

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1197  
Appropriations

(Delegate Rosenberg)

Finance

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**Child Welfare Accountability Act of 2005**

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This bill requires: (1) an outcome-based system to measure the effectiveness of child welfare services; (2) the development of an in-depth case review protocol to assess the quality of caseworker services; (3) the development of a local department of social services (LDSS) child welfare services self-assessment process; (4) the creation of a Child Welfare Accountability Council to plan, review, assess, and provide guidance on the implementation of outcome and performance measures and the self-assessment process; (5) State caseload ratios following Child Welfare League of America (CWLA) standards; (6) the establishment of a Child Welfare Training Academy; (7) national accreditation for each LDSS, the cost of which must be negotiated by the State; (8) a fully operational Maryland Children's Electronic Social Services Information Exchange (MD CHESSIE); and (9) a revision of the accounting structure and workload measures for the Social Services Administration (SSA) and LDSSs.

The bill takes effect June 1, 2005.

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**Fiscal Summary**

**State Effect:** General fund expenditures would increase by at least \$2.0 million for the Department of Budget and Management (DBM) and the Department of Human Resources (DHR) in FY 2006. This includes \$1.8 million in one-time computer programming costs for MD CHESSIE, three new staff, and \$50,000 for a child maltreatment incidence study. Future years reflect annualization, inflation, and the study being conducted again in six years. No effect on revenues.

(\$ in millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2.0	.2	.2	.2	.2
Net Effect	(\$2.0)	(\$.2)	(\$.2)	(\$.2)	(\$.2)

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** Child abuse or neglect records or reports may be disclosed by DHR to the new accountability council. Any disclosures to the accountability council may not contain identifying information. DHR must provide staff for the council. The council must meet quarterly and report annually by December 1 to the Governor and the General Assembly.

### *Outcome-based System*

The Secretary of Human Resources and the Secretary of Budget and Management must develop and implement an outcome-based system of accountability for measuring the effectiveness of child welfare services. The system must address the safety, permanence, and well-being of all children in the child welfare system. The system must be measured by an outcome measurement system that expands on federal measures and is used to measure performance at the State and local levels.

The Secretary of Human Resources must develop a protocol for assessing the quality of casework services through in-depth case reviews. The protocol must be developed in collaboration with the Citizen's Review Board for Children and representatives of lawyers for children and families of children in the custody of a LDSS or a placement agency. The quality assessment must assess the functioning of the family and the child welfare system's performance by examining specified outcome indicators.

The Secretary of Human Resources also must implement a county self-assessment process to monitor the quality of child welfare services provided by the LDSSs and the quality of SSA's management of the child welfare system. A local assessment of a county (LDSS) must be conducted every three years. The county (LDSS) must incorporate the results from the outcome measures and the results of the in-depth case reviews. After SSA accepts a county (LDSS) self-assessment, the county (LDSS) must develop a child welfare plan to maintain performance that meets standards, strengthen

areas needing improvement, and describe how areas needing improvement will be addressed and how improvements will be measured. The Secretary must adopt regulations governing the self-assessment process.

By December 1, 2005, the Secretary of Human Resources must submit a detailed implementation plan on the outcome and performance measures and the self-assessment process to the Governor and the General Assembly. By December 1, 2006 and annually thereafter, the Secretary must submit a detailed report by jurisdiction.

#### *Maryland Children's Electronic Social Services Information Exchange*

By January 1, 2007, the Secretary of Budget and Management must assure the implementation of a fully operational MD CHESSIE in all jurisdictions. When MD CHESSIE is operational, the performance and outcome measures required under the bill must be used by SSA and each LDSS and may be used by the new accountability council required under this bill that is responsible for planning and overseeing the implementation of the outcome and performance measures. The accountability council – which will consist of State and local officials and child welfare services providers and advocates – must clarify their roles in the child welfare system and improve coordination between the agencies.

#### *Child Welfare Training Academy*

DHR, collaborating with Maryland institutions of higher learning, must establish a comprehensive Child Welfare Training Academy to ensure that child welfare staff, child welfare administrators, foster parents, kinship caregivers, and Citizens' Review Board for Children staff and volunteers are trained on child welfare best practices and the provision of high-quality services to children and families. DHR and Maryland institutions of higher learning must establish a university-based information repository for research and to which all State agencies substantively involved with abused or neglected children must contribute appropriate information. In 2006, and every six years afterward, DHR must request that the university housing the information repository replicate the most recent National Child Maltreatment Incidence Study in Maryland. This requirement does not apply if DHR participated in the most recent National Child Maltreatment Incidence Study and the most recent study is less than two years old.

