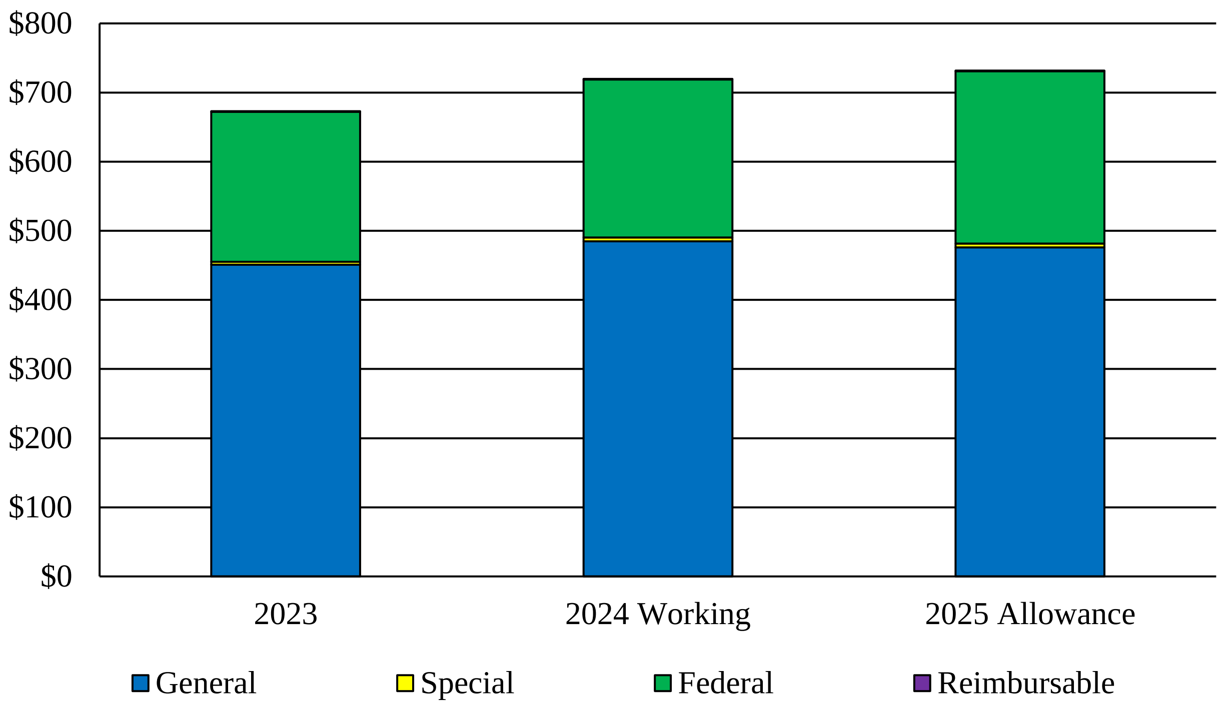
N00B
Social Services Administration
Department of Human Services

Executive Summary

The Department of Human Services (DHS) Social Services Administration (SSA) administers child welfare programs, including foster care, subsidized adoptions, and subsidized guardianships, as well as programs providing services to the elderly, disabled, and vulnerable adults.

Operating Budget Summary

Fiscal 2025 Budget Increases $12.0 Million, or 1.7%, to $731.7 Million
($ in Thousands)



Note: The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency's budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

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- The fiscal 2025 allowance for SSA increases by $12.0 million compared to the fiscal 2024 working appropriation after accounting for a proposed deficiency appropriation, which includes an increase of $6.1 million in the Foster Care Maintenance Payments program. The increase in Foster Care Maintenance Payments is due primarily to increased funding for the implementation of foster care provider rate reform, which is partially offset by decreases in funding for foster care placement costs and other unallocated program spending reductions.

- Excluding the Foster Care Maintenance Payments program, the fiscal 2025 allowance for SSA increases by $5.9 million, primarily due to increases in personnel expenses and administrative contracts for local child welfare and adult services that are partially offset by decreases due to lower funding for the Montgomery County block grant and one-time grant funding in fiscal 2024 for legislative priorities.

Key Observations

- ***Foster Care Caseloads and Total Number of Children Experiencing Out-of-home Placements Continue to Decline:*** In fiscal 2023, average monthly caseloads across all foster care placement types declined by 1.6% compared with fiscal 2022. As of December 31, 2023, the number of monthly out-of-home placements through the department was 6.9% lower than December 31, 2022. In fiscal 2023, the statewide rate of removal into foster care was 1.0 per 1,000 children, marking the third consecutive year in which DHS met the goal of no more than 1.5 removals per 1,000 children statewide. These decreases are reflective of efforts made by DHS to reduce the number of children removed from their homes by providing alternative in-home family preservation services and other evidence-based prevention practices.

- ***Implementation of Provisions of the Federal Family First Prevention Services Act (FFPSA):*** In fiscal 2023, 18 jurisdictions continued implementation of at least one evidence-based practice for prevention services as authorized in the FFPSA. These practices served a total of 319 families during the fiscal year. During calendar 2023, the Qualified Residential Treatment Program (QRTP) designation workgroup facilitated a second round of applications for the designation of QRTP providers; however, no applications were received during this application period. As a result, the number of QRTP designated providers remained at six as of December 2023.

- ***SSA Vacancies Decrease:*** The number of vacant positions in SSA decreased by 96.5 positions between December 31, 2022, and December 31, 2023, to a total of 339.3 positions. Despite the reduction, this level of vacancies is 115.4 greater than the number needed to meet the budgeted turnover expectancy and is nearly 13% of all authorized positions. As of December 2023, vacancies within SSA are the largest share of total vacancies across DHS.

Operating Budget Recommended Actions

		Funds
1.	Add language restricting general funds until a report is submitted by the Office of Legislative Audits indicating that the Department of Human Services has taken corrective action to fully resolve repeat audit findings contained in its most recent fiscal compliance audit.	
2.	Add language restricting general funds until a report is submitted on child welfare caseloads and caseworkers needed to meet Child Welfare League of America standards.	
3.	Add language restricting general funds until a report is submitted on the implementation of the new foster care provider rate structure and uses of funding for this purpose.	
4.	Adopt committee narrative requesting updated data on hospital stays for youth in out-of-home placements.	
5.	Adopt committee narrative requesting an update on the implementation of evidence-based practices and other provisions of the federal Family First Prevention Services Act.	
6.	Add language restricting general funds in the Foster Care Maintenance Payments program to that purpose only.	
7.	Add language restricting general funds in the Child Welfare Services program to that purpose.	
8.	Reduce the general fund deficiency appropriation for increased placement costs within the Foster Care Maintenance Payments program.	-$ 7,000,000
	Total Net Change to Fiscal 2024 Deficiency Appropriation	**-$ 7,000,000**
	Total Net Change to Allowance	

Operating Budget Analysis

Program Description

DHS SSA administers child welfare programs, including foster care, subsidized adoptions, and subsidized guardianships, as well as programs providing services to the elderly, disabled, and vulnerable adults. Child welfare services provided by SSA are intended to investigate, prevent, or remedy instances of 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 needing to enter out-of-home care; and provide appropriate placement and permanency of services. Adult services provided by SSA focus on the needs of the elderly, disabled, and vulnerable adults. Adult services promote safety, self-sufficiency, and assist in avoiding or delaying unnecessary institutional care. The Adult Protective Services program investigates, prevents, and remedies instances of neglect, abuse, and exploitation of vulnerable adults. SSA provides services through local departments of social services (LDSS), which are arms of DHS in each jurisdiction.

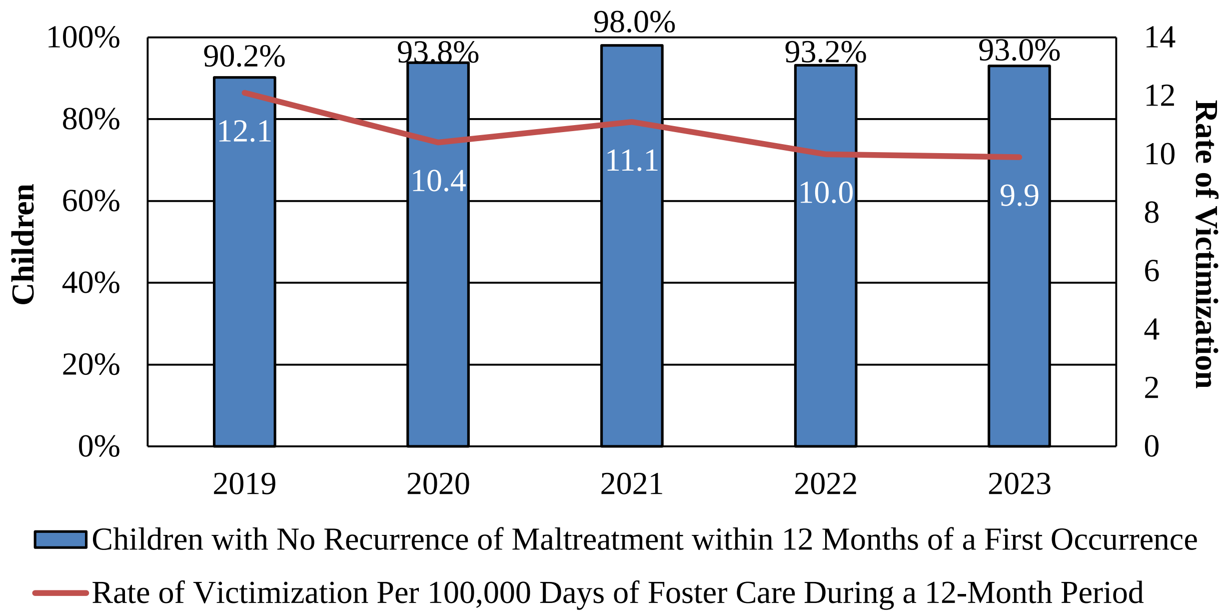
Performance Analysis: Managing for Results

1. Performance in Child Safety Measures

DHS reports two primary performance measures related to child safety: (1) the percentage of children with no recurrence of maltreatment within 12 months of a first occurrence; and (2) the rate of victimization per 100,000 days of foster care during a 12-month period. The rate of victimization includes all instances of maltreatment while in foster care and is not limited to foster parents or facility staff members.

DHS has a goal of having at least 90.9% of children experiencing no recurrence of maltreatment within 12 months of a first occurrence. As shown in **Exhibit 1**, DHS has exceeded this goal in each of the past four years; however, performance has declined over the past two fiscal years following improvements in fiscal 2020 and 2021. Between fiscal 2021 and 2022, the percentage of children experiencing no recurrence of maltreatment decreased by 5 percentage points, to 93.2%, and further declined in fiscal 2023, to 93.0%.

Exhibit 1
Child Safety Performance Measures
Fiscal 2019-2023



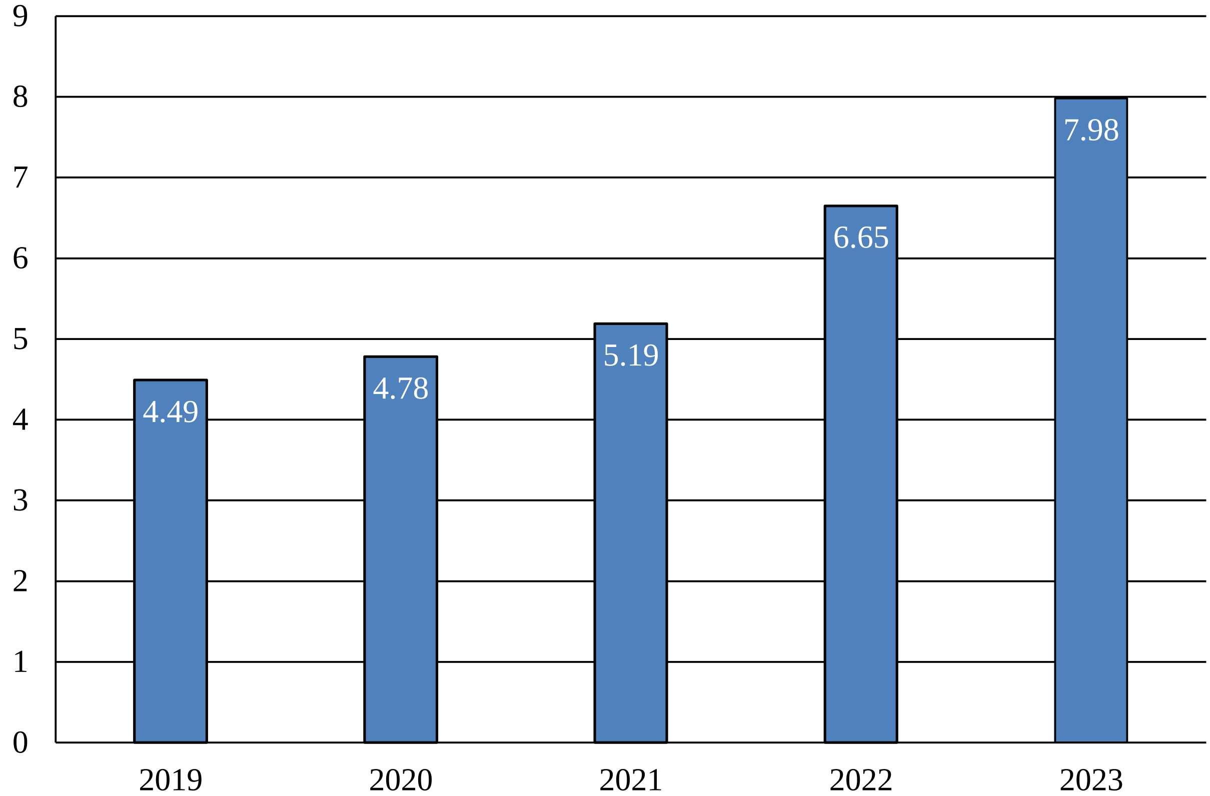
Source: Department of Human Services; Department of Budget and Management

