

# D18

## Governor's Office for Children

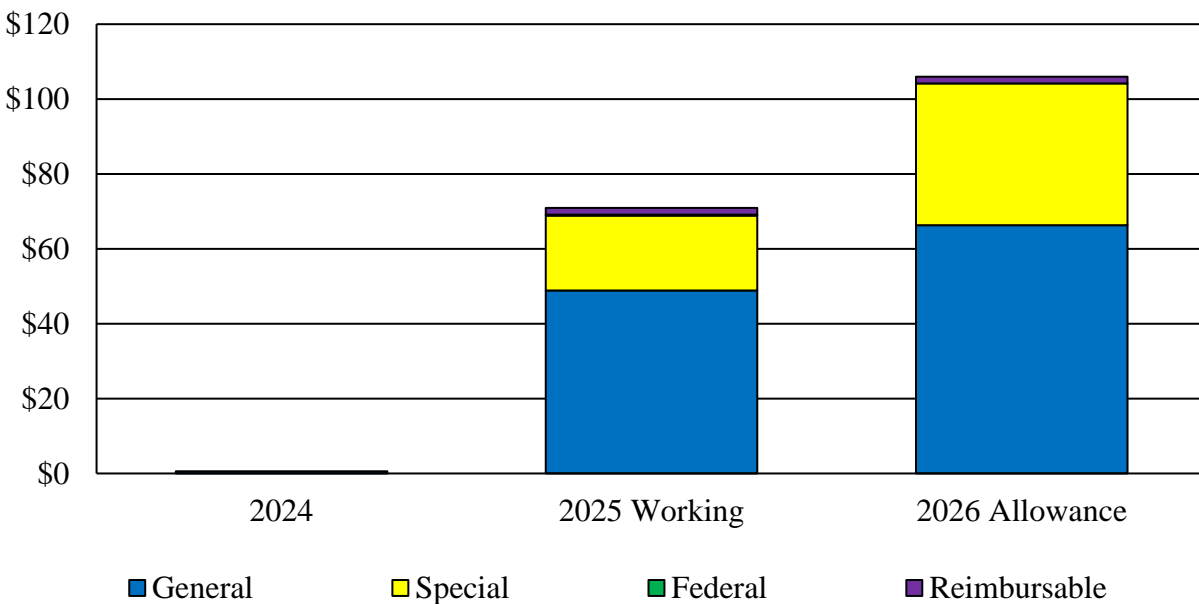
### Program Description

In January 2024, the Governor's Office for Children (GOC) was reestablished by Executive Order 01.01.2024.05 and codified through Chapters 408 and 735 of 2024. GOC provides a coordinated, comprehensive, interagency approach to (1) promoting the wellbeing 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 (CCIF); administering the Engaging Neighborhoods, Organizations, Unions, Governments, and Households (ENOUGH) program and fund; providing technical assistance to local management boards (LMB); improving community health and safety with its partners; and measuring results for child wellbeing.

### Operating Budget Summary

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**Fiscal 2026 Budget Increases \$35.0 Million, or 49.4%, to \$105.9 Million**  
(\$ in Millions)



Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

For further information contact: Madelyn C. Miller

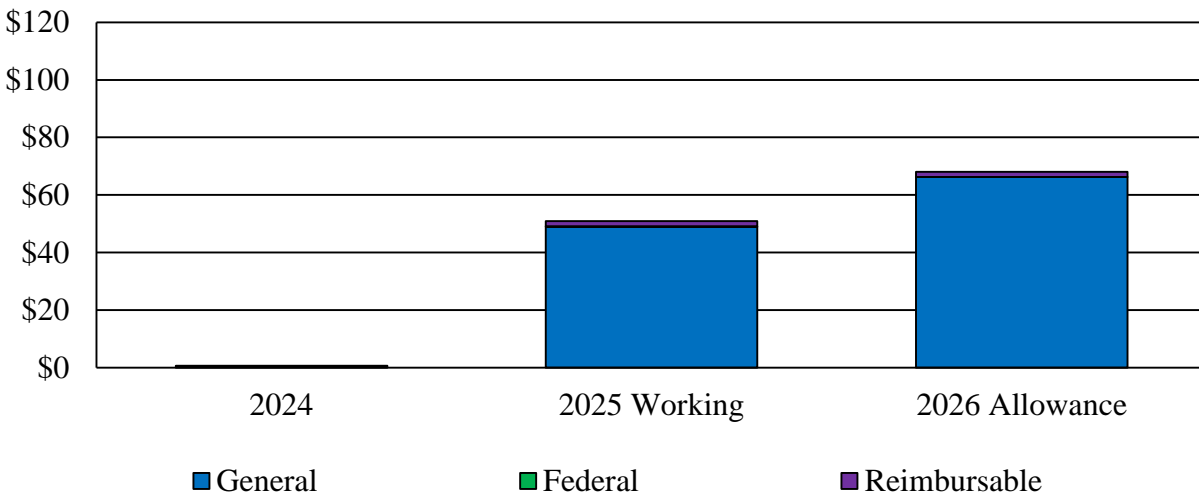
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*Analysis of the FY 2026 Maryland Executive Budget, 2025*

