

Decision Document

**House Appropriations Committee
Health and Social Services Subcommittee
2025 Session**

D11A0401
Office of the Deaf and Hard of Hearing

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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|--------------------------|----------------------------|------------------------|----------------------|----------------------------|-----------------------------|

1. Concur with Governor's allowance.

Concur.

D12A02
Department of Disabilities

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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1. Concur with Governor's allowance.

Concur.

D26A07
Department of Aging

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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1. Add the following language:

\$2,500,000 in general funds is reduced from the fiscal 2025 appropriation for program D26A07.03 Community Services within the Department of Aging that was made for the purpose of the Senior Care program.

Explanation: This action reduces the fiscal 2025 general fund appropriation for the Senior Care program to more closely align with actual spending.

Disagree – uncertainty around continuation of funds has resulted in operational challenges and agencies have already budgeted and planned for expenditure of all Senior Care funding.

D27L00
Maryland Commission on Civil Rights

Amount
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Position
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Agency Response Hearing Notes

House
Decisions

Senate
Decisions

1. Adopt the following narrative:

Concur.

Impact of New Positions on Case Assignment and Backlog Management: The Maryland Commission on Civil Rights (MCCR) has faced persistent challenges in case processing due to staffing limitations, contributing to delays and a backlog of cases awaiting assignment. In response to these issues, 12 new positions (including one contractual conversion) were added to support the agency’s investigative functions and improve case management. The committees request that MCCR submit a report assessing the impact of the additional positions on case assignment and management, including:

- an analysis of changes in case backlog and case assignment timelines following the hiring of the new positions;
- metrics tracking case resolution outcomes, including average processing time, number of cases closed, and proportion of cases resolved within established benchmarks;
- a discussion of operational improvements, including any changes in workflow, investigator caseloads, or coordination with involved parties;
- an update on the status of hiring the new positions, including any challenges encountered in the recruitment process and any ongoing challenges in retaining existing staff; and
- recommendations for further action or resources, if necessary, to sustain or improve progress, including any plans or studies related to staffing levels to ensure sufficient staff moving forward.

D27L00
Maryland Commission on Civil Rights

| | | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
|---|---------------|--------------------------|----------------------------|--------------------------------------|----------------------------|-----------------------------|
| Information Request | Author | | Due Date | | | |
| Report on the impact of new positions on case assignment and backlog management | MCCR | | December 15, 2025 | | | |

D53T00

Maryland Institute for Emergency Medical Services Systems

**Amount
Change**

**Position
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Agency Response Hearing Notes

**House
Decisions**

**Senate
Decisions**

1. Concur with Governor's allowance.

Concur.

D78Y01
Maryland Health Benefit Exchange

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| 1. Reduce funding for general operating expenses. In fiscal 2026, the Maryland Health Benefit Exchange has new positions, which the agency indicates were funded as contractual full-time equivalents in fiscal 2025 within existing resources. As these personnel costs are budgeted with new positions, it is assumed the budgeted expenses from which savings previously were dedicated toward this purpose are not needed. | -\$ 267,761 | GF | | Concur in part – call center costs are significantly higher due to continued Medicaid call impact. Should general funds be reduced by this amount, the agency will accommodate for that in call center reductions. | | |
| 2. Adopt the following narrative: | | | | No response. | | |

Reinsurance Program Costs and Forecasts: The committees are interested in monitoring the costs of the State Reinsurance Program and future funding needs. The committees request that the Maryland Health Benefit Exchange (MHBE) submit a report that provides an updated forecast of spending and funding needs.

| Information Request | Author | Due Date |
|--|---------------|--------------------|
| Reinsurance program costs and forecast | MHBE | September 30, 2025 |

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| 3. Add the following language to the special fund appropriation: <u>, provided that \$13 million of this appropriation made for the purpose of the Young Adult Subsidy program is contingent upon the enactment of legislation that extends the availability of subsidies in the Young Adult Subsidy program into calendar 2026.</u> | | Concur in part – MHBE notes that there is legislation in progress that would effectuate this. |
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Explanation: The fiscal 2026 allowance for Maryland Health Benefit Exchange includes \$26 million for the young adult subsidy program. However, the Young Adult Subsidy program will be terminated on June 30, 2026, with subsidies available only through calendar 2025, unless legislation is enacted extending or removing the termination date of the program. This language makes the appropriation for the young adult subsidy for the second half of the fiscal year contingent on legislation that extends the availability of subsidies under the program into calendar 2026.

M00A01
MDH – Administration

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| <u>Amount</u> <u>Change</u> | <u>Position</u> <u>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House</u> <u>Decisions</u> | <u>Senate</u> <u>Decisions</u> |
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1. Adopt the following narrative:

Concur.

Report on Bed Capacity and Patient Length of Stay at Clifton T. Perkins Hospital Center (Perkins): Perkins is a State-owned maximum-security hospital center that houses and treats individuals court-ordered to seek treatment with the Maryland Department of Health (MDH). Several concerning patient and staff safety issues at the facility in calendar 2024 led to the dismissal of multiple employees in leadership positions. As of December 31, 2024, the facility carried a vacancy rate of more than 25%. In addition, MDH continues to receive increased numbers of commitment orders, and there is a dearth of appropriate beds to place patients ready for discharge. To better understand the extent to which Perkins can meet the needs of this population in Maryland, the committees request that MDH submit a report with data as of June 30, 2025. The report should include:

- number of total beds at Perkins;
- number of staffed beds at Perkins;
- number of occupied beds at Perkins;
- reasons for unoccupied beds;
- average (mean) length of stay, in days, of patient population each year since fiscal 2018;
- average (median) length of stay, in days, of patient population each year since fiscal 2018;

M00A01
MDH – Administration

Amount **Position** **Agency Response Hearing Notes** **House** **Senate**
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- number of court orders received to place individuals at Perkins each year between fiscal 2018 through 2024;
- description of current organizational oversight of the facilities; and
- description of reporting systems in place at Perkins for staff to express workplace safety concerns and the processes to evaluate and address concerns.

| Information Request | Author | Due Date |
|--|---------------|-----------------|
| Report on bed capacity and patient length of stay at Perkins | MDH | August 1, 2025 |

M00B0103
MDH – Office of Health Care Quality

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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1. Concur with Governor's allowance.

Concur.

