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By: **Delegate Heller**

Introduced and read first time: February 17, 1998

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Residential and Nonresidential Child Care Centers and Nonpublic General**  
3                                   **Education Schools - Per Child Rate Settings**

4 FOR the purpose of requiring certain private residential and nonresidential child care  
5 programs and certain nonpublic general education schools licensed or approved  
6 by certain State agencies to establish per child per service rates, subject to the  
7 State's allowable cost policy; requiring certain residential and nonresidential  
8 child care programs and certain nonpublic general education schools to submit  
9 per child per service rates to the Special Secretary for Children, Youth, and  
10 Families by a certain date each year; requiring the Special Secretary to provide  
11 appropriate forms and instructions for the submission of rates and changes in  
12 rates; requiring the Special Secretary to publish the per child per service rates  
13 by a certain date; requiring certain residential and nonresidential child care  
14 programs and certain nonpublic general education schools to submit proposed  
15 rate changes within a certain time frame before the rate changes take effect;  
16 authorizing the Special Secretary to audit certain residential or nonresidential  
17 child care programs; defining certain terms; and generally relating to the per  
18 child per service rates set by certain residential or nonresidential child care  
19 programs.

20 BY adding to  
21 Article 49D - Office for Children, Youth, and Families  
22 Section 39 to be under the new subtitle "Child Care Programs"  
23 Annotated Code of Maryland  
24 (1994 Replacement Volume and 1997 Supplement)

25                                   Preamble

26       WHEREAS, The current practice of rate setting by the Governor's Office for  
27 Children, Youth, and Families for rates paid to providers of private residential child  
28 care programs has not produced a system to encourage efficiency and the  
29 development of additional resources through payments to those providers; and

30       WHEREAS, A process for setting rates for certain nonresidential programs and  
31 services for children has not been established; and

1 WHEREAS, Certain historic providers in the system are subject to rates below  
2 cost, while certain new providers are funded at full cost; and

3 WHEREAS, Rates paid for services purchased pursuant to this subtitle should  
4 be determined by competition in the private marketplace; and

5 WHEREAS, A system which permits competition in the marketplace will help to  
6 ensure high quality, cost-effective programs and services and will permit providers of  
7 residential and nonresidential child care programs and nonpublic general education  
8 schools to have the flexibility to respond quickly to the changing needs of purchasers;  
9 and

10 WHEREAS, The Special Secretary for Children, Youth, and Families should  
11 establish a process sufficiently flexible to ensure that providers can meet the needs of  
12 children and families referred to the providers; now, therefore,

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article 49D - Office for Children, Youth, and Families**

16 **CHILD CARE PROGRAMS**

17 39.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
19 INDICATED.

20 (2) "AGENCIES" MEANS THE DEPARTMENTS OF EDUCATION, HEALTH  
21 AND MENTAL HYGIENE, HUMAN RESOURCES, AND JUVENILE JUSTICE.

22 (3) "NONPUBLIC GENERAL EDUCATION SCHOOL" MEANS A NONPUBLIC  
23 SCHOOL APPROVED UNDER COMAR 13A 09.10.07 PURSUANT TO § 2-206 OF THE  
24 EDUCATION ARTICLE AND OPERATED IN CONJUNCTION WITH RESIDENTIAL OR  
25 NONRESIDENTIAL PROGRAMS LICENSED OR APPROVED BY THE DEPARTMENT OF  
26 EDUCATION, THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, THE  
27 DEPARTMENT OF HUMAN RESOURCES, OR THE DEPARTMENT OF JUVENILE JUSTICE.

