

Maryland Department of Human Resources Transition Team Report

Executive Summary

The Importance of a Stronger Department of Human Resources

The Department of Human Resources, with a budget of \$1.6 billion, is the safety net for several hundred thousand Maryland residents. Abused and neglected children, vulnerable disabled and elderly adults, families who are too poor to survive without help, and victims of domestic violence all rely on DHR to provide effective, responsive and humane supports and services.

DHR's budget, 5th largest in the State, is massive. The Department receives over \$1 billion in federal funds as well as \$600 million in State general revenues, to support cash assistance, food stamps, child support enforcements, foster care payments, and other community-based services throughout the State.

Not too long ago, Maryland was a national leader in human services. DHR was an innovator, developing and executing new ideas and strategies, ideas that were emulated by other states. That time is no more. DHR has lost its reputation for cutting edge excellence and leadership. While our overall per capita wealth puts Maryland into a class with New York, Connecticut, Minnesota, and Massachusetts, our human services achievements lag behind.

In recent years, Maryland has failed to embrace significant innovations and evidence-based practices in human services that are improving outcomes in other parts of the country. Rather than investing in effective prevention, best practices, and analytic thinking, Maryland is still paying too much for the cost of failure. The cost of failure is measured in the price of programs that don't work, and more importantly, in the compromised futures of abused and neglected children and through the continued disabling dependence and economic exclusion of too many of Maryland's families.

The new administration has an opportunity to turn Maryland's human service system around, to make Maryland a model of human service innovation, to demonstrate clear and measurable results, and to improve the life prospects of the children and families who rely on DHR for help and support. Maryland has an opportunity to offer hope, and a real chance for improved life outcomes to our most vulnerable citizens.

Critical Steps for Improving Outcomes for Maryland's Families

Creating a model system for helping Maryland's poor and needy families will require four significant steps:

- **Developing and sustaining a relentless focus on results: measuring progress toward better outcomes for children and families, regardless of categorical agency responsibilities**
 1. Key Recommendation: *Every program area of DHR should develop a balanced set of performance measures that addresses the impact of the program on outcomes for children, families and those in need of adult services*
 2. Key Recommendation: *DHR leadership should develop the capacity to measure the cost of success and the cost of failure, so that policymakers, legislators and the public better understand the impact of their actions on outcomes for Maryland's children and families*
 3. Key Recommendation: *DHR leadership should promote the development of an interagency coordinating mechanism with authority to resolve interagency service gaps and duplication*

- **Re-evaluating and re-balancing the existing service array to bring to scale proven programs, best practices and an effective, accountable system for delivering state services**
 1. Key Recommendation: *DHR should convene a group of stakeholders to re-examine resource allocation to services and programs, focusing on outcomes for children and families*
 2. Key Recommendation: *DHR should convene a group of Central Office and local DSS directors to assure greater state-local alignment and clarify the locus of program and outcome accountability*

- **Rebuilding the infrastructure: improving leadership, modernizing management and support services, such as information technology and personnel services, and fostering meaningful cross agency coordination and cooperation on behalf of vulnerable kids and families**
 1. Key Recommendation: *DHR, in conjunction with local DSS managers, must develop a plan to aggressively address workload, caseload and salary issues*
 2. Key Recommendation: *Staff and Supervisor training must become a greater DHR priority*
 3. Key Recommendation: *The CHESSIE information system must be fixed in the short run. In the long run, DHR's approach to technology must support the tracking of outcomes, performance measures, and the work of line staff*

4. Key Recommendation: *DHR must develop the capacity for financial planning and management that reflects a high degree of strategic competence and management integrity*
- **Committing to (and being held accountable for) achieving significant and specific improvements in several key outcomes for Maryland's children, families, and vulnerable adults**
 1. Key Recommendation: *Keep more Maryland families safe, stable, and intact. Assure that more of the children who come into state care are placed with relatives or in family-based, high quality foster care that meets their needs*
 2. Key Recommendation: *Assure that more children who come into state care leave that care as members of strong, permanent families*
 3. Key Recommendation: *Increase the number of economically vulnerable families who get jobs, keep them, earn more and accumulate assets*
 4. Key Recommendation: *Assure more equitable and efficient enforcement of child support orders, while increasing the participation of fathers in supporting their children*

Opportunities for the New Leadership Team

The task of bringing DHR into the 21st century will require a team of exceptional managers with vision and expertise, who know the programs, know the issues, and understand how the bureaucracy works. It will require a team of people who understand and embrace the concepts of inclusiveness and transparency in government. The task at hand will require the help, direction, and support of many outside groups: the Governor's Office, the General Assembly, the children and families served, line staff in the local DSS offices, local DSS directors and managers, the courts, foster parents, providers, advocates, and others. All these stakeholders must contribute to the process of change in order to assure that DHR achieves positive outcomes for children and families. The kind of changes needed in DHR cannot be done quickly -- they are likely to require several years. Furthermore, some of the changes recommended are likely to require new resources. Others will require a re-allocation of current dollars or an increase in federal revenues. The complexity and interplay of the recommended changes will require innovative thinking and openness to new ideas. DHR is about to enter an exciting but difficult period of change, and the leadership team must feel the same level of urgency for improvement that is felt by the children and families of Maryland struggling to get on the right track to safety and economic success.

The level of change needed within DHR is substantial, but Maryland will not be the first agency to require such significant changes. Other states have gone through similar reforms and have survived and thrived. It can be done, and Maryland has a highly committed group of staff, providers, and advocates who are anxious to help bring Marylanders the human service system they deserve.

MARYLAND DEPARTMENT OF HUMAN RESOURCES

Transition Team Draft Report

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In recent years, Maryland has failed to embrace significant innovations and evidence-based practices in human services that are improving outcomes in other parts of the country. Rather than investing in effective prevention, best practices, and analytic thinking, Maryland is still paying too much for the cost of failure. The cost of failure is measured in the price of programs that don't work, and more importantly, in the compromised futures of abused and neglected children and through the continued disabling dependence and economic exclusion of too many of Maryland's families.

The new administration has an opportunity to turn Maryland's human service system around, to make Maryland a model of human service innovation, to demonstrate clear and measurable results, and to improve the life prospects of the children and families who rely on DHR for help and support. Maryland has an opportunity to offer hope, and a real chance for improved life outcomes to our most vulnerable citizens.

Critical Steps for Improving Outcomes for Maryland's Families

Creating a model system for helping Maryland's poor and needy families will require four significant steps:

- **Developing and sustaining a relentless focus on results: measuring progress toward better outcomes for children and families, regardless of categorical agency responsibilities**
- **Re-evaluating and re-balancing the existing service array to bring to scale proven programs, best practices and an effective, accountable system for delivering state services**
- **Rebuilding the infrastructure: improving leadership, modernizing management and support services, such as information technology and personnel services, and fostering meaningful cross agency coordination and cooperation on behalf of vulnerable kids and families**
- **Committing to (and being held accountable for) achieving significant and specific improvements in several key outcomes for Maryland's children, families, and vulnerable adults**

Implementing these imperatives will require an experienced and knowledgeable leadership team throughout DHR. The leadership team must articulate a clear and compelling vision that places the well-being of Maryland's children and families at the core of the Department's mission. The leadership team, from top to bottom, must demonstrate the capacity, intelligence, and informed commitment to design and implement a Department-wide overhaul, even as the Department continues to meet the daily challenges of ongoing service delivery. Finally, accomplishing the four imperatives will require the support and commitment of the Governor's Office as well. DHR cannot accomplish its goals alone.

