

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1136 (Delegates Rosenberg and Ruff)
 Health and Government Operations

Community-Based Residential Facilities - Licensing Entities - Provision of
 Licensing Criteria and Single Point of Contact

This bill requires each “licensing authority” to designate a single point of contact to respond to complaints, concerns, or issues regarding a “community facility.” On request of an “interested party,” a licensing authority must provide the criteria used by the licensing authority to determine whether to issue license for or renew a license of a community facility.

Fiscal Summary

State Effect: General fund expenditures increase by \$237,500 in FY 2026 for staff, including \$163,500 for the Maryland Department of Health (MDH) and \$73,900 for the Department of Human Services (DHS), as discussed below. Future years reflect annualization and ongoing costs. Revenues are not affected. The Department of Juvenile Services (DJS) can implement the bill’s requirements with existing budgeted resources.

| (in dollars) | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF | 237,500 | 280,800 | 293,300 | 306,400 | 319,400 |
| Expenditure | | | | | |
| Net Effect | (\$237,500) | (\$280,800) | (\$293,300) | (\$306,400) | (\$319,400) |

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

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: “Community facility” means specified community-based residential facilities (1) licensed by the Behavioral Health Administration (BHA) or the Developmental Disabilities Administration (DDA) or (2) subject to specified regulations issued by the Governor’s Office for Children (GOC).

“Interested party” means an individual with a legitimate interest in the licensure of the community facility, including a family member of a resident of the community facility or an individual living in close proximity to the community facility.

“Licensing authority” means a State agency that issues a license for a community facility. This includes MDH, DHS, and DJS.

Current Law: A community-based facility generally refers to a facility that is not located in a hospital. Residential services are individualized supports and services that assist an individual in developing and maintaining skills in living in the community, often including meals, personal care, and supervision for individuals who need assistance with daily activities. Maryland regulations (COMAR [10.63](#)) require that a program that provides community behavioral health treatment, care, or rehabilitation services must be licensed by MDH.

Behavioral Health Administration

MDH’s BHA is responsible for coordinating State programs to prevent, treat, and support individuals with mental illness, substance use disorders, problem gambling disorders, and co-occurring conditions.

Pursuant to Title 7.5 of the Health-General Article, a behavioral health program is a substance-related disorders program, a mental health program, or an addictive disorders program, or a program that consists of more than one of these programs. A behavioral health program must be licensed by the Secretary of Health.

Title 8 of the Health-General Article requires BHA to promote, develop, establish, conduct, certify, and monitor programs for the prevention, treatment, and rehabilitation related to the misuse of alcohol and drugs.

Developmental Disabilities Administration

MDH’s DDA provides direct services to intellectually and developmentally disabled individuals in State facilities and through the funding of a coordinated community-based service delivery system. Under Maryland regulations (COMAR [10.22.02.01-1](#)), DDA must

provide a license to a person before the person may provide services to an individual with a developmental disability or to an individual eligible to receive individual support services, including (1) vocational and day services; (2) community residential services; (3) resource coordination; and (4) more than one family support service, individual support service, or community supported living arrangement service as specified. DDA may waive the licensure requirement if a person is licensed or certified by another State agency or accredited by a national accreditation agency.

Governor's Office for Children

GOC provides a coordinated, comprehensive, interagency approach to (1) promoting the well-being of children and families through a network of supports, programs, and services that are family- and child-oriented and (2) reducing the number of children living in poverty. Led by a Special Secretary, GOC activities include staffing the Children's Cabinet; administering the Children's Cabinet Interagency Fund; administering the Engaging Neighborhoods, Organizations, Unions, Governments, and Households program and fund; providing technical assistance to local management boards; improving community health and safety with its partners; and measuring results for child well-being.

Maryland regulations require GOC (COMAR [14.31.02.01](#)) to serve as a single point of entry for the licensing of residential child care programs with DHS, DJS, and MDH, and to coordinate the licensing process for residential child care facilities and the approval of education programs in such facilities. "Residential child care program" means a program of care provided in a residential setting by a provider on a 24-hour basis for longer than 24 hours to a child or children.

GOC must serve as a single point of entry for a prospective provider that wishes to establish a residential child care program and a current provider that wishes to expand an existing residential child care program. GOC must designate a licensing agency from among the agencies authorized by State law and regulations to license residential child care facilities and select the licensing agency based upon (1) the type of program or facility being proposed; (2) State law and regulations governing agency responsibility for specific populations of children; (3) existing relationships between an agency and a provider; and (4) any standards established by the Children's Cabinet.

A provider may operate multiple programs or facilities licensed by different agencies, but an individual program or facility may not be licensed by more than one agency. GOC must refer residential child care programs and facilities that plan to operate an educational program to the Maryland State Department of Education.

In consultation with an agency utilizing the program or facility, the licensing agency must:

- monitor the facility at least annually;
- notify GOC of its program monitoring schedule;
- recommend to the Secretary of the licensing agency sanctions to be imposed upon the program if the program is not in compliance with licensing law and regulations;
- inform GOC of any sanctions or corrective actions imposed on a provider; and
- notify the provider in writing of proposed sanctions and the right to request a fair hearing regarding the imposition of sanctions.

State Expenditures:

Maryland Department of Health

MDH general fund expenditures increase by \$163,535 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date. This estimate reflects the cost of hiring two health policy analysts – one in BHA and one in DDA – to serve as single points of contact to respond to complaints, concerns, or issues regarding BHA or DDA facilities, as appropriate, and provide specified information to an interested party, as required by the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

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| Positions | 2.0 |
| Salaries and Fringe Benefits | \$148,797 |
| Operating Expenses | <u>14,738</u> |
| Total FY 2026 MDH State Expenditures | \$163,535 |

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Department of Human Services

DHS general fund expenditures increase by \$73,917 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date. This estimate reflects the cost of hiring one staff specialist to serve as a single point of contact to respond to complaints, concerns, or issues regarding DHS facilities and provide specified information to an interested party, as required by the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

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| Position | 1.0 |
| Salary and Fringe Benefits | \$66,548 |
| Operating Expenses | <u>7,369</u> |
| Total FY 2026 DHS State Expenditures | \$73,917 |

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Department of Juvenile Services

Due to the limited number of community facilities under DJS' jurisdiction (three in 2023), DJS can meet the bill's requirements using existing budgeted resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 945 (Senator Hettleman, *et al.*) - Finance.

Information Source(s): Maryland Department of Health; Department of Legislative Services

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js/jc

Analysis by: Amberly E. Holcomb

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