

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 605

(Senators Kelley and Hollinger)

Finance

Health and Government Operations

Residential Child Care Programs - Certification of Program Administrator

This bill creates an 11-member State Board for Certification of Residential Child Care Program Administrators within the Department of Health and Mental Hygiene (DHMH) and requires residential child care program administrators to receive State certification. This applies to programs licensed by DHMH, the Department of Human Resources, and the Department of Juvenile Justice, but not State-operated residential child care program facilities of the Mental Hygiene Administration.

The board terminates July 1, 2013, subject to the Maryland Program Evaluation Act.

Fiscal Summary

State Effect: No effect in FY 2004. Special fund revenues could increase by \$200,000 in FY 2005 as the board begins collecting fee revenues, reflecting 500 applicants becoming certified. Special fund expenditures could increase by \$89,800 to reimburse the general fund by the same amount to hire one program administrator and pay for related board expenses. Out-years reflect inflation and a stable number of individuals becoming certified.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SF Revenue	\$0	\$200,000	\$0	\$200,000	\$0
SF Expenditure	0	89,800	85,200	90,300	93,800
Net Effect	\$0	\$110,200	(\$85,200)	\$109,700	(\$93,800)

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

Local Effect: None.

Small Business Effect: Minimal for program providers whose administrators must be certified.

Analysis

Bill Summary: Certification applicants must meet specified educational and other requirements and pass a board exam. Certificates expire on a date set by the board and may be renewed for two-year periods. The board may set fees for certifications and other services.

The board must waive the certification requirements for any person who: (1) files a letter of intent with the board by October 1, 2006; (2) has at least eight years of experience in the human service field with at least four years of experience in a supervisory or administrative capacity; and (3) has passed a board-approved exam by October 1, 2006.

The bill creates a continuing, nonlapsing State Board for Certification of Residential Child Care Administrators Fund into which board fee revenues will be deposited. Board fees must be set to cover the direct and indirect costs of maintaining the board. Any unspent portions of the fund must remain in the fund and cannot be transferred or revert to the general fund. Except as otherwise provided for in statute, no other State money may be used to support the fund. The legislative auditor must audit the fund's accounts.

The board must investigate complaints and, in consultation with the Subcabinet for Children, Youth, and Families, conduct a continuing study and investigation of programs and program administrators. Any person who violates a provision of the bill is guilty of a misdemeanor and on conviction subject to: (1) a fine up to \$1,000 for the first offense; and (2) a fine up to \$5,000 or imprisonment of up to six months, or both, for any subsequent violation.

It is the General Assembly's intent that the Governor provide funds in the fiscal 2005 budget at a level sufficient for the board to begin operating. When special funds become available, the general fund must be reimbursed for the start-up costs.

Current Law: Residential child care home program administrators currently are not required to be certified under statute.

Background: The Board of Examiners of Nursing Home Administrators charges a \$100 license fee to license nursing home administrators. Those licenses are renewed every two years.

State Revenues: Special fund revenues could increase by \$200,000 in fiscal 2005 as the board begins collecting fee revenues, reflecting 500 applicants becoming certified and each paying a \$400 fee for a two-year license. Future years reflect certifying 500 individuals every two years.

State Expenditures: Pursuant to the bill, general funds to start the board would not be available until fiscal 2005. Special fund expenditures could increase by \$89,802 in fiscal 2005 to reimburse the general fund for the start-up costs. This estimate reflects the cost of hiring a program manager to issue the certificates, respond to complaints, and conduct a continuing study of programs and program administrators. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses, including the board's contribution for the three staff members the boards and commission share.

Salary and Fringe Benefits	\$61,972
Operating Expenses	<u>27,830</u>
Total FY 2005 State Expenditures	\$89,802

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

The Department of Legislative Services Office of Legislative Audits could audit the board once every three years using existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Juvenile Justice, Department of Human Resources, Governor's Office (Children, Youth, and Families), Department of Health and Mental Hygiene, Department of Legislative Services

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