

Maryland Department of Human Services (DHS)

Senate Budget and Taxation Committee
Health and Human Services
Senator Cory McCray
February 15, 2024

House Appropriations Committee
Health and Social Services
Delegate Emily Shetty
February 14, 2024

Honorable Chair and Members of the Subcommittee, my name is Rafael López, and I serve as the Secretary of the Maryland Department of Human Services (DHS). On behalf of our department, I thank Governor Moore, Lieutenant Governor Miller, the Department of Budget and Management (DBM), and the Budget Committees for their support. We are also grateful to the Department of Legislative Services Analyst Tonya Zimmerman for her assistance leading up to today's hearing. Joining me at the table are Principal Deputy Secretary Carnitra White, and Acting Chief Financial Officer Kirill Reznik. We have senior members of our leadership team, including Acting Executive Director of the Family Investment Administration, Augustin Ntabaganyimana, and directors of our local departments of social services present in the audience as well.

The Family Investment Administration (FIA) is the largest service program within DHS, accounting for 67% of the Department's \$4.1 billion budget and serves an average of 943,000 Marylanders annually. The FIA team administers federal economic assistance programs that ensure seniors don't have to choose between buying medicine they need and paying their rent. We help struggling families put food on the table. We help keep children in their homes. We foster meaningful connections to workforce development and career opportunities, so Maryland does not continue to leave potential on the table. And we serve to unlock opportunities for Marylanders, particularly in communities that are underestimated and underserved.

Together, these programs make it possible for us to deliver on Governor Moore's goal of ending childhood poverty in Maryland. But we cannot win the decade if one in eight Maryland children are currently living at or below the poverty line. Allowing poverty to thrive is a choice, and good policies can help break cycles of hardship. Fighting poverty isn't just a moral good, it's a strategic imperative. Each day we choose to ignore poverty in our neighborhoods is another day we pick stasis over leadership – for our children and our state. This administration will not choose between doing good and being effective. We can, and we will, do both.



During the past year, we found:

- Prior to this administration, the pleas of Marylanders whose food and cash benefits were stolen by thieves went unanswered.
- A Summer SNAP program that served only 90,571 children in fourteen jurisdictions.
- Fractured and antagonistic relationships between DHS and the state's human services community partners.
- No clear strategies to provide education, training, and support for Marylanders experiencing economic insecurity.
- Record high rates of SNAP payment errors as a result of the struggles the department experienced responding to the COVID-19 public health emergency resulting in Maryland having the second highest error rate in the nation.
- Significant technological and customer services issues with MD THINK that impacted how Marylanders accessed basic services.

Over the past nine months, we have:

- Replaced over \$20 million in stolen benefits to over 31,000 Maryland households while adding new EBT card security features to help customers protect their benefits from thieves, becoming the first state in the nation to do so.
- Sought to expand benefits provided under the Maryland Summer SNAP Act to serve all eligible children across the state. Building on the state's investment in Summer SNAP, we will draw \$69 million in federal funds per year to feed 500,000 Maryland children during the summer of 2024.
- Received \$6 million in new federal funding to support outreach efforts provided by community partners.
- Launched planning efforts to expand SNAP Education & Training programs in communities that have been underestimated, undervalued, and underserved, particularly in Eastern and Western Maryland.
- Implemented corrective actions that will mitigate payment errors and ensure timely and accurate SNAP payments for all customers.
- Simplified the home energy program application and prioritized emergency applications for households at risk of experiencing a utility shutoff.
- Built capacity in communities to support immigrants and asylees.
- Partnered with Code for America, a nationwide leader in bringing human-centered design to government services, to make significant design improvements to the MD THINK consumer website so Marylanders can get the help they need with greater ease.

In 2024, we will:

- Strive to be among the first states in the nation to use chipped EBT cards to secure people's benefits.
- Provide summer food benefits to all children eligible for free and price reduced school meals, including those not currently enrolled in SNAP.
- Visit all OHEP offices across the state to learn first-hand the challenges that Marylanders face applying for assistance. We will streamline how Marylanders access the help they need when they need it most.
- Drive down the SNAP Payment Error Rate and avoid costly federal penalties for noncompliance.
- Continue bolstering our support for immigrant communities and those who support them by providing direct services.
- Continue to modernize MDTHINK to be mobile friendly and connected to universal access to benefits across agencies.

The Moore-Miller Administration is deeply committed to lifting 160,000 children up rungs on the economic ladder by ending child poverty in the state of Maryland. We are thrilled to take up the ENOUGH Act (HB 694 / SB 482 of 2024) as a governing philosophy. We will name the ENOUGH Act as a priority within our department. We will address, with strategic policy solutions and the creation of new community partnerships, how we will contribute to a healthier and more economically secure Maryland.

Members of our Family Investment Administration team are truly "frontline workers" in the assault on poverty. To do this work well, we must hold ourselves accountable to a new standard of excellence for world class customer service, and proactively lift up the talent of our nearly 6,000 team members across our department and within each of the 24 local departments of social services.

For too long, we've asked our DHS team members to fight with their hands tied behind their backs. For too long, DHS has lacked a sound strategy for the appropriate use of federal funding to reimagine how the state proactively responds to poverty. We must change DHS culture from reacting to poverty to aggressively drawing down every single federal dollar as part of our comprehensive approach to building partnerships with communities, philanthropy, the social sector, and the private sector. We must accelerate how we rapidly prototype change at the local level as Marylanders deserve nothing less. Our FY25 Family Investment Administration budget request is a roadmap to how we'll begin to achieve these goals.

We have a ton of work ahead and stand ready to work with you to deliver bold investments in a fiscally responsible way to make this Maryland's decade.

Responses to DLS Analysis

1. **DHS should comment on efforts that it has taken and plans to take to improve application processing timeliness for TCA and TDAP. (Page 10)**

DHS Response: The Department of Human Services (DHS) and its 24 Local Departments of Social Services (LDSS) are required to monitor weekly application compliance status reports. The DHS state office, via the Family Investment Administration (FIA), monitors the LDSS application compliance on an ongoing basis.

- DHS monitors the following key performance metrics at the jurisdiction level: timely approvals, denials, and the average days it takes the department to make eligibility decisions. DHS also performs an in-depth office analysis for the jurisdiction's leadership to assist with planning, technical training needs, and resource allocation.
- When a jurisdiction does not meet the expected weekly 96% compliance standard in any given week, DHS immediately contacts the local department leadership of the Family Investment Division of the jurisdiction in writing.
 - The email outlines the current application compliance rate and the period in question. The email includes a request for an explanation from the jurisdiction's perspective of the systemic issues that resulted in the unfavorable outcome. The email also provides access to a form to capture the application compliance feedback provided by the local department.
- The jurisdiction receives Technical Assistance and support to mitigate future issues. The jurisdiction is required to respond with its plan to avoid repeated non-compliant performance within 48 hours of receipt.
- When a jurisdiction fails to meet the expected monthly 96% compliance standard twice (2 times) within six months, a Corrective Action Plan is required, and an on-site visit is scheduled.
- There are three visits scheduled: *Observation, Brainstorming Session, and a Final Report* which includes a revised business plan that incorporates the results of the analytics, recommendations, and approved new processes.
- The jurisdiction has a 60-day window to execute the revised business plan before the progress is evaluated.
- If a jurisdiction does not meet the expected monthly 96% compliance standard three times or more within six months, the jurisdiction will be required to participate in Non-Compliance Mitigation Sessions.
- The department has temporarily waived interviews to reduce administrative burden and improve timeliness. The waiver will remain in place until May 31, 2024.

DHS is also improving Application Processing Timeliness (APT) rate in 2024 by:

- a. Implementing workload sharing so that if a particular jurisdiction is behind in their processing, the workload would be assigned to jurisdictions who are ahead in their processing.
- b. Focusing case managers on processing applications. DHS was approved for a new call center at the January 31, 2024 Board of Public Works Meeting to fully transition by August 2024. DHS is in the process of requesting a waiver from the federal government to allow call center agents to perform certain functions typically completed by a case manager. We expect that call center agents will be able to help customers schedule interviews, update customer addresses and phone numbers, pursue missing information, screen for eligibility, and much more. The purpose of the waiver is to reduce the burden on case managers so that they can focus on processing applications.
- c. DHS is implementing a new software appointment scheduling tool on the MDTHINK platform by summer 2024, called QLess, that is expected to dramatically decrease the number of missed appointments and application interviews, and lower the application processing time.

2. *DHS should comment on the cause of increases in TDAP denial rates since May 2023. (Page 12)*

DHS Response: During the pandemic, TDAP applicants were allowed to self-attest their disability and the requirement to provide a medical document of disability was waived. Since the end of the federal COVID-19 public health emergency declaration, and associated federal flexibilities, DHS resumed normal program requirements. Therefore, COVID-era cases that would not have been denied for lack of medical documentation are now subject to such denial.

3. *DHS should comment on efforts that it is taking to reduce case closures due to failure to provide verifications. (Page 16)*

DHS Response: Missed interviews is among the top three reasons for denial and for the time it takes to reduce case closures. Cases remain pending for up to 45 days after an application is begun, so missed interviews and missing supporting documentation result in case closures (either approved or denied) that remain pending for extended periods of time.

The department recently secured a partnership with QLess to develop an appointment scheduling system on the MDTHINK Consumer Portal (CP) for the first time. With this functionality, customers will be able to schedule and reschedule appointments on their own. This functionality will significantly improve compliance with interview requirements and thereby decrease the rate of denial for missed interviews.

The other top two denial reasons are individuals over income and failure to provide documentation to demonstrate eligibility.

4. *DHS should comment on its outreach efforts to recipients and other potentially eligible individuals to ensure that they are aware of the program and requirements to recertify for benefits. (Page 21)*

DHS Response: DHS partners with 31 community-based organizations (CBOs) that conduct outreach to help enroll families in SNAP and Cash assistance programs for which they are eligible. These organizations play a vital role by providing application support and ensuring that households that are due to renew their benefits maintain eligibility. The CBOs helped 21,766 households submit an application or renew their benefits last year.

In addition to the support provided by CBOs, DHS issued at least two case renewal notices to each customer; these include an initial notice and a reminder notice. The initial notice is sent to customers at least 60 days before the renewal date. If the customer has not submitted the renewal application and related documentation, a reminder notice is sent to customers 15 days before the renewal date.

DHS partners with Benefits Data Trust, one of our outreach partners, to text customers with a pending renewal. The department sends an initial text message and several follow up texts depending on the status of the renewal application.

5. *DHS should discuss why these funds did not revert as required. (Page 22)*

DHS Response: As noted by the analyst, at FY2023 year-end close DHS reported a total of \$43.5 million expenditures, of which \$35 million were funded with DPA funds and the remaining \$8.5 million were funded with Interim Assistance Reimbursement and Child Support Offset. The offset of other benefit costs in fiscal 2023 were funded with the Interim Assistance Reimbursement and Child Support Offset. DHS reverted \$173,212 from these two funds.

6. *DLS recommends reducing the federal funds for SNAP by \$200 million to better align with anticipated spending while leaving a surplus in the event of unexpected caseload growth. (Page 34)*

DHS Response: DHS agrees with the DLS recommendation.

7. *DHS should discuss how it will fully fund salary and wages in fiscal 2025, given the higher relative budgeted turnover compared to vacant positions if the current vacancy levels continue. (Page 35)*

DHS Response: As noted by the analyst, consistent with the Governor's Rebuilding State Government initiative, DHS made substantial progress toward filling vacancies, not just within FIA, but throughout the Department. In preparation for our budget submission for FY25, we completed a salary analysis which revealed underfunding of salaries at about an 8.5% vacancy rate. To address this concern, the Governor allotted an additional \$19,015,079. This requested allocation was included in the DHS FY25 budget and will allow the Department to continue to reduce vacancies while maintaining funding for salaries.