The department's goal is a rate of victimization of 8.5 or less per 100,000 days of foster care during a 12-month period. DHS has not met this goal in any of the past five fiscal years, although the fiscal 2023 rate of 9.9 was the lowest level in at least the past five fiscal years and the second consecutive fiscal year of decline. **DHS should comment on efforts that it is making to reduce the recurrence of maltreatment and the rate of victimization of youth in foster care.**

2. Rate of Placement Moves Increases

DHS has a goal of limiting the number of placement moves for children in foster care to no more than 4.12 per 1,000 days of foster care, which equates to a move approximately every 243 days. As shown in **Exhibit 2**, the rate of placement moves has increased each fiscal year since fiscal 2019. The fiscal 2023 rate of 7.98 represents a move every 125 days and is a 20% increase from the previous year and a 78% increase since fiscal 2019. **DHS should comment on the reasons for the large increases in the rate of placement moves over the past two fiscal years and the steps that it plans to take to minimize placement moves and disruptions on youth in care.**

Exhibit 2
Rate of Placement Moves
Per 1,000 Days of Foster Care
Fiscal 2019-2023

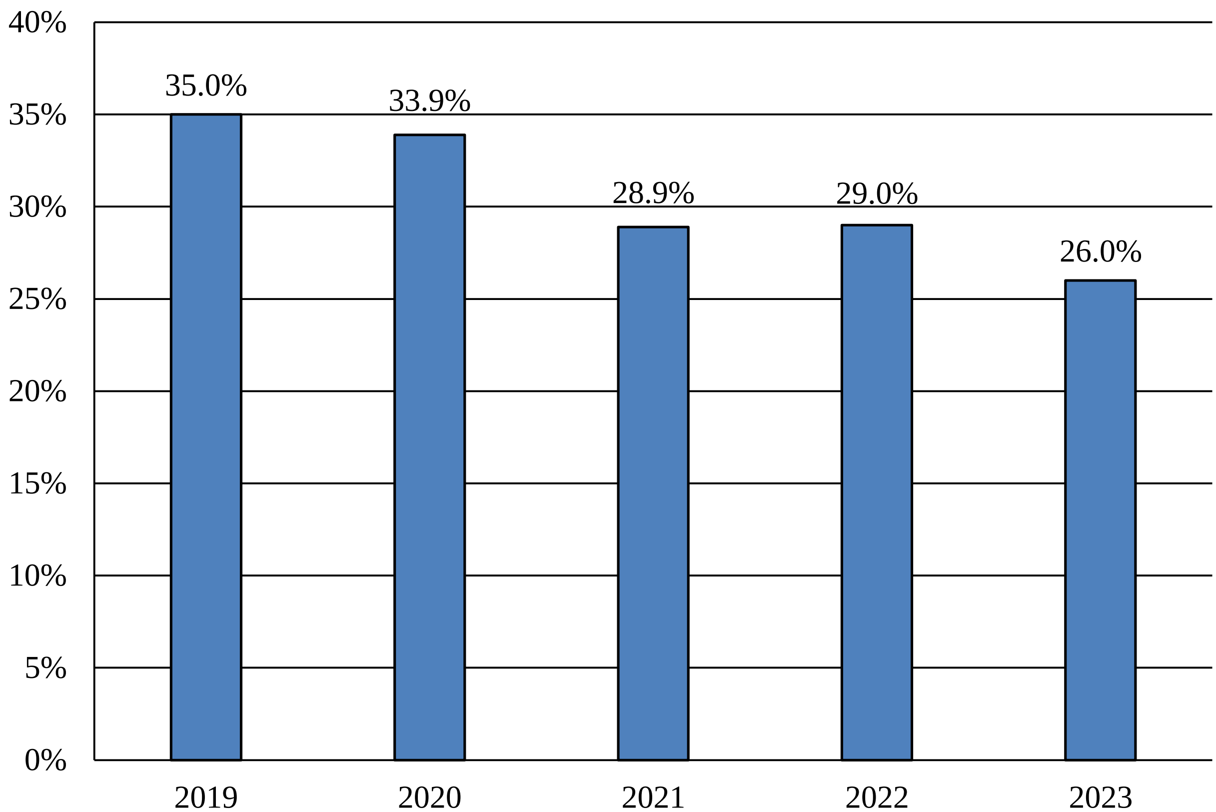


Source: Department of Human Services; Department of Budget and Management

3. Exits to Permanency within 12 Months of Entry into Care Declines

DHS has a goal that at least 40% of children in foster care will exit to permanency within 12 months of entry into care. As shown in **Exhibit 3**, DHS has not met this goal in any of the past five fiscal years, and the percentage has generally been declining since fiscal 2019. In fiscal 2023, 26% of children in foster care exited to permanency within 12 months of entry into care, a decline of 3 percentage points since fiscal 2022, and a decline of 9 percentage points since fiscal 2019. **DHS should comment on the reasons for the continued decline in the percentage of children exiting foster care to permanency within 12 months of entry and its efforts to increase this percentage.**

Exhibit 3
Percentage of Children Exiting Foster Care to Permanency within 12 Months of Entry
Fiscal 2019-2023

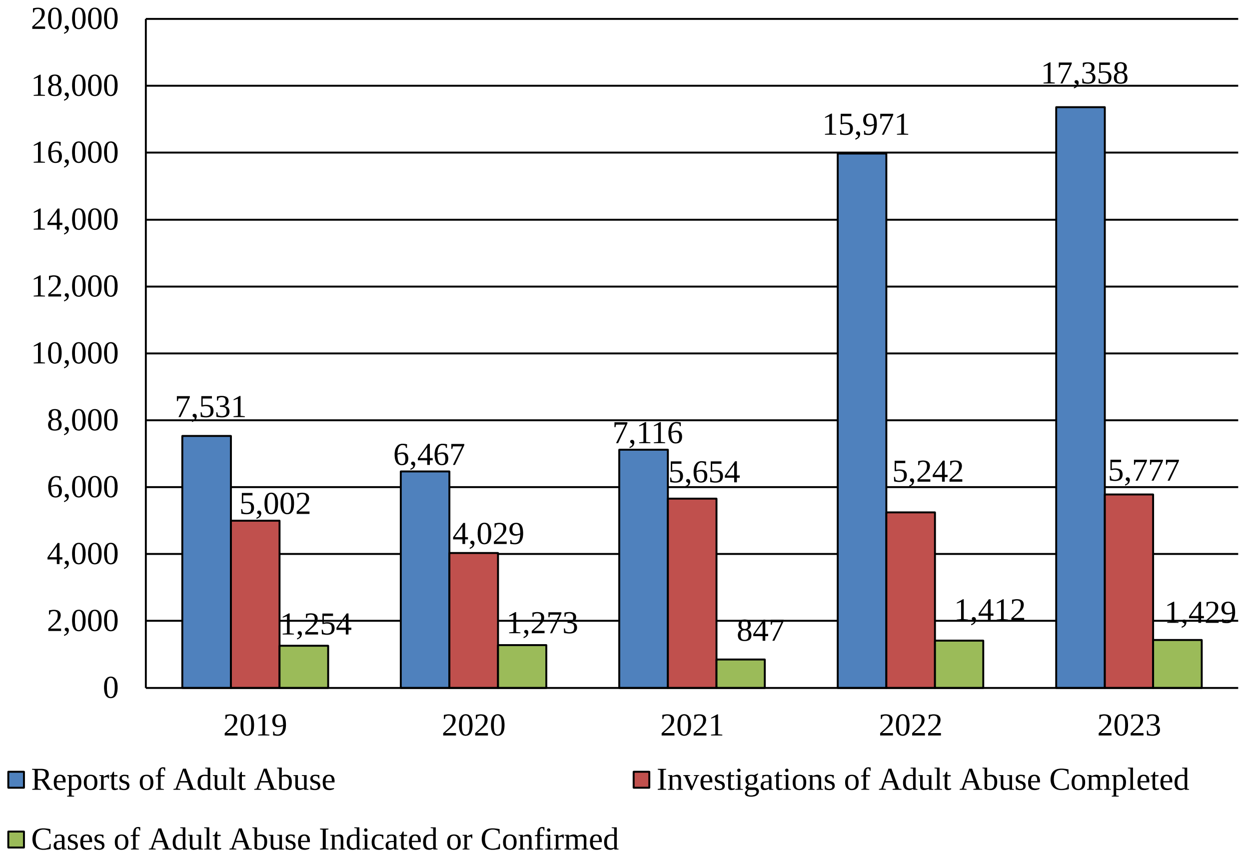


Source: Department of Human Services; Department of Budget and Management

4. Adult Protective Services Performance Measures

As shown in **Exhibit 4**, the number of reports of adult abuse increased by 8.7% in fiscal 2023. DHS attributes the increased numbers of reports of adult abuse reported since fiscal 2022 compared with prior years to changes in the method of data reporting through the Maryland Total Human-services Integrated Network platform. The adult services program implemented the Child, Juvenile, and Adult Management System (CJAMS) during fiscal 2022, resulting in changes to certain data reporting. The total number of indicated or confirmed cases of adult abuse increased slightly in fiscal 2023, by 1.2%, to 1,429.

Exhibit 4
Vulnerable Adult Safety Measures
Fiscal 2019-2023



Source: Department of Human Services; Department of Budget and Management

Fiscal 2024

Implementation of Legislative Priorities

Language in Section 19 of the fiscal 2024 Budget Bill added a total of $700,000 in general funds to the appropriation for DHS SSA under the child welfare services and adult services programs for the purpose of providing grants for certain legislative priorities. These grants included:

- $50,000 to CONCERN – Professional Services for Children, Youth, and Families;
- $500,000 to Adoptions Together for the Family Find Step Down Project to help foster children achieve permanency through adoption; and
- $150,000 to the Baltimore County LDSS to support respite care services for caregivers of adults in Baltimore County.

DHS should discuss the status of grant agreements and distribution of funds for these grantees.

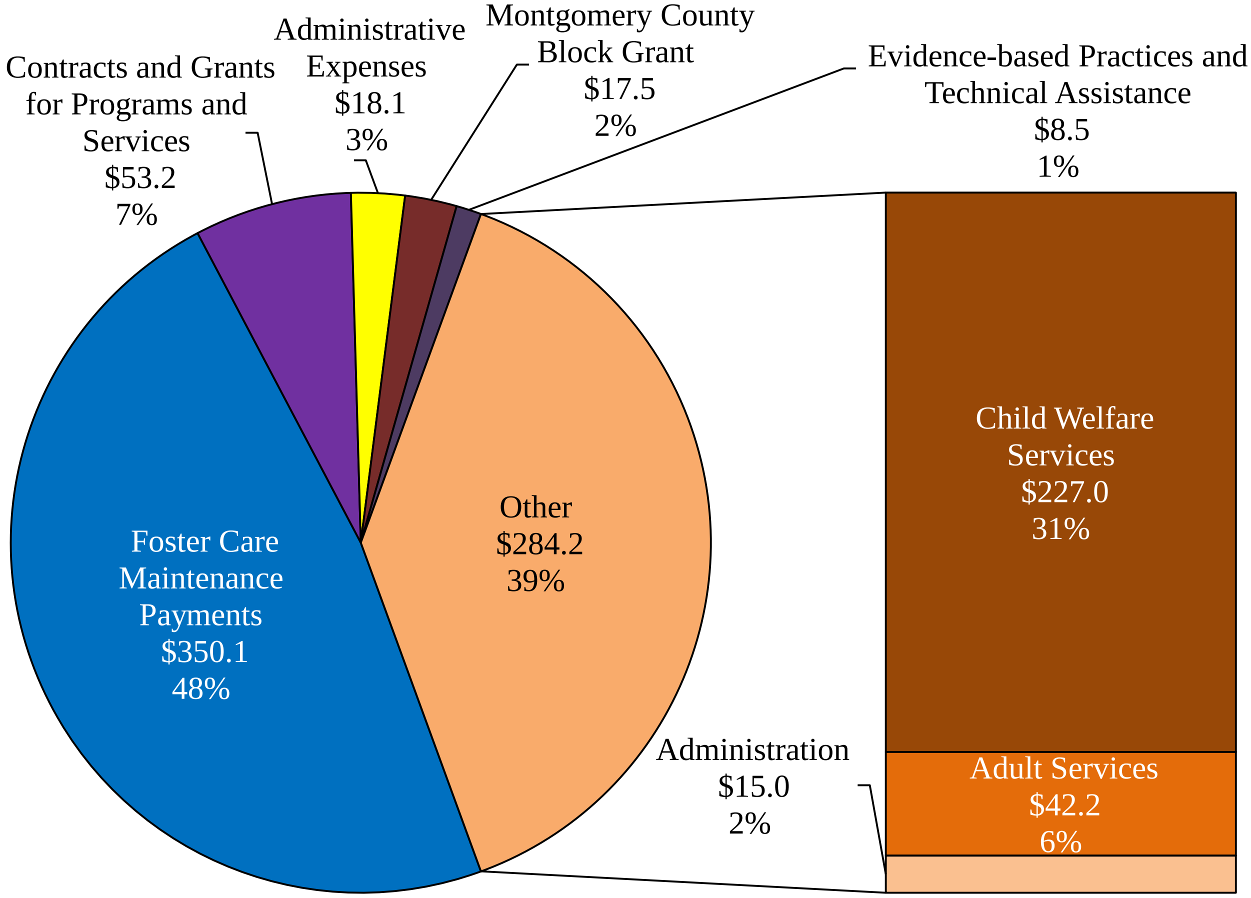
Proposed Deficiency

The fiscal 2025 Budget Bill includes proposed deficiency appropriations for SSA totaling $28.6 million. Of this total, $227,993 in general and federal funds support interpreter, janitorial, and legal services fees for LDSS under the Child Welfare Services program, while the majority, $28.4 million in general funds, supports the Foster Care Maintenance Payments program. This deficiency supports increases in foster care placement costs above what was originally estimated in the fiscal 2024 legislative appropriation. The deficiency is currently unallocated among individual foster care placement types, making a year-to-year comparison of individual placement costs difficult.

