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By: **Delegates Zirkin and O'Donnell**  
Introduced and read first time: February 6, 2003  
Assigned to: Ways and Means

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Committee Report: Favorable  
House action: Adopted  
Read second time: March 20, 2003

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Education - Residential Child Care Programs - Rate Setting**  
3 **Incentives**

4 FOR the purpose of requiring the Department of Education to incorporate incentives  
5 into the rate setting methodology for residential child care programs to develop  
6 new programs in underserved geographic areas of the State; and generally  
7 relating to residential child care programs and rate setting incentives.

8 BY repealing and reenacting, with amendments,  
9 Article - Education  
10 Section 8-417  
11 Annotated Code of Maryland  
12 (2001 Replacement Volume and 2002 Supplement)

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

15 **Article - Education**

16 8-417.

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) "Nonpublic general education school" means a nonpublic school  
19 approved in COMAR 13A.09.10.07 pursuant to § 2-206 of the Education Article and  
20 operated in conjunction with residential or nonresidential child care programs  
21 licensed or approved by the Department of Education, the Department of Health and

1 Mental Hygiene, the Department of Human Resources, or the Department of Juvenile  
2 Justice.

3 (3) "Nonresidential child care program" means a program that:

4 (i) Provides services for children in a nonresidential setting,  
5 designed to achieve objectives related to the needs of children at risk of out-of-home  
6 placement; and

7 (ii) Is licensed or approved by the Department of Health and  
8 Mental Hygiene, the Department of Human Resources, or the Department of Juvenile  
9 Justice.

10 (4) "Residential child care program" means a program that:

11 (i) Provides care for children 24 hours a day within a structured  
12 set of services and activities designed to achieve objectives related to the needs of the  
13 children served; and

14 (ii) Is licensed by the Department of Health and Mental Hygiene,  
15 the Department of Human Resources, or the Department of Juvenile Justice.

16 (b) (1) The Department of Education, as the fiscal agent of the Subcabinet  
17 Fund for Children, Youth, and Families under Article 49D of the Code, shall  
18 administer and implement a redesigned rate setting process for nonpublic general  
19 education schools, residential child care programs, and nonresidential child care  
20 programs.

21 (2) THE DEPARTMENT OF EDUCATION SHALL INCORPORATE  
22 INCENTIVES INTO THE RATE SETTING METHODOLOGY FOR RESIDENTIAL CHILD  
23 CARE PROGRAMS TO DEVELOP PROGRAMS IN UNDERSERVED GEOGRAPHIC AREAS IN  
24 THE STATE.

25 (3) The Department of Human Resources, the Department of Juvenile  
26 Justice, the Department of Budget and Management, the Office for Children, Youth,  
27 and Families, and the Department of Health and Mental Hygiene shall participate  
28 with the Department of Education in the development and implementation of rates in  
29 programs licensed or approved by those agencies to the extent required by federal and  
30 State law.

31 (c) (1) A decision as to the amount or implementation of rates established  
32 under this section may be appealed by sending a written request for appeal to the  
33 Subcabinet.

34 (2) The request shall set forth the specific objections to the decision as to  
35 the amount or implementation of rates established under this section.

36 (3) The Subcabinet or the Subcabinet's designees shall issue a final,  
37 binding opinion upholding, reversing, or modifying the rates set by the Interagency  
38 Rates Committee within 30 days after receipt of the request for appeal.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 October 1, 2003.