data current within 60 days. This data is necessary to properly evaluate the staff-to-caseworker ratios against the CWLA recommendations. Because these reporting requirements were nullified with the forfeiture of the restricted funds, the budget committee chairs sent a letter requesting that DHR provide the data. DHR replied with a request for a due date extension to December 19, 2008. As of the writing of this analysis, the requested data has not been provided. This clearly illustrates the continuing problems DHR is having in generating usable management data from MD CHESSIE. The department still relies on hand counts performed by the local departments of social services for much of its caseload information. **DHR should brief the committees on efforts it is taking to ensure data entered into MD CHESSIE is reliable and when it expects to start utilizing MD CHESSIE to provide management reports on the child welfare caseload.**

Exhibit 5
Child Welfare Position Status by Local Department
As of December 1, 2008

<u>Local Dept.</u>	<u>Filled</u>		<u>Total</u>	<u>Vacant</u>		<u>Total</u>	<u>Total</u>
	<u>Worker</u>	<u>Supervisor</u>	<u>Filled</u>	<u>Worker</u>	<u>Supervisor</u>	<u>Vacant</u>	
Allegany	58.00	7.00	65.00	3.00		3.00	68.00
Anne Arundel	96.00	20.00	116.00	9.80		9.80	125.80
Baltimore City	744.00	122.00	866.00	26.00	29.00	55.00	921.00
Baltimore Co.	130.50	21.00	151.50	9.75	1.00	10.75	162.25
Calvert	22.00	1.00	23.00		2.00	2.00	25.00
Caroline	19.50	4.00	23.50			0.00	23.50
Carroll	27.00	8.00	35.00	4.00		4.00	39.00
Cecil	43.50	5.00	48.50	0.50		0.50	49.00
Charles	37.50	8.00	45.50	6.00	1.00	7.00	52.50
Dorchester	21.00	5.00	26.00	1.00		1.00	27.00
Frederick	40.00	9.00	49.00	15.00	2.00	17.00	66.00
Garrett	19.00	3.00	22.00			0.00	22.00
Harford	56.50	10.00	66.50	1.00		1.00	67.50
Howard	37.00	7.00	44.00	1.00		1.00	45.00
Kent	7.00	2.00	9.00	1.00		1.00	10.00
Prince George's	149.00	27.00	176.00	2.00	3.00	5.00	181.00
Queen Anne's	12.00	3.00	15.00			0.00	15.00
Saint Mary's	27.60	6.00	33.60	1.00		1.00	34.60
Somerset	19.50	3.00	22.50			0.00	22.50
Talbot	13.00	5.00	18.00			0.00	18.00
Washington	72.00	15.00	87.00	0.50		0.50	87.50
Wicomico	36.00	8.00	44.00			0.00	44.00
Worcester	21.00	5.00	26.00			0.00	26.00
Missing Data			0.00	0.75		0.75	0.75
Total	1,708.60	304.00	2,012.60	82.30	38.00	120.30	2,132.90

Source: Department of Budget and Management – State Personnel Database

Due to the various position reduction initiatives included in the fiscal 2010 budget as introduced and the uncertainties these create in the complement of positions, both vacant and filled, that DHR will have to carry out its mission, no restrictive language is recommended requiring a minimum level of filled child welfare caseworker and supervisor positions. However, committee narrative is included in the Recommended Actions section which requests DHR to provide detailed caseload data.

Analysis of the FY 2010 Maryland Executive Budget, 2009

2. Place Matters Initiative in Its Second Year Is Showing Some Progress

Place Matters is a DHR child welfare initiative that:

...focuses intensely on permanency for children. The Place Matters model involves more family preservation services, keeping children in their communities to keep them connected, placing them with family members first, reducing the number of children in group homes and recruiting and retaining more foster parents. (DHR, *The Child Welfare Compass*, Vol. II, Issue II, Fall 2007.)

DHR began the initiative in July 2007. **Exhibit 6** shows the indicators that DHR identified to measure progress, the specific targets for these measures for fiscal 2009, and the progress to date.