Fiscal 2025 Overview of Agency Spending

The fiscal 2025 allowance for SSA totals $731.7 million. As shown in **Exhibit 5**, Foster Care Maintenance Payments account for $350.1 million, or 46%, of the fiscal 2024 allowance. This program funds both the placement costs and related costs for children in the State's foster care system. Outside of the Foster Care Maintenance Payments program, the remainder of the budget for SSA totals $381.6 million. Personnel expenses total $284.2 million, or 39%, of the fiscal 2025 allowance for SSA, most of which support personnel in local child welfare service programs. The Montgomery County Block Grant accounts for $17.5 million of the fiscal 2025 allowance. Under State law, Montgomery County receives a block grant for child welfare, adult services, family investment, and administrative expenses rather than operating like other LDSS. This allows the county to offer higher pay and other flexibility. The State supports employees at a level comparable to if they were State employees. The SSA budget includes the child welfare services and adult services components of the block grant. The fiscal 2025 allowance also includes $8.5 million for evidence-based prevention services implemented by LDSS under the FFPSA and technical assistance to administer and evaluate the outcomes of these programs.

Exhibit 5
Overview of Agency Spending
Fiscal 2025 Allowance
($ in Millions)



Note: The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2025 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 6**, the fiscal 2025 allowance for SSA increases by $12.0 million, or 1.7%, compared to the fiscal 2024 working appropriation after accounting for proposed fiscal 2024 deficiency appropriations. Excluding the Foster Care Maintenance Payments program, the remainder of SSA's fiscal 2024 budget increases by $5.9 million. This increase is due primarily to increases in personnel expenses and contracts and grants for child welfare services and adult services, which are partially offset due to decreases in funding for the Montgomery County block grant and one-time funding in fiscal 2024 for grants for certain legislative priorities.

Exhibit 6
Proposed Budget
Department of Human and Social Services
($ in Thousands)

How Much It Grows:	**General Fund**	**Special Fund**	**Federal Fund**	**Reimb. Fund**	**Total**
Fiscal 2023 Actual	$451,078	$4,257	$216,777	$820	$672,932
Fiscal 2024 Working Appropriation	484,733	5,573	228,516	828	719,650
Fiscal 2025 Allowance	475,777	5,800	249,248	828	731,653
Fiscal 2024-2025 Amount Change	-$8,956	$226	$20,732	$0	$12,003
Fiscal 2024-2025 Percent Change	-1.8%	4.1%	9.1%		1.7%

Where It Goes:	**Change**
Personnel Expenses	
Salary increases and associated fringe benefits including fiscal 2024 cost-of-living adjustment and increments	$16,222
Overtime earnings	275
Reclassification	68
Workers' compensation	-344
Turnover expectancy increases from 7.19% to 8.52%	-3,231
Foster Care Maintenance Payments Program	
Implementation of foster care provider rate reform	28,344
Provider rate increases for providers with rates set by the Interagency Rates Commission	12,049
Flexible spending funds for other foster-care-related expenses, based on most recent actual expenditures	2,170
Foster care education expenditures (including local education agency collections) to align with most recent actual expenditures	1,724

Where It Goes:	**Change**
Foster care day care expenditures to align with most recent actual expenditures	1,094
Foster Youth Savings Program to align with most recent actual expenditures	706
Hospital overstay costs	393
Center for Excellence for Resource Family Development costs	385
Independent Living costs to align with most recent actual expenditures	-227
Child support collection funds to align with most recent actual expenditures	-633
Placement costs for all placement types, accounting for the proposed fiscal 2024 deficiency appropriation	-39,914
Other Changes	
Baltimore City LDSS contracts for security guard and janitorial services	670
Office of Administrative Hearings costs for child protective services hearings	451
Independent living program Chafee Education and Training Vouchers	156
Contractual personnel expenses	126
Travel expenses	93
Rent	84
Cellular phone, telephone, postage, and other communications expenses	-127
One-time fiscal 2024 budget additions for legislative priorities	-700
Montgomery County Block Grant due to fiscal 2024 budgeting error	-7,863
Other	32
Total	**$12,003**

LDSS: local department of social services

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

Montgomery County Block Grant

The fiscal 2025 allowance for the portion of the Montgomery County block grant for child welfare services and adult services decreases by $7.9 million, including decreases of $7.7 million for child welfare services and $0.2 million for adult services. This level of year-to-year funding decrease is significant, especially due to fiscal 2024 general salary increases and increments budgeted in fiscal 2025 for State employees. In its testimony at the N00 – DHS Overview budget hearing, DHS indicated that the decrease in funding in the fiscal 2025 allowance is the result of an error that occurred at the time of development of the fiscal 2024 operating budget, which caused funding for the Montgomery County block grant to unintentionally increase in fiscal 2024 due to the budgeting of excess federal funds. DHS indicates that the error was corrected in fiscal 2024 but that the funds still appear in the fiscal 2024 working appropriation and that fiscal 2025 funding decreases accordingly to bring the funding level in line with prior fiscal years.

Foster Care Maintenance Payments

The fiscal 2024 allowance for Foster Care Maintenance Payments increases by $6.1 million, or 1.8%, compared to the fiscal 2024 working appropriation. This increase is primarily driven by federal fund increases totaling $20.2 million, including increases of $18.0 million in Temporary Assistance for Needy Families funding allocated for foster care and $2.2 million in Title IV-E funding. General funds decrease by $14.2 million due to increased reliance on federal funds.

Implementation of the New Foster Care Provider Rate Structure

Since fiscal 2020, the budget of SSA has included funding to support an interagency agreement to develop a revised rate-setting process for providers who have rates set by the Interagency Rates Commission (IRC). Previously, SSA has outlined a proposed rate structure in proposed regulations that include the establishment of rates based on classes/tiers of programs rather than individual provider rates, including two sets of rates for programs for direct care and clinical care. Direct care rates include operating costs related to child care, while clinical care rates include costs for clinical interventions, which may vary based on the level of intensity of services. Rates will also factor in provider staffing ratios, qualifications of staff, size of program, and the population served. Under the proposed rate structure, providers will not submit annual budget proposals, but will instead be required to demonstrate that class service requirements are met. The regulations proposed by DHS related to rate setting will apply to residential services licensed by DHS, the Department of Juvenile Services (DJS), the Maryland Department of Health (MDH), and other State agencies and will have an effective date of July 1, 2024, corresponding with the beginning of fiscal 2025. Previously, the Board of Public Works approved a contract with a vendor for the actuarial services for developing the new rate structure on July 1, 2022.

Committee narrative in the 2023 *Joint Chairmen's Report* (JCR) requested that DHS provide an update on specific activities completed to date related to the implementation of the new provider rate structure. DHS reported that during calendar 2023, it continued its work in partnership with the Children's Quality Service Reform Initiative (QSRI) member agencies, which include DJS; the Governor's Office for Crime Prevention, Youth, and Victim Services (GOCPYVS) (prior to the recently announced separation of the Governor's Office for Children); the Maryland State Department of Education (MSDE); and MDH, to plan for the implementation of the new rate structure. This planning included work to define clinical and direct care classes of services, minimum requirements for each class, and the associated rates for each class. Additionally, DHS updated a draft medical necessity criteria for clinical services and aligned the class-based rates with federal QRTP requirements. Referral and care pathways for youth to enroll in residential interventions were also outlined. As part of development of the new rate structure, DHS met separately with MDH during calendar 2023 to draft and submit necessary Medicaid State Plan Amendments to the U.S. Centers for Medicare and Medicaid Services to facilitate the claiming of federal Medicaid reimbursements for all eligible services and providers.

DHS anticipates that it will begin to implement the new provider rate structure in fiscal 2025. Rate structures for some placements, including treatment foster care and independent living, are still in progress and would likely be implemented following the implementation of rates for other residential child care programs. Implementation of the new rate structure will also include the collection of performance measures as part of a continuous quality improvement process. However, the submitted report did not provide details on the rate reform structure. The fiscal 2025 allowance includes $28.3 million to support the department's efforts to implement rate reform for foster care providers, in addition to $12 million budgeted for provider rate increases for providers with rates set by IRC. However, no details are available about the planned uses of these funds, including how the funds for provider rate increases will be used or aligned with the rate reform changes. **DHS should comment on the specific planned uses of the $28.3 million budgeted to support the implementation of provider rate reform and the planned uses of the $12 million for rates set by IRC as it is unclear why there are separate pots of funding. The Department of Legislative Services (DLS) recommends the adoption of language restricting funding for provider rate reform and provider rate increases until a report is submitted outlining the specific uses of funding for the implementation of provider rate reform in fiscal 2025, an updated timeline for implementation, and the use of funds for provider rate increases.**

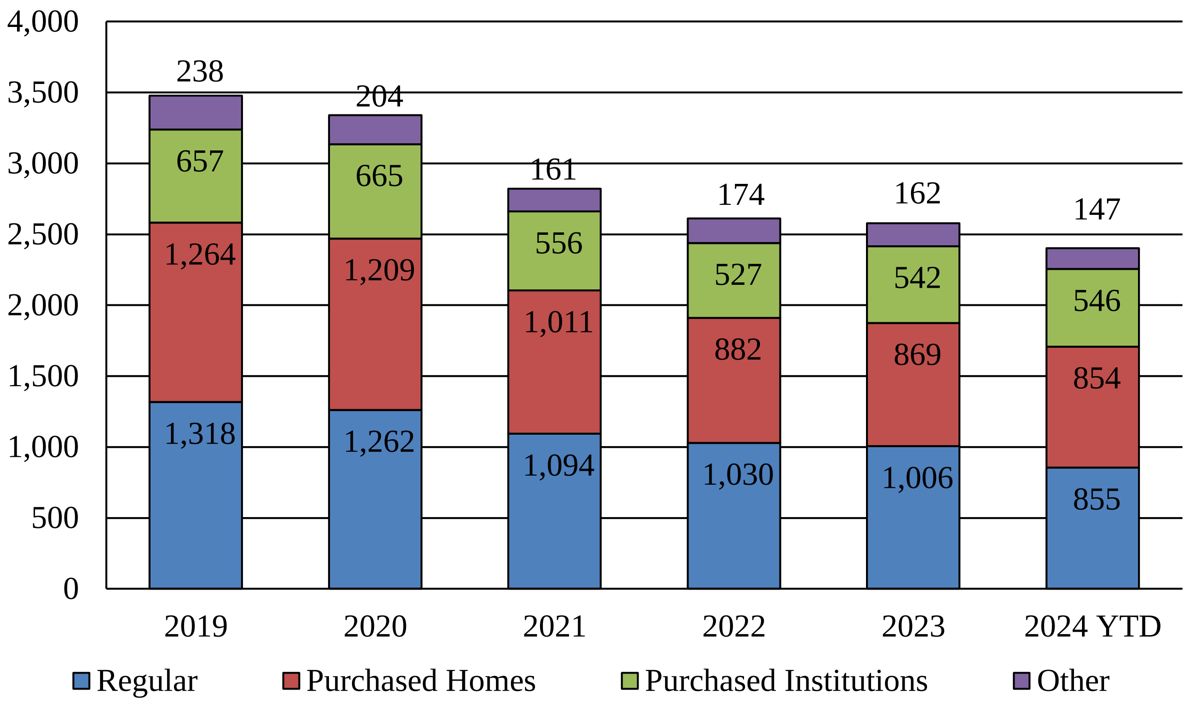
Other Changes

Funding for the placement costs of all foster care placement types, including subsidized adoptions and subsidized guardianships, decreases by $39.9 million after accounting for the fiscal 2024 deficiency appropriation, effectively offsetting the increases related to rate structure and provider rate increases. The fiscal 2025 allowance also includes $1.3 million budgeted for youth hospital stays that are not covered by Medicaid due to not being medically necessary. This represents an increase of $400,000 from the fiscal 2024 working appropriation for these placements.

