

**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 Griffith
Friday, February 25, 2022**

**House Appropriations Committee
Health and Social Services Subcommittee
Delegate Kirill Reznik
Thursday, March 3, 2022**

Testimony of Secretary Lourdes R. Padilla

Good afternoon, Chair and members of the Committee. Thank you for the opportunity to appear before you today to discuss the Department's budget request for the Social Services Administration (SSA). With me today are Netsanet Kibret, Deputy Secretary for Programs; Gregory James, Deputy Secretary for Operations; Denise Conway, Executive Director for Social Services Administration; and Stafford Chipungu, Chief Financial Officer.

The Department of Human Services (DHS) believes that children, youth and vulnerable adults do better in strong families, and families do better in supportive communities. DHS's Social Services Administration (SSA) works to help families stay safe, stable and healthy so that our children, youth and vulnerable adults are protected from abuse and neglect. Safety and well-being are at the center of our child welfare and adult services. The scope of our services includes family preservation, child protective services, foster care and adoption, services to vulnerable adults, and adult protective services.

The Governor's fiscal 2023 Allowance for SSA totals \$653,264,241 representing a 4% percent increase from the 2022 Appropriation.



Implementation of Family First Prevention Services Act

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 has continued efforts to transform our system to put families first and build a prevention based approach to partnering with children and families.

Over the last year, Maryland has focused implementing the following priorities:

1. Enabling families to access Evidence-Based Prevention (EBP) services that strengthen families and keep them safely together. Thirteen (13) local jurisdictions began implementation in October 2021. Four (4) additional jurisdictions joined in January 2022, and other will be implementing this year. SSA is providing a number of supports to local jurisdictions to ensure effective implementation including training, quick reference materials, and monthly technical assistance meetings. Maryland believes that this approach will build a strong foundation and solidify the goal of placing a priority on prevention that supports families' well-being and their ability to keep their children safely at home.
2. Establishing Qualified Residential Treatment Programs (QRTPs) that are able to provide high-quality, therapeutic intervention for youth who need short-term residential care. In addition to building a prevention focused approach, Family First requires a reimagining of foster care that emphasizes the importance of families and reduces the reliance on congregate care. To this end, Maryland has made a number of strides in expanding placement resources to include qualified residential treatment programs (QRTP) and enhancing an assessment process to determine appropriate levels of care for children entering foster care. DHS, in partnership with the Department of Juvenile Services, successfully launched a QRTP application process resulting in thirteen providers submitting an application, from which six were designated as QRTPs.



3. Implementing the new assessment process to determine the appropriate level of care for children and youth who are entering foster care. In addition, Maryland began the finalization of an enhanced assessment process that allows for clinically supported determinations to appropriately match the needs of children with levels of care.

Maryland has made progress on all of these priorities and continues to be at the forefront of this effort.

Foster Care Placement Trends

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. DHS 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 fiscal 2015, over 11,000 children have exited foster care and safely returned home, moved to guardianship, or been adopted. In fiscal 2021, 794 children achieved permanency, which represents 77% of total exits from foster care and an 11% improvement over the 66% rate in fiscal 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 fiscal 2021 compared to fiscal 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 fiscal 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.

Adoption, Guardianship and Reunification Trends

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

The COVID-19 pandemic has had a significant impact on overall exits from care, and on exits to permanency in particular. The reduction can be attributed to the impacts of COVID-19, which led to changes in the frequency of court hearings during most of fiscal 2021.

In the first four months of fiscal 2022, there have been 287 total permanent exits from foster care, 20 more exits than during the same timeframe last year. The increase for the first four months of fiscal 2022 is only slightly smaller than the number of exits during the same time period in fiscal 2019. This seems to reflect a recovery in exits to permanency following the 15 months of the safer-at-home/state of emergency for COVID-19 when courts were closed or otherwise operating at a reduced schedule.

Adoptions decreased 34% from fiscal 2020 to fiscal 2021. The goal for Adoption Services is to develop permanent families for children who cannot live with or safely be reunited with their birth parents. Maryland's Adoption Services continue to assist LDSS and other partnering adoption agencies in finding adoptive families for children, especially older youth, in the care and custody of the State.



In the area of guardianship, Local Departments have worked to extend resources to relative caregivers to ensure that youth maintain a stable environment and lasting connections. Guardianships decreased from fiscal 2020 to fiscal 2021, and DHS and its court partners are working to prioritize permanency efforts across the State.

