



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Rafael López, Secretary

February 19, 2025

The Honorable Will C. Smith, Jr., Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401

RE: TESTIMONY ON SB0833 - FAMILY LAW - FAMILY LAW - TREATMENT FOSTER CARE HOMES - CHILD CARE STIPENDS FOR PRIVATE PROVIDERS - POSITION: LETTER OF INFORMATION

Dear Chair Smith and Members of the Senate Judicial Proceedings Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for the opportunity to provide information on Senate Bill 833 (SB 833).

With offices in every jurisdiction in Maryland, DHS provides preventative and supportive services, economic assistance, and meaningful connections to employment development and career opportunities to assist Marylanders in reaching their full potential. Our Social Services Administration (SSA) oversees our child and family well being program, which is affected by SB 833.

SB 833 requires DHS to fund child care stipends for private treatment foster care homes to cover child care expenses consistent with practices in place for public foster care homes. Additionally, SB 833 requires DHS to request an amount “at least equal to the amount of funding the secretary reallocated for the current fiscal year” in subsequent annual budget proposals specifically for private treatment foster care homes.

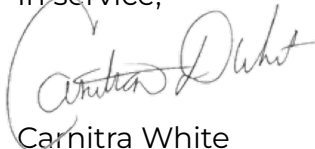
In contrast to the practices in place for public foster care homes, DHS does not directly pay private treatment foster care homes from appropriated funds. Private treatment foster care homes are licensed and paid through Child Placement Agencies (CPAs). CPAs apply for and are granted a rate for cost of care for the child(ren) for whom they are providing a certain level of care. Child Placement Agencies are required to follow the rate setting methodology established by [COMAR 14.31.04](#). Private treatment foster

care rates include a 'difficulty of care' rate issued in recognition of the nature of the needs of the children in treatment foster care homes, the calculation of which is "included in the contract with the private provider agency," per [COMAR 07.02.11.32\(B\)](#). While the base board and care rate is consistent across all foster care settings, however, private treatment foster homes receive a 'difficulty of care' stipend, a direct pass-through of funds. Taken together, the board and care rate and the 'difficulty of care' stipend ensure providers have the resources to meet the needs of children in their care, but child care support for private providers is not currently authorized in statute or regulation. Similarly, public foster care homes licensed through DHS receive a child care stipend, but do not receive a 'difficulty of care' stipend like private foster care homes. As a consequence, SB 833 seeks to "cover child care expenses [for private providers] in a similar manner as public treatment foster care homes," despite the two programs having very different funding mechanisms.. Costs associated with the care of children in private treatment foster care homes should be included in the established IRC rate for the Child Placement Agency.

DHS is committed to updating the compensation for out-of-home care providers through our rate reform efforts. On page 21 of its [analysis](#) of the SSA budget, the Department of Legislative Services (DLS) recommended an \$8.5 million (\$7.6 million in general funds) decrease in the foster care maintenance budget from the Governor's proposed state fiscal year 2026 (SFY26) budget to align with a DLS proposed 5% rate reduction for institutional placement providers. We estimate costs will be \$12 million for SFY26 and reach \$16.6 million by SFY30.

We appreciate the opportunity to submit information to the Committee for your consideration. If you require additional information, please contact Rachel Sledge, Director of Government Affairs, at rachel.sledge@maryland.gov.

In service,



Carnitra White
Principal Deputy Secretary