I. Focus on Outcomes

DHR is a huge bureaucracy, which has become too often preoccupied with the processes of bureaucracy: developing program descriptions, procuring providers, writing contracts, generating policies and rules, reporting to federal bureaucracies. This orientation must be modified to one that is more focused on the *impact* of DHR staff's actions toward bettering the lives of Maryland's neediest citizens. An outcomes-driven focus changes the questions to be asked at all levels of the bureaucracy. The focus *starts* with how best to help children and families succeed, and *ends with* programs and policies, not the other way around. It is a "bottoms-up" process that causes us to question whether our programs and services are having the impact we want them to have, and to change them

if they are not. It's a focus that cannot be dictated from above, but must be built on information obtained, and changes enabled at the service delivery level.

1. Key Recommendation: Every program area of DHR should develop a balanced set of performance measures that addresses the impact of the program on outcomes for children, families and those in need of adult services.

A focus on outcomes must begin and end by defining the critical outcomes for children and families, and must include developing performance measures for each programmatic area that should be contributing to those outcomes. Currently, some DHR areas have performance measures, but most do not. Some current measures focus on outputs or workload, rather than outcomes for children and families. And other measures only go part of the way in defining the outcomes that matter. For example, it's not enough to measure whether those receiving cash assistance get a job. The real issue is whether they get a job that they can keep, a job that provides sufficient income to allow them to survive without government support. Measuring who *leaves* cash assistance because of work may not be as important as who is *still* at work one or two years later. Even those areas that have no direct impact on client outcomes — like procurement — should have performance measures, such as the percentage of contracts processed within specified timeframes.

Developing the most significant, meaningful, and balanced set of performance measures for each program and functional area is not a simple task, and should not be done in isolation. The new secretary should develop workgroups of local staff, clients and other stakeholders to develop the right set of measures for each program area. The question asked is not: What have we done in each program area? The questions are: What has been the impact of our work on people? Has our work improved their safety or opportunities or economic success? Performance should be measured and reported regularly by program and by county. HB 1146, the Child Welfare Accountability Act, includes a full set of outcome measures for the child welfare system. These need to be implemented. Comparable measures should be developed and implemented in each program area of DHR.

2. Key Recommendation: DHR leadership should develop the capacity to measure the cost of success and the cost of failure, so that policymakers, legislators and the public better understand the impact of their actions on outcomes for Maryland's children and families.

DHR is simply too big an agency with too big a responsibility, and too big a budget to be allowed to have an inadequate or underdeveloped analytic capacity. DHR leadership must aggressively advocate to enhance this capacity.

An improved analytic capacity could dramatically change how DHR does business. For example, a critical analysis of the child welfare system would reveal that DHR's current service delivery system relies heavily on costly, deep-end services, rather than on less costly preventive services. It is a lopsided, unbalanced system that too often poorly

serves children who could have been served better and earlier. Our foster care system often fails to provide stable, safe homes for all children in care. When children are removed from their homes, too many of them bounce from foster home to foster home, until their behavior deteriorates, or they reach an age when our system is challenged to find a foster family. They are then housed in costly group care settings, where they remain too long, sometimes until adulthood. When they age out of the system, it is not surprising that they are unprepared to meet the challenges of adulthood.

We are paying a huge cost to provide deep-end *services*. Our failure to help parents with mental health problems or with substance abuse problems with a means out of poverty too often results in children growing up parented by an ambivalent and often indifferent State agency. Furthermore, the costs to the child's future, to the parents, and to the communities is tragically high.

DHR must develop the analytic capacity to better measure the costs and benefits of providing evidence-based, preventive services that achieve positive outcomes for children and families, as well as the cost of failing to do. With this analytic capacity, DHR leaders must then work with State lawmakers to shift the balance in resource allocation toward more effective strategies.

For example, the Maryland Opportunities Compact is designed to measure the cost of prevention versus the cost of failing to prevent. While still in the early stages of development, this concept should be adopted throughout DHR. The analytic capacity to measure the cost of success versus the cost of failure can provide the dollars and cents information needed to demonstrate spending money to *prevent* problems is often *cheaper* than money spent to solve them. This mindset and analytic expertise should become routine and used as a primary tool within DHR to justify or eliminate programs or services.

3. **Key Recommendation: DHR leadership should promote the development of an interagency coordinating mechanism with authority to resolve interagency service gaps and duplication.**

Developing outcomes for each program area may result in the identification or elucidation of issues or problems that impact the success of DHR, but whose solution will require resources or services from other departments. For example, access to substance abuse services may be critical to the long-term well being of neglected children, but substance abuse services are delivered through another service system. If too many children are entering or remaining in foster care because substance abuse services are too limited or inaccessible, DHR should be leading efforts to solve the problem in conjunction with DHMH and local substance abuse authorities. The goal is not only to *protect* children who are neglected due to substance abusing parents, but to find ways to evaluate and treat the substance abusing parent in order to *expedite the children's return to the family, or to expedite the decision to sever parental rights*. Put plainly, achieving permanency for our children like many other DHR goals, often requires the coordinated and timely cooperation of multiple agencies.

There are many other examples of interagency snafus frustrating efforts to respond to critical problems. For instance, there are so many interagency issues frustrating efforts to respond to the problem of homelessness in Maryland, that the ten-year plan to end homelessness has not been implemented. A pilot program designed to create “one stop shops” for seniors was implemented and ended without a clear assessment of its successes or problems. The recently transferred child care subsidy program left numerous issues unresolved which now have to be addressed quickly.

By focusing on outcomes for children and families, each State agency should be compelled to look at the impact of its programs and services on all families, including those that may be served by another system, thus highlighting gaps and problems that impede outcome achievement. These issues can then be addressed at the top management levels, so that staff are not left without options for helping their clients, and more importantly, children and families are not left to suffer the consequences of a fragmented bureaucracy.

The directive to each of the agencies should be that programs for children and families should meet their needs efficiently and without bureaucratic boundaries getting in the way. Agencies should feel compelled to focus on achieving the desired outcomes – ending homelessness, meeting the needs of the elderly, providing child care subsidies to support work, protecting children – without a focus on bureaucratic turf issues.

In short, if managers understand they will be held accountable for contributing to the overall well-being of children and families, we increase the odds that they will make the effort to resolve artificial bureaucratic conflict in addressing our citizens’ needs.

The DHR leadership must work with other departments to develop a strategy and systematic mechanisms to address interagency issues affecting outcomes for children and families. This strategy must also address cross agency performance measurement, with a clear line of accountability directly to the Governor on the range of services to children and families. This would represent a “FamilyStat” capacity that crosses agency lines and provides information for the Governor and State policymakers on the status Maryland’s children and families.

II. Re-evaluate and Re-balance Programs and Services

Maryland’s human services are not cost efficiently or strategically organized. There has been too little evaluation of the mix or allocation of resources to the individual services or programs, and too little flexibility given to how programs operate. An outcomes focus should help solve this problem, but it will also require significant shifts in the orientation of DHR policy staff.