COVID-19 impacts notwithstanding, the trends for exits from care remain generally positive; however, due to the pandemic, there was a 29% reduction in total exits during fiscal 2021 compared to fiscal 2020. In addition to the impact of court closures, the decision to allow older youth to remain in care and not age-out at twenty-one -- a major response to the COVID pandemic -- also impacted the exit rate. There were 248 youth aged 21 or 22 who exited foster care in September 2021 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.

Adult Services

The Office of Adult Services had the advantage of several important strategic efforts toward strengthening supports for vulnerable adults. In fiscal

2021, the Office of Adult Services conducted 6,234 Adult Protective Services investigations; served as Guardian to 1,131 vulnerable adults; provided In-Home Aide Services to 1,614 individuals; helped 405 clients remain in their homes and avoid more costly institutional placements through Project Home; and provided needed supports to 2,372 vulnerable adults through Social Services to Adults case management.

Through the implementation of the Adult Services module of CJAMS, case workers are able to utilize a mobile platform, ensuring continuity of care in case management and service delivery for the first time during the pandemic. Adult Protective Services (APS) also received for the first time federal funds from the Administration for Community Living to support vulnerable adults. This historic opportunity was utilized to stabilize adults through housing resources, caregiver supports and ancillary services. In addition, federal funding has been allocated to support APS through the development of a multi-year effort to strengthen the direct services workforce and eliminate gaps in services to the most vulnerable adults.



Conclusion

The mission of the Social Services Administration - to protect and serve children and vulnerable adults who are the victims of abuse and neglect - has always been complex, and in 2021 COVID continued to add a new set of challenges. In response to the pandemic, our team has innovated and adjusted to this new normal, with a relentless focus on ensuring that children and adults stay safe and the delivery of vital services continue. The dedication and commitment of our workers to this mission never wavered. As we move forward, with the support of Maryland partners in state and local government, in the public and private sector, we will continue working to strengthen families and improve the lives of the most vulnerable Marylanders.

This concludes my testimony. Thank you again for the opportunity to testify, and I am happy to answer any questions you may have.



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Response to Issues

Issue#1: DHS should discuss any potential causes behind the slower expected rebounding of maltreatment reports and child welfare caseloads, any data on trends in the last quarter of 2021, and whether issues with more severe cases of abuse have been observed in Maryland due to the fewer reports in earlier periods. (Page 7)

Response to Issue: The Department is seeing a return to pre-pandemic levels of reports of suspected child abuse and neglect. The trends in the number of reports is most directly attributable to the schools' return to in-person learning. Data on the outcome of CPS investigations is only available for up to September 2021. It is premature to reach conclusions on any trends comparing this data with previous years' data. The Department is unable to respond to whether more severe cases of abuse have been observed in Maryland as CPS investigations are not categorically ranked by severity.

Issue #2: DHS should discuss steps it is taking to reduce the rate of victimization for youth in foster care. (Page 9)

Response to Issue: The Department is committed to the safety of youth in foster care and takes measures to reduce the rate of their victimization. DHS utilizes technology that youth can more easily access and are comfortable with such as text messaging and social media outreach/monitoring. These check-ins are in addition to the existing face-to-face and virtual contacts. The local department of social services staff not only provide the traditional models of casework but are trained as coaches who partner with youth to empower them to voice their



concerns and experiences. This partnership is further enhanced as staff utilize effective tools and mentoring techniques to bring in youth voices to create and carry out youth's plans.

The Department continues to be concerned about the rate of victimization of children while in foster care. DHS attributes the higher rate of victimization to children in foster care disclosing prior maltreatment that occurred prior to entry into out-of-home placement. When the disclosure is made, a new CPS investigation is initiated. In order to address this issue, the Department will continue to look at the data to discern the cause of the increase. It is important to note that the percentage of children without recurrence of maltreatment within 12 months of a first occurrence was 98%, which is higher than for 2017-2020 and that the rate remains lower than 2017-2019.

In addition, the Department conducts Child and Family Services Reviews on an ongoing basis that measures the safety of youth in foster care. This qualitative review is a random sampling of 40 youth every six months. The data from the most recent period shows staff are visiting children and assessing their safety in foster care placement and while visiting with family. Overall, children are being safely maintained in their placement and there is a low incidence of maltreatment.

