Department of Human Services
Fiscal Year 2023 Operating Budget
Response to Department of Legislative Services Budget Analysis

Senate Budget and Taxation Committee
Health and Human Services Subcommittee
Senator Melony Ghee Griffith
Thursday, January 27, 2022

House Appropriations Committee
Health and Social Services Subcommittee
Delegate Kirill Reznik
Wednesday, February 2, 2022

Testimony of Secretary Lourdes R. Padilla

Good afternoon Chairman Griffith and members of the Committee. It is a pleasure to be here today.

With me today are: Gregory James, Deputy Secretary for Operations; Netsanet Kibret, Deputy Secretary for Programs; Denise Conway, Deputy Executive Director for Social Services Administration and Stafford Chipungu, our Chief Financial Officer.

Also available to address any questions are: La Sherra Ayala, Executive Director of the Family Investment Administration; Samantha Blizzard, Chief of Staff; Kevin Guistwite, Executive Director of the Child Support Administration; Subramanian Muniasamy, Chief Technology Officer and Rainier Harvey, Chief, Division of Administrative Operations.

The Department of Human Services (DHS) is responsible for three primary areas: we administer the State's social services programs including foster care, adoption, and adult services; we provide economic assistance to those in need; and we administer the state child support program including the collection of child support, setting child support orders, and a number of non-custodial employment and training programs. During the last fiscal year, we estimate that at least one million Marylanders used one or more of our services.

The FY 2023 Allowance for DHS totals $3.7 billion, an increase of $786.5 million or 27.3% compared to the FY 2022 Appropriation.

I'd like to take a moment to highlight some of our accomplishments:

Family Investment Administration

- With the second year of the COVID-19 pandemic impacting lives across the State, our work has never been more critical. The Department's Family Investment Administration now serves over 300,000 more individuals who are recipients of safety net programs compared to prior year caseload levels. This represents a 35% increase in the number of cases served. We manage over 770,000 cases across all FIA programs.

- With Governor Hogan's authorization, DHS issued over $2 billion in additional nutrition assistance benefits to ensure that individuals who were affected by the pandemic were able to put food at the dinner table. The Pandemic EBT program, which supported school children who no longer had access to free school meals served over 550,000 individuals. We issued over $1 billion in P-EBT benefits since the program began.

- The Emergency Allotment (EA) program provided an average of $175 in extra SNAP benefits per month - over 800,000 individuals benefited from the program.

- In preparation of the statewide system launch to the Eligibility & Enrollment (E&E) eligibility determination system, the Department provided training specific to all Outreach partners on the use of the E&E system. The training was developed to ensure that the Outreach partners could assist public benefit applicants with system navigation and application submission. Training is conducted on the 4th Friday of every month. There are training sessions on the 4th Friday of every month.

- Effective July 1, 2021, Temporary Disability Assistance Program (TDAP) recipients saw monthly benefits increase from $243 to $256 and another increase to $328 effective January 1, 2022. This increase now matches the Temporary Cash Assistance

(TCA) household size of one 100%.

- Additional funding made available for TCA and TDAP recipients provided a monthly amount of $100 for each active household member in addition to the household's regular benefit amount through December 31, 2021.

Social Services Administration

- Maryland has continued the Family First Prevention Services Act (FFPSA) implementation efforts to transform our system to put families first and build a prevention based approach to partnering with children and families. Maryland Social Services Administration (SSA) has focused on the following implementation priorities:
    - Enables families to access evidence-based prevention services that strengthen families and keep them safely together;
    - Establish Qualified Residential Treatment Programs (QRTPs) that are able to provide high-quality, therapeutic intervention for youth who need short-term residential care; and
    - Implement the new assessment process to determine the appropriate level of care for children and youth who are entering foster care.

- The Department is utilizing a three-phase approach to deepen and broaden the use of the five prevention evidence-based practices (EBPs) identified in our Prevention Plan: Healthy Families America, Nurse Family Partnership, Functional Family Therapy, Multisystemic Therapy, and Parent Child Interaction Therapy. This approach was designed to leverage Maryland's current infrastructure and utilization of the five prioritized prevention EBPs.

- As of December 31, 2021, there were 4,345 children in out-of-home placement. Of these, 3,176 children and youth are in family foster care settings, and 481 youth are placed in group homes or similar settings, with the remaining 756 youth in independent living, residential treatment, or other settings.

- The placement of children in group home settings has remained consistent at approximately 11% in 2021, which represents a significant decrease from nearly 20% in 2007. SSA anticipates that, with a continued focus on providing and expanding supportive services for families, these positive trends in foster care caseloads and placements will continue, even as we maintain safety as our top priority.