1. Key Recommendation: DHR should convene a group of stakeholders to re-examine resource allocation to services and programs, focusing on outcomes for children and families.

Each of the three major program administrations within DHR – Social Services Administration, Family Investment Administration, and Child Support Enforcement Administration – should convene a group of stakeholders to re-examine how resources are allocated within each of the program areas. The service array and allocations that currently exist are the result of history, rather than strategic and thoughtful planning, and they have not adapted to changes in demographics or service needs. Furthermore, DHR’s practices do not represent the best practices in the country today. Research into evidence-based and other best practices should be encouraged to guide a realignment of DHR resources and priorities.

Within the Social Services Administration, the service array is heavily weighted toward out-of-home care services, especially group care. This is inconsistent with a healthy child welfare system that supports families, and focuses on children having permanent connections to families. The current system is the result of an under-development of the less intensive (and less costly) parts of a continuum of services for kids involved with the child welfare system. Re-establishing a healthier balance of preventive and deep-end services will lead to improved outcomes for children and families and a better return for Maryland taxpayers. Re-thinking the service mix should include a discussion of new treatment modalities. Recently emergent services, such as Multi-Systemic Therapy and Multi-Dimensional Treatment Foster Care, both models with proven records of successful outcomes, should be examined for adoption in Maryland as well. New programmatic models, such as the Family Recovery Program, for substance abusing parents with young children, should also be closely monitored for possible adoption or replication as outcomes become clear.

Within the Family Investment Administration, the allocation and uses of the \$230 million federal TANF block grant have not been thoroughly examined since the enactment of the original welfare reform legislation in 1996. Moreover, the new TANF requirements included in last year’s Deficit Reduction Act will require new thinking on how to meet work requirements. Additionally, given Maryland’s changing demographics in the last ten years, notably the influx of a sizable Hispanic population, it is likely that new or different services, such as language access services, will be warranted. If a re-examination of the allocation of funds is based on what is needed to achieve economic independence for families, a different mix of services may well be the result.

Within the Child Support Enforcement Administration, the balance between obtaining support orders and collecting on support orders should be examined, as well as the service delivery system that is trifurcated across the State, to determine if the local service delivery variations are working effectively.

This evaluation and re-balancing should result in the development of priorities and plans that can be folded into a broad-based DHR strategic plan for the human service system in Maryland.

2. Key Recommendation: DHR should convene a group of Central Office and local DSS directors to assure greater state-local alignment and clarify the locus of program and outcome accountability.

DHR's service delivery system has compromised accountability for outcomes because of confused and ambiguous reporting channels. Local DSS directors have had their authority curtailed over the years, losing some authority to hire their management teams, to participate in the allocation of DHR resources in their communities, or to contract for services within their communities. Local DSS directors must be held accountable for outcomes for children and families, but they must have authority over the resources needed to impact outcomes – staffing, funds, contracts. It is disingenuous to hold them accountable for outcomes for children and families when they do not have authority over the tools needed to achieve them. Without accountability for outcomes at the service delivery level, it is difficult to hold anyone responsible for achieving desired results. If we are to expect high performance, clarity in accountability is essential. Addressing these ambiguities is critical. In Montgomery County, state human service resources are “block granted” to the county. This model should be examined for use in other counties.

The Commonwealth of Virginia has implemented a system that puts all placement funds, across child serving agencies, into a single fund that is block granted to counties. The purpose is to assure children with cross-agency needs are not pushed from agency to agency without any agency assuming responsibility. This is another model that might be explored both within DHR and across Maryland agencies.

III. Re-build DHR Infrastructure

Over recent years, DHR has suffered hiring freezes, uneven management, and inadequate staff compensation. It is time to re-build. Its infrastructure weaknesses have led to enormous inefficiencies that have sometimes reached crisis levels.

1. Key Recommendation: DHR, in conjunction with local DSS managers, must develop a plan to aggressively address workload, caseload and salary issues.

Many local DSS offices are overwhelmed with unmanageable workloads. Excessive caseloads impede quality service delivery. For some programs, staffing levels were frozen for several years, resulting in caseloads in most jurisdictions that are well above reasonable. Workload studies that determine and standardize what a reasonable caseload should be have been done for some programs and services, but even those studies may be outdated. Workload standards have been developed for child welfare staff, although where each county stands relative to those standards is not clear. High caseloads result in poor, often costly, outcomes for children and families.

For example, it is clear that too many Maryland children are being housed in group care facilities. With concerted and diligent casework, other states have been able to reduce the number of children in expensive group care facilities by 20 percent or more. But concerted and diligent casework takes front-line time that caseworkers with high caseloads simply do not have. Unless the caseload issue is addressed, good, solid casework that actually changes outcomes for children and families cannot be done.

Workloads, coupled with uncompetitive salaries, have resulted in high turnover rates throughout the system. Local managers spend inordinate amounts of time filling vacated positions, detracting from effectively managing staff and programs. In child welfare, social worker salaries are not competitive with social worker salaries in other service areas (e.g., the schools) and in other jurisdictions (i.e., DC government). Over the last several years the system has been attracting fewer and fewer trained social workers to undertake casework with very difficult families. Furthermore, supervisors are poorly compensated relative to line staff – despite having considerably more final responsibility. These issues must be addressed in order to achieve positive outcomes for children and families.

2. Key Recommendation: Staff and Supervisor training must become a greater DHR priority.

Direct service staff are poorly trained, and sometimes not trained for months after they have started their jobs. In child welfare and adult services, the security of children and vulnerable adults may be put at risk due to inadequate training; in family investment and in child support, families' livelihoods may be affected. For example, poorly trained caseworkers cannot assess the risk and safety issues needed to make good decisions about whether or not to remove children from their homes.

DHR should fully implement the child welfare training academy envisioned in the Child Welfare Accountability Task Force recommendations. This would mean training *before* workers begin working in the field and ongoing training throughout their tenure of service. For family economic support programs, DHR staff and contractors need training on how to meet federal and State requirements, and equally as important, how to achieve family economic success for Maryland's families most effectively.

3. Key Recommendation: The CHESSIE information system must be fixed in the short run. In the long run, DHR's approach to technology must support the tracking of outcomes, performance measures, and the work of line staff.

Design weaknesses and flaws in the CHESSIE system should be addressed promptly. This will require a "tiger team" who can review the issues, prioritize the fixes, and develop an emergency plan to address fatal flaws within 90 days. DHR leadership may need to work with the Legislature to secure the needed resources to implement these fixes on an emergency basis.

In the long run, DHR must develop a strategic plan for technology that addresses all of its systems, many of which are nearing the end of their usability. Along with that plan, a new mindset toward technology needs to occur within DHR that puts the end user of the system and the measurement of child and family outcomes at the forefront. This means that program and line staff must have the capacity, skills, and time to be heavily involved in system development.

4. Key Recommendation: DHR must develop the capacity for financial planning and management that reflects a high degree of strategic competence and management integrity.