Exhibit 6 Place Matters Indicators and Progress

<u>Success Indicator</u>	<u>Expected Trend</u>	<u>Fiscal 2009 Target (vs. June 30, 2007 Baseline)</u>	<u>Fiscal 2009 1st Quarter Results</u>
Children placed in their home jurisdiction	↑	Increase by 10% the number of children placed in their home jurisdiction	Pending
Number of family foster homes	↑	Increase by 35% the number of foster homes by the end of 2010	6.8%
Recurrence of maltreatment within 6 months of first occurrence	↓	Reduce by 1% the number of children who will have another substantiated or indicated report within 6 months	Pending
Children in out-of-home care	↓	Reduce by 10% the number of children in out-of-home care	-10.6%
Children in group homes	↓	Reduce by 5% the number of children in group homes	-35.8%
Reunification within 12 months of entry when permanency plan is reunification	↑	Increase by 13 percentage points the number of children who are reunified in less than 12 months	Pending
Adoption within 24 months of entry	↑	Increase by 8 percentage points the number of children who exit care to a finalized adoption in less than 24 months	Pending

Source: Department of Human Resources; Department of Legislative Services

As Exhibit 6 shows, DHR has had success in decreasing out-of-home placements and in decreasing the number of children in group home placements. Some progress has been made in recruiting additional family foster homes though the bulk of the effort to recruit an additional 1,000 family foster homes by the end of 2010 remains ahead. Measurement of progress on the remaining indicators is not yet available for fiscal 2009. Progress for these measures was generally positive in fiscal 2008 with only the reunification goal results trending in the wrong direction (only 51% of children were reunified within 12 months, down from the 64% baseline.) **DHR should brief the committees on efforts it is making to meet the fiscal 2009 targets and how these efforts are guided by evaluation of the progress or lack thereof experienced in fiscal 2008. DHR should also brief the committees on any impacts the proposed foster care provider rate freeze will have on its Place Matters efforts or on its foster care operations generally.**

3. Evaluation of the Pilot Project to Integrate Child Welfare and Drug Treatment Services

Background

Chapter 551 of 2000 established a program whereby qualified addiction specialists were placed in child welfare offices in two jurisdictions – Prince George’s County and Baltimore City. Those specialists were tasked with screening, assessing, and referring cases to needed substance abuse treatment. The legislation also instituted a process for reciprocal reporting on case outcomes as well as mandated cross-training for personnel in each system.

The impetus for this program was well-established research that demonstrates that substance abuse and child maltreatment are closely linked and often cyclical – child abuse increases the risk of subsequent substance abuse in adulthood, and parental substance abuse is a precipitating factor in 40 to 80% of confirmed child abuse and neglect cases.

Funding was first provided in the Alcohol and Drug Abuse Administration (ADAA) for this program in fiscal 2002 and has remained constant in recent years at just over \$2.3 million, all general funds. This ADAA funding is used to purchase substance abuse treatment services.

Evaluation Requests

The legislature first asked for an evaluation of the efficacy of this program in fiscal 2004. That evaluation was not conducted due to a lack of funds. Subsequently, in the 2005 session, the legislature restricted funding to complete an independent evaluation of the program. That evaluation was conducted by the Center for Substance Abuse Research at the University of Maryland, College Park and was finally submitted during the 2008 session, but not in time to be considered by the budget committees.