8. ***DHS should discuss the status of its Interim and Final Plans of Operations, any initial allocation of administrative funds that it has received, other preparations that it is making to implement the program, and how it is working with the Maryland State Department of Education to ensure that the State will be ready to provide benefits for summer 2024. (Page 43)***

DHS Response: The U.S. Department of Agriculture's Food and Nutrition Service requires that Maryland submit its proposed plan of implementation by February 15, 2024. DHS is working with MSDE to ensure that an estimated 500,000 Maryland school children receive these benefits beginning in June 2024. For more information, please see DHS's departmental bill on this subject: [HB183 / SB 213 \(2024\)](#). Our testimony is **attached**.

9. ***DLS recommends adding language to transfer the funds to administer the Summer EBT program to the Local Family Investment Program, a program more suited to administration of benefits. In addition, DLS recommends deleting the special funds, which will not be needed given there is no funding for the State share. (Page 45)***

DHS Response: The \$1.6 million placeholder for local match (special funds) is necessary to implement existing State law for the Summer SNAP program. If the General Assembly passes HB 183/SB 213 (2024) and corresponding appropriation in the State Budget, the new Summer EBT program will not require a local match that is represented by the Special Funds allocation.

DHS disagrees with the DLS recommendation for transferring the funds to the Local Family Investment Program. The funds should be maintained in the current program to provide more flexibility in program administration. Unlike the current state SNAP program, the federal program gives states flexibility in how they administer summer EBT. Our approach will include a combination of local and state office staff.

10. ***Due to the lower estimated costs, DLS recommends reducing general funds for benefits replacement by \$7.5 million, which would leave excess funding in the event that costs rise. (Page 48)***

DHS Response: DHS disagrees with this recommendation. We are working with Delegate Robbyn Lewis on a bill that protects the state's fiscal investment through SB 2 (2023). Currently, DHS has been advised by the Office of Attorney General that SB 2 (2023) creates an unfunded mandate on DHS to replace benefits even if there is no appropriated funding.

DHS' latest operational guidance is the [Action Transmittal \(attached\)](#). The number of Stolen EBT benefits reports fluctuated since the department started replacing benefits in March 2023. Cutting the program budget at this time would cause a significant risk to state general funds should the benefit replacement exceed projections and federal funding expire on September 30, 2024.

11. DHS should comment on additional steps being taken to reduce incidents of EBT theft. (Page 49)

DHS Response: Please see pages 2-4 of our [EBT Card - Theft of Benefits Report](#) (**attached**), pursuant to Human Services Article § 5 - 609, submitted on December 8, 2023. As noted in the DLS Analysis, additional protective steps are being incorporated into the request for proposals for a new EBT system contract.

12. DHS should comment on outreach efforts to those potentially impacted by the ABAWD requirements at the end of the PHE and as the requirements have changed to explain the requirements and how to maintain benefits. (Page 51)

DHS Response: Maryland resumed Able Bodied Adult Without Dependents (ABAWD) requirements on July 1, 2023 after a three year pause due to the flexibilities provided during the federal COVID-19 public health emergency. The federal Fiscal Responsibility Act (FRA) authorized new exceptions for veterans, former foster care youth, and individuals experiencing homelessness. FRA also expanded ABAWD requirements to individuals age 50 (effective September 1, 2023), age 52 (effective October 1, 2023) and age 54 (effective October 1, 2024).

The department sends notices to households newly subjected to ABAWD requirements. The notices explain the requirements and provide a list of steps that the customer may take to meet the requirements or request an exemption, if appropriate.

The department is taking other measures to support ABAWDs. The United States Department of Agriculture Food and Nutrition Service (FNS) approved Maryland's request to waive ABAWD time-limits in five jurisdictions including Baltimore City, Prince George's County, Somerset County, Wicomico County, and Worcester County. The waiver is in effect from July 1, 2023 through June 30, 2024. Nearly 50% of ABAWDs live within the waived jurisdictions.

DHS has been using discretionary ABAWD slots to maintain SNAP eligibility for ABAWDs in non-exempted jurisdictions. The department continues to use discretionary slots and has not closed any SNAP households for failure to meet ABAWD requirements.

13. DHS should discuss whether it expects to apply to participate in the pilot and its readiness to implement the new measures of work outcomes. (Page 55)

DHS Response: DHS awaits the release of the federal TANF pilot program instructions and application, anticipated in Spring 2024. DHS provided comments (**attached**) on the ACF request for information.

DHS Response to Recommended Actions:

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

, 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 programs N00G00.01 Foster Care Maintenance Payments or N00G00.03 Child Welfare Services for the purpose of replacing federal Temporary Assistance for Needy Families fund spending and to program N00G00.02 Local Family Investment Program for the purpose of transferring administrative spending for the Summer Electronic Benefits Transfer program. Funds not expended shall revert to the General Fund.

DHS Response: DHS concurs with the DLS recommendation.

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

Further provided that \$9,000,000 of this appropriation made for the of administrative expenses for the Summer Electronic Benefits Transfer (EBT) program may not be expended for that purpose but instead may be transferred by budget amendment to program N00G00.02 Local Family Investment Program to be used only for administrative expenses for the Summer EBT program. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

DHS Response: DHS disagrees with the transfer to the Local Family Investment Program for the reasons stated above in response #9.

3. Reduce funding for replacement benefits due to Electronic Benefit Transfer theft for cash benefit replacement due to lower estimated spending. The fiscal 2025 allowance includes \$15.4 million in general funds for replacement of cash benefits. Based on caseload trends, less than \$5.0 million is projected to be needed. A reduction of \$7.5 million would still allow for growth over current trends.

DHS Response: DHS disagrees for the reasons stated above in response in #10.

4. Reduce special funds representing the estimated local match for the Summer Supplemental Nutrition Assistance Program for Children program (\$1,555,692 SF). Although this level of local match is consistent with recent experience, the Department of Human Services indicates that the general funds budgeted in this program are instead intended for administrative costs for the federal Summer Electronic Benefits Transfer program, which does not require a local match. Therefore, these funds are not expected to be received or expended.

DHS Response: DHS notes that reducing these special funds makes sense only if HB 183 / SB 213 and the corresponding appropriation are passed by the General Assembly.

5. **Add the following language to the federal fund appropriation:**

, provided that \$9,000,000 of this appropriation made for the purpose of administrative expenses for the Summer Electronic Benefits Transfer (EBT) program may not be expended for that purpose but instead may be transferred by budget amendment to program N00G00.02 – Local Family Investment Program to be used only for administrative expenses for the Summer EBT program. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

DHS Response: DHS disagrees with the transfer to the Local Family Investment Program for the reasons stated above.

6. **Reduce federal funds (\$200,000,000) in the Supplemental Nutrition Assistance Program (SNAP) based on lower estimated average benefits. The fiscal 2025 allowance includes \$2.06 billion for SNAP benefits. Although the average number of cases is projected to be higher than what is assumed in the fiscal 2025 allowance, the average benefit is expected to be substantially lower based on recent experience. The fiscal 2025 allowance anticipates an average monthly benefit of approximately \$488 compared to an estimated average of \$342 based on recent experience and anticipated inflationary increases. This reduction would leave anticipated surplus in the event that benefits or caseloads are higher than anticipated.**

DHS Response: DHS concurs with the DLS recommendation.

7. **Adopt the following narrative:**

Application Processing Times, Application Denials, and Case Closures: The committees remain interested in tracking the timeliness of application processing as well as the reason for denials and case closures. The committees request that the Department of Human Services (DHS) submit quarterly reports that contain:

- ***the number of applications processed by benefit type for Temporary Cash Assistance (TCA), Supplemental Nutrition Assistance Program (SNAP), and Temporary Disability Assistance Program (TDAP) separately by month;***
- ***the average number of days to process applications by benefit type for TCA, SNAP, and TDAP separately by month;***
- ***the percentage of applications denied by benefit type for TCA, SNAP, and TDAP separately by month;***
- ***the number and percentage of applications denied by reason for denial and by benefit type for TCA, SNAP, and TDAP separately by month;***
- ***the number of case closures by benefit type for TCA, TDAP, and SNAP separately by month; and***
- ***the reasons for case closure by benefit type for TCA, TDAP, and SNAP separately by month.***

The first report should include data for May through July 2024, and each subsequent report should provide data for the appropriate quarter.

DHS Response: DHS concurs and will provide these reports.

8. Summer Food Benefits for Children: *In November 2023, the Department of Human Services (DHS) submitted a Notice of Intent to participate in the new permanent nationwide Summer Electronic Benefit Transfer (EBT) program. This program will provide a benefit of \$40 per month per child for the three months in which children are out of school for those who qualify for free and reduced-price meals or meet certain other eligibility criteria. The committees are interested in monitoring the operation of the program. The committees request that DHS submit a report [due on October 1, 2024] that:*

- *discusses actions taken by DHS to implement the new Summer EBT program;*
- *provides detail on administrative costs of the program;*
- *discusses efforts to work with local education agencies to implement the program;*
- *describes barriers or challenges faced in the implementation of the Summer EBT program; and*
- *provides information on the number of children receiving benefits by jurisdiction and month in the Summer EBT program as well as the dollar amount of benefits provided by jurisdiction and month.*

DHS Response: DHS concurs and will provide this report.

February 8, 2024

Attachment A

The Honorable Pamela Beidle, Chair
Senate Finance Committee
Miller Office Building, 3 East
Annapolis, Maryland 21401

RE: TESTIMONY ON SB0213- HUMAN SERVICES - FOOD SUPPLEMENT PROGRAM (SUMMER SNAP FOR CHILDREN ACT) - POSITION: FAVORABLE WITH AMENDMENTS

Dear Chair Beidle and Members of the Senate Finance Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for consideration of Senate Bill 0213 (SB0213). With offices in every one of Maryland's jurisdictions, DHS helps Marylanders in economic need, provides preventive services, and protects children and adults. The Family Investment Administration (FIA) within DHS administers the Supplemental Nutrition Assistance (SNAP) program which is impacted by SB0213.

Since the bill was enacted in 2019, Summer SNAP for Children has grown from serving 3,923 children in four jurisdictions to 90,571 children in fourteen jurisdictions in 2023. The proposed amendments to Human Service §5-501.1 seek to address certain timelines which do not align with the state's budgeting schedule and the federal SNAP program. The deadlines outlined in the Summer SNAP for Children Act bill present operational challenges to DHS to make sure we serve our customers more seamlessly.

The Act requires DHS to initiate the Summer SNAP application for local jurisdictions in December, which is before local program budgets are determined. Also, in its current form, the Act requires that Summer SNAP benefits be issued 15 days following the dates on which federal SNAP benefits are issued in June through August; and 7 days after the December issuance. In Maryland, SNAP benefits are issued monthly between the 4th and the 23rd, based on the first three letters of the recipient's last name. If DHS follows the schedule stipulated in the Act, some of the Summer SNAP benefits will not be issued in the designated month. This causes unnecessary and burdensome confusion for the customer and puts the agency at risk of audit findings.

We request the partnership of the Committee in amending 5-501.1(G) on page 4 of the bill to state that funding for Summer SNAP for Children is subject to limitations in the State budget, and may be used at the discretion of DHS. Amending 5-501.1(G) is necessary for the continued administration of Summer SNAP for Children. The amendments will build on the progress of the 2023 state Summer SNAP program which enabled local departments of social services to serve the children with the greatest food needs. The amendments give DHS the flexibility to align resources for the state Summer SNAP Program with the new federal Summer EBT Program allowing Maryland to maximize the federal funds to serve an estimated 500,000 school-age children's nutritional needs when they are out of school and unable to rely on free or reduced school meals beginning Summer 2024.



The Department's amendments make the following changes:

On page 2, strike beginning with "3." in line 25 down through "4." in line 29 and substitute "3."; and in line 31, strike "5." and substitute "4.".