#### *Revised Accounting Structure and Workload Measures*

By January 1, 2007, the Secretary of Human Resources and the Secretary of Budget and Management must revise the accounting structure and workload measures used by SSA and the LDSSs. The new structure and measures must: (1) separate and track expenditures by child, family, placement type, provider, and jurisdictions; (2) enable

flexible spending at the local level; and (3) gain understanding of how funds are spent to permit more flexible spending while reducing reliance on high-cost placements.

DBM must: (1) compare Maryland child welfare expenditures to comparable states' expenditures; (2) develop a trend analysis that examines child welfare population dynamics in Maryland and Baltimore City over the past three years and projections for the next three years; (3) use trend analysis to compare past and projected spending by category; (4) calculate the necessary investments to reduce reliance on group homes and institutions; (5) analyze how savings from reducing more costly forms of care can be used to fund additional prevention and early intervention services; and (6) use geocoding technology to map the child welfare population to prioritize resource distribution and implementation efforts.

DBM and DHR must make two reports to the Governor, the President of the Senate, the Speaker of the House of Delegates, the Senate Budget and Taxation Committee, the House Appropriations Committee, the Senate Judicial Proceedings Committee, and the House Judiciary Committee. By January 1, 2007, a fiscal need and funding gap analysis report consistent with the bill's principles and incorporating the following reports must be submitted on: (1) the total number of families DHR expects to serve through the child welfare system in LDSSs; (2) the manner in which DHR expects to serve that population consistent with the bill's outcome measures; (3) the ideal service delivery system required to serve that population based on best practices and the bill's principles; (4) a gap analysis of currently available State capacity compared to an ideal service delivery system; (5) the cost to implement the ideal delivery system; and (6) the current funding gap between the fiscal need for the ideal system and current child welfare system funding.

#### *Uncodified Requirements*

DHR must develop a new vision and a set of new principles for the child welfare system through which workers, supervisors, and administrators will operate and on which the system will be judged.

DHR must reexamine and clarify key office roles and the relationship of the central office to the county offices.

By December 1, 2005, the Citizen's Review Board for Children must report to the General Assembly on proposed changes in its operations, recommended changes to its enabling legislation, and an analysis of how current staff resources would be shifted to implement this bill.

DHR must use the Task Force on Child Welfare Accountability's recommendations to develop the outcome measurement system.

The State must contract for a review of federal Title IV-E fund maximization issues. DBM must ensure that any new revenues remain within the appropriate agency to improve services to children and families.

**Current Law:** In 1988, DHR entered into a consent decree to settle a federal court dispute, *L.J. v. Massinga*, brought on behalf of children in the Baltimore City Department of Social Services' custody. The class action lawsuit alleged that foster children were subject to maltreatment in foster care homes, denied necessary health and educational services, and not given adequate opportunities for reunification or visitation with birth parents and siblings. The consent decree required DHR to meet caseload ratios that allowed caseworkers enough time to work with the children in foster care and work with birth and foster parents or relative caregivers to assure the children were safe, cared for, educated, and had a plan for continuing relationships and preparing for adulthood.

Chapter 544 of 1998 required DHR and DBM to take necessary steps to improve the child welfare system, including meeting appropriate caseload-to-staff ratios based on CWLA standards.

DHR may disclose child abuse or neglect records or reports to specified local or State personnel or officials, entities, or individuals.

**Background:** This bill implements the final recommendations of the *Report of the Task Force on Child Welfare Accountability*. The 2003 *Joint Chairmen's Report* led to the task force by calling for an overall evaluation of the child welfare system and for recommendations in five areas: (1) a method to determine reported and unreported child abuse and neglect; (2) performance measures and qualitative assessment tools for individual cases; (3) best practices for delivering child welfare services; (4) measures of child and family outcomes and a method for collecting data needed to measure outcomes; and (5) an analysis of how the State might maximize federal revenues to improve child safety, permanency, and well-being. The report's recommendations fall within three interrelated categories: (1) a long-term commitment to excellence; (2) an outcome measurement system and a related county self-assessment system; and (3) a quality assurance system.

According to the report, the Maryland child welfare system annually affects 90,000 children and their families. Approximately 11,000 children are in out-of-home placements because of abuse or neglect or because their parents cannot take care of them. Most of these children live in Baltimore City. In fiscal 2004, 30,237 child protective service investigations occurred statewide, according to DHR. Of these investigations,

6,342 of the cases were closed with indications of abuse or neglect and 8,435 of the cases were closed as unsubstantiated with regard to abuse or neglect.

As of February 18, 2005, DHR has exceeded the CWLA recommended caseload staffing ratios for caseworkers and supervisors statewide. There are 1,561.7 filled caseworker positions (9.1 positions over the CWLA standard) and 312 filled supervisor positions (1.5 positions over the CWLA standard).

