

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 301 (Delegate Marriott, *et al.*)
(Chairman, Joint Committee on Children, Youth, and Families)

Ways and Means

Finance

**Children, Youth, and Family Services - Local Management Boards, State
Coordinating Council, and Local Coordinating Councils - Services for Children
With Special Needs**

This bill recodifies local management boards (LMBs), the State Coordinating Council for Children (formerly called the State Coordinating Council), and local coordinating councils (LCCs) under a re-established Article 49D-Children, Youth, and Family Services. It re-establishes the Children's Cabinet Fund (formerly called the Subcabinet for Children, Youth, and Families Resource Fund) within the Governor's Office for Children (OC).

Fiscal Summary

State Effect: None. The bill codifies existing practice.

Local Effect: None. The bill codifies existing practice.

Small Business Effect: None.

Analysis

Bill Summary: The bill establishes that it is the State's policy to promote a stable, safe, and healthy environment for children and families through a comprehensive and integrated approach that: (1) provides a family- and child-oriented continuum of care that emphasizes prevention, early intervention, and community-based services; and (2) gives priority to children and families most at risk.

The bill also establishes information sharing requirements between agencies serving children, youth, and families.

Local Management Boards

Each county must establish and maintain an LMB to ensure the implementation of a local interagency service delivery system for children, youth, and families. A county may designate as the LMB a quasi-public nonprofit corporation that is not an instrumentality of the county government or a public agency that is an instrumentality of the county government.

An LMB must:

- strengthen the decision-making capacity at the local level;
- design and implement strategies that achieve clearly defined results for children, youth, and families as outlined in a local five-year strategic plan;
- maintain accountability standards for locally agreed upon results for children, youth, and families;
- influence the allocation of resources across systems to accomplish desired results;
- build local partnerships to coordinate children, youth, and family services within the county to eliminate fragmentation and duplication of services; and
- create an effective system of services, supports, and opportunities to improve outcomes for all children, youth, and families.

The members of the Children's Cabinet must adopt regulations specifying LMBs' roles and responsibilities; establishing minimum standards for LMB composition; establishing fiscal and program accountability for LMBs in implementing community partnership agreements and the use of other State resources; and generally relating to LMBs' operation.

Annually, by October 1, the Maryland Association of Local Management Board Directors must submit a report to specified legislative committees summarizing – with respect to the programs implemented under the local interagency services delivery system for children, youth, and families – each LMB's activities, the amount of money spent on the programs, and the effectiveness of the programs.

State Coordinating Council for Children

The State Coordinating Council for Children within and staffed by OC must:

- establish and oversee the LCC in each county;
- develop procedures for LCC operations;
- periodically review LCC procedures for making decisions on the residential placement for children in need of residential placement;
- review State funding recommendations for the individual placement of a child in need of out-of-state placement;
- monitor LCCs to ensure they consider all alternatives for providing services to children and their families in the community;
- establish and maintain a multiple unit information system to ensure accountability and provide State service planning capability;
- coordinate evaluations of residential facilities for children as required by statute;
- make recommendations to the appropriate Secretary for developing regulations to carry out this bill; and
- perform other related activities identified by the Children's Cabinet.

The council must plan and coordinate with the LCCs on multiple unit services to children in need of residential placement and enhanced services to children with intensive needs, subject to funding availability and according to a plan developed by the Children's Cabinet. The council, cooperating with the LCCs, must monitor services provided to children in residential placements.

Local Coordinating Councils

An LCC must:

- accept placement referrals from the units represented on the council (the Department of Juvenile Services, the Department of Health and Mental Hygiene's (DHMH) Developmental Disabilities Administration, DHMH's Alcohol and Drug Abuse Administration, the local board of education, the local health department, the local department of social services, the local office of the Division of Rehabilitation Services, the LMB, and DHMH's Mental Hygiene Administration or the local core service agency);
- review recommendations for residential placement of children referred to the LCC;
- provide an interagency plan of care for residential placement or appropriate, alternative, community-based services for a child;

- submit recommended plans of care to the State Coordinating Council for Children; and
- assist the unit primarily responsible for the child's care in implementing and monitoring the residential placement of the child.

An LCC must review residential placements recommended according to the federal Individuals with Disabilities Education Act or Medicaid requirements to provide technical assistance to the lead agency regarding the availability of community-based resources to serve the child in the least restrictive environment appropriate. The local council also must review and approve other recommended residential placements and review recommended out-of-state placements and refer the recommendations to the State Coordinating Council for Children. Consistent with federal and State laws, the State Coordinating Council for Children and the LCCs must develop and implement plans of care for the residential placement of children in out-of-state placements.

Children's Cabinet Fund

The Children's Cabinet Fund consists of money appropriated, transferred, credited, or paid into the fund from any source and includes money for out-of-home care and services to prevent out-of-home placements. The Maryland State Department of Education is the fund's fiscal agent. Fund expenditures must be made according to budget amendment procedures to each county through the county's LMB to support locally-driven interagency effort and maximize available resources for children and family services and reflect the Children's Cabinet priorities, policies, and procedures. At the end of each fiscal year, any unspent money in the fund must revert to the general fund.