On page 3, in line 11, after "plan" insert ", **COORDINATED WITH THE DEPARTMENT,**".

On page 4, strike in their entirety lines 26 through 28, inclusive, and substitute:

"(G) SUBJECT TO THE STATE BUDGET, THE DEPARTMENT MAY USE THE FUNDING THE STATE IS REQUIRED TO PROVIDE UNDER SUBSECTION(B)(1) OF THIS SECTION TO:

(1) PROVIDE FUNDS TO A COUNTY TO SUPPLEMENT BENEFITS; AND

(2) OFFSET ADMINISTRATIVE COSTS OF THE FEDERAL SUMMER ELECTRONIC BENEFIT TRANSFER PROGRAM."

We appreciate the opportunity to submit SB0213 and the Department's amendments to the Committee for consideration during your deliberations. We look forward to working with you and welcome continued collaboration on SB0213.

If you require additional information, please contact Rachel Sledge, Director of Government Affairs, at rachel.sledge@maryland.gov.

In service,



Rafael López
Secretary

Attachment B

 <p>311 West Saratoga Street Baltimore MD 21201</p>	FAMILY INVESTMENT ADMINISTRATION (FIA) ACTION TRANSMITTAL
Control Number: # 24-31	Effective Date: IMMEDIATELY
	Issuance Date: February 6, 2024

TO: LOCAL DEPARTMENTS OF SOCIAL SERVICES (LDSS) DIRECTORS, LDSS DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT, FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF

FROM: AUGUSTIN NTABAGANYIMANA, ACTING EXECUTIVE DIRECTOR



RE: SUPPLEMENTAL INFORMATION REGARDING AT 23-09 RESTORATION OF STOLEN BENEFITS - PHASE III

**PROGRAM AFFECTED: SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
TEMPORARY CASH ASSISTANCE, PUBLIC ASSISTANCE TO ADULTS,
TRANSITIONAL SUPPORT SERVICES, CHILD SUPPORT PASS
THROUGH, TEMPORARY DISABILITY ASSISTANCE PROGRAM,
REFUGEE CASH ASSISTANCE**

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY

On February 24, 2023, the federal government approved Maryland's State Plan to restore Supplemental Nutrition Assistance Program (SNAP) benefits stolen as a result of Electronic Benefit Transfer (EBT) card fraud. The Consolidated Appropriations Act (CAA) 2023 authorizes replacement of stolen SNAP benefits for the period of October 1, 2022, through September 30, 2024. Under the federal program, a household is eligible for a maximum of two replacements in a Federal Fiscal Year (FFY) and must submit their claim(s) for replacement within 45 days of the theft. Under the federal guidelines, the maximum replacement amount may not exceed two (2) times the monthly SNAP allotment issued in the month preceding the fraudulent transaction(s).

The State subsequently identified funding to replace stolen cash benefits to ensure that all households affected by theft might be considered for reimbursement. Federal stolen SNAP replacement and state stolen cash benefit replacement policies were aligned for consistency across programs.

This Action Transmittal (AT) supplements *AT 23-09 Restoration of Stolen Benefits* to expand previous policy guidance regarding the restoration of stolen cash benefits in Maryland. This AT should be used in conjunction with *AT 23-08 Restoration of Stolen Benefits* and *Revised AT 23-09 Restoration of Stolen Benefits* which broadly defines *Phase I and II* EBT Restoration of Stolen Benefits processes.

POLICY

Phase I

On December 29, 2022, President Biden signed the Consolidated Appropriations Act, 2023 (also known as the Omnibus), which includes provisions to replace SNAP benefits stolen as a result of electronic EBT card fraud. The federal program limits stolen benefit replacement based on when theft is reported, the number of claims made, and the total amount of stolen benefits that are eligible for replacement.

Governor Moore's administration created a plan for Maryland to replace stolen SNAP benefits, which was approved by the United States Department of Agriculture Food and Nutrition Service (FNS). In addition, a state plan to replace stolen cash benefits was created.

Phase 2

On April 24, 2023, Governor Moore signed SB2/HB502, which was passed by the Maryland General Assembly authorizing DHS to reimburse stolen cash benefits. The State Stolen Cash Benefits Replacement Program is codified at MD Code Ann., Hum. Servs. § 5-609 and MD Code Ann., Hum. Servs. § 5-610. Under Hum. Servs. Articles § 5-609 and § 5-610 the state program replaces certain benefits not covered under the federal program, including cash benefits stolen between January 1, 2021, and October 1, 2022. The State Stolen Benefits Replacement Program does not have the limitations on replacement required under the federal program.

WHAT IS NEW?

Phase 3

After further consideration, the Department of Human Services (DHS) is broadening the State Stolen Benefits Replacement Program to provide more relief to families affected by EBT theft. Under the Enhanced State Stolen Benefits Replacement Program ("Enhanced State Program"), the Department will restore cash and SNAP benefits not covered by the federal program and stolen after October 1, 2022. The Enhanced State Program will not apply federal program restrictions on when theft must be reported, the number of claims made, or the total amount of stolen benefits that are eligible for replacement.

Under the Enhanced State Program, the following claims are now eligible for a replacement:

- P-EBT benefits stolen after January 1, 2021, **including benefits stolen after October 1, 2022.**
- SNAP benefits not eligible for a replacement under the federal program, including:
 - SNAP claims or transactions reported after the federally required 45-day from the date of theft. SNAP claim amounts over the federal limitation of two times the household's monthly allotment.
 - SNAP claims received after a household has reached the federal maximum of two claims within a federal fiscal year.
- Cash and SNAP benefits stolen as result of the physical theft of an EBT card when, in addition to physical card theft, the customer demonstrates that the Personal Identification Number (PIN) was stolen as well.

Important Note:

Benefits stolen before January 1, 2021, will not be restored under the state or federal replacement programs.

Benefits will be restored if:

- An investigation by a case manager shows a household's benefits were lost due to theft.
- The benefits are eligible for replacement under the federal or state program as described here and/or in *AT 23-09 Restoration of Stolen Benefits*.

PROGRAMS ELIGIBLE FOR REPLACEMENT

- Supplemental Nutrition Assistance Program (SNAP)
- Disaster SNAP (DSNAP)
- Minimum State Supplement (MSS)
- Heat and Eat (H-EAT)
- Summer SNAP
- Temporary Cash Assistance (TCA)
- Transitional Support Services (TSS)
- Child Support Passthrough
- Temporary Disability Assistance Program (TDAP)
- Refugee Cash Assistance (RCA)
- Pandemic EBT (P-EBT)
- Public Assistance to Adults (PAA)

For your reference below, the **EBT STOLEN BENEFITS AT-A-GLANCE** chart provides a side-by-side comparison of the federal Consolidated Appropriations Act 2023, the State Stolen Benefits Replacement Program, and the Enhanced State Program.

Please refer to the newly updated *How-To-Guide: Report EBT Stolen Benefits_V 3.0* providing

instructions for customer submission of the EBT Stolen Benefits Attestation Form and related documentation.

TRAINING UPDATES

Each case manager must be equipped to answer basic questions about the Enhanced State Program replacing stolen cash benefits.

There is a live, statewide online training session on Tuesday, February 6, 2024. The training session will review changes implemented in the Enhanced State Stolen Benefits Replacement Program, and it will outline what is expected for all counties. Written materials will be shared at the end of the session. The written materials and a recording of the training session will be available on the Hub for anyone that missed the live session. Given their respective roles in processing stolen benefits claims, Garrett and Allegany counties received additional training specific to processing cases on February 2, 2024.

There will also be a dedicated webpage that provides information regarding the Enhanced State Program, including *Frequently Asked Questions and Answers*, to further the Department's efforts to educate and support customers.

SYSTEM UPDATES AND CODING BENEFITS IN E&E

New budget codes were added to E&E for replacement of EBT Stolen Benefits.

- **608** - SNAP EBT Stolen Benefits Replacement for HOH <21 years old, settled as Cash.
- **609** - PEFT Fraud Replacement, settled as Cash.

The new codes will be used to replace stolen benefits that were not previously reimbursed under the State Stolen Benefits Replacement Program.

The How-To-Guide: Process an EBT Stolen Benefits Replacement Request in Worker Portal_V.3.0 has been updated with additional instructions. The updates include SNAP and Cash processing steps; federal transactions; denial reasons; differentiation between SNAP and Cash approval reasons; processing existing claims under Phase III; suppressed denial notice for SNAP federal transactions; and identifying SNAP households with children.

Note: We created case examples in the table below to further help you make decisions as you review replacement claims that fall under the Enhanced State Program.

Enhanced EBT Stolen Benefits Incidents	Eligibility Decision	Decision Reason
<p>A customer submitted an EBT Stolen Benefits Attestation Form on February 20, 2024. The benefits were stolen on December 31, 2020. The fraudulent transaction was verified and substantiated in EPPIC.</p>	Deny	<p>The reported incident does not fall within the new replacement eligibility time frame and current authority. Benefits stolen prior to January 1, 2021, are not reimbursable.</p>
<p>A customer submitted a Stolen Benefits Attestation Form on February 25, 2024. The fraudulent transactions occurred December 13, 2023. The customer has already received two replacements within a FFY, the maximum established under the federal SNAP replacement program.</p>	Approve	<p>Although the customer has reached the maximum number of claims a household can receive within a FFY under the federal program, the February 25, 2024, claim is covered under the Enhanced State Program.</p>
<p>A customer submitted a Stolen Benefits Attestation Form on September 5, 2024. The fraudulent transaction occurred on August 13, 2024. The stolen Pandemic EBT (P-EBT) benefit was verified in EPPIC.</p>	Approve	<p>Although P-EBT benefits were not previously replaced, under the Enhanced State Program P-EBT benefits are now eligible for replacement.</p>
<p>A customer submits a Stolen Benefits Attestation Form on February 5, 2024. An investigation by a case manager verifies that the theft occurred on December 2, 2020.</p>	Deny	<p>Although this is a legitimate benefits theft claim, the request for reimbursement cannot be honored because the theft occurred before January 1, 2021, - benefits stolen before this date are not covered under the federal or state program.</p>
<p>On March 2, 2024, a customer submits an EBT Stolen Benefits Attestation Form to claim a reimbursement for stolen SNAP benefits. An investigation by the case manager determines the report is legitimate; however, the customer missed the 45 days reporting requirement under the federal program.</p>	Approve	<p>Although the claim is not eligible for a reimbursement under federal program, the claim should be honored under the state program. The case manager should follow the E&E User Guide to apply the reimbursement to the appropriate state funding code.</p>

RETROACTIVE PAYMENTS FOR CERTAIN CLAIMS PREVIOUSLY DENIED

DHS will replace stolen benefits for claims that were initially denied but are now eligible for a replacement under the enhanced state stolen benefits replacement program. Eligible cases have been identified and will be processed by a case manager. Eligible households will not have to take any action to receive the remaining benefits. Households will receive the retroactive replacement on their existing EBT card by April 30, 2024.

Case managers from Allegany and Garrett counties will review all previously denied claims and transactions to identify the households that are eligible for a retroactive replacement. A case may be eligible for a retroactive replacement of stolen benefits if the claim was previously denied in whole or in part due to the following reasons:

- SNAP benefits not eligible for a replacement under the federal program, including:
 - SNAP claims or transactions reported after the required 45-day from the date of theft.
 - SNAP claim amounts over the two times the household's monthly allotment.
 - SNAP claim received after a household has reached the two maximum claims limit.
 - SNAP benefits stolen between January 1, 2021, and September 30, 2022.
- Cash and SNAP benefit stolen as a result of physically stolen EBT cards and PINs.

Note: A list of attestation claims will be provided to the Allegany and Garrett County processing teams. Each processing team will work on all attestations that are associated with the case assigned to their team.

Case managers should refer to the ***How to Guide: Process an EBT Stolen Benefits Replacement Request in Worker Portal_ V 3.0*** for more detailed processing steps for making an eligibility determination (i.e., approval or denial) of a claim.