DHR currently earns about \$1 billion in federal revenues each year. That figure can fluctuate based on audit issues, failure to earn performance incentives, or penalties for poor performance, as well as overall competence in maximizing federal funds associated with entitlement programs (i.e., food stamps, Title IV-E for foster care and adoption assistance, and Medicaid). DHR has a number of outstanding audits that must be negotiated with the federal government, and the issues identified in the audits must be addressed. Failure to earn incentive payments, and penalties for poor performance should be identified, and the performance issues should be prioritized within each program area. Furthermore, there is significant concern that DHR does not currently have the expertise to maximize federal revenues adequately. Finding a finance team who can lead these efforts will be critical to keeping and increasing the federal revenues earned by the Department.

Much of the Department's current budgeting process is invisible and unknown to the county agencies. Moreover, both MDBM and the Legislature reportedly have little confidence in DHR's budgetary sophistication. DHR's budget, affecting the interests of a wide range of constituencies and advocates, should be transparent both within and outside of DHR. Credibility with MDBM and the Legislature is essential.

IV. Commit to Specific Outcomes for Maryland's Children and Families

The challenge for DHR for the next several years should be to achieve a national reputation based on a system capable of:

- Keeping more Maryland families safe, stable, and intact. Assuring that more of the children who come into state care are placed with relatives or in family-based, high quality foster care that meets their needs.
- Assuring that more children who come into state care leave that care as members of strong, permanent families.
- Increasing the number of economically vulnerable families who get jobs, keep them, earn more and accumulate assets.
- Assuring more equitable and efficient enforcement of child support orders, while increasing the participation of fathers in supporting their children.

The system described above does not currently exist in Maryland, but, with commitment, time, energy, and resources, it can become Maryland's human services system.

Opportunities for the New Leadership Team

The task of bringing DHR into the 21st century will require a team of exceptional managers with vision and expertise, who know the programs, know the issues, and understand how the bureaucracy works. It will require a team of people who understand and embrace the concepts of inclusiveness and transparency in government. The task at hand will require the help, direction, and support of many outside groups: the Governor's Office, the General Assembly, the children and families served, line staff in the local DSS offices, local DSS directors and managers, the courts, foster parents, providers, advocates, and others. All these stakeholders must contribute to the process of change in order to assure that DHR achieves positive outcomes for children and families. The kind of changes needed in DHR cannot be done quickly -- they are likely to require several years. Furthermore, some of the changes recommended are likely to require new resources. Others will require a re-allocation of current dollars or an increase in federal revenues. The complexity and interplay of the recommended changes will require innovative thinking and openness to new ideas. DHR is about to enter an exciting but difficult period of change, and the leadership team must feel the same level of urgency for improvement that is felt by the children and families of Maryland struggling to get on the right track to safety and economic success.

The level of change needed within DHR is substantial, but Maryland will not be the first agency to require such significant changes. Other states have gone through similar reforms and have survived and thrived. It can be done, and Maryland has a highly committed group of staff, providers, and advocates who are anxious to help bring Marylanders the human service system they deserve.

The remainder of the report describes each of DHR's programs and details specific issues and recommendations that were identified in the transition planning process.

Social Services Administration (SSA)

Description

The Social Services Administration (SSA) administers the State's child welfare programs. Services to children and families are provided through 24 local departments of social services. SSA provides child protective services and in-home family preservation, as well as foster care, resource home recruitment and retention, and adoption. SSA also has oversight of the Child Welfare Training Academy. Until very recently, the Office of Licensing and Monitoring was also housed within SSA.

Major Issues

- **Poor, Flat Outcomes:** To the extent Maryland can reliably measure them, outcomes relating to safety, permanency and length of stay have remained very poor and virtually unchanged for years.
- **Caseloads:** Caseloads remain too high, and efforts to measure caseloads are unreliable because existing data systems do not show either how many positions are actually filled by workers carrying caseloads or how many cases there are. This complicates a legislative mandate to reduce caseloads to CWLA standards. A recent legislative report assumes the hiring of 188 additional caseworkers in FY 2008; however, that number is likely to be significantly below that needed to meet CWLA standards. Indeed, the picture is more confused because DHR and MDBM took control of the filling of vacant positions, allocating positions to local DSS' using a system not well understood and without clarity about who would carry caseloads versus who would undertake other responsibilities.
- **Case Practice:** With most of its attention focused on reducing caseloads, DHR has not adequately attended to the quality of casework. State of the art child welfare case practice requires that caseworkers learn how to engage families and work with them to develop realistic, individualized service plans. The legislature required the creation of a training academy and an accountability system, but implementation of both efforts has been rudimentary. Caseload reductions are necessary for high-quality services, but in the absence of case practice reform, caseload reduction alone is unlikely to produce better outcomes for children and families.
- **Baltimore City and the LJ Case:** Baltimore City DSS has the majority of child welfare cases in the State and is, by far, the most challenged local DSS. Plaintiffs' attorneys in the longstanding LJ Baltimore City DSS class action case regarding the treatment of children in foster care have informed the new administration that they are planning to file a contempt motion, after mediation efforts with the outgoing administration failed prior to the election. The State is vulnerable both legally and politically.
- **Placement Array:** The number of foster families declined by over one third between 2001 and 2005, reportedly due to flat payment rates and insufficient support from overstretched caseworkers. During this same period the State's reliance on group homes increased substantially. Concerted effort is needed to shift away from group care, which is far more expensive and produces worse outcomes for children than living with caring families. Recruitment of additional foster homes should be a high priority -- especially in Baltimore City and the Washington, DC suburbs. The

inadequate number of homes in these cities has a spillover effect on nearby counties, which find that many of their homes are used for Baltimore or DC children, and they, in turn, must also rely too heavily on group care.

- **Prevention:** The State is investing too little in efforts to prevent the need for child welfare system interventions or to prevent the need to remove children from their homes. The money it does spend is not producing the maximum possible benefit. Local management boards control decisions about a portion of the funds for services, and, in some locations, these choices have not been well-coordinated with the needs of the local DSS for services that will effectively help high-risk populations.
- **Accountability:** The legislature has mandated an accountability system. The Citizen's Review Board for Children and the University of Maryland School of Social Work have signed Memorandums of Understanding with DHR to develop this system. SSA has limited capacity to properly implement the new system, and it does not yet have a clearly defined case practice model on which to base decisions about what workers should be held accountable for. Without these supports, it is unlikely that the accountability system will lead to significant improvements. It is equally essential to link measurements from the accountability system to serious program improvement plans, and to the budget process, so that funds can be directed to implement improvement plans.
- **Addiction Services:** There are not enough addiction services to help parents regain custody of their children. Mother/baby programs are scarce. Baltimore City has experienced some success with the Family Recovery Program – one of the first Maryland Opportunity Compacts to be implemented. The Administration should consider supporting additional efforts to meet the service needs of families undermined by substance abuse.

