

**Department of Legislative Services**  
 Maryland General Assembly  
 2006 Session

**FISCAL AND POLICY NOTE**

House Bill 168 (Chairman, Health and Government Operations Committee)  
 (By Request – Departmental – Health and Mental Hygiene)

Health and Government Operations

Finance

**Children's Trust Fund**

This departmental bill establishes the Children’s Trust Fund under the Department of Health and Mental Hygiene (DHMH) to fund the Child Abuse and Neglect Centers of Excellence Initiative. The special, nonlapsing fund will consist of commemorative birth certificate fees, money appropriated in the State budget to the fund, and any other money from any other funding source. No part of the fund may revert or be credited to the general fund or any other special fund. A portion of the commemorative birth certificate fees will cover the certificates’ production costs with the remainder of the fees collected going to the Children’s Trust Fund.

The bill takes effect July 1, 2006.

**Fiscal Summary**

**State Effect:** Special fund revenues could increase by \$36,000 annually beginning in FY 2007. No effect on expenditures.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
SF Revenue	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000

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

**Local Effect:** None.

**Small Business Effect:** DHMH has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

## Analysis

**Current Law:** Chapter 334 of 2005 created the Child Abuse and Neglect Centers of Excellence Initiative within DHMH. In fiscal 2007, the Governor must include a \$225,000 appropriation in the State budget for the initiative. In each fiscal year beginning in fiscal 2008, the Governor must include in the annual budget bill a general fund appropriation for the initiative of an amount not less than the amount enacted by the General Assembly for the prior fiscal year. This amount must be increased by not less than the percentage by which the projected total general fund revenues for the upcoming fiscal year exceed the revised estimate of total general fund revenues for the current fiscal year, as contained in the report of estimated State revenues submitted by the Board of Revenue Estimates.

The purposes of the initiative are to: (1) improve the protection of children in Maryland; (2) recruit local physicians to gain clinical expertise in the diagnosis and treatment of child abuse and neglect; (3) develop and guide the practice of local or regional multidisciplinary teams to improve the assessment and treatment of children who are the subject of a child abuse or neglect investigation or a child in need of assistance; (4) facilitate the appropriate prosecution of criminal child abuse and neglect; and (5) provide expert consultation and training to local or regional multidisciplinary teams in the diagnosis and treatment of physical child abuse and neglect and sexual abuse through teleconferencing and onsite services.

DHMH must provide on request to any person authorized under regulation with a commemorative birth certificate. The commemorative certificate must be in a form that is consistent with the need to protect the integrity of vital records but also be suitable for display. It also must have the same status as evidence as the original birth certificate. DHMH may charge a fee for the commemorative certificate. Fees collected must be paid into the Children's Trust Fund under the Governor's Office of Children, Youth, and Families (OCYF). However, the fund is no longer codified in statute under Article 49D of the Annotated Code of Maryland.

**Background:** The Children's Trust Fund was originally established under OCYF, authorized by Article 49D of the Annotated Code of Maryland. The fund provided grants to public and private community-based organizations for: (1) developing and implementing child abuse and neglect prevention, treatment, and education programs; and (2) supporting programs for parents, families, and abused or neglected children. OCYF's statutory authority terminated at the end of fiscal 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 the OC, the Children's Cabinet (formerly the Subcabinet for Children, Youth, and Families), and the Advisory Council for Children. The executive order did not re-establish the Children's Trust Fund.

DHMH's Vital Statistics Administration reports that 2,427 commemorative birth certificates were issued in calendar 2005, with a \$30 fee charged for each. During fiscal 2005, \$35,400 in fee revenue was transferred into OCYF's Children's Trust Fund. DHMH has not transferred any fee revenue for the current fiscal year.

The proposed fiscal 2007 budget includes \$260,000 for the Child Abuse and Neglect Centers of Excellence Initiative, \$225,000 in general funds and \$35,000 in special funds from the Children's Trust Fund.

The Child Abuse and Neglect Centers of Excellence Initiative follows similar models in North Carolina, Pennsylvania, Florida, California, and other states where health departments support networks of physicians with expertise in treating children who experienced child abuse and neglect. DHMH advises that although direct medical services for children and families affected by child abuse and neglect are often covered by health insurance, there are a number of nondirect care activities that are not covered by health insurance. The initiative will support these nondirect care activities, such as providing public information, provider education, high-risk referral and treatment protocols, forensic evaluation, case management, and transportation.

In fiscal 2005, 31,501 child protective service investigations occurred statewide, according to the Department of Human Resources. Of these investigations, 6,196 were closed with indications of abuse or neglect and 7,553 were closed as unsubstantiated with regard to abuse or neglect.

**State Revenues:** Special fund revenues to DHMH are expected to increase by \$36,000 in fiscal 2007. This estimate assumes 2,400 commemorative birth certificates will be issued at a cost of \$30 per certificate, generating a total of \$72,000 in fee revenue, \$36,000 of which will be deposited into the DHMH Children's Trust Fund. The remainder of the commemorative birth certificate fees collected will cover DHMH's costs of issuing the certificates, as it does now. Future year revenues assume a stable number of commemorative birth certificates issued.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - January 31, 2006  
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