28 (4) "NONRESIDENTIAL CHILD CARE PROGRAM" MEANS A PROGRAM  
29 THAT:

30 (I) PROVIDES SERVICES FOR CHILDREN IN A NONRESIDENTIAL  
31 SETTING, DESIGNED TO ACHIEVE OBJECTIVES RELATED TO THE NEEDS OF THE  
32 CHILDREN SERVED; AND

33 (II) IS LICENSED OR APPROVED BY THE DEPARTMENT OF HEALTH  
34 AND MENTAL HYGIENE, THE DEPARTMENT OF HUMAN RESOURCES, OR THE  
35 DEPARTMENT OF JUVENILE JUSTICE.

36 (5) "RESIDENTIAL CHILD CARE PROGRAM" MEANS A PROGRAM THAT:

1 (I) PROVIDES CARE FOR CHILDREN 24 HOURS A DAY WITHIN A  
2 STRUCTURED SET OF SERVICES AND ACTIVITIES DESIGNED TO ACHIEVE  
3 OBJECTIVES RELATED TO THE NEEDS OF THE CHILDREN SERVED; AND

4 (II) IS LICENSED BY THE DEPARTMENT OF HEALTH AND MENTAL  
5 HYGIENE, THE DEPARTMENT OF HUMAN RESOURCES, OR THE DEPARTMENT OF  
6 JUVENILE JUSTICE.

7 (6) "SERVICES" MEANS FOOD, CLOTHING, SHELTER, EDUCATION, SOCIAL  
8 SERVICES, HEALTH CARE, MENTAL HEALTH CARE, AND RECREATION.

9 (B) PRIVATE RESIDENTIAL OR NONRESIDENTIAL CHILD CARE PROGRAMS AND  
10 NONPUBLIC GENERAL EDUCATION SCHOOLS LICENSED OR APPROVED BY STATE  
11 AGENCIES SHALL ESTABLISH A PER CHILD RATE PER SERVICE, SUBJECT TO THE  
12 STATE'S ALLOWABLE COST POLICY, AND CHARGE ALL PURCHASERS THE SAME RATE.

13 (C) (1) RESIDENTIAL AND NONRESIDENTIAL CHILD CARE PROGRAMS AND  
14 NONPUBLIC GENERAL EDUCATION SCHOOLS SHALL SUBMIT PER CHILD PER  
15 SERVICE RATES TO THE SPECIAL SECRETARY FOR CHILDREN, YOUTH, AND FAMILIES  
16 NO LATER THAN APRIL 1 OF EACH YEAR.

17 (2) THE SPECIAL SECRETARY SHALL PROVIDE APPROPRIATE FORMS  
18 AND INSTRUCTIONS FOR THE SUBMISSION OF RATES UNDER THIS SUBSECTION.

19 (3) THE SPECIAL SECRETARY SHALL PUBLISH THE PER CHILD PER  
20 SERVICE RATES NO LATER THAN JUNE 15 EACH YEAR.

21 (D) (1) AFTER APRIL 1 OF EACH YEAR, RESIDENTIAL AND NONRESIDENTIAL  
22 CHILD CARE PROGRAMS AND NONPUBLIC GENERAL EDUCATION SCHOOLS SHALL  
23 SUBMIT TO THE SPECIAL SECRETARY ANY CHANGES IN PER CHILD PER SERVICE  
24 RATES.

25 (2) THE SPECIAL SECRETARY SHALL PROVIDE APPROPRIATE FORMS  
26 AND INSTRUCTIONS FOR CHANGES IN RATES.

27 (3) RESIDENTIAL AND NONRESIDENTIAL CHILD CARE PROGRAMS AND  
28 NONPUBLIC GENERAL EDUCATION SCHOOLS SHALL SUBMIT PROPOSED RATE  
29 CHANGES NO LATER THAN 3 MONTHS BEFORE THE CHANGE IS SCHEDULED TO TAKE  
30 EFFECT.

31 (E) THE SPECIAL SECRETARY MAY REQUIRE AN AUDIT OF ANY RESIDENTIAL  
32 OR NONRESIDENTIAL CHILD CARE PROGRAM OR NONPUBLIC GENERAL EDUCATION  
33 SCHOOL.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 October 1, 1998.