Evaluation Results

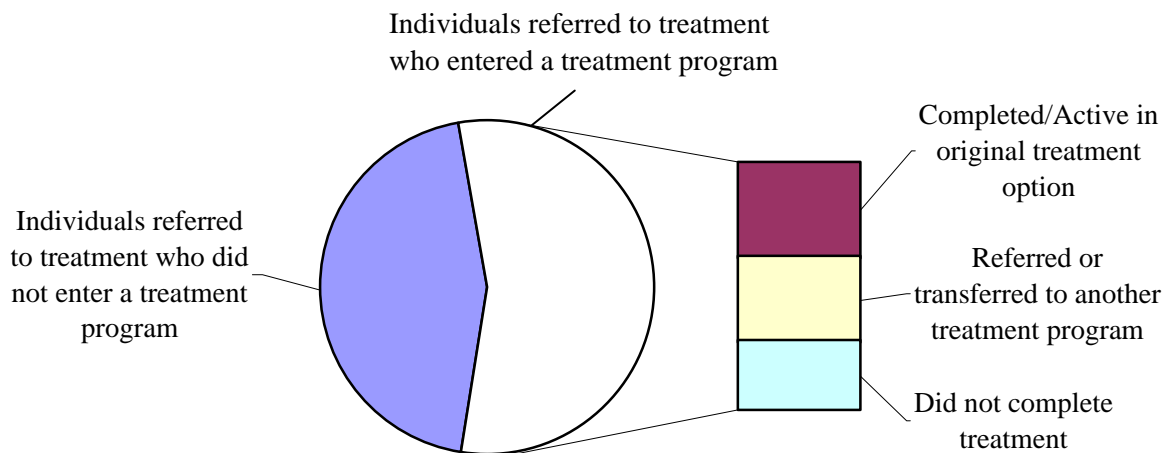
The evaluation consisted of two parts – a review of administrative records for all program participants (213) assessed as needing drug treatment in Baltimore City in calendar 2006; and telephone surveys with program staff to assess program implementation issues.

Exhibit 7 details the results of the administrative record review. As shown, for this sample of program participants, almost half (45%) of those identified by Child Protective Services (CPS) and referred to treatment by an addiction specialist had not received treatment after one year of follow-up. As the evaluation notes, there are many reasons why an individual identified by the program as in need of substance services would not show up for treatment:

- lack of transportation;
- lack of child care;
- lack of confidence in treatment; and
- concern about the potential loss of their children.

However, the report concludes that since these individuals have come to the attention of authorities for child abuse and neglect as well as being identified with substance abuse services, a more concerted effort needs to be made to ensure that they attend needed services.

Exhibit 7 Record Review of Participants in the Baltimore City Child Welfare and Drug Treatment Integration Pilot Project Calendar 2006



Source: Center for Substance Abuse Research; Department of Legislative Services

For those that did enter treatment:

- 40% had completed or were still in treatment with the original treatment provider;
- 34% had been referred or transferred on to another treatment program, although no data was available as to whether an actual admission occurred or what the outcome of this additional treatment was; and
- 26% did not complete treatment.

The survey interviews with staff identified four areas of improvement in the administration of the program:

- The tool used as the primary method of screening for alcohol and drug problems among parents in the child welfare system may be inadequate. The report recommended an alternative instrument. However, the original screening tool continues to be used, although it is being supplemented with other assessment/screening tools.
- To facilitate case processing, a timeline should be developed for key events that occur between entry into the child welfare system, initial assessment by addiction specialists, entry into treatment, and discharge from treatment.
- More in-service cross-training of CPS caseworkers and addictions specialists is needed.
- Follow-up protocols were not standardized.

Evaluation Follow-up

Evaluation results were shared with ADAA and DHR in 2007, and a workgroup was established consisting of staff from DHR, ADAA, the Baltimore City and Prince George's County Departments of Social Services, Prince George's County Health Department, and Baltimore Substance Abuse Services. That workgroup focused on two of the recommendations: improvement of cross-training and improvement of case follow-up.

In terms of cross-training, ADAA met with the University of Maryland, Baltimore Child Welfare Academy to discuss the development of a cross-training curriculum. Training on addictions is already incorporated into the training program for new social worker hires, and it was agreed that ADAA would develop an appropriate child welfare curriculum for addictions staff. That curriculum has been developed but follow-up actions by DHR remain pending.

One of the ways that was considered to improve case follow-up was to use a shared database to track shared clients. ADAA encouraged DHR to utilize the existing State of Maryland Automated Record Tracking (SMART) application, ADAA's automated record tracking system. However, DHR declined and chose to continue a paper-based system when they discovered SMART was a web-based application.