Furthermore, with the implementation of Family First Prevention Services Act (FFPSA), DHS is continuing to focus on evidence-based and promising practices across the State to serve birth families and ensure child safety and well-being.

Issue #3 DHS should discuss steps it plans to take to minimize placement moves. (Page 10)

Response to Issue: The Department is committed to ensuring that our Resource Parents have the necessary resources to care for children and youth in out-of-home placements. DHS procured the newest version of the resource parent training curriculum (PRIDE). The new curriculum is trauma focused and culturally sensitive. The PRIDE training better equips our resource families to appropriately care for our children and youth in out-of-home placements. DHS is also committed to placing foster youth in a least restrictive environment. In addition, DHS was awarded a four-year grant by the federal Children's Bureau to create a Center of Excellence for Foster Family Development – the only grant of its kind awarded in the country. This program further provides families of origin and Resource Parents with specialized training and around-the-clock support for youth in care towards stable reunifications - placements while providing crisis intervention and stabilization services. DHS staff are also being trained with additional skills and are being equipped with specialized tools towards placement stability.

Issue #4 DHS should discuss how supplements will be distributed. (Page 12)

Response to Issue: The Department will distribute the \$5 million in general funds to support provider rate supplements as set by the IRC via a one-time supplemental grant. The \$5 million will be dispersed across all providers based on their IRC capacity issued for fiscal 2023.

Issue #5 As a result of these uncertainties, DLS is not recommending a reduction based on the surplus but recommends adding of annual budget bill language that restricts the general fund appropriation for this program to that purpose. (Page 20)



Response to Issue: The Department agrees with the Analyst recommendation to restrict the general fund appropriation for this program to that purpose.

Issue #6 DHS should comment on the status of the approval of the CAP. (Page 28)

Response to Issue: DHS received initial feedback from the federal Administration for Children and Families (ACF) on its Cost Allocation Plan (CAP) in April 2021 and provided an updated CAP to address the feedback received. Additional feedback was received from ACF in January 2022 and responses were provided. DHS is awaiting final approval of its CAP.

Issue #7 DHS should comment on how it intends to support these practices, given that even when approved for federal funding, these programs require a State match. (Page 30)

Response to Issue: The Department will work with Department of Budget Management (DBM) to address any state match funding needs if necessary.

Issue #8 DHS should comment on the status of its collaboration with DJS and provide an update on the designation of QTRP providers. (Page 31)

Response to Issue: The Department has worked collaboratively with the Department of Juvenile Services (DJS) to designate providers as QRTPs. The application window as stated closed in October 2021. There were 13 providers that submitted applications to become identified as QRTPs. DHS in conjunction with DJS is providing technical assistance to the seven (7) providers that were not designated during this time. The providers will have an opportunity to reapply during the second application window in fiscal 2023. After review, six (6) of 13 providers were designated as QRTP. In order to fully implement QRTPs, the Department and DJS are currently finalizing the training for Qualified Individuals (QIs) who perform the assessments needed for youth to be placed in QRTPs. Training for the QIs is scheduled for late March 2022. Full implementation for QRTPs is scheduled for June 1, 2022.

Issue #9 DHS should comment on efforts it has taken to support older foster youth following the expiration of the national moratorium on youth aging out of care. (Page 33)

Response to Issue: DHS is committed to support older foster youth beyond the expiration of the national moratorium and has a comprehensive aftercare approach that better supports all young people in their lifelong success. DHS staff are supporting youth with voicing priorities, fostering permanent families as identified and defined by young people, assisting them with building connections and improving their overall well-being.

In collaboration with youth in care, DHS launched “**mylife**”, an interactive website providing foster youth and alumni with the resources and information needed to achieve the life they choose. The new website incorporates strengths-based plans to prepare youth, aged 13-21 for adulthood, such as the Ready by 21 program and Maryland Youth Transition Plan, as well as aftercare services and other resources, all designed to help ensure self-sufficiency. Everything from how to apply for

financial aid, job training, credit reports, healthcare, and housing, **mylife** provides all the information youth-in-care need.

The opportunity for Maryland youth in foster care to make their own indelible mark on the website was a critical component of the architecture. From content, design, color palettes, functionality, and mobile responsiveness, foster youth had a seat at the head of the table, providing their input and recommendations at a number of in-person and virtual focus groups held throughout the various stages of the web design.