M00B0104

MDH – Health Professional Boards and Commissions

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
|---|--------------------------|----------------------------|--------------------------------------|----------------------------|-----------------------------|
| 1. Reduce special funds in the Board of Nursing to address a technical error. | -\$ 6,030,085 | SF | | Concur. | |

M00F
MDH – Public Health Administration

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| 1. | | | | | | |
| <p>Add the following language to the general fund appropriation:</p> <p><u>, provided that \$250,000 of this appropriation is contingent on the fiscal 2027 budget submission including in a separate program from core public health services formula funding all salary adjustments for State employees at local health departments provided since fiscal 2020, including but not limited to cost-of-living adjustments and increments. It is the intent of the General Assembly that beginning in fiscal 2027, the formula growth factors required by statute apply only to core public health services grant funding budgeted in program M00F02.07 from the prior year, exclusive of salary adjustments. The budget committees shall have 45 days from the date of the receipt of the fiscal 2027 budget submission to review and comment. Funds restricted pending submission of the fiscal 2027 budget may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if all salary adjustments for State employees at local health departments provided since fiscal 2020 are not in a separate program.</u></p> <p>Explanation: The statute mandating annual formula growth to the core public health services budget for local health departments (LHD) does not specify what base amount should be used to apply an annual formula growth. As State employee salaries at LHD and core funding are budgeted together as grants, this growth factor has been applied to cost-of-living adjustments and increments in addition to a base of grant funding. This language states the intent of the General Assembly for budgets beginning in fiscal 2027 to apply formula growth factors only to the core grant funding for public health services, exclusive of salary-related adjustments, and restricts funds pending the submission of the fiscal 2027 budget including salary adjustments for State employees at LHD in a separate program from core public health services grant funding.</p> | | | | | | |
| 2. | | | | | | |
| <p>Reduce general funds for Core Public Health Services to eliminate growth from the fiscal 2025 working appropriation level. Per statute, the growth formula does not apply in fiscal 2026.</p> | | | | | | |

M00F03

MDH – Prevention and Health Promotion Administration

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
|--|--------------------------|----------------------------|--------------------------------------|----------------------------|-----------------------------|
| 1. Reduce general funds for tobacco use prevention and enforcement programs to the mandated level of \$18.25 million in total funds established by Chapter 37 of 2021. | -\$ 5,700,000 GF | | Disagree. | | |

M00L
MDH – Behavioral Health Administration

Amount
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Agency Response Hearing Notes

House
Decisions

Senate
Decisions

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

Further provided that \$250,000 of this appropriation made for the purpose of administration may not be expended until the Maryland Department of Health submits three reports to the budget committees on reimbursements to non-Medicaid providers. The reports shall include provider reimbursement spending in M00L01.02 and M00L01.03, separated by service type and by program. The reports should include data through September 1 for the first report, December 31 for the second report, and March 31 for the third report. The data should be provided for fiscal 2026. The first report should also include final fiscal 2025 data by service type separately for M00L01.02 and M00L01.03. The first report shall be submitted by September 30, 2025, the second report by January 10, 2026, and the third report by April 20, 2026, and the budget committees shall have 45 days from the date of the receipt of the third report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Concur in part – MDH proposed including requested information with the submission of other behavioral health services data in the Virtual Data Unit.

Explanation: The committees are interested in better understanding the spending on provider reimbursements by service type for spending outside of the Medicaid Behavioral Health Provider Reimbursements program. This language restricts funds pending submission of three reports on non-Medicaid provider reimbursements

| Information Request | Author | Due Date |
|-----------------------------------|-------------------------------|--|
| Report on provider reimbursements | Maryland Department of Health | September 30, 2025 January 10, 2026 April 20, 2026 |

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

Further provided that these funds are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except

Disagree – MDH does not concur with the restriction to transfer money outside of the named programs.

M00L
MDH – Behavioral Health Administration

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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that funds may be transferred to programs M00L01.03 Community Services for Medicaid State Fund Recipients, M00Q01.03 Medical Care Provider Reimbursements, or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted.

Explanation: This language restricts the entire general fund appropriation for M00L01.02 Community Services for that purpose or for transfer for provider reimbursements in M00L01.03 Community Services for Medicaid State Fund Recipients, M00Q01.03 Medical Care Provider Reimbursements, or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements.

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| 4. Reduce the general fund appropriation for behavioral health investments due to the inclusion of funding for services that are billable to Medicaid. | -\$ 9,900,000 GF | Disagree – MDH explained that these GF expenses are to leverage the Medicaid match. | |
| 5. Delete the appropriation for the 1% provider rate increase in M00L01.02, M00L01.03, and M00Q01.10. | -\$ 8,915,433 GF -\$ 10,547,874 FF | No response – MDH “acknowledges” the recommendation. | |
| 7. Add the following language to the general fund appropriation: <u>, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.02 Community Services, M00Q01.03 Medical Care Provider Reimbursements, or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted.</u> | | Disagree – MDH does not concur with the restriction to transfer money outside of the named programs. | |

Explanation: This language restricts the entire general fund appropriation for provider reimbursements in M00L01.03 Community Services for Medicaid State Fund Recipients for that purpose or for transfer to M00L01.02 Community Services, M00Q01.03 Medical Care Provider Reimbursements, or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements.

M00L
MDH – Behavioral Health Administration

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| <p>8. Add the following language:</p> <p><u>Provided that all appropriations provided for program M00Q01.10 Medicaid Behavioral Health Provider Reimbursements are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.02 Community Services, M00L01.03 Community Services for Medicaid State Fund Recipients, or M00Q01.03 Medical Care Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.</u></p> <p>Explanation: This language restricts funding for provider reimbursements in M00Q01.10 Medical Care Provider Reimbursements to that purpose or for transfer to M00L01.02 Community Services, M00L01.03 Community Services for Medicaid State Fund Recipients, or M00Q01.03 Medical Care Provider Reimbursements.</p> | | | <p>Disagree – MDH does not concur with the restriction to transfer money outside of the named programs.</p> | | |
| <p>9. Add the following language:</p> <p><u>Provided that all fiscal 2025 deficiency appropriations are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.02 Community Services, M00L01.03 Community Services for Medicaid State Fund Recipients, or M00Q01.03 Medical Care Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.</u></p> <p>Explanation: This language restricts the entire general and federal fund deficiency appropriation for provider reimbursements in M00Q01.10 Medical Care Provider Reimbursements to that purpose or for transfer to M00L01.02 Community Services, M00L01.03 Community Services for Medicaid State Fund Recipients, or M00Q01.03 Medical Care Provider Reimbursements.</p> | | | <p>Disagree – MDH does not concur with the restriction to transfer money outside of the named programs.</p> | | |

M00L
MDH – Behavioral Health Administration

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| <p>10. Add the following section:</p> <p><u>\$9,000,000 in general funds is reduced from the fiscal 2025 appropriation for program M00L01.03 Community Services for Medicaid State Fund Recipients within the Behavioral Health Administration that was made for the purpose of provider reimbursements for behavioral health services for the uninsured population.</u></p> <p>Explanation: The fiscal 2025 working appropriation is expected to exceed the level needed for provider reimbursements in this program by \$14.7 million in the fiscal 2025 working appropriation.</p> | | | <p>Disagree – MDH says that BHA’s second quarter projection estimates \$2.1 million deficiency in fiscal 2025.</p> | | |

M00M
MDH – Developmental Disabilities Administration

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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1. Add the following language to the general fund appropriation: Concur.

, provided that \$500,000 of this appropriation made for the purpose of administration may not be expended until the Developmental Disabilities Administration submits a report to the budget committees with all fiscal 2025 closeout budget amendments and reasons for reversions. The report shall also include an update on the total amount of recoupments of bridge payments provided during the Long Term Services and Supports transition, the balance of the accounts receivables reflecting the recoupments, and any spending paid for with accounts receivables.