- The fiscal 2026 allowance includes approximately \$75.8 million (\$37.9 million in general funds paid into the ENOUGH Grant Fund and \$37.9 million in special fund expenditures) for ENOUGH grants, other nonpersonnel ENOUGH program expenditures, and ENOUGH Capacity Building grants to LMBs. This provides an increase of \$35.8 million (\$17.9 million in general funds and an equivalent amount of special funds) compared with \$40.0 million in the fiscal 2025 working appropriation for these purposes.
- Chapter 408 mandates at least \$15.0 million in general funds be appropriated to the ENOUGH Grant Fund in fiscal 2026. The inclusion of \$37.9 million in general funds in the fiscal 2026 allowance for this purpose surpasses the mandated level.

As shown in **Exhibit 1**, when excluding the ENOUGH Grant special fund expenditures that are backed by general fund support in GOC, the fiscal 2026 allowance increases by \$17.2 million (33.8%) to \$68.1 million, compared to the fiscal 2025 working appropriation.

**Exhibit 1**  
**Three-year Funding Trends, Excluding Double Counted**  
**ENOUGH Grant Funds**  
**Fiscal 2024-2026**  
**(\$ in Millions)**



ENOUGH: Engaging Neighborhoods, Organizations, Unions, Governments, and Households

Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Source: Department of Budget and Management; Department of Legislative Services

## **Fiscal 2024**

GOC was reestablished by Executive Order 01.01.2024.05 on January 18, 2024, before being codified by Chapters 408 and 735. Chapter 408 also created the ENOUGH program and grant fund. The fiscal 2025 Budget Bill (Chapter 716 of 2024) included a fiscal 2024 deficiency appropriation of \$781,005 in general funds for GOC operations, specifically 4 positions that transferred to the agency from the Governor’s Office of Crime Prevention and Policy (GOCPP) and 4 positions that transferred from the Department of Juvenile Services (DJS). A budget amendment further increased GOC’s general fund appropriation by \$8,021 for health benefit disbursements.

In addition to supporting personnel costs, the agency spent \$300,000 in fiscal 2024 on a contract with the Children’s Funding Project, Inc. approved by the Board of Public Works in June 2024. The contract is for fiscal mapping of community investments and the development of a public centralized database of all resources available for children, youth, and families, as required by Chapter 408. The database must be published by the start of fiscal 2026 and is expected to be an ongoing resource maintained by the agency.

GOC was able to spend approximately 78.0% of its fiscal 2024 appropriation between May 2024 and the end of June 2024, reverting \$173,849 at closeout.

## **Fiscal 2025**

CCIF grant funding transferred to GOC from GOCPP at the start of fiscal 2025. Most CCIF grants are used to provide funding to LMBs. General funds for the Baltimore City Children and Youth Fund (\$3.5 million) and reimbursable funds for Local Care Team coordinators (\$1.8 million) also transferred from GOCPP to GOC. A fiscal 2025 budget amendment added \$250,000 in federal American Rescue Plan Act (ARPA) funds to GOC for the purpose of contracting with two entities to support the ENOUGH program and the agency’s communication needs. One contract will be for strategic communications and narrative planning, and one will support GOC with its social media and other content writing. The agency reports that both contracts were awarded prior to the deadline to encumber ARPA funds on December 31, 2024.