- All other jurisdictions must continue to play their roles for outreach, claim form submission support, and ongoing customer service.
- It is everyone's responsibility to refer customers to internal and external sources while they are waiting for a decision on their claims.

Case managers may refer to *AT 23-09 REVISED Restoration of Stolen Benefits* for procedures relative to the EBT Stolen Benefits Attestation Form submission process in E&E.

Note: New stolen benefits claims must first be evaluated for eligibility for replacement using federal funds. If a claim is not eligible for a replacement under federal rules because they were stolen before October 1, 2022, it may be processed under *Phase II/III* replacement instructions below.

EBT STOLEN BENEFITS AT-A-GLANCE

EBT Stolen Benefits Process Post October 1, 2022 Through September 30, 2024 Phase I	State Stolen Benefits Replacement Program Process, Prior to October 1, 2022 Phase II	EBT Enhanced State Program Phase III
Federal Stolen Benefits Replacement Program (Consolidated Appropriations Act, 2023)	State Stolen Benefits Replacement Program	Enhanced State Stolen Benefits Replacement Program
<ul style="list-style-type: none"> ● DHS will observe the federal requirement to limit the number of replacements to two occurrences in a Federal Fiscal Year (FFY). ● DHS must evaluate each claim eligible for replacement under federal rules ● If the claim is ineligible under the federal program it is assessed for eligibility under the state program. <p>The 45-day deadline subject to reporting of benefits stolen prior to October 1, 2022, applies to households eligible for reimbursement under Phase I Implementation.</p>	<ul style="list-style-type: none"> ● DHS will replace benefits stolen prior to October 1, 2022, and between January 1, 2021, - September 30, 2022. <ul style="list-style-type: none"> ○ Allows DHS to restore benefits stolen during the period of January 1, 2021 through October 1, 2022. ○ Unlike the federal program, there is <u>no state program cap</u> on the restoration amount. ○ Under the state program, there is <u>no limit to the number of months</u> in which a household can receive restoration of benefits due to theft. ○ The household will receive 100% of the benefit lost due to theft between January 1, 2021, - September 30, 2022. <p>SB2/HB502: Has a broader definition of “theft” than the federal program, and includes physical theft of an EBT card. Under the federal program, States are only authorized to replace benefits stolen via electronic means.</p> <p>“THEFT” includes: (I) Physical theft of an electronic benefits transfer card; (II) Identity fraud, as defined § 8–301 of the criminal law article; and (III) Theft through skimming practices. If a customer appeals a DHS’ decision, he or she may request her benefits to be restored while awaiting the outcome of a fair hearing.</p> <p>The federal 45-day deadline subject to reporting benefits stolen after October 1, 2022, does not apply to households eligible for reimbursement under Phase II implementation.</p>	<ul style="list-style-type: none"> ● DHS will replace benefits stolen after October 1, 2022, if they are not covered under the federal program. <ul style="list-style-type: none"> ○ SNAP and Cash claims reported after the required 45-day timeframe ○ SNAP and Cash claims in excess of 2 times the household’s monthly allotment ○ SNAP and Cash claims after two replacements in a federal fiscal year. ● DHS will replace P-EBT benefits <p>The Enhanced State Program does not apply the restrictions of the federal program.</p> <p>The Enhanced State Program includes replacing stolen P-EBT benefits.</p> <p>The Enhanced State Program has a broader definition of theft than the federal program and includes physical theft of an EBT card when the PIN is also stolen.</p> <p>SB2/HB502:</p> <p>“THEFT” includes: (I) Physical theft of an electronic benefits transfer card; (II) Identity fraud, as defined § 8–301 of the criminal law article; and (III) Theft through skimming practices.</p>

OVERPAYMENT RECOUPMENT

Under the federal program, if a household loses an appeal and must repay the benefits, the monthly repayment may not exceed 10% or \$10 for Agency/Client Error and/or 20% or \$20 for Intentional Program Violation (IPV) related cases.

Under the State Stolen Benefits Replacement Program, if a household loses an appeal and must repay the benefits, the monthly repayment may not exceed 5% of the household's monthly allotment or \$10, whichever is less.

REFERENCES:

- 23-09 REVISED AT - Restoration of Stolen Benefits.
- 24-06 AT - EBT Fraud Replacement Form Fair Hearing Policy and Procedures
- Maryland State Plan for Replacement of SNAP Benefits.
- Replacement of SNAP Benefits in the Consolidated Appropriation Act of 2023
- SB2/HB502.
- EBT Stolen Benefits Website updates.
- How-To-Guide: Process an EBT Fraud Replacement Request V 0.1 (Internal Use Only).
- How-To-Guide: Process an EBT Fraud Replacement Request V 0.2 (Internal Use Only).
- How-To-Guide: Process an EBT Stolen Benefit Replacement Request V 0.3 (Internal Use Only).
- EBT Manual (Internal Use Only).

INQUIRIES:

Please direct policy questions to FIA Policy by completing the [FIA Policy Information Request Form](#). Montgomery County staff may submit their policy questions via email at fia.policy@maryland.gov. For questions related to E&E, please email fia.bsdm@maryland.gov.

cc: DHS Executive Staff
Constituent Services
DHS Help Desk
FIA Management Staff
Office of Administrative Hearings

Attachment C

ELECTRONIC BENEFITS TRANSFER CARDS - THEFT OF BENEFITS

MARYLAND DEPARTMENT OF HUMAN SERVICES

Complete pursuant to Article – Human Services § 5–609 (f)

December 4, 2023

REPORT REQUIREMENT

This report is hereby submitted in response to the following requirement:

(f) On or before December 1 each year, the Department, in consultation with local law enforcement agencies in the State, shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on:

- (1) the accessibility and security of electronic benefits transfer cards;*
- (2) actions taken to reduce the fraudulent use of electronic benefits transfer cards; and*
- (3) the number of electronic benefits transfer cards reissued due to fraud in the immediately preceding year;*
- (4) the number of households reporting theft of benefits, by jurisdiction and program;*
- (5) the number of households eligible for expedited supplemental nutrition assistance program benefits that reported loss of benefits due to theft, by jurisdiction and program;*
- (6) the total dollar amount of benefits reported lost due to theft, by jurisdiction and program;*
- (7) the number of determinations of theft made by the department, by jurisdiction;*
- (8) the number of determinations made by the department that theft did not occur, by jurisdiction;*
- (9) the number of households reimbursed for benefits lost due to theft and the total dollar amount of benefits restored, by jurisdiction and program;*
- (10) the average and maximum length of time, in days, between the report of theft and the restoration of benefits, by jurisdiction; senate bill 27;*
- (11) the number of hearings requested and the number of households that received a restoration of benefits as an outcome of a hearing, by jurisdiction; and*
- (12) demographic data on households that experienced theft, including race, gender, number of households with children under the age of 18 years, and number of households with a member at least 60 years old.*

Source: Human Services § 5–609 (f)

THE ACCESSIBILITY AND SECURITY OF ELECTRONIC BENEFITS TRANSFER CARDS

Electronic Benefit Transfer (EBT) is the method of payment for Supplemental Nutrition Assistance Programs (SNAP) and Temporary Aid to Needy Families (TANF) benefits. Due to the nature of TANF and its contribution to multiple cash benefit programs, TANF for the remainder of this report will be referred to as “cash”. EBT is accessible to all SNAP and Cash assistance recipients to enable them to use the cards to access their benefits. The cards are widely acceptable at food retailers and general merchandise stores in Maryland and across the nation. EBT cards are relatively safe; the card requires the owner to set a Personal Identification Number (PIN) known only to him/her. To use the card, the user will need the card and the corresponding PIN. Even with this preventative measure in place, fraudsters have managed to hack into the recipients’ accounts, accessing the funds without the customers’ knowledge or consent. The Department has implemented several measures to increase the security of the cards as detailed below.

ACTIONS TAKEN TO REDUCE THE FRAUDULENT USE OF ELECTRONIC BENEFITS TRANSFER CARDS

The Maryland Department of Human Services (DHS) has taken steps to increase outreach and awareness around accessibility and security of EBT Cards. DHS has also taken steps to implement additional security features to give customers more tools to manage how, when, and where their EBT card is used. Below is an overview of the work already done and plans to be implemented in the next few months all geared to help resolve and prevent EBT fraud.

Outreach and Awareness

- MDHS created an EBT Fraud Prevention video to offer tips on how to protect from potential fraud which can be viewed on this link: <https://dhs.maryland.gov/learn-ebt-fraud/>.
- MDHS is communicating with customers by email and social media outreach to ensure that they are aware of this issue and have the tools that are needed to protect their benefits.

DHS has also been working with Conduent, its EBT Contractor, and other stakeholders to enhance EBT Card security. The safety features that the department has implemented so far include: the prevention of easily hacked PINs; Interactive Voice Response (IVR) fraud analysis solution; EBT card lock and unlock; and account activity alerts. The table below provides an overview of each of these features.

Feature and Purpose	Implementation Date	Cost/MD General funds
The (Soft) Easy personal identification number (PIN): This feature forces customers to choose PINs that are harder to guess by fraudsters.	September 29, 2022	\$0

<p>IVR Fraud Analysis: The IVR Adaptive Fraud Solution blocks phone numbers known to have been used by fraudsters from reaching the EBT system. The feature makes it harder for fraudsters to check EBT account balances, change PINs, and other malicious activities.</p>	<p>March 24, 2023</p>	<p>\$20,000 one-time fee. Monthly incremental cost of \$0.012 per IVR call received.</p>
<p>Card Lock and Unlock: With this feature, EBT card holders are able to lock their card on the ConnectEBT App. By locking the card while it is not in use, customers are able to protect their benefits and unlock their cards when they go to purchase food and are ready to pay.</p>	<p>November 8, 2023</p>	<p>\$265,000 one-time fee + \$3,000/month</p>
<p>Activity Alerts: With this feature, clients receive transaction and account activity alerts. Mobile App and web users will be able to opti-in to receive:</p> <ul style="list-style-type: none"> ● New Transaction alert - with these functionality, a customer will receive an alert for every transaction including purchases, returns, deposits, and more. ● Account change alert - with these functionality, a customer will receive an alert for account changes such as address, PIN, password, and others. <p>Customers will receive alerts via the ConnectEBT App, text messages, and email.</p>	<p>November 8, 2023</p>	<p>The cost of this feature was factored into the Card Lock and Unlock feature implementation.</p>

In addition to the features discussed above, Maryland is contracting with Conduent to be among the first states to implement EMV Chip Cards. EMV is a payment method based on a technical standard for smart payment cards and for payment terminals and automated teller machines that can accept them. EMV stands for "Europay, Mastercard, and Visa", the three companies who created the standard. With this technology, EBT cards will be more secure with enhanced security and less risk of being hacked. This project is in the initial implementation stage and will take approximately 18 months to complete.

DHS recognizes technology changes alone will not fully resolve the EBT Fraud analysis. The agency is developing a comprehensive outreach strategy to educate recipients about the available card safety features, offer alternatives, and more secure methods for receiving cash assistance. The outreach campaign includes an EBT Card Lock/Unlock video, which has been posted on the agency website, disseminated to over six hundred thousand MDTHINK users, and shared on various social media platforms. DHS plans to play this video in the waiting rooms of Local Departments of Social Services across the State.

DHS is partnering with CASH Campaign of Maryland to promote BankOn with the goal of ensuring everyone has access to a safe and affordable bank or credit union account. With more access to a bank account, we hope that more customers will opt to have their cash benefits directly deposited, a much safer alternative to EBT cards. DHS and CASH will conduct the BankOn outreach campaign in January through April 2024.