Once MD CHESSIE is fully operational, it will maintain a running history of child welfare activities, according to the task force report. It will: (1) provide fiscal accountability with accurate and timely payments to foster care providers and documentation for maximum federal reimbursement; (2) serve as a tool to provide quick and easy access to information about children and families to facilitate good casework decisions; and (3) enable supervisory monitoring, program evaluation, and trend analysis. A pilot of the system is expected to be conducted from February through April 2006, with statewide implementation done from May through November 2006 and post-implementation maintenance being done from December 2006 through June 2007, according to DHR. Incorporating the bill's changes could delay MD CHESSIE's completion by up to six months. In fiscal 2006, the ongoing development of MD CHESSIE will be funded from DBM's Major Information Technology Development Projects Fund.

Many Maryland LDSSs already have child welfare accreditation through the Council on Accreditation (COA). COA accredits public agencies that provide a broad range of services, including alcohol and substance abuse, child welfare, developmental disabilities, and mental health. The Montgomery County Child Welfare Services and the Kent County Department of Social Services became accredited in 2004. The following Maryland county LDSSs became reaccredited in 2004 for the child welfare services they provide: Baltimore, Dorchester, Garrett, Harford, Howard, Kent, Montgomery, Prince George's, Queen Anne's, Talbot, Washington, and Worcester. Baltimore City's Department of Social Services currently is in the process of becoming accredited.

**State Fiscal Effect:** DHR's fiscal 2006 budget allowance already includes funds for many of the bill's requirements. The child welfare budget allowance is \$496.8 million, which includes increased funding for foster care, new initiatives to recruit foster families and hire, train, and retain child welfare caseworkers, and increased contractual services for various purposes including preventing child abuse and promoting safe and stable families. There is \$1.7 million included in this budget allowance for the Child Welfare Training Academy. Of this amount, \$1,275,000 comes from federal Title IV-E funds and the remaining \$425,000 comes from special funds transferred from the State Board of Social Work Examiners, which is contingent on the enactment of the Budget Reconciliation and Financing Act of 2005 (HB 147).

While the bill calls for national accreditation for all LDSSs, many LDSSs are already accredited. Since pursuing national accreditation is already part of DHR's existing practice, Legislative Services does not believe the bill's call for national accreditation should be incorporated into the bill's fiscal estimate.

However, general fund expenditures for DBM and DHR are expected to increase by \$220,695 in fiscal 2006 to hire a policy director and administrator to create a joint policy and performance measurement body and to hire a statistician to track and forecast child welfare data changes. Legislative Services assumes that existing DHR staff will develop and conduct the county self-assessment process to monitor the quality of child welfare services.

*DBM Expenditures*

General fund expenditures would increase by at least \$1,885,699 in fiscal 2006, which accounts for a three-month start-up delay. This estimate reflects \$1,770,000 in one-time computer programming costs for capturing and reporting the additional data measures required by the bill and \$115,699 to hire one policy director to create a joint policy and performance measurement body with DHR to study child welfare services and one statistician to track and forecast child welfare data changes. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Computer Programming Costs	\$1,770,000
Salaries and Fringe Benefits	103,116
Operating Expenses	<u>12,583</u>
<b>Total FY 2006 State Expenditures</b>	<b>\$1,885,699</b>

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

DBM advises that the one-time computer programming costs would be at least \$1,770,000 in fiscal 2006; however, DBM further advises that these costs could be as high as \$3,730,000. Legislative Services assumes DBM would work with the contractor to achieve efficiencies and reduce costs wherever possible; accordingly, the low end of the range is assumed in this note.

### *DHR Expenditures*

General fund expenditures could increase by an estimated \$104,996 in fiscal 2006, which accounts for a three-month start-up delay. This estimate reflects the cost of hiring one administrator to create a joint policy and performance measurement body with DBM to study child welfare services. It also includes \$50,000 to contract with an outside organization to conduct a child maltreatment study. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$48,580
Child Maltreatment Study	50,000
Operating Expenses	<u>6,416</u>
<b>Total FY 2006 State Expenditures</b>	<b>\$104,996</b>

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) a child maltreatment study being conducted every six years.

Finally, the bill requires DBM and DHR to describe what would be an ideal child welfare service delivery system, compare that to current practice, and identify any gaps in services and funding to attain the ideal child welfare system. Depending on the results of this broad analysis, expenditures could increase significantly in future fiscal years.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Montgomery County; Garrett County; Department of Human Resources; Department of Budget and Management; *Report of the Task Force on Child Welfare Accountability*, Maryland Task Force on Child Welfare Accountability, December 1, 2004; Council on Accreditation; Department of Legislative Services



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