### **Implementation of Legislative Priorities**

Section 21 of the fiscal 2025 Budget Bill added a total of \$12.4 million in general funds to the agency to distribute grants and to provide funding to develop a database as required by Chapter 408. The specific authorizations were as follows:

- \$5.0 million to provide funding to LMBs to be allocated among the jurisdictions in the same proportion as other awards to all LMBs are made in fiscal 2025, contingent on the enactment of legislation establishing the ENOUGH grant program and the ENOUGH Grant

Fund. This funding was awarded as the ENOUGH Capacity Building Grant in fiscal 2025 and is level funded in the fiscal 2026 allowance;

- \$5.0 million for a public, centralized database describing all State, local, and private resources available for children, youth, and families in the State, contingent on the enactment of legislation establishing the ENOUGH grant program and the ENOUGH Grant Fund. Funds not needed for the development of the database shall be used for ENOUGH grants;
- \$1.5 million for an operating grant to the Boys & Girls Clubs of Metropolitan Baltimore;
- \$750,000 for continuing critical pandemic recovery work through LMBs, to be allocated among the jurisdictions in the same proportion as other awards to all LMBs that are made in fiscal 2025; and
- \$150,000 for a grant to the Boys & Girls Club of Southern Maryland.

GOC reports that all grant agreements are in place, the funding is being awarded, and recipients are sharing programmatic and financial reporting. For the \$5.0 million authorization for LMBs, language specified that funds unused for this purpose would revert to the ENOUGH Grant Fund. For the \$5.0 million authorization to develop a database, language specified that funds unneeded for that purpose would be used for ENOUGH grants or revert to the ENOUGH Grant Fund rather than the General Fund at closeout. These additional authorizations necessitated the special fund appropriation for the ENOUGH program to be up to \$20.0 million, which was allocated through a supplemental budget to the fiscal 2025 Budget Bill. Because GOC procured a contract for fiscal mapping and the development of a database in fiscal 2024, the agency reports that only a portion (at least \$380,505) of the \$5.0 million will be used for the database in fiscal 2025. The remaining funding has been used for GOC to make approximately \$13.1 million in ENOUGH awards in its inaugural year and any remaining funds will support additional grants or revert to the ENOUGH Grant Fund.

### **Launch of the ENOUGH Grant Program**

As described in Chapter 408, the ENOUGH initiative is intended to provide a direct investment from the State to support communities that have experienced multigenerational poverty and its consequences. The purposes of ENOUGH grants are to (1) increase community health and safety; (2) provide “cradle-to-career” access to high-quality education and care; (3) connect residents to quality jobs and in-demand occupations; (4) enable family-sustaining income and access to affordable high-quality housing, child care, and health care; (5) provide high-quality support for children with disabilities, child welfare, and justice-involved youth and young adults; (6) connect individuals to State programs; and (7) leverage federal, local, and private funding for eligible neighborhoods.

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The qualifications to be an eligible neighborhood change over time in order to prioritize funding for the highest areas of need. Neighborhoods must include census tracts with more than 30% of children living in poverty and be served by, as defined by GOC, a community school with a concentration of poverty level of at least 80% in fiscal 2025 and 2026. In fiscal 2027 through 2029, the neighborhood must be served by a community school with a concentration of poverty level of at least 75%. The minimum concentration of poverty level decreases to at least 60% in fiscal 2030 and at least 55% in fiscal 2031 and thereafter. GOC is responsible for identifying the neighborhoods eligible for participation in the program and reporting this information to local governments. For the initial round of grants in fiscal 2025, 12 of Maryland’s jurisdictions have communities eligible for participation.

GOC released application guidance on July 1, 2024, and provided pre-application technical assistance to applicants between July 2024 and September 2024. Applicants could apply for one of three different tracks, each designed to assist communities at different levels of readiness to implement neighborhood action plans and provide a continuum of services in the community. The three tracks are referred to as (1) partnership development; (2) plan development; and (3) implementation tracks. Applications for the different tracks were due in September 2024 and November 2024. The initiative’s design intends for participants to receive additional public and private funding as their partnership governance and ability to address outcomes in the four ENOUGH result areas evolve. The four result areas are cradle-to-career education, healthy families, economically secure families, and safe and thriving communities.

In December 2024, GOC awarded 27 recipients a total of \$13.1 million in ENOUGH awards:

