

# Maryland still behind on welfare deadline

■ Network is overdue, over budget and will bring penalties.

By Sean Scully  
THE WASHINGTON TIMES

It's five years overdue, \$100 million over budget, and there's no way to tell when, exactly, it will be finished.

And because it's so late, Maryland taxpayers could lose almost \$300 million in federal aid next year.

Like all 53 other states and territories, Maryland has been trying since 1990 to automate its welfare system, building a computer network to calculate benefits and track child-support payments. The original plan called for the \$35 million project to be finished in 1992.

To date, the state and federal government have spent more than \$130 million and don't expect to see the final jurisdiction — Baltimore City — automated until next March. Baltimore has almost half of the state's welfare and child-support cases.

And even when Baltimore is integrated into the network, there will be at least three more years of

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# DEADLINE

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work to bring the computer system in line with all the new requirements of welfare reforms passed by state and federal legislators in recent years.

"I've never dealt with such a frustrating thing in my life — it's years and years of banging my head against the wall," says Delegate Martha Klima, Baltimore County Republican and one of many legislators who've been following the computer saga. "Well, now the wall is bloody."

Maryland was one of 17 states — along with the District and the U.S. Virgin Islands — that missed the federal deadline of Oct. 1 to have a statewide system in place. Unless Congress changes current law, the Department of Health and Human Services will cut off Maryland's federal funds for child-support collections and Temporary Assistance to Needy Families, the new version of a welfare program long called Aid to Family With Dependent Children. This year, that aid amounted to \$281 million — \$59 million for child support and \$222 million for welfare benefits.

"We're not in favor of extending the deadline," HHS spokesman Michael Kharfen said, although the agency might support a lesser penalty than cutting off all aid. "There needs to be accountability in states or there need to be financial consequences."

And accountability seems to be at the core of Maryland's computer mess.

As far back as 1992, legislative auditors criticized the program, saying the contractor failed to meet promised deadlines and the Department of Human Resources showed a "lack of adequate and aggressive management of these projects."

Remarkably, there was no project manager for the computer system until 1995 — meaning no single official could be held accountable for its failures.

"I don't think there's any one person you can point to — it was a combination of things," current project manager Jack Pepper said.

After an extensive review in 1994, the state fired the first contractor, SystemHouse. But instead of abandoning the project, the state passed it on to Andersen Consult-

## AUTOMATED WELFARE

Montana was the first to finish the federally mandated program, in September 1994, and the only state to meet the original deadline of Oct. 1, 1994. By the new deadline, Oct. 1 this year, 33 states and two territories were finished. The rest — 17 states, the District and the Virgin Islands — missed the deadline and face the loss of federal aid. How states in the area fared in automating welfare and child-support systems:

State	Finished	Federal aid at risk
Virginia	February 1996	None
West Virginia	July 1996	None
District	Unfinished	\$102.5 million
Delaware	February 1996	None
Pennsylvania	Unfinished	\$790 million
Maryland	Unfinished	\$281 million

The Washington Times

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ing, which is the current contractor.

"They never had a plan," said John D. O'Neill, founder of Maryland Taxpayers Association and a longtime critic of the computer program. "They didn't know what ... they were doing. ... They've done so much wrong."

But Mr. Pepper insists the project is "on the right track," and insists that early planners simply underestimated the scope of the project. Since the system was designed in 1989, he said, the state and federal government have totally revamped welfare, a problem that added time and money on top of the early contractor problems and management failures.

"This project has had a troubled history," he said, "but that history has been overcome."

Moreover, Mr. Pepper said, it isn't fair to say that the project is \$100 million over budget — the original \$35 million was for development costs alone. The current cost estimate of more than \$130 million includes operational expenses and the cost of adding new features and welfare reform changes.

Mr. Pepper cannot, however, provide a breakdown of development costs and operation costs. He

said he is working on those figures and should have them by January.

In theory, the new computer system will make child-support and welfare programs more efficient, saving the taxpayer money. While he has some anecdotal evidence that this is true, Mr. Pepper does not have those figures either, making it impossible to do a cost-benefit analysis. That, too, should be ready by January, he said.

Mr. O'Neill said he has no confidence that the state will every sort out the mess, despite Mr. Pepper's assurances.

"This is just going to go on and on and on," he sighed.

In April, the program irritated legislators by asking for an additional \$23.6 million to extend the contract with Andersen and increase the staff working on the computers from five to 52. Without consulting the General Assembly, the state Board of Public Works granted the request, which would allow the contractors to keep working on the computers through 1999.

The federal government stepped in, however, saying the state should have put the extra work out for competitive bid. The Department of Human Resources is now seeking new bids, but Mr. Pepper says the mix-up will delay completion of the computer system even further.

Some legislators worry that the system will never be finished.

"It has been totally mishandled," said Delegate Robert Flanagan, Howard County Republican and member of the House Appropriations Committee. "And it's turned into a bottomless pit into which we are throwing money."

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