



**Fiscal Year 2025 Operating Budget Testimony
Governor's Office for Children**

Carmel Martin, Special Secretary

Appropriations Committee
Delegate Ben Barnes, Chair
Delegate Mark S. Chang, Vice Chair
February 28, 2024

Budget and Taxation Committee
Education, Business and Administration Subcommittee
Senator Nancy J. King, Chair
March 4, 2024

Thank you for the opportunity to appear before the Subcommittee today as you review the proposed operating budget for the Governor's Office for Children (GOC) for fiscal year 2025. We thank our assigned DLS analyst, Ms. Madelyn Miller, for her thoughtful and thorough analysis. As you know, the Governor recently issued an executive order, creating the Governor's Office of Crime Prevention and Policy (GOCPP) and the Governor's Office of Children (GOC), as two separate agencies.

The Governor's Office for Children will be focused on improving the well-being of Maryland's children. We will work with our colleagues on the Children's Cabinet and stakeholders at the local level on a broad spectrum of issues, including food insecurity and youth homelessness, access to high quality child care and education, higher education and workforce development, and access to health care. The Governor has also charged us with leading an all out assault on child poverty, and I look forward to joining him a little later as he testifies in support of the ENOUGH Act. We look forward to reinvigorating our relationship with the Local Management Boards and supporting the critical work that they are doing in their communities. As the Governor has said, the ENOUGH Act and the work of the Children's Cabinet will be designed to help the State and local communities leverage existing resources more effectively, while also identifying and securing new resources to support Maryland's children through partnerships across sectors.

Agency Responses

ENOUGH GRANT PROGRAM:

Page 6: Given that the agency has just been reestablished, and significant time will be needed to develop program requirements and regulations as well as conduct outreach about the program to potential applicants, DLS recommends reducing the amount provided by \$10.0 million, to \$5.0 million.

Agency Response: GOC respectfully disagrees.

The Governor's Office and GOC are actively working to develop program requirements and tools to support prospective applicants. We are developing application materials, rubrics to be used to review applications, and a data dashboard for applicants to use to inform a local needs assessment. We will be positioned to share these resources with local communities prior to the beginning of the fiscal year, enabling us to launch the program through an application process in the first quarter of FY2025, which will allow us to make awards at the beginning of the second quarter of FY2025.

In our outreach efforts, we've been proactively involving key stakeholders in discussions about the program with strong support and interest across various sectors and constituencies. GOC has met with the leadership of Local Management Boards (LMBs) across the State, and they have expressed support and a willingness to convene stakeholders within their communities to build awareness and support the development of grant applications.

We are also working on a set of tools that will be available to communities to support the development of local plans, which will likely include:

- A statewide convening in early May, designed to educate key stakeholders with respect to program requirements – and more importantly share tools and resources to support the development of local plans and organizational structures. This is being led and driven by some of the best place-based poverty-fighting nonprofits in Maryland and the country.
- Webinars to assist in the development of applications.
- Toolkits to guide communities as they build organizational capacity to execute their plans with an emphasis on community voice and engagement, as well as a toolkit to guide communities as they perform a community needs assessment and develop a strategic plan for their partnership's work.

Finally, the Governor's Allowance for the first year already considers the timing of enactment and the need for planning and capacity building. Approximately half of the funds in the first year will go to support planning and capacity building grants to position communities for full implementation in year 2. The remaining funding is projected to support implementation grants for communities in the State ready to move forward in FY2025; our proposed budget assumes small implementation grants in the first year in order to give communities time to scale up their activities.

The special, non-lapsing fund is designed to give communities confidence that funding will be available beyond their first year of effort. Furthermore, the fund provides opportunities for the State to engage philanthropies that require a direct state funding match. The initial investment is critical for GOC to maximize outside funding sources.

PERSONNEL DATA:

Page 8. The agency should discuss plans to reclassify positions, including the new classifications for the positions.

Agency Response: The agency is in the process of drafting reclassification paperwork for these positions. The completed documents will be sent on July 1, 2024 to the Classification and Salary Division within DBM for approval. **Figure 1** below provides the expected class codes and working titles for these positions.

Figure 1: GOC FY2025 Position Detail

| PIN Number | FY25 Gov Allowance Class Code | Expected Class Code | Expected Working Title |
|------------|-------------------------------|---------------------|-------------------------------|
| 034773 | 5299 | 7739 | IT Data Specialist |
| 034832 | 4706 | 7740 | Office Administrator |
| 035263 | 5473 | EPP 0005 | Special Secretary |
| 400330 | 4588 | 7648 | Deputy / Director Place-based |

Page 8. DLS recommends increasing turnover expectancy for the 4 positions to 25%.

Agency Response: GOC respectfully disagrees.

The agency is actively assembling its team of 8 PINS in FY2024 and intends to initiate recruitment efforts for these 4 PINS for FY2025 immediately upon passage of the budget bill. To that end, the agency will fill these 4 PINS within the first month of FY2025.

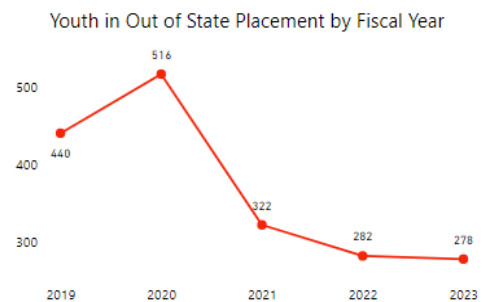
YOUTH DATA PLACEMENT:

Page 13. GOC should comment on why there were youths in unknown destinations in fiscal 2023 data.