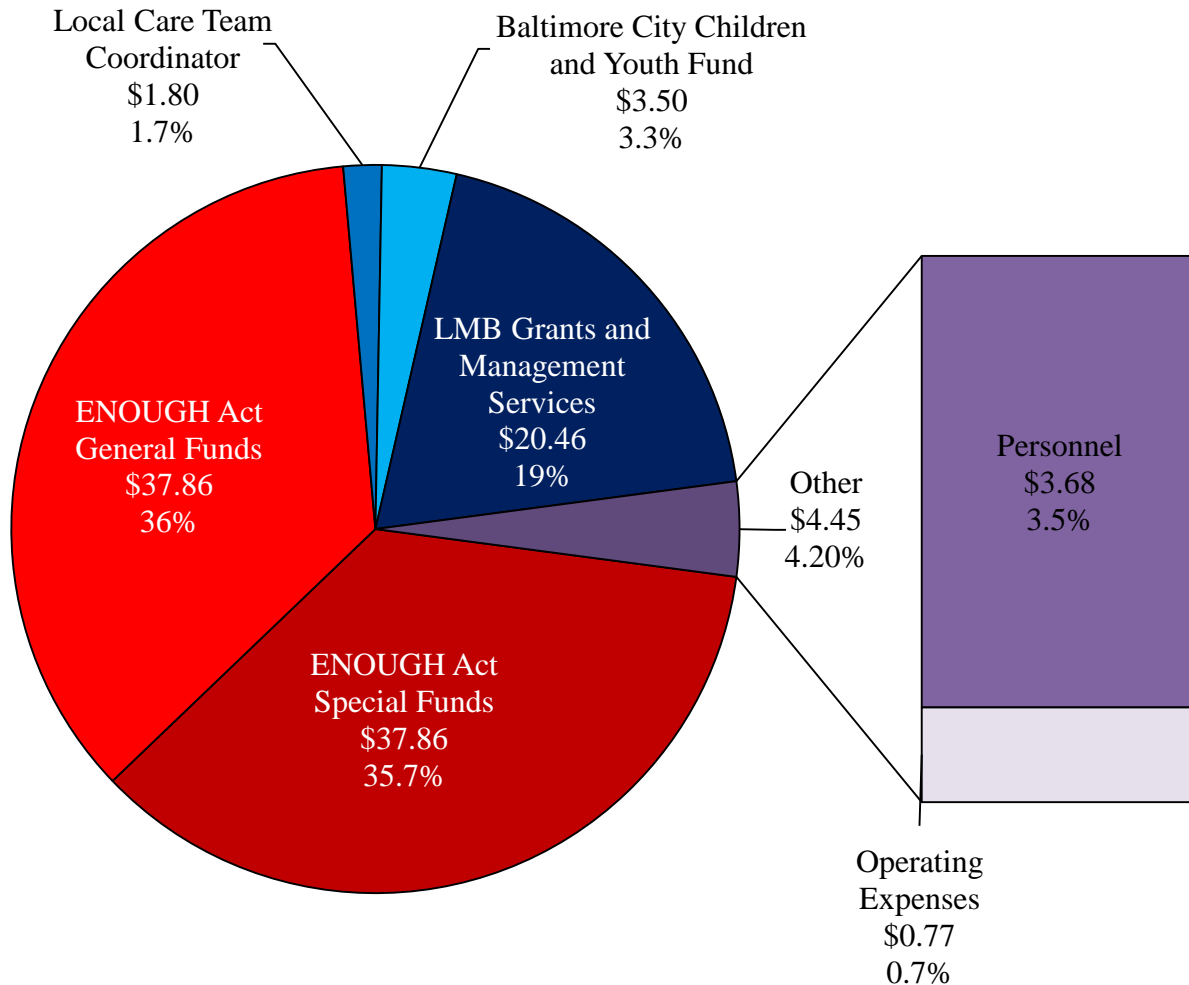
- three implementation awardees each received approximately \$3.0 million (\$8.7 million total) for a six-month project period;
- 12 planning awardees received \$300,000 each; and
- 12 partnership awardees received \$65,000 each.

Awards were made in Allegany, Anne Arundel, Baltimore, Caroline, Charles, Dorchester, Frederick, Harford, Montgomery, Prince George’s, and Washington counties and Baltimore City. Though the agency has been reestablished for approximately one year, it has been able to quickly develop program requirements and regulations, conduct outreach about the program to potential applicants, and award the majority of available funding. It will take additional time for the program’s success to be verifiable in the recipient communities. Reporting and evaluation requirements for the program were established in Chapter 408 but are not yet possible for GOC to produce. GOC will prepare an annual report in fiscal 2025 for the program that will include accounting of financial receipts and expenditures and progress and outcome metrics. Additional information on reporting requirements can be found in Key Observation 1 of this analysis.

