

MEMORANDUM

April 13, 2023

TO: Health and Human Services Committee

FROM: Tara Clemons Johnson, Legislative Analyst
Essie McGuire, Senior Legislative Analyst

SUBJECT: FY24 Operating Budget, Department of Health and Human Services

PURPOSE: Worksession, recommendations and votes expected

Expected Attendees:

Dr. James Bridgers, Acting Director, Department of Health and Human Services (DHHS)
Jason Rundell, Acting Chief Operating Officer, DHHS
Joshua Watters, Deputy Director, Office of Management and Budget (OMB)
Deborah Lambert, Senior Fiscal and Policy Analyst, OMB
Grace Pedersen, Fiscal and Policy Analyst, OMB
Odile Brunetto, Chief, Aging and Disability Services, DHHS

Service Area Review Schedule:

Health and Human Services (HHS) Committee

April 17	April 24	April 27th
Overview	Children, Youth and Families (except jointly reviewed items)	Public Health
Administration (except for Office of Community Affairs) including Food Security	Behavioral Health and Crisis Services	Administration (Office of Community Affairs)
Aging and Disability	Services to End and Prevent Homelessness (Shelter Services and non-joint items)	Follow-up Items
Office of Food Security Resilience		

Joint HHS and Education and Culture Committee

April 24th and May 3rd	
Early Childhood Education	School Based Health Centers
Child Care Subsidies	High School Wellness Centers
Children Opportunity Fund	Mental Health Supports
School Health Services	
Linkages to Learning	
May 3rd Follow-Up Items	

Joint HHS and Planning, Housing and Parks

April 26th
Rental Assistance Programs in the Department of Housing and Community Affairs (DHCA) and in Services to End and Prevent Homelessness

OVERVIEW

The County Executive’s FY24 Operating Budget for DHHS is an increase of \$44.9 million, 11.24 percent, above the FY23 approved level. Of this increase, \$39 million is in the County General Fund and \$9.8 million in the grant fund. There is a total increase of 86 full-time equivalents (FTEs) recommended for DHHS, an increase of 6%. The FY24 recommended budgets for this discussion are available at circles 1-20.

	FY23 Approved	FY24 Rec	Difference
Department Total	\$435,125,666	\$484,049,422	\$48,923,756
FTEs	1,856	1,974	118
Aging and Disability	62,473,715	66,477,883	\$4,004,168
FTEs	185	202	17
Behavioral Health & Crisis	50,828,662	53,176,954	\$2,348,292
FTEs	236	250	14
Children, Youth, and Family	115,473,738	119,751,275	\$4,277,537
FTEs	610	619	9
Public Health	\$94,468,891	\$107,826,046	\$13,357,155
FTEs	571	585	14
Services to End and Prevent Homelessness	\$45,308,810	\$66,314,688	\$21,005,878
FTEs	87	137	50
Administration	\$66,571,850	\$70,502,576	\$3,930,726
FTEs	167	181	14

Council President's Approach to the FY24 Operating Budget

Council President Glass sent a memorandum to Councilmembers outlining his intended approach to reviewing additions in the FY24 Operating Budget above the FY23 approved funding level. This memorandum is attached on circles 21-23; Council staff highlights the following aspects that are particularly relevant to the HHS Committee review:

- All tax supported additions, whether originated by the Executive or Councilmembers, are to be placed on the reconciliation list.
- Items on the reconciliation list must be identified as “high priority” or “priority”; items can be split with funding in both categories.
- Committees should work to identify other base budget reductions to the extent possible.
- Staff should indicate the role of Federal funding in the budgets, either ongoing or being replaced by County funds.

Council staff will structure the staff reports for Committee review according to these elements. For each service area, staff will outline the changes, identify relevant considerations such as revenue impact, and propose a priority designation.

Racial Equity and Social Justice

DHHS has demonstrated a commitment to promoting racial equity and social justice (RESJ) through the program and policies recognizing that systems of oppression can affect health care and the delivery of human and social services.

The Department provided the following summary of the racial equity and social justice impacts of their budget and programmatic decisions:

In 2009, DHHS established a department wide Equity Workgroup. There are two dedicated staff responsible for strategic planning and follow up work resulting from the workgroup. The staff maintain communication with the Office of Racial Equity and Social Justice (OREJ) regarding activities taking place so there is collaboration and coordination. DHHS has recently begun to map planned activities based on the understanding of what the RESJ expectations are and reporting requirements to the Council and public.

DHHS shared that demographic data including race/ethnicity, language preference and country of origin fields have been included in two integrated data systems, the Enterprise Integrated Case Management (EICM) system and the Electronic Health Record (EHR). DHHS believes that the collection of this information is important for program planning and operation. Moving forward, it will be the basis for programs in using the Equity lens in decision-making. The Planning, Analytics and Customer Service Office (PACS) leads the department's data and analytics and has supported Public Health, Services to End and Prevent Homelessness, and Food HUBS by using demographic, geographic, and program usage data to understand and implement strategies to provide critical services in the last 3 years of the pandemic. There are several efforts within HHS that use data, including demographic data and census data to inform their work, such as Healthy Montgomery's dashboard that offers in-depth information, such as gender-based disparities in health outcomes across dozens of metrics.

The Office of Racial Equity and Social Justice (ORESJ) shared the department indicates that it is meeting all of the requirements outlined by the rubric - and in some instances going beyond them

- it is clear that DHHS work began prior to the passage of Bill 44-20. Due to this, DHHS work is not completely in alignment with the goals of ORESJ as the information provided details efforts to advance equity, however, there is not an explicit racial equity lens.

DHHS did not provide a RESJ statement per service area. **Council staff recommends** that this level of detail be provided to the Committee for future budget discussions and consideration of ongoing and new programs/services.

Public Testimony

The Council is holding public hearings on the FY24 Recommended Operating Budget April 11th and 13th. The Committee will continue to include testimony in its reviews and considerations throughout the Committee budget worksessions and can return to issues in later meetings as needed.

A. Federal Funding and Emergency Response

Federal funding through the American Rescue Plan Act (ARPA) has supported several programs within DHHS to aid in public health, provide emergency relief and supports in the community, and build capacity and economic recovery from the COVID-19 pandemic. As Federal funding comes to an end, the Council will need to determine whether and to what extent these services can be continued with County funds and how to achieve sustainable practices going forward. This transition will require the County to understand and consider how to address the long-standing economic and social challenges that were exacerbated by the pandemic and continue to affect residents.

The chart below shows the changes in ARPA funding recommended for FY24. The specific program changes and funding impacts will be further detailed in the relevant service areas. The only recommended ARPA funds to be utilized by DHHS in FY24 are for the Emergency Rental Assistance program.

FY24 ARPA Executive Recommended Changes

Item	FY24 Rec Increase (Decrease)	FTE	One-time only?	Notes
Service Consolidation Hubs	(\$3,000,000)		N	Shifting \$3m to General Funds
Rental Assistance Program	(\$3,438,875)		N	Shifting to General Funds – Eviction Prevention \$1,719,438 and ERAP
Mobile Health Clinic	(\$500,000)	(5.0)	N	Shifting to General funds - \$711,891 and 5.0 FTE
Emergency Rental Assistance (ERAP)	\$14,016,832		N	

B. DHHS Required Changes

The FY24 recommended budget for DHHS includes items Council staff has identified as required changes: charges or annualizations needed to continue or maintain essential services, increasing costs for central IT services, and other personnel cost adjustments. **Council staff recommends that these items be approved but not placed on the reconciliation list**, as they will need to be added to the budget to complete prior commitments or for routine administrative matters.

FY24 CE Recommended Changes: Required Changes

Item	Recommended Increase (Decrease)	FTE	One-time only?
Annualize FY23 Comp	\$7,075,781		N
EICM Upgrades	\$600,000		
Risk Management	\$521,113		N
Annualize FY23 Positions	\$457,541		N
Printing and Mail	\$81,021		N
Kronos – Maintenance & License	\$3,938		N
Technical adjustment	\$0	12.81	
Motor Pool Adjustment	(\$102,397)		N
Retirement Adjustment	(\$274,437)		N
Annualize FY23 Personnel	(\$1,117,260)		Y
Elimination of FY23 One Time items	(\$9,016,955)		Y
Net change	\$603,938		

C. Department Vacancies

As of March 2023, DHHS is the second highest County department in terms of number of vacancies, totaling \$20.9 million and 246 positions. Below is the chart of the vacancies in the DHHS service areas.

	Vacancies (FTE)	FY24 Rec
Department Total	246	\$20.9 million
Aging and Disability	22	\$2.6 million
Behavioral Health & Crisis	28	\$3.3 million
Children, Youth, and Family	109	\$6.1 million
▪ <i>Child Welfare</i>	48	\$2.1 million
▪ <i>OESS</i>	44	\$2.3 million
Public Health	62	\$6.2 million
▪ <i>School Health Positions</i>	40	\$3.6 million
Services to End and Prevent Homelessness	11	\$1.2 million
Administration	14	\$1.5 million

- Of the \$20 million in vacancies, \$3.9 million (56 positions) have been vacant over one year, \$840k (13 positions) have been vacant over 2 years.
- The vacancies include 18 executive/manager level positions funded at \$3.2 million. This includes positions such as the vacant Director of DHHS, the Chief Operating Officer, and a Psychiatrist.
- The recommended budget includes an additional lapse adjustment of **(\$3,049,437)**, assuming higher than expected vacancies for FY24. This lapse would be 14.5% percent of the current vacancies in DHHS.
- The department shared that the length of an open vacancy may be misleading. If a position is reclassified or moved, it does not show the date from when it became a different position. It maintains the original date.

The Committee may want to discuss with Executive staff the strategies to approach filling these vacancies across the department. As Council staff presents the analysis of each DHHS service area, information on vacant positions and new FTEs will be highlighted.

ADMINISTRATION

CE Recommended Changes: Administration

Item	Recommended Increase (Decrease)	FTE	One-time only?	Notes
TIER I: HIGH PRIORITY				
Service Hubs	\$3,000,000	1.0	N	Replacing ARPA funding
Food Staples	\$3,150,000		Y	(Public Health)
Transfer position – DHHS to OHR	(\$105,892)	1.0		
Convert contractor positions to merit	\$32,347	24	N	Consistent with legal advice; partial cost offset
Net Total	\$9,044,108			
TIER II: PRIORITY				
Non-profit Inflationary Adjustment	\$3,074,436			
CAO Admin/Coding Unit (Revenue Offset)	\$375,507	7.0	N	Improves billing efficiency; partial revenue offset
Food Staples	\$3,000,000		Y	(Public Health)
Net total	\$6,074,436			

A. Administration Vacancies

As of March 2023, the Administration Service area of DHHS has 14 vacancies totaling \$1.4 million. The details are included in the following bullets:

- The Chief Operating Office has 7 vacancies totaling \$625,000. The 7 vacancies have been open less than one year. The Committee may want to question DHHS on timing of hiring or any intended lapse.
- The Director’s office has 5 vacancies including the Director of DHHS, totaling \$600,000. Two of the vacancies are over one year old. There are also 2 vacancies in the Office of Community Affairs.

B. Inflationary Adjustment to Eligible Non-Profit Contracts: \$3,074,436

Provides an adjustment to eligible non-profit and other contracts in the base budget of DHHS and contracts in other departments that meet the eligibility criteria. The contracts would otherwise remain level funded unless a specific increase is recommended.

- For FY24, the County Executive recommends **\$3,074,436** to provide a 3% inflationary increase.
- Recent funding history:

FY20	FY21	FY22	FY23	FY24 Rec
3%	0	3%	8%	3%

- The recommended increase for FY24 is significantly less than last year’s adjustment. Executive staff states that the 3% level of adjustment was recommended because the Consumer Price Index (CPI) over the last 24 months has been approximately 11%; combining the FY23 8% inflationary adjustment plus the recommended 3% for FY24 would be consistent with the CPI over the last 24 months.
- In public hearing testimony, some non-profit providers requested an additional 3% inflationary adjustment in FY24, for an FY24 total of 6%.

Council staff recommendation: support the recommended inflationary of **3%** referencing the CPI over the last 24 months and the FY23 inflationary adjustment. Staff will identify the policy for awarding this increase through language in the final budget resolution.

B. Community Grants Shifted to Base Budget

For FY24, the County Executive recommends shifting 7 grants totaling \$326,284 from community grants to the DHHS base budget.

- A list of these grants is attached at circle 24 and can be accessed at the following:
- http://www.montgomerycountymd.gov/OMB/Resources/Files/omb/pdfs/FY24/psprec/80-FY2024-REC_CommunityGrantstoBaseBudget.pdf
- The budget states that the shifted grant amounts indicated include the recommended 3% non-profit inflationary increase (discussed above).

Council staff recommendation:

- **Support** shifting the 7 identified grants totaling \$326,284 to the DHHS base budget
- Adjust amounts, if necessary, in alignment with the ultimately approved amount for the non-profit inflationary adjustment, if changes are made to meet affordability constraints.