The report shall be submitted by September 15, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Developmental Disabilities Administration had significant delays in submitting fiscal closeout budget amendments in fiscal 2024, and did not report spending paid for with accounts receivables created for recoupments of bridge payments given in the Long Term Services and Supports transition. The delays in submitting fiscal closeout information presents challenges to understanding agency spending.

| Information Request | Author | Due Date |
|--|-------------------------------|--------------------|
| Fiscal closeout report and budget amendments | Maryland Department of Health | September 15, 2025 |

M00M
MDH – Developmental Disabilities Administration

Amount
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Agency Response Hearing Notes

House
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Decisions

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

Concur.

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

- (1) DDA has taken corrective action with respect to all repeat audit findings on or before November 1, 2025; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected.

The budget committees shall have 45 days from the date of the receipt of the report to review and comment to allow for funds to be released prior to the end of fiscal 2026. General funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise and shall revert to the General Fund if the report is not submitted.

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

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

M00M
MDH – Developmental Disabilities Administration

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| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| Information Request | Author | Due Date |
|---|---------------|-------------------------------------|
| Status of corrective actions related to the most recent fiscal compliance audit | OLA | 45 days before the release of funds |

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

Further provided that \$2,000,000 of this appropriation made for the purpose of administration may not be expended until the Maryland Department of Health submits a report each quarter to the budget committees on spending for the Developmental Disabilities Administration (DDA) Community Services program. The report shall include the following data on a monthly basis:

- (1) spending in the Long Term Services and Supports system by service provided, subprogram, number of participants receiving the service, and fund split;
- (2) enrollment by DDA waiver;
- (3) utilization by service;
- (4) annualized cost estimates for the rest of the fiscal year; and
- (5) monthly rates and year-to-date rates for each service type.

The first report shall be submitted by August 1, 2025, and shall include actual data for the Community Services program in the final quarter of fiscal 2025 and aggregate fiscal 2025 data. The other reports shall be submitted by November 1, 2025, February 1, 2026, and May 1, 2026. The funds may be released in \$500,000 increments following the submission of each report. The budget committees shall

Concur in part – MDH concurs with this recommendation but requests an additional two-week delay for the submission of each quarterly report.

M00M
MDH – Developmental Disabilities Administration

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have 45 days from the date of the receipt of each report to review and comment. Funds restricted pending receipt of these reports may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the reports are not submitted to the budget committees. Funds will not be released if reports are late.

Explanation: DDA has completed transitioning all providers from a prospective payment model in the legacy system to a fee-for-service (FFS) reimbursement model in the Long Term Services and Supports (LTSS) system. This transition included establishing new rates based on an FFS reimbursement model. During the LTSS transition, actual spending in DDA’s Community Services program significantly surpassed the legislative appropriation and spending forecasts of services in LTSS were inaccurate. This language restricts funds budgeted for administration until the Maryland Department of Health (MDH) submits quarterly reports to the budget committees with monthly spending, enrollment, and utilization data.

| Information Request | Author | Due Date |
|---------------------------------------|---------------|---|
| Report on community services spending | MDH | August 1, 2025 November 1, 2025 February 1, 2026 May 1, 2026 |

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

All appropriations provided for program M00M01.02 Community Services are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose.

Disagree – MDH does not anticipate any budgetary transfer but would appreciate maximum flexibility with the appropriation given fiscal constraints.

Explanation: This annual language restricts funds appropriated to the Community Services program to that use only and prevents budgetary transfers.

M00M
MDH – Developmental Disabilities Administration

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| 5. Delete funding for the 1% provider rate increase budgeted in fiscal 2026. The General Assembly may wish to redirect these savings to restoring some of the cost containment actions proposed in the allowance. | -\$ 14,359,028 -\$ 14,359,050 | GF FF | No response – MDH “acknowledges” the recommendation considering the significant funding challenges for DDA. | | |

M00Q01
MDH – Medical Care Programs Administration

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| 1. Add the following language: <u>Provided that all appropriations provided for program M00Q01.03 Medical Care Provider Reimbursements 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 M00Q01.07 Maryland Children’s Health Program or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.</u> Explanation: This language restricts funding for Medical Care Provider Reimbursements to that purpose only and prevents budgetary transfers to any program except M00Q01.07 Maryland Children’s Health Program or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. | | | | Disagree – the restriction prevents the agency from internally addressing shortfalls. | | |
| 3. Reduce funding for the Population Health Incentive Program in fiscal 2026 to provide performance incentive payments of up to 0.25% of anticipated capitated rates for managed care organizations. | -\$ 6,583,517 GF -\$ 11,416,483 FF | | | Disagree – funds are needed in fiscal 2026 to pay for calendar 2024 performance. | | |
| 4. Reduce funding for Medicaid provider reimbursements to lower rates for managed care organizations in calendar 2025 to the bottom of the actuarially sound level. | -\$ 32,700,000 GF -\$ 58,000,000 FF | | | Disagree – due to uncertain managed care organization rate setting for midyear 2025. | | |
| 5. Delete funding for the 1% provider rate increase budgeted in fiscal 2026 for Long Term Services and Supports providers. | -\$ 10,544,663 GF -\$ 10,685,052 FF | | | No response – agency acknowledged recommendation. | | |

M00Q01
MDH – Medical Care Programs Administration

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| 7. Reduce funding for Medicaid provider reimbursements to level fund physician evaluation and management rates at 98% of Medicare rates. | -\$ 4,800,000 GF -\$ 7,400,000 FF | | Disagree – due to this funding restoring a rate reduction from last year. | | |
| 8. Reduce funding for the expansion in the Assistance in Community Integration Services (ACIS) housing support waiver. Prior to fiscal 2025, the ACIS pilot program was supported with local contributions that would be used as the matching amount for federal reimbursement. | -\$ 5,400,000 GF -\$ 5,400,000 FF | | Disagree – local support concluded when the State expanded this program. | | |
| 9. Reduce funding for Health Home payments as a technical correction. These expenditures are double budgeted as funding is also budgeted in M00Q01.10 Medicaid Behavioral Health Provider Reimbursements as part of a program realignment. | -\$ 9,112,766 GF -\$ 9,112,766 FF | | Disagree – the agency indicates funding is not included in behavioral health reimbursements in fiscal 2026. | | |
| 10. Reduce provider rates by 2% for home and community-based services (HCBS) providers. Federal funding authorized through the American Rescue Plan Act (ARPA) temporarily supported a 5.2% HCBS provider rate increase, but the rate increase was made ongoing with State support despite the ARPA funds expiring in fiscal 2025. | -\$ 3,600,000 GF -\$ 3,800,000 FF | | Disagree – agency would need federal approval to implement. | | |
| 11. Reduce funding for Medicaid reimbursements based on reduced enrollment expectations in fiscal 2026. | -\$ 35,000,000 GF -\$ 55,000,000 FF | | Disagree – the enrollment projections assumed in the budget should not be reduced. | | |

M00Q01
MDH – Medical Care Programs Administration

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Agency Response Hearing Notes

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12. Adopt the following narrative:

No response.

