

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 177

(Senator Zirkin)

Education, Health, and Environmental Affairs

Health and Government Operations
 and Appropriations

**Residential Child Care Programs - Out-of-Home Placement - Standards for Staff
 and System for Outcomes Evaluation**

This bill requires (1) by July 1, 2008, the creation and implementation of a system for outcomes evaluation of residential child care programs; (2) program providers to collect and report information necessary for the evaluation system; and (3) residential child care program direct care staff to meet minimum qualifications. The bill places these requirements under the proposed Human Services Article.

Fiscal Summary

State Effect: Governor’s Office for Children (OC) general fund expenditures could increase by \$320,300 in FY 2008 to establish the outcomes evaluation system required by the bill. No impact is expected in FY 2008 for provider rate increases because provider rates are already set for the year. Potential increase in provider rates in subsequent years if providers are required to develop and implement a direct care staff training program and pass that cost on to the State. No effect on revenues.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	320,300	421,000	440,900	461,900	484,000
Net Effect	(\$320,300)	(\$421,000)	(\$440,900)	(\$461,900)	(\$484,000)

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

Local Effect: None.

Small Business Effect: Potential significant increase for small business residential child care providers who may not be able to retain or hire enough direct care workers who are 21 or older and who would be required to develop and implement a training program.

Analysis

Bill Summary:

System for Outcomes Evaluation

DHR, DJS, and OC must develop, coordinate, and implement a system for outcomes evaluation for OC to measure the effectiveness of residential child care programs.

The system must be used to:

- monitor the care, supervision, education, and treatment provided by State-operated and State-supported residential child care programs so that both successful and unsuccessful services can be identified;
- establish an evaluation system for program performance including measures of safety, quality, and effectiveness; and
- complete an assessment of the State's residential child care program capacity that identifies residential child care programs in each community.

The system for outcomes evaluation must use standardized measures of function to evaluate the child's protection from harm while in out-of-home placement; stability of living environment; family situation and efforts to treat and counsel the family unit; educational and vocational development; job skills and employment readiness; legal and appropriate use of drugs and alcohol; progress in learning positive, nonaggressive behavioral habits; and delinquency status.

Collection and use of data in the system must maintain the children's confidentiality. DHR and DJS must facilitate the participation of residential child care programs they or private agencies they have a contract with to place children. Contracts with a private provider must require the program to collect and report to DHR or DJS child-specific demographic information and other data necessary to evaluate changes in functioning of the child.

When reporting demographic information and data, DHR and DJS may not disclose personal identifiers.

Annually by October 1, OC, in coordination with DHR and DJS, must submit a report to the Governor and the General Assembly on the progress of implementing the system for outcomes evaluation.

Direct Care Staff Requirements

The Department of Health and Mental Hygiene (DHMH), DHR, DJS, and OC must jointly adopt regulations related to residential child care program direct care staff. Specifically, each direct care staff member must be at least 21 years old and complete a training program that is approved by the licensing agency.

Direct Care Staff Certification Recommendations

Uncodified language in the bill requires OC, DHR, DJS, and DHMH – in cooperation with representatives of residential child care programs and other advocacy groups for children – to develop the required regulations as well as recommendations for a process and standards for certification of direct care staff of residential child care programs, considering the needs of children served by each licensing agency.

By January 1, 2008, OC must report to the General Assembly on the recommendations for the process and standards for certification of direct care staff.

Current Law: A residential child care program includes group homes, alternative living units, and emergency shelter care. A program must be licensed by DHMH, DHR, or DJS. Only one license is necessary for a provider, even if services are provided to children placed in a program from multiple State agencies. A core set of regulations establishes the “single point of entry” application process for residential child care providers and a core set of provider licensing standards. However, each department monitors the facilities they place children in differently.

Chapter 536 of 2004 required the Office for Children, Youth, and Families, now the Governor’s Office for Children (OC), in cooperation with DHR and DJS, to plan for and determine the cost of an objective and standardized system of outcomes evaluation for out-of-home placements used by State agencies. The agencies may consult with the University of Maryland, Baltimore to develop and implement the system.