D. Service Consolidation Hubs, \$3 million

The Service Consolidation Hubs located throughout the County were initiated during the pandemic and brought local community partners together to provide food distribution, food home deliveries, and other social services at eight different locations. The Hubs were started during the onset of the pandemic through federal funds – CARES Act and ARPA. The FY24 CE’s recommendation will fully transition the Hubs program to County general funds.

The FY24 recommended budget is an increase of \$3 million in new County funds to support seven hubs. This is replacing the FY23 funding level of \$3 million in ARPA funding. DHHS reported the total hub funding amount is approximately \$5.4 million. The direct allocations for the hubs totals \$3.2 million; the rest of the funds are administered centrally and support food, diapers, programs, and case management.

Service Data

DHHS provided background and updated information on the Service Consolidation Hubs. The data below show the service delivery experience by Hub to date in the fiscal year. On average, the Hubs service over 6,250 families weekly in food services.

FY23 Hubs Service Data: July 1, 2022 - March 20, 2023												
site	Households		Children		Seniors		Individuals		Pounds Distributed		Distributions	
	Average/Wk	Total	Average/Wk	Total	Average/Wk	Total	Average/Wk	Total	Average/Wk	Total	Average/Wk	Total
Clifton Park Baptist /SS	1,104	41,967	1,451	55,151	658	25,002	3,480	132,241	16,290	619,026	9	353
Harvest/ Olney	613	23,275	1,103	41,901	457	17,352	2,960	112,483	18,516	703,592	1	46
Hughes/ Wheaton Glenmont	700	26,608	1,176	44,688	535	20,320	3,109	118,128	19,046	723,766	3	130
Interfaith/ Rockville	499	18,945	730	27,729	120	4,553	1,705	64,798	16,794	638,175	2	64
Oak Chapel/ 20906	366	13,926	667	25,336	281	10,671	1,703	64,699	17,432	662,430	4	164
Kingdom Fellowship/ East County	927	35,238	1,237	47,003	416	15,816	3,120	118,556	23,818	905,092	4	164
Seneca Creek/Gburg	851	32,345	1,652	62,776	524	19,902	4,680	177,851	24,148	917,605	25	936
UpCounty Hub	1,192	45,277	2,483	94,338	658	25,000	5,100	193,807	31,984	1,215,397	9	328
TOTAL	6,252	237,581	10,498	398,922	3,648	138,616	25,857	982,563	168,029	6,385,083	58	2,185

FY24 funding levels for the hubs is as follows:

Hubs	FY23 Approved	FY24 Recommended
Black Rock	\$ 650,000	\$ 650,000
Clifton	\$ 650,000	\$ 650,000
Seneca	\$ 400,000	\$ 400,000
Kingdom	\$ 400,000	\$ 400,000
Interfaith	\$ 400,000	\$ 400,000
Hughes	\$ 400,000	\$ 400,000
Harvest	\$ 300,000	\$ 300,000
Oak Chapel	\$ 300,000	\$ -
Total	\$ 3,500,000	\$ 3,200,000

Staff notes that funding for the Oak Chapel Hub was not included for FY24. The Executive shared that services and food distribution provided by the Oak Chapel hub overlapped with other sites: the Oak Chapel hub served one zip code while other hubs served greater areas and there are two other hubs (Hughes and Harvest) that are within a 5-mile radius. Council staff also notes that the funding identified for the Oak Chapel site in FY23 was supported through ARPA funding.

- Oak Chapel leadership submitted correspondence that they would like to continue to receive food allocations through DHHS in FY24. In FY23, Oak Chapel operated as full-service choice style pantry providing food (including shelf staples, fresh produce, dairy, and meat), baby diapers/wipes, feminine hygiene products, and case management services

Council Staff recommendations: Support the Executive’s recommended FY24 funding level for the Service Consolidation Hubs.

E. Food Staples Program, \$6.15 million

Summary

- The Executive’s FY24 recommended budget includes **\$6 million** in one-time funding in DHHS to continue the County’s response to food insecurity. An additional **\$24,000** is allocated to Nourishing Bethesda to support its operational efforts in providing food assistance.
- The Food Staples Program is to support food assistance providers within Montgomery County. DHHS in partnership with Capital Area Food Bank and Manna Food Center distribute food to over 80 local providers who provide direct food assistance.
- The Food Staples is included in the budget as a one-time item; however, it was funded in FY23 with general funds.

Discussion

The County is transitioning to a post pandemic response to Food Security. Federal funds supported an extensive food distribution network through the pandemic as Federal funds have come to an end there is a need to determine ongoing programmatic sustainability.

To date, the Council has approved over \$45 million in emergency food assistance funding since June 2020, including: \$23.1 million in FY21, \$10.6 million in FY22 and \$12.2 million in FY23. DHHS estimates that the food staples program supports upwards of 60,000 people weekly.

The program is supported by three DHHS staff. Going forward, additional guidance and coordination will be carried out through the newly established Office of Food Systems Resilience (OFSR).

The \$12.2 million in food staples funding in FY23 was appropriated in two parts: \$4 million was included in the FY23 budget initially and the Council approved \$8 million in a supplemental appropriation in the fall. The total \$12.2 million was funded through General funds. Executive staff stated that the intent for the FY24 recommended funding level of \$6 million is to monitor experience in the coming year.

Council Staff Recommendation:

- Support the Executive's recommended **\$6 million** funding level for food support in DHHS and continue to reevaluate based on experience during the upcoming year.
- The Committee may want to consider placing this funding in two increments of \$3 million each, one as high priority and one as priority, to allow flexibility in determining the funding level to start the fiscal year.
- Request DHHS and the OFSR to develop a sustainable program model to be shared with Council for review in September 2023. Information on scope, target population, eligibility, key stakeholders, and an outcome evaluation will help establish a long-term strategic plan. If needed, the Council could revisit the FY24 funding level in the context of that strategic plan.

DHHS provided the following update on the Food Access Call Center (FACC):

Requests for FACC assistance were received via an online referral form. The FACC attendant reviewed the submitted information prior to contacting the household. In this respect, outbound calls were primarily made from the FACC.

DHHS noted a significant reduction in requests for FACC assistance towards the end of 2022. As a result, the center was closed on December 31, 2022. Residents requiring food assistance remain able to contact MC311 in order to coordinate with the HUBS as well as the local non-profits/faith-based institutions providing nutritional assistance in Montgomery County.

- During FY23 approximately 1000 referral forms were received and addressed by the FACC.

- FACC requests were received in either English or Spanish. DHHS intentionally recruited a bilingual representative fluent in both languages to effectively respond to the requests.
- Residents using smart phones often requested the web links to nearby HUBS and/or food pantries to follow-up independently. Households experiencing significant distress often required much more time with the FACC representative (20 minutes or more). Towards the end of the fiscal year, as the impact of COVID-19 eased, reductions in received requests and average length of outbound calls were noted.

F. Office of the Chief Administrative Officer Administrative (CAO) Staff Including Coding Unit (Revenue Offset) \$375,507

DHHS has shared the following on the staff support needed for the CAO office:

Administrative Requested Increase

This FY24 recommended budget item includes staffing for general increased volume in the Office of the Chief Operating Officer (OCOO) as well as staffing for the coding unit. The staffing needed for increased volume in OCOO includes:

- 2 Program Manager II’s
- 1 Administrative Specialist II
- 1 Fiscal Assistant

The increase in volume is related to a variety of increases in administrative functions without comparative increases in administrative staff. The department has grown and with that growth there is a great increase in the administrative burden. See below for the amount of growth in some key Admin functions, though these are not the only growth DHHS has experienced. This also does not take into account the growth we will have in admin work from the additional budget items in FY24. DHHS is seeking to keep up with the administrative burden by strengthening the staff in these core functions.

DHHS ADMIN BURDEN SUMMARY	FY21	FY22	FY23 Budget
Contract Management			
Contracts Management staff (fte's)	11	11	13
Number of Contracts	377	726	726
Number of Contracts per staff	34	66	56
Human Resources			
Human Resources Staff	6	6	7
Labor Relations Staff	1	1	1
Number of HHS Positions	1,086	1,880	1,958
Ration Human Resources Staff to Positions	181	313	280

Ratio Labor Relations Staff to Positions	1,086	1,880	1,958
Fiscal Team			
Fiscal Team staff	7	6	6
Number of Invoice Lines	11,446	16,520	16,520
Purchase order Lines per Staff	1,635	2,753	2,753

Note - FY23 has level amounts for fiscal and Contracts, however DHHS expects growth

Note - FY23 positions does not include supplemental positions and FY24 will likely increase.

CAO Coding Unit for DHHS

The staffing needed for the coding unit includes:

- 2 Program Specialist II's
- 1 Office Services Coordinator

The Coding unit assists all areas of DHHS by correcting the existing codes and customizing codes for each practice, which will maximize DHHS revenue and will extend the services provided to the county's clients. The benefits provided include:

- Improved patient care: Coders ensure that medical records are complete and accurate, which leads to better patient care and treatment outcomes.
- Reduced billing errors: Accurate coding reduces billing errors, ensuring that patients are billed correctly and that insurance claims are processed accurately.
- Compliance with regulations: Coders ensure that medical records are compliant with all regulations and standards, including HIPAA and other industry regulations.
- Public health reporting: Accurate coding helps in tracking the incidence and prevalence of diseases, identifying risk factors, and evaluating the effectiveness of various treatments and interventions.
- Cost savings: Accurate coding leads to reduced billing errors and improved financial performance for healthcare providers, resulting in cost savings.

The budget chart details that the cost of the staff is more than fully offset with anticipated revenues.

Revenue Offset	FY24 Rec – Cost	Revenue	Net Cost
CAO Admin Staff including Coding Unit	\$375,507	\$799,355	\$ (423,848)

Council staff recommendation: Support the Executive's recommended addition of \$375,507 to increase billing efficiency and realize additional revenue offsets.

AGING AND DISABILITY

	FY23 Approved	FY24 Rec	Difference
Aging and Disability	62,473,715	66,477,883	\$4,004,168
FTEs	185	202	17

CE Recommended Changes: Aging and Disability

Item	Recommended Increase (Decrease)	FTE	One-time only?	Notes
TIER I: HIGH PRIORITY				
DD Supplement: 2% increase	\$405,042		N	
AMDC Supplement 2% increase	\$42,315		N	
DD Advisory Council	\$36,866	0.5	N	Implements Council Bill #10-23
Autism Waiver Prog	\$570,575	10	N	SB636/Revenue offset in detail
Adult Evaluation and Review Services	\$374,591	6	N	SB636/Revenue offset in detail
Community First Choice	\$297,071		N	SB636/Revenue offset in detail
Net Total	\$1,726,460			
TIER II: PRIORITY				
Net total				

A. Aging & Disability Vacancies

As of March 2023, the Aging and Disability service area has 22 vacancies totaling **\$2.6 million**. Of the 22 vacancies, 6 FTEs have been vacant over one year; these include 4 Community Health Nurses, 1 Social Worker, and 1 Program Manager.

The FY24 recommended A&D budget adds 17 new FTEs. All the new FTEs are dedicated to the Medicaid Long Term Care programs which experienced an expansion with new the state legislation, SB636 Waitlist Reduction (End the Wait Act). The bill requires a reduction in the wait list for Medicaid waiver programs so residents are not waiting for the critical services and supports they need.

Council staff recommendation: The Committee may want to discuss the need for the vacant positions over one year old. Nationally, there has been a shortage in the health care workforce particularly among nurses and concerns about compensation. The Community Health nurses vacancies are likely an indicator of the significant challenges in sustaining the County government health care workforce post-pandemic.

B. Supplement for Developmental Disability Service Providers: \$405,042

Summary

- **For FY24, the Executive recommends a two percent increase of \$405,042 to bring the total supplement amount to \$20,657,130 for FY24.** The recommended increase is

less than what was requested by the Inter-Agency Coordinating Committee on Developmental Disabilities (Inter-ACC/DD).

- The FY24 recommended budget also includes implementation of the Intellectual and Developmental Disabilities Commission, an increase of **\$36,866 and a .5 FTE**. The Council approved establishment of the Commission through Bill 10-23 on March 28, 2023.
- In April 2023, the Governor proposed, and the General Assembly supported, \$117 million in total funds to provide a 4% rate increase in July, followed by an 8% increase in January 2024, for DDA community services as part of the statute increasing the minimum wage on January 1, 2024.

Discussion

The Inter-ACC/DD is a coalition of 41 service providers operating community-based support services in Montgomery County funded primarily by the Maryland Developmental Disabilities Administration (DDA). Provider agencies receive approximately \$295 million annually from DDA to support about 4,000 Montgomery County residents with intellectual and developmental disabilities.

Inter-ACC/DD submitted documentation (attached on circles 25-27) regarding the FY24 request, recent history of State and County revenues for providers, and an update on challenges and operations at this stage of the COVID-19 pandemic experience. They are struggling to maintain health and safety for individuals and staff, direct service hours have returned to pre-pandemic levels despite staffing shortages, and several county providers have not transitioned fully into the new Maryland Long Term Services and Support System (LTSS) billing system. Per Inter-ACC/DD, even with the new rates through LTSS, the state funds each service at an average of 86% of the total rate. During the 2023 legislative session, the Maryland Department of Health leadership expressed their commitment to ensuring that there is not a delay in providers entering into LTSS on July 1, 2023.