Recommendations

- **Case Practice:** Above all, Maryland needs a case practice model that is strength-based and family-centered, and that is supported by adequate training, supervisory coaching, and performance measurement.
- **LJ v. Massinga Lawsuit:** The contempt motion that plaintiffs may be planning to file in this case could afford the new administration an opportunity to modify or exit an onerous consent decree focused on compliance requirements, while implementing significant reforms focused on improved outcomes for children and families. Leadership should take this opportunity to enter into productive negotiations that can result in positive outcomes for children and families.
- **Comprehensive Community Continuum of Care:** In order to improve outcomes for children and families, a broad spectrum of appropriate placement options, preventive services and family support services must be available and accessible to children and families who need them. Maryland needs to radically reduce its reliance on group homes, by preventing initial placements through greater use of family, relative and foster placements, and by accelerating the exit of children in group homes through strong supports to foster homes and greater availability of community and family-based services. At the same time, the agency will need to manage a significant reduction in the number of group homes. In addition, every effort should be made to reunify children with their families as quickly as possible so that any type

of out-of-home placement is temporary. Any strategic plan for developing this necessary continuum of care should include the strategies below:

- **Strengthen and Preserve Families:** A top priority should be given to strengthening and preserving families so that fewer children have to enter out-of-home placements. In cases where out-of-home placement is necessary, every effort should be made to reunify children with their immediate families as quickly as possible. In order to support intact families in lieu of foster care, or to reunify them, communities need access to a full range of community-based services. Services should be evidence-based, such as Multi-Systemic Therapy, or modeled on best practices nationally. Services should be available to families in their communities around the State and not just in urban areas. Especially important are expansion of substance abuse treatment and prevention services, expansion of intensive treatment services for children, and development of educational support services.
- **Strengthen Kinship Care:** An adequate continuum would ensure that kinship care providers have access to the same resources and supports as parents, and are compensated for the care of the children.
- **Improve Family Foster Care:** A sound continuum would have sufficient numbers of high quality, family foster homes. In Maryland this would require an increase in the availability of family foster care by supporting and retaining current foster parents, actively recruiting new foster parents, providing foster parents with access to child care, respite services, and other supports, and by providing needed services, such as therapeutic and educational support services, to the children in their care. Supporting foster parents through the development and sponsorship of community-based foster parent support groups should also be undertaken. Foster care recruitment should particularly target communities from which the largest number of children is entering foster care. Current and new foster care families should be provided with adequate training, so that they have the tools to succeed.
- **Improve Assessment and Placement Protocols:** Protocols for determining the right placement need to be developed and implemented to increase the likelihood that children will be placed together with their siblings, and near their home so they can remain in the same school, and with caring relatives whenever possible, and so that placement disruptions can be minimized.
- **Improve the Quality and Accessibility of Treatment Foster Care and Specialized Group Care:** Currently, many group care providers are concentrated in Central Maryland which means that children may be placed far from their parents and relatives, thus reducing opportunities for potential reunification. Assessments for determining the right type of placement are poorly done and children are often placed where there is an available bed, instead of in a placement deemed most appropriate. Service networks should be encouraged so that children in group care can “step down” to less restrictive care when ready.
- **Address the Needs of Transitioning Youth:** DHR is not meeting the needs of older youth in the foster care system, and needs a comprehensive strategy for working with

this population to ensure its success. A critical part of that strategy must be to address the needs of these older youth for permanent connections with caring adults. Other states such as Michigan have demonstrated that youth in care can articulate effectively what they need to have a fair chance for success as adults, and what changes the public child welfare agency will have to make to meet those needs. Maryland should follow Michigan's lead by developing and supporting a youth council to advise DHR. DHR's strategy should include playing an active role in Maryland's "Ready by 21" Initiative.

- **Ombudsman Process:** DHR should develop a mechanism for consumers and others to be able to voice their concerns and issues with any aspect of the continuum of care. The Ombudsman's office should be objective and impartial, and the process for voicing concerns should be easy and transparent.
- **Child Welfare Accountability:** DHR should implement the recommendations prepared by the Maryland Task Force on Child Welfare Accountability and presented in its December 2004 report. The Task Force spent ten months conducting an evaluation of the child welfare system and identified serious structural issues which undermine performance and accountability. DHR should act on the sixteen specific recommendations which provide a framework for the development of a high-quality, accountable child welfare system. In addition, DHR should work to implement House Bill 1146, which provides for the development of an outcomes evaluation system for out-of-home placements.
- **CHESSIE:** In order to ensure that DHR is data-driven and outcome-focused, SSA will have to assign knowledgeable, full-time support to assure that the CHESSIE system improvements focus on programmatic needs and issues.

Family Investment Administration (FIA)

Description

The Family Investment Administration administers cash benefits and other financial assistance programs, as well as programs to promote job readiness and job placement for families and individuals in financial need. Services are provided through 24 local departments of social services. Key programs include:

- **Family Investment Program:** Administers services that attempt to move families to self-sufficiency, including job search and job retention strategies. Families receive temporary cash assistance only if they are unable to solve financial crises through other means. Roughly half of general fund expenditures in FIA are spent on this program.
- **Work Opportunities:** Provides funding to local DSS offices that contract for employment-related assistance to Temporary Cash Assistance (TCA) clients to help them identify employment opportunities and find long-term employment. The program is 100% federally funded through TANF.
- **Temporary Cash Assistance (TCA):** Provides financial assistance to dependent children and eligible family members, if family members meet certain work requirements. The State must meet Maintenance of Effort (MOE) requirements of 75% in order to obtain federal funding (in FY 2006 for example, the State spent roughly \$178 million in order to receive its TANF grant of \$229 million). An individual may receive benefits for a maximum of five years. However, a “hardship” exemption allows states to continue funding for up to 20% of their caseload past the five year limit.
- **Food Stamp Program:** This 100% federally funded program provides financial assistance exclusively for the purchase of food items. FIA staff determines eligibility for food stamps.
- **Temporary Disability Assistance Program:** Provides temporary financial assistance to disabled adults. Adults with long term disabilities may apply for federal assistance in the form of monthly disability payments through the Supplemental Security Income Program (SSI).
- **Other program responsibilities:** FIA determines eligibility for Medical Assistance (operated by DHMH) and child care subsidies (operated by MSDE).

Major Issues

- **New Federal Requirements:** New legislation will require significant planning and attention to meet federal requirements, and there are substantial penalties for failure to comply. Maryland must achieve a 50% percent work participation rate for TANF recipients, or it will lose \$11.5 million in TANF funding. The legislation also raises Maryland’s MOE to 80%, resulting in a need for an additional \$11.8 million of State general funds to meet the requirement. Other TANF changes require stricter work verification procedures, including changes to what is countable as “work.”
- **Food Stamp and Medicaid Caseload Increases:** There are now roughly 310,000 Food Stamp cases, an increase of 51% percent since 2001. Local offices have reportedly lost 20-25% of staff and some caseloads have become unmanageable.

Several years ago, a workload study for Maryland income maintenance workers identified critical staffing gaps. The recommendations from this study were never fully implemented, and now the study needs updating.