Community First Choice (CFC) Program and Home and Community-based Options (Community Options) Waiver Financial and Registry Data: Recent efforts to expand home and community-based services have led to significant increases in CFC program expenditures, including spending under the Community Options waiver. The committees request that the Maryland Department of Health (MDH) submit a report on CFC program spending. The report should include monthly enrollment, utilization, and cost data that aligns with actual fiscal 2025 budget expenditures under the CFC program. Additionally, the report should provide:

- the number of budgeted Community Options waiver slots in fiscal 2025 and 2026;
- the number of Community Options waiver slots filled in fiscal 2025;
- the number of Community Options waiver applications sent to individuals on the registry each month and the results of that outreach (including the number of applications returned and processed);
- an update on changes to registry operations to improve efficiency in taking individuals off of the registry and efforts to determine financial and medical eligibility for individuals while they remain on the registry;
- an update on MDH staffing that supports the Community Options waiver, including the number of vacant regular and contractual positions and the status of procuring additional staffing assistance;
- the number of individuals on the Community Options waiver registry as of June 30, 2025; and

M00Q01
MDH – Medical Care Programs Administration

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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- an update on activities or efforts to implement the plan to reduce the Community Options waiver registry by 50% submitted to the General Assembly in February 2023.

| Information Request | Author | Due Date |
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| Report on CFC program and Community Options waiver financial and registry data | MDH | August 1, 2025 |

13. Adopt the following narrative:

No response.

Quarterly Medicaid Enrollment Change and Application Processing: The Maryland Department of Health (MDH) completed its 12-month unwinding process following the COVID-19 public health emergency on April 1, 2024, in which the department redetermined all Medicaid and Maryland Children’s Health Program (MCHP) participants’ eligibility. To monitor Medicaid and MCHP enrollment trends after the unwinding period, the committees request that MDH submit quarterly reports with the following enrollment data on a monthly basis and divided by eligibility category:

- the number of eligibility renewals completed, including the number and share that were automatically renewed, with modified adjusted gross income (MAGI) cases and non-MAGI cases shown separately;
- the number of new individuals enrolled;
- measures of churn that reflect the number of individuals enrolled who previously received Medicaid or MCHP coverage and the timeframe of when they were last enrolled; and

M00Q01
MDH – Medical Care Programs Administration

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- the number of individuals disenrolled, shown by reason for disenrollment, identifying procedural disenrollments and disenrollments due to overscale income, aging out, and other common reasons for disenrollment.

Additionally, the committees request that the quarterly reports include the following administrative data on a monthly basis:

- call center volume, average wait times, and any other data related to call center activities that are required to be submitted to the Centers for Medicare and Medicaid Services; and
- measures of application processing times and the total number of applications processed for MAGI cases and non-MAGI cases shown separately.

| Information Request | Author | Due Date |
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| Quarterly reports on Medicaid and MCHP enrollment and applications | MDH | July 15, 2025 October 15, 2025 January 15, 2026 April 15, 2026 |

14. Adopt the following narrative:

Concur.

Evaluation of Primary Care Programs and Initiatives: The Maryland Department of Health (MDH) and the Health Services Cost Review Commission (HSCRC) are implementing primary care and population health initiatives in coordination with the State’s Advancing All-payer Health Equity Approaches and Development (AHEAD) model. These efforts include launching the Medicaid Advanced Primary Care Program in fiscal 2026, establishing the Population Health Improvement Fund, and continuing to administer the Maryland Primary Care Program (MDPCP) that was first implemented under the Total Cost of Care model (the federal agreement before

M00Q01
MDH – Medical Care Programs Administration

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the AHEAD model). The committees request that MDH, in consultation with HSCRC, submit a report on implementation of the new initiatives, including design and initial activities of the programs, uses of any funding allocated to these initiatives, descriptions of fund sources supporting the initiatives, and estimated cost savings and provider incentives under the Medicaid Advanced Primary Care Program. The report should also include an evaluation of the effectiveness of the existing MDPCP. In particular, this evaluation should outline cost savings from the MDPCP reducing unnecessary utilization or hospitalization for patients participating in the MDPCP over the increased expenditures from provider incentives.

| Information Request | Author | Due Date |
|---|---------------|------------------|
| Evaluation of primary care programs and initiatives | MDH HSCRC | November 1, 2025 |

15. Add the following language:

Provided that all appropriations provided for program M00Q01.07 Maryland Children’s Health Program 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 M00Q01.03 Medical Care Provider Reimbursements or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.

Disagree – the restriction prevents the agency from internally addressing budget shortfalls.

Explanation: This language restricts funding for the Maryland Children’s Health Program to that purpose only and prevents budgetary transfers to any program except M00Q01.03 Medical Care Provider Reimbursements or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements.

M00Q01
MDH – Medical Care Programs Administration

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| 16. Reduce funding for reimbursements under the Maryland Children’s Health Program based on reduced enrollment expectations for participants in the Healthy Babies initiative. | -\$ 15,000,000 GF -\$ 27,800,000 FF | | | Disagree – agency plans to reduce enrollment projection in the Healthy Babies initiative through a supplemental budget. | | |
| 17. Delete funding for 13 long-term vacant positions that have been unfilled for more than two years, including 11 positions in the Office of Eligibility Services and 2 positions in Benefits Management and Provider Services. The Maryland Department of Health is authorized to allocate this reduction across programs within the Medical Care Programs Administration. | -\$ 271,262 GF -\$ 503,770 FF | -13.00 | | Disagree – the positions are in the process of being filled or transferred. | | |
| 18. Reduce funding in the fiscal 2025 proposed deficiency appropriation for Medicaid reimbursements based on unallocated funding under the Population Health Incentive Program for managed care organization performance in calendar 2023. | -\$ 2,971,910 GF -\$ 6,196,206 FF | | | Concur in part – agency plans to include this reduction in a supplemental budget. | | |
| 19. Reduce funding from a fiscal 2025 deficiency appropriation to account for recoveries from the calendar 2021 and 2022 risk corridor and based on lower anticipated healthcare utilization, particularly for inpatient hospital services. | -\$ 151,600,000 GF -\$ 110,900,000 FF | | | Concur in part – the risk corridor reduction will be in a supplemental budget and the agency disagrees with the reduction due to healthcare utilization. | | |

M00R01
MDH – Health Regulatory Commissions

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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| 1. | Concur with Governor's allowance. | | | Concur. |

N00A01
DHS – Administration

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| <u>Amount</u> <u>Change</u> | <u>Position</u> <u>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House</u> <u>Decisions</u> | <u>Senate</u> <u>Decisions</u> |
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1. Adopt the following narrative:

Concur in part – the agency requested to change the due date to December 1, 2025.

Report on the costs, implementation progress, and long-term sustainability of the Maryland Total Human-services Integrated Network (MD THINK): MD THINK has required significant investment and continues to face challenges related to rising costs, delays in implementation, and ongoing system enhancements. The committees request that the Department of Human Services (DHS) submit a report providing information on how it is working with the Department of Information Technology to address audit findings related to MD THINK as well as the current and future status of the platform, including:

- status of federal certification for the Child Support Management System (CSMS), including anticipated timing if certification is not yet complete;
- planned enhancements and improvements for MD THINK components (Eligibility and Enrollment; the Child, Juvenile, and Adult Management System; and CSMS), including specific timelines and cost estimates;
- projected spending beyond fiscal 2025, including detailed projections for fiscal 2026 through 2029 and anticipated federal contributions;
- maintenance and operations costs and activities, including ongoing support requirements for each MD THINK component;
- efforts to address data integrity issues, including measures taken to improve accuracy, reduce errors, and enhance data validation;
- steps DHS is taking to ensure long-term sustainability of MD THINK, including financial planning and resource allocation;

N00A01
DHS – Administration

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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- plans to enhance data analytics and mobile accessibility, particularly for caseworkers and external users; and
- status of external agency integration, focusing on active and upcoming integration efforts rather than historical integrations.

| Information Request | Author | Due Date |
|---|---------------|--------------------|
| Report on MD THINK costs, implementation progress, and long-term sustainability | DHS | September 15, 2025 |

N00B
DHS – Social Services

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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1. Add the following language to the general fund appropriation: Concur.

