

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 782

(Senator Zirkin)

Education, Health, and Environmental Affairs

Health and Government Operations

Residential Child Care Programs - Statement of Need

This bill requires the departments of Human Resources and Juvenile Services to issue a county-specific statement of need before a residential child care program is issued a license, an existing program is relocated, an existing site is expanded, or the number of placements in an existing program is increased. A licensing agency must consider the special needs of the affected children and consult with relevant stakeholders when developing a statement of need. DHR and DJS must publish notice of the statement of need in the *Maryland Register*.

DHR, DJS, and the Governor's Office for Children must report by October 1, 2008 on development and coordination of processes for issuing statements of need and means to expand capacity in underserved areas.

Fiscal Summary

State Effect: It is anticipated that the bill's requirements could be handled with existing resources.

Local Effect: The bill would not directly affect local government finances or operations.

Small Business Effect: Potential meaningful for residential child care program providers.

Analysis

Current Law: The Governor's Office for Children, in consultation with various agencies, providers, counties, child advocates, and consumers, is required to develop an

annual State Resource Plan for Residential Child Care Programs. The plan must provide the following information on residential child care programs: • the county where each program is operated; • the provider for each program; • the actual capacity and utilization rate for each program; • the ages of the children in each program; • the county where each child lived at the time of out-of-home placement; • a description of services provided; • the agency that placed the children in the program; and • any other relevant information.

The plan must identify the types of services needed and the estimated number of children requiring those services in each county, noting the counties where service demand exceeds provider capacity. An incentive fund must be established to address areas of unmet need. The plan must also identify the reasons children are placed in residential child care programs outside of the counties where the children lived at the time they entered out-of-home placement.

Background: Residential child care programs, also referred to as group homes, represent one form of out-of-home placements. Group homes offer homelike settings that provide structure and 24-hour supervision, basic care, social work, and health care services. Many group homes utilize community-based ancillary services and enroll children in the local school system. Each child placed in a group home is also assigned a caseworker from the referring agency responsible for monitoring the child's progress and the appropriateness of the placement.

DJS, DHR, and the Department of Health and Mental Hygiene license, monitor, and place children in group homes according to individual agency standards. The Governor's Office for Children provides assistance in referring applicants to the appropriate State agency. Licenses are issued for a period of two years and must be obtained for each regulated facility. These departments monitor group homes through review of records, inspection of facilities, and staff and resident interviews.

State Fiscal Effect: The bill is an extension of the current responsibilities of DHR and DJS in maintaining a State resource plan and is not expected to require additional resources. The bill would eliminate the Governor's Office for Children as the single point of entry for providers, but this change is not expected to materially affect State finances.

Small Business Effect: A residential child care program provider could be significantly affected in its ability to relocate, expand its facility, or increase its number of placements. New programs would be similarly limited in their entry to the market and/or the location of services. These changes will likely change the distribution of providers in certain areas, promoting growth in underserved areas, while limiting further expansion in areas with greater concentrations of existing providers.

Additional Comments: A review of policies in surrounding states found that residential child care facilities in West Virginia were regulated through the state's Health Care Authority, which is responsible for the siting of all health care facilities in the state. In New Jersey, licenses are issued through a Request for Proposals process that limits the geographic area in which a facility may be located. Other surrounding states did not have similar processes or did not respond to the request for information.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Allegany County, Baltimore City, Montgomery County, Talbot County, Department of Human Resources, Maryland State Department of Education, Department of Health and Mental Hygiene, Department of Legislative Services

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