DD providers in Montgomery County face challenges regarding reimbursement rates due to both the higher cost of living in Montgomery County and the state's minimum wage. Governor's Moore's FY24 proposed budget included funds to transition DD providers toward the State's \$15/hour minimum wage goal; however this increase is reflective of what was planned in current law. The Governor's proposed budget accelerates the timeline of the minimum wage adjustment to \$15/hour by October 1, 2023; however, it does not address the Cost of Living in Montgomery County. The slated timeline for the Governor's increase is 4 percent on July 1st and another 8 percent in January 2024. Combined this would be a 12% increase in FY24.

The Inter-ACC/DD FY24 requested funding amount is an 8.7% increase, total funding of \$22,014,020. This amount is \$1,356,890 more than the amount in the CE March 15 budget. Per Inter-ACC/DD, this amount is not an expansion but a request for the supplement to reflect the cost of business. Inter-ACC/DD cites the 8.7% increase is the U.S. Social Security cost of living adjustment as measured by the consumer price index, [SSA.gov/COLA](https://ssa.gov/COLA).

The chart below identifies examples of alternative funding levels by percentage. The largest increase in the chart, 4%, reflects 46% of the increased amount requested by Inter-ACC/DD. The levels below relate to the County supplement; if a 2% increase is approved by the County, as of July 1st the providers will receive a 6% increase (2% from the County and the State’s 4%). As of January 2024, the providers will receive an additional 8% increase from the State which will be a total increase of 12% from the State.

FY24 DD Supplement Examples		
2%	3%	4%
\$405,042	\$607,563	\$810,084

Staff notes that County Council received testimony and letters for the increased FY24 DD supplement amount at 8.7%

Council Staff recommendations: Support the Executive’s recommended amount of **\$405,042**.

- The Governor has committed to increasing provider rates by 12% in FY24. The Committee could discuss any remaining gaps and impacts on the DD providers and community after the increase is implemented in Spring 2024.

C. Adult Medical Day Care Supplement: \$42,315

Summary

- **For FY24, the Executive recommends a two percent increase of \$42,315, to bring the total supplement amount to \$2,158,106. The percentage increase is consistent with the recommendation for the DD Supplement.**

Adult Medical Day Cares (AMDC) provide critical support to individuals aged 16 and older who are medically compromised or are functionally and/or cognitively impaired. These individuals cannot live independently, but with support can continue to live at home. AMDCs provide a range of services, including transportation and meals, and provide an important source of social activities for participants.

Starting in FY19, the County has provided support funding to eligible AMDC providers. The State’s Medicaid reimbursement rates make it difficult to meet higher costs of business in Montgomery County, including the minimum wage. The funding history for the program is as follows:

- In FY19 and FY20, the Council appropriated **\$651,012** for these support payments.
- The FY22 approved budget was **\$670,542**. During FY22, Council approved an appropriation of \$1.2 million in ARPA funding. These funds were used to support the AMDC providers who had to close their facilities during first part of COVID-19.
- The FY23 approved budget was **\$2,115,790**, an increase of \$1,445,248 over the FY22 base.

Adult Medical Daycare is reimbursed on a per day basis. The FY23 reimbursement rate was \$104.81 per day. A single per-day reimbursement rate is used by Medicaid for any participant, regardless of their level of care needs. The Montgomery County Coalition of Medical Day Cares shared that due to Covid-related reduction in attendance at AMDCs, the effective revenue is currently lower than that in 2019, while the cost of operation has grown higher due to significant increases in labor rates and inflationary pressures.

For FY24, the Maryland Association of Adult Daycare Services (MAADS) estimates that there will continue to be a revenue gap despite the Governor’s planned minimum wage increase. This is based on post-covid reduction in in-facility attendance, combined with termination of the administrative fee. The MAADS is requesting \$3 million in FY24 support for gap funding at the “effective County wage” or 120% of minimum wage. The MAADS information is attached at circles 28-29.

The chart below identifies examples of alternative funding levels by percentage. The largest increase in the chart is, 4% or **\$84,630**. This amount reflects 72% of the increased amount requested by MAADS. The levels below relate to the County supplement; if a 2% increase is approved by the County, as of July 1st the providers will receive a 6% increase (2% from the County and the State’s 4%). As of January 2024, the providers will receive an additional 8% increase from the State which will be a total increase of 12% from the State.

FY24 ADMC Supplement Examples		
2%	3%	4%
\$42,315	\$63,473	\$84,630

Council staff recommendation: Support the CE recommend amount of **\$42,315**.

- As described above, the Governor has committed to increasing provider rates by 12% in FY24. The Committee could discuss any remaining gaps and impacts on the AMDC community after the increase is implemented in spring 2024.

D. Grants to organizations supporting people with disabilities, \$1.5 million

The County Executive has recommended grants to support organizations supporting people with disabilities. **The grants are not for the Committee to consider as part of the Aging and Disability budget, however, Council staff did want to note that this grant opportunity will be available for community organizations.** It is possible that some of the organizations under the Developmental Disability providers could apply for and be awarded grant funding. DHHS shared that this funding is not intended to expand or supplement existing programs funded by HHS, or other Departments, but would be for new programs and initiatives that don’t fit into a single Department or existing set of programs.

E. Autism Waiver Program, \$570,575, 10 FTEs (Medicaid revenue offset)

DHHS shared the following on the increased demand and expansion of the Medicaid Long-Term services.:

Increased Staff to meet Autism Waiver program demands \$112,526, 2.0 FTEs

The Autism Waiver (AW) Program allows eligible children with Autism Spectrum Disorder to receive waiver and Medicaid services in their community. This program is operated under a Memorandum of Understanding (MOU) with Montgomery County Public Schools (MCPS). The Maryland State Department of Education (MSDE) is the lead state agency, but MDH is also a partner in the program.

In response to the increased case count, the FY24 CE recommended budget includes **2 merit Program Specialist II (case managers) positions** to address the current workload (bringing the total number of Service Coordinator/Case Managers to 9). With 9 Coordinators the average caseload will be 45. Per the MOU with MCPS, the optimal caseload for a Coordinator is 40, so that would require the program to have 9 coordinators. This increase in the number of clients served will be ongoing as the State ramps up its efforts to get more children off of the Autism Waiver Waiting List.

Expansion of the Autism Waiver program, \$458,049, 8.0 FTE

The recommended budget includes **7 Program Specialist II (PSII) positions** and **1 Program Manager (PMII) position**, in response to the SB636 - End the Wait Act. During the 2022 legislative session SB636 was passed. This bill requires MDH to reduce the waiting list for several Home and Community Based Services Waiver programs (including the Autism Waiver registry) by 50% starting in FY24. Unlike other waiver programs, MDH’s plan for the AW program is to add all new waiting list clients during FY24.

DHHS is the only provider of Autism Waiver Service Coordination (case management) in the County so the program will have to quickly ramp up staffing to be in compliance with the new legislation. **Coordinators do bill for their services, so the staffing budget request is offset by expected revenues.** All of the personnel additions for the Autism Waiver Program will be permanent.

Revenue Offset	FY24 Rec – Cost	Revenue	Net Cost
Increased Staff to meet Autism Waiver program demands	\$112,526	\$112,526	
Expansion of the Autism Waiver program	\$458,049	\$280,000	\$178,049

Council Staff recommendations: Support the total funding recommended for FY24 for the Autism Waiver program.

F. Adult Evaluation and Review Services, \$374,591, 6.0 FTE(Medicaid revenue offset)

SB636 (End the Wait Act) requires Maryland Department of Health (MDH) to create and execute a waitlist reduction plan for each of the waiver programs by 50%. The legislation requires a minimum of 600 people be contacted (sent an application) monthly statewide. Montgomery, Prince Georges County, and Baltimore will receive the largest share of the resulting referrals. The program believes it is realistic to expect an increase of 150 referrals per month, or 1,800 total referrals over the course of FY24.

The Assessment, Evaluation, and Review Services (AERS) nurse team is responsible for conducting assessments for all long-term services. Even if 20% of people contacted do not want the services they signed up and waited for, the result would be 1,440 over the course of the year (1800 x 80%). **1,440 assessments will require 5 nurses (1440/12 months = 120 assessments/month.** Nurses perform an average of 23 assessments/month each, 120/ 23 = 5.2 nurses). The 6th position is a Nurse Case Manager to supervise the new nurses. The new personnel will be permanent merit positions.

Below is the AERS volume handled by the existing team for FY20, FY21, FY22, and estimated volumes for FY23 and FY24.

FY20	FY21	FY22	FY23 Estimate*	FY24 Estimate**
3387	3,226	3017	3,800 – 4,200	4,500-5,000

*FY23: volume expected with implementation of new law in FY23 Q3)

**FY24: volume expected with full impact of new law

The revenue generated from the increased volume of assessments under the new law should fully offset the cost of the new nursing positions.

Revenue Offset	FY24 Rec – Cost	Revenue	Net Cost
AERS Services	\$374,591	\$374,591	---

Council Staff recommendations: Support the total funding recommended of \$374,591 for FY24 for the Assessment, Evaluation, and Review Services (AERS) nurse team.

G. Community First Choice, \$297,071 (Medicaid revenue offset)

The County Executive is recommending an increase in the Community First Choice (CFC) Nurse Monitoring program, a service mandated by the State. The increase is needed to reflect growing costs caused by State rule changes. Among these changes is a state-funded increase in hourly service rates. Increased state funding results in higher revenues, however the program is contractually required to pass 80% of the increase to its four contractual providers so costs also grow.

The program estimates that revenues will exceed the increases in operating expenses, as they do routinely. In FY20, an additional appropriation was approved in recognition of this. Costs and revenues have continued to increase, and DHHS projects that additional funding will be needed in FY24. CFC currently operates with 5 FTEs. There are no personnel increases associated with this request.

Revenue Offset	FY24 Rec – Cost	Revenue	Net Cost
CFC Nurse Monitoring Services	\$297,071	\$297,071	---

Actual number of clients served per FY and estimated volume in FY due to SB636.

- FY 22: 2800 clients
- FY 23: estimated 3,000 clients
- FY 24: estimated 4,000 clients (added about 60% from AERS projection)

Council Staff recommendations: Support the total funding recommended of \$297,071 for FY24 for the Community First Choice program.

H. Senior Care Grant (Area Agency on Aging) \$273,553

The Maryland Senior Care Program is a state-wide service delivery system that helps adults 65 years and older, and who are at risk of long-term care placement, to continue living independently in their communities. DHHS receives this grant annually and the Maryland Department of Aging determines the allocation amount to jurisdiction each FY to support the Area Agencies on Aging (AAA).

In Montgomery County, services provided through the Senior Care Grant include Personal Care/Chore, Home Delivered Meals, Adult Day Care/Senior Center Plus, Medication(s), Transportation, Medical Supplies, Emergency Response Systems, Grants to Families, Dentures, Dental Care, and Exercise Classes.

Council staff recommends support for the FY24 Senior Care grant, \$273,553.

I. Aging and Disability Consent Item

Council staff recommends support of the budget changes outlined below.

Item	Rec Increase (Decrease)	FTE	One-time only?	Notes
Medicaid Long Term Care Staff (Multi program)		1.0	N	

This report contains:

FY24 CE Recommended DHHS budget overview	©1-9
FY24 CE Recommended Administration and Support Budget	©10-14
FY24 CE Recommended Aging and Disability Services Budget	©15-20
Council President Glass Memorandum on the FY24 Operating Budget Approach	©21-23
FY24 Recommended Community Grants shifting to HHS	©24
FY24 Inter-ACC/DD Budget Request	©25-27
FY24 Maryland Association of Adult Daycare Services Statement	©28-29



Health and Human Services

RECOMMENDED FY24 BUDGET

\$484,049,422

FULL TIME EQUIVALENTS

1,974.98

JAMES BRIDGERS PH.D., MBA, ACTING DIRECTOR

MISSION STATEMENT

The Department of Health and Human Services (DHHS) assures delivery of a full array of services to address the somatic and behavioral health, economic and housing security, and other emergent needs of Montgomery County residents. To achieve this, the Department (directly and/or via a network of community partners) develops and implements policies, procedures, programs, and services that: 1) offer customer-focused direct care and supports; 2) maximize financial and staffing resources to deliver services through effective management, coordination, and pursuit of strategic funding opportunities; 3) pilot and evaluate innovative approaches to service delivery and systems integration; and 4) develop, enhance, and maintain a broad network of community-based organizations, public agencies, and private entities to promote and sustain partnerships which increase the availability of needed services.

BUDGET OVERVIEW

The total recommended FY24 Operating Budget for the Department of Health and Human Services is \$484,049,422, an increase of \$48,923,756 or 11.24 percent from the FY23 Approved Budget of \$435,125,666. Personnel Costs comprise 46.57 percent of the budget for 1,748 full-time position(s) and 320 part-time position(s), and a total of 1,974.98 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 53.43 percent of the FY24 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

- Thriving Youth and Families**
- A Greener County**
- An Affordable, Welcoming County for a Lifetime**
- Safe Neighborhoods**
- Effective, Sustainable Government**

INITIATIVES

- Provide funding of \$6,150,000 to continue the Food Staples Program, as needed, in FY24.