THE NUMBER OF ELECTRONIC BENEFITS TRANSFER CARDS REISSUED DUE TO FRAUD IN THE IMMEDIATELY PRECEDING YEAR

Electronic Payment Processing and Information Control (EPPIC), the EBT management system, does not currently have the ability to track the reason a customer requested a new card. Clients may request a replacement card due to several reasons including: card theft, card lost, card damage, and card malfunction. DHS has requested for the EBT vendor to strategize the possibility of adding a feature that tracks a reason a card is replaced so DHS may be able to provide this data in the future.

THE NUMBER OF HOUSEHOLDS REPORTING THEFT OF BENEFITS, BY JURISDICTION AND PROGRAM

NUMBER OF HOUSEHOLDS REPORTING THEFT OF BENEFITS, BY JURISDICTION AND PROGRAM			
March 1, 2023 - October 31, 2023			
Jurisdiction	Cash	SNAP	Grand Total
ALLEGANY COUNTY	15	89	104
ANNE ARUNDEL COUNTY	213	1,023	1,236
BALTIMORE COUNTY	483	3,205	3,688
CALVERT COUNTY	4	47	51
CAROLINE COUNTY	1	30	31
CARROLL COUNTY	11	164	175
CECIL COUNTY	10	94	104
CHARLES COUNTY	31	186	217
DORCHESTER COUNTY	9	66	75
FREDERICK COUNTY	37	263	300
GARRETT COUNTY	4	24	28
HARFORD COUNTY	91	373	464
HOWARD COUNTY	88	581	669
KENT COUNTY	3	18	21
MONTGOMERY COUNTY	200	1,833	2,033
PRINCE GEORGE'S COUNTY	535	4,198	4,733
QUEEN ANNE'S COUNTY	3	39	42
SAINT MARY'S COUNTY	14	95	109
SOMERSET COUNTY	4	39	43

TALBOT COUNTY	2	43	45
WASHINGTON COUNTY	41	198	239
WICOMICO COUNTY	34	145	179
WORCESTER COUNTY	3	53	56
BALTIMORE CITY	2,667	10,158	12,825
Grand Total	4,503	22,964	27,467

THE NUMBER OF HOUSEHOLDS ELIGIBLE FOR EXPEDITED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS THAT REPORTED LOSS OF BENEFITS DUE TO THEFT, BY JURISDICTION AND PROGRAM

NUMBER OF HOUSEHOLDS ELIGIBLE FOR EXPEDITED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS THAT REPORTED LOSS OF BENEFITS DUE TO THEFT, BY JURISDICTION March 1, 2023 - October 31, 2023	
Jurisdiction	Number of Households
ANNE ARUNDEL COUNTY	21
BALTIMORE COUNTY	66
CALVERT COUNTY	1
CARROLL COUNTY	2
CECIL COUNTY	2
CHARLES COUNTY	6
DORCHESTER COUNTY	1
FREDERICK COUNTY	4
HARFORD COUNTY	4
HOWARD COUNTY	4
KENT COUNTY	2
MONTGOMERY COUNTY	12
PRINCE GEORGE'S COUNTY	55
QUEEN ANNE'S COUNTY	3
SAINT MARY'S COUNTY	2
SOMERSET COUNTY	1
WASHINGTON COUNTY	5
WICOMICO COUNTY	2
BALTIMORE CITY	188
Grand Total	381

THE TOTAL DOLLAR AMOUNT OF BENEFITS REPORTED LOST DUE TO THEFT, BY JURISDICTION AND PROGRAM

TOTAL DOLLAR AMOUNT OF BENEFITS REPORTED LOST DUE TO THEFT, BY JURISDICTION AND PROGRAM			
March 1, 2023 - October 31, 2023			
Jurisdiction	Cash	SNAP	Grand Total
ALLEGANY COUNTY	\$11,937	\$42,734	\$54,671
ANNE ARUNDEL COUNTY	\$300,865	\$658,402	\$959,267
BALTIMORE COUNTY	\$671,462	\$2,083,983	\$2,755,445
CALVERT COUNTY	\$2,835	\$25,609	\$28,444
CAROLINE COUNTY	\$880	\$13,593	\$14,473
CARROLL COUNTY	\$9,692	\$80,352	\$90,044
CECIL COUNTY	\$11,517	\$40,164	\$51,681
CHARLES COUNTY	\$31,956	\$108,056	\$140,012
DORCHESTER COUNTY	\$4,696	\$25,429	\$30,125
FREDERICK COUNTY	\$40,100	\$152,224	\$192,324
GARRETT COUNTY	\$2,254	\$13,953	\$16,207
HARFORD COUNTY	\$91,053	\$206,442	\$297,495
HOWARD COUNTY	\$122,072	\$381,999	\$504,071
KENT COUNTY	\$1,146	\$10,485	\$11,631
MONTGOMERY COUNTY	\$231,157	\$1,072,368	\$1,303,525
PRINCE GEORGE'S COUNTY	\$598,434	\$2,616,775	\$3,215,209
QUEEN ANNE'S COUNTY	\$4,988	\$25,741	\$30,729
SAINT MARY'S COUNTY	\$9,816	\$59,629	\$69,445
SOMERSET COUNTY	\$3,968	\$17,120	\$21,088
TALBOT COUNTY	\$1,508	\$20,736	\$22,244
WASHINGTON COUNTY	\$51,619	\$96,853	\$148,472
WICOMICO COUNTY	\$37,249	\$67,761	\$105,010
WORCESTER COUNTY	\$2,808	\$25,000	\$27,808
BALTIMORE CITY	\$3,218,922	\$5,558,717	\$8,777,639
Grand Total	\$5,462,934	\$13,404,125	\$18,867,059

THE NUMBER OF DETERMINATIONS OF THEFT MADE BY THE DEPARTMENT, BY JURISDICTION

NUMBER OF DETERMINATIONS OF THEFT MADE BY JURISDICTION	
March 1, 2023 - October 31, 2023	
Jurisdiction	Applications Processed
ALLEGANY COUNTY	126
ANNE ARUNDEL COUNTY	1,790
BALTIMORE COUNTY	5,242
CALVERT COUNTY	59
CAROLINE COUNTY	37
CARROLL COUNTY	209
CECIL COUNTY	133
CHARLES COUNTY	294
DORCHESTER COUNTY	88
FREDERICK COUNTY	388
GARRETT COUNTY	38
HARFORD COUNTY	631
HOWARD COUNTY	1,010
KENT COUNTY	24
MONTGOMERY COUNTY	2,654
PRINCE GEORGE'S COUNTY	6,147
QUEEN ANNE'S COUNTY	53
SAINT MARY'S COUNTY	146
SOMERSET COUNTY	49
TALBOT COUNTY	59
WASHINGTON COUNTY	303
WICOMICO COUNTY	250
WORCESTER COUNTY	65
BALTIMORE CITY	18,027
Grand Total	37,822

THE NUMBER OF DETERMINATIONS MADE BY THE DEPARTMENT THAT THEFT DID NOT OCCUR, BY JURISDICTION;

NUMBER OF DETERMINATIONS MADE THAT THEFT DID NOT OCCUR BY JURISDICTION			
March 1, 2023 - October 31, 2023			
Jurisdiction	Denial Reasons for Not a Result of Theft		
	921_Not validated as Stolen	927_Not result of EBT Theft	Total
ALLEGANY COUNTY	8	11	19
ANNE ARUNDEL COUNTY	132	87	219
BALTIMORE COUNTY	348	232	580
CALVERT COUNTY	9	4	13
CAROLINE COUNTY	2	3	5
CARROLL COUNTY	13	11	24
CECIL COUNTY	11	12	23
CHARLES COUNTY	23	25	48
DORCHESTER COUNTY	10	9	19
FREDERICK COUNTY	20	25	45
GARRETT COUNTY	0	3	3
HARFORD COUNTY	55	32	87
HOWARD COUNTY	57	37	94
KENT COUNTY	0	1	1
MONTGOMERY COUNTY	128	113	241
PRINCE GEORGE'S COUNTY	232	212	444
QUEEN ANNE'S COUNTY	2	2	4
SAINT MARY'S COUNTY	11	17	28
SOMERSET COUNTY	5	4	9
TALBOT COUNTY	3	1	4
WASHINGTON COUNTY	34	27	61
WICOMICO COUNTY	38	25	63
WORCESTER COUNTY	6	2	8
BALTIMORE CITY	1,058	786	1,844
Total	2,205	1,681	3,886

THE NUMBER OF HOUSEHOLDS REIMBURSED FOR BENEFITS LOST DUE TO THEFT AND THE TOTAL DOLLAR AMOUNT OF BENEFITS RESTORED, BY JURISDICTION AND PROGRAM

(9) NUMBER OF HOUSEHOLDS REIMBURSED FOR BENEFITS LOST DUE TO THEFT AND THE TOTAL DOLLAR AMOUNT OF BENEFITS RESTORED, BY JURISDICTION AND PROGRAM

March 1, 2023 - October 31, 2023

Jurisdiction	Cash		SNAP		Total Cash and SNAP	
	Number of Households	Replaced Amount	Number of Households	Replaced Amount	Number of Households	Replaced Amount
ALLEGANY COUNTY	13	\$8,630	73	\$33,968	82	\$42,598
ANNE ARUNDEL COUNTY	209	\$202,666	901	\$527,952	1056	\$730,618
BALTIMORE CITY	2,709	\$2,436,671	9,354	\$4,589,232	11510	\$7,025,903
BALTIMORE COUNTY	488	\$488,433	2,830	\$1,730,455	3190	\$2,218,888
CALVERT COUNTY	4	\$2,835	37	\$19,741	40	\$22,576
CAROLINE COUNTY	1	\$160	23	\$10,493	23	\$10,653
CARROLL COUNTY	15	\$9,517	138	\$67,440	146	\$76,957
CECIL COUNTY	11	\$8,606	70	\$27,394	77	\$36,000
CHARLES COUNTY	27	\$19,910	150	\$89,099	169	\$109,009
DORCHESTER COUNTY	7	\$3,796	53	\$22,713	59	\$26,509
FREDERICK COUNTY	34	\$27,950	221	\$126,480	248	\$154,430
GARRETT COUNTY	5	\$2,254	22	\$11,157	24	\$13,411
HARFORD COUNTY	82	\$72,721	324	\$178,511	387	\$251,232
HOWARD COUNTY	81	\$78,228	531	\$339,707	592	\$417,935
KENT COUNTY	3	\$1,146	16	\$9,733	19	\$10,879
MONTGOMERY COUNTY	209	\$200,407	1,653	\$958,089	1811	\$1,158,496
PRINCE GEORGE'S COUNTY	558	\$508,620	3,904	\$2,349,401	4317	\$2,858,021
QUEEN ANNE'S COUNTY	2	\$4,468	35	\$24,597	35	\$29,065
SAINT MARY'S COUNTY	11	\$6,850	69	\$49,389	76	\$56,239
SOMERSET COUNTY	4	\$3,968	33	\$13,678	35	\$17,646
TALBOT COUNTY	3	\$1,048	41	\$17,997	41	\$19,045
WASHINGTON COUNTY	36	\$29,594	154	\$70,924	179	\$100,518
WICOMICO COUNTY	27	\$22,034	115	\$51,547	135	\$73,581
WORCESTER COUNTY	3	\$1,946	46	\$21,149	48	\$23,095
Grand Total	4,542	\$4,142,458	20,793	\$11,340,846	24,299	\$15,483,304

THE AVERAGE AND MAXIMUM LENGTH OF TIME, IN DAYS, BETWEEN THE REPORT OF THEFT AND THE RESTORATION OF BENEFITS, BY JURISDICTION; SENATE BILL 27

