Maryland Association of
Resources for Families & Youth

TO: The Honorable Anne R. Kaiser, Chair
The Honorable Dereck E. Davis, Chair
Members, House Ways and Means Committee
Members, House Economic Matters Committee
The Honorable Larry Hogan Administration

FROM: Pamela Metz Kasemeyer
Danna L. Kauffman

DATE: February 4, 2021

RE: **SUPPORT WITH AMENDMENT** – House Bill 612 – *Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act*

The Maryland Association of Resources for Families and Youth (MARFY) is a statewide network of private agencies serving at-risk children and youth and advocates for a system of care in Maryland that meets the needs of children and families. MARFY is a program of Maryland Nonprofits and **supports with amendment** the passage of House Bill 612.

MARFY supports the Governor's continued commitment to address the economic impacts from the public health emergency on the State's economy. To that end, the relief provided in House Bill 612 reflects that ongoing commitment and he is to be commended for his efforts. However, MARFY is also aware that the Senate Budget and Taxation Committee has voted to significantly amend this legislation through the addition of more than approximately $500 million dollars in additional economic relief. The additional relief proposed by the Budget and Taxation Committee is now under consideration by the full Senate and will undoubtedly, eventually be before this Committee for further debate and consideration. To that end, MARFY is submitting this testimony today to bring to your attention the very real struggle being faced by MARFY members to stay financially viable as they work to meet the increased needs of the children and families they serve and to request that the Committee consider including relief assistance for the child welfare provider community and the children and families they serve.

MARFY members have struggled to stay financially viable as they work to meet the increased needs of the children and families they serve during the COVID-19 crisis. Like every family with school aged children, these providers have had to adapt to the new normal of COVID-19 that requires youth to be at home all day long. As the youth are now in their care during the school day, their residential programs and foster families have incurred significant additional costs including:

- adding additional staff during school hours;
- providing additional meals and snacks for the youth;
- purchasing supplies and entertainment materials to fill the time;
- adapting to the upcoming technology needs of distance learning;

- providing hazard pay/incentive pay for staff to continue working when much of the workforce is staying home; and
- creating isolation or quarantine areas for exposed and diagnosed youth, which also reduces the number of children they can serve in a facility and therefore reducing their reimbursements.

In addition, many of the young people in independent living programs have lost employment and thus their financial needs have increased as well, which is an additional financial strain on providers.

In late spring, MARFY requested that the Interagency Rates Committee allow providers to re-submit their budgets in order to get a revised rate that reflects the additional pressures on their budgets associated with COVID-19 for the duration of the current fiscal year. That request was not acted upon, but rather the FY2021 rates for foster care maintenance payments were frozen at FY2020 levels through December, further exacerbating the viability and capacity of the provider community.

Ensuring that foster care placements are available for children during this emergency is critical if the State is to prevent children from ending up in prolonged hospital stays, and experts predict that cases will spike when schools reopen, and cases of abuse and neglect are reported. Even prior to the pandemic, there was active dialogue related to hospital overstays, out of state placements, and other system capacity challenges facing the State. The Department of Human Services is currently in a crisis due to the lack of placement options. Several organizations have closed their programs for youth in the past year due to financial pressures, reducing the system's capacity by at least 60 beds. A provider currently operating a 16-bed group home had an average census of 15.9 (i.e., beds were full nearly 100% of the time) and still lost $100,000 on that program. Providers whose census has been forced down due to physical distancing requirements or staffing challenges during COVID-19 are in even worse shape.

Without financial compensation to meet these significant challenges, there is a very real possibility that more providers will have to close their doors permanently, which will significantly exacerbate the lack of viable placements for youth in child welfare, causing long term system consequences, including increased trauma to the families and children that are most in need of services. Once this capacity is lost, it is difficult to rebuild as we have seen with past RFP's for increased capacity going unanswered because the risk to providers is too high with such low rates.

MARFY urges the Committee to consider additional relief be included in the Governor's bill that provides assistance to the child welfare provider community so that they may remain financially viable during the public health emergency and continue to serve at-risk youth and their families. MARFY looks forward to working with the Committee as it moves this important initiative forward.

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