Caseload Trends and Estimates

Exhibit 7 presents annual average monthly foster care caseload data. The number of youths in out-of-home placements paid for by DHS has decreased each year since fiscal 2016. Prior to fiscal 2021, annual rates of declines averaged approximately 3% between fiscal 2016 and 2020. However, the average monthly number of placements declined by 15.5% in fiscal 2021 and 7.3% in fiscal 2022 due to impacts of the COVID-19 pandemic. Fiscal 2023 caseload declines slowed significantly in comparison, declining overall by just 1.4% compared with fiscal 2022 caseloads. Among individual placement types, regular foster caseloads declined by 2.4%, and purchased home placements declined by 1.6% in fiscal 2023, while purchased institution placements grew by 2.8%, the largest year-over-year increase since fiscal 2020.

Exhibit 7
Foster Care Caseloads
Fiscal 2019-2024 YTD (December 2023)



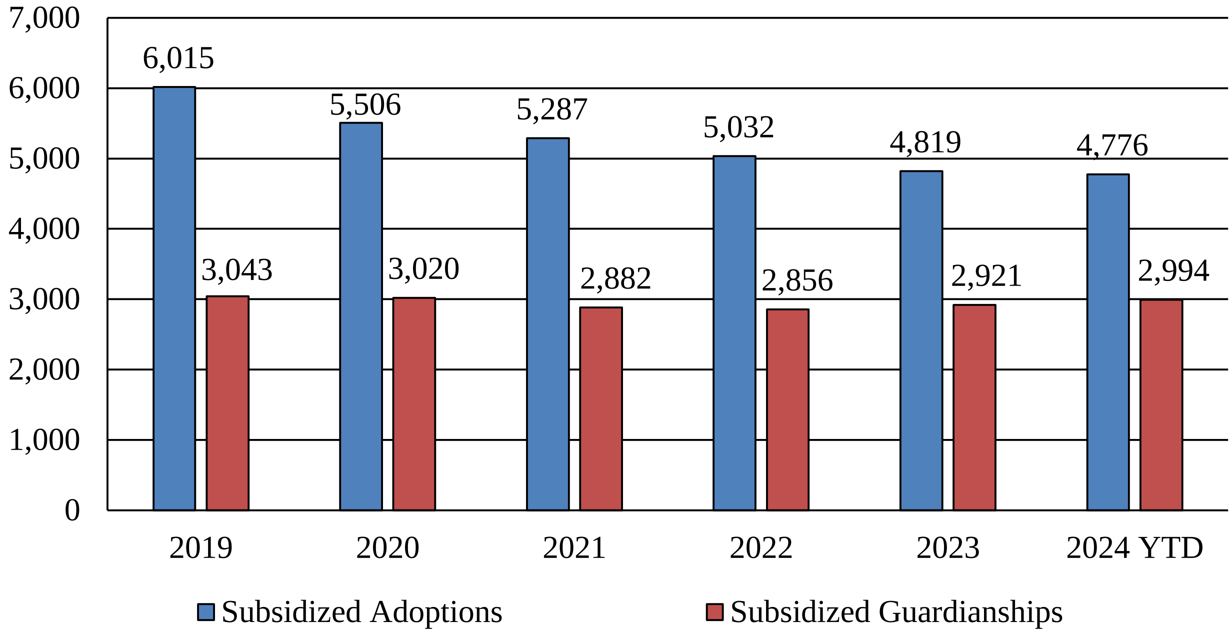
YTD: year to date

Source: Department of Human Services; Department of Legislative Services

In fiscal 2024 year to date (through December 2023), the rate of decline in the average monthly caseload has accelerated, declining by 6.9% compared with fiscal 2023. Notably, regular foster care caseloads have declined by 15.0% through the first half of the fiscal year compared with fiscal 2023 caseloads. However, purchased institution placements have continued to increase in fiscal 2024, growing by 0.7% through the first half of the fiscal year.

The average monthly number of subsidized adoptions has declined each year since at least fiscal 2016. As shown in **Exhibit 8**, the average monthly number of subsidized adoptions decreased by 4.2% in fiscal 2023 compared to fiscal 2022 caseloads and by an additional 0.9% during the first half of fiscal 2024. The average monthly number of subsidized guardianships has shown more variation year-to-year, but in fiscal 2023 increased for the first time since fiscal 2019, an increase of 2.3% in fiscal 2023 compared to fiscal 2022 caseloads. The average monthly number of subsidized guardianships has continued to increase in the first half of fiscal 2024, by 2.5% compared with fiscal 2023.

Exhibit 8
Subsidized Adoptions and Guardianships
Fiscal 2019-2024 YTD (December 2023)



YTD: year to date

Source: Department of Human Services; Department of Legislative Services

Exhibit 9 presents data on the average monthly caseloads for fiscal 2023 and 2024 (through December 2023) and DLS estimates for full-year fiscal 2024 caseloads and caseloads in fiscal 2025. In fiscal 2024, DLS estimates that overall, foster care and subsidized adoption and guardianship placements will increase slightly, by 0.1%, from fiscal 2023 caseloads. Among individual placement types, purchased institution placements are projected to increase by 2.0%, and subsidized guardianship caseloads are projected to increase by 3.0%, reflective of actual year-to-date caseload data for these two placement types. Caseloads for all other placement types are projected to continue to decrease, including a decrease of 15% for regular foster care and decreases of 2.0% for purchased home placements and 1.0% for subsidized adoptions. These decreases are reflective of actual year-to-date experience for these placement types. Fiscal 2025 caseloads are projected to decrease overall by 0.5% compared to fiscal 2024 projections. Among individual placement types, caseloads for purchased institutions are projected to increase by 2%, and caseloads for subsidized guardianships are estimated to increase by 1%, while caseloads for all other placement types decline. Regular foster care caseloads are projected to decline at a lower rate, by 3.0%, in fiscal 2025.

Exhibit 9
Caseload Projections by Placement Type
Average Monthly Caseloads
Fiscal 2023-2025 Estimate

	2023 Actual	2024 Actual YTD	2024 DLS Estimate	2025 DLS Estimate
Regular Foster Care	1,006	855	855	829
Purchased Home	869	854	852	843
Purchased Institution	542	546	553	564
Other Placements	162	147	138	134
Subsidized Adoptions	4,819	4,776	4,771	4,723
Subsidized Guardianships	2,921	2,994	3,009	3,039
Total Combined	**10,319**	**10,172**	**10,178**	**10,132**

DLS: Department of Legislative Services
YTD: year to date

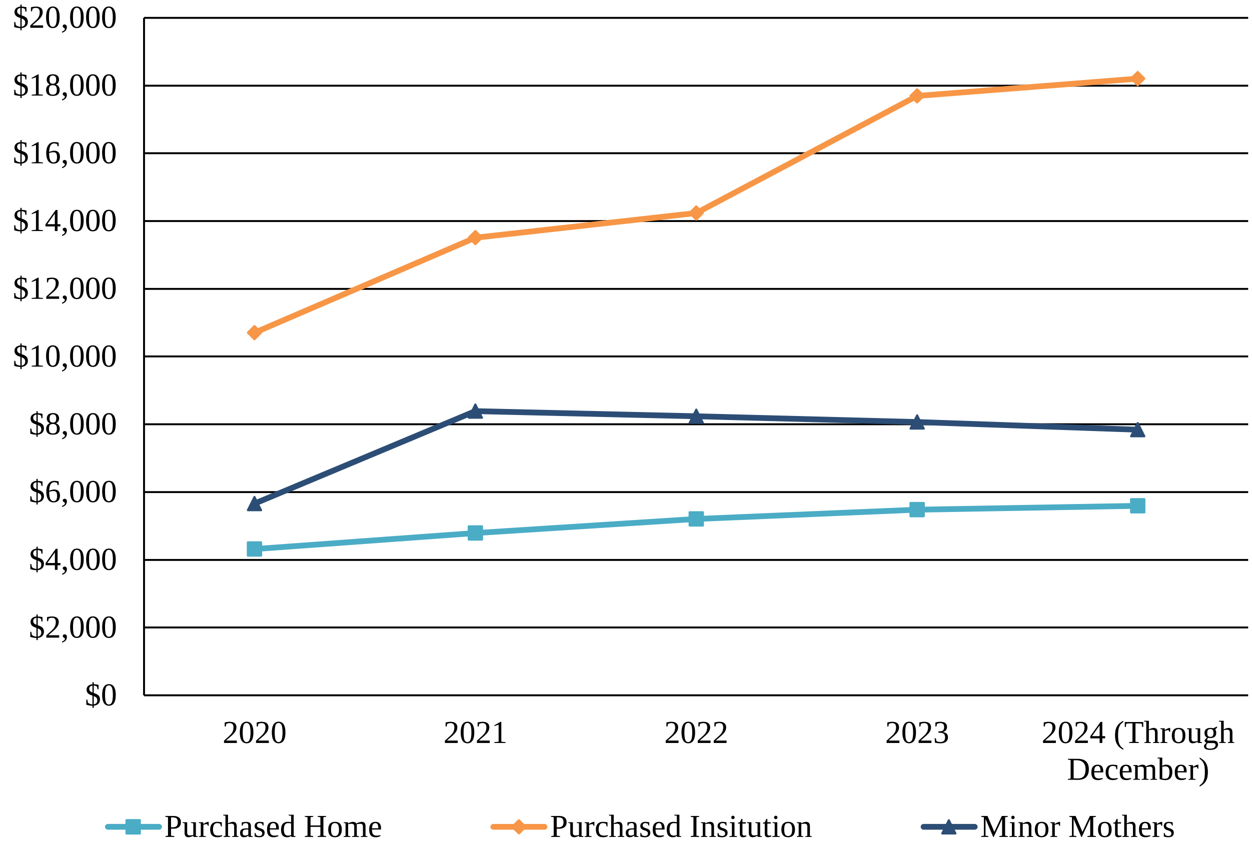
Note: Fiscal 2024 year-to-date data is through December 2023.

Source: Department of Legislative Services; Department of Human Services

Placement Costs

As shown in **Exhibit 10**, average monthly placement costs through December 2023 are highest among purchased institutions, purchased homes, and minor mothers and infants foster care placements. Across all foster care placement types (excluding subsidized adoptions and guardianships), average monthly placement costs increased by 17% during fiscal 2023 and have increased by an additional 8.1% in fiscal 2024 (through December 2023). Average monthly placement costs for purchased institutions (the most expensive placement type) increased by 24.3% in fiscal 2023 and have increased by an additional 2.8% during the first half of fiscal 2024.

Exhibit 10
Average Monthly Placement Costs for Select Placement Types
Fiscal 2020-2024 YTD



Source: Department of Human Services; Department of Legislative Services

Forecast

As shown in **Exhibit 11**, DLS forecasts a surplus of $15.3 million in fiscal 2024, of which the general fund share is $12.2 million. **Therefore, DLS recommends that $7.0 million of the deficiency appropriation be deleted.** In fiscal 2025, excluding funds budget for rate reform and provider rate increases, DLS projects a deficit of about $34 million. If the funds for rate adjustments were repurposed to cover placement costs, the budget would be slightly more than adequate, as shown in Exhibit 11, but there would but no funds for rate increases. The actual size of any surplus or shortfall will be impacted by the extent to which caseloads increase or decrease in fiscal 2025, the extent of changes in placement costs due to provider rate reform and provider rate increases, and the extent to which Title IV-E funds are available.

Exhibit 11
Foster Care Maintenance Payments Program Expenditure Forecast
Fiscal 2023-2025
($ in Millions)

	2023	2024	2025	% Change 2024-2025
Budgeted Expenditures				
General Funds	$253.6	$275.5	$261.3	-5.2%
Special Funds	2.3	2.2	2.3	4.5%
Federal Funds	86.1	66.3	86.5	30.5%
Total Funds	**$342.0**	**$344.0**	**$350.1**	**1.8%**
DLS Forecasted Expenditures				
General Funds	$253.6	$263.3	$259.0	-1.6%
Special Funds	2.3	2.7	2.7	0.0%
Federal Funds	86.1	62.7	82.8	32.1%
Total Funds	**$342.0**	**$328.7**	**$344.5**	**4.8%**
General Fund Surplus/Shortfall (Compared to Budget)		$12.2	$2.3	
Special Fund Surplus/Shortfall (Compared to Budget)		-0.4	-0.4	
Federal Fund Surplus/Shortfall (Compared to Budget)		3.6	3.7	
Total Surplus/Shortfall (Compared to Budget)		**$15.3**	**$5.6**	

DLS: Department of Legislative Services

Source: Department of Budget and Management; Department of Legislative Services

Personnel Data

	FY 23 Actual	FY 24 Working	FY 25 Allowance	FY 24-25 Change
Regular Positions	2,626.68	2,627.18	2,627.18	0.00
Contractual FTEs	5.00	2.50	2.50	0.00
Total Personnel	**2,631.68**	**2,629.68**	**2,629.68**	**0.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	223.84	8.52%
Positions and Percentage Vacant as of 12/31/23	339.28	12.91%
Vacancies Above Turnover	115.44	

- There are currently 339.28 vacant positions, or 12.9% of authorized positions, in SSA, which is 115.44 positions more than would be required to meet the budgeted turnover expectancy. The largest share of the vacancies (282.53) is within the Child Welfare services program, which is the largest share of positions authorized within SSA, and primarily includes social worker and other caseworker positions. Total vacant positions within SSA have decreased by 96.45 since December 31, 2022; however, as of December 2023, vacancies within SSA represent the largest share of total vacancies across DHS. Additional discussion of DHS vacancies can be found in the budget analysis for N00 – DHS Overview.