- **Information About and Access to Child Care Subsidies:** Special attention should be paid to ensure that child care subsidies are well-advertised to clients and utilization increased, particularly among families that obtained employment and among other low income families. MSDE and DHR should work together to address gaps in meeting the child care needs of families moving off of welfare.
- **Increasing Access to Public Benefits:** Maryland is currently in the bottom quarter of all states in the U.S. in terms of its Food Stamp participation rate, which is just above 50%. The State needs broader and more effective means of enrolling families; efforts have begun to create web-based applications and utilize one-stop centers that allow for easier enrollment.
- **Adequately Packaging Public Benefits on Behalf of Needy Families:** While access to public benefits is crucial, it is also important that staff are able to seek out and find the best package of benefits that meet the families' needs. Failing to do so only undermines a family's potential for success. Local DSS staff are not trained to take a comprehensive look at the entire benefits package the family is eligible for and needs in order for them to transition to work or out of low-income. DHR continues to focus on the administration of discrete programs, with little ability to understand a family's situation and what it will take to help that family escape poverty. The Department needs goals and outcome measures that cut across programs and agencies, and new mechanisms for coordinating the work of its different units.

Recommendations

- **Address Federal Changes:** Convene a workgroup to address challenges presented by new welfare reform laws.
 - The workgroup should be diverse and represent all key stakeholders including: community-based organizations, recipients, local DSS and DHR staff, advocacy groups, national and local experts, and community members. Such a workgroup was critical to addressing the challenges from the initial implementation of TANF in 1996.
 - Consider all strategies available to raise work participation rates. Some of these strategies may target particular groups (i.e., able bodied adults or formerly SSP cases). An alternative or additional strategy to consider is creating a separate program, using State funds, for the population likely to have the greatest difficulty meeting the new federal work requirements. This group may benefit from the additional flexibility that TANF-funded programs do not allow, such as extended education and training. Also, the cost to the State may be less than the potential penalty from failing to meet TANF work participation requirements.
- **Training for Staff and Community-Based Organizations:** DHR should develop and implement training for community-based organizations and DSS staff on how to creatively use services available to address the long term needs of individuals, and ensure success in leaving welfare. While staff should be educated on the new rules surrounding the federal Deficit Reduction Act, training should not focus exclusively

on what is “countable” in terms of claiming federal dollars, but should instead focus on the best long term solutions for the individual family.

- **Increase Access to Public Benefits for Eligible Persons:** Develop creative strategies to help needy individuals maximize access to public benefit programs, such as the federally funded food stamp program. These include programs that focus on “one-stop centers” where individuals can file a single application and search a single database to identify all public benefit programs available to them. The State has launched a new software system that has been having limited success during its first three months. However, a partnership of several foundations, in conjunction with FIA, has sponsored a flexible, web-based tool through Seedco, Inc. to simplify enrollment in multiple public benefits through community-based programs. Plans are underway to integrate this tool with the State through electronic filing^[AECF1].
- **Goals and Outcomes Focused on Helping Families:** DHR should develop a broader set of goals and outcomes focused on helping families achieve independence and leave poverty, whether or not they were TCA clients, and measure those outcomes:
 - Create a standard of success to measure the long term well-being of TCA clients who transition to work, as well as those who have returned to or never left the program, and measure annual progress towards achieving that standard. Currently, DHR reports on the number of cases it closes each year, or the number of persons leaving welfare, but it does not have a way to measure whether they are better off in terms of wages, health benefits, etc., than they were when they received TCA.
 - DHR and other State agencies working with families in poverty should jointly develop benchmarks around leaving poverty and achieving independence. Departments should be required to work together under a common goal of achieving positive long term outcomes for a shared population of poor clients.
- **Address Substance Abuse Issues:** Develop a statewide network of family-based substance abuse services. Many low income families have substance abuse problems that make it difficult to find and hold a job. FIA should acknowledge this problem and move to create opportunities to address it.

Child Support Enforcement Administration (CSEA)

Description

The Child Support Enforcement Administration (CSEA) operates the statewide Maryland child support enforcement program. The main responsibilities of the CSEA are:

- Establishment of paternity orders
- Establishment of child support orders
- Distribution of child support funds to:
 - Custodial parents not receiving benefits under the Temporary Cash Assistance (TCA) program
 - State and federal government for custodial parents receiving such benefits
- Enforcement of legal support obligations against non-custodial parents on behalf of custodial parents

Child support services are performed by several agencies or private contractors. In the larger counties, local offices of CSEA provide intake and enforcement services in cooperation with the local State's Attorney and Circuit Court Clerk's Offices. In Baltimore City and Queen Anne's County, child support services are performed by private contractors. In the remaining counties, child support is operated by the local Department of Social Services.

A vendor centrally receives and processes child support payments. Additionally, CSEA uses a private collection agency to assist in the collection of outstanding child support obligations.

According to the last available information, in fiscal year 2004, CSEA collected \$453 million statewide in child support payments. Of that, \$20.2 million was returned to the State and federal governments as reimbursement for TCA clients. However, in that same fiscal year, the statewide unpaid child support due from non-custodial parents was estimated at \$1.4 billion.

The Child Support Enforcement System (CSES) collects and records information on:

- Enforcement efforts;
- Collection and distribution of support payments; and
- Financial and statistical data for oversight purposes.

CSES also contains automated enforcement features used to aid in the collection of support obligations.

Major Issues

- **Current Rule Problems:** Current child support enforcement rules may actually discourage some non-custodial parents from working and supporting their families. AS[AECF2] a result, a smaller fraction of child support owed actually reaches the family and often the non-custodial parent avoids mainstream employment.
- **Reduction in Federal Incentive Dollars:** The Federal Deficit Reduction Act has reduced incentive funding, which was used to support program innovations, by 66%.

- **Poor Customer Service:** Citizens calling the State about child support issues reach an automated Call Center, which generates work orders rather than giving consumers an actual person to talk to. Clients routinely complain that it takes too long for someone to get back in touch with them.
- **Improper Computation of Income for Support Orders:** Income is improperly imputed when the non-custodial parent has no income or a less than “suitable” income^[AECF3].
- **Insufficient Coordination with Corrections:** Neither DHR nor DOPSC provides an avenue for recently incarcerated, low-income, non-custodial parents to modify child support while serving a sentence. This results in hundreds of thousands of dollars in accumulated arrears. There is a dire need for clear policy direction, ensuring that support orders for incarcerated parents are appropriately modified or suspended, and either improved communication procedures or an automated system developed to ensure that this policy is carried out.

Recommendations

- **Modify Unrealistic Child Support Orders:** This will improve compliance rates and make collection efforts more efficient. A large number of cases could be brought into compliance by modification of orders for parents who make too little money to fully comply with their order. Local jurisdictions that have good partnerships with the Circuit Court, State’s Attorney, and Sheriff, do a better job of this. As a result, the private collection agency could concentrate on recovering from those parents who have the ability, but not the will, to pay.
- **Increase Utilization of Employment Services:** Several local DSS offices provide employment services for non-custodial parents. Such proactive programs should be encouraged and supported.
- **Clean Up Payment and Collection Systems:** In 2004, uncollected arrearages were the result of non-payment related to 279,783 cases. Some of this may be due to poor administrative practices. CSEA should concentrate on administrative practices that improve the state’s collection rate, including: closing old cases, moving forward on modifications when requested by both parents (especially in those cases in which children have aged out or been emancipated), settling state-owed arrears, and maintaining wage garnishments.
- **Address Undisbursed Funds and Outstanding Checks:** CSEA should set a goal for an acceptable limit for undistributed funds and move money to families as quickly as possible^[AECF4].
- **Implement Direct Deposit:** Improve efficiency by collecting and distributing child support funds by direct deposit whenever possible. CSEA should allow parents and employers to submit payments online or through an automated voice system. Families should also receive their child support payments through a regularly scheduled direct deposit program.

