

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**

Senate Bill 481 (Senator Zirkin)  
Education, Health, and Environmental Affairs

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**Office of Group Home Licensing and Monitoring - Group Home Standards  
Registry - Reporting Requirements**

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This bill requires the Department of Human Resources' (DHR) Office of Group Home Licensing and Monitoring, or its successor, to establish and maintain a Group Home Standards Registry by January 1, 2009.

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**Fiscal Summary**

**State Effect:** DHR expenditures could increase by \$650,000 in FY 2008 to create the registry. Future years reflect \$116,000 in expenditures annually to maintain the registry. No effect on revenues.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	325,000	58,000	58,000	58,000	58,000
FF Expenditure	325,000	58,000	58,000	58,000	58,000
Net Effect	(\$650,000)	(\$116,000)	(\$116,000)	(\$116,000)	(\$116,000)

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

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## Analysis

**Bill Summary:** A group home that is licensed by or accepts a child from the Department of Juvenile Services (DJS) must make a quarterly report to the registry and DJS that includes the following information:

- the department that licenses the group home;
- the name and background of each group home staff member, including education level and relevant work history;
- the group home owner and operator;
- a summary of the number of children living in the group home by age, gender, and placing agency;
- the services provided by the group home;
- the public and private resources used by the group home on behalf of the children living there;
- a description of specialized services offered by the local school district utilized by staff on behalf of each child living there;
- an analysis of the effectiveness of the specialized services offered by the local school district that have been utilized by staff on behalf of each child living there;
- the extent to which the community is involved in the group home; and
- the security measures the group home is utilizing for the safety of the children and the community.

**Current Law:** DHR, the Department of Health and Mental Hygiene (DHMH), and DJS license group homes. Only one license is necessary for a provider, even if services are provided to children placed in a program from multiple State agencies. Licensed group homes provide for the care, diagnosis, training, education, and rehabilitation of children.

Licensed providers with legal custody or care and control of a child who is at least 5 but younger than 16 and receives State funding must enroll the child in the local school

system where the program is located unless the program operates an approved educational program. The provider must initiate and monitor the transfer of the child's academic records from the school the child previously attended to the new school the child will attend. The provider must meet with the child's teachers at the time the child is enrolled and at any other time the teacher requests and must sign the child's report card.

**Background:** This bill would affect DHR, DHMH, and DJS licensed group homes because they all may accept children placed by DJS. During the 2005 interim, group home oversight was a topic of several hearings before the Senate Budget and Taxation Committee; the House Health and Government Operations Committee; and the Joint Committee on Children, Youth, and Families. During those hearings, legislators expressed concerns that group home oversight was not sufficient, group homes were concentrated in certain areas of the State, and certain providers were not adequately supervising and caring for the children they serve.

To become licensed as a group home, an applicant begins at the Governor's Office for Children, which serves as a single point of entry and refers applicants to the appropriate agency. Licenses are issued for two years and must be obtained for each facility. The licensing agencies monitor group homes by reviewing records, inspecting the facility, and interviewing staff and residents. When a child is placed in a group home, a caseworker from that agency (*e.g.*, the local department of social services caseworker for DHR) is assigned to that child and is responsible for visiting the child regularly to monitor the child's progress and the appropriateness of placement.

If licensing violations are found in group homes, corrective action plans and sanctions are implemented.

Rates for group homes are set by the Interagency Rates Committee (IRC), which is staffed by the Maryland State Department of Education. Group homes are assigned to a category based on service intensity, detailed budget submissions are reviewed to identify allowable costs, and programs are compared to other providers in the same category and designated as "preferred" or "nonpreferred" based on their relative costs. The IRC establishes a per diem rate for each group home that is paid by all agencies that contract for beds with that home.

The main financial oversight of group homes is the requirement that providers submit annual independent audits to their licensing agencies. However, these audits are reviewed by licensing and monitoring staff rather than the IRC and do not factor into the development of the homes' rates.

DHR advises that 10,215 children living in Maryland are in an out-of-home placement. DJS advises that, in fiscal 2006, the department placed 593 youth in DJS-licensed group homes and another 381 youth into group homes licensed by other State agencies. In that fiscal year, DJS' average daily population of youth in group homes was 245. DJS' total number of youth in out-of-home placement was 850 in fiscal 2006.

**State Expenditures:** DHR expenditures could increase by an estimated \$650,000 (\$325,000 federal funds/\$325,000 general funds) in fiscal 2008, which accounts for the bill's October 1, 2007 effective date. This estimate reflects the cost of creating the registry and 50% of the expenditures coming from federal Title IV-E funds, with general funds paying for the remainder of the costs. It also assumes the registry will be operational by the end of fiscal 2008.

Future year expenditures reflect an estimated \$116,000 (\$58,000 federal funds/\$58,000 general funds) spent annually to maintain the registry (\$66,000 in maintenance costs and \$50,000 in hosting costs). This estimate also reflects 50% of the expenditures coming from federal Title IV-E funds, with general funds paying for the remainder of the costs.

Although DHR advises that future costs would be even greater in order to make annual enhancements to the registry, Legislative Services advises that any such enhancements would require additional legislation.

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### **Additional Information**

**Prior Introductions:** A similar bill, HB 1472 of 2006, was withdrawn.

**Cross File:** None.

**Information Source(s):** Department of Juvenile Services, Department of Human Resources, Department of Legislative Services

**Fiscal Note History:** First Reader - February 28, 2007  
bfl/ljm

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Analysis by: Lisa A. Daigle

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