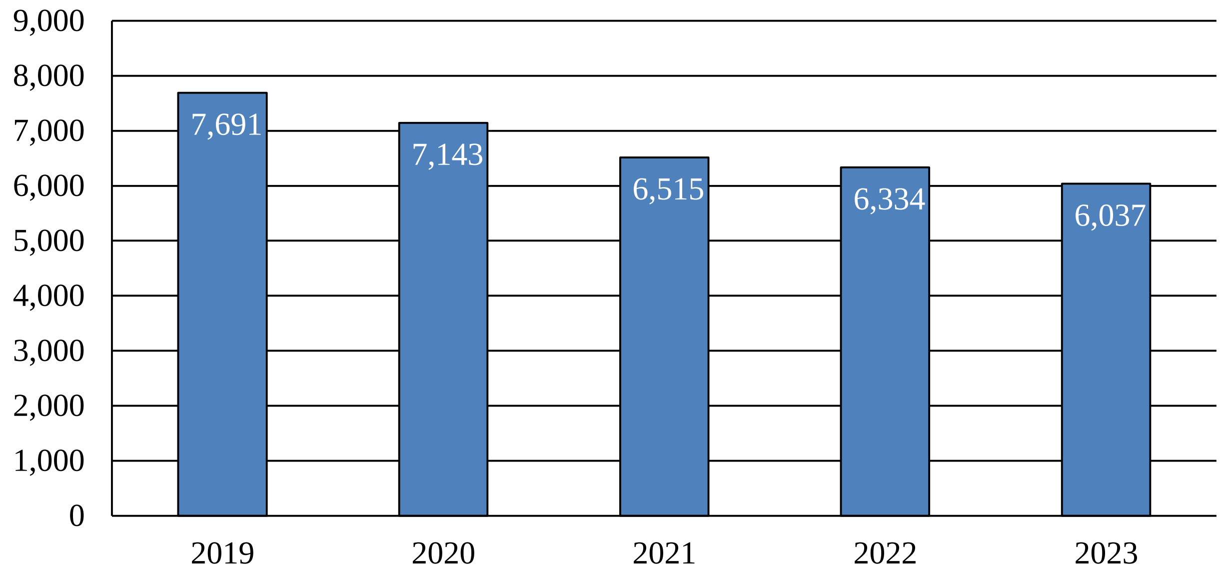
Issues

1. Out-of-home Placements Across All Agencies Continue to Decline

GOCPYVS Children and Youth Division, on behalf of the Maryland Children's Cabinet and its member agencies, publishes the annual *State of Maryland Out-of-home Placement and Family Preservation Resource Plan.* This report contains annual data on out-of-home placements across child-placing agencies and an analysis of strategies of child-serving agencies to meet the needs of children experiencing out-of-home placement or at risk of placement.

As reported by GOCPYVS, there were a total of 6,037 children and youth in placement in fiscal 2023, and a total of 14,468 different placements were made across all child-serving agencies during the fiscal year. Approximately 90% of children and youth in placement during fiscal 2023 were placed through DHS; however, this data also reflects children and youth placed by, and in placements funded through DJS, the MDH Behavioral Health Administration, the Developmental Disabilities Administration (DDA), and MSDE. As shown in **Exhibit 12**, the number of children in out-of-home placements across all agencies declined by 21.5% between fiscal 2019 and 2023.

Exhibit 12
Children and Youth in Out-of-home Placements
Fiscal 2019-2023



Source: Governor's Office of Crime Prevention, Youth, and Victim Services

Out-of-home Placements by Placement Category

As shown in **Exhibit 13**, the majority of children and youth in placement across all agencies in fiscal 2023 experienced placements in family homes (4,748). Community-based placements, the second most common placement category among these children and youth, totaled 1,313 in fiscal 2023. These placements include independent living programs, group home placements, or other residential child care programs. Across all placement types, the average age at entry was 9.2 years, and the average length of placement was 228.5 days.

Exhibit 13
Out-of-home Placements by Category
Fiscal 2023

	Total Youth[1]	Average Age at Entry	Average Days in Placement
Family Home	4,748	7.5	254.3
Community-based Placement	1,313	13.5	220.0
Noncommunity-based Placement[2]	753	14.5	198.8
Hospitalization	384	10.2	114.9
Residential IEP Placement	26	17.7	135.4
Other/Unknown	397	13.0	134.2

[1] Data reflects individual placements in each category and does not sum to the total number of children and youth placed due to some children and youth experiencing multiple placements during the fiscal year.
[2] Includes placements in a residential treatment center, juvenile detention center, or other residential treatment programs.

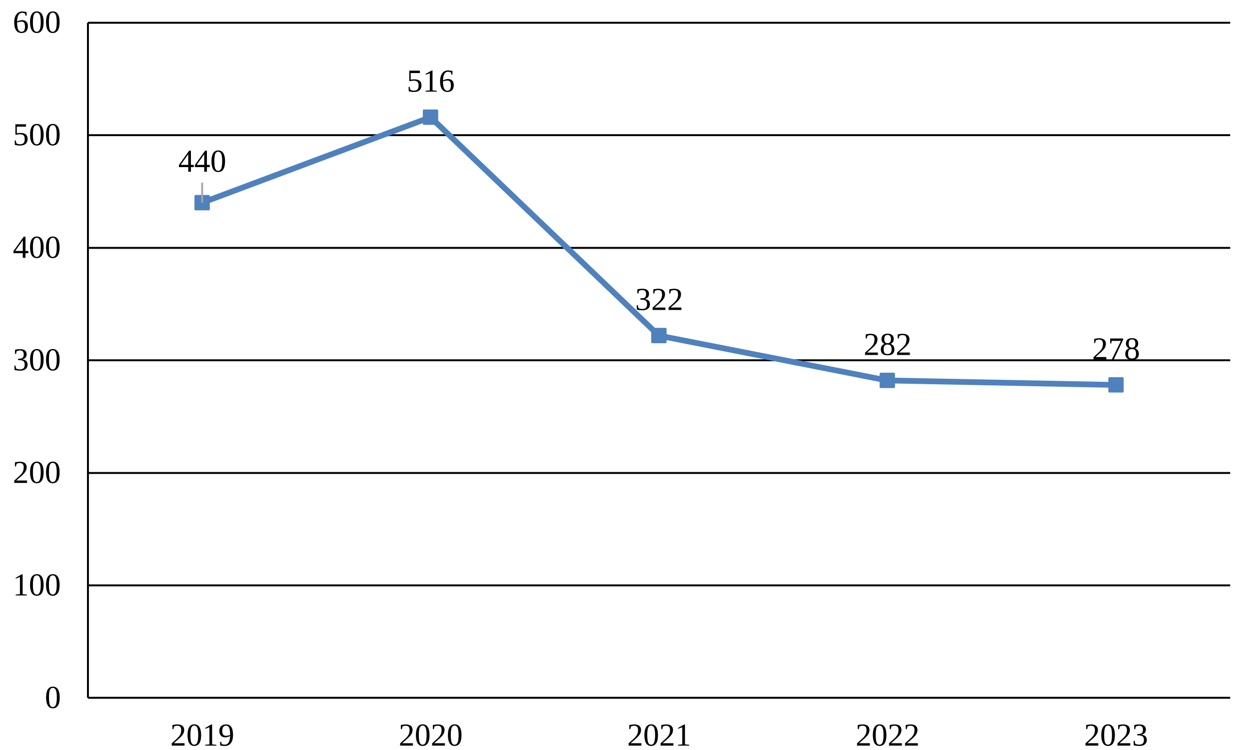
IEP: Individualized Education Program

Source: Governor's Office of Crime Prevention, Youth, and Victim Services

Out-of-state Placements

A total of 278 children and youth experienced an out-of-state placement during fiscal 2023, with the majority of these placements located in Washington, D.C. (49), Virginia (33), Florida (31), and Pennsylvania (28). The most common placement categories for out-of-state placements in fiscal 2023 were family homes (150 children and youth) and community-based placements (56 children and youth). As shown in **Exhibit 14**, the total number of children and youth in an out-of-state placement has declined each year since fiscal 2020. The total number of children and youth in an out-of-state placement decreased by 13.7% between fiscal 2021 and 2023, following a 37.5% decline in fiscal 2021.

Exhibit 14
Out-of-state Placements
Fiscal 2019-2023

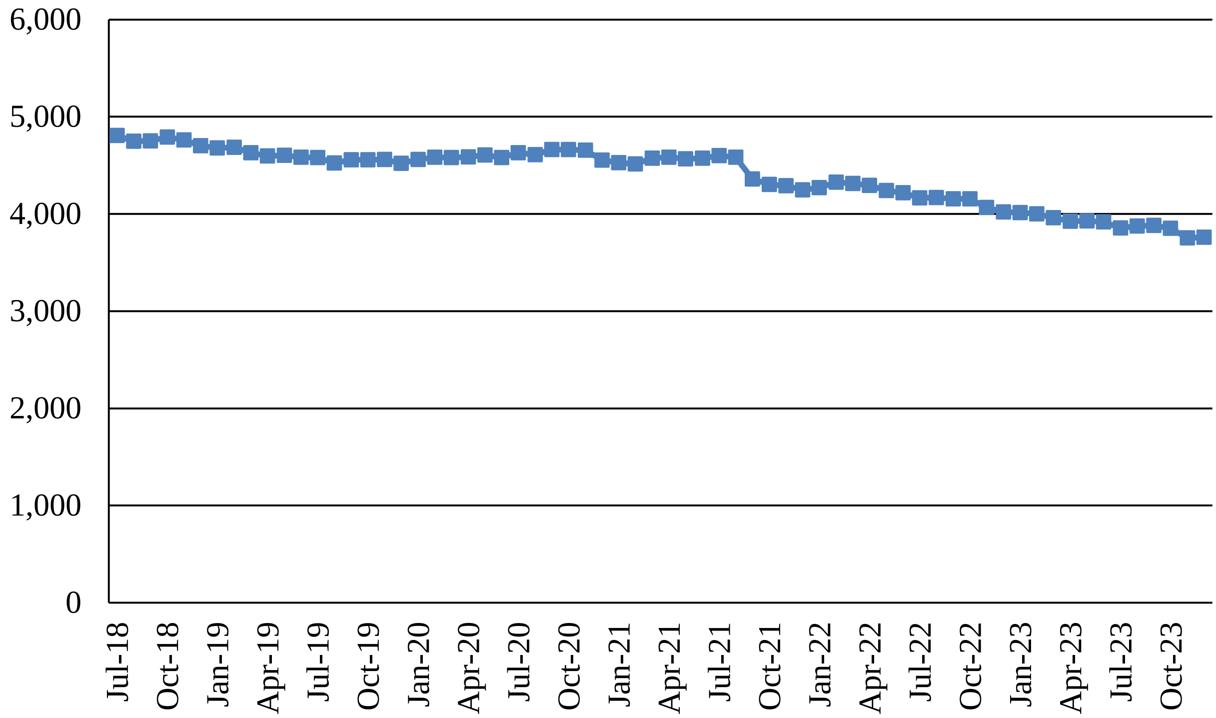


Source: Governor's Office of Crime Prevention, Youth, and Victim Services

Out-of-home Placements through DHS

In addition to data on out-of-home placements across State agencies reported by GOCPYVS, DHS publishes monthly out-of-home placement data on its website for the children and youth in its care. As of December 31, 2023, there were 3,760 children in out-of-home placements through DHS. As shown in **Exhibit 15**, monthly out-of-home placements through DHS have generally been declining since the beginning of fiscal 2019 and were 6.9% lower on December 31, 2023, than on December 31, 2022. The number of out-of-home placements on December 31, 2023, was 20% lower than December 31, 2018.