Agency Response: The data in the report and dashboard was provided by each participating agency. There were anomalies in the original report data that have been identified and corrected. There are now seven youths in the unknown category following the updates. The remaining seven youths are labeled as unknown due to respondent data entry errors. **Figure 2** below provides the updated metrics.

Figure 2: Youth Out-of-home Placements

| Placement Category | Placement Category Statistics | | | | |
|-------------------------------|-------------------------------|------------------|----------------------|---------------------------|------------------------|
| | Total Youth | % of Total Youth | Average Age at Entry | Average Days in Placement | % of Days in Placement |
| Community Based Placement | 56 | 20.14% | 12.79 | 185.18 | 19.71% |
| Family Home | 150 | 53.96% | 7.38 | 207.36 | 59.13% |
| Hospitalization | 44 | 15.83% | 8.72 | 150.21 | 12.56% |
| Non Community Based Placement | 45 | 16.19% | 15.25 | 202.39 | 17.31% |
| Residential IEP Placement | 9 | 3.24% | 17.50 | 95.67 | 1.64% |
| Unknown | 7 | 2.52% | 12.43 | 46.17 | 0.61% |
| Total | 278 | 100.00% | 9.67 | 189.21 | 100.00% |



Page 15. OPERATING BUDGET RECOMMENDED ACTIONS:

1. Amend the following language to the general fund appropriation:

, provided that ~~\$15,000,000~~ \$5,000,000 of this appropriation is contingent upon passage of the ENOUGH Act made for the purpose of supporting the Engaging Neighborhoods, Organizations, Unions, Governments, and Households grant program is contingent on enactment of SB 482 or HB 694 establishing the program.

Agency Response: GOC agrees to the amendment of the contingent language to reflect the bill numbers. However, GOC strongly disagrees with the proposed reduction to the ENOUGH Act funding. Please refer to the agency response under the second operating and budget recommended action below for additional details.

2. Reduce the general fund appropriation for the Engaging Neighborhoods, Organizations, Unions, Governments, and Households grant program to reflect the expected level of expenditure.

-\$ 10,000,000 GF

Agency Response: GOC respectfully disagrees with the proposed reduction in funding for ENOUGH.

The Governor's Office and GOC are actively working to develop program requirements and tools to support prospective applicants. We are developing application materials, rubrics to be used to review applications, and a data dashboard for applicants to use to inform a local needs assessment. We will be positioned to share these resources with local communities prior to the beginning of the fiscal year, enabling us to launch the program through an application process in the first quarter of FY2025, which will allow us to make awards at the beginning of the second quarter of FY2025.

In terms of outreach, we have been actively engaging key stakeholders regarding the program and have gotten very strong support and interest across sectors and constituencies. GOC has met with the leadership of LMBs across the state and they have expressed support and a willingness to convene stakeholders within their communities to build awareness and support the development of grant applications.

We are also working on a set of tools that will be available to communities to support the development of local plans, which will likely include:

- A statewide convening in early May, designed to educate key stakeholders with respect to program requirements – and more importantly share tools and resources to support the development of local plans and organizational structures. This is being led and driven by some of the best place-based poverty-fighting nonprofits in Maryland and the country.
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The special, non-lapsing fund is designed to give communities confidence that funding will be available beyond their first year of effort. Furthermore, the fund provides opportunities for the State to engage philanthropies that require a direct state funding match. The initial investment is critical for GOC to maximize outside funding sources.

3. Increase turnover expectancy for 4 positions to 25% to be consistent with budgeted turnover for new positions. -\$ 82,820 GF

Agency Response: GOC respectfully disagrees. The agency intends to initiate recruitment efforts for these PINS for FY2025 immediately upon passage of the budget bill. To that end, the agency will fill these PINS within the first month of FY2025.

4. Add the following section:

SECTION XX. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation made for the purpose of administrative expenses in D18A01.01 Governor's Office for Children's (GOC), \$100,000 of the general fund appropriation of the Department of Human Services Social Services Administration, \$100,000 of the general fund appropriation of the Department of Juvenile Services, \$100,000 of the general fund appropriation of the Maryland Department of Health Developmental Disabilities Administration, and \$100,000 of the general fund appropriation of the Maryland State Department of Education may not be expended until GOC submits a report on behalf of the Children's Cabinet to the budget committees on out-of-home placements containing:

- (1) the total number and one-day counts (as of January 1) of out-of-home placements and entries by jurisdiction, by agency, and by placement type for fiscal 2022, 2023, and 2024;
- (2) the total number and one-day counts (as of January 1) of out-of-state placements, including the number of family home, community-based, and noncommunity-based out-of-state placements for fiscal 2022, 2023, and 2024 categorized by state and by age category;
- (3) the costs associated with out-of-home placements;
- (4) an explanation of recent placement trends;
- (5) findings of child abuse and neglect occurring while families are receiving family preservation services or within one year of each case closure; and
- (6) areas of concern related to trends in out-of-home and/or out-of-state placements and potential corrective actions that the Children's Cabinet and local management boards can take to address these concerns.

Agency Response: GOC partially disagrees. The agency is only a conduit for the reporting of this information and therefore, respectfully disagrees with the withholding of \$100,000 in general funds from the GOC. The data dashboard is dependent upon its submission from the contributing agencies which are outside of GOC control.