

N00B
Social Services
Department of Human Resources

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$354,375	\$345,845	\$350,349	\$4,504	1.3%
Contingent & Back of Bill Reductions	0	0	-3,017	-3,017	
Adjusted General Fund	\$354,375	\$345,845	\$347,332	\$1,487	0.4%
Special Fund	8,730	2,742	2,631	-111	-4.0%
Contingent & Back of Bill Reductions	0	0	-43	-43	
Adjusted Special Fund	\$8,730	\$2,742	\$2,588	-\$154	-5.6%
Federal Fund	250,548	294,839	268,022	-26,817	-9.1%
Contingent & Back of Bill Reductions	0	0	-2,397	-2,397	
Adjusted Federal Fund	\$250,548	\$294,839	\$265,625	-\$29,214	-9.9%
Adjusted Grand Total	\$613,652	\$643,427	\$615,545	-\$27,881	-4.3%

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board budget reductions. The actual allocations are to be developed by the Administration.

- The fiscal 2011 allowance decreases \$27.9 million from the current year working appropriation. General funds increase by \$1.5 million representing a 0.4% increase. Special funds decrease by \$154,000 (-5.6%) and federal funds decrease by \$29.2 million (-9.9%).

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

For further information contact: Steven D. McCulloch

Phone: (410) 946-5530

Personnel Data

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>
Regular Positions	3,044.20	2,978.11	2,972.11	-6.00
Contractual FTEs	<u>3.00</u>	<u>3.00</u>	<u>1.00</u>	<u>-2.00</u>
Total Personnel	3,047.20	2,981.11	2,973.11	-8.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	214.29	7.21%
Positions and Percentage Vacant as of 12/31/09	141.20	4.74%

- There are 6 fewer regular positions and 2 fewer contractual positions in the fiscal 2011 allowance than in the current year working appropriation. These represent vacant positions abolished as a cost containment measure.
- The fiscal 2011 allowance includes a 7.21% turnover rate for Social Services which equates to 214 positions. As of December 31, 2009, there were 141 vacant positions, which means Social Services will need to realize and then maintain for all of fiscal 2011 an additional 73 vacant positions.

Analysis in Brief

Major Trends

Children Reside in Permanent Homes: The Department of Human Resources (DHR) has revised downward the out-year estimates for its permanency measures. The new goals are more realistic than the previous ones. There was slight improvement in one of the measures in fiscal 2009.

Children Are Safe from Abuse and Neglect: There was a slight improvement in the non-recurrence of maltreatment measure in fiscal 2009, and no change in the measure of children that are victims of abuse or neglect while in care. Out-year estimates for both of these measures are carried forward from the prior year and represent a degradation in the measures from levels achieved in fiscal 2009.

Issues

Child Welfare Workforce Stabilizes – Appropriate Caseload Level Unresolved: The number of filled child welfare caseworker positions and supervisor positions remains relatively unchanged from the prior year. A report on a new method for determining the appropriate staffing level to meet national guidelines has not been submitted for budget committee review.

Federal Title IV-E Reimbursement for Pre-placement Services Denied: In fiscal 2009, Title IV-E grant expenditures totaling \$9.6 million were disallowed by the federal government. The expenditures, related to pre-placement services, were denied on the basis that these services were not part of the State's cost allocation plan. DHR has appealed the disallowances and has submitted a new State Title IV-E plan in an attempt to allow pre-placement services to be eligible for federal reimbursement.

Second Round of the Federal Child and Family Services Review Underway: Maryland is currently undergoing federal review of its child welfare program. Preliminary results indicate the need for a Program Improvement Plan to address shortcomings.

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.
4. Adopt narrative requesting the posting of monthly caseload data.
5. Strike language to remove a position from the Executive Pay Plan.

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 2008. There were 18 such fatalities in 2008.

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), 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 SSA are that:

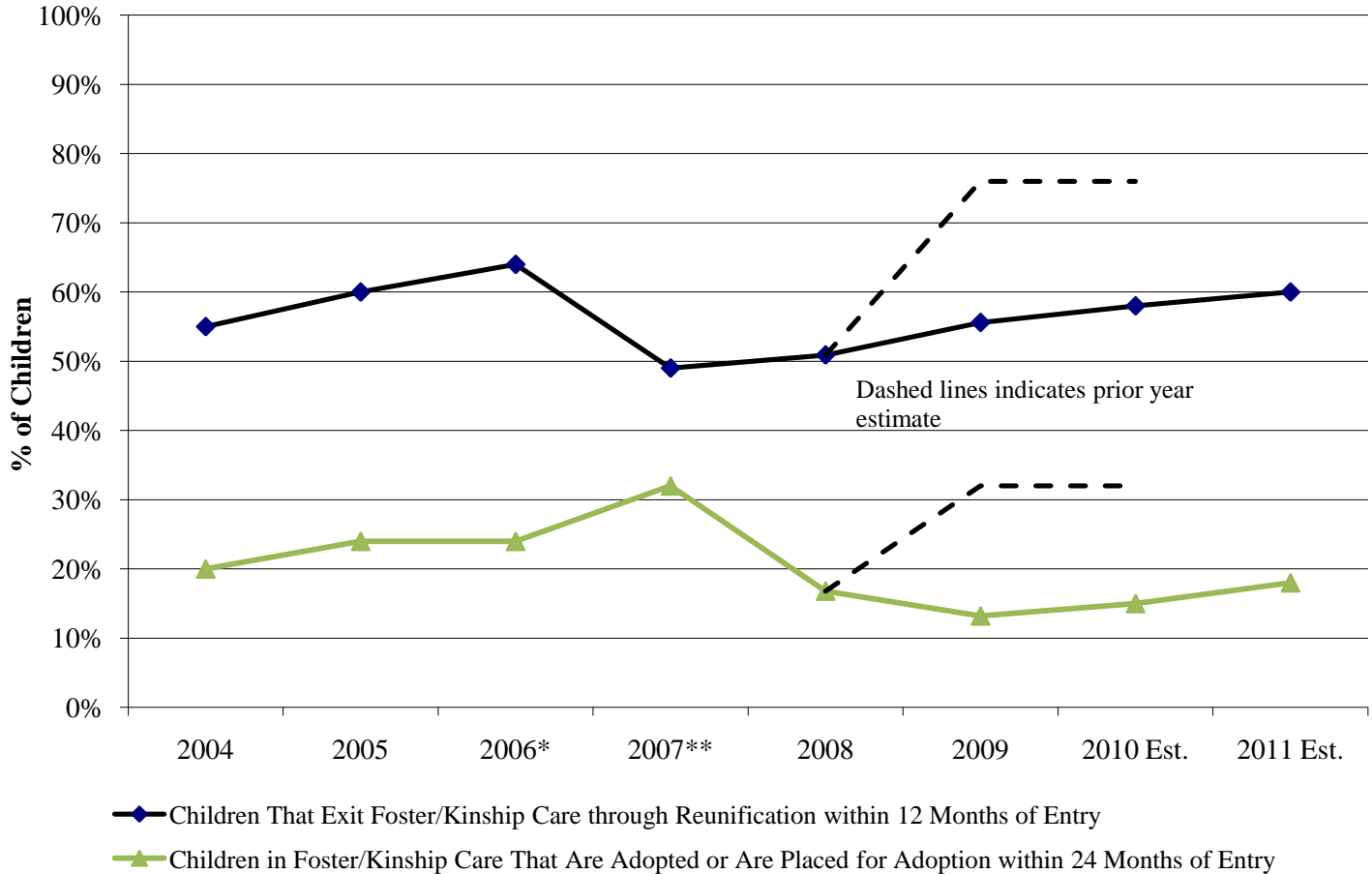
- children served by the Department of Human Resources (DHR) reside in permanent homes;
- children served by the department are safe from abuse and neglect;
- individuals served by Adult Services are safe from abuse (including neglect, self-neglect, and exploitation); and
- individuals served by Adult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

Performance Analysis: Managing for Results

Children Reside in Permanent Homes

Exhibit 1 shows the percent of children leaving foster/kinship care through reunification that do so within 12 months of entry and the percent of children in foster/kinship care that are adopted or placed for adoption within 24 months of entering the child welfare system. The dashed line represents the estimates contained in last year's Managing for Results (MFR) submission. The

**Exhibit 1
Children Served by DHR Reside in Permanent Homes
Fiscal 2004-2011**



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.