Exhibit 15
DHS Monthly Out-of-home Placements (End-of-month Data)
Fiscal 2019-2024 (through December)



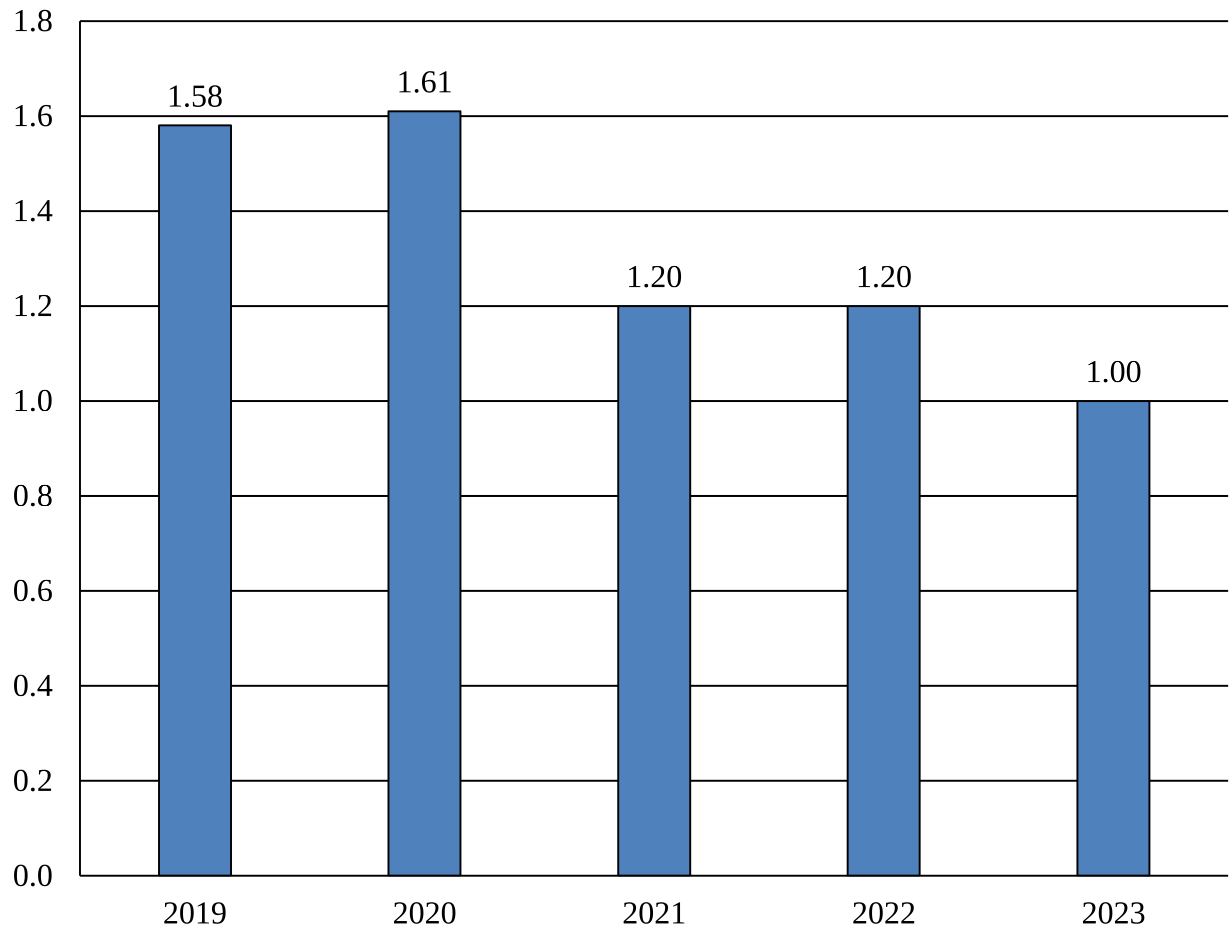
DHS: Department of Human Services

Source: Department of Human Services

Rates of Removal and Reentry into Foster Care

DHS has a goal of a rate of removal into foster care of no more than 1.5 per 1,000 children under the age of 18. As shown in **Exhibit 16**, DHS has met this goal in each of the past three fiscal years. In fiscal 2023, the rate of removal declined to 1.0 per 1,000 children under age 18. While declines in the rate of removal in fiscal 2021 and 2022 can be attributed to impacts of the COVID-19 pandemic, including reduced overall levels of child maltreatment reporting and lower entries into care, declines throughout the period are also reflective of the focus by DHS in recent years to reduce the number of children entering foster care by preventing unnecessary out-of-home placements through the provision of alternative in-home services. These services include traditional family preservation services and newer evidence-based prevention practices that focus on strengthening the parent-child relationship and improving overall family functioning.

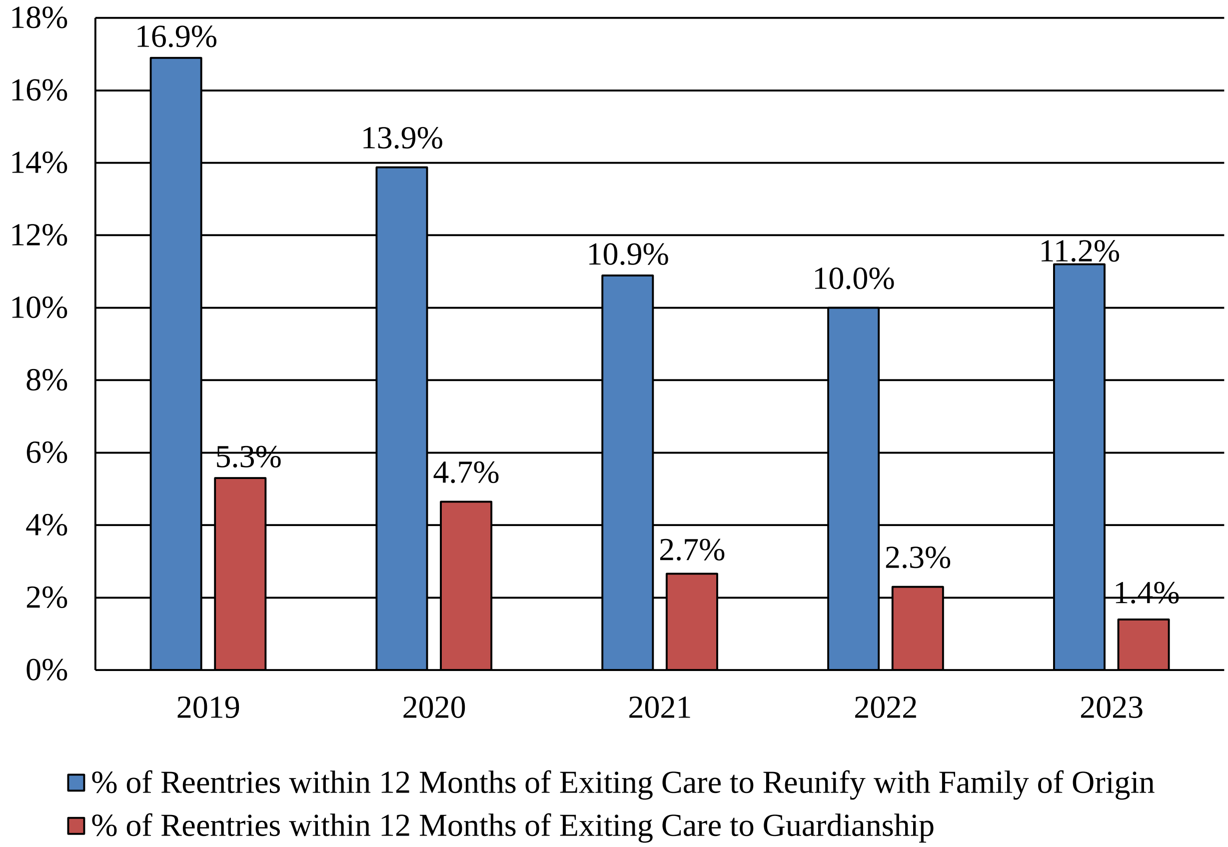
Exhibit 16
Rate of Removal into Foster Care
Per 1,000 Children
Fiscal 2019-2023



Source: Department of Human Services

Exhibit 17 presents rates of reentry into foster care for children within 12 months following exiting care to either reunify with the child's family of origin or exiting to guardianship. In fiscal 2023, the percentage of reentries into care within 12 months of exiting was 11.2% from exits to reunification and 1.4% from exits to guardianship. The rate of reentry from exits to guardianship has declined each year since fiscal 2019. However, the rate of reentry from exits to reunification increased by 1.2 percentage points in fiscal 2023, the first year of increase in recent years. **DHS should comment on the reasons for this increase and efforts that it is taking to reduce the rate of reentry into foster care for children exiting to reunification.**

Exhibit 17
Rates of Reentry into Foster Care within 12 Months of Exiting
Fiscal 2019-2023

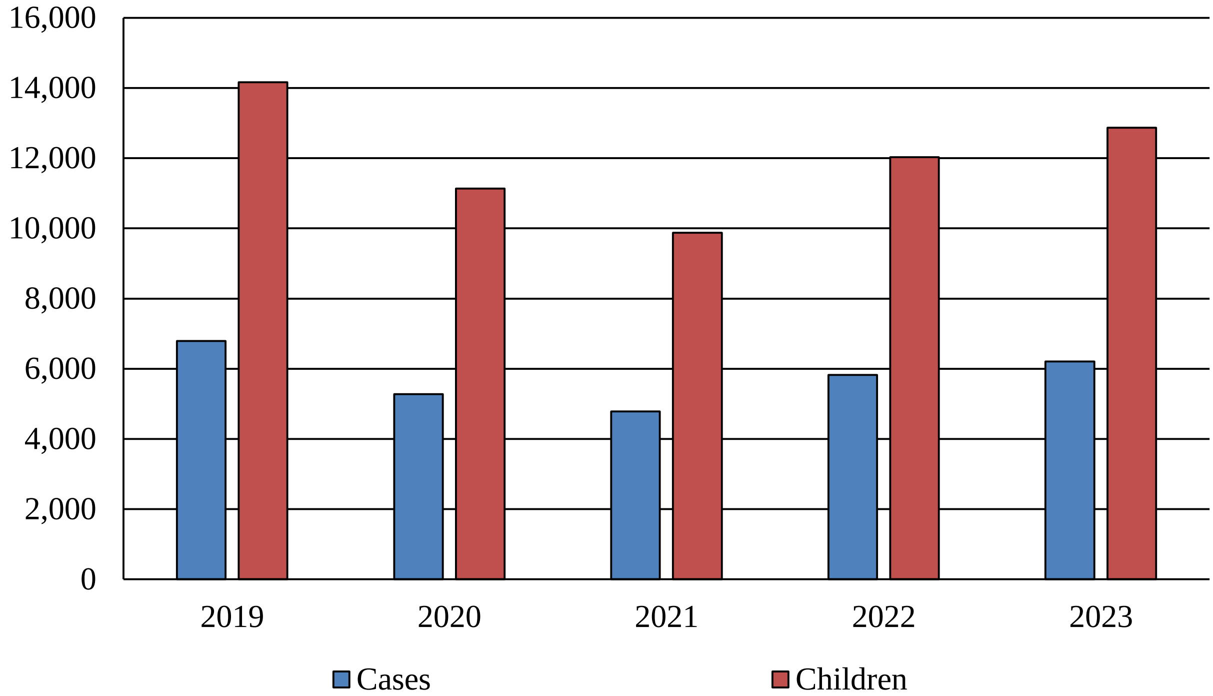


Source: Department of Human Services

Family Preservation Services

DHS provides in-home family preservation services to children and families at risk of child maltreatment and/or out-of-home placement through each LDSS. These services seek to support families in caring for their children in order to reduce the risk of maltreatment, and subsequently, the need for out-of-home placements. As reported by GOCPYVS in its annual out-of-home placement report, between fiscal 2019 and 2023, there has been an 8.5% decrease in the number of cases and a 9.1% decrease in the number of children served. As shown in **Exhibit 18**, a total of 6,210 cases received in-home family preservation services during fiscal 2023, which included 12,871 children. Despite the overall decreases between fiscal 2019 and 2023, the number of both cases and children served increased in fiscal 2022 and 2023.

Exhibit 18
In-home Family Preservation Cases
Fiscal 2019-2023



Source: Governor's Office of Crime Prevention, Youth, and Victim Services

The outcomes for the effectiveness of in-home family preservation services are measured through the percentage of children who have experienced an indicated finding of child maltreatment through a child protective services investigation or required an out-of-home placement either during or within one year of receiving family preservation services. As shown in **Exhibit 19**, 213 children, or 1.7%, of children served through in-home family preservation services during fiscal 2023 experienced an indicated finding for child maltreatment from a child protective services investigation during the time of family preservation services, which is a 1.0 percentage point decrease from fiscal 2022. However, 641 children, or 5.3%, of children served through in-home family preservation services during fiscal 2022 experienced an indicated finding of child maltreatment from a child protective services investigation within one year following the closure of the family preservation case, which is an increase of 0.8 percentage points compared with fiscal 2021.

Exhibit 19
Indicated Child Protective Services Findings
Fiscal 2018-2023

	During Services		Within One Year of Case Close	
	Children	**Percentage**	**Children**	**Percentage**
2018	216	1.3%	479	2.9%
2019	319	2.3%	913	6.4%
2020	310	2.8%	496	4.4%
2021	277	2.8%	447	4.5%
2022	325	2.7%	641	5.3%
2023	213	1.7%	n/a	n/a

n/a: not available

Source: Governor's Office of Crime Prevention, Youth, and Victim Services

As shown in **Exhibit 20**, 358 children, or 2.8%, of children served through in-home family preservation services during fiscal 2023 required an out-of-home placement during the time of family preservation services. This was the lowest percentage of children requiring an out-of-home placement during the past six fiscal years and a decrease of 1.5 percentage points compared to fiscal 2022. Between fiscal 2019 and 2022, the percentage of children requiring an out-of-home placement within one year of closure of a family preservation case has ranged from 1.3% to 1.5% annually.