- ★ Add \$3,023,211 in overflow sheltering in hotels, housing an average of 138 people every night.
- ★ Provide one-time funding of \$4,781,300 for COVID testing, vaccination administration, and outbreak management and \$1,001,675 for COVID sheltering in hotels for isolation of COVID positive or exposed people who are experiencing homelessness.
- ★ Increase support for the minority health programs that provide effective, culturally and linguistically appropriate services to improve health outcomes and alleviate health disparities. Recommended increases are \$800,000 for the African American Health Program, \$952,545 for the Latino Health Initiative, and \$775,000 for the Asian American Health Initiative.
- ★ Provide \$570,575 in funding to expand the State's Autism Waiver Program in the County and to meet increased demands for the program.
- ★ Add \$595,069 in funding for a Linkages to Learning and School Based Health Center at Southlake Elementary School.
- ★ As a result of increasing rental prices throughout the County, \$1,700,000 has been added to the Housing Initiative Program and \$300,000 has been added to the Permanent Supportive Housing Program to avoid a reduction in service.
- ★ Continue services previously funded by Federal funds, including \$3,000,000 for the Service Consolidation Hubs, \$1,719,438 in Eviction Prevention, and \$711,891 for a Mobile Health Clinic.
- ★ Commit \$2,000,000 to enhance the Montgomery Cares clinic reimbursement rate. This enhancement is expected to cover a greater share of the cost of care than in recent years. Upon Council approval of this enhanced funding amount, DHHS will analyze post-pandemic encounter projections to identify a sustainable per-encounter reimbursement rate within fiscal constraints.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ The Services to End and Prevent Homelessness (SEPH) Service Area utilized an online application system for its COVID Rental Relief and emergency Rental Assistance Program (CRR/eRAP). Subsequent to retiring the existing UNQORK application, which was being used for the Rental Assistance Program, the Department of Health and Human Services (DHHS) adopted the Prince Georges County application, modified it to suit Montgomery County's business flow, and integrated it into existing DHHS and County Information Technology (IT) systems. Supplemental processes were also developed to facilitate:
 - Funds being provided to WSSC Water for the delinquent accounts of County residents based on information provided from WSSC; and
 - Batch e-mail notification of County residents about the status of their applications, and/or the need to complete and submit their applications before the deadline expires.
- ★ In response to stakeholder requests, DHHS' IT team entered into a contract to provide electronic Fax (eFax) services. Now that Technology and Enterprise Business Solutions (TEBS) has completed the transition of County phone service to Verizon, DHHS is planning the next step of implementing the service throughout the Department.
- ★ DHHS' Behavioral Health Crisis Center's antiquated phone system was negatively impacting its ability to handle community calls. DHHS' IT is working closely with TEBS and the County Executive's Office to transition the Crisis Center and other DHHS Call Centers to the new Avaya Cloud Hosted phone system.
- ★ QLESS is a lobby management system that was implemented in DHHS' heavily trafficked locations in 2017. The initial implementation focused on only serving some programs at some locations. Based on the success of this system in helping programs manage their lobbies, the Department has been expanding to additional locations and programs with the Takoma-East Silver Spring (TESS) Community Action Center being DHHS' recent implementation in FY23. The Department

also implemented the virtual queuing feature of the system to expand the way the Department triages clients since the COVID pandemic where customers are no longer physically entering DHHS' space but still need the Department's services. The Department is looking to expand to other locations in FY24 as learning from product implementation has revolutionized how it serves customers, including: tracking service request volumes; helping supervisors manage resources to meet demand; enabling individuals to view their place in a queue for services; and working with MC311 to queue individuals requesting Office of Eligibility and Support Services (OESS) assistance.

- ★ The DHHS Community Connect Application works to improve the client experience and increase Case Worker efficiency. The Community Connect Application reduces the number of clients that need to physically enter DHHS offices by moving many client transactions to a digital portal. The Community Connect Application allows a client to access the portal 24/7; electronically update their records; track the status of their applications; and easily apply and screen for DHHS services they may be eligible for. With the Community Connect Application, Case Workers can upload documents directly from a client's application to the case management portal. Case Workers will be able to spend less time gathering application data through back-and-forth communication and manually entering information into the application. In the second phase of this project, DHHS is implementing additional features that will allow residents to apply for major County programs, including Working Parents Assistance, County Health Programs such as Montgomery Cares, Care for Kids, Senior Dental, and the Rental Assistance Program. Phase II will also provide Bilingual Spanish access, visible status updates to customers on their application processing, and virtual assistance while the customer is using the portal.

PROGRAM CONTACTS

Contact Jason Rundell of the Department of Health and Human Services at 240.777.1685 or Deborah Lambert of the Office of Management and Budget at 240.777.2794 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY23 estimates reflect funding based on the FY23 Approved Budget. The FY24 and FY25 figures are performance targets based on the FY24 Recommended Budget and funding for comparable service levels in FY25.

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	101,702,705	119,114,512	112,664,772	129,120,730	8.4 %
Employee Benefits	31,440,721	34,440,739	32,297,562	38,511,490	11.8 %
County General Fund Personnel Costs	133,143,426	153,555,251	144,962,334	167,632,220	9.2 %
Operating Expenses	217,601,938	178,552,199	221,320,120	203,540,238	14.0 %
County General Fund Expenditures	350,745,364	332,107,450	366,282,454	371,172,458	11.8 %
PERSONNEL					
Full-Time	977	1,043	1,043	1,134	8.7 %
Part-Time	303	305	305	290	-4.9 %

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
FTEs	1,305.53	1,390.25	1,390.25	1,476.44	6.2 %
REVENUES					
Health Inspection: Restaurants	1,856,650	1,870,520	1,870,520	1,870,520	—
Health Inspections: Living Facilities	267,831	236,815	236,815	236,815	—
Health Inspections: Swimming Pools	582,845	577,400	577,400	577,400	—
Marriage Licenses	228,915	246,960	246,960	246,960	—
Other Licenses/Permits	117,783	111,360	111,360	111,360	—
Health and Human Services Fees	1,521,232	1,265,497	1,327,628	1,647,119	30.2 %
Core Health Services Funding	2,850,513	4,842,257	5,171,831	5,171,831	6.8 %
Federal Financial Participation Reimbursements	17,614,935	16,188,044	16,744,288	16,727,916	3.3 %
Medicaid/Medicare Reimbursement	1,393,286	1,296,401	1,310,723	2,336,505	80.2 %
Other Intergovernmental	5,360,334	5,205,004	5,677,080	5,752,410	10.5 %
Nursing Home Reimbursement	55,236	0	0	0	—
Other Charges/Fees	1,528,999	2,377,100	2,377,100	2,377,100	—
Other Fines/Forfeitures	14,625	10,450	10,450	10,450	—
County General Fund Revenues	33,393,184	34,227,808	35,662,155	37,066,386	8.3 %

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	40,108,534	39,667,328	39,667,328	43,512,004	9.7 %
Employee Benefits	12,448,865	12,675,122	12,675,122	14,295,317	12.8 %
Grant Fund - MCG Personnel Costs	52,557,399	52,342,450	52,342,450	57,807,321	10.4 %
Operating Expenses	120,809,085	50,675,766	50,675,766	55,069,643	8.7 %
Grant Fund - MCG Expenditures	173,366,484	103,018,216	103,018,216	112,876,964	9.6 %

PERSONNEL

Full-Time	570	580	580	614	5.9 %
Part-Time	30	30	30	30	—
FTEs	465.09	466.41	466.41	498.54	6.9 %

REVENUES

Other Charges/Fees	434,952	462,574	462,574	0	-100.0 %
Federal Grants	110,802,692	32,942,382	32,942,382	34,153,544	3.7 %
HB669 Social Services State Reimbursement	41,297,564	41,271,837	41,271,837	42,188,713	2.2 %
State Grants	21,390,403	21,102,548	21,102,548	22,517,875	6.7 %
Miscellaneous Revenues	835,910	0	0	0	—
American Rescue Plan Act	0	7,238,875	7,238,875	14,016,832	93.6 %
Grant Fund - MCG Revenues	174,761,521	103,018,216	103,018,216	112,876,964	9.6 %

DEPARTMENT TOTALS

Total Expenditures	524,111,848	435,125,666	469,300,670	484,049,422	11.2 %
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BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
Total Full-Time Positions	1,547	1,623	1,623	1,748	7.7 %
Total Part-Time Positions	333	335	335	320	-4.5 %
Total FTEs	1,770.62	1,856.66	1,856.66	1,974.98	6.4 %
Total Revenues	208,154,705	137,246,024	138,680,371	149,943,350	9.3 %

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY23 ORIGINAL APPROPRIATION	332,107,450	1,390.25
Changes (with service impacts)		
Enhance: Continue the Food Staples Program as Needed in FY24 [Admin - Public Health]	6,150,000	0.00
Add: One-Time Funding for COVID Response Readiness [Public Health Emergency Preparedness & Response Program]	4,781,300	0.00
Enhance: Overflow Sheltering in Hotels [Homeless Services for Families]	3,023,211	0.00
Add: COVID Sheltering in Hotels for Isolation of COVID Positive or Exposed People who are Experiencing Homelessness (one time) [Homeless Services for Families]	1,001,675	0.00
Enhance: Latino Health Initiative Steering Committee Request for Non-clinical Emotional Support Groups and Additional Community Health Promotion Services [Minority Programs]	952,545	0.00
Enhance: African American Health Program to Increase Community Outreach, Support Maternal and Child Health, and Seniors [Minority Programs]	800,000	0.00
Enhance: Asian American Health Initiative Request for Increased Healthy Community Grants and Center of Excellence Micro-grants [Minority Programs]	775,000	0.00
Enhance: Operating Expenses for New Linkages to Learning and School Based Health Center at Southlake Elementary School	409,713	0.00
Enhance: Security Funding for Interfaith Works Emergency Shelters [Homeless Services for Single Adults]	388,702	0.00
Enhance: Office of the Chief Administrative Officer Administrative Staff Including Coding Unit (Revenue Offset) [Admin - Office of the Chief Operating Officer]	375,507	7.00
Enhance: New Team of Adult Evaluation and Review Services to Accommodate Increased Demand and State Legislation Chapter 738 of 2022 (Revenue Offset) [Medicaid Funded Long-Term Care Services]	374,591	6.00
Enhance: Community First Choice Nurse Monitoring Program Funding Due to Increased Demand (Revenue Offset) [Medicaid Funded Long-Term Care Services]	297,071	0.00
Enhance: Operating Budget Impact for Nurses to Staff New Linkages to Learning and School Based Health Center at Southlake Elementary School	185,356	1.88
Enhance: Add Staff to Meet Increased Demand for the Autism Waiver Program (Revenue Offset) [Medicaid Funded Long-Term Care Services]	112,526	2.00
Enhance: Add an Additional Environmental Health Plan Review Specialist to Assist with Reviews [Licensure and Regulatory Services]	62,665	1.00
Add: Charles Koiner Conservancy for Urban Farming [Admin - Public Health]	50,000	0.00
Add: Staff for Tuberculosis Monitoring, per Maryland Department of Health Requirement [Communicable Disease & Epidemiology]	44,742	1.00
Add: Implement a Developmental Disability Advisory Council [Community Support Network for People with Disabilities]	36,866	0.50

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
Add: One-Time Costs to Support Nourishing Bethesda's Longer Weekly Operational Hours and Enhanced Food Distribution Capabilities [Admin - Public Health]	24,000	0.00
Reduce: One-time Budget Adjustment to Reflect Higher Than Expected Vacant Positions	(3,049,437)	0.00
Other Adjustments (with no service impacts)		
Increase Cost: Annualization of FY23 Compensation Increases	7,075,781	0.00
Increase Cost: FY24 Compensation Adjustment	6,835,832	0.00
Increase Cost: Newcomer's Enhancements and Assistance	6,436,122	14.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	3,074,436	0.00
Replace: Service Consolidation Hubs Previously Funded by ARPA with General Funds [Admin - Office of the Director]	3,000,000	1.00
Increase Cost: Support an Increased Montgomery Cares Clinic Reimbursement Rate [Health Care for the Uninsured]	2,000,000	0.00
Replace: Eviction Prevention Previously Funded by ARPA Continued with General Funds [Prevention]	1,719,438	0.00
Increase Cost: Rent Subsidy Funding to Keep Up with Rent Increases for Housing Initiative Program [Housing Initiative Program]	1,700,000	0.00
Replace: Funding for Mobile Health Clinic from ARPA to DHHS General Fund [Admin - Public Health]	711,891	5.00
Increase Cost: Upgrade Existing Enterprise Integrated Case Management System That is Past End of Technical Support [Admin - Office of the Chief Operating Officer]	600,000	0.00
Increase Cost: Risk Management Adjustment	521,113	0.00
Increase Cost: Add Positions to Facilitate the Expansion of the Autism Waiver Program, per State Legislation Chapter 464 of 2022 (Partial Revenue Offset) [Medicaid Funded Long-Term Care Services]	458,049	8.00
Increase Cost: Annualization of FY23 Lapsed Positions	457,541	0.00
Increase Cost: Two Percent Increase to the Developmental Disability Supplement Program [Community Provider Support]	405,042	0.00
Shift: Community Grants Moved From the Community Grants Non-Departmental Account to Health and Human Services' Base Budget	326,284	0.00
Increase Cost: Rent Subsidy Funding to Keep Up with Rent Increases for Permanent Supportive Housing Program [Permanent Supportive Housing]	300,000	0.00
Increase Cost: Convert Contractual Dental Hygienist and Dental Assistant Positions to Merit Staff Positions [Dental Services]	181,982	9.00
Increase Cost: Printing and Mail	81,021	0.00
Increase Cost: Two Percent Increase to the Adult Medical Day Care Supplement [Assessment & Continuing Care Management Services]	42,315	0.00
Technical Adj: Conversion of Contractor Positions to Merit Positions in Accordance with Legal Advice Offset by a Reduction in Operating Expenditures	32,347	24.00
Increase Cost: Anticipated Rate Increase for the Behavioral Health Psychiatric Consultation Vendor [Health Care for the Uninsured]	30,000	0.00
Increase Cost: Kronos Annual Maintenance and License Contractual Obligations [Admin - Office of the Director]	3,938	0.00
Technical Adj: Technical Adjustment for Various FTE Changes [Admin - Office of the Director]	0	12.81
Decrease Cost: Motor Pool Adjustment	(102,397)	0.00
Shift: Transfer One Position from DHHS to OHR [Admin - Office of the Director]	(105,892)	(1.00)
Decrease Cost: Reduction to the Supplement for Substance Abuse Rehabilitation Providers [Local Behavioral Health Authority]	(110,549)	0.00

