



April 3, 2026

Senate Judicial Proceedings Committee

House Bill 1181 — Family Law – Children in Out-of-Home Placement – Voluntary Placement Agreements

Position: Support

Chair Smith, Vice Chair Waldstreicher, and Members of the Committee:

On behalf of the Maryland Association of Resources for Families and Youth (MARFY), we respectfully submit this testimony in support of House Bill 1181.

MARFY represents licensed child placement agencies and community-based providers across Maryland that serve children and families through foster care, kinship care, residential treatment, and permanency services. Our members work closely with families whose children have complex behavioral health, developmental, and educational needs, and we strongly support policies that remove barriers to accessing appropriate care while preserving family stability.

House Bill 1181 addresses important challenges faced by families seeking voluntary out-of-home placement services for children with significant treatment needs. Families often pursue voluntary placement agreements when intensive services are necessary but wish to maintain legal custody and family involvement. These placements can provide critical stabilization and therapeutic support while allowing families to remain connected to their children.

One of the most significant issues families encounter is inequity in access to treatment and educational services depending on funding streams. When educational or behavioral health services are not adequately funded or coordinated across systems, families may face limited treatment options or long delays in accessing care. Research has shown that gaps in service availability and coverage can lead families to take extreme measures, including relinquishing custody, simply to obtain needed treatment for their children. [National research](#) indicates that thousands of children have entered state systems each year primarily to access mental health services that were otherwise unavailable to families.

[More recent research](#) confirms that parents sometimes relinquish custody in order to obtain residential treatment or Medicaid coverage for services, highlighting systemic barriers families face when appropriate supports are not available through existing funding mechanisms.



These circumstances place families in extraordinarily difficult positions. Parents are often forced to choose between maintaining custody of their child and obtaining medically necessary treatment. Such decisions can cause significant emotional trauma for both children and caregivers and may delay appropriate intervention.

By improving clarity and coordination surrounding voluntary placement agreements, House Bill 1181 can help reduce these inequities and ensure families have more consistent access to appropriate services without unnecessary system barriers. When families can access care earlier and more efficiently, children are more likely to stabilize, remain connected to their families, and achieve positive long-term outcomes.

Removing obstacles to voluntary placements also creates meaningful time and cost savings for families and public systems. Delays in treatment frequently lead to worsening behavioral health needs, emergency room utilization, hospital stays, and higher-cost interventions. Earlier access to appropriate placements and services can reduce these costs while improving outcomes.

From a permanency perspective, policies that support families in accessing treatment without relinquishing custody help preserve family relationships and reduce unnecessary entry into foster care.

House Bill 1181 aligns with the broader goals of Maryland's child welfare system by promoting family preservation, improving access to treatment, and supporting stability for children with complex needs. By addressing barriers created by fragmented funding and system coordination challenges, this legislation helps ensure that families do not have to navigate unnecessary obstacles to obtain care.

For these reasons, MARFY respectfully urges the Committee to issue a favorable report on House Bill 1181. Thank you for your consideration.

For more information call or email:

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