Further provided that \$250,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services (DHS) submits a report to the budget committees on the number of child welfare services cases and positions required based on the caseload to meet the Child Welfare League of America (CWLA) caseload standards, by jurisdiction, for the following caseload types, as of September 1, 2025:

- (1) intake screening;
- (2) child protective investigation;
- (3) consolidated in-home services;
- (4) interagency family preservation services;
- (5) services to families with children – intake;
- (6) foster care;
- (7) kinship care;
- (8) family foster care;
- (9) family foster homes – recruitment and new applications;
- (10) family foster homes – ongoing and licensing;
- (11) adoption;

N00B
DHS – Social Services

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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(12) interstate compact for the placement of children; and

(13) caseworker supervision.

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

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

The report shall be submitted by November 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly believes that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering State care. In order to maintain oversight over this issue, this language withholds funding until a report with data related to the CWLA caseload standards is submitted, which contains current data as of September 1, 2025.

| Information Request | Author | Due Date |
|--|---------------|------------------|
| Report on caseload data and filled positions assigned by jurisdiction for specified caseload types | DHS | November 1, 2025 |

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DHS – Social Services

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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2. Add the following language to the general fund appropriation:

Concur in part – DHS requests the due date be moved to December 1, 2025, in order to process the data.

Further provided that \$250,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services (DHS) submits a report to the budget committees that provides data on hospital stays by children and youth in out-of-home placements for each month of the period October 2023 through September 2025. The report shall include:

- (1) the number of youth in out-of-home placement served in emergency rooms for psychiatric evaluation or crisis and the average length of stay (ALOS) by month;
- (2) the number of youth in out-of-home placement served separately by medical hospitals and inpatient psychiatric hospitals and ALOS by month;
- (3) the number of days that youth in out-of-home placements served in hospitals were in the hospital longer than was deemed medically necessary by either the hospital or a judicial finding separately by type of hospital; and
- (4) the placement type after discharge separately by type of hospital, including identifying the number of youths placed out-of-state after discharge for fiscal 2024 and fiscal 2025.

The report shall be submitted by November 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly continues to be interested in monitoring data about children and youth experiencing stays in emergency rooms or inpatient hospital settings longer than is medically necessary. In order to maintain oversight over this issue, the budget committees have adopted annual narrative in recent years requesting

N00B
DHS – Social Services

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that DHS provide a report on hospital stays by children and youth in out-of-home placements. This language withholds funding until a report with data related to hospital stays is submitted, which contains current data as of September 1, 2025.

| Information Request | Author | Due Date |
|---|---------------|------------------|
| Report on hospital stays, ALOS, and placement after discharge | DHS | November 1, 2025 |

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

, provided that \$250,000 of the general fund appropriation made for the purposes of administrative expenses may not be expended until the Department of Human Services submits a report that provides data for each month of the period October 2024 through September 2025 to the budget committees by November 1, 2025, on the number of unique and total youths in out-of-home placement placed in hotels by jurisdiction, the average length of stay by month, as well as summary information on the youth placed in hotel by age category.

The report shall be submitted by November 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly is interested in understanding more about the number of children and youth experiencing stays in hotels. In order to maintain oversight over this issue, this language withholds funding until a report with data related to hotel stays is submitted, which contains current data as of September 1, 2025.

Concur in part – DHS recommends the request for report on youths in out-of-home placement placed in hotels be merged with report on hospital stays by children and youth in out-of-home placements, with a due date of December 1, 2025.

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DHS – Social Services

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| Information Request | Author | Due Date |
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| Report on hotel stays and average length of stay | Department of Human Services | November 1, 2025 |

4. Add the following language to the general fund appropriation: Concur.

Further provided that \$100,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services submits data for fiscal 2024 and 2025 including:

- (1) the percentage of children with no recurrence of maltreatment within 12 months of a first occurrence;
- (2) the rate of victimization per 100,000 days of foster care during a 12-month period;
- (3) rate of placement moves per 1,000 days of foster care;
- (4) exit to permanency within 12 months of entry into care;
- (5) the number of reports of adult abuse;
- (6) number of indicated or confirmed cases of adult abuse;
- (7) rate of removal into foster care;
- (8) rates of reentry into foster care for children within 12 months following exiting care to reunify with the child’s family of origin; and
- (9) rates of reentry into foster care for children within 12 months following exiting care to guardianship.

N00B
DHS – Social Services

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The fiscal 2024 data shall be submitted by July 1, 2025, and fiscal 2025 data shall be submitted with the Managing for Results submission during the fiscal 2027 budget process. The budget committees shall have 45 days from the date of the receipt of the fiscal 2027 Managing for Results submission to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly is interested in receiving updates on the performance analysis measures of the Department of Human Services (DHS). This language withholds funding until Managing for Results (MFR) data are submitted for fiscal 2024 and fiscal 2025.

| Information Request | Author | Due Date |
|--|---------------|---|
| MFR data for fiscal 2024 and fiscal 2025 | DHS | July 1, 2025 With submission of the fiscal 2027 MFR data |

5. Adopt the following narrative: Concur.

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

- a list of all evidence-based practices being implemented through fiscal 2025, including data on jurisdiction and the number of families and children served during the fiscal year;

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| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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- any new evidence-based practices being implemented during fiscal 2026;
- the status of the updated five-year Title IV-E prevention services plan;
- data on the effectiveness of implemented evidence-based practices at preventing occurrences of subsequent maltreatment and out-of-home placements from occurring as well as an evaluation of any other outcomes related to parent and child well-being;
- the current number of providers in the State that have received designation as a Qualified Residential Treatment Program (QRTP) to allow for federal reimbursement under the FFPSA, including if any additional providers received this designation during fiscal 2025 and if future solicitations of applications for QRTP designation are planned; and
- the status of the approval of the State’s revised cost allocation plan, including a discussion of the current ability of DHS to seek federal reimbursement for evidence-based prevention practices.

| Information Request | Author | Due Date |
|---|---------------|------------------|
| Update on the implementation of provisions of the federal FFPSA | DHS | November 1, 2025 |

6. Adopt the following narrative:

Child Fatalities Where Abuse or Neglect Are Determined to Be a Contributing Factor: The committees are interested in receiving updates on the number of child fatalities that involved child abuse and/or neglect. The committees request that the

Disagree – DHS reports they already provide the data on child fatalities to the State Child Fatality Review (CFR) team. If the report is required, DHS requests the due date be January 7, 2026.

