

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1383
 Judiciary

(Delegate Guyton)

Judicial Proceedings

Children in Need of Assistance - Permanency Plan Requirements

This bill specifies that the court must, in making certain required findings related to a child’s permanency plan, explicitly find whether a local department of social services made reasonable efforts to meet the *individualized* needs of the child, including the child’s (1) health, medical, and dental needs, including ensuring that the needs are timely met; (2) education needs and educational plan, including the timely enrollment of the child in an educational program and the efforts to inform the child of postsecondary education or vocational programs; (3) safety; (4) emotional stability and the timeliness of therapeutic referrals or services provided to the child; (5) physical placement, including the stability and appropriateness of the placement and housing needs of the child after the case is terminated; (6) socialization needs, including the child’s enrollment in extracurricular activities or programs; (7) financial needs, including the child’s need for financial awareness to ensure future self-sufficiency; and (8) necessary documents, including the child’s birth certificate, social security card, passport, driver’s license, or State-issued identification card.

Fiscal Summary

State Effect: General fund expenditures for the Department of Human Services (DHS) increase by at least \$326,100 in FY 2027, as discussed below (supported by 50% general funds/50% federal funds). Federal fund matching revenues increase accordingly. The Judiciary can implement the bill with existing budgeted resources.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
FF Revenue	\$163,000	\$190,800	\$199,700	\$208,800	\$217,900
GF Expenditure	\$163,000	\$190,800	\$199,700	\$208,800	\$217,900
FF Expenditure	\$163,000	\$190,800	\$199,700	\$208,800	\$217,900
Net Effect	(\$163,000)	(\$190,800)	(\$199,700)	(\$208,800)	(\$217,900)

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

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: None.

Analysis

Current Law: A child in need of assistance (CINA) is a child who requires court intervention because (1) the child has been abused or neglected, has a developmental disability, or has a mental disorder and (2) the child's parents, guardian, or custodian are unable or unwilling to give proper care and attention to the child and the child's needs. Statutory provisions outline numerous requirements for CINA proceedings.

Out-of-Home Placement Review Hearings: The court must hold a permanency planning hearing to determine the permanency plan for a child in out-of-home placements within certain time limits specified in statute. The court must subsequently conduct a hearing to review the permanency plan at least every six months until commitment is rescinded or a voluntary placement is terminated. Statute requires the court to make certain determinations, projections, and evaluations regarding the overall case plan for the child, including a determination and documentation of whether reasonable efforts have been made to finalize the permanency plan that is in effect, and/or change the permanency plan if a change in the plan would be in the child's best interest.

When the permanency plan is another planned permanent living arrangement, the review hearing must include (1) a determination on the adequacy of the steps the local department is taking to ensure that the child's foster family home or child care institution is following the reasonable and prudent parent standard; (2) a determination of whether the child has regular, ongoing opportunities to engage in age-appropriate activities; and (3) a consultation with the child in an age-appropriate manner about the opportunities to participate in specified activities. Every reasonable effort must be made to effectuate a permanent placement for the child within 24 months after the date of initial placement.

Guardianship Review Hearings: A juvenile court must hold an initial guardianship review hearing to establish a permanency plan for the child and, at least once every year after the initial guardianship review hearing until the juvenile court's jurisdiction terminates, a guardianship review hearing. At each review hearing, the juvenile court must determine whether (1) the child's current circumstances and placement are in the child's best interests; (2) the permanency plan that is in effect is in the child's best interests; and (3) reasonable efforts have been made to finalize the permanency plan that is in effect. Statute requires the court to evaluate and make specified findings and projections regarding the permanency plan for the child.

Required Judicial Findings in Review Hearings

In an out-of-home placement or guardianship review hearing, the court must make a finding whether a local department of social services made reasonable efforts to:

- finalize the permanency plan in effect for the child;
- meet the needs of the child, including the child's health, education, safety, and preparation for independence; and
- for a child who is at least age 18: (1) before the child is emancipated, enroll the child in health insurance that will continue after the child is emancipated and screen the child for eligibility for public benefits and assist the child with associated applications; (2) work with appropriate individuals to establish a plan for stable housing that is reasonably expected to remain available to the child for at least 12 months after the date of emancipation; and (3) work with appropriate individuals to engage the child in education, training, and employment activities that will prepare the child to have appropriate and sufficient income to live independently after emancipation.

In making the above findings, the court must consider specified factors, including (1) whether a local department has provided appropriate services that facilitate the achievement of a permanency plan for the child, including consideration of in-State and out-of-state placement options; (2) whether the child's placement has been stable and in the least restrictive setting appropriate, available, and accessible for the child during the period since the most recent hearing held by the court; and (3) whether a local department has provided appropriate and timely services to help maintain the child in the child's existing placement, as specified.