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: Retirement Adjustment	(274,437)	0.00
Shift: Cost from DHHS Children's Opportunity Fund Program to Children's Opportunity Alliance NDA [Children's Opportunity Fund]	(290,837)	0.00
Shift: Remove One-Time FY23 Funds to Recognize the Manna Food Center's Reduced Participation in Community Service Hubs from Pandemic Levels [Admin - Public Health]	(300,000)	0.00
Re-align: Adult Substance Use Disorder Services to Match Actual Expenditures [Local Behavioral Health Authority]	(409,910)	0.00
Re-align: Rightsize the George B. Thomas Sr. Learning Academy Contract With the Number of Students Served [Child & Adolescent School & Community Based Services]	(560,337)	0.00
Decrease Cost: Annualization of FY23 Personnel Costs	(1,117,260)	0.00
Re-align: Shift of Working Parents Assistance and State Supplement for Children Ages 0 to 5 From DHHS General Fund to be Funded by the Early Care and Education NDA [Child Care Subsidies]	(1,435,583)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY23	(9,016,955)	(6.00)
FY24 RECOMMENDED	371,172,458	1,476.44

GRANT FUND - MCG

	FY23 ORIGINAL APPROPRIATION	103,018,216	466.41
<u>Federal/State Programs</u>			
Enhance: Emergency Rental Assistance Grant	14,016,832		28.00
Enhance: Substance and Mental Health Services Administration Coverage to Care Grant	1,832,794		12.00
Add: Strengthen Local Health Department Infrastructure Grant	194,504		0.00
Eliminate: Early Detect and Control Breast and Cervical Cancer	(350,987)		0.00
Eliminate: State Opioid Response (SOR) II Grant	(678,471)		0.00
<u>Other Adjustments (with no service impacts)</u>			
Increase Cost: Housebill 669 Grant	916,876		(7.21)
Increase Cost: Miscellaneous Grant Changes	811,087		5.84
Re-align: Implement Ending the HIV Epidemic Grant [Communicable Disease & Epidemiology]	598,985		1.00
Re-align: Ending the HIV Epidemic in STD Clinics [Communicable Disease & Epidemiology]	450,000		0.65
Increase Cost: Senior Care Grant [Assessment & Continuing Care Management Services]	273,553		0.00
Decrease Cost: DHHS Preschool Development Birth to 5 Grant [Early Childhood Services]	(25,000)		0.00
Re-align: HIV Positive Women Grant [Communicable Disease & Epidemiology]	(126,538)		(0.65)
Re-align: Ryan White Part A Charges for Services [Communicable Disease & Epidemiology]	(462,574)		(1.50)
Re-align: Mobile Health Clinic (ARPA) to DHHS General Fund [Admin - Public Health]	(500,000)		(5.00)
Re-align: CDC Ending the HIV Epidemic Grant [Communicable Disease & Epidemiology]	(653,438)		0.00
Replace: Funding for Service Consolidation Hubs from ARPA to General Fund [Admin - Office of the Director]	(3,000,000)		(1.00)
Replace: Funding for Rental Assistance Program from ARPA to DHHS General Fund [Rental Assistance Program]	(3,438,875)		0.00
FY24 RECOMMENDED	112,876,964		498.54

FUNCTION SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Aging and Disability Services	62,473,715	184.59	66,477,883	202.25
Behavioral Health and Crisis Services	50,828,662	236.20	53,176,954	250.35
Children, Youth and Family Services	115,473,738	610.53	119,751,275	618.57
Public Health Services	94,468,891	570.84	107,826,046	585.22
Services to End and Prevent Homelessness	45,308,810	87.50	66,314,688	137.40
Administration and Support	66,571,850	167.00	70,502,576	181.19
Total	435,125,666	1,856.66	484,049,422	1,974.98

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY23 Total\$	FY23 FTEs	FY24 Total\$	FY24 FTEs
COUNTY GENERAL FUND					
Correction and Rehabilitation	General Fund	108,605	0.75	110,653	0.75
Police	General Fund	136,217	1.00	114,397	1.00
Recreation	Recreation	52,853	0.50	52,853	0.50
Housing and Community Affairs	Montgomery Housing Initiative	19,566,950	0.00	19,566,950	0.00
NDA - Early Care and Education	General Fund	692,273	8.00	1,179,616	12.00
NDA - Guaranteed Income	General Fund	112,030	1.00	112,030	1.00
Total		20,668,928	11.25	21,136,499	15.25

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
COUNTY GENERAL FUND						
EXPENDITURES						
FY24 Recommended	371,172	371,172	371,172	371,172	371,172	371,172
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY24	0	2,700	2,700	2,700	2,700	2,700
New positions in the FY24 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY24	0	(22,872)	(22,872)	(22,872)	(22,872)	(22,872)
Items recommended for one-time funding in FY24, including Newcomer's Enhancements and Assistance, Food Staples Program, COVID response readiness, overflow sheltering in hotels, and operating expenses due to the conversion of broker contract services to merit positions will be eliminated from the base in the outyears.						
Restore One-Time Lapse Increase	0	3,049	3,049	3,049	3,049	3,049

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
Restores in FY25 the one-time lapse increase made in the FY24 budget.						
Labor Contracts	0	9,852	9,852	9,852	9,852	9,852
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Convert Greencastle Elementary School to a Full Linkages to Learning Site	0	0	151	151	151	151
Converts a partial Linkages to Learning site at Greencastle Elementary School to a full Linkages to Learning site.						
High School Wellness Centers	0	4,531	4,531	6,827	8,320	8,320
Recognizes personnel costs and operating expenditures for new high school wellness centers in Blake, Einstein, Springbrook, Woodward, Damascus, and Crown high schools. Each high school wellness center is staffed with 1.875 FTE. In addition, three infrastructure positions must be added for each additional six high school wellness centers; these positions are expected to be added in FY28.						
Subtotal Expenditures	371,172	368,433	368,584	370,880	372,373	372,373

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY24 Recommended		FY25 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Conversion of Contractor Positions to Merit Positions in Accordance with Legal Advice Offset by a Reduction in Operating Expenditures	1,141,219	24.00	2,128,270	24.00
Office of the Chief Administrative Officer Administrative Staff Including Coding Unit (Revenue Offset)	332,107	7.00	664,214	7.00
Add Positions to Facilitate the Expansion of the Autism Waiver Program, per State Legislation Chapter 464 of 2022 (Partial Revenue Offset)	408,449	8.00	816,900	8.00
New Team of Adult Evaluation and Review Services to Accommodate Increased Demand and State Legislation Chapter 738 of 2022 (Revenue Offset)	337,391	6.00	674,782	6.00
Add Staff to Meet Increased Demand for the Autism Waiver Program (Revenue Offset)	100,126	2.00	200,252	2.00
Add an Additional Environmental Health Plan Review Specialist to Assist with Reviews	56,465	1.00	112,930	1.00
Staff for Tuberculosis Monitoring, per Maryland Department of Health Requirement	38,542	1.00	77,084	1.00
Implement a Developmental Disability Advisory Council	30,666	0.50	61,332	0.50
Convert Contractual Dental Hygienist and Dental Assistant Positions to Merit Staff Positions	409,039	9.00	818,078	9.00
Total	2,854,004	58.50	5,553,842	58.50



Administration and Support

RECOMMENDED FY24 BUDGET

\$70,502,576

FULL TIME EQUIVALENTS

181.19

☀ JAMES BRIDGERS PH.D., MBA, ACTING DIRECTOR

FUNCTION

The function of Administration and Support Services is to provide overall leadership, administration, and direction to the Department of Health and Human Services (DHHS), while providing an efficient system of support services to ensure effective management and delivery of services.

PROGRAM CONTACTS

Contact Jason Rundell of the HHS - Administration and Support at 240.777.1685 or Deborah Lambert of the Office of Management and Budget at 240.777.2794 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

☀ Admin - Office of Community Affairs

This program oversees, supports, and implements the mission of the Office of Community Affairs, which is to lead the development of equitable and inclusive health and human services systems that are responsive to racial/ethnic and economically disinvested communities. This Office takes a global view of equity and inclusion that transcends the mandate of individual service units and offices to ultimately drive for systems change.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	384,052	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(100,859)	0.00
FY24 Recommended	283,193	3.00

☀ Admin - Office of the Chief Operating Officer

This Office oversees the administrative services that support direct service delivery and the day-to-day operations of the Department: including budget development and expenditure analysis; management of the Department's fiscal operations including payments, medical billing, Federal claiming, and State financial reporting; contract management; logistics and facilities support; information technology support and development; grant acquisition; and oversight of compliance activities such as internal audits and coordination of external audits. The Office also oversees the implementation of Department-wide policies and procedures for

administrative functions and coordinates and facilitates service delivery practices to promote consistency across programs and to further the goal of integrated practice across the Department.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	30,443,541	92.00
Increase Cost: Upgrade Existing Enterprise Integrated Case Management System That is Past End of Technical Support	600,000	0.00
Enhance: Office of the Chief Administrative Officer Administrative Staff Including Coding Unit (Revenue Offset)	375,507	7.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(313,903)	(0.19)
FY24 Recommended	31,105,145	98.81

☀ Admin - Office of the Director

The Office of the Director provides comprehensive leadership and direction for the Department: including budget and policy development and implementation; planning and accountability; service integration; customer service; the formation and maintenance of partnerships with non-governmental service providers; and human resource management. Further, the Office of the Director facilitates relationships and communications with external partners, provides overall guidance and leadership for health and social service initiatives, and ensures compliance with relevant laws and regulations including the Americans with Disabilities Act (ADA) and the Health Insurance Portability and Accountability Act (HIPAA).

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	11,194,497	27.00
Replace: Service Consolidation Hubs Previously Funded by ARPA with General Funds	3,000,000	1.00
Increase Cost: Kronos Annual Maintenance and License Contractual Obligations	3,938	0.00
Technical Adj: Technical Adjustment for Various FTE Changes	0	12.81
Shift: Transfer One Position from DHHS to OHR	(105,892)	(1.00)
Replace: Funding for Service Consolidation Hubs from ARPA to General Fund	(3,000,000)	(1.00)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(174,751)	(7.43)
FY24 Recommended	10,917,792	31.38

☀ Community Action Agency

The mission of the Community Action Agency (CAA) is to use an equity lens to advance social and economic mobility among communities and neighbors through services, partnerships, and advocacy. Responsibilities include administration of Federal and State Head Start and Community Services Block Grant (CSBG) funding. In addition to Head Start, programs include the Takoma-East Silver Spring (TESS) Community Action Center, Volunteer Income Tax Assistance (VITA), the Community Action Board, and its Community Advocacy Institute. CAA staff and volunteers join with 30+ partners to deliver critical services that strengthen the social and economic assets of low-income communities.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
The number of residents who receive free tax preparation services through the CAA VITA program ¹	1,025	1,463	1,800	2,000	2,200

¹ The number of residents served annually by VITA is highly dependent upon the number and expertise of volunteers recruited and trained, funding of VITA staff, as well as the capacity of partnership sites. Due to COVID, a virtual model (Zoom-based) was initiated in FY21, which

greatly reduced efficiency in Maryland by an average of 40%. In FY22, Omicron required the continuation of virtual services, with in-person services initiated in the final weeks of the season. Increased projections assume level staffing, restoring in-person services, and increasing volunteer levels in FY23, FY24, and FY25.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	5,511,985	14.20
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	466,610	1.00
FY24 Recommended	5,978,595	15.20

☀ Equity and Language Access

Limited English Proficiency (LEP) is a barrier between customers, colleagues, and the community and equitable access to services designed to promote their health, safety, and self-sufficiency. The focus of the Equity and Language Access Program is to use principles of equitable access to guide how staff plans, implements, and evaluates activities that provide access to language. This program is charged with delivering an LEP Policy and Implementation Plan, Department-wide, to fulfill an essential systemic strategy to create equitable access to services by mitigating language barriers and to comply with a Federal mandate for language access.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of referrals made for Multilingual Health Navigation Line/Interpretation Services ¹	24,462	35,895	25,000	26,000	26,000
Total number of interpretations provided over the phone by our phone interpretation vendor to DHHS staff in order to serve LEP clients ²	28,814	23,400	23,000	23,000	23,000
Percent of clients satisfied with services for Multilingual Health Navigation Line/interpretation services ³	98%	98%	90%	90%	90%
Percent of clients able to access services upon referral ⁴	90%	94%	90%	90%	90%
Percent of participants of Equity Workshop who will be able to apply behaviors learned ⁵	94%	97%	95%	95%	95%

¹ The uptick in FY22 in the number of referrals for multilingual/interpretation services is attributable to the following: 1) HHS moving much of its operation virtual instead of using in-person interpretation services, which is not part of this count; and 2) COVID relief programs, such as Emergency Assistance Relief (EARP) and Rental Assistance (ERAP), which increased demand from the community. Projected numbers for upcoming fiscal years reflect the trend of returning to normalcy. The large number of referrals for services in FY22 reflect the height of the COVID health crisis outreach efforts when the navigation line had considerably more staff than it expects to have in FY23-FY25.