The **mylife** website organizes resources for foster youth into seven categories: Social Awareness & Self Care, Housing & Homelessness Services, Helpful Tips & Support Services, Credit & Money Management, Education & Employment, Important Life Documents, and Alumni Resources, all of which are provided at a national, statewide, and regional level. An events calendar, list of contacts, and information on the the State Youth Advisory Board round out the important information provided on the website.

Issue #10: Due to the number of repeat audit findings contained in SSA's most recent fiscal compliance audit issued by OLA as well as the nature of the findings, DLS recommends adding budget bill language restricting funds in SSA until OLA submits a report indicating that corrective action has been taken to satisfactorily address the repeat findings contained in its audit report. (Page 34)

Response to Issue: The Department is aggressively addressing all repeat audit findings and are currently being evaluated by OLA on our progress. DHS is working with DBM, our internal Office of Inspector General (OIG) and all local departments of social services to effectively address the repeat findings utilizing a holistic approach towards integrated enhancements. DHS is confident in the progress made regarding the conditions identified in the 2021 OLA Audit Report.

Issue #11: DHS should comment on efforts to fill vacant caseworker and supervisory positions so that standards can continue to be met if caseloads increase. (Page 35)

Response to Issue: The Department consistently works with the local departments of social services to streamline recruiting and retaining child welfare caseworker and supervisory staff. As part of that effort, the Department has established a vacate and fill policy for caseworker positions (Casework Specialist, Family Services Caseworkers and Supervisors, and Social Workers and Supervisors), allowing the ability to begin recruitment as soon as an employee provides notice that they are leaving. Further, the local departments are able to reclassify front line staff and supervisory positions within these classifications without prior approval, giving greater flexibility to recruit based on the available applicant pool. Finally, the Casework Specialist, Family Services Caseworker Supervisor, Social Worker and Social Work Supervisor classifications are all posted on an open and continuous basis allowing the Department to continuously refresh the applicant list. These steps have allowed local departments greater flexibility to fill positions without delay and continues to allow the local departments the opportunity to adjust staffing levels in various program areas and implement processes that lead to greater efficiency.

Response to Recommended Action

Recommended Action #1

Adopt 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 on repeat audit findings
Report DUE: 45 days before the release of funds (**Pages 3 and 37**)

Response: The Department concurs with this recommendation.

Recommended Action #2

Adopt committee narrative requesting updated data on hospital stays for youths in out-of-home placements.
Report DUE: December 1, 2022 (**Pages 3, 37 and 38**)

Response: The Department concurs with this recommendation.

Recommended Action #3

Adopt committee narrative requesting update on the implementation of the Family First Prevention Services Act.
Report DUE: December 31, 2022 (**Pages 3 and 38**)

Response: The Department concurs with this recommendation.

Recommended Action #4

Adopt committee narrative requesting update on the implementation of a new provider rate structure
Report DUE: December 31, 2022 (**Pages 3 and 39**)

Response: The Department concurs with this recommendation.

Recommended Action #5

Add language restricting general funds in Foster Care Maintenance Payments to that purpose only
(**Pages 3 and 39**)

Response: The Department concurs with this recommendation.

Recommended Action #6

Add language restricting general funds in Child Welfare Services to that purpose.
(**Pages 3 and 39**)

Response: The Department concurs with this recommendation.

Recommended Action #7

Adopt committee narrative requesting updated data on Child Welfare League of America caseload standards.
Report DUE: December 31, 2022 (**Pages 3, 40 and 41**)

Response: The Department concurs with this recommendation.



Recommended Action #8

Adopt committee narrative requesting updated data on impacts of the COVID-19 pandemic on foster care removals and child maltreatment reporting. Report DUE: November 1, 2022
(Pages 3 and 41)

Response: The Department concurs with this recommendation.



Response to Audit Findings

Finding #1:

Quality Assurance Program: Although SSA had implemented certain processes to monitor the administration of child welfare program services by the State's LDSS, OLA found they were not necessarily comprehensive or effective. (Page 46)

Corrective Actions Taken: The Department has continued to improve on the quality assurance process to ensure appropriate monitoring of child welfare services across the State. Since the release of the OLA Audit, dated June 2021, SSA has established the Audit Compliance and Quality Improvement (ACQI) unit responsible for monitoring essential tasks related to child welfare and adult services. To effectively monitor the daily work of the local departments, ACQI has implemented several strategies aimed at improving overall compliance with State policy and law. These have included weekly monitoring reports provided to local jurisdictions, four rounds of one-on-one audit compliance monitoring meetings with all 24 local Departments to-date, the implementation of a new state wide quality assurance monitoring tool (QA Tool), and ongoing technical assistance as needed for quality improvement with individual Departments. Through this new unit, the State has improved compliance in several areas related to safety, permanency, and wellbeing of the youth and families served.