(A) AVERAGE LENGTH OF TIME, IN DAYS, BETWEEN THE REPORT OF THEFT AND THE RESTORATION OF BENEFITS, BY JURISDICTION; SENATE BILL 27		
March 1, 2023 - October 31, 2023		
Jurisdiction	Average Days to Decision	
	Assigned to Allegany	Assigned to Garrett
ALLEGANY COUNTY	3	3
ANNE ARUNDEL COUNTY	4	4
BALTIMORE COUNTY	4	4
CALVERT COUNTY	3	4
CAROLINE COUNTY	4	5
CARROLL COUNTY	4	6
CECIL COUNTY	3	3
CHARLES COUNTY	4	6
DORCHESTER COUNTY	3	5
FREDERICK COUNTY	4	4
GARRETT COUNTY	4	3
HARFORD COUNTY	3	5
HOWARD COUNTY	3	4
KENT COUNTY	4	3
MONTGOMERY COUNTY	3	3
PRINCE GEORGE'S COUNTY	3	3
QUEEN ANNE'S COUNTY	4	6
SAINT MARY'S COUNTY	3	5
SOMERSET COUNTY	4	4
TALBOT COUNTY	4	6
WASHINGTON COUNTY	3	5
WICOMICO COUNTY	3	5
WORCESTER COUNTY	4	6
BALTIMORE CITY	3	4
Average Days to Decision	3	4

**(B) MAXIMUM LENGTH OF TIME, IN DAYS, BETWEEN THE REPORT OF THEFT AND THE RESTORATION
OF BENEFITS, BY JURISDICTION; SENATE BILL 27
March 1, 2023 - October 31, 2023**

Jurisdiction	Maximum Days to Decision	
	Assigned to Allegany	Assigned to Garrett
ALLEGANY COUNTY	8	12
ANNE ARUNDEL COUNTY	15	16
BALTIMORE COUNTY	14	16
CALVERT COUNTY	8	11
CAROLINE COUNTY	8	10
CARROLL COUNTY	14	14
CECIL COUNTY	9	13
CHARLES COUNTY	18	13
DORCHESTER COUNTY	8	13
FREDERICK COUNTY	11	13
GARRETT COUNTY	8	10
HARFORD COUNTY	16	15
HOWARD COUNTY	15	13
KENT COUNTY	8	5
MONTGOMERY COUNTY	22	20
PRINCE GEORGE'S COUNTY	18	27
QUEEN ANNE'S COUNTY	9	13
SAINT MARY'S COUNTY	9	14
SOMERSET COUNTY	8	10
TALBOT COUNTY	8	12
WASHINGTON COUNTY	12	13
WICOMICO COUNTY	8	19
WORCESTER COUNTY DSS	10	13
BALTIMORE CITY	36	28
Maximum Days to Decision	36	28
Statewide Maximum Days to Decision	36	

THE NUMBER OF HEARINGS REQUESTED AND THE NUMBER OF HOUSEHOLDS THAT RECEIVED A RESTORATION OF BENEFITS AS AN OUTCOME OF A HEARING, BY JURISDICTION

NUMBER OF HEARINGS REQUESTED AND THE NUMBER OF HOUSEHOLDS THAT RECEIVED A RESTORATION OF BENEFITS AS AN OUTCOME OF A HEARING, BY JURISDICTION March 1, 2023 - October 31, 2023				
Jurisdiction	Hearing Status			Total Hearing Requested
	Approved	Denied	In Progress	
ANNE ARUNDEL COUNTY	2	1	2	5
BALTIMORE COUNTY	2	0	6	8
CARROLL COUNTY	0	2	0	2
CECIL COUNTY	0	0	1	1
FREDERICK COUNTY	1	0	1	2
HARFORD COUNTY	0	0	1	1
HOWARD COUNTY	0	0	1	1
MONTGOMERY COUNTY	2	3	3	8
PRINCE GEORGE'S COUNTY	8	3	7	18
QUEEN ANNE'S COUNTY	1	0	0	1
BALTIMORE CITY	9	6	23	38
Total	25	15	45	85

**DEMOGRAPHIC DATA ON HOUSEHOLDS THAT EXPERIENCED THEFT, INCLUDING RACE, GENDER,
NUMBER OF HOUSEHOLDS WITH CHILDREN UNDER THE AGE OF 18 YEARS, AND NUMBER OF
HOUSEHOLDS WITH A MEMBER AT LEAST 60 YEARS OLD**

(A) Number of Household Members that Experienced Theft by Gender	
March 1, 2023 - October 31, 2023	
Gender	Number of Household Members
Female	46,197
Male	36,441
Unknown/Other	18
Total	82,656
(B) Number of Clients that Experienced Theft by Race	
March 1, 2023 - October 31, 2023	
Race	Number of Household Members
American Indian/Alaskan Native	290
Asian	2,724
Black/African American	51,475
Native Hawaiian/Other Pacific Islander	129
Other	18,384
White	9,654
Total	82,656
(C) Number of Households Members that Experienced Theft by Age Groups	
March 1, 2023 - October 31, 2023	
Age Groups	Number of Household Members
0-17	36,736
18-59	39,411
60+	6,508
Total	82,655

Attachment D

Submitted Electronically

TANFquestions@acf.hhs.gov

Subject: TANF FRA

Re: [RFI: Temporary Assistance for Needy Families \(TANF\) Implementation of Sections 302 and 304 of the Fiscal Responsibility Act of 2023](#)

Document Citation: 88 FR 82902

Document Number: 2023-26100

Comments Due: January 11, 2024

The Maryland Department of Human Services (DHS) appreciates the opportunity to provide comments to the Administration for Children and Families (ACF) on the possibilities for the design and implementation of the new pilot program and work outcomes measures of the Fiscal Responsibility Act of 2023 (FRA) in the Temporary Assistance for Needy Families (TANF) program (88 FR 82902; 2023-26100). DHS operates Maryland's TANF program made up of Temporary Cash Assistance (TCA) and Work Opportunities Program. These programs provide cash assistance to families with dependent children when available resources do not fully address the family's needs as well as prepare program participants for independence through work.

DHS hopes our comments help ACF understand some of the options, opportunities, and potential challenges associated with developing and implementing the pilot program, as well as reporting new statutory work outcomes measures applicable to all states. As Maryland embarks on a first-in-the-nation state level effort to end concentrated poverty, DHS is excited about possibilities for the TANF pilot, as well as new strategies and measures that can be tested to address family poverty. Key pieces addressing family poverty could be facilitated with a TANF pilot in Maryland and everything Maryland can learn from other states that implement a TANF pilot program.

Below please find the perspectives and comments of the Maryland Department of Human Services in response to specific questions asked by ACF.

3.0 Key Questions—Pilot Program

3.1 What are the most important criteria a state should meet for selection into the pilot program, and why? Are there a minimum set of requirements a state should meet to be eligible for a pilot? If so, which ones? Are there aspects of state TANF programs that may increase their likelihood of success as a pilot? Are there aspects of state TANF programs that may impede their likelihood of success as a pilot? For example, if the benefit amounts or caseloads are low, full family sanction and



family cap policies exist, etc. Is there particular past experience or past performance achievement that might be predictive of states' ability to successfully carry out a pilot?

Response:

The most important criterion states should meet for selection into the pilot program is readiness. Pilot states should have the infrastructure in place to capture participant employment and educational data while receiving TANF and after exit. Readiness is critically important because the timeline for launching the pilot is short. To be selected, a state should also have demonstrated experience in establishing partnerships among state and local agencies to leverage all available resources to meet clients' needs. The states should also have services that offer post TANF services (i.e. case management, post employment follow up, referral to additional education and training programs, referral to other economic support programs such as WIC, energy assistance, ect) . A state that already observes progressive policies - those with a focus on long-term outcomes would be a good fit for the pilot.

In addition, the TANF pilot should embrace states that face or have experienced WPR challenges. The pilot is an opportunity to creatively reform family assistance by testing measures and strategies that have not been politically feasible at the national level or have not been fundamental to program implementation including lived and diverse experiences. Including diverse experiences in design, delivery, and measurement allows the pilot to assess the efficacy of interventions in varied contexts. This rich data environment informs broader national reforms because the pilot is more representative. The pilot's temporary WPR waiver provides a vital springboard for states to design family support around what clients and communities say they need for meaningful employment, rather than what the government thinks they need. Struggling states participating in the pilot can leverage the pilot's resources and flexibility to course correct and begin to change the way they think about and support families, not just creative ways to identify and measure outcomes. Moreover, the pilot removes WPR pressures that drive short-term strategies. The pilot provides a laboratory for experimentation, enabling low-WPR states to rapidly test and refine strategies that support families and to test systemic changes that improve state service delivery in the long term. Freed from rigid WPR targets, states can redirect resources from compliance activities to client-centered services and support, empowering participants and boosting employment outcomes. Recovering from past struggles with WPR targets will be a powerful testament to the effectiveness of the pilot's interventions. This success story inspires other states, paving the way for broader adoption of effective practices.

3.2 What factors might influence a state's decision whether to pursue participation in the pilot program?

Response:

A state may be more inclined to pursue pilot participation if it feels that ACF is flexible in its requirements. The more discretion states have for customizing their pilot program design to their specific needs, the more likely they are to apply. States may need more time (i.e 90 days or longer) to develop their applications. It is going to take time for states to establish the partnerships needed to create and implement innovative programs and measures. Over the years, states have passed laws that may enable or hinder their ability to participate in the pilot program. A state that wants to maintain stringent work requirements as a tool to deter customer's participation would not be a good fit for the pilot program.

3.6 What information should be collected about the pilots to help evaluate and explain their level of success? Is there information HHS should collect to help determine how a successful pilot program may be replicated in a different state? Should the pilot program undergo a formal evaluation? If so, what form should it take? Please provide your reasoning.

Response:

HHS should collect information to help determine how a successful pilot program can be replicated. Pilots should have process evaluations and outcome evaluations that include measures and outcomes that are responsive and meaningful to the communities served. HHS should collect data that explains for whom and why the program was successful.

Evaluating the pilot program will be critical to implement improvements to the TANF program nationwide. Pilot programs should have process evaluations that focus on minimum effective standards and an outcome evaluation. Minimum effective standards ensure consistency across states while allowing for customization and innovation. Process evaluations document strategies and lessons learned that are informative for replicating and adapting programs. A comprehensive outcome evaluation, including qualitative and longitudinal elements, provides a nuanced understanding of program effectiveness and potential benefits to vulnerable families. Outcome evaluations also provide information about efficacy that can motivate the adoption or adaptation of pilot strategies. Individual participant data helps us understand diverse experiences and the efficacy of tailored interventions.

Developing and conducting outcome and process evaluations should include people participating in the pilot program. Outcome evaluations should include measures that are important for accountability, and must also include measures that are meaningful to the communities and people the program serves.

Items to consider for a formal evaluation:

- a. Mixed-method approach:
 - i. Combine quantitative data analysis (e.g., outcome metrics) with qualitative research (e.g., interviews, focus groups) to capture multi-dimensional impacts.
 - ii. Assess not only program effectiveness but also participant experiences, unforeseen challenges, and unintended consequences.
- b. Longitudinal design:
 - i. Track outcomes from the starting baseline and over a sufficient period (e.g., the length of the pilot) to assess long-term benefits and sustainability.
 - ii. Allow for adjustments and refinements based on ongoing evaluation findings.

Pilot programs should start with baseline data, and then collect program and client-level progress and outcome data relevant to the strategies they select. An accurate picture of the success of the TANF program can be assessed by collecting data on implementing multigenerational programming (e.g., family support services, intergenerational mentoring), interdepartmental/local collaboration (e.g. the number and types of partnerships with education, healthcare, childcare, etc.), and tracking the pilot's progress on measurable benchmarks to meet specific program standards. Collecting information on how states tailored the pilot to their unique demographics, needs, and existing resources and measuring outcomes related to the specific challenges and goals identified by each state will provide state-specific context and adaptation guidance for other states. An example of client-level progress is to data track demographics, socioeconomic status, family composition, and individual needs/barriers. This will monitor progress toward personal goals and well-being indicators (e.g., employment, income, mental health, family stability).