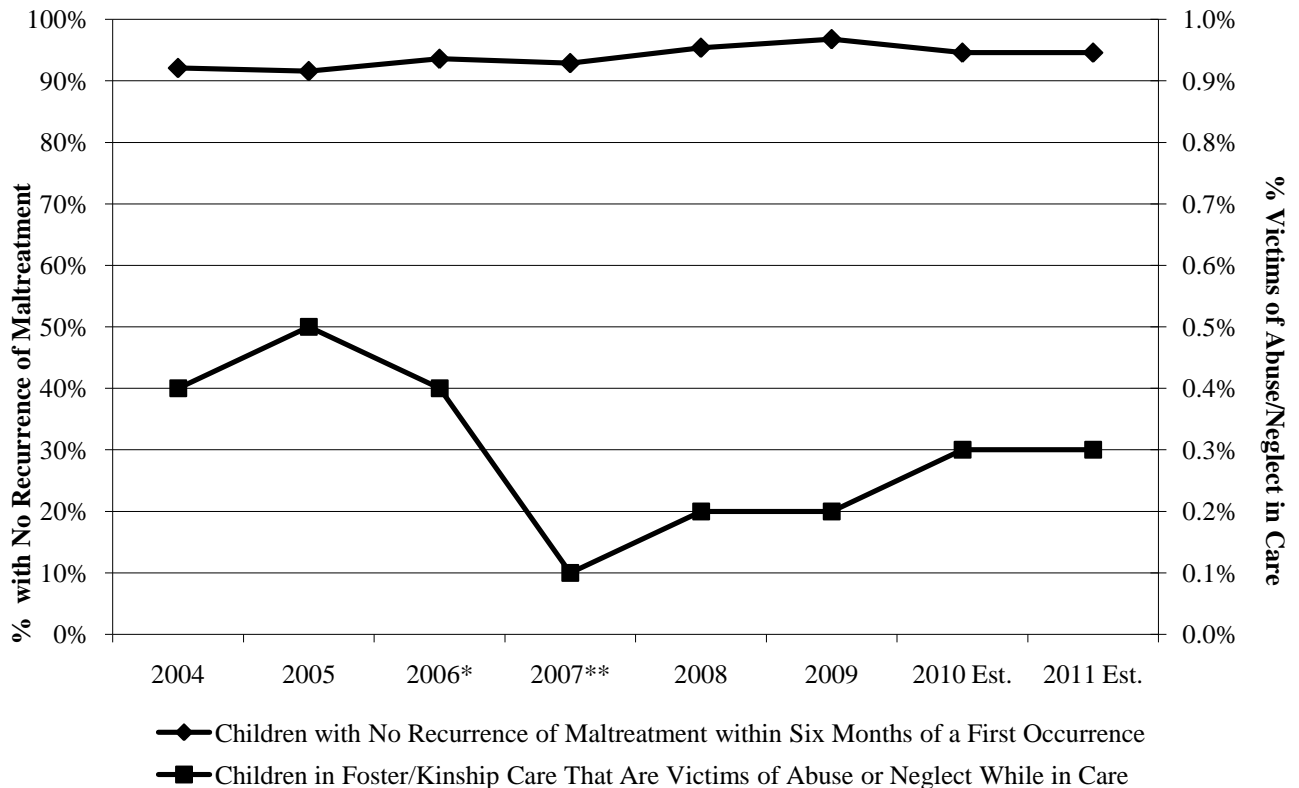
Source: Governor’s Budget Books, Fiscal 2009-2011

revisions, which are substantially below last year’s estimates, are more realistic estimates of the improvements that can be made. The percent of children exiting through reunification within 12 months of entry improved slightly between fiscal 2008 and 2009. Even though DHR finalized more adoptions in 2009 than in 2008, the percent of children adopted or placed for adoption within 24 months was slightly lower in 2009 because of many efforts to finalize adoptions of children who had been in care for longer than 24 months.

Children Are Safe from Abuse and Neglect

Exhibit 2 shows the percent of children with no 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. The percent of children with no recurrence of maltreatment within six months of a first occurrence improved slightly in 2009 from 2008. The percent of children that are victims of abuse or neglect while in care remained the same between 2008 and 2009. For both measures, the 2010 estimates from last year were just carried forward despite representing a slight degradation in the measures.

**Exhibit 2
Children Served by DHR Are Safe from Abuse and Neglect
Fiscal 2004-2011**



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 2010 Actions

Impact of Cost Containment

Board of Public Works (BPW) cost containment actions through November 2009 reduced the Social Services budget by \$13.3 million (\$10.3 million general funds.) Reductions comprised:

- elimination of recruitment and retention bonuses for child welfare workers (\$2,758,336);
- anticipated savings in foster care maintenance payments from the Place Matters initiative (\$2,500,000);
- employee furloughs (\$2,191,305 general and special funds only, the federal funds will cancel at the end of the fiscal year);
- a 1% decrease to the foster care provider rate (\$1,800,000);
- savings from holding positions vacant (\$1,512,582);
- rent savings based on statewide renegotiation of rental rates (\$1,020,000);
- a 50% reduction in Adult Services respite care (\$926,174);
- a technical adjustment to the Montgomery County block grant to remove funding for increments and a general salary increase (\$290,000);
- a statewide reduction in replacement vehicle funding (\$238,209);
- savings from a reduction in motor vehicle operations (\$35,273); and
- a statewide reduction in out-of-state travel (\$33,868).

The elimination of the child welfare worker recruitment and retention bonuses will make it more difficult to maintain sufficient numbers of child welfare caseworkers to meet staffing levels recommended by the Child Welfare League of America (CWLA), an effort that has challenged the department for many years.

Federal Stimulus Fund

Additional Foster Care Title IV-E funds were made available through the American Recovery and Reinvestment Act of 2009 (ARRA) via an enhanced federal match. In fiscal 2009, \$7,218,234 in ARRA Title IV-E funds were received. The fiscal 2010 budget includes \$11,491,000 in ARRA Title

IV-E funding. DHR does not anticipate receiving additional ARRA funding and no ARRA funds are included in the fiscal 2011 Social Services budget.