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DHS – Social Services

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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Department of Human Services (DHS) submit a report that provides data for calendar 2023, 2024 and 2025 separately by age category and jurisdiction.

| Information Request | Author | Due Date |
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| Report on child fatalities | DHS | January 10, 2026 |

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

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

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

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| <p>8. Reduce general and federal funds within Foster Care Maintenance Payments program. This reduction is associated with 5% rate reduction for institutional providers. The Department of Human Services may allocate the reduction among the rate classes as it deems appropriate.</p> | <p>-\$ 7,648,718 GF -\$ 849,857 FF</p> | <p>Disagree – DHS reports decreasing funding for rate reform risks losing cost savings through prevention of hospital overstays and hotel stays.</p> |
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9. Adopt the following narrative: Disagree – DHS reports it is taking an alternative approach via a public-facing dashboard with live data.
- Monthly Data on Out-of-home Placement of Children and Youth:** The committees are interested in receiving updates on Child Welfare Services data. The committees request that the Department of Human Services (DHS) submit monthly reports that provide data for each month of fiscal 2025 separately by jurisdiction on:

N00B
DHS – Social Services

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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- child maltreatment for children and youth in out-of-home placements and type of response exercised (investigative and alternative);
- findings for completed investigations;
- children in out-of-home placements through DHS; and
- in-home family preservation services provided by DHS.

In addition to the report submission, data should be provided in an electronic format subject to concurrence of the Department of Legislative Services.

| Information Request | Author | Due Date |
|---|---------------|---|
| Report on out-of-home placement of children and youth | DHS | September 1, 2025, and each month thereafter through June 1, 2026 |

10. Adopt the following narrative:

Concur.

Implementation of the Foster Care Provider Rate Reform: The committees are interested in receiving an update on steps taken to implement the second phase of the new foster care provider rate reform. The committees request that the Department of Human Services (DHS) submit a report discussing the status of the second phase of the rate reform including steps taken in fiscal 2025 and year to date in fiscal 2026, as well as planned steps in fiscal 2027. DHS is also requested to provide information on the revised rates to be implemented as well as a comparison with costs under the current rate structure for those impacted by the second phase of rate reform. Additionally, the committees request DHS provide data on the number of children served within each class of the new rate structure as well as costs associated with each class for the first phase of rate reform implemented in fiscal 2025. This data

N00B
DHS – Social Services

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should be provided separately for fiscal 2025 actual data and year-to-date in fiscal 2026.

| Information Request | Author | Due Date |
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| Report on second phase of rate reform | DHS | November 1, 2025 |

11. Adopt the following narrative:

Costs Associated with Youths in Out-of-home Placements Placed in Hotels: The committees are interested in receiving data on the costs associated with placing youths in out-of-home placements in hotels. The committees request that the Department of Human Services (DHS) include in the fiscal 2027 budget subprogram detail for fiscal 2025 actual, fiscal 2026 working, and fiscal 2027 allowance that separately identifies payments and anticipated payments for youth in out-of-home placements placed in hotels paid through the Foster Care Maintenance Payments program.

Concur – DHS notes reporting on the costs requires a new budget code in fiscal 2026, and therefore reporting on costs will not be available for the full reporting period.

| Information Request | Author | Due Date |
|---|---------------|--|
| Costs associated with youths in out-of-home placements placed in hotels | DHS | With submission of the fiscal 2027 allowance |

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

Concur.

, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall revert to the General Fund.

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DHS – Social Services

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

13. Add the following language to the general fund appropriation: Concur.

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

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

N00H00
DHS – Child Support Administration

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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1. Adopt the following narrative:

Concur in part – the agency requested to change the due dates of the reports.

Child Support Performance Reports: The federal government evaluates states’ performance against five measures to determine federal incentive payments: paternity establishment; support order establishment; collections on current support; cases paying toward arrears; and cost effectiveness. Recent data from the Department of Human Services (DHS) Child Support Administration (CSA) shows that the agency is falling behind the federal performance goals in each of the five areas. Considering CSA’s transition of its primary data system, the Child Support Management System (CSMS), to make its agency’s processes and tasks more efficient, the committees are interested to understand how this new system is helping CSA achieve its performance goals.

The committees request that DHS submit three reports on performance using data as of June 30, 2025; September 30, 2025; and December 31, 2025. Each report should include the following:

- a discussion of factors affecting performance in the quarter;
- the State’s aggregate performance set against the five performance measures used to determine federal incentive payments;
- each jurisdiction’s performance set against the five performance measures used to determine federal incentive payments;
- the number of cases in each jurisdiction in the quarter;
- specific tasks related to each of the five performance measures that are streamlined, made more efficient, or made more complicated by the new CSMS; and

N00H00
DHS – Child Support Administration

Amount **Position** **Agency Response Hearing Notes** **House** **Senate**
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- the number of staff in each jurisdiction who have been trained and those who have yet to be trained in the new CSMS.

| Information Request | Author | Due Date |
|-----------------------------------|---------------|---|
| Child support performance reports | DHS | August 15, 2025 November 15, 2025 February 15, 2026 |

N00100
DHS – Family Investment

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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1. Add the following language to the general fund appropriation:

Concur in part – agency prefers a December 1 due date.

, provided that \$500,000 of this appropriation made for the purpose of administrative expenses in the Office of the Secretary may not be expended until the Department of Human Services submits a report detailing for the fiscal 2025 working appropriation as reflected during the 2025 legislative session and fiscal 2025 actual expenditures:

- (1) Assistance Payments program spending by public benefit program separately by program and fund source;
- (2) Foster Care Maintenance Payments program spending by placement type including average monthly cases, average monthly placement costs, and expenditures, along with detail on flexible fund spending by type of spending with detail for the program by fund source;
- (3) Temporary Assistance for Needy Families revenues, expenditures by program, and ending balance;
- (4) special and federal fund sources of expenditures by program.

The actual spending detail shall reconcile to information reported to the Comptroller of Maryland or include an explanation of why the information does not reconcile. The report shall also provide explanations of General Fund reversions and special, federal, and reimbursable fund cancellations by program. In addition to the report submission, data shall be provided in an electronic format subject to the concurrence of the Department of Legislative Services. The report shall be submitted by October 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

N00I00
DHS – Family Investment

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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Explanation: The fiscal 2024 closeout process of the Department of Human Services (DHS) included a number of errors including reporting expenditures to the Comptroller of Maryland that did not reflect actual expenditures for certain programs in total or by fund, general fund reversions in error, and overspending certain appropriations without reporting these expenditures. In addition, DHS was delayed in providing information on closeout for entitlement programs and other program spending to the Department of Legislative Services, and data provided was not always able to be reconciled against other reported data or data reported to the Comptroller of Maryland at closeout. This language restricts funds in the DHS Office of the Secretary pending the submission of a report with fiscal 2025 closeout information that reconciles to information provided to the Comptroller of Maryland and provides explanations of reverted and canceled funds.

| Information Request | Author | Due Date |
|----------------------------------|---------------|-----------------|
| Fiscal 2025 closeout information | DHS | October 1, 2025 |

2. Add the following language: Disagree.

Provided that all appropriations provided for program N00G00.08 Assistance Payments are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended shall be reverted or canceled.

Explanation: This language restricts funding for the Assistance Payments program, which supports public benefits programs administered to the Department of Human Services (DHS), to that purpose only and prevents budgetary transfers to any other program. This language is consistent with actions on other entitlement programs and is generally similar to language added in prior years, except that it expands the restriction to all fund sources instead of just general funds. In the fiscal 2024 closeout process, DHS transferred special fund appropriation from the Assistance Payments program, which was needed to cover costs in the Assistance Payment program.