Conclusion

A follow-up to this evaluation noted an increase in the number of individuals admitted for substance abuse treatment in fiscal 2008 although no data was provided as to outcomes for those admitted. While this at least indicates that the program is making referrals, it is nonetheless disheartening that the suggestions to improve the program made in the initial evaluation and in subsequent follow-up appear not to have been acted upon. The available information appears to indicate that these efforts founder because of a lack of action on the part of DHR. **DHR should comment on substance abuse identification and treatment efforts related to child welfare and indicate why the recommendations identified in the evaluation of this effort have not been implemented.**

Recommended Actions

1. Add the following language:

Provided that all appropriations provided for program N00G00.01 Foster Care Maintenance Payments are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.03 Child Welfare Services. Funds not expended or transferred shall revert to the general fund or be cancelled.

Explanation: This language restricts funds appropriated for foster care payments to that use only or for transfer to N00G00.03 Child Welfare Services which is where child welfare caseworker positions are funded.

2. Add the following language:

Provided that all appropriations provided for program N00G00.03 Child Welfare Services are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall be reverted to the general fund or cancelled.

Explanation: This language restricts funds appropriated for child welfare services to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments.

3. Adopt the following narrative:

Child Welfare Caseload Data: In light of the position reduction initiatives undertaken in the fiscal 2009 and 2010 budgets as part of cost containment and the resulting uncertainties regarding the child welfare services position complement that will be available to the Department of Human Resources (DHR) in fiscal 2010, the budget committees elected not to add budget language to the Child Welfare Services budget setting filled caseworker and supervisor targets. However, the budget committees continue to believe that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering the State's care. Therefore, in order to maintain oversight of this important issue the budget committees request that DHR, on December 1, 2009, and March 1, 2010, report to the committees on the actual number of cases and filled positions assigned, by jurisdiction, for the following caseload types using data current within 60 days:

1. Intake Screening;
2. Child Protective Investigation;
3. Continuing Child Protective Services;

N00B – DHR – Social Services

4. Intensive Family Services;
5. Families NOW Levels II – III;
6. In-home Family Services;
7. Foster Care;
8. Kinship Care;
9. Adoption Services;
10. Interstate Compact for the Placement of Children;
11. Court-ordered Home Studies;
12. Resource Family Development and Support – New Applicants;
13. Resource Family Development and Support – Ongoing and License Renewals/
Kinship Caregivers; and Casework Supervisors.

Information Request	Author	Due Date
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	DHR	December 1, 2009 March 1, 2010

Updates

1. Child Fatalities Involving Abuse or Neglect Reported

Committee narrative included in the 2005 *Joint Chairmen's Report* requested DHR to provide a report listing by jurisdiction the number of child fatalities that involved child abuse and/or neglect. The narrative requested that the report be updated annually. **Exhibit 8** displays the data provided by the department for calendar 2003 through 2007.

Exhibit 8
Child Deaths Reported to DHR Where Child Abuse or Neglect Are Determined
by DHR Staff to Be a Contributing Factor
Calendar 2003-2007

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Total</u>
Allegany	2			1		3
Anne Arundel		3	4	1	1	9
Baltimore City	7	10	3	5	5	30
Baltimore	1	3	7	3	4	18
Calvert		1				1
Caroline			2			2
Carroll	2		1	2	1	6
Cecil			1	3	1	5
Charles						0
Dorchester	1				2	3
Frederick	1	1	1	1	6	10
Garrett						0
Harford		2	1		2	5
Howard	1		1			2
Kent						0
Montgomery	2	1	1	2	5	11
Prince George's	3	2	4	6	5	20
Queen Anne's						0
St. Mary's					1	1
Somerset		1				1
Talbot						0
Washington	2	4	2		1	9
Wicomico			1	3		4
Worcester						0
Total	22	28	29	27	34	140

DHR: Department of Human Resources

Source: Department of Human Resources

Current and Prior Year Budgets

Current and Prior Year Budgets
Social Services
(\$ in Thousands)