If the court finds that reasonable efforts for a child were not made or finds that reasonable efforts were made but compliance was not achieved due to specified circumstances, the court must promptly send its written findings to the director of the local department; the Social Services Administration; the State Citizens Review Board for Children; the local citizens review panel; and any individual or agency identified by a local department or the court as responsible for monitoring the care and services provided to children in the legal custody or guardianship of the local department on a systemic basis.

State Fiscal Effect: DHS anticipates the need for 56 additional staff (48 social workers, 4 human services specialists, and 4 attorneys) at a cost of \$10.3 million in fiscal 2027 and up to \$14.1 million by 2031, supported by 50% general funds/50% federal funds. DHS bases its estimate on the court considering and documenting the department's technical compliance with "reasonable efforts" at every review hearing, rather than current practice of a flexible approach tailored to each child's circumstances. Mainly, DHS advises that the

bill requires additional staff to provide detailed documentation for each new criterion at every appearance while maintaining sustainable caseloads for caseworkers.

The public foster care system is funded by the State and the federal government under Title IV-E of the Social Security Act. As a condition of receiving certain Title IV-E federal funds, states must have an approved plan that satisfies numerous requirements. For example, a state must obtain a judicial determination that it has made reasonable efforts to finalize a permanency plan in effect within 12 months of the date the child is considered to have entered foster care, and at least once every 12 months thereafter while the child remains in foster care. If such a judicial determination regarding reasonable efforts to finalize a permanency plan is *not* made within the specified time period, the child becomes ineligible for Title IV-E at the end of the month in which the judicial determination was required to have been made and remains ineligible until such a determination is made. Judicial determinations of reasonable efforts (among other things) must be explicitly documented and made on a case-by-case basis and so stated in the court order (see 45 CFR § 1356.21).

DHS further advises that, per a 2023 Title IV-E review, 10 of 80 cases were found to be out of compliance with Title IV-E requirements; 2 of the 10 cases were out of compliance specifically due to a judicial determination of reasonable efforts not being timely met, resulting in a loss of \$32,100 in federal funds. Should DHS experience higher findings of noncompliance with Title IV-E under the bill (*i.e.*, based on the more stringent criteria explicitly required to be evaluated prior to a judicial determination of reasonable efforts being timely met) higher amounts of federal funding may be lost. (Any potential reduction in federal funding that may be solely attributable to the bill is, however, speculative and not accounted for in this analysis.)

The Department of Legislative Services (DLS), while acknowledging the bill expands upon existing required findings in review hearings that are explicitly specified in statute, disagrees that additional resources at the magnitude of that estimated by DHS are required. According to DHS, existing law, DHS internal policy, and COMAR regulations *already require* reasonable efforts, individualized case planning, and preparation for a child's independence. DHS also advises it currently operates programs, such as Ready by 21 and the Social Services Administration Youth Transition Planning, that provide youth-driven, individualized support in the service areas required by the bill. While the bill expands explicit statutory requirements for DHS staff in review hearings, the bill itself does not generate new caseloads, nor do the enumerated criterion of the bill significantly depart from existing required services for a child's needs (related to education, health, safety, and independence). In fact, the Judiciary, in advising that it does not anticipate any significant increase in workload as a result of the bill, notes that the bill is largely consistent with – if not duplicative of – existing law about the court's obligations to make reasonable effort findings after evaluating a child's needs and best interests.

However, while it is assumed that local departments already must appropriately document reasonable efforts to facilitate the required court findings under current law/practice, DLS acknowledges that because the bill requires additional *specific* judicial determinations, a more stringent analysis as to whether each factor has been satisfied likely results in an increased administrative burden to ensure appropriate documentation.

DLS cannot independently validate that 56 positions, as indicated by DHS above, are needed *exclusively* due to the bill's requirements (without also accounting for existing workload capacity issues). This analysis, however, reflects an assumption that at least the equivalent of 4 full-time social workers are needed to supplement current resources at jurisdictions with higher case volumes (or otherwise provide additional review for certain cases under a centralized process). Accordingly, State expenditures increase by a minimum of \$326,054 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	4.0
Salaries and Fringe Benefits	\$289,491
Operating Expenses	<u>36,563</u>
Total FY 2027 State Expenditures	\$326,054

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. These expenditures are assumed to be supported using 50% general funds, 50% federal funds (\$163,027 general funds/\$163,027 federal funds). Federal fund matching revenues increase correspondingly.

To the extent that local departments experience a significant administrative burden from the bill, additional resources can be requested through the annual budget process.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Human Services; Department of Legislative Services

Fiscal Note History:
caw/jkb

First Reader - March 11, 2026
Third Reader - March 20, 2026

Revised - Updated Information - April 2, 2026

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