

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 898 (Chairman, Commerce and Government Matters Committee)
(Departmental – Human Resources)

Commerce and Government Matters Education, Health, and Environmental Affairs

**State Finance and Procurement - Exemption - Purchase of Foster Care
Contracts**

This departmental bill exempts contracts between private organizations that provide foster care services and the Department of Human Resources (DHR) from review by the Board of Public Works (BPW).

The bill takes effect July 1, 2002.

Fiscal Summary

State Effect: None. The bill codifies existing practice.

Local Effect: None.

Small Business Effect: DHR has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: An existing regulation exempts foster care services contracts between private organizations and DHR from BPW review. The regulation allows foster care contracts to be processed as reimbursement agreements, which are exempt from the standard State procurement process.

The Interagency Rates Committee (IRC) determines the rates upon which each foster care services contract is based pursuant to the methodology contained in regulation. IRC sets rates in May of each fiscal year.

Background: DHR contracts with more than 200 private organizations that provide foster care services. Nearly all of these contracts, based on the amount paid to providers, would require review by BPW if they were processed as standard procurements because most of the contracts are greater than the \$200,000 threshold.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, Department of Legislative Services

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