Exhibit 20
Children Requiring Out-of-home Placements
Fiscal 2018-2023

	During Services		Within One Year of Case Close	
	Children	**Percentage**	**Children**	**Percentage**
2018	573	3.5%	308	2.3%
2019	395	3.6%	151	1.4%
2020	405	3.4%	164	1.3%
2021	391	4.0%	126	1.3%
2022	517	4.3%	175	1.5%
2023	358	2.8%	n/a	n/a

n/a: not available

Source: Governor's Office of Crime Prevention, Youth, and Victim Services

2. FFPSA Evidence-based Practices

The FFPSA was included in the Bipartisan Budget Act of 2018 and signed into law in February 2018. Among other provisions, the FFPSA altered the allowable uses of Title IV-E funding by expanding the eligibility of states to receive reimbursement for prevention services (for the first time outside of a waiver) in addition to the traditional use of such funds for administration and the placement costs for eligible youth in out-of-home placements, subsidized adoptions, and subsidized guardianships. By placing an emphasis on prevention services, FFPSA seeks to prevent children at risk of entering foster care from entering into care by providing services to their families so that children are able to safely remain in their homes. In addition to reducing the overall rate of removal into foster care, these services also target a reduction of incidents of maltreatment experienced by children statewide. Prevention services may include substance abuse prevention and treatment services, parent skill-based programs, and mental health prevention and treatment services. Services eligible for federal reimbursement must be rated by the Title IV-E Prevention Services Clearinghouse as either well supported, supported, or promising.

Prior to the enactment of the FFPSA, DHS had operated under a Title IV-E waiver from July 1, 2015, through September 30, 2019. This waiver allowed DHS to use federal Title IV-E funds for prevention services and for children that would not otherwise have been eligible for reimbursement. In order to receive federal reimbursement for prevention services under the FFPSA, the services must be trauma informed and evidence based, and a state must have an approved Title IV-E Prevention Services Plan. The current prevention program plan was submitted by DHS and approved in February 2020. At the time of the approval of Maryland's Title IV-E Prevention Plan, five evidence-based practices were planned for implementation by DHS, and all had received a rating of "well supported" by the Title IV-E clearinghouse. DHS is required to submit an updated five-year prevention program plan in calendar 2024, which will include updated information on current and future evidence-based practices it seeks to implement under the FFPSA.

Committee narrative in the 2023 JCR requested that DHS provide an update on the evidence-based practices being implemented by jurisdiction, the number of families served, and how the outcomes of these programs are evaluated. The four evidence-based practices currently implemented by at least one jurisdiction include Healthy Families America, Parent-child Interaction Therapy (PCIT), Functional Family Therapy (FFT), and Multisystemic Therapy (MST). During fiscal 2023, DHS reported that 18 jurisdictions had implemented at least one of these practices, and a total of 319 families were served. **Appendix 1** provides information on the implementing jurisdictions by evidenced-based practices and the number of families served through each evidenced-based practice in fiscal 2023. DHS indicates that the fifth practice, Nurse Family Partnership, has not been requested for implementation by any LDSS, and DHS is not currently contracting with a provider for this service. DHS is no longer seeking to implement this practice and is focusing on expanding access to the four other practices in fiscal 2024.

DHS indicates that it plans to complete and submit its required five-year Title IV-E Prevention Plan in June 2024. As part of the development of the updated plan, DHS reports that it is conducting a comprehensive assessment with LDSS and local stakeholders to determine what additional evidence-based practices could be included to better meet the needs of children and families to prevent the need for entry into care.

Spending on Evidence-based Practices

The fiscal 2025 allowance for SSA includes a total of $8.5 million budgeted for evidence-based practices through LDSS and funding for administrative and technical assistance for these programs, a similar level of funding compared to the fiscal 2024 working appropriation. Of this total, $3.6 million is budgeted through general funds, and $4.9 million is budgeted through federal funds, the same fund split as in the fiscal 2024 working appropriation.

DHS submitted a revised public assistance Cost Allocation Plan (CAP) in December 2020 to allow DHS as necessary, to claim reimbursement for prevention services retroactively from October 2019. Although as of December 2023, the revised CAP has not received final federal approval, DHS has submitted claims based on the proposed plan amendment, which is permitted, and those claims have been paid. **DHS should comment on the status of the approval of its revised CAP and the ability to seek federal reimbursement for the evidence-based prevention services that it is currently implementing while final approval of the CAP is pending.**

Evaluation of Outcomes for Participating Families

DHS, in partnership with the University of Maryland School of Social Work Institute for Innovations and Implementation, evaluates the effectiveness of evidence-based practices through the review of data extracted from CJAMS. Between fiscal 2019 and 2023, a total of 1,274 families received referrals for three of the evidence-based practices included in Maryland's Title IV-E prevention plan, FFT, MST, and PCIT. Analysis of this data by DHS showed that families served by these three evidence-based practices were less likely to have subsequent out-of-home placements. Specifically, between fiscal 2019 and 2023, 4.2% of families who completed an evidence-based practice required a subsequent out-of-home placement, compared to 7.7% of families who were referred but did not participate in an evidence-based practice.

By individual practice, DHS found that the percentage of families requiring an out-of-home placement following completion of either FFT or MST were both lower compared to families referred but who did not start participation in either program:

- for FFT, the percentage of families requiring a subsequent out-of-home placement was 5.3% for program completers vs. 8.1% of nonstarters; and

- for MST, the percentage of families requiring a subsequent out-of-home placement was 2.6% for program completers vs. 12.8% of nonstarters.

Notably, none of the families referred to PCIT required a subsequent out-of-home placement during this time period.

DHS also found that families who participated in a portion of either evidence-based practice but did not complete the program were also slightly less likely than nonstarters to require a subsequent out-of-home placement (6.1% compared to 7.7% for nonstarters), suggesting at least a partial benefit to participation in an evidence-based practice even if the program was not completed.

Using data from fiscal 2023, DHS also reviewed positive outcomes in other areas including family and child well-being, parenting skills, educational attainment, and delinquency education. DHS found that the vast majority of families participating in either FFT and MST had improvements in several of these areas for both adults and children. For PCIT, participant outcomes are measured using an inventory related to the intensity and perceived problem levels of a child's behavior. Pre- and post-program participation assessment data shows positive improvements in child behavior for both families that completed the program and families who participated in only a portion of the program.

Center for Excellence in Foster Family Development

In addition to its implementation of evidence-based prevention practices, DHS was awarded a four-year federal grant in fiscal 2022 by the Administration of Children, Youth, and Families to develop the Center for Excellence (CfE) in Foster Family Development. CfE will implement a model program for the selection, development, and support of resource foster families who will work in close collaboration with birth families to preserve and nurture critical parent-child relationships and support safely reunifying birth families with their children to prevent unnecessary out-of-home placements in congregate care settings. CfE is currently being implemented at five sites, which include Baltimore, Carroll, Frederick, Montgomery, and Prince George's counties.

In fiscal 2022 and 2023, DHS contracted with the University of Maryland School of Social Work Institute for Innovations and Implementation for implementation of CfE, which included consulting agreements with the organizations of two evidence-based practices for parents implemented through CfE:

- Parenting Through Change-Reunification (PTC-R), a program to provide support and training to families of origin; and

- Keeping Resource Parents Supported and Trained (KEEP/KEEP SAFE), a program to provide support and training to resource parents.

Both programs target enhanced placement stability and child well-being through 16-week peer support groups and training. PTC-R participants join a peer support group aligned with the KEEP program, promoting co-parenting and facilitating a smooth transition during the reunification process. Resource parents participating in the KEEP and KEEP SAFE programs are enrolled into cohorts and attend mandatory parent partnership training modules prior to, during, and after participating in the program with a CfE-eligible child.

Training for group facilitators and group leader support meetings for both programs was held during early calendar 2023. During 2023, 17 resource families participated in the KEEP program, and 8 resource families participated in the KEEP SAFE program. A total of 24 families of origin participated in the PTC-R program, including both English and Spanish language groups. A total of 45 children were placed with caregivers who participated in all KEEP and KEEP SAFE cohorts. Evaluation of pre- and post-participation survey findings completed by KEEP and KEEP SAFE resource parents indicate a statistically significant decrease in observed child behavior problems. However, pre- and post-program survey results of PTC-R participants showed continued levels of parenting stress following program participation.

QRTPs

FFPSA also included provisions amending the eligibility for federal Title IV-E reimbursement for certain nonfamily placements to promote the placement of children in the least-restrictive, ideally family-based setting appropriate to their individual needs. In order to be eligible for federal reimbursement under the FFPSA, nonfamily placements in child care institutions are limited to two weeks unless the program is designated as a QRTP or is designated as one of the following programs:

- a placement for pregnant or parenting youth;
- a supervised independent living program for youth age 18 and older;
- a specialized placement for children who are at risk of being or are victims of sex trafficking; or
- a family-based residential treatment facility for substance abuse disorders.

DHS received approval for its Title IV-E State Plan amendment, which includes provisions related to reimbursements for placements in nonfamily settings in May 2021. With this approval, DHS can claim federal reimbursements for QRTP as of April 2021. In late calendar 2021, DHS worked with DJS on the development of an application process for the designation of placement providers as QRTP and, together with DJS, MDH DDA, and MSDE, formed a QRTP implementation workgroup to ensure that implementation is consistent across State agencies. Requirements for QRTP designation include that providers must:

- be licensed or certified in accordance with Title IV-E requirements and accredited by an independent not-for-profit organization;
- have registered or licensed nursing staff and other clinical staff available 24 hours a day, seven days a week;
- have a trauma-informed treatment model;

- facilitate outreach and include the participation of family members; and

- provide discharge planning and family-based aftercare for six months.

During the initial application period, DHS received 13 applications from providers seeking QRTP designation, which were jointly reviewed by the interagency application review team. An initial group of six providers received QRTP designation during calendar 2022. Approved providers received a three-year designation.

During calendar 2023, the QRTP designation workgroup facilitated a second round of applications for QRTP designation. An information session was held in February 2023 for contracted providers, and the application period was open between March and May 2023. However, no new applications for QRTP designation were received during this time period, so no new providers received a QRTP designation during the calendar year. Additionally, one previously designated QRTP provider closed one of its two QRTP programs on June 30, 2023, reducing its capacity by 24 contracted QRTP beds.

The six currently designated QRTP providers as of December 2023 are:

- Arrow Child and Family Ministries;

- National Center for Children and Families;

- Board of Child Care (all Residential Child Care Programs);

- Cedar Ridge Children's Home and School;

- Associated Catholic Charities; and

- Vision Quest.

Although the FFPSA does not prevent placements with providers that do not qualify as a QRTP, federal reimbursement for these placements is unavailable after two weeks. Therefore, a lack of designated QRTP providers in the State limits the extent to which federal reimbursement can be sought for these placements. This impact on federal fund availability may be significant as placement costs for nonfamily-based placement types have increased substantially in recent fiscal years. **DHS should comment on planned future efforts by the QRTP designation workgroup to solicit applications for additional QRTP providers. DHS should also comment on the State's current ability to claim federal Title IV-E reimbursement for funding of nonfamily-based placements in child care institutions longer than two weeks in duration.**

3. Child Welfare Caseloads and Staffing Report

Child welfare caseload ratios have been a concern to the General Assembly for many years. In 1998, the General Assembly passed the Child Welfare Workforce Initiative requiring that DHS and the Department of Budget and Management ensure that the Child Welfare League of America (CWLA) recommended caseload-to-staffing ratios are met. The Child Welfare Accountability Act of 2005 reiterated this requirement. In recent years, committee narrative has annually requested that DHS report on caseloads and caseload ratios needed to meet the standards set by CWLA based on the type of case or work being undertaken. This information is then used to determine if jurisdictions are meeting the CWLA standards, both departmentwide and at the individual LDSS level.

Committee narrative in the 2023 JCR requested that DHS provide updated caseload data and positions required based on the caseload to meet the CWLA caseload standards, by jurisdiction, for certain caseload types, current within 70 days of the submission of the report. Additionally, DHS was requested to include in the report an update on efforts to fill vacant positions in jurisdictions that had shortfalls in caseworker and supervisor positions as of September 1, 2022, including a specific focus on Baltimore and Prince George's counties, which had the largest shortfalls for caseworker positions among all jurisdictions as of September 1, 2022. Lastly, the committees requested that the report provide an update on the status of work done to date by CWLA to implement new workload standards for child welfare and efforts by DHS to improve recruitment and retention of caseworkers. The report, due on December 1, 2023, was submitted on February 6, 2024. The report was not submitted in time for inclusion in this analysis. **DLS recommends budget bill language withholding funds until an updated report containing this data as of September 1, 2024, is submitted.**

DHS Workload Analysis Required by Chapter 200 of 2022

On December 5, 2023, DHS submitted a separate report in accordance with Chapter 200 of 2022, which required DHS to assess studies and methodologies related to analyzing workloads in the child welfare system and report to the General Assembly on a plan to develop a child welfare workload assessment in the State. In the report, DHS indicated that it had analyzed workload analysis models from five other states and engaged in workgroups with stakeholders to identify considerations unique to Maryland that would impact this study. DHS indicates that it will utilize a partnership with CWLA and, if necessary, Chapin Hall at the University of Chicago for additional assistance. CWLA is currently working with several states, including Maryland, to create its own workload analysis model, which will be used by DHS to complete its workload analysis. DHS indicates that as of December 2023, work to define the metrics needed to complete a workload assessment and models of assessment are still in development.

Operating Budget Recommended Actions

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

   , provided that since the Department of Human Services (DHS) Social Services Administration has had four or more repeat audit findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), $250,000 of this agency's administrative appropriation may not be expended unless:

   (1) DHS has taken corrective action with respect to all repeat audit findings on or before November 1, 2024; and

   (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days from the receipt of the report to review and comment to allow for funds to be released prior to the end of fiscal 2025.