Proposed Budget

As illustrated in **Exhibit 3**, the fiscal 2011 allowance for DHR Social Services decreases by \$27.9 million. Overall, personnel expenses decline by \$5.5 million from the current year working appropriation. Modest increases in some contractual services and grants, and an increase due to a small estimated increase in the foster care/adoptions caseload, are more than offset by a decrease in the estimated average foster care/adoptions payments and an unallocated budget reduction (discussed below).

Impact of Cost Containment

The fiscal 2011 budget reflects several across-the-board actions to be allocated by the Administration. This includes a combination of employee furloughs and government shut-down days similar to the plan adopted in fiscal 2010; a reduction in overtime based on accident leave management; streamlining of State operations; hiring freeze and attrition savings; a change in the injured workers' settlement policy and administrative costs; and a savings in health insurance to reflect a balance in that account. For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected actions relating to employee furloughs, health insurance, and the Injured Workers' Insurance Fund cost savings.

For DHR Social Services, the reductions for the items for which estimated savings could be calculated totals \$5.5 million and are as follows: employee furloughs (\$4,423,782), health insurance (\$916,556), and workers' compensation (\$116,777).

A series of negative entries in the allowance for salaries, wages and fringe benefits for DHR has the effect of reducing the department's general fund allowance by \$7.1 million (\$17.4 million total funds). For Social Services, these negative entries total \$3.2 million general funds (\$7.9 million total funds). Budget language is recommended in the DHR Overview that would require DHR to submit a plan to the Department of Budget and Management (DBM) detailing the actual objects to be reduced so that the budget as published in the Fiscal 2011 Fiscal Digest is an accurate picture of planned spending.

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

How Much It Grows:	General Fund	Special Fund	Federal Fund	Total
2010 Working Appropriation	\$345,845	\$2,742	\$294,839	\$643,427
2011 Allowance	<u>350,349</u>	<u>2,631</u>	<u>268,022</u>	<u>621,002</u>
Amount Change	\$4,504	-\$111	-\$26,817	-\$22,424
Percent Change	1.3%	-4.0%	-9.1%	-3.5%
Contingent Reductions	-\$3,017	-\$43	-\$2,397	-\$5,457
Adjusted Change	\$1,487	-\$154	-\$29,214	-\$27,881
Adjusted Percent Change	0.4%	-5.6%	-9.9%	-4.3%

Where It Goes:

Personnel Expenses

Social Security and Employee Retirement Contributions	\$1,704
Employee and retiree health insurance (net of Section 19 reductions)	1,053
Unemployment compensation	255
Reclassifications	188
Abolished/transferred positions – 6 positions	-348
Accrued leave payout	-409
Workers’ compensation premium assessment (incl. Section 21 & 23)	-1,299
Employee furlough – Section 18, includes federal fund reduction (fiscal 2010 budget amendment implementing the furlough withdrew general funds only)	-2,911
Increased turnover	-3,758
Other fringe benefit adjustments	9

Protecting Children and Adults

Increase of 227 in foster care/adoptions average monthly caseload	5,500
Family Preservation grants	476
Child Welfare Services Evaluation/Quality Assurance contract	408
Increased contractual services for Adult Services respite care, in-home aide, and supporting housing services	372
Communications (telephones and postage)	357
Increased contract for Crisis Line and screening services in Prince George’s County	353
Independent Living education training voucher grants	231
Efficiency reduction in vehicle replacement and operations	-305
Efficiency reductions to contractual services	-811

Where It Goes:

Elimination of special fund grant for Baltimore City Family Recovery Project.....	-1,000
Decrease in average foster care/adoptions payments	-19,476
Administrative Expenses	
Subscriptions and Dues	-164
Rent	-413
Unallocated budget reduction.....	-7,862
Other.....	-31
Total	-\$27,881

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

Foster Care/Adoption Caseload and Expenditure Trends

Exhibit 4 shows foster care and adoption caseload and expenditure data for fiscal 2009 and the DLS estimates for fiscal 2010 and 2011. The DLS estimates differ from DHR assumptions upon which the budgets for fiscal 2010 and 2011 were built, and the changes noted in Exhibit 3 reflect the budgets as submitted. The foster care caseload is expected to be relatively stable, growing at less than half a percent a year. Subsidized adoption is expected to experience more robust growth with an annual average increase of 5.4%. The combined caseload is expected to increase at a rate of 2.9% per year. The average monthly cost per case is expected to decrease at an annual rate of 5.1% between fiscal 2009 and 2011. This reflects not only a shifting of the caseload towards lower cost placements as a result of the Placement Matters Initiative, but also of the provider rate reductions made as part of cost containment efforts and the subsequent freezing of the rates at the fiscal 2010 level.