## **Fiscal 2026 Overview of Agency Spending**

The fiscal 2026 allowance for GOC is \$105.9 million, as shown in **Exhibit 2**. Approximately 71.5% is dedicated to the ENOUGH program when counting the general and special fund appropriations. The agency reports that it plans to spend up to \$37.9 million on ENOUGH grants, the ENOUGH LMB Capacity Building Grant, technical assistance, evaluation, and fiscal mapping. Spending on CCIF grants and contracts, including funding for LMBs, the Baltimore City Children and Youth Fund, and Local Care Team coordinators, will total approximately \$25.8 million (24.3%). Personnel and operating expenses make up the remaining 4.2% of the agency’s expenditures.

**Exhibit 2**  
**Overview of Agency Spending**  
**Fiscal 2026 Allowance**  
**(\$ in Millions)**



ENOUGH: Engaging Neighborhoods, Organizations, Unions, Governments, and Households  
LMB: local management board

Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2026 Budget Books

## Proposed Budget Change

As shown in **Exhibit 3**, the fiscal 2026 allowance increases by \$35.0 million (49.4%) from the fiscal 2025 working appropriation. General fund and special fund expenditure increases are largely driven by elements of the ENOUGH program, including planned grant awards. The allowance also reflects the addition of 11 new positions (\$1.4 million) and the removal of \$7.4 million in fiscal 2025 spending on legislative priorities.

### Exhibit 3 Proposed Budget Governor’s Office for Children (\$ in Thousands)

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2024 Actual	\$615	\$0	\$0	\$0	\$615
Fiscal 2025 Working Appropriation	48,863	20,000	250	1,800	70,913
Fiscal 2026 Allowance	<u>66,268</u>	<u>37,862</u>	<u>0</u>	<u>1,800</u>	<u>105,930</u>
Fiscal 2025-2026 Amount Change	\$17,405	\$17,862	-\$250	\$0	\$35,017
Fiscal 2025-2026 Percent Change	35.6%	89.3%	-100.0%		49.4%
<b>Where It Goes:</b>					<b><u>Change</u></b>
<b>Personnel Expenses</b>					
Salaries and fringe benefits for 11.0 new positions .....					\$1,361
Salary increases and associated fringe benefits, including fiscal 2025 COLA and increments .....					645
Employee and retiree health insurance .....					239
Turnover increases from 6.11% to 9.48% .....					-74
Reclassification of transferred positions in fiscal 2025 .....					-478
<b>ENOUGH Initiative</b>					
Programmatic expenditure increase (general funds) .....					22,862
Special fund authorization increase .....					17,862
<b>Other Changes</b>					
Travel .....					27
Office supplies and equipment .....					13
Software licenses .....					11
Local management board training and technical assistance .....					-35
Consulting services, including the removal of ARPA funds .....					-40



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<b>Where It Goes:</b>	<b><u>Change</u></b>
Removal of grant funding to local management boards for continuing critical pandemic recovery work.....	-750
Removal of grants to Boys & Girls Club organizations .....	-1,650
Removal of funding for a public, centralized database describing all State, local, and private resources available for children, youth, and families.....	-5,000
Other .....	24
<b>Total</b>	<b>\$35,017</b>

ARPA: American Rescue Plan Act

COLA: cost-of-living adjustments

ENOUGH: Engaging Neighborhoods, Organizations, Unions, Governments, and Households

Note: Numbers may not sum to total due to rounding. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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## **ENOUGH Grant Fund**

The ENOUGH Grant Fund was created by Chapter 408 and may only be used to distribute grants through the ENOUGH program. The fiscal 2025 working appropriation includes up to \$15.0 million in general funds paid into the special fund and \$15.0 million in special fund expenditures for ENOUGH grantees (excluding the LMBs receiving the ENOUGH LMB Capacity Building Grant). There will likely be no special fund balance carried forward into fiscal 2026 as GOC reports it is on track to fully spend its fiscal 2025 appropriation. In addition to awarding \$13.1 million in grants, the agency will spend at least \$380,505 on the set-up and implementation of the database in fiscal 2025 and will be using remaining funds for technical assistance in ENOUGH communities, another component of the grant program authorized by Chapter 408.

Chapter 408 also established a mandate for the Governor to pay at least \$15.0 million into the fund in fiscal 2026. No growth from the agency’s fiscal 2025 budget is required to meet the mandated general fund amount in fiscal 2026. However, the allowance grows by approximately \$22.9 million in general funds for spending on the ENOUGH grants and related program support, with the maximum special fund authorization increasing by \$17.9 million to \$37.9 million. Additional annual funding for grant awards is discretionary beginning in fiscal 2027.