² The high number in FY21 reflects the height of the COVID health emergency, before vaccines were available, and when all in-person interpretations halted and moved to telephonic interpretations. The decreased number in FY22 reflects the return to normalcy.

³ This data currently reflects the performance of one contract. Other contracts will be updated to include this data. FY23-FY25 projections are based on percentages of satisfied clients from FY18-FY22.

⁴ FY23-FY25 projections are based on percentages of clients who were able to access services upon referral from FY18-FY22.

⁵ Represents participants who marked "agreed" or "strongly agreed" on this question.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	1,219,101	2.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	41,201	0.00
FY24 Recommended	1,260,302	2.00

☀ Head Start

This program oversees the Federal Head Start funding that the County receives to provide a comprehensive child development program for income-eligible families with young children ages three through five. Montgomery County Public Schools serves as

the Head Start delegate agency and the Department of Health and Human Services provides health services to eligible Head Start children through the School Health Service program.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of children in full-day program	540	540	540	540	540
Percent of children in full-day program	83%	83%	83%	83%	83%
Percent of Head Start eligible children served by the Montgomery County Head Start Program	41%	41%	41%	41%	41%
Percent of 3-year olds with demonstrated school readiness ¹	71%	75%	75%	75%	75%
Percent of 4-year olds with demonstrated school readiness ²	81%	84%	85%	85%	85%

¹ The FY21 program year began as a virtual learning platform. The child assessment--reduced from 16 early learning Skills, Knowledge, and Behaviors (SKBs) indicators--was modified to focus on four indicators of learning under the math and language and literacy domains. The increase in percentage points from FY21 to FY22 was due to returning to in-person instruction where all domains of learning were assessed. In FY23, FY24, and FY25, projections for children demonstrating school readiness skills remain consistent as the delegate agency, MCPS, transitions to a new curriculum with increased rigor for children's learning.

² The FY21 program year began as a virtual learning platform. The child assessment--reduced from 16 early learning Skills, Knowledge, and Behaviors (SKBs) indicators--was modified to focus on four indicators of learning under the math and language and literacy domains. The increase in percentage points from FY21 to FY22 was due to returning to in-person instruction where all domains of learning were assessed. In FY23, FY24, and FY25, projections for children demonstrating school readiness skills remain consistent as the delegate agency, MCPS, transitions to a new curriculum with increased rigor for children's learning.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	4,766,440	2.80
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	129,621	0.00
FY24 Recommended	4,896,061	2.80

Minority Programs

The three minority programs - the African American Health Program (AAHP), the Latino Health Initiative (LHI), and the Asian American Health Initiative (AAHI) - support Department-wide efforts to eliminate disparities in delivery of health services and others and continue to achieve equitable delivery of population-targeted programs and services. The knowledge, expertise, and experiences of incumbent personnel in racially, ethnically, and linguistically diverse communities informs Department-wide program, policy, and budget decisions.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of individuals served by the Minority Health Initiatives & Program ¹	28,920	65,983	81,400	81,400	81,400
Percent of clients satisfied with services provided by the Minority Health Initiatives & Program ²	97%	96%	95%	95%	95%
Average percent of respondents who expressed increased confidence due to community capacity building activities ³	N/A	90%	90%	90%	90%
Average percent increase in wages from time participants entered program until hired as health professionals	169%	134%	150%	150%	150%
Percent of clients who improved A1C blood sugar level test at 3-month follow up (diabetes management/prevention) ⁴	96%	97%	85%	85%	85%

¹ The FY22 actual figure is higher than FY21 because FY21 reflects activities conducted under full COVID restrictions. During the pandemic, in-person outreach events were limited and only some of them transitioned to virtual events. In addition, some regular activities of the minority programs were put on hold since most of their staff were deployed to support the County COVID-19 response. During FY22, regular activities/events began to be reactivated. The FY23 projection is higher because the minority programs are currently conducting outreach events at the level and manner as they were pre-COVID.

² With the transition of some in-person outreach events to virtual, some changes occurred in the process to collect data related to client satisfaction. Surveys are now collected electronically, and the decrease can be related to this new process. The target level of satisfaction is 95%, and the programs always surpass this target.

³ This is a measure tracked by the Asian American Health Initiative (AAHI). Historically, AAHI had set the projection at 85% for the past fiscal years. For FY23, department staff worked with the AAHI to align prior data with projections. Respondents are Asian American community members from community- and faith-based organizations who attended an AAHI community capacity building activity and responded to the evaluation question about increased confidence.

⁴ The above measures and standards are set in accordance with those determined by the Association of Diabetes Care and Education Specialists (ADCES), Diabetes Self-Management Education (DSME), and the Centers for Disease Control Prediabetes Prevention Program (CDC DPP) to maintain the African American Health Program's (AAHP) accreditations and to achieve the outcomes set within the guidelines/requirements by the governing organizations for a qualified diabetes prevention education and management program. AAHP will continue to aim to achieve higher percentages internally than the projected and raise its internal projected targets.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	13,052,234	26.00
Enhance: Latino Health Initiative Steering Committee Request for Non-clinical Emotional Support Groups and Additional Community Health Promotion Services	952,545	0.00
Enhance: African American Health Program to Increase Community Outreach, Support Maternal and Child Health, and Seniors	800,000	0.00
Enhance: Asian American Health Initiative Request for Increased Healthy Community Grants and Center of Excellence Micro-grants	775,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	481,709	2.00
FY24 Recommended	16,061,488	28.00

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Admin - Office of Community Affairs	384,052	3.00	283,193	3.00
Admin - Office of the Chief Operating Officer	30,443,541	92.00	31,105,145	98.81
Admin - Office of the Director	11,194,497	27.00	10,917,792	31.38
Community Action Agency	5,511,985	14.20	5,978,595	15.20
Equity and Language Access	1,219,101	2.00	1,260,302	2.00
Head Start	4,766,440	2.80	4,896,061	2.80
Minority Programs	13,052,234	26.00	16,061,488	28.00
Total	66,571,850	167.00	70,502,576	181.19



Aging and Disability Services

RECOMMENDED FY24 BUDGET

\$66,477,883

FULL TIME EQUIVALENTS

202.25

☀️ JAMES BRIDGERS PH.D., MBA, ACTING DIRECTOR

FUNCTION

The staff of Aging and Disability Services shares the Montgomery County vision where seniors, persons with disabilities, and their families are fully participating members of our community. The mission of this service area is to affirm the dignity and value of seniors, persons with disabilities, and their families by offering a wide range of information, home and community-based support services, protections, and opportunities, which promote choice, independence, and inclusion.

PROGRAM CONTACTS

Contact Odile Brunetto, Ed. D. of the HHS - Aging and Disability Services at 240.777.4577 or Grace Pedersen of the Office of Management and Budget at 240.773.1088 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

☀️ Admin - Aging & Disability Services

This program provides leadership and direction for the administration of Aging and Disability Services.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	457,578	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(361,449)	0.00
FY24 Recommended	96,129	3.00

☀️ Adult Foster Care

This program provides subsidies and case management for low-income seniors who live in group homes for the frail elderly, and adult foster care homes for frail seniors and adults with disabilities.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of ongoing clients in Adult Foster Care - unduplicated annual count ¹	105	92	97	101	106
Assisted Living Services - Percent of clients remaining in community placement (i.e., not entering institutional setting) ²	93%	95%	95%	95%	95%

¹ Count reflects total unique cases in FY22 as of June 2022.

² Adult Foster Care Services has continued to be successful in helping client's avoid institutionalization.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	2,282,564	7.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	73,942	0.00
FY24 Recommended	2,356,506	7.00

☀ Aging & Disability Resource Unit

This program assists seniors, persons with disabilities, and their families, in defining their needs, locating required services, and facilitating the application process to access services.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of incoming calls - monthly average	1,352	1,464	1,500	1,500	1,500
Percent of ongoing clients satisfied with the Aging and Disability Resource Unit ¹	N/A	100%	95%	95%	95%
Percent of ongoing clients to the Aging and Disability Resource Unit who said they were better able to make decisions about options after talking with staff ²	N/A	94%	95%	95%	95%

¹ Surveys not collected in FY21 due to COVID-19.

² Surveys not collected in FY21 due to COVID-19.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	1,091,377	8.84
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	77,177	0.16
FY24 Recommended	1,168,554	9.00

☀ Area Agency on Aging

The Area Agency on Aging provides programs and services to help seniors remain independent in the community including: nutritious senior meals; assisted living subsidies; technical assistance to community "villages"; support to caregivers; legal, representative payee and health promotion services; health insurance counseling; visits to isolated seniors; grocery shopping; transportation and mobility management; subsidized employment; and problem resolution for residents of nursing home and assisted living facilities.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of unduplicated customers served in the Senior Nutrition Program	3,000	4,468	4,422	4,500	4,500
Percent of Congregate Meal clients who agree or strongly agree that they would recommend the service to a friend ¹	N/A	N/A	98%	98%	98%
Percent of Representative Payee clients who report that they are satisfied with volunteers' management of their money, enabling them to have adequate funds for shelter, food, medical care, and clothes ²	100%	100%	100%	100%	100%
Ombudsman Services - Percent of complaints resolved and partially resolved	93%	89%	90%	90%	90%

¹ Service quality data was not been collected for FY21 or FY22 due to limitations in service from COVID-19.

² Percentage represents the total number of clients reporting "agree" and "strongly agree." Results are reported for clients who participated in the program for more than 12 months.

FY24 Recommended Changes	Expenditures	FTEs
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FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	8,895,723	22.95
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	403,800	0.55
FY24 Recommended	9,299,523	23.50

Assessment & Continuing Care Management Services

This program provides multi-disciplinary assessments, care planning, and case management services to frail seniors and adults with disabilities to remedy and prevent abuse, neglect, self-neglect, financial exploitation, or inappropriate institutionalization.

Services include Adult Protective Services, Social Services to Adults, and the Public Guardianship Program.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
New Adult Protective Services Investigations	889	1,052	1,100	1,150	1,200
Number of clients receiving case management services	1,236	1,421	1,450	1,500	1,550
Percent of SSTA Case Management clients who report being satisfied or very satisfied	93%	88%	89%	90%	91%
Percent of seniors and adults with disabilities that avoid institutional placement while receiving case management services	88%	94%	94%	95%	95%
Percent of APS Clients with another investigation within six months (recidivism)	5%	8%	7.0%	6.5%	6.0%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	10,761,394	57.55
Increase Cost: Senior Care Grant	273,553	0.00
Increase Cost: Two Percent Increase to the Adult Medical Day Care Supplement	42,315	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	800,313	0.62
FY24 Recommended	11,877,575	58.17

Community Provider Support

This program provides financial support to the providers and agencies in the community that work with the entire spectrum of clients served by the Department through Aging and Disability Services.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Turnover rate for direct service professionals for developmental disabilities providers	30.5%	32.9%	32.8%	32.8%	32.8%
Number of Clients served by Developmental Disability and Medical Adult Day Care Providers	5,166	5,106	5,170	5,248	5,301

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	20,585,492	0.50
Increase Cost: Two Percent Increase to the Developmental Disability Supplement Program	405,042	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	4,158	0.00
FY24 Recommended	20,994,692	0.50

Community Support Network for People with Disabilities

Community Support Network for People with Disabilities (CSN) provides services that enable individuals to remain in their

home or in the least restrictive environment and provides general support, guidance, and assistance to clients with developmental disabilities and their families. The My Turn program provides summer camp placements, support, and programmatic/financial assistance to families with children with developmental disabilities ages 3 to 13 years old. CSN also conducts site visits to group homes that serve clients with developmental disabilities in the County and monitors contracts that provide services to people with various disabilities including visual and hearing impairments.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Placements in Summer Camp Programs	29	32	42	50	55
Percent of customers satisfied with the My Turn Program	92%	93%	95%	95%	95%
Percent of customers who report that the My Turn Program is helpful	88%	100%	94%	94%	94%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	2,990,358	9.75
Add: Implement a Developmental Disability Advisory Council	36,866	0.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	136,972	(0.75)
FY24 Recommended	3,164,196	9.50

☀ Home Care Services

This program provides personal care assistance to seniors and eligible adults with disabilities who are unable to manage independently due to physical and/or mental impairments. Home Care Services prevent abuse, neglect, and exploitation of vulnerable adults, and enhance overall quality of life by providing personal care, chore assistance, therapeutic support, self-care education, and escorted transportation.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Home Care Services - Number of clients served annually	308	350	368	386	405
Percent of customers satisfied with Home Care Services	86%	83%	88%	93%	98%
Home Care Services - Percentage of clients with no unmet personal care needs	100%	98.3%	98.8%	99.3%	99.8%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	4,993,515	15.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	154,935	(0.42)
FY24 Recommended	5,148,450	14.58

☀ Medicaid Funded Long-Term Care Services

This program administers and operates Maryland's Long-Term Care Medicaid program, Coordination of Community Services, and Community First Choice (CFC). CFC Supports Planners and Nurse Monitors provide a continuum of services designed to allow people of all ages and in need of long-term care to live in the community, rather than in institutions. Adult Evaluation and Review Services (AERS) provides mandatory medical evaluations for clients seeking these services and for those referred by Adult Protective Services. In addition, this program area provides service coordination to eligible young people funded under the Maryland Home and Community Based Services Waiver for Children with Autism Spectrum Disorder (Autism Waiver Program).