N00I00
DHS – Family Investment

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
|--|--------------------------------------|----------------------------|--------------------------------------|----------------------------|-----------------------------|
| 3. Reduce administrative funds for the SUN Bucks program based on current staffing levels and vacancy savings. The Department of Human Services reports that only 80 of the 100 contractual full-time equivalents (FTE) are filled as of January 29, 2025. In addition, the current vacancy rate of 7.6% is substantially higher than budgeted turnover (6.1%), which produces approximately \$2.4 million of savings. A portion of the vacancy savings can be used to support these contractual FTEs. | -\$ 1,100,000 GF -\$ 1,100,000 FF | | Disagree. | | |
| 4. Delete administrative funds for the SUN Bucks program to be added to an administrative program. Although for administrative purposes, these funds are included in the budget for the Assistance Payments program, which is used solely for the payment of public benefits. A separate action adds these funds to the Director’s Office of the Family Investment Administration. | -\$ 4,700,000 GF -\$ 4,700,000 FF | | Concur. | | |
| 5. Reduce funding for the Public Assistance to Adults program to better reflect current caseload trends. The caseload declined by 25% in fiscal 2023 and an additional 3% in fiscal 2024, which is not reflected in the fiscal 2026 allowance. This level of reduction would still leave a modest surplus to cover forecasted shortfalls in other public assistance programs. | -\$ 1,750,000 GF | | Disagree. | | |
| 6. Reduce federal funds in the Supplemental Nutrition Assistance Program (SNAP) based on lower than expected caseload. The fiscal 2026 allowance | -\$ 200,000,000 FF | | Disagree. | | |

N00I00
DHS – Family Investment

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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includes approximately \$1.86 billion for SNAP benefits. This level of funding could support more than 450,000 recipients, while the caseload in fiscal 2025 year to date is approximately 382,000. This reduction would leave an anticipated surplus of approximately \$150 million in the event that caseloads or benefits are higher than anticipated.

7. Adopt the following narrative:

Concur in part – agency prefers a December 1 due date.

SUN Bucks Participation and Administration: The fiscal 2026 allowance includes funding to support the second year of participation in the SUN Bucks program, formerly known as the Summer Electronic Benefit Transfer program. The committees are interested in continuing to monitor the operation of the program. The committees request that the Department of Human Services (DHS) submit a report that:

- provides details on the administrative costs of the program separately for fiscal 2025 and 2026, including the allocations by object of expenditure and purpose;
- the number of regular positions or contractual full-time equivalents (FTE) supporting the program (including total and filled) and how these positions and contractual FTEs are allocated by budgetary program and/or jurisdiction if allocated within specific jurisdiction position complements;
- the number of children receiving benefits by jurisdiction and month of issuance, the total number of unique recipients, and the dollar amount of benefits provided by jurisdiction and month of issuance;

N00I00
DHS – Family Investment

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
|--|--------------------------|----------------------------|------------------------|----------------------|----------------------------|-----------------------------|
| <ul style="list-style-type: none"> the number of children receiving benefits that were directly certified and the number of children receiving benefits for which a separate application was submitted; describes collaboration with the Maryland State Department of Education and local education agencies to implement the program; and an update on the status of the Summer 2026 program including the timing of submission of the Notice of Intent to Participate and Interim and Final Plan of Operations. | | | | | | |

| Information Request | Author | Due Date |
|--|---------------|------------------|
| SUN Bucks participation and administration | DHS | November 1, 2025 |

8. Add the following language to the general fund appropriation: Disagree.

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

- (1) DHS FIA has taken corrective action with respect to all repeat audit findings on or before November 1, 2025; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected.

The budget committees shall have 45 days from the receipt of the report to review and comment to allow for funds to be released prior to the end of fiscal 2026.

N00100
DHS – Family Investment

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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Explanation: The Joint Audit and Evaluation Committee (JAEC) has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each agency is to have a portion of its administrative budget withheld pending the adoption of corrective actions by the agency and a determination by OLA that each finding was corrected. OLA shall submit a report to the budget committees on the status of repeat findings.

If OLA reports that an agency failed to completely resolve or make adequate progress toward resolving those repeat audit findings, JAEC requests that \$250,00 in general funds be withheld from each agency’s appropriation in the fiscal year following the OLA report until more satisfactory progress has been made toward resolution of those repeat findings.

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

9. Add the following language to the general fund appropriation: Concur.

Further provided that \$250,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services submits quarterly reports to the budget committees on application processing times, application denial rates, and case closures for benefit programs. In particular, the report shall include:

- (1) the number of applications processed by benefit type for Temporary Cash Assistance (TCA), Supplemental Nutrition Assistance Program (SNAP), Temporary Disability Assistance Program (TDAP), and Public Assistance to Adults (PAA) separately by month;

N00100
DHS – Family Investment

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
|--|--------------------------|----------------------------|------------------------|----------------------|----------------------------|-----------------------------|
| (2) | | | | | | |
| <u>the average number of days to process applications by benefit type for TCA, SNAP, TDAP, and PAA separately by month;</u> | | | | | | |
| (3) | | | | | | |
| <u>the percentage of applications processed in 0 to 30 days, 31 to 45 days, and longer than 45 days by benefit type for TCA, SNAP, TDAP, and PAA separately by month of application;</u> | | | | | | |
| (4) | | | | | | |
| <u>the number and percentage of applications denied by benefit type for TCA, SNAP, TDAP, and PAA separately by month;</u> | | | | | | |
| (5) | | | | | | |
| <u>the number and percentage of applications denied by reason for denial and by benefit type for TCA, SNAP, TDAP, and PAA separately by month;</u> | | | | | | |
| (6) | | | | | | |
| <u>the number of case closures by benefit type for TCA, SNAP, TDAP, and PAA separately by month; and</u> | | | | | | |
| (7) | | | | | | |
| <u>the reasons for case closure by benefit type for TCA, SNAP, TDAP, and PAA separately by month.</u> | | | | | | |

The first quarterly report shall include data for February through April 2025, and each subsequent report shall provide data for the appropriate quarter. The first report shall be submitted by August 1, 2025, the second report shall be submitted by November 1, 2025, the third report shall be submitted by February 1, 2026, the fourth report shall be submitted by May 1, 2026, and the budget committees shall have 45 days from the date of the receipt of the fourth report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The General Assembly remains interested in tracking the timeliness of application processing as well as the reason for denials and case closures. This language restricts funds pending submission of four quarterly reports on application processing times; application denial rates; reasons for application denials; and case

N00I00
DHS – Family Investment

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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closures for TCA, SNAP, TDAP, and PAA. Similar reports have been requested since fiscal 2022.

| Information Request | Author | Due Date |
|---|---------------|---|
| TCA, SNAP, TDAP, and PAA applications and case closures | DHS | August 1, 2025 November 1, 2025 February 1, 2026 May 1, 2026 |

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

Concur in part – agency prefers funds not be restricted.