Fiscal 2008	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Legislative Appropriation	\$345,958	\$5,032	\$262,085	\$0	\$613,074
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	4,288	2,976	13,325	7,593	28,182
Cost Containment	-2,679	-124	-859		-3,662
Reversions and Cancellations	0	-1,681	-27,272	-2,021	-30,974
Actual Expenditures	\$347,566	\$6,203	\$247,279	\$5,572	\$606,620
Fiscal 2009					
Legislative Appropriation	\$356,942	\$4,589	\$288,329	\$0	\$649,860
Cost Containment	-10,521	-17	-1,267	0	-11,806
Budget Amendments	1,237	38	0	0	1,275
Working Appropriation	\$347,658	\$4,610	\$287,062	\$0	\$639,330

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

Fiscal 2008

The fiscal 2008 budget for SSA closed out \$6.5 million lower than the legislative appropriation. Special, federal, and reimbursable fund cancellations totaling \$31.0 million and cost containment reductions, totaling \$3.7 million, were partially offset by increases via budget amendments, totaling \$28.2 million.

Cost containment actions comprised a \$2.0 million reduction to foster care maintenance payments, nearly \$253,000 in position reduction savings, and \$1.4 million in savings generated through a higher than budgeted vacancy rate and other administrative savings efforts.

General funds, totaling \$4.3 million, were added by budget amendment. Of this, \$978,569 represented funding for a general salary increase and the remaining \$3.3 million was transferred from other areas of the DHR budget to cover salary accounts when the department closed its budget.

Special funds, totaling \$3.0 million, were added by budget amendment. Of this, \$40,213 represented funding for a general salary increase and the remaining funds represented additional local government funding, of which \$1.7 million was cancelled at the closeout.

Federal funds, totaling \$13.3 million, were added by budget for foster care payments. The funding comprised Foster Care Title IV-E (\$4.3 million), Medical Assistance (\$8.2 million), Promoting Safe and Stable Families (\$0.5 million) and Independent Living (\$0.3 million). These increases were more than offset by federal fund cancellations of \$27.3 million, due primarily to lower than budgeted attainment of Foster Care Title IV-E funding.

Reimbursable funds of \$7.6 million were added by budget amendment representing the transfer of funding for the Interagency Family Preservation Program from the Governor's Office for Children. At the close of the fiscal year, \$2.0 million of these funds were cancelled due to lower than expected activity in this program.

Fiscal 2009

The fiscal 2009 working appropriation is \$10.5 million lower than the legislative appropriation. Increases via budget amendment for a general salary increase (\$1.2 million general, \$38,010 special) and for an Annual Salary Review adjustment (\$7,145 general, \$60 special) were more than offset by cost containment decreases (\$10.5 million general, \$17,132 special, \$1.3 million federal).

Cost containment decreases comprise:

- hiring freeze savings (\$584,728 general, \$17,132 special, \$817,065 federal);
- a reduction to the Social Services Administration to reflect historical under spending (\$2,250,842 general);

N00B – DHR – Social Services

- reductions in foster care maintenance payments to reflect estimated reductions in caseloads and average payments (\$1 million general) and a one percent reduction in foster care provider rates (\$800,000 general, \$450,000 federal);
- forfeiture of funds restricted by budget language unless DHR had a certain number of filled child welfare caseworker and supervisor positions (\$1 million general); and
- savings resulting from the elimination of positions (106 departmentwide), removal of OPEB prefunding, and removal of funds for health insurance for which nonbudgeted statewide employee health insurance balances were substituted (\$4,885,766 general).

Audit Findings

Audit Period for Last Audit:	May 3, 2004 – June 30, 2007
Issue Date:	October 2008
Number of Findings:	9
Number of Repeat Findings:	4
% of Repeat Findings:	44.4 %
Rating: (if applicable)	