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
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Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Total number of clients currently served by Nurse Monitoring	2,621	2,714	2,800	2,900	3,000
Average number of Adult Evaluation and Review Service (AERS) assessments assigned per month ¹	248	273	280	280	280
Percent of clients satisfied with the Autism Waiver Program	95%	97%	97%	97%	97%
Percent of clients satisfied with Coordination of Community Supports	91%	95%	95%	95%	95%
Percent of person-centered plans in the Coordination of Community Services (CCS) program that are reviewed and updated within 365 days of the anniversary date ²	N/A	71%	75%	80%	85%

¹ Measure tracks the cases assigned to the Community Health Nurse (CHN) to assess clients for Home and Community Based Services (HCBS) programs, Preadmission Screening and Resident Review (PASRR), and the Senior Assisted Living Subsidy (SALS).

² This is a newly defined measure for FY22.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	8,964,232	60.00
Increase Cost: Add Positions to Facilitate the Expansion of the Autism Waiver Program, per State Legislation Chapter 464 of 2022 (Partial Revenue Offset)	458,049	8.00
Enhance: New Team of Adult Evaluation and Review Services to Accommodate Increased Demand and State Legislation Chapter 738 of 2022 (Revenue Offset)	374,591	6.00
Enhance: Community First Choice Nurse Monitoring Program Funding Due to Increased Demand (Revenue Offset)	297,071	0.00
Enhance: Add Staff to Meet Increased Demand for the Autism Waiver Program (Revenue Offset)	112,526	2.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	652,331	1.00
FY24 Recommended	10,858,800	77.00

Respite Care

This program area provides temporary, occasional care of frail seniors, adults and children with disabilities, and children with severe behavioral and/or medical issues to give relief to families and other primary caregivers.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of clients served in respite	389	372	372	372	372
Percent of customers satisfied with Respite Services	93%	92%	92%	92%	92%
Percent of customers that report a reduction in stress/caregiver burden as a result of receiving respite services	96%	94%	94%	94%	94%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	1,451,482	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	61,976	0.00
FY24 Recommended	1,513,458	0.00

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Admin - Aging & Disability Services	457,578	3.00	96,129	3.00
Adult Foster Care	2,282,564	7.00	2,356,506	7.00

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Aging & Disability Resource Unit	1,091,377	8.84	1,168,554	9.00
Area Agency on Aging	8,895,723	22.95	9,299,523	23.50
Assessment & Continuing Care Management Services	10,761,394	57.55	11,877,575	58.17
Community Provider Support	20,585,492	0.50	20,994,692	0.50
Community Support Network for People with Disabilities	2,990,358	9.75	3,164,196	9.50
Home Care Services	4,993,515	15.00	5,148,450	14.58
Medicaid Funded Long-Term Care Services	8,964,232	60.00	10,858,800	77.00
Respite Care	1,451,482	0.00	1,513,458	0.00
Total	62,473,715	184.59	66,477,883	202.25



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

EVAN GLASS
PRESIDENT

TRANSPORTATION & ENVIRONMENT COMMITTEE, CHAIR
ECONOMIC DEVELOPMENT COMMITTEE

M E M O R A N D U M

DATE: April 4, 2023
TO: Councilmembers
FROM: Council President Evan Glass
SUBJECT: Approach to FY 24 Operating Budget

Each year the Council President proposes an approach for reviewing the operating budget. This memorandum presents the process I believe will serve the Council and our residents well.

Determining the county's \$6.8 billion operating budget is an exercise in fiscal discipline and a reflection of the county's priorities. We must balance the needs of today with those of tomorrow, which include supporting our students, our teachers, our first responders, our healthcare professionals and other frontline workers. After all, budgets are moral documents.

The FY24 Operating Budget presents several challenges. From funding critical services and fairly compensating our employees to determining the impact of a potential tax increase, it is our responsibility to ensure that the budget meets the needs of our community and is fiscally sound.

My priority for this budget process is to ensure that schools are fully funded and that families can continue calling Montgomery County home. As such, these are the issues I believe we should consider:

- **The need to support MCPS.** The pandemic has significantly impacted our students, who lost valuable classroom time and suffered as a result. Our teachers have worked harder than ever and we must demonstrate our support for them. As part of this review, we also need to examine MCPS' current and proposed use of federal COVID relief funding.
- **The decrease in recordation tax revenue.** This has created significant gaps in the Capital Improvements Program (CIP). The Executive did not increase pay as you go (PAYGO) funding for the CIP by \$80 million, as requested by the Council, which would have decreased this gap. The Council will need to determine whether it supports the lower level of CIP funding proposed by the Executive.
- **The Executive has recommended a 10% property tax increase.** The Council will need to carefully evaluate whether we believe a tax increase is necessary and, if so, the appropriate size of the increase. Each 1-cent of the proposed tax increase is equivalent to \$22.3 million.
- **Use of reserves for ongoing expenditures.** The budget includes significant increases in the operating budget, in part by using unanticipated FY22 and FY23 income tax revenue.



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Our adopted fiscal policies require that these funds be used for one-time expenditures, not ongoing operating costs that cannot be sustained by future revenues; yet only \$16 million of net new tax supported expenditures are categorized as “one-time”. Council staff will provide additional information regarding sustainability at the April 11 overview of the budget.

- **Additional county positions and county vacancies.** The proposed budget includes 137 new tax supported full-time equivalent (FTE) positions in County Government and hundreds of new positions in other agencies. At the same time the Executive is adding new positions, the County Government has approximately 1,500 job vacancies. The Council will need to determine if funding new positions is sustainable, as relying on lapses from vacant positions is not a sound fiscal practice.
- **Funding OPEB.** The Government Operations & Fiscal Policy Committee has taken the first steps toward creating a policy that ensures the long-term viability of our retiree health insurance (known as Other Post Employee Benefits or OPEB), which includes having the trust fund pay annual costs. Such a policy would allow the County’s general revenues to be used for other purposes. The Executive’s budget does not provide funding identified in this preliminary policy.

To fully fund MCPS, fund the CIP, reach our OPEB goals, and reduce the size of or eliminate the need for a property tax increase, we will need to find reductions in the operating budget. This goal is always challenging.

To meet the diverse needs of our community, I believe that all of the Executive’s recommended tax-supported additions to the operating budget should be placed on a reconciliation list. Any additional Council recommended priorities should be added to the same list. Each spending priority should be considered as a potential addition to the Council adopted FY23 budget, rather than a potential reduction from the Executive’s proposed FY24 budget.

A recommended process and structure for implementing this approach for FY24 follows:

1. Each tax supported increase, addition, enhancement, replacement, or restoration recommended by the County Executive would be placed on the reconciliation list. Similarly, any tax supported increases recommended by a committee would also be placed on the reconciliation list.
2. All items placed on the reconciliation list by a committee should be categorized as either a “priority” or “high priority” to assist our future decisions. When appropriate, an item should be divided into more than one category. Budgetary items should also be classified as one-time or ongoing expenses.



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3. Committees should attempt to identify other reductions to departmental base budgets to free up ongoing resources for other priorities. While our current budget timeframe does not allow for a zero-based budgeting approach that would fully review each department's base expenditures, it is important to look for reductions as a first step.
4. Additional FY24 budget amendments received from the County Executive after March 15 would also be placed on the reconciliation list for Committee review.
5. Any cost shifts between departments (if budget neutral) and increases due to annualization of previously approved compensation/staffing costs do not need to be placed on the reconciliation list. We will ask staff to identify any increase due to a County or State law to determine if it must be funded or can be placed on the reconciliation list.
6. When creating the reconciliation list, staff should indicate whether the item was previously funded by federal funds, allowing us to carefully consider whether the County has the ability to maintain programs not previously supported by the County's general funds.
7. FY24 compensation and benefit enhancements will be reviewed separately by the Government Operations & Fiscal Policy Committee and the full Council.

This process is designed for the Council to fund the programs and policies that our residents need while also ensuring that taxpayer funds are used prudently.

Supporting our residents is our top priority. We must keep them in mind as we work collectively throughout this process.



Community Grants to Base Budget

Community Grants Shifts to Departments' Base Budgets Including a 3% Nonprofit Increase		
Organization	Purpose	FY24 CE REC
Community Engagement Cluster (CEC)*		\$ 144,612
Asian Pacific American Legal Resource Center	Provide legal assistance to low-income immigrants in the Asian American community who are seeking immigration relief.	\$ 33,372
CASA, Inc.	Provide financial assistance to support citizenship-eligible legal permanent residents in attaining citizenship.	\$ 55,620
KIND, Inc. d/b/a Kids in Need of Defense	Provide pro-bono legal services for unaccompanied immigrant and refugee minors.	\$ 55,620
Corrections and Rehabilitation (COR)		\$ 16,686
Conflict Resolution Center of Montgomery County	Provides for an increase in conflict resolution services to inmates and their families.	\$ 16,686
Health and Human Services (HHS)		\$ 326,284
American Diversity Group, Inc.	Provide oral health treatment and education for elementary school students and the parents.	\$ 28,228
Circle of Rights, Inc.	Provide stroke prevention information to low-income County residents.	\$ 20,023
Jewish Council for the Aging of Greater Washington	Provide support for JCA's early memory loss program, Kensington Club.	\$ 44,496
Jewish Council for the Aging of Greater Washington	Provide support for the 50+ Employment Expo.	\$ 83,430
Muslim Community Center, Inc.	Provide for increased access to quality eye care services for uninsured and underinsured Montgomery County residents.	\$ 27,743
YMCA of Metropolitan Washington, Inc.	Provide case management and training for volunteers in intensive one-on-one mentoring program for court-involved male and female youth of color.	\$ 44,496
YMCA of Metropolitan Washington, Inc.	Provides at-risk youth with trauma-informed, academic-focused, out-of-school-time enrichment services, intensive homework help and mentoring, and other services for adults.	\$ 77,868
KID Museum NDA		\$ 216,918
MOCO KIDSCO, Inc. dba KID Museum	Provide operating support for the KID Museum.	\$ 216,918
Office of the County Executive (CEX)		\$ 161,298
Crossroads Community Food Network, Inc.	Expand an economic development program to support low-resource residents of the Takoma/Langley Crossroads in building successful local food businesses.	\$ 33,372
Latino Economic Development Corporation	Provide entrepreneurship, workforce training and support services to promote self-sufficiency of immigrant, refugee, and low-income residents.	\$ 27,810
Life Asset, Inc.	Provide a microloan and training program that helps low-income entrepreneurs start or expand microbusinesses, promoting job creation and financial self-sufficiency.	\$ 11,124
Maryland/Israel Development Center, Inc.	Provide support for promoting economic development between Montgomery County and Israel and attract Israeli high-tech, cyber security and bio-health companies to the County.	\$ 44,496
University of Maryland	Provide support for the Purple Line Corridor Coalition to lead the implementation of the Purple Line Community Development Agreement through a collective impact approach.	\$ 44,496
Recreation (REC)		\$ 244,728
Create Calm, Inc.	Provide enhanced education and leadership skills for socially disconnected young people through yoga and mindfulness classes and activities.	\$ 11,124
Elite Soccer Youth Development Academy, Inc.	Provide support to youth participating in a Soccer Academy, Health Programs, and a Educational/Leadership Youth Development Program.	\$ 111,240
Finding Your FootPrint Foundation, Inc.	Provide yoga, meditation, and self-care practices for youth dealing with day to day social and behavioral issues.	\$ 5,562
Girls on the Run of Montgomery County, MD	Provide financial aid and shoes to under served girls in order for them participate in a positive youth development program.	\$ 16,686
Maryland Senior Olympics Commission, LTD	Provide for operating support.	\$ 27,810
Queens Royal Priest Hood, Inc.	Provide tutoring, homework assistance, intro to robotics, games, and group activities to help students improve social skills while encouraging team work.	\$ 11,124
Retouch International Ministries, Inc.	Provide an enrichment After School Program for girls in Montgomery County who are at risk of underachievement.	\$ 11,124
The First Tee of Greater Washington, DC Corridor	Provide social, fun, healthy, and life enhancing opportunities for girls to keep them engaged and enjoying golf in Montgomery County.	\$ 11,124
Village Youth & Family Center, Inc.	Provide afterschool programming for young women to build a healthy sense of self, community and belonging through yoga and art.	\$ 5,562
Washington Area Bicyclist Association, Inc.	Provide a youth bicycle safety program to Montgomery County's public school youth through the Excel Beyond the Bell after-school program.	\$ 33,372
		\$ 1,110,526

*An additional \$600,000 has been shifted from the Community Grants-NDA to the Community Engagement Cluster (CEC) for the Emerging Business District Grant Program.