Background:

Outcomes Evaluation System

In response to the reporting requirement of Chapter 536 of 2004, OC issued a report in August 2005 describing proposed outcomes to be measured, what outcome indicators would be tracked, and how readily available the indicator data are. A follow-up report addressing what would be needed to establish an outcomes evaluation system and how much it would cost to implement was expected to be released by OC by July 31, 2006 but is not finished yet. As a result, an estimate of how much it would cost to implement the outcomes evaluation system has not yet been determined.

To become licensed as a group home, an applicant begins at OC, 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.

DJS Outcomes

DJS developed a system of reporting outcomes data for all residential vendors beginning in July 2004. Most nonresidential community-based service providers also are reporting outcome data to DJS at this time. Currently, DJS contracts include information reporting requirements. All residential and nonresidential programs are required to report on various performance measures. Data collected from providers are used to support renewal or termination of contracts. DJS reports aggregate recidivism data at one- and two-year intervals on committed youth discharged from a residential facility. DJS reports recidivism data based on a subsequent contact in the juvenile or adult system. DJS does not track outcome data for youth in detention or shelter placements.

DJS currently reports aggregate recidivism data at one- and two-year intervals on youth discharged from a residential facility. DJS reports recidivism data based on a subsequent contact with the youth in the juvenile or adult system.

State Expenditures:

Outcomes Measurement System

OC general fund expenditures could increase by \$320,284 in fiscal 2008 to establish the outcomes measurement system required by this bill. OC expenditures may vary depending on the cost agreed to with the vendor with which OC enters into a contract. There would be no other effect in fiscal 2008 because residential child care provider rates are already set for the year.

Future year expenditures reflect a contractor performing the outcomes evaluations and providing related data and analysis to OC.

The Department of Legislative Services (DLS) advises that residential child care providers should be able to provide information regarding a child's well-being while in their care without increasing expenditures. As DJS already requires providers/vendors to report on performance measures as part of their contracts with the department, it is assumed that DJS could handle the additional reporting required by the bill with existing resources. Similarly, DHR already collects some outcome information and it is assumed that the bill's requirements could be handled with existing resources. Any impact on DHMH is assumed to be minimal and absorbable within existing resources.

Direct Care Staff Training

The bill also requires the providers' direct care staff to complete a training program that is approved by the licensing agency. It is not specified whether the training program would be provided by the licensing agency, the provider, or another entity. For the purposes of this analysis, it is assumed that the provider would be required to develop and implement the training program. If providers currently have a training program employees must complete, this could meet the bill's requirements if the licensing departments approve the training program. If providers currently do not have a training program, it is assumed that providers would be required to develop an employee training program. Any costs associated with developing the training program and training employees would be passed on to the departments that place children in the program through higher rates.

DLS advises that existing DHMH, DHR, and DJS staff could approve the training requirements.

Direct Care Staff Age Requirement

In addition, it is not known what percentage of residential child care provider direct care staff are age 21 or older. Providers' expenses related to employee turnover could increase depending on the number of employees who are younger than 21. These costs as well would be passed on to the departments that pay the providers. DHMH's Developmental Disabilities Administration (DDA) stated that it does not expect this requirement to have a fiscal impact on the department.

Direct Care Staff Certification Recommendations

Further, this estimate assumes that the bill's requirement for residential child care program licensing departments and OC to develop recommendations for a process and standards for certification of direct care staff would not increase expenditures. The uncodified provision related to direct care staff certification only requires DHMH, DHR, DJS, and OC to develop recommendations related to direct care staff certification and report on those recommendations to the General Assembly by January 1, 2008. It does not require all direct care staff to be certified. These recommendations could be developed with DHMH, DHR, DJS, and OC existing budgeted resources.

Additional Information

Prior Introductions: A similar bill, HB 900 of 2006, was amended and passed the House but received an unfavorable report by the Senate Finance Committee.

Cross File: HB 53 (Delegate Morhaim, *et al.*) – Health and Government Operations.

Information Source(s): Department of Juvenile Services; Department of Human Resources; Governor's Office for Children; Department of Health and Mental Hygiene; University System of Maryland; *Report to the General Assembly on House Bill 1146 Juvenile Causes – Children in Out-of-Home Placement – Plan for a System of Outcome Evaluation: Phase 1*, Governor's Office for Children, August 26, 2005; Department of Legislative Services

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