The fiscal 2010 caseload and expenditure estimate is based on data for August through December 2009. Based on the trends for these five months, and assuming Title IV-E attainment at least equals that experienced in fiscal 2009, there will be a general fund surplus of nearly \$9.4 million, a marked improvement over previous years when growing caseloads and expenditures led to shortfalls. For fiscal 2011 caseloads and expenditures are projected to stabilize with a projected general fund surplus of \$2.5 million. **Budget language which would restrict the transfer of funds from the Foster Care Maintenance Program is included in the Recommended Actions section of this analysis.**

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

	<u>2009</u>	<u>DLS Estimate</u> <u>2010</u>	<u>DLS Estimate</u> <u>2011</u>	<u>Average Annual %</u> <u>Change 2009-11</u>
Monthly Caseload				
Foster Care	7,173	7,224	7,224	0.4%
Adoptions	7,119	7,913	7,913	5.4%
Total	14,292	15,137	15,137	2.9%
Monthly Cost Per Case				
Case	\$1,925	\$1,736	\$1,736	-5.1%
Expenditures (\$ in Millions)				
General Funds	\$243.0	\$230.9	\$242.4	-0.1%
Total Funds	351.3	335.3	335.3	-2.3%
Budgeted (\$ in Millions)				
General Funds	\$243.0	\$240.4	\$244.9	0.4%
Total Funds	\$351.3	\$365.9	\$351.9	0.1%
Surplus – General Funds		\$9.4	\$2.5	
Surplus – Total Funds		\$30.6	\$16.6	

DLS: Department of Legislative Services

Source: Department of Human Resources; Department of Legislative Services

Federal Stimulus Fund

The fiscal 2011 allowance for DHR Social Services does not anticipate any ARRA funding. The President’s budget as introduced, however, would continue the increased Title IV matching rate authorized in the ARRA through December 2010 (an additional six months). DHR estimates that this could increase federal funds by \$3.7 million.

Issues

1. Child Welfare Workforce Stabilizes – Appropriate Caseload Level Unresolved

In 1998, the General Assembly passed the Child Welfare Workforce Initiative requiring DHR and DBM to develop appropriate caseload to staff ratios as recommended by the CWLA. The Child Welfare Accountability Act of 2006 reiterated this requirement. For several years, beginning with the fiscal 2005 budget, the General Assembly made a portion of the DHR budget contingent on DHR having a certain number of filled child welfare caseworker and supervisor positions.

Restrictive language was not added to the fiscal 2010 budget due to uncertainties surrounding position reduction and cost containment initiatives and the possible effects these efforts would have on DHR's ability to maintain filled child welfare positions. The budget committees did, however, adopt committee narrative requesting that DHR report on caseload levels, by detailed caseload type, on December 1, 2009, and March 1, 2010. The caseload detail is used to calculate the staffing levels required to meet the CWLA standards.

During the 2009 DHR Social Services budget hearings, DHR informed the committees that it was developing a new staffing needs analysis process to determine the staffing levels needed to meet the CWLA standard and requested that it be allowed to use the new process in place of the one using the detailed caseload. Since the methodology for the new process was not finalized, the committees adopted additional narrative asking DHR to submit a report comparing the staffing requirements under the existing methodology using detailed caseload types with the new process once it had been finalized. As of the writing of this analysis, the report comparing the two staffing needs analysis processes has not been submitted, nor has the General Assembly received the December 1, 2009, detailed caseload data (DHR indicates the caseload data is in the executive review process).

As shown in **Exhibit 5**, there are 1,703 filled child welfare caseworker positions and 317 filled child welfare supervisor positions as of December 1, 2009. This was a decrease of 8 filled worker positions and an increase of 13 filled supervisor positions compared to a year prior. Although it is impossible to determine if the number of filled positions meets the CWLA standards without the caseload detail, the number of filled positions has remained relatively stable despite the current budgetary climate.

Exhibit 5
Child Welfare Position Status by Local Department
As of December 1, 2009

<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	56.00	7.00	63.00	1.00		1.00	64.00
Anne Arundel	92.80	19.00	111.80	4.00	2.00	6.00	117.80
Baltimore City	737.00	138.00	875.00	20.00	15.00	35.00	910.00
Baltimore Co.	125.55	22.00	147.55	5.20	1.00	6.20	153.75
Calvert	20.50	3.00	23.50			0.00	23.50
Caroline	18.00	4.00	22.00	2.00		2.00	24.00
Carroll	29.00	8.00	37.00	1.00		1.00	38.00
Cecil	43.00	4.00	47.00		1.00	1.00	48.00
Charles	40.50	9.00	49.50	1.00		1.00	50.50
Dorchester	21.00	4.00	25.00	1.00		1.00	26.00
Frederick	37.50	11.00	48.50	2.50	1.00	3.50	52.00
Garrett	20.00	3.00	23.00			0.00	23.00
Harford	56.75	9.00	65.75	1.00	1.00	2.00	67.75
Howard	38.50	7.00	45.50	1.00		1.00	46.50
Kent	8.00	2.00	10.00			0.00	10.00
Prince George's	152.00	27.00	179.00	5.00	3.00	8.00	187.00
Queen Anne's	12.00	2.00	14.00			0.00	14.00
Saint Mary's	30.60	6.00	36.60			0.00	36.60
Somerset	19.00	3.00	22.00			0.00	22.00
Talbot	12.80	4.00	16.80		2.00	2.00	18.80
Washington	74.00	13.00	87.00	2.00	3.00	5.00	92.00
Wicomico	36.00	8.00	44.00	2.00		2.00	46.00
Worcester	22.50	4.00	26.50	1.00		1.00	27.50
Total	1,703.00	317.00	2,020.00	49.70	29.00	78.70	2,098.70