**MONTGOMERY COUNTY DEVELOPMENTAL DISABILITY PROVIDERS
FISCAL YEAR 2024
ANNUAL GENERAL ASSISTANCE FUNDING REQUEST**

The Inter-Agency Coordinating Committee on Developmental Disabilities (InterACC/DD) is a coalition of 41 service providers operating community-based support services in Montgomery County funded primarily through the State of Maryland Developmental Disabilities Administration (DDA). Provider agencies are expected to receive approximately \$295 million this year from DDA to support about 4,000 Montgomery County citizens with intellectual and developmental disabilities and their families.

For over 40 years, Montgomery County government has provided supplemental funding for DDA-funded services delivered in the county. County support is designed to mitigate the higher cost of doing business in Montgomery County and to enhance the quality and range of services providers are able to offer some of our most vulnerable citizens.

For FY 24, InterACC/DD requests an increase to the DD supplement to keep pace with the increase in the cost of living. We propose to use the same increase as social security of 8.7%. The FY 24 request is \$22,014,020, to be distributed between 41 provider agencies.

Despite the significant negative impact of the covid pandemic on people with disabilities, coupled with the ongoing changes in the state system to fund support services by DDA, providers in Montgomery County continue to meet and exceed the outcomes and goals established for direct services. Individuals express high levels of satisfaction with services, providers maintained health and safety for individuals and staff, direct service hours have returned to pre-pandemic levels despite extreme staffing shortages, and several county providers have transitioned fully into the new LTSS billing system.

All providers of DDA services will likely transition to the new rates and billing system during FY 24. While rates appear to be higher than current rates, the service definitions in the new system are different, and some necessary components of these services are not billable. Providers will need to increase administrative staff and other costs associated with implementing documentation and billing systems. While a lengthy rate study by DDA established the new rates, the state currently funds each service at an average of 86% of the total rate. Payments for services under the new state system are retroactive, so providers will require a larger reserve of funds to maintain adequate cash flow. As providers continue to struggle with a dual funding system in FY 24, the continued support from Montgomery County is a high-priority need.

The provider community in Montgomery County is committed to the provision of person-centered services that focus on the inclusion of all people with developmental disabilities in work, school, recreation, and social life. Stakeholders will face many challenges together in the next year, including:

- Continue providing high-quality services to Montgomery County citizens with intellectual and developmental disabilities in need of residential, employment, and other individualized support services.
- Explore and implement workforce strategies to curtail this historic workforce crisis.
- Continual conversion from the current payment system to the LTSS reimbursement system.
- To invest to maintain and build capacity to support people with an intellectual and developmental disabilities.
- To invest in infrastructure to respond to the changing service industry climate, such as the implementation of Quality Improvement Organization standards within the DD provider network.
- Confront the ongoing COVID19 Pandemic, including:
 - Address expected shortfall in expiring State Appendix K funding which has sustained emergency operations, especially residential operations, since the onset of the pandemic
 - Incentivize employment in a historically constrained labor market by providing higher starting wages, retention, and performance incentives
 - Prepare for the further reopening of in-person services, plan for hybrid services, and restructure in light of continued virtual/remote supports in an evolving environment
 - Address other COVID-19 challenges, including resident and staff safety, staff training, and increased operating costs.
- Work collaboratively with Montgomery County Public Schools to transition Maryland’s largest group of transitioning youth into adult services
- Maintain a high-quality direct support professional workforce through higher wages made possible by Montgomery County supplemental funding
- Successfully operate in an environment where the cost of providing intellectual and developmental disability services, including residential, employment, and other individualized support services, is significantly more expensive than in other Maryland counties.

The annual “DD supplement” provided for many years by Montgomery County has been and continues to be crucial to helping InterACC/DD providers bridge the gap between DDA-funded reimbursable services and the actual cost to provide high-quality intellectual and developmental disability services in Montgomery County.

Fiscal Year	DDA Revenue total	Percent Increase	Total Supplement from County	Percent Increase	County Supplement Percent of DDA Revenue
<i>FY24*</i>	<i>\$295,000,000</i>	<i>6.08%</i>	<i>\$22,014,020</i>	<i>8.70%</i>	<i>7.46%</i>
<i>FY23**</i>	<i>\$278,091,397</i>	<i>34.67%</i>	<i>\$20,252,088</i>	<i>5.90%</i>	<i>7.28%</i>
FY22	\$206,504,567	14.61%	\$19,123,785	6.28%	9.26%
FY21	\$180,175,281	12.52%	\$17,993,936	2.46%	9.99%
FY20	\$160,122,829	4.43%	\$17,562,175	0%	10.97%
FY19	\$153,327,769	4.20%	\$17,562,175	19.23%	11.45%
FY18	\$147,152,157	7.12%	\$14,729,712	6.74%	10.01%
FY17	\$137,372,061	5.69%	\$13,800,221	30.91%	10.05%
FY16	\$129,974,130	6.94%	\$10,542,031	11.84%	8.11%
FY15	\$121,537,394	6.81%	\$9,425,923	11.30%	7.76%
FY14	\$113,790,175		\$8,469,101		7.44%
Average Percentage					9.07%

** FY24 revenue estimated as the transition to new service definitions and billing system continues*

*** FY23 revenue not actual; actual review will be less as a result of the transition to new service definitions and billing system*

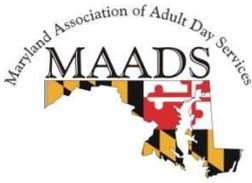
DDA has funded over 90% of the cost of services with an average of a 9% percent match from Montgomery County to InterACC/DD providers.

InterACC/DD supports the methodology for distributing the supplement between providers at 75% of the actual DDA revenue and 25% of the total DSP hours as we transition to LTSS. This data is readily available to the county to facilitate accurate calculation and results in a fair distribution between provider agencies. This methodology may change when the LTSS transition is complete for all providers.

The partnership between InterACC/DD, the Montgomery County government, and DDA has proven to be a critical asset in the county’s economic development. The InterACC/DD looks forward to working with the County Executive and the County Council to ensure that these vital funds can be maintained.

SSA COLA reference:

<https://www.ssa.gov/cola/>



04/11/23

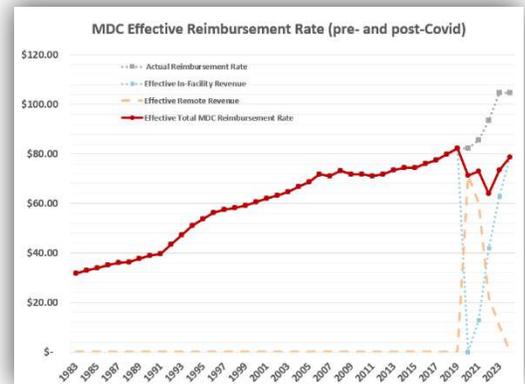
Honorable Council members,

On behalf of Montgomery County Adult Medical Day Care Coalition, whose members provide multicultural and socially appropriate medical day care services to over 1,500 elderly and disabled adults in our County on daily basis, we like to thank you and the County Executive for your support throughout the covid pandemic, and for your continued commitment to ensure viability of such essential services in the future.

As you know, Adult Medical Day Care (AMDC) are primarily Medicaid providers and as such are prohibited from passing along any increased costs of operations (such as those associated with the County minimum wage increase or the recent historic inflation) to their participants. AMDCs also cannot set their own Medicaid rates, and thus depend entirely on the State and County for sufficient funding to deliver care to our most vulnerable populations. That is why in 2017, when the Council decided to increase the County’s minimum wage to above that of the State’s minimum wage, a budget line-item was created to provide supplemental funding to help ensure that Montgomery County AMDCs can continue to function and deliver care and support to our growing aging and disabled population.

The County Executive’s FY24 Budget includes a 2% increase over the FY23 amount. **We request that the County Council support this increase and consider it as “high priority” as it is essential for AMDC operations.**

Although Covid pandemic seems to be over, the impact of Covid on healthcare institutions is quite vivid and present, and expected to take a few more years before reaching pre-Covid conditions. At the present time, despite the demand for services, the average AMDC attendance across the State as well as Montgomery County has only reached 65% pre-Covid levels. And because AMDC business model is highly volume-dependent, reduction in attendance results in a direct reduction in overall revenue. So, even though AMDC reimbursement rate for daily care has increased, the reduction in attendance has prevented our revenue to increase. AMDCs are currently facing the challenge of earning pre-2019 revenues while facing 2023 expenses! Therefore, the FY24 financial forecast for AMDCs is quite uncertain and unprecedented.



Unfortunately, this Covid-related reduction in revenue is happening at the same time as the industry is facing historic increases in operating costs (associated with increased labor costs as well as double-digit inflationary increases in cost of goods, food, fuel, insurance and transportation, etc.), thus setting up a perfect-storm condition, which without support from the State and the County will not be sustainable.

It’s very important to also note that AMDCs are facing significant challenges in funding from the State. Maryland Department of Health (MDH) has recently notified the industry that due to the end of the Public Health Emergency (PHE) (end of April), AMDC centers will no longer be able to receive an administrative rate for providing remote services to clients. This amounts to a potential reduction of 15% to 20% revenue for some centers. At the same time, the expected 8% provider rate increase associated with Governor’s plan to accelerate State minimum wage to \$15 will not take effect until January 1, 2024.

As a result, AMDCs will not receive any increase in Medicaid reimbursement rate in calendar year 2023, and are facing a potential drop of 15% to 20%! due to ending of PHE.

The **reduced attendance rate**, the **elimination of the administrative fee**, and the **delay in the provider rate increase** will make it unsustainable for many AMDCs to operate in the post-covid era, where both inflation and labor rates are at historic highs. We are trying to work with the State to extend the admin rate for 6 months beyond the PHE, but that is a work-in-progress and we don't know as of today what the outcome of our requests will be.

Given the extremely difficult situation that AMDCs are placed in and the exceptionally challenging funding situation for FY24, we very much appreciate the HHS Committee to support the County Executive's proposed AMDC supplement budget line item and the associated 2% increase for FY24. This funding helps offset the labor cost differential between the State minimum wage and that of the County minimum wage. This supplement has been essential for medical day cares over the past few years as the County's minimum wage has grown and remains above that of the State's.

As you are all aware, AMDCs are very different than regular businesses:

1. Medicaid rules prohibit AMDCs from charging additional fees to its recipients. This is a sharp contrast from other businesses that simply can pass the additional operating costs onto consumers.
2. State licensing regulations prohibit AMDCs from reducing staff or limiting services due to staffing ratio and other requirements. Again, this is in sharp contrast to other businesses that have the ability to adjust their staffing costs and process efficiencies.
3. Medicaid pays all AMDCs across the State a single flat fee for a day of service provided to a qualified participant (regardless of which county they serve). This places the Montgomery County AMDCs in a significant disadvantage because the cost of providing services and operating a business in our county is much higher than other counties.
4. Medicaid has chronically underfunded AMDCs over the past decade, resulting in AMDCs being stretched as far as they could to survive.
5. AMDCs are the only alternative to nursing home placement or in-home care for our aged or disabled residents. They are the only venue that provides culturally-diverse services to adults and disabled individuals that alleviate social isolation, provide respite care for caregivers, while addressing transportation, nutrition, medical, and physical and cognitive activities.
6. AMDC services span all age groups (16 years and older) and cater to adults, seniors, and individuals with Developmental Disabilities.
7. Not supporting AMDCs will leave a significant deficiency in the County's ability to provide care for the growing population of fragile elderly and disabled adults.

Therefore, we respectfully request that the Council strongly support the AMDC supplement and the proposed 2% increase for the FY24 budget as a High Priority line item.

Additional support documents and presentations have been provided to Council Staff. We will be more than happy to address any questions or data needs shall they be needed.

Thank you so much for your service to the community.

Afshin Abedi, Ph.D.

President

Montgomery County Medical Day Care Coalition

Immediate Past President

Maryland Association of Adult Day Services (MAADS)