- **Update CSES:** The system is outdated. It is down too often and case workers spend more time trying to input data into the system than actually gathering the data.
- **Review Call Center Performance:** The Center should either establish and meet standards for customer service, or be discontinued and replaced with more responsive local systems.

Community Services Administration (CSA)

Description

The Community Services Administration (CSA) works with more than 200 community and government organizations and agencies to provide resources and services to vulnerable children and adults in Maryland. CSA's budget accounts for approximately 10% of DHR's overall budget. CSA provides services through eight units:

- **Office of Adult Services:** This office serves elderly, disabled, vulnerable adults and their family members through a home and community-based delivery system.
- **Office for New Americans (MONA):** MONA provides adjustment services to newly arrived refugees. It also promotes citizenship for immigrants and serves as a resource on refugee and immigrant policy. The office opened two new resettlement centers in Hagerstown and Silver Spring.
- **Office of Home Energy Programs:** Provides benefits and services to help low income families cope with high energy costs. This office administers both the Maryland Energy Assistance Program (MEAP) and the Electric Universal Services Program (EUSP). Home heating prices jumped in the summer of 2006. CSA was able to keep pace with demands for assistance thanks to earmarked funds included in the Fiscal 2007 Budget. CSA also modified eligibility criteria so that more people could access assistance.
- **Office of Community Initiatives:** This office promotes community partnerships to provide services to individuals and families seeking sustained independence. The majority of programs run by the office are administered under the umbrella of the Maryland Fatherhood Initiative. The initiative is an employment and supportive services program designed to promote the positive emotional and economic involvement of fathers in the lives of their children.
- **Office of Transitional Services (OTS):** OTS coordinates the provision of food, emergency and transitional shelter, and housing support services through a comprehensive statewide network of community-based services. It also provides staff support to the Interagency Council on Homelessness.
- **Office of Victim Services:** This office offers crisis services to victims of domestic violence and other victims of crime. Services include counseling, shelter, legal assistance, court and medical accompaniment, abuser intervention, and community education programs.
- **Legal Services Program:** Provides legal representation in court proceedings for children involved in abuse/neglect and termination of parental rights^[AECF5] cases. Counsel is also provided in some cases for indigent adults in Adult Protective Services Guardianship proceedings. This office also pays for private counsel to be appointed in matters in which there is a conflict of interest.

Major Issues

- **Adequacy of Support for Older Adults:** The number of seniors has been steadily increasing in Maryland, especially in Eastern Shore counties. County DSS Directors report greater numbers of seniors with disabilities who want to remain in their homes. Meanwhile, the DHR budget for CSA has remained virtually flat in the past 3 years, with increases only provided for energy assistance with the recent 2006 spike in

energy prices. The Association of County DSS Directors and others are very concerned about available resources for services for the elderly who plan to stay in their homes.

- **Limited Capacity to Assist Immigrants:** The number of immigrants [AECF6]in Maryland is steadily increasing. MONA is the lead agency on the issue but deals mostly with refugees, who are U.S. State Department-supported immigrants with defined case plans and service structures. By contrast, the fast growing Hispanic population is less likely to have these supports. CSA service providers are having difficulty meeting the rapidly growing need for Spanish-speaking staff
- **Inadequate Funding for Important Support Services:** CSA provides a broad array of services, ranging from energy assistance to legal services for families involved in child welfare cases. The budget for these services is limited and it appears that many programs may be underfunded and therefore only able to reach a fraction of the population in need of services.
- **Plan to End Homelessness:** As the lead agency on the Maryland Governor's Interagency Council on Homelessness, DHR will need to take the lead on devising a workplan which begins to implement recommendations from the Council's report, which focused on four key areas: housing, income, health and cross-cutting areas.

Recommendations[AECF7]

- **Evaluate Adult Services Needs:** Commission a comprehensive study of needs for adult services in the State to identify what type of services are most needed and where.
- **Evaluate Co-location of Adult Services at the Local Level:** Coordinate adult services closely with the Departments of Health and Mental Hygiene, Aging, and Disabilities, and consider co-locating staff from all three agencies.
- **Implement Plan on Homelessness:** Develop an implementation work plan for Maryland's ten year plan to end homelessness.

The Office Of Technology For Human Services (OTS)

Description

The Office of Technology for Human Services, within the Office of Budget and Finance, develops, enhances, and maintains the information systems that support the delivery of services. With a reported budget of over \$65 million, the Office maintains 47 mainframe, client service, and web-based applications that support the programs that DHR administers. Primary OTS systems include:

- **The Client Automated Resource and Eligibility System (CARES)**, which is the eligibility system for public assistance programs. It interfaces with DHMH's MMIS for Medicaid eligibility.
- **Child Support Enforcement System (CSES)**, which contains all of the information relevant to collecting and disbursing payments.
- **Electronic Benefits Transfer (EBT)**, which allows customers receiving food stamps and cash benefits to access these benefits electronically using ATMs and point of sale technology.
- **Client Information System (CIS) and CIS-Services System**, which are used across SSA, CSA, and for child care.
- **CHESSIE**, which is the new child welfare automated system being implemented statewide.

In addition to these core applications, OTS is responsible for numerous other applications that serve narrowly-targeted needs within DHR business units or support the administration and operation of DHR technical environments. OTS has adopted Microsoft's .Net framework as its standard platform for new in-house application development.

OTS has also begun to develop a Program Management Office (PMO) to establish DHR technology standards, manage DHR IT procurements, and provide consistent oversight and accountability across DHR IT projects.

OTS recently awarded a three-year contract to ACS Government Solutions to provide network administration, operational support, and application maintenance services for DHR applications – responsibilities that have historically been performed by a mix of contracted and state staff. The transition of those responsibilities to ACS is reported to be underway.

Major Issues

- **The Children's Electronic Social Services Information Exchange (CHESSIE):** The CHESSIE project is behind schedule, and the application suffers from numerous design shortcomings. These shortcomings result primarily from the dated technology available at the time of the system's design (i.e., 10_[AECF8] years ago); design choices made early in the project's lifecycle that failed to anticipate the needs of front-line workers; and a combination of technology, managerial, scheduling and budgetary constraints that have made it difficult to remedy these problems in a timely way.

Despite its shortcomings, implementation of CHESSIE proceeded at a brisk pace over the past year and, as of January 9, the system was operational statewide.

In the short term, the implementation of CHESSIE poses two categories of challenges:

- **Operational effectiveness.** The rollout of CHESSIE imposes significant burdens on staff and managers at all levels, due to the need to troubleshoot system problems, develop and implement workarounds of deficient functionality, and develop facility in using the new system. While additional work of this nature accompanies the roll-out of any complex automated system, there is anecdotal evidence that the volume and severity of such additional work for CHESSIE exceeds what would normally be expected. Particularly in local offices where caseloads are already well above guidelines, this additional work is likely to result in noticeable disruption to the timeliness and quality of services, unless supplemental resources can be secured.
- **Operational integrity.** Most of CHESSIE's reported problems have consequences that appear to fall primarily on the worker, in the form of additional data entry, rework, or processes that are more cumbersome than would be desirable. However, there do appear to be several highly consequential problems that, if left unaddressed, could have a material negative impact on DHR's operational integrity^[AECF9]. The longer that CHESSIE continues in operation with these shortcomings, the greater the likelihood that those negative consequences will in fact come to pass.