Source: Department of Budget and Management – State Personnel Database

DHR should brief the committees on the status of the new staffing needs analysis process and when it expects to submit the report comparing it with the existing process. DHR should also be admonished that due dates for *Joint Chairmen's Report* (JCR) items are the dates by which reports should be submitted to the committees and that agencies must take into account Executive Branch review timelines in order to ensure on-time submissions. Committee narrative requesting detailed caseload data is included in the Recommended Action section of this analysis and should continue to be adopted until a new staffing-needs methodology is approved by the committees.

2. Federal Title IV-E Reimbursement for Pre-placement Services Denied

In fiscal 2009, DHR was informed by the U.S. Department of Health and Human Services (DHHS) that certain Title IV-E grant expenditures totaling \$9.6 million were disallowed. The disallowances were related to pre-placement services and were disallowed due to the lack of a pre-placement provision in the State's cost allocation plan. DHR reported the disallowances to the Comptroller's General Accounting Division as a liability. The disallowances were for pre-placement claims for the quarters ending September 30, 2008, and December 30, 2008. Upon notification of the disallowances, DHR stopped submitting Title IV-E claims for these services and started using Temporary Assistance for Needy Families (TANF) dollars. DHR also appealed the disallowances. Should DHR not prevail, the expenditures will need to be paid with general funds or TANF dollars.

DHR has been working with DHHS to resolve the issues so that pre-placement services can once again be submitted for Title IV-E reimbursement. DHR has submitted a revised Title IV-E State Plan which includes pre-placement services as an allowable expense and is hopeful that the revised plan will be approved and that the \$9.6 million in disallowances will be reversed. DHR is meeting with DHHS in February 2010 and hopes to have the issue resolved at that time.

DHR should brief the committees on any further developments related to this issue.

3. Second Round of the Federal Child and Family Services Review Underway

The Children's Bureau of the DHHS Administration for Children and Families (ACF) conducts the Child and Family Services Reviews (CFSRs), the federal effort to hold state child welfare systems accountable for outcomes for children under their care. The CFSR is a two-step process consisting of a Statewide Assessment and an onsite review of child welfare cases. The first round of CFSRs was completed by 2004. The second round began in spring 2007. Maryland's second review is currently underway. The reviews are structured to help states identify strengths and areas needing improvement within their agencies and programs.

In the first round of CFSRs, states were held accountable for meeting substantial conformity on seven outcomes and seven systemic factors. States found not to be in substantial conformity on any of the outcomes or systemic factors were required to develop a Program Improvement Plan (PIP). According to ACF, no state was found to be in substantial conformance in all outcome areas or systemic factors and thus all were required to develop and implement PIPs. Maryland successfully implemented its PIP within the required two-year period which ended in March 2007.

Maryland began its second CFSR process in September 2008 by establishing workgroups to develop the Statewide Assessment which was submitted to ACF in April 2009. The onsite review of cases occurred in June 2009, and DHR is awaiting the official copy of the CSFR report. **Exhibit 6** shows the preliminary findings of the review.

Exhibit 6
Preliminary Findings of the Child and Family Services Review

DHR Has Strengths In

- preventing foster care re-entries
- use of family involvement meetings
- proximity of placement
- placement with siblings and
- physical health of the child

DHR Needs to Improve In

- timely setting of permanency goals
- individualized services for families
- focusing on the entire family
- assessments during course of the case
- communication across programs
- timely completion of court paperwork
- foster and adoptive family licensing
- use of relative placements and
- supervision (feedback loop)

DHR: Department of Human Resources

Source: Department of Human Resources

DHR established PIP workgroups in October 2009 to begin development of the PIP. Once the official CFSSR report is released, DHR can finalize the round two PIP and submit it for approval. Upon approval, the department will have two years in which to implement the PIP or face financial penalties.

DHR should brief the committees on program and policy changes it anticipates making as part of the PIP.

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: The budget committees 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 the Department of Human Resources, on December 1, 2010, and March 1, 2011, 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;
4. Intensive Family Services;

N00B – DHR – Social 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
14. Casework Supervisors.