Finding #2:

Monitoring Compliance with Foster Care Requirements: SSA had not established effective monitoring of LDSS to ensure that foster care children were placed in the least restrictive environment and received required services. (Page 46)

Corrective Actions Taken: The Department is currently working towards ensuring that all required documentation related to foster youth is within compliance utilizing several strategies. First, a 100% review is in process for all foster youth records to ensure that all required legal documentation is present in CJAMS in accordance with policy. Second, SSA implemented the QA Tool in December 2021, which is designed to review samples of child welfare records on a quarterly basis for accuracy, and timeliness of documentation. Finally, the data reporting features for CJAMS are continuing to be enhanced for improved accuracy of the reports to support more effective monitoring of the work of local Departments.

Finding #3:

CPS: SSA's monitoring process was not effective for both ensuring timeliness of child abuse and neglect investigations and for the required assessments of substance-exposed newborns conducted by LDSS. (Page 46)

Corrective Actions Taken: The Department has increased monitoring efforts related to CPS timeframes using the newly established ACQI unit. ACQI provides local Department leadership with weekly point-in-time audit reports. These reports include a focus on CPS timeframes, in addition to, compliance reports for other areas of child welfare services. Using these reports, ACQI follows up with jurisdictions in accordance with the new Local Support and Assistance SOP to improve jurisdictions compliance with policy and regulation. Depending on severity of non-



compliance, the Office of Programs leadership, as well as, DHS/SSA leadership attend follow up meetings with Local Departments to provide support and guidance as needed.

Finding #4:

CPS: SSA lacked adequate controls to ensure that LDSS were immediately notified of children born to individuals who previously had their parental rights terminated for abuse or neglect. (Page 46)

Corrective Actions Taken: Department leadership has enhanced the monitoring process related to notifying local Departments of children born to individuals who previously had the parental rights terminated for abuse or neglect. These enhancements include, bi-weekly supervisory oversight meetings between CPS leadership and CPS data analysts, improved matching procedures to more accurately identify children born to parents that had their rights terminated, and improved communication with local Departments to ensure timely assessments of these vulnerable children. In addition to CPS program enhancements, ACQI performs monthly audit queries related to compliance for these cases. ACQI follows up with CPS programs to discuss the findings of the queries, and recommendations for improvement. Finally, the CJAMS data reporting system is being enhanced to more accurately monitor these cases.

Finding #5:

Federal Funds: SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations and had not conducted quality assurance reviews; both of which resulted in a potential loss of federal funds. (Page 46)

Corrective Actions Taken: The Department is in the process of completing a 100% review of the records of all children in foster care to ensure Title IV-E eligibility determinations and redeterminations have been completed appropriately. This review will be complete by June 2022. In addition, a rules engine has been implemented in CJAMS for Title-IV E determinations to improve accuracy for all current and future entries into care.

Finding #7:

Foster Care, Adoption, and Guardianship Payments: SSA had not established procedures to ensure that adoption assistance payments funded entirely by the State were suspended when an adopted child was removed from the adoptive home. (Page 46)

Corrective Actions Taken: The Department has enhanced procedures to ensure compliance as recommended. Specifically, DHS has implemented an automatic “flag” in CJAMS in September 2021 for all children re-entering foster care from adoptive placements. This flag is used to initiate the process to notify families of pending adoption assistance payment suspensions and to ensure timely suspension of payments. The SSA permanency unit monitors these suspensions and ACQI performs monthly reviews to ensure timely suspension of payments.

Finding #8:

Interagency Agreements: SSA did not ensure that payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements. (Page 46)

Corrective Actions Taken: The Department continues to effectively enhance implemented processes to mitigate conditions identified in the audit finding analysis ensuring the priority of State university invoices. To strengthen corrective actions already taken, controls over the review and processing of related invoices are being enhanced. The Inter-Agency Agreement template was changed to ensure that language was included reflecting recommendations from the OLA Auditors. The revised template has been used since September 2021. The Department has issued and trained staff on the SOP for monitoring contracts and approving invoices.