   Explanation: The Joint Audit and Evaluation Committee (JAEC) has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by OLA that each finding was corrected. OLA shall submit a report to the budget committees on the status of repeat findings.

   If OLA reports that an agency failed to completely resolve or make adequate progress toward resolving those repeat audit findings, JAEC requests that $250,000 in general funds is withheld from each agency's appropriation in the fiscal year following the OLA report until more satisfactory progress has been made toward resolution of those repeat findings.

Information Request	**Author**	**Due Date**
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

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

   Further provided that $250,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services (DHS) submits a report to the budget committees on the number of child welfare services cases and positions required based on the caseload to meet the Child Welfare League of America (CWLA) caseload standards, by jurisdiction, for the following caseload types, as of September 1, 2024:

(1) intake screening;

(2) child protective investigation;

(3) consolidated in-home services;

(4) interagency family preservation services;

(5) services to families with children- intake;

(6) foster care;

(7) kinship care;

(8) family foster care;

(9) family foster homes- recruitment and new applications;

(10) family foster homes- ongoing and licensing;

(11) adoption;

(12) interstate compact for the placement of children; and

(13) caseworker supervision.

The report shall also include a discussion of specific actions taken by the department and local departments of social services to reallocate positions, including the number of positions reallocated by type (caseworker or supervisor) between jurisdictions and identifying the jurisdictions that these positions were transferred from and to, in order to ensure that all jurisdictions can meet the standards for both caseworkers and supervisors.

The report shall also include an update on the status of work done by CWLA to develop new workload standards for child welfare staffing, the completion by DHS of its child welfare workforce analysis, and broader efforts by DHS to improve recruitment and retention of caseworkers.

The report shall be submitted by November 1, 2024, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The committees believe that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering the State's care. In order to maintain oversight over this issue, the committees have adopted annual narrative in recent years requesting that DHS provide a report on the number of cases and positions required based on the caseload to meet CWLA caseload standards. This language withholds funding until a report with data related to the CWLA caseload standards is submitted, which contains current data as of September 1, 2024.

Information Request	**Author**	**Due Date**
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	DHS	November 1, 2024

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

Further provided that $40,393,089 of this appropriation made for the purposes of rate reform and provider rate increases may not be expended until the Department of Human Services submits a report to the budget committees on the implementation of the new foster care provider rate structure for providers who have rates set by the Interagency Rates Committee. The report shall include details on the use of funding included in the fiscal 2025 allowance for this purpose, including the individual purposes that this funding will be used to support, and an updated timeline on when each component of the new provider rate structure will be implemented. The report shall also include an update on the approval of amendments to the State Medicaid Plan to allow for clinical care costs to be eligible for reimbursement and when federal reimbursement will be able to be first sought for these costs. In addition, the report shall discuss the use of the funding for provider rate increases including how the funding included in the fiscal 2025 allowance will be used in conjunction with funding supporting rate reform or otherwise. The report shall be submitted by July 1, 2024, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The fiscal 2025 allowance for the Department of Human Services (DHS) Social Services Administration includes $28.3 million to fund implementation efforts of a new provider rate structure, in addition to $12 million provided for rate increases. However, no details have been provided about how the funding will support the rate reform effort. This language requires DHS to submit a report on the implementation of the new foster care provider rate structure, details on the specific uses of funds included in the fiscal 2025 allowance for this purpose, and how separate funding related to a provider rate increase will support these efforts. The language also requires an updated timeline on when DHS estimates that the new provider rate structure will be implemented. DHS is encouraged to submit the report well in advance of July 1, 2024 so the funds for rate increases can be released prior to the beginning of the fiscal year.

Information Request	**Author**	**Due Date**
Report on the new foster care provider rate structure	DHS	July 1, 2024

4. Adopt the following narrative:

Hospital Stays by Youth in Out-of-home Placements: The committees continue to be concerned about children and youth experiencing stays in emergency rooms or inpatient hospital settings longer than is medically necessary. Data has been requested on hospital stays by children and youth in out-of-home placements for several years. In an effort to continue to monitor this issue, the committees request that the Department of Human Services (DHS) submit a report that provides data for each month of the period October 2023 through September 2024 on:

- the number of youth in out-of-home placement served in emergency rooms for psychiatric evaluation or crisis and the average length of stay (ALOS) by month;
- the number of youth in out-of-home placement served separately by medical hospitals and inpatient psychiatric hospitals and ALOS by month;
- the number of days that youth in out-of-home placements served in hospitals were in the hospital longer than was deemed medically necessary by either the hospital or a judicial finding separately by type of hospital; and
- the placement type after discharge separately by type of hospital, including identifying the number of youths placed out-of-state after discharge for fiscal 2024.

Information Request	**Author**	**Due Date**
Report on hospital stays, ALOS, and placement after discharge	DHS	December 1, 2024

5. Adopt the following narrative:

Implementation of Provisions of the Family First Prevention Services Act (FFPSA): The committees are interested in continuing to receive updates on the implementation of evidence-based prevention practices and other services under provisions of the federal FFPSA and the outcomes of those programs and services for families and children served. The committees request that the Department of Human Services (DHS) submit a report including:

- a list of all evidence-based practices being implemented through fiscal 2024, including data on jurisdiction and the number of families and children served during the fiscal year;

- any new evidence-based practices being implemented during fiscal 2025;

- the status of the updated five-year Title IV-E prevention services plan;

- data on the effectiveness of implemented evidence-based practices at preventing occurrences of subsequent maltreatment and out-of-home placements from occurring as well as an evaluation of any other outcomes related to parent and child well-being;

- the current number of providers in the State that have received designation as a Qualified Residential Treatment Program (QRTP) to allow for federal reimbursement under the FFPSA, including if any additional providers received this designation during fiscal 2024 and if future solicitations of applications for QRTP designation are planned;

- the status of the approval of the State's revised cost allocation plan, including a discussion of the current ability of DHS to seek federal reimbursement for evidence-based prevention practices; and

- the number of children and families served and outcomes achieved through the Center for Excellence in Resource Family Development in fiscal 2024.

Information Request	**Author**	**Due Date**
Update on the implementation of provisions of the federal FFPSA	DHS	November 1, 2024

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

Further provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended shall revert to the General Fund.

Explanation: This annual language restricts general funds appropriated for foster care maintenance payments to that use only. This restriction prevents a transfer of general funds to other programs that might create or increase a deficit in spending in the Foster Care Maintenance Payments program (N00G00.01).

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

<u>, provided that these funds 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 revert to the General Fund.</u>

Explanation: This annual language restricts general funds appropriated for the Child Welfare Services program to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments.

		Amount Change	
8.	Reduce a portion of the general fund deficiency appropriation for increased placement costs within the Foster Care Maintenance Payments program. This reduction reduces the size of the proposed fiscal 2024 deficiency appropriation for this program from $28.4 million to $21.4 million and would leave a projected general fund surplus of $5.2 million for the program in the case of increased placements and costs during the remainder of fiscal 2024.	-$ 7,000,000	GF
	Total Net Change to Fiscal 2024 Deficiency	**-$ 7,000,000**	

Appendix 1
Evidence-based Practices Implemented by DHS under the Federal FFPSA
Fiscal 2023

Practice	Jurisdictions Implementing	Families Served
Healthy Families America	Howard Kent Prince George's Queen Anne's Somerset Talbot	60
Parent-child Interaction Therapy	Anne Arundel Allegany	11
Functional Family Therapy	Anne Arundel Baltimore County Carroll Caroline Cecil Dorchester Harford Howard Kent Queen Anne's Somerset Talbot Wicomico Worcester	187
Multisystemic Therapy	Frederick Montgomery Prince George's Washington	61
Total	**18 Jurisdictions**	**319**

Source: Department of Human Services

Appendix 2
2023 *Joint Chairmen's Report* Responses from Agency

The 2023 JCR requested that DHS SSA prepare four reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Hospital Stays by Youth in Out-of-home Placements:*** A report was submitted providing data for the reporting period of October 2022 through September 2023 on the total number and average length of stay for emergency room visits, hospital stays, and hospital stays beyond medical necessity for children and youth in out-of-home placements through the department. Further discussion of this data can be found in Issue 3 of the budget analysis for N00 – DHS Overview.

- ***Implementation of Provisions of the FFPSA:*** A report was submitted providing an update on evidence-based practices implemented by local jurisdictions and the number of families served in fiscal 2023. Additionally, the report included an update on the QRTP provider designation process and discussion of programs offered through the CfE in Resource Family Development grant. Further discussion of this report can be found in Issue 2 of this analysis.

- ***Implementation of the New Foster Care Provider Rate Structure:*** A report was submitted providing an update on the planned development and implementation of a new rate structure for foster care providers as part of the work of the interagency Children's QSRI. Additional discussion of this report can be found in the Proposed Budget Change section of this analysis.

- ***Child Welfare Caseload Data:*** A report was due on December 1, 2023, providing updated child welfare caseload data and the number of positions required based on the caseload to meet CWLA's caseload-to-staffing ratio standards. Additionally, it was requested that the report include an update on efforts to fill vacant positions in jurisdictions that had shortfalls in caseworker and supervisor positions as of September 1, 2022, and an update on the status of work done by CWLA to implement new workload standards for child welfare. The report was submitted on February 6, 2024, but was not submitted in time for inclusion in this analysis.

Appendix 3
Object/Fund Difference Report
Department of Human Services – Social Services Administration

Object/Fund	FY 23 Actual	FY 24 Wrk Approp	FY 25 Allowance	FY 24 - FY 25 Amount Change	Percent Change
Positions					
01 Regular	2,626.68	2,627.18	2,627.18	0.00	0%
02 Contractual	5.00	2.50	2.50	0.00	0%
Total Positions	**2,631.68**	**2,629.68**	**2,629.68**	**0.00**	**0%**
Objects					
01 Salaries and Wages	$ 257,345,179	$ 268,988,611	$ 281,980,051	$ 12,991,440	4.8%
02 Technical and Special Fees	1,716,682	2,086,211	2,212,662	126,451	6.1%
03 Communication	2,055,235	1,895,908	1,768,657	-127,251	-6.7%
04 Travel	1,134,344	881,970	975,166	93,196	10.6%
06 Fuel and Utilities	891,923	797,769	803,556	5,787	0.7%
07 Motor Vehicles	1,621,855	2,498,197	2,502,430	4,233	0.2%
08 Contractual Services	94,892,271	73,862,344	78,727,971	4,865,627	6.6%
09 Supplies and Materials	1,331,893	1,040,957	1,072,774	31,817	3.1%
10 Equipment – Replacement	20,234	350,000	350,000	0	0%
11 Equipment – Additional	144,104	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	301,101,182	327,989,251	350,555,380	22,566,129	6.9%
13 Fixed Charges	10,677,162	10,604,337	10,704,056	99,719	0.9%
Total Objects	**$ 672,932,064**	**$ 690,995,555**	**$ 731,652,703**	**$ 40,657,148**	**5.9%**
Funds					
01 General Fund	$ 451,078,030	$ 456,124,052	$ 475,777,014	$ 19,652,962	4.3%
03 Special Fund	4,256,509	5,573,309	5,799,734	226,425	4.1%
05 Federal Fund	216,777,404	228,470,475	249,248,236	20,777,761	9.1%
09 Reimbursable Fund	820,121	827,719	827,719	0	0%
Total Funds	**$ 672,932,064**	**$ 690,995,555**	**$ 731,652,703**	**$ 40,657,148**	**5.9%**

Note: The fiscal 2024 appropriation does not include deficiencies. The fiscal 2025 allowance does not include salary adjustments budgeted within the Department of Budget and Management.

Appendix 4
Fiscal Summary
Department of Human Services – Social Services Administration

Program/Unit	FY 23 Actual	FY 24 Wrk Approp	FY 25 Allowance	Change	FY 24 - FY 25 % Change
04 General Administration – State	$ 34,921,750	$ 35,770,679	$ 36,947,784	$ 1,177,105	3.3%
01 Foster Care Maintenance Payments	342,012,779	315,552,375	350,091,512	34,539,137	10.9%
03 Child Welfare Services	245,983,271	285,003,740	287,837,570	2,833,830	1.0%
04 Adult Services	50,014,264	54,668,761	56,775,837	2,107,076	3.9%
Total Expenditures	**$ 672,932,064**	**$ 690,995,555**	**$ 731,652,703**	**$ 40,657,148**	**5.9%**
General Fund	$ 451,078,030	$ 456,124,052	$ 475,777,014	$ 19,652,962	4.3%
Special Fund	4,256,509	5,573,309	5,799,734	226,425	4.1%
Federal Fund	216,777,404	228,470,475	249,248,236	20,777,761	9.1%
Total Appropriations	**$ 672,111,943**	**$ 690,167,836**	**$ 730,824,984**	**$ 40,657,148**	**5.9%**
Reimbursable Fund	$ 820,121	$ 827,719	$ 827,719	$ 0	0%
Total Funds	**$ 672,932,064**	**$ 690,995,555**	**$ 731,652,703**	**$ 40,657,148**	**5.9%**

Note: The fiscal 2024 appropriation does not include deficiencies. The fiscal 2025 allowance does not include salary adjustments budgeted within the Department of Budget and Management.