Information Request	Author	Due Date
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	Department of Human Resources	December 1, 2010 March 1, 2011

4. Adopt the following narrative:

Monthly Child Welfare Statistics – Internet Posting: In the interest of transparency in government, the committees request that the Department of Human Resources (DHR) begin posting on the department’s web site basic caseload statistics for child welfare by jurisdiction on a monthly basis. The committees note that the DHR Family Investment Administration does a good job of posting data relating to assistance on the DHR web site in a timely fashion and encourage the DHR Social Services Administration to do the same.

5. Strike the following language:

Executive VI	9906	102,000
-------------------------	-----------------	--------------------

Explanation: This position is being reclassified and should no longer be in the Executive Pay Plan.

Updates

1. Child Fatalities Involving Abuse or Neglect Reported

Committee narrative included in the 2005 JCR 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 7**, displays the data provided by the department for calendar 2003 through 2008.

Exhibit 7
Child Deaths Reported to DHR Where Child Abuse or Neglect Are Determined
by DHR Staff to Be a Contributing Factor
Calendar 2003-2008

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total</u>
Allegany	2			1			3
Anne Arundel		3	4	1	1	1	10
Baltimore City	7	10	3	5	5	2	32
Baltimore	1	3	7	3	4	6	24
Calvert		1					1
Caroline			2				2
Carroll	2		1	2	1	1	7
Cecil			1	3	1	2	7
Charles							0
Dorchester	1				2		3
Frederick	1	1	1	1	6	1	11
Garrett						1	1
Harford		2	1		2		5
Howard	1		1			1	3
Kent						1	1
Montgomery	2	1	1	2	5		11
Prince George's	3	2	4	6	5	1	21
Queen Anne's							0
St. Mary's					1		1
Somerset		1					1
Talbot							0
Washington	2	4	2		1	1	10
Wicomico			1	3			4
Worcester							0
Total	22	28	29	27	34	18	158

DHR: Department of Human Resources

Source: Department of Human Resources

Current and Prior Year Budgets

Current and Prior Year Budgets

DHR – Social Services

(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2009					
Legislative Appropriation	\$356,942	\$4,589	\$288,329	\$0	\$649,860
Deficiency Appropriation	5,136	0	11,264	0	16,400
Budget Amendments	4,333	4,176	358	0	8,867
Cost Containment	-12,036	-23	-1,267	0	-13,326
Reversions and Cancellations	0	-13	-48,135	0	-48,149
Actual Expenditures	\$354,375	\$8,730	\$250,548	\$0	\$613,652
Fiscal 2010					
Legislative Appropriation	\$356,141	\$3,765	\$297,827	\$0	\$657,732
Cost Containment	-10,295	-1,023	-2,987	0	-14,306
Budget Amendments	0	0	0	0	0
Working Appropriation	\$345,845	\$2,742	\$294,839	\$0	\$643,427

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

Fiscal 2009

The fiscal 2009 budget for Social Services closed out \$36.2 million lower than the legislative appropriation. Deficiency appropriations totaling \$16.4 million and increases via budget amendments, totaling \$8.9 million, were offset by special and federal fund cancelations totaling \$48.1 million and cost containment reductions, totaling \$13.3 million.

The deficiency appropriations added \$5.1 million general funds and \$11.3 million federal funds for foster care maintenance payments. The federal funds included \$8.6 million in funding authorized by the ARRA of 2009.

Budget amendments added general funds for the general salary increase (\$1,229,736), as part of the Annual Salary Review (ASR) increases for investigator positions, and as part of the year-end closeout process in which funds are moved among DHR units (\$3,095,731). Special funds were added by budget amendment for the general salary increase (\$37,950), for the ASR (\$60), and to recognize reimbursements of overpayments to foster care providers (\$3,631,479). Federal Adoption Opportunities funds were added by budget amendment to provide support and training for foster care and kinship care families.

Federal fund cancelations totaled \$48.1 million. In the SSA, a cancelation of \$3.9 million resulted from lower than anticipated expenditures associated with adoption, Promoting Safe and Stable Families, and independent living activities coupled with a lower than expected Title IV-E attainment across programs. In the Foster Care Maintenance Program, a cancelation of \$25.3 million resulted from lower expenditures as a result of the department's Place Matters initiative and a decline in Title IV-E attainment. In the Child Welfare Services program, a cancelation of \$14.2 million resulted from lower than anticipated activities that qualified for Title IV-E reimbursement. In the Adult Services Program, a cancelation of \$4.7 million resulted from less than anticipated activities qualifying for Title IV-E and Medical Assistance funding. A small special fund cancelation (\$13,162) represented unused local government contributions.