An LMB must apply for money from the fund. Along with the application for funds, the LMB must develop and submit a community partnership agreement that:

- reflects coordination with the State's three-year plan for children, youth, and families and any other local government plan for services for children, youth, and families; and
- addresses the priorities and strategies of the county for meeting the identified needs of children and families as indicated in the LMB's five-year strategic plan regarding youth development, prevention services, crisis and early intervention, services for children at risk of out-of-home placement or returning from out-of-home placement, and out-of-home placement and treatment.

The Children's Cabinet may disburse money to an LMB subject to the terms, conditions, performance measures, or outcome evaluations the cabinet considers necessary. The

LMB must use the money to implement a local interagency services delivery system for children, youth, and families according to the community partnership agreement and any terms, conditions, and performance measures the cabinet requires.

Current Law: LMBs, the State Coordinating Council, LCCs, and the Children's Cabinet Fund are not currently codified in statute. Previously they were codified under the former Office of Children, Youth, and Families (OCYF) in Article 49D of the Annotated Code of Maryland, which terminated July 1, 2005. An executive order issued last year established the OC to replace OCYF. Regulations adopted last year following the executive order made minor technical changes to the regulations under the former OCYF. Comprehensive and integrated services to specific children and families continue to be overseen by the State Coordinating Council, LCCs, and the LMBs through the regulation.

Exchanging Information

A January 6, 2006 letter from Assistant Attorney General Kathryn Rowe to Delegate Norman H. Conway addressed federal and State confidentiality requirements inhibiting information sharing among State agencies that provide services to children. The letter concluded that "current law allows agencies to exchange most information or records concerning children with the consent of their parents, but does not allow sharing of Department of Juvenile Services (DJS) information or records." The letter advises that the enactment of a provision similar to the former Article 49D, Section 10 that addressed information sharing among public agencies would allow information sharing with consent to include DJS records.

Background: During the 2005 interim, the Joint Committee on Children, Youth, and Families recommended recodifying LMBs, the State Coordinating Council, and LCCs. This bill was developed by the committee, the LMBs, and OC.

LMBs, the State Coordinating Council, LCCs, and the Subcabinet for Children, Youth, and Families Resource Fund were originally established under OCYF, authorized by Article 49D. That statute required each jurisdiction to establish and maintain an LMB to ensure the implementation of a local, interagency service delivery system for children, youth, and families.

The State Coordinating Council's statutory duties included: establishing and overseeing the LCCs; receiving and reviewing recommendations for the placement of children with disabilities in residential programs; assuring the LCCs are considering all service alternatives for children with disabilities and their families; and monitoring the services provided to children placed in residential programs, in cooperation with LCCs. The State

Coordinating Council and LCCs were required to develop and implement plans of care for the residential placement of children with disabilities, both in-State and out-of-state. The Subcabinet for Children, Youth, and Families Resource Fund was a continuing, nonlapsing fund to be spent according to the Subcabinet for Children, Youth, and Families' priorities.

Under Article 49D, a local jurisdiction could choose one of three ways to establish an LMB: (1) designate a quasi-public nonprofit corporation that is not an instrumentality of the local government; (2) designate a public agency considered an instrumentality of a local government; or (3) designate a regional nonprofit corporation or public agency to represent multiple jurisdictions.

OCYF's statutory authority terminated July 1, 2005, as did Article 49D, after the failure of Administration bills (SB 222/HB 293) during the 2005 legislative session. The bills sought to reauthorize the office as a permanent entity and rename it the Governor's Office for Children (OC).

Despite the termination of the office's statutory authority, the office's functions and programs continue today much as they were outlined in the Administration bills. On June 9, 2005, the Governor issued an executive order establishing OC, the Children's Cabinet (formerly the Subcabinet for Children, Youth, and Families), the Children's Cabinet Interagency Fund, the Advisory Council for Children, and LCCs. The executive order referenced LMBs and OC's requirement to partner them to plan, coordinate, and monitor integrated services. The executive order was followed by a regulation implementing the executive order.

The fiscal 2007 budget allowance for the Children's Cabinet Interagency Fund is \$49,571,618, most of which would be awarded in grants to LMBs. Each LMB then would award contracts for services such as early childhood programs, juvenile intervention programs, after-school programs, and family preservation programs.

Additional Information

Prior Introductions: None.

Cross File: SB 294 (Senator Garagiola, *et al.*) (Chairman, Joint Committee on Children, Youth, and Families) – Finance.

Information Source(s): Department of Human Resources, Governor's Office (Office for Children), Attorney General, Department of Legislative Services

Fiscal Note History: First Reader - February 7, 2006
ncs/ljm Revised - House Third Reader - March 24, 2006
Revised - Enrolled Bill - April 8, 2006

Analysis by: Lisa A. Daigle

Direct Inquiries to:
(410) 946-5510
(301) 970-5510