Formal pilot evaluation processes will set minimum effective standards to ensure consistency across states while also allowing for customization and innovation with programming.

3.7 At what point(s) in the continuum of participation in a program should work and family well-being indicators be measured (e.g., while a family is still receiving assistance, upon exit, two quarters after exit, a year after exit)?

Response:

Work and family well-being indicators should be measured during and after program exit. One of the opportunities that the TANF Pilot program presents is a recognition that success looks different for each customer. While a job with a sustaining wage may be the goal for one individual, learning to speak English may be the goal for another. Participating states should be able to track each individual's progress towards achieving their specific goal.

3.8 What characteristics among pilot states (e.g., programmatic, geographic, economic, demographic) would be most helpful in providing useful and scalable results for TANF administrators and policymakers? What level of diversity among pilot sites (e.g., geographic, size, location) would be most helpful in providing relevant results across states?

Response:

Only up to five states will be awarded the opportunity to participate in the pilot. Characteristics of the pilot states should apply to states across the country. Pilot states should have a diverse client population of a size that is small enough to be workable but large enough to capture generalizable lessons. Pilot states should have urban, suburban, and rural geographies because each geography has different implementation challenges and will have different ways of meeting minimum effective standards.

3.9 In what ways should equity be considered when implementing a pilot? Are there tools or resources needed to promote equity in pilot design, implementation, and evaluation? What factors or data points would you consider important to ensuring equity (avoiding disparate impacts) in the implementation of work and family well-being measures as part of the pilot? How do we ensure that the individual experiences of families that receive TANF cash assistance are considered in the pilot design, implementation, and evaluation?

Response:

Equity considerations should be required when implementing a pilot. Equity considerations should be evident in the design, implementation, and evaluation. At minimum, the design of the pilot program should involve diverse stakeholders including TANF program participants' perspectives. Measures of the pilot program should be specific to challenges faced by subgroups within the TANF population (e.g., single parents, minority groups, and individuals with disabilities) to promote equity. Data analysis should include disaggregated data by relevant demographic factors to identify disparate impacts and adjust the program for greater equity. Implementation of the pilot program should take into consideration accessibility, cultural sensitivity, and transparency. To achieve equity all program components must be accessible to all participants, regardless of their language skills, digital literacy, or physical limitations. This might involve multilingual resources, alternative participation opportunities, and support services. Facilitating on-going

program equity will require staff cultural sensitivity training for all staff; and it's helpful when staff reflect the demographics of the TANF population. Training staff includes training on program models, delivery, and communication that are culturally appropriate and build on the strengths of diverse backgrounds and values. Equity is also reflected in open and clear communication with participants about the pilot's purpose, data collection practices, and how their feedback is used.

ACF can ensure that individual experiences of families are considered in the design, implementation, and evaluation of the pilot by enabling community and program participants to guide outcome metrics that capture local and cultural understandings of well-being. ACF can further consider both quantitative and qualitative data to understand individual experiences. Analyze the pilot's impact on different subgroups to identify any unforeseen disparities and potential unintended consequences. Create opportunities for participants to provide feedback throughout the pilot, allowing them to contribute to program adjustments and improvements.

Possible tools and resources that may be helpful for states:

- A. Racial Equity Tools: <https://www.racialequitytools.org/>
- B. Equity Impact Assessments: <https://health-infobase.canada.ca/health-inequalities/data-tool/>
- C. Cultural Competency Toolkit: <https://minorityhealth.hhs.gov/cultural-and-linguistic-competency>
- D. TANF Data Center:
<https://www.acf.hhs.gov/ofa/programs/temporary-assistance-needy-families-tanf>
- E. National Skills Coalition: <https://nationalskillscoalition.org/>

There are several important factors and data points for equity in work and family well-being measures. First, baseline data: Collect demographic and socioeconomic data (e.g., race, ethnicity, income, family structure, education, employment status) at the outset to understand participant contexts, as well as participant strengths and potential vulnerabilities. This data will then become the state's baseline data. Next, track outcomes like job placement, earnings, and job quality alongside measures of work-life balance, transportation and childcare access, and family well-being. In addition, pilot programs can conduct interviews and focus groups with participants to understand their context, strengths, experiences, challenges, and needs concerning work and family life. Finally, pilots can analyze data by relevant subgroups and identity intersections to identify disparities in program outcomes and adjust interventions accordingly.

Considering individual experiences through participatory research methods, having the ability to tell the TANF recipients' story and collaborative analysis. Employ community-based participatory research methods and qualitative research methods like interviews and focus groups to build in the lived experiences and perspectives of TANF recipients. Encourage participants to share their stories and experiences to gain deeper insights into their strengths, needs, and challenges. Involve TANF recipients in analyzing data and interpreting findings to ensure data quality and interpretative accuracy and so their perspectives are incorporated into program improvements.

4.0 Key Questions—Work Outcomes Measures

4.1 In your experience, what data sources on employment and earnings are most accurate and practical for work outcomes measures similar to those required by the FRA? What do you see as advantages and limitations of matching with the National Directory of New Hires (NDNH) at the federal level, as compared to the State Wage Interchange System (SWIS) or other alternatives? We are particularly interested in understanding the costs, timing, administrative burden, and reliability of different data sources.

Response:

The Maryland Department of Human Services (DHS) partners with The University of Maryland School of Social Work (UMSSW) to track employment data for TANF. The source on employment and earnings used is Unemployment Insurance (UI) data from Maryland Labor. However, UMSSW has a contractual agreement with the University of Baltimore Jacob France Institute which gathers and sends the data to UMSSW. There is a cost associated with this data transfer. Maryland borders several other States such as WV, VA, DE, PA, and Washington D.C. Accessing data on a national level will broaden the reach to capture additional employment data. However, prior research conducted by our partners at UMSSW found that including out-of-state UI-wage data did not substantially affect the percentage of people employed after TANF participation. Nonetheless, the employment percentages in jurisdictions bordering one of the four states and Washington D.C. were substantially impacted by the lack of out-of-state employment data and would benefit from including national sources such as the National Directory of New Hires (NDNH) or State Wage Interchange System (SWIS). It may benefit states to have access to W-2 and 1099 employment data from the IRS. Potentially, giving states greater opportunity to document a portion of self-employment and the gig economy.

4.4 When thinking about exit from the TANF program, what are the most important considerations? In what manner, if any, should the issue of “churn” be addressed? (That is, those cases that cycle off for short periods of time due to causes such as administrative errors, delays in redetermination, or sanctions.)

Response:

Churn should be excluded from the FRA definition of a TANF exit to accurately evaluate employment and high school attainment outcomes. Generally, these households did not intend to make a permanent exit from the program, and they have important differences from households that remain closed for long periods. To exclude churn from FRA measures, the definition of exit can be redefined to exclude short-term exit and return. For example, the TANF exit analysis by the University of Maryland excludes the more than one-third of families who return to the program within the first **two months** of case closure.

In previous years, we defined an exit as a closed case that remained closed for 30 days. This definition was based on a seminal article on welfare leavers in Maryland, which found that cases that closed and reopened quickly often closed due to an adult missing an agency appointment, failing to submit required paperwork by a certain deadline, or some similar issue (Born et al., 2002). Once these issues were resolved, the case reopened, usually without any loss of benefits for the month. Throughout the years, we have analyzed returns to welfare and the unique characteristics of churners. To date, though, we have not produced any reports that demonstrate the findings from the 2002 article still hold.¹

The 2020 University of Maryland analysis finds similar characteristics for cases that close and reopen in one or two months. “Compared to cases that reopen quickly, cases that reopen three or more months after

¹ Source: Hall, L.A., & Passarella, L.L. (2020). Life after welfare: 2020 annual update. University of Maryland School of Social Work, p.3.
<https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-after-welfare/Life-after-Welfare.-2020-Update.pdf?&>

exit are more likely to have closed due to exceeding income thresholds (i.e., they have secured additional income, likely from work).” Therefore, the University of Maryland now defines an exit from the TCA program as a case that closes and remains closed for at least two months. Maryland DHS recommends a definition of exit that aligns with the University of Maryland's research.

Including short-term cycling TANF clients in FRA exit measures would not accurately reflect the employment, earnings, and retention outcomes of TANF clients. To assess FRA outcomes, it is vital to focus first on clients for whom program participation helped to remove barriers, develop skills, or connect to community resources such that they are able and are ready to (re)enter the workforce. A second and separate analysis of the reasons a subset of TANF participants cycle off for short periods can uncover process inefficiencies, and unseen barriers, or identify additional skills and resources needed in the community. We recommend that the definition of exit not include short-term cycling participants.

4.5 We are interested in understanding the timelines involved in reliably reporting and calculating outcome measures. What operational issues affect the timing and availability of data for the work outcomes measures, including TANF caseload, employment and earnings, and education data? For example, what is the earliest turnaround time for reliably reporting that a TANF case has closed? What are the timelines involved in matching and working with employment and earnings data and education data?

Response. There are substantial lags in obtaining Unemployment Insurance (UI)-wage data. First, you must wait for the requested follow-up period to expire, then wait for the UI-wage data to be collected from employers. Preliminary data is generally available 4 months after the end of a quarter (this allows employers the following quarter to submit the information and one month for it to be processed). However, some employers submit data late, so it is recommended that you wait an additional 3 months to obtain more complete data. Preliminary data can be used, but it will be missing employment for some TANF clients who exited.

The table below provides a timeline for the 2nd and 4th quarters after an exit and when the preliminary and updated UI-wage data are available. For example, work-eligible individuals exiting the TANF program in the first quarter of FFY 2024 (October to December 2023) will complete their 2nd quarter after exiting during the 3rd quarter of FFY 2024 (April to June 2024). The preliminary data for the 3rd quarter UI-wage data are available in October 2024 (4 months after the end of the 3rd quarter), and the updated UI-wage

data are available in January 2025 (7 months after the end of the 3rd quarter).

TANF Exit Date	Determine exiters (excluding chummers)	2nd qtr after exit	2nd qtr preliminary data are available	2nd qtr updated data are available	4th Qtr after exit	4th qtr preliminary data are available	4th qtr updated data are available	
FFY 2023	Oct-Dec 2022	Mar 2023	Apr-Jun 2023	Oct 2023	Jan 2024	Oct-Dec 2023	Apr 2024	Jul 2024
	Jan-Mar 2023	June 2023	Jul-Sep 2023	Jan 2024	Apr 2024	Jan-Mar 2024	Jul 2024	Oct 2024
	Apr-Jun 2023	Sep 2023	Oct-Dec 2023	Apr 2024	Jul 2024	Apr-Jun 2024	Oct 2024	Jan 2025
	Jul-Sep 2023	Dec 2023	Jan-Mar 2024	Jul 2024	Oct 2024	Jul-Sep 2024	Jan 2025	Apr 2025
FFY 2024	Oct-Dec 2023	Mar 2024	Apr-Jun 2024	Oct 2024	Jan 2025	Oct-Dec 2024	Apr 2025	Jul 2025
	Jan-Mar 2024	Jun 2024	Jul-Sep 2024	Jan 2025	Apr 2025	Jan-Mar 2025	Jul 2025	Oct 2025
	Apr-Jun 2024	Sep 2024	Oct-Dec 2024	Apr 2025	Jul 2025	Apr-Jun 2025	Oct 2025	Jan 2026
	Jul-Sep 2024	Dec 2024	Jan-Mar 2025	Jul 2025	Oct 2025	Jul-Sep 2025	Jan 2026	Apr 2026
FFY 2025	Oct-Dec 2024	Mar 2025	Apr-Jun 2025	Oct 2025	Jan 2026	Oct-Dec 2025	Apr 2026	Jul 2026
	Jan-Mar 2025	Jun 2025	Jul-Sep 2025	Jan 2026	Apr 2026	Jan-Mar 2026	Jul 2026	Oct 2026
	Apr-Jun 2025	Sep 2025	Oct-Dec 2025	Apr 2026	Jul 2026	Apr-Jun 2026	Oct 2026	Jan 2027
	Jul-Sep 2025	Dec 2025	Jan-Mar 2026	Jul 2026	Oct 2026	Jul-Sep 2026	Jan 2027	Apr 2027

4.6 What factors (e.g., demographic, economic, policy, programmatic) should be considered for presenting the work outcomes measures in context? Are there variables such as state economic conditions that may impact state outcomes and are outside a state TANF program's control?