- 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.
- Finding 2:** **SSA had not ensured compliance with foster care service requirements established by State and federal regulations.**
- Finding 3:** SSA was unable to adequately monitor the sufficiency of the child welfare caseload ratios of the local departments of social services, as required by State law.
- Finding 4:** SSA had not developed and maintained a reliable and accurate single registry source of information about individuals known to be guilty of child abuse or neglect or found responsible for indicated abuse or neglect.
- Finding 5:** **SSA did not ensure that all foster care children eligible for federal funding for delivered services were identified and related funds obtained.**
- Finding 6:** **SSA did not monitor decisions of case workers to place foster care children with non-preferred providers, which generally charged higher rates.**
- Finding 7:** **SSA did not receive and review all group care provider annual audit reports on a timely basis to identify excess payments for recovery.**
- Finding 8:** SSA did not have a process in place to obtain supporting documentation for invoices totaling approximately \$9.1 million to ensure the propriety of the contractual services charged.
- Finding 9:** SSA had not established a monitoring process to help ensure that monthly adoption assistance subsidies were only provided for eligible children.

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

**Object/Fund Difference Report
DHR Social Services**

<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	3054.20	3044.20	3031.20	-13.00	-0.4%
02 Contractual	3.39	3.00	3.00	0	0%
Total Positions	3057.59	3047.20	3034.20	-13.00	-0.4%
Objects					
01 Salaries and Wages	\$ 195,834,259	\$ 192,159,632	\$ 202,609,959	\$ 10,450,327	5.4%
02 Technical and Spec. Fees	1,970,700	5,149,767	4,950,045	-199,722	-3.9%
03 Communication	2,061,294	1,587,336	1,571,256	-16,080	-1.0%
04 Travel	2,181,840	1,670,132	1,609,920	-60,212	-3.6%
06 Fuel and Utilities	511,402	654,493	618,576	-35,917	-5.5%
07 Motor Vehicles	3,277,209	2,138,200	1,935,383	-202,817	-9.5%
08 Contractual Services	40,287,919	36,836,145	32,995,902	-3,840,243	-10.4%
09 Supplies and Materials	1,241,327	1,022,281	864,554	-157,727	-15.4%
10 Equipment – Replacement	46,300	350,000	350,000	0	0%
11 Equipment – Additional	131,883	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	347,209,034	383,874,391	395,690,387	11,815,996	3.1%
13 Fixed Charges	11,867,227	13,887,258	15,433,391	1,546,133	11.1%
Total Objects	\$ 606,620,394	\$ 639,329,635	\$ 658,629,373	\$ 19,299,738	3.0%
Funds					
01 General Fund	\$ 347,566,175	\$ 347,657,535	\$ 364,543,830	\$ 16,886,295	4.9%
03 Special Fund	6,203,193	4,610,279	3,776,605	-833,674	-18.1%
05 Federal Fund	247,278,781	287,061,821	290,308,938	3,247,117	1.1%
09 Reimbursable Fund	5,572,245	0	0	0	0.0%
Total Funds	\$ 606,620,394	\$ 639,329,635	\$ 658,629,373	\$ 19,299,738	3.0%

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

**Fiscal Summary
DHR Social Services**

<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>
04 General Administration - State	\$ 24,851,467	\$ 30,070,944	\$ 31,969,741	\$ 1,898,797	6.3%
01 Foster Care Maintenance Payments	352,622,400	360,218,984	367,110,140	6,891,156	1.9%
03 Child Welfare Services	188,133,932	204,933,132	216,040,782	11,107,650	5.4%
04 Adult Services	41,012,595	44,106,575	43,508,710	-597,865	-1.4%
Total Expenditures	\$ 606,620,394	\$ 639,329,635	\$ 658,629,373	\$ 19,299,738	3.0%
General Fund	\$ 347,566,175	\$ 347,657,535	\$ 364,543,830	\$ 16,886,295	4.9%
Special Fund	6,203,193	4,610,279	3,776,605	-833,674	-18.1%
Federal Fund	247,278,781	287,061,821	290,308,938	3,247,117	1.1%
Total Appropriations	\$ 601,048,149	\$ 639,329,635	\$ 658,629,373	\$ 19,299,738	3.0%
Reimbursable Fund	\$ 5,572,245	\$ 0	\$ 0	\$ 0	0.0%
Total Funds	\$ 606,620,394	\$ 639,329,635	\$ 658,629,373	\$ 19,299,738	3.0%

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