

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 367 (Delegate Jones, *et al.*)

Health and Government Operations

Finance

Residential Child Care Programs - Certification of Program Administrator

This bill creates a 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 by October 2007. This applies to programs licensed by DHMH, the Department of Human Resources, or the Department of Juvenile Services, and programs subject to Office for Children, Youth, and Families' licensing regulations. The board terminates July 1, 2014 and is subject to the Maryland Program Evaluation Act.

Fiscal Summary

State Effect: No effect in FY 2005. General fund expenditures could increase by \$91,500 in FY 2006 and \$90,100 in FY 2007 to hire one program manager and pay for related board expenses. Special fund revenues could increase by \$300,000 in FY 2008 as the board begins collecting fee revenues, reflecting 500 applicants becoming certified. Special funds would be used to reimburse the general fund for the board's start-up costs. Out-years reflect inflation and a stable number of individuals becoming certified.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
GF Revenue	\$0	\$0	\$0	\$91,500	\$0
SF Revenue	0	0	0	300,000	0
GF Expenditure	0	91,500	90,100	0	0
SF Expenditure	0	0	0	185,600	98,500
Net Effect	\$0	(\$91,500)	(\$90,100)	\$205,900	(\$98,500)

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: A residential child care program provides care for children 24 hours per day.

Certification applicants must meet specified educational and other requirements and pass a board exam. Applicants must be at least 21. 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.

Applicants must provide their fingerprints for a State criminal history records check by the Department of Public Safety and Correctional Services' (DPSCS) Criminal Justice Information System Central Repository (CJIS). The applicants must pay any processing or other fees related to the check. CJIS results must be given to the board and the applicant.

The board must waive the certification requirements for any person who: (1) files a letter of intent with the board by October 1, 2007; (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, 2007.

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 of up to \$1,000 for the first offense; and (2) a fine of up to \$5,000 or imprisonment for up to six months, or both, for any subsequent violation.

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.

Uncodified language in the bill directs the Governor to provide funds in the fiscal 2006 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 program administrators currently are not required to be certified under statute.

Employees and employers of the following facilities must apply for a national and State criminal history records check at any designated law enforcement office in the State. These facilities include: a licensed child care center; a registered family day care home; a licensed child care home; a licensed child care institution; a juvenile detention, correction, or treatment facility; a public school; a private or nonpublic school; a foster care family home or group facility; a recreation center or recreation program; or a day or residential camp. An employer at any one of these facilities may require a volunteer at that facility to obtain a criminal history records check.

A person required to have a State criminal history records check must pay for: (1) reasonable administrative costs to DPSCS not to exceed 10% of the processing fee; and (2) the Maryland criminal history records check fee (\$18).

Background: This bill is the result of a recommendation of a 2001 Governor's Task Force to Study the Licensing and Monitoring of Community-based Homes for Children. Federal regulations covering reimbursement for nursing home services under Medicaid and Medicare require states to have a licensing program for nursing home administrators. 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. Unlike other health occupations boards, the Board of Examiners of Nursing Home Administrators is supported with general funds instead of special funds. The board's fees are directly deposited into the general fund. There is no statutory requirement that the board set fees to produce funds to approximate the cost of maintaining the board.

State Revenues: Special fund revenues could increase by \$300,000 in fiscal 2008 as the board begins collecting fee revenues, reflecting 500 applicants becoming certified and each paying a \$600 fee for a two-year license. Future years reflect certifying 500 individuals every two years. General fund revenues could increase by \$91,458 in fiscal 2008 due to partial repayment of start-up costs. General fund start-up costs would be fully repaid in 2010, when the board collects its first renewal fees.

State Expenditures: Pursuant to this bill, general funds to start the board would not be available until fiscal 2006. General fund expenditures could increase by an estimated \$91,458 in fiscal 2006 for start-up costs. This estimate reflects the cost of hiring a

program manager to issue certificates, respond to complaints, and conduct a continuing study of programs and program administrators. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including the health occupations board's contribution for the staff members the boards and commission share.

Salaries and Fringe Benefits	\$62,667
Operating Expenses	<u>28,791</u>
Total FY 2006 State Expenditures	\$91,458

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; (3) the shift to special fund status; and (4) repayment of the general fund in installments.

Any payments from certification applicants for criminal history records checks are for cost recovery only. CJIS could handle the requirements of this bill with existing budgeted resources.

Additional Information

Prior Introductions: A similar bill, SB 605, was introduced in the 2003 session. It passed in the Senate but received an unfavorable report by the House Health and Government Operations Committee.

Cross File: SB 99 (Senator Kelley, *et al.*) – Finance.

Information Source(s): Department of Human Resources, Maryland State Department of Education, Department of Health and Mental Hygiene, Department of Legislative Services

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