- Since SFY 2015, over 11,000 children have exited foster care and safely returned home, moved to guardianship, or been adopted. In SFY 2021, 794 children achieved permanency, which represents 77% of total exits from foster care and an 11% improvement over the 66% rate in SFY 2008. Specifically, 478 children were reunified with their families, 145 went to a permanent guardianship home, and 171 children were adopted.

- The trends for exits from care remain generally positive; however, due to the pandemic, there was a 29% reduction in total exits during SFY 2021 compared to SFY 2020. There were 248 youth aged 21 or 22 who exited foster care in September 2022 when the moratorium on exits from foster care ended. This included youth who turned 21 after early April 2021; some even turned 22 due to their birthday month.

- The utilization of out-of-state (OOS) placement providers has decreased significantly since 2016, when 49 youth were placed outside of Maryland. As of January 1, 2022, there were 26 youth placed outside of Maryland. This is less than 1 percent of the total youth in care, and we continue to work on reducing this number. The youth in these placements present with the most challenging behaviors. In SFY 2021, 15 youth were diverted from out-of-state placements and 25 returned to Maryland after completing treatment. As of January 2022, 3 youth have been diverted and 15 youth have returned.

Child Support Administration

- The Department collected and distributed $543 million in child support last fiscal year. Of that amount, $160 million was distributed to families previously receiving Temporary Cash Assistance, reducing the likelihood that those families would again become dependent on the State for financial stability.

- As of the first quarter of FFY 2022, $124 million was collected and distributed. The Child Support Administration (CSA) established support orders for 5,472 cases in FFY 2021, representing 86.5 percent of support orders established on cases.

- Even though our caseload decreased by 8 percent from FFY 2019 to FFY 2021, the amount collected per case has increased by $243 from $2,975 to $3,218 an increase of 8 percent over the past three years.

- Since June 2015, with the implementation of House Bill 907 allowing for the intercept of winnings from video lottery facilities to pay past due support, the Department has disbursed approximately $4.9 million in gaming intercepts. The Department has continuously scored above 95 percent on Federal Data Reliability Audits and has passed all federal audits. This assures a continuation of DHS's incentive funds.

- As CSA has adjusted to assisting our customers during the COVID-19 pandemic we remain committed to ensuring our primary essential function is met to ensure Non-Custodial Parent (NCP) payments are received and disbursed to Custodial Parents (CP) to provide financial support to Maryland's children. We continue to offer our customers multiple avenues to engage with the local child support offices either in-person or remotely, walk-in or by appointment.

- The STEP Up Program (Supporting, Training and Employing Parents) in Baltimore City continues to provide eligible unemployed or underemployed noncustodial parents (NCP) with assistance in obtaining employment that will enable them to achieve economic self-sufficiency and meet their child support obligations. In 2021, CSA partnered with Baltimore City Community College (BCCC) to further enhance the Baltimore City STEP Up Program, providing additional services and training opportunities for NCPs enrolled in the program. During FFY 2021, there were 204 noncustodial parents enrolled in STEP Up. This represents 338 active cases of which 278 (82.25%) cases had a payment distributed and 244 (72.19%) cases received multiple payments. There was a total of $54,995 of state owed arrears expunged during this period. The total amount of current support collections was $172,552.

- Through September 30, 2021, there have been 11,466 NCPs enrolled in a Non-Custodial Parent Employment Program (NPEP) outside of Baltimore City representing 21,206 cases. Of these, 16,545 cases had a payment distribution after enrollment in the program totaling distributions of $206 million.

Two-Generation Approach

- Maryland has adopted a Two-Generation approach to service delivery. A Two-Generation approach is an integrated method that seeks to end multigenerational poverty and build whole family well-being by intentionally linking programs, policies, and systems that serve parents and children. To be effective, a Two-Generation approach must not be adopted by a single state agency, but by all state agencies that serve parents or children. The Two-Generation approach is a shared statewide philosophy that when a parent does well, their child is better off and when a child does well, their parents are better off.

MD THINK

- DHS is leading the development and implementation of the Maryland Total Human services Integrated NetworK (MD THINK), a new shared human services platform. This initiative includes new program applications for the Social Services, Family Investment, and Child Support administration within DHS, and a shared hosting and services platform which supports the new applications and the applications of multiple programs and administrations across state government.
- The MD THINK cloud platform became operational in 2018.
- The Child, Juvenile, and Adult Management System (CJAMS) Child Welfare module was implemented statewide in 2020.
- The Eligibility and Enrollment System (E&E) was implemented statewide in 2021.
- The deployment of CJAMS and E&E during the COVID-19 pandemic, while the DHS and MD THINK staff were teleworking, was a major accomplishment.

