

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 637

(Senator King)

Budget and Taxation

Ways and Means

Children – Therapeutic Child Care Program – Funding

This bill codifies the Therapeutic Child Care Program and establishes a per pupil funding formula for the program. Beginning in fiscal 2022, the Governor must include an appropriation of *not less than* \$45,000 for each child with specified disabilities or delays. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: *Based on one set of assumptions,* general fund expenditures increase by \$2.8 million beginning in FY 2022. Revenues are not affected. **The bill establishes a mandated appropriation beginning in FY 2022.**

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	2.8	2.8	2.8	2.8
Net Effect	\$0.0	(\$2.8)	(\$2.8)	(\$2.8)	(\$2.8)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The purpose of the Therapeutic Child Care Program is to provide specialized child care and early childhood education by educators, early intervention providers, mental health providers, and health care providers to children under the age of

six who have (1) developmental delays; (2) physical disabilities; or (3) delays in social, emotional, or behavioral functioning. The bill defines “developmental delays, physical disabilities, or delays in social, emotional, or behavioral functioning.”

Current Law: Therapeutic child care programs were originally called therapeutic nursery programs. Therapeutic child care is the more modern term. According to regulations, a child is eligible for therapeutic nursery services if the child:

- has or is at risk for a mild to severe mental disorder, as defined in the current Diagnostic and Statistical Manual of Mental Disorders, or mild to severe behavioral problems, or both;
- is at risk for emotional or behavioral problems because the child is experiencing substantial developmental delay or atypical development as specified;
- is at risk for emotional or behavioral problems and is a child who is being assessed or has been assessed in a suspected child abuse or neglect investigation; or
- is at risk for emotional or behavioral problems because of significant family history, as identified by an evaluation by a mental health professional.

Therapeutic nursery services must meet specified standards for staffing, treatment, evaluative services, support services, discharge, physical setting, and equipment. There are separate requirements for programs that serve children younger than three years old and for those that serve children three to five years old. Programs must provide specified types of therapy, including individual therapy if required by the child’s individual treatment plan.

Background: According to Maryland State Department of Education (MSDE), there are six providers in Maryland providing therapeutic nursery services to approximately 425 children. The grantees are:

- the ARC of Montgomery County;
- the ARC of Prince George’s County;
- the Hearing and Speech Agency;
- Kennedy Krieger Institute;
- The Lourie Center for Children Social and Emotional Wellness; and
- PACT-Helping Children with Special Needs.

MSDE advises that some of the federal funding for these programs has been eliminated or is needing to be allocated to the Child Care Subsidy Program and requirements of the Child Care Development Block Grant reauthorization. Thus, per pupil funding for the program

has decreased in recent years. Under the current program, MSDE provides grants of \$12,490 to \$25,000 per pupil. When there was more federal funding available in fiscal 2019, the per pupil rate for one of the programs was \$32,133.

State Fiscal Effect: *Based on one set of assumptions, general fund expenditures increase by an estimated \$2.8 million in fiscal 2022. This estimate is based on the following information and assumptions.*

- MSDE reports that approximately \$2 million was granted to therapeutic nursery/child care programs in fiscal 2020. This estimate assumes that the current grant program would be level funded under current law.
- MSDE reports that approximately 425 children were served by these programs in fiscal 2020. For the purposes of this estimate, it is assumed that 319 of these children are typically developing and 106 have developmental delays. This estimate assumes level enrollment.

Actual expenditures depend on actual enrollment of developmentally delayed children in therapeutic child care programs in the State. This cannot be reliably estimated at this time.

Exhibit 1
Estimated Expenditures Therapeutic Child Care Program
Fiscal 2022-2025

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Number of Eligible Children	106	106	106	106
Per Pupil Amount	\$45,000	\$45,000	\$45,000	\$45,000
Total Funding	\$4,770,000	\$4,770,000	\$4,770,000	\$4,770,000
Current Funding	2,000,000	2,000,000	2,000,000	2,000,000
Total Additional Expenditures	\$2,770,000	\$2,770,000	\$2,770,000	\$2,770,000

Note: Actual expenditures depend on actual enrollment of developmentally delayed children in therapeutic child care programs in the State.

Source: Department of Legislative Services

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Department of Budget and Management; Maryland Department of Disabilities; Maryland Department of Health; Department of Legislative Services

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