Identifying and mitigating these potentially serious defects, as well as providing temporary supplemental assistance to local DSS's to offset some of the cost of transitioning to CHESSIE, are critical near-term considerations for the incoming administration.

Over the mid-term, CHESSIE should represent an opportunity to use technology in a way that promotes better case practice, enhances child safety, and provides accurate data for more effective decision-making. In its current form, CHESSIE is viewed by many as an opportunity missed. But there is reason to believe that, through a gradual, systematic and strategic approach, the system can be dramatically improved upon in each of these critical dimensions – at a manageable cost and without excessive risk. On the other hand, an important challenge for CHESSIE over the mid-term will be transitioning support and administration of the application from the system development and implementation (SDI) vendor, Deloitte, to the recently-hired operations and maintenance (O&M) vendor, ACS.

Over the longer term, because CHESSIE depends on technology that is already dated even as it just begins full operations, its operational life may be somewhat truncated. To a greater extent than most newly-implemented systems, long-range planning for the replacement of CHESSIE will need to be considered sooner rather than later.

- **Governance Across DHR IT Programs & Applications:** A recurring theme that the work group team has heard from users of DHR systems is that they do not feel that their voices are heard. Decision making has often been too closed and impenetrable to front-line staff, with the rationale behind OTS decisions and information about the status of change requests often unavailable or poorly communicated. In addition to contributing to confusion and frustration among front-line staff, these dynamics can also result in important front-line priorities getting overlooked.

There is a latent demand across local DSS units and DHR programs for a cross-system, cross-agency decision making structure that is more inclusive, more transparent and more empowering to front-line service delivery and policy making units. There is also a strong desire among many front-line units for greater influence over the way that IT-related project expenditures are allocated. In general, DHR units outside of OTS are genuinely appreciative of the services that OTS provides, but they would prefer that their relationship with OTS was more business-like. They would like to be able to see themselves as empowered customers, and OTS as their trusted IT services provider. By the same token, they would like to have OTS both clearly responsible and clearly accountable for results that include customer satisfaction and front-line worker effectiveness – factors whose importance is widely acknowledged, but that are not continuously and formally incorporated into the outcome goals of most OTS initiatives.

- **Long-term strategic planning:** DHR's last strategic plan for IT was done roughly five years ago. It is currently obsolete, and has not been used to shape decision making in recent years. The coming of the new administration, coinciding with other important milestones such as the full implementation of CHESSIE and the consolidation of most O&M activities into a single contract, create an opportune moment for a fresh, comprehensive look across the whole portfolio of DHR systems and program areas. OTS' progress over the past few years in developing PMO skills and processes offers a foundation on which to build a strong strategic planning process. This must be seen as a new ongoing effort rather than a one-time report. Ultimately it is the strategic planning process, rather than any single report, that will create the most value for DHR and is most acutely needed. Most OTS systems face similar challenges, which have been effectively addressed in other agencies and jurisdictions on a comprehensive, strategic basis. These include:
 - The need to move beyond dated technology;
 - The need to interoperate with other DHR and external systems more efficiently;
 - The need to adapt to changing requirements more rapidly;
 - The need to focus more squarely on IT that promotes front-line worker effectiveness; and
 - The need to help DHR move decisively to a performance-based and data-driven culture of accountability.

Recommendations

- **CHESSIE Tiger Team Needed:** The administration should immediately establish a CHESSIE “tiger team^[AECF10]” with the following mandate:
 - Review all of the known, documented issues with CHESSIE to identify those issues that could be “fatal flaws” – that is, system defects that lead to the generation of invalid or corrupt data in CHESSIE. The team should focus on those flaws that cannot practically be resolved by the front-line worker, and that have the potential to create case management problems that could jeopardize child safety, DHR legal liabilities, or financial errors.
 - Work with the CHESSIE SDI vendor and OTS project team to develop an emergency plan to fix those “fatal flaws” within 90 days or as rapidly as possible. These plans must address not only CHESSIE application changes, but also the integration of external or third-party tools where appropriate; any retraining, user support, or other efforts needed to implement the fixes; and activities required to fix any invalid, inaccurate or corrupt data that has been generated in CHESSIE to date.
 - The team should ensure that these fixes can be implemented in production as rapidly as possible and, where bad data is being generated, with as little further generation of bad data as possible. They should consider all practicable measures to achieve those goals, including suspending or curtailing some CHESSIE functionality temporarily until the problems are fixed.
 - The administration should work with the legislature to secure the needed resources to implement these fixes on an emergency basis. The fundamental logic behind this is that preventing the problems discussed above will be far preferable and more cost-effective than addressing them after the fact.
 - The team should consist of a small group of independent, outside experts, from both technology and child welfare disciplines. To ensure that they have ready access to all of the information they will need, the team should be supported by dedicated OTS, DHR and local DSS staff; have unfettered access to the SDI vendor staff; and have access to any system documentation and resources they need related to the “fatal flaw” issues.
 - In support of the CHESSIE team’s effort, the administration should secure a quality assurance / independent verification and validation (QA / IV&V) vendor to help oversee the completion of these mission-critical fixes as well as the transition of CHESSIE maintenance responsibilities to the O&M vendor.

- **New Governance Structure of OTS:** The administration should establish a new governance structure for OTS projects and systems, along the lines described in the findings above. The new governance structure could be piloted with a focus on one application (e.g., CHESSIE, CARES, CSSES, CIS), one area of cross-cutting interest (e.g., interoperability, succession and migration planning for older legacy applications, performance measurement and analytics), or one OTS-wide contract (e.g., the O&M contract with ACS) – and then built out from there to encompass the whole OTS enterprise. The OTS PMO unit should have lead responsibility for establishing and supporting this new structure, drawing upon relevant models and best practices from other states and industries as appropriate. The PMO should work

with the Department of Budget and Management to evaluate options for changing the way that fund allocation, contract change approvals, and other administrative factors could be impacted in order to effect the change to this new governance structure.

- **Strategic Planning for IT:** The administration should establish a strategic planning process for the next four years, and set a course for IT's evolution across DHR programs. This strategic plan should address:
 - Interoperability across DHR systems and with external systems;
 - Planning for the succession / migration / replacement of aging legacy systems, including CARES, CSES, and CIS;
 - Enterprise standards in areas of OTS-wide responsibility like security, network topology and configuration, and project management software packages;
 - Development of analytical tools and services to support all DHR programs, including data visualization, geographic information systems (GIS), expert systems, and data mining / business intelligence capabilities;
 - Development of performance metrics for OTS, including indicators of front-line worker productivity and effectiveness, cost effectiveness / return on investment, and customer satisfaction;
 - Development of an OTS human resources and skills management plan that addresses longer-term challenges such as impending retirements of staff with critical skills, maintaining resource levels in key emerging and obsolescent technologies, and more systematic and consistent use of OTS and contractor staff.