Further provided that \$100,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services (DHS) submits a report to the budget committees on implementation of required actions under the Voluntary Settlement Agreement with the U.S. Department of Health and Human Services Office for Civil Rights including the number of notifications required to be sent under the agreement, the number of notifications sent, the timeline for sending the notifications, the number of appeals filed as a result of the notifications and any other provisions of the settlement, the number of appeals that resulted in additional benefits required to be paid by DHS, the dollar value of benefits required due to the appeals, the timeline for benefit issuances due to the appeals, and other status updates related to the implementation of the agreement. The report shall be submitted by October 15, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: In October 2024, the U.S. Department of Health and Human Services Office for Civil Rights announced a settlement agreement with Maryland related to protecting civil rights of persons with disabilities, particularly as it relates to assessments, modifications, or accommodations for individuals with disabilities in

N00I00
DHS – Family Investment

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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the Temporary Assistance for Needy Families program. The settlement agreement includes a number of requirements of DHS including to provide notices to individuals whose cases were closed under certain circumstances and the development of a new assessment tool. DHS anticipates sending required notifications in spring 2025 and indicates cases may be required to be reopened and/or retroactive benefits issued if individuals who receive notifications appeal the case closure or sanctions. This language restricts funds pending a report on the notifications sent and the outcomes of appeals, as well as other status updates related to the agreement.

| Information Request | Author | Due Date |
|---|---------------|------------------|
| Status of Voluntary Settlement Agreement implementation | DHS | October 15, 2025 |

11. Add the following language to the general fund appropriation: Concur.

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

Explanation: This language restricts the general fund portion of the deficiency appropriation in the Assistance Payments program for the Temporary Disability Assistance Program to that purpose only. This restriction prevents a transfer of general funds to other programs consistent with actions on other entitlement programs and on the funding for the Assistance Payments program in fiscal 2025 included in the budget as enacted.

12. Add the following language: Concur.

\$4,700,000 in general funds and \$4,700,000 in federal funds is added to the appropriation for N00I00.04 Director’s Office within the Family Investment Administration within the Department of Human Services to be used for administrative expenses for the federal SUN Bucks program. Funds not expended for

N00I00
DHS – Family Investment

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund or be canceled.

Explanation: The fiscal 2026 allowance includes funding intended to support the administrative expenses of the federal SUN Bucks program within the Assistance Payments program, which is used only for payment of public benefits. There are two related actions. One reduces the funding available for administrative expenses due to availability of vacancy savings to support a portion of these expenditures and also due to current staffing levels for these costs. A second action deletes the administrative funds from that program to be added in this program. This action adds the funds to an administrative program to be used for the same purpose.

N00I0006
DHS – Office of Home Energy Programs

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
|--|--------------------------|----------------------------|------------------------|----------------------|----------------------------|-----------------------------|
| 1. Reduce general funds for miscellaneous personnel expenses. In fiscal 2025, general funds associated with this type of spending were deleted as part of cost containment actions due to shifting of operational costs to special funds. The Office of Home Energy Programs administrative costs are otherwise fully support with special and federal funds. | -\$ 14,607 | GF | | | | |
| 2. Add the following language: <u>, provided that \$250,000 of this appropriation made for the purposes of administrative expenses may not be expended until the Department of Human Services submits a report with data on energy assistance application processing times by local administering agencies (LAA) and overall program denial rates. The report shall include:</u> (1) <u>the number of applications received;</u> (2) <u>the average number of days to process an application; and</u> (3) <u>the number and percentage of applications processed within 30 days, 55 days, and longer than 60 days.</u> <u>The report shall discuss the primary reasons for any substantial changes in processing times that have occurred for individual LAAs between fiscal 2024 and 2026 year-to-date data.</u> <u>The report shall also provide application denial rates separately by benefit type as well as the share of application denials by reasons separately by benefit type. Data should include the number of applications initially denied due to incomplete information that were subsequently cured due to applicants providing missing information within the additional three months, as allowed under Chapters 638</u> | | | | | | |

N00I0006
DHS – Office of Home Energy Programs

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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and 639 of 2021. Fiscal 2024 and 2025 end-of-year actual data for denial rates shall be included in the report as well as fiscal 2026 data current through November 1, 2025.

The fiscal 2024 data shall be submitted by August 15, 2025, and fiscal 2025 and 2026 year-to-date data shall be submitted by December 31, 2025. The budget committees shall have 45 days from the date of receipt of the second report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly continues to be interested in monitoring the application processing times and denial rates for energy assistance. In order to maintain oversight over this issue, the budget committees have adopted annual narrative in recent years requesting that the Department of Human Services (DHS) provide a report. This language withholds funding until a report is submitted for fiscal 2024, 2025 and 2026 year to date.

| Information Request | Author | Due Date |
|---|---------------|--------------------------------------|
| Application processing times and denial rates | DHS | August 15, 2025 December 31, 2025 |

- | | | |
|---|----------------------------------|--|
| 3. Reduce special and federal funds associated with communication expenses in fiscal 2026 to level with fiscal 2024 actual expenditure. | -\$ 440,096 SF -\$ 440,096 FF | Concur in part – DHS requests the federal funds (\$440,096) associated with communications expenses be provided. |
| 4. Add the following language to the federal fund appropriation: | | Concur. |

, provided that \$23,287,887 of this appropriation made for the purpose of energy assistance shall be used for energy assistance only. Funds not expended for this

N00I0006
DHS – Office of Home Energy Programs

| <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
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restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: Budget detail indicated that \$23,287,887 of the fiscal 2026 allowance was labeled as an expense for Call Center. The Department of Human Services has indicated that was an error, and the funds are Low Income Home Energy Assistance Program grants to be used for energy assistance benefits. Given the high demand in the program, this language restricts the use of that fund for energy assistance benefits to ensure the funds are used for the intended purpose.

5. Adopt the following narrative:

Energy Assistance Participation Rates for Vulnerable Populations: The committees are interested in receiving data on energy assistance participation rates for vulnerable populations for fiscal 2024 and 2025. The fiscal 2024 data should be submitted by July 1, 2025, and fiscal 2025 data should be submitted with the Managing for Results (MFR) submission during the fiscal 2027 budget process.

Concur in part – DHS requests the fiscal year reporting interval be federal fiscal year instead of state fiscal year.

| Information Request | Author | Due Date |
|-----------------------------------|---------------|---|
| MFR data for fiscal 2024 and 2025 | DHS | July 1, 2025 |
| | | With the fiscal 2027 submission of MFR data |

6. Reduce special and federal funds associated with communication expenses in fiscal 2025 to level with fiscal 2024 actual expenditures.

-\$ 440,096 SF
 -\$ 440,096 FF

Concur in part – DHS requests the federal funds (\$440,096) associated with communications expenses be provided.

S00A
Department of Housing and Community Development

| | <u>Amount Change</u> | <u>Position Change</u> | <u>Agency Response Hearing Notes</u> | <u>House Decisions</u> | <u>Senate Decisions</u> |
|--|--------------------------|----------------------------|--|----------------------------|-----------------------------|
| 1. Reduce 1.0 new position (N2614942). The Department of Housing and Community Development has 26 vacant positions as of December 31, 2024. The function of the new position could be filled by reclassifying an existing vacant position. | -\$ 155,581 GF | -1.00 | Disagree – due to PIN being required by statutory mandate and not related to CDA operations, therefore General Funds is the only available source. | | |