Response:

Presenting work outcome measures in isolation and not considering context can lead to misleading interpretations. Several factors, inside and outside the control of a state or tribal TANF program, significantly impact work outcomes and should be considered for contextual understanding. Economic, policy, programmatic, demographic, external factors beyond a state's control, and how the data is presented all have an impact on work outcomes. For example, Maryland has a higher minimum wage (\$15/hour) than the federal minimum wage (\$7.25). Higher minimum wages can positively impact the earnings of TANF participants and boost outcomes measured by the amount of income earned. At the same time, \$15/hour is not a family-sustaining wage in Maryland. Thus, while outcomes measured by income earned may appear to demonstrate program success, when the income earned is understood in the context of the cost of living in Maryland the program may not be meeting the long-term needs of participants. Unemployment rates, entry-level job availability in, and regional economic trends affect employment opportunities. As in the example, the cost of living such as differences in housing, transportation, and childcare costs across states affect participant needs and disposable income. Population characteristics such as age, gender, family composition, race, and ethnicity can influence employment opportunities and engagement. Educational attainment such as levels of education and skills directly impact job readiness and earnings potential. Individuals with disabilities or citizens returning from incarceration may face additional barriers to employment. Natural disasters, public health emergencies, government shutdowns, and economic recessions can disrupt employment and have lasting consequences. Strikes, political instability, and civil unrest can temporarily affect job markets and economic performance.

The TANF program design itself must be a consideration of how client participation, time limits, case management practices, and benefit levels can influence work activity and employment outcomes. Available and effective job training, employment placement services, transportation, and childcare assistance can support employment success. Broadband access and infrastructure for connectivity can also be a contributing factor to employment outcomes. TANF programs that integrate access to food assistance, healthcare, and housing support participants' ability to focus on work. Contextual factors will likely vary by geography and demography. At minimum, the contextual factors should be acknowledged as part of the limitations of the data to avoid misinterpretations or overgeneralizations.

4.7 **In what ways should equity be considered when implementing work outcome measures? What are the advantages of and/or possible difficulties associated with reporting data disaggregated by race, ethnicity, gender, age, disability, other demographic characteristics, or geography to enable equity analyses around work outcomes? ^[10]

Response:

When assessing program equity using disaggregating data by demographic characteristics it will be important to consider that disparities in TANF outcomes may be reflecting structural and idiosyncratic inequality and disparities present in the larger community and labor market, rather than disparities in TANF outcomes. Disaggregated outcomes should include data, research, and/or community and individual descriptions of the challenges facing a demographic or intersecting demographics population. For example, perhaps individuals with a disability in the state earn lower wages, on average, regardless of TANF participation. It would be helpful to compare state employment data for the TANF population with disabilities and employment data for non-TANF participants with disabilities.

4.8 What technical assistance or supports would be helpful for collecting data for work outcomes? What obstacles do you foresee and how can ACF and its partners provide assistance to overcome or manage those barriers?

Response:

ACF can develop user-friendly and flexible data collection tools that can be adapted to each state's existing systems and infrastructure including online platforms, surveys, and interview or participatory research guides. In addition, ACF could develop state-based resources and tools tailored to each pilot state's population demographics and existing data systems. For example, Maryland has a high rate of high school graduation (98%) so measuring high school diploma rates would be less informative than an approach customized for Maryland capturing "beyond high school" achievements.

Pilot programs would benefit from training workshops and webinars on effective data collection practices, data quality assurance, and data analysis for state personnel involved in the pilot. In addition, technical assistance with data storage, cleaning, analysis, and interpretation would be useful. This could include access to data analysis software, expertise in statistical methods (particularly for assessing outcomes for small demographic populations that are too often lumped together as "other" or ignored), and support with data visualization and reporting.

ACF can create online knowledge-sharing platforms such as forums or databases where states can share best practices, challenges, and solutions related to data collection for work outcomes.

It would be helpful if ACF assigned dedicated staff liaisons to each participating state. Pilot liaisons would have deep knowledge of the pilot project, technical expertise in data collection, and strong communication skills to:

- Offer ongoing guidance and troubleshooting support.
- Coordinate and drive communication and collaboration among ACF, state agencies, and other pilot partners.
- Facilitate tailored technical assistance based on each state's specific and developing needs and challenges.

We foresee several potential obstacles and have identified some mitigation strategies. First, limited resources and capacity at state agencies is a concern. The dedicated ACF staff liaisons can help states by taking on some of the coordination for collaborative work, identifying opportunities for states to optimize their existing resources, and building long-term state data collection capacity. Another significant concern is how the pilot data collection and measures are integrated with existing state information systems and reporting tools. ACF can collaborate with states to develop standardized data exchange protocols and tools to facilitate seamless integration of new work outcomes data with existing state information systems. Data privacy is an information system-related concern. ACF can address privacy by ensuring pilots have strong data security measures, obtain informed consent from participants, and adhere to all relevant data privacy regulations.

Low TANF participant engagement is a potential obstacle. States can implement targeted outreach and engagement strategies to ensure participant understanding and cooperation in data collection efforts. Typically, when TANF customers gain employment and exit TANF they stop communicating with the agency. Engagement strategies will be critical to ensure TANF customers know about and understand the pilot program and want to participate. Their input and perspective will be invaluable when implementing improvements to the TANF program.

4.9 *Please describe the characteristics of successful partnerships between the public workforce system and the TANF system that support the collection of data for the work outcomes measures required by the FRA?

Response:

Characteristics of successful partnerships between public workforce systems and the TANF system based on our experience in Maryland include: shared goals, effective communication and collaboration, shared expertise and resources, focus on client-centered services, leveraging existing partnerships, and ensuring accountability and data quality. Shared goals include partners having clearly defined, consistent benchmarks and goals for measuring and improving employment outcomes for TANF recipients. Prioritizing data collection and analysis to inform program design, service delivery, and resource allocation are examples of how public workforce systems and TANF systems can partner to improve both systems. Developing a unified data platform for both systems to facilitate seamless data sharing and analysis will eliminate redundancy and inconsistencies. Establishing clear communication channels and protocols for frequent data exchange, progress updates, and joint problem-solving are important when developing partnerships between the two systems.

In a successful partnership, representatives from both TANF and WIOA systems should be engaged in all stages of data collection design, implementation, and evaluation. Collaboration leverages the strengths and expertise of each system, such as the workforce system's connections to employers and the TANF system's understanding of participant needs. When both systems work together to integrate data analysis into case management plans to tailor services and support to each client's specific needs and goals the result will be a more accurate picture of customer progress.

The public workforce system and TANF systems should also work together to involve TANF participants in data collection processes actively, ensure understanding of data use, and incorporate their feedback into program improvements. As both systems collaborate effectively this will eliminate duplicative efforts and cumbersome data collection procedures to provide clients with a seamless and efficient experience across both systems.

Community trust and reach are important characteristics of a successful partnership. There are opportunities for local governments to partner with local agencies to access existing data sources and leverage community resources for job training, childcare, and transportation support. WIOA and TANF systems can partner with community-based and faith-based organizations that have established trust and connections with TANF populations to facilitate outreach, data collection, and support service delivery. A successful WIOA partnership further includes collaborating with local/regional/community colleges to use career assessment tools, training programs, and job placement services for TANF participants. Both TANF and WIOA systems can collaborate to explore partnerships with private employers, industry associations, and non-profit organizations to expand job opportunities and training programs for TANF participants.

Successful collaborations use data insights to identify areas for improvement in both WIOA and TANF systems, and continuously refine data collection processes and service delivery approaches. The public workforce system and TANF system can work together on data including establishing and implementing mutually agreed upon data quality standards, storage, and analysis. An effective partnership can conduct periodic audits and evaluations to ensure data accuracy, completeness, and compliance with reporting requirements.

4.10 Please describe the specific steps for a state to begin collecting and reporting data and their estimated duration. For example, please estimate the timeframe for system changes to generate a list of SSNs of work-eligible individuals who left TANF in a given quarter.

Response:

States that are already able to generate a list of SSNs of work-eligible individuals who left TANF in a given quarter can focus on other system changes such as developing a framework for collecting and reporting educational data.

1. Preparation:

- a. Memorandum of Understanding (MOU) (6-10 months): Given the need for system alignment and potential negotiation complexities, allow longer lead time for MOU agreements with data partners.
- b. Data Sharing Agreements (DSAs) (4-8 months): Allocate additional time for developing and finalizing DSAs, considering the need for tailored data exchange protocols and potential system integration challenges.

- c. Definition of "Exit" and "Exitor" (2 months): Maintain the one-month timeframe for definition clarification with ACF, though acknowledge that operationalizing these definitions within state systems may require additional time during system enhancements.
 - d. State Agency Data Availability & Integration (6-12 months): This crucial step may require significant effort. Expect 6-12 months for assessing data availability, designing integration plans, and implementing system enhancements to align and connect your state's data sources.
 - e. System Enhancements for New Data Use Cases (6-12 months): Given the lack of interoperability among your existing systems, consider a broader range of 6-12 months for developing functionalities like eligibility tracking, metric calculation, and educational data integration.
2. Data Collection and Reporting:
- a. Generating SSN List of Work-Eligible Exiters (Maryland can do this now): Anticipate longer timeframes for extracting and transmitting data to ACF due to system integration challenges and the potential need for manual data manipulation until automation is established.
 - b. Matching & Data Aggregation (4-6 months): Matching data from disparate systems with different languages may require additional time and specialized tools. Allocate 4-6 months for data reconciliation and aggregation.
 - c. Data Reporting & Quality Assurance (4-6 months): Maintain similar timeframes for report development and quality assurance, but acknowledge that ongoing data validation and reconciliation with partner systems may require dedicated resources beyond the initial pilot implementation.

4.11 Are there any other questions or issues related to the work outcomes measures for which you wish to provide comments?

HHS can have an important role in replication and regulatory guidance by developing clear minimum effective standards for key program components. As HHS identifies best practices for multigenerational programming, interdepartmental collaboration, and data collection and offers flexibility within these standards, it will allow states to adapt based on their specific contexts. Creating a repository of pilot program information to showcase state-specific adaptations, successes, and challenges faced can assist with facilitating knowledge sharing and learning sessions across states to avoid reinventing the wheel. Lastly, HHS can offer technical assistance and support by connecting states with experts and resources for effective program design and evaluation.

Thank you again for the opportunity to provide comments to ACF on the possibilities for designing and implementing the new TANF pilot program. As Maryland embarks on a first-in-the-nation state level effort to end concentrated poverty, DHS is excited about possibilities for the TANF pilot, as well as new strategies and measures that can be tested to address family poverty. For too long, communities in Maryland have experienced multi-generational poverty and its consequences, which include less education, employment, and economic opportunities. A TANF pilot that includes local administrative flexibility, including outcomes and measures that are meaningful locally, would align well with Governor Moore's place-based anti-poverty initiative. The Governor's plan would give communities the support and resources they need to identify the root causes of poverty in their neighborhoods and begin to address them. Because poverty does not look the same in every neighborhood, identified Maryland communities

will work with state and local executive agencies, community organizations, non-profits, anchor institutions, and other key community members to build a locally-focused plan of action for addressing poverty. Partnership between the Maryland TANF and WIOA will be critical to supporting the communities. Key pieces addressing family poverty could be facilitated with a TANF pilot in Maryland and everything Maryland can learn from other states that implement a TANF pilot program.

In Service,

Rafael Lopez