This concludes my testimony. We greatly appreciate the support of the General Assembly and this Committee for our clients, the Department, and the critical work we do. We are of course happy to answer any questions you may have. Thank you.

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Overview
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Response to Issues

Issue #1: DHS should indicate when it expects to publish monthly maltreatment data through December 2021. (page 18)

Response to Issue: The Department anticipates that monthly maltreatment data through December 2021 will be published by the end of April 2022.

Issue #2: DHS should comment on the current status of child welfare caseloads and any insights that it has into potential causes behind the slower than expected return of caseloads to pre pandemic levels and whether issues with more severe cases of abuse have been observed in Maryland. (page 19)

Response to Issue: The Department is seeing a return to pre-pandemic levels of cases of suspected child abuse and neglect. The trends in the number of cases is most directly attributable to the schools' return to in-person learning. The Department will continue to monitor the current trend.

Issue #3: To examine the impact of economic instability on neglect reports, the Department of Legislative Services recommends committee narrative requesting data on causes behind removals into care, particularly for cases related to economic hardships caused by the pandemic, and proposed actions that could be taken to prevent child neglect and maltreatment going unreported. The recommendation will be included in the DHS Social Services Administration analysis. (page 20)

Response to Issue: The Department will work, to the extent possible, to address the proposed recommendation that is planned for inclusion in the Social Services analysis.

Issue #4: DHS should comment on the anticipated timeline for relocation and additional benefits expected to be achieved with this relocation. (page 27)

Response to Issue:

In coordination with the Maryland Department of General Services (DGS), the Department of Human Services (DHS) anticipates that if all associated lease development, BPW approval, procurement finalization processes, and project construction goes as planned, the DHS headquarters office will relocate in the fall/winter of calendar year 2023.

Benefits to be Achieved from Relocating:

DHS Headquarters supports strategies on realigning today's workforce into a modern-day technological work environment that can co-locate existing programs or administrations within shared office space; hotel permanent workstations to multiple employees to minimize office space; initiate full time teleworking or hybrid work schedules to maximize productivity; maintain a safe and healthy work environment; and create opportunities based on modern day workplace strategies to reduce net usable square footage and costs within leased space.

- Structural and Environmental Health Benefits

Currently the department is required to procure a number of professional vendors to conduct structural and environmental repairs in response to health complaints, MOSH citations, and union grievances. As a result, these regulatory required structural and environmental tests are unbudgeted and must be executed by the tenant agency.

The benefit of relocating to a newly renovated, privately owned leased facility eliminates the need to invest unbudgeted departmental funds for improvements (e.g., costly infrastructure remediations, building code upgrades/modifications, and cosmetic repairs) that result from the upkeep of a 100+ year old facility.

- Workplace Safety and Walkability Benefits

The current facility is located along the W. Saratoga Street & Eutaw Street corridors in close proximity to the Lexington Market. This is a high traffic area of Baltimore City where street vendors and citizens congregate, requiring an increased presence of law enforcement.

The benefit of relocating to the Central Downtown Business (CDB) District of Baltimore City, it places the department's operations in an area where other public government and private organizations exist. The new location provides an increase in the surety among staff that they are working in a walkable safe environment.

- Workspace and Technological Benefits

The current geographical area for DHS Headquarters presents technological challenges that place boundaries and limitations on server activity, back-up/auxiliary power sourcing and server system redundancy due to fiber-optic bandwidth and power source limitations.

The benefit of relocating DHS Headquarters to a new facility is that it provides a state-of-the-art leased facility with the electrical load capacity and flexibility for DHS' Information Technology to implement new and improved servers, voice communication, and system redundancies. In the event of a natural disaster causing area access restrictions, area power outages, or other catastrophic events, Human Service delivery systems in the state of Maryland will have solid continuity.

- Workspace Efficiency

Presently, DHS Headquarters is located in a facility that is publicly owned, carrying exorbitant recurring annual costs for rent, ongoing repairs, security services, and capital improvement costs that are not necessarily subject to the standards of “market rate”.

By relocating to a privately owned leased facility the department increases its leveraged ability to renegotiate its lease agreement(s). Moreover, by leasing privately owned space, the burden of unbudgeted costs for expenses is removed as they are currently required by the standard DGS Lease Agreement.