Cost containment decreases comprised:

- savings resulting from furloughs, the elimination of positions (52.5 FTEs), 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 (\$6,400,572 general; \$5,675 special);
- a reduction to the SSA to reflect historical under spending (\$2,250,842 general);
- reductions in foster care maintenance payments to reflect estimated reductions in caseloads and average payments (\$1,000,000 general) and a 1% reduction in foster care provider rates (\$800,000 general; \$450,000 federal);

N00B – DHR – Social Services

- 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
- hiring freeze savings (\$584,728 general; \$17,132 special; \$817,065 federal).

Fiscal 2010

The fiscal 2010 working appropriation is \$14.3 million lower than the legislative appropriation due to cost containment actions taken by the BPW (\$13.3 million), and cancellation by budget amendment of a \$1 million special fund appropriation for the Baltimore City Compact for which the special funds are no longer available. Cost containment decreases comprise:

- elimination of retention and recruitment bonuses for child welfare workers (\$1,272,240 general; \$1,486,096 federal);
- a reduction to Foster Care Maintenance Payments in anticipation of savings resulting from the department's Place Matters initiative (\$2,500,000 general);
- furlough savings (\$2,168,413 general; \$22,892 special);
- foster care provider rate decrease of 1% (\$1,200,000 general; \$600,000 federal);
- salary savings from holding positions vacant (\$756,290 general; \$756,292 federal);
- across-the-board negotiated rental rates (\$1,020,000 general);
- 50% reduction in Adult Services respite care funding (\$926,174 general);
- a technical adjustment to remove a cost-of-living adjustment from the block grant the State gives to Montgomery County to operate its department of Social Services (\$145,000 general; \$145,000 federal);
- statewide reduction in replacement vehicle funds (\$238,209 general);
- reduction in motor vehicle operations (\$35,273 general); and
- statewide reduction in out-of-state travel (\$33,868 general).

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

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	3,044.20	2,978.11	2,972.11	-6.00	-0.2%
02 Contractual	3.00	3.00	1.00	-2.00	-66.7%
Total Positions	3047.20	2981.11	2973.11	-8.00	-0.3%
Objects					
01 Salaries and Wages	\$ 204,499,394	\$ 193,242,596	\$ 188,386,551	-\$ 4,856,045	-2.5%
02 Technical and Spec. Fees	2,195,479	4,945,555	2,132,494	-2,813,061	-56.9%
03 Communication	2,422,834	1,482,089	1,838,153	356,064	24.0%
04 Travel	2,055,986	1,609,920	1,388,179	-221,741	-13.8%
06 Fuel and Utilities	347,894	618,576	628,846	10,270	1.7%
07 Motor Vehicles	2,024,886	1,935,383	1,353,688	-581,695	-30.1%
08 Contractual Services	40,410,456	31,703,866	35,204,044	3,500,178	11.0%
09 Supplies and Materials	1,184,646	864,554	880,293	15,739	1.8%
10 Equipment – Replacement	15,039	350,000	350,000	0	0%
11 Equipment – Additional	225,147	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	346,266,714	392,260,677	375,008,424	-17,252,253	-4.4%
13 Fixed Charges	12,003,815	14,413,391	13,831,677	-581,714	-4.0%
Total Objects	\$ 613,652,290	\$ 643,426,607	\$ 621,002,349	-\$ 22,424,258	-3.5%
Funds					
01 General Fund	\$ 354,374,561	\$ 345,845,087	\$ 350,348,794	\$ 4,503,707	1.3%
03 Special Fund	8,729,646	2,742,278	2,631,303	-110,975	-4.0%
05 Federal Fund	250,548,083	294,839,242	268,022,252	-26,816,990	-9.1%
Total Funds	\$ 613,652,290	\$ 643,426,607	\$ 621,002,349	-\$ 22,424,258	-3.5%

Note: The fiscal 2010 appropriation does not include deficiencies.

**Fiscal Summary
DHR – Social Services**

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
04 General Administration – State	\$ 25,357,400	\$ 27,935,638	\$ 25,795,214	-\$ 2,140,424	-7.7%
01 Foster Care Maintenance Payments	351,265,315	365,896,604	351,920,640	-13,975,964	-3.8%
03 Child Welfare Services	194,652,074	207,610,801	201,868,830	-5,741,971	-2.8%
04 Adult Services	42,377,501	41,983,564	41,417,665	-565,899	-1.3%
Total Expenditures	\$ 613,652,290	\$ 643,426,607	\$ 621,002,349	-\$ 22,424,258	-3.5%
General Fund	\$ 354,374,561	\$ 345,845,087	\$ 350,348,794	\$ 4,503,707	1.3%
Special Fund	8,729,646	2,742,278	2,631,303	-110,975	-4.0%
Federal Fund	250,548,083	294,839,242	268,022,252	-26,816,990	-9.1%
Total Appropriations	\$ 613,652,290	\$ 643,426,607	\$ 621,002,349	-\$ 22,424,258	-3.5%

Note: The fiscal 2010 appropriation does not include deficiencies.