**The Department of Legislative Services (DLS) recommends reducing the general fund appropriation for the ENOUGH Grant Fund account by \$22.9 million and the special fund authorization by a corresponding amount to provide the mandated funding level in fiscal 2026.**

## **Funding for LMBs**

The fiscal 2026 allowance for GOC decreases by \$750,000 in general funds for grants to LMBs compared to the working appropriation due to the removal of legislative priority spending on pandemic recovery grants. Each LMB is expected to receive the same proportion of the total award in the allowance as in the previous fiscal year, as shown in **Exhibit 4**. Total LMB funding in fiscal 2025 and 2026 is \$5.0 million higher than shown in Exhibit 4 due to the ENOUGH LMB Capacity Building Grant. GOC reports that LMBs will be able to use the capacity building funds to support grantees in the partnership development track and to build capacity within their jurisdictions to implement other place-based strategies to reduce concentrated poverty.

**Exhibit 4**  
**Local Management Board Funding Allocations, Excluding ENOUGH**  
**Capacity Building Grants**  
**Fiscal 2022-2026**

	<b>Actual <u>2022</u></b>	<b>Actual <u>2023</u></b>	<b>Actual <u>2024</u></b>	<b>Working Approp. <u>2025</u></b>	<b>Allowance <u>2026</u></b>
Allegany	\$442,175	\$557,323	\$518,940	\$538,140	\$518,940
Anne Arundel	1,185,943	1,494,776	1,391,832	1,443,282	1,391,832
Baltimore City	2,790,938	3,517,730	3,275,466	3,396,591	3,275,466
Baltimore County	1,334,669	1,682,232	1,566,378	1,624,278	1,566,378
Calvert	341,156	429,997	400,383	415,158	400,383
Caroline	507,443	678,503	631,775	655,175	631,775
Carroll	490,239	617,903	575,348	596,648	575,348
Cecil	503,927	635,156	591,413	613,313	591,413
Charles	366,723	462,222	430,389	446,289	430,389
Dorchester	414,101	521,938	485,992	503,992	485,992
Frederick	376,065	473,997	441,353	457,703	441,353
Garrett	506,635	638,569	594,591	616,566	594,591
Harford	545,551	687,619	640,263	663,963	640,263
Howard	428,084	539,562	502,403	521,003	502,403
Kent	359,588	453,229	422,015	437,615	422,015
Montgomery	1,459,119	1,839,090	1,712,433	1,775,733	1,712,433
Prince George’s	1,647,557	2,076,600	1,933,586	2,005,061	1,933,586
Queen Anne’s	320,346	403,768	375,961	389,836	375,961
St. Mary’s	383,817	483,768	450,451	467,101	450,451
Somerset	274,193	347,732	323,784	335,784	323,784
Talbot	449,514	566,573	527,553	547,053	527,553
Washington	644,394	812,202	756,266	784,241	756,266
Wicomico	675,265	920,632	857,229	888,954	857,229
Worcester	745,165	939,214	874,531	906,856	874,531
<b>Total</b>	<b>\$17,192,607</b>	<b>\$21,780,335</b>	<b>20,280,335</b>	<b>\$21,030,335</b>	<b>\$20,280,335</b>

LMB: local management board

ENOUGH: Engaging Neighborhoods, Organizations, Unions, Governments, and Households

Note: In fiscal 2023, the legislative appropriation included \$20,280,335 in Children’s Cabinet Interagency Fund (CCIF) spending and \$1.5 million in funds from the Dedicated Purpose Account. In fiscal 2025, the legislative appropriation included \$20,280,335 in CCIF spending and \$750,000 in pandemic recovery grants. Funding associated with the ENOUGH LMB Capacity Building grant in fiscal 2025 and 2026 is excluded from this table.

Source: Governor’s Office for Children

## **Baltimore City Children and Youth Fund**

Chapter 25 of 2019 established a mandated appropriation to the Baltimore City Children and Youth Fund, Baltimore City’s LMB. The Governor was required to include an appropriation of at least \$3.5 million in each year for fiscal 2021 through 2024. Funding for this purpose was provided with the fiscal 2025 budget and is also included in the fiscal 2026 allowance. The fiscal 2026 funding is in addition to the \$3.3 million that is available to the LMB from the annual funding allocation. **Due to the expiration of the funding mandate, DLS recommends eliminating the \$3.5 million general fund appropriation for the Baltimore City Children and Youth Fund grant.**

### ***Personnel Data***

	<b><u>FY 24</u></b>	<b><u>FY 25</u></b>	<b><u>FY 26</u></b>	<b><u>FY 25-26</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	8.00	16.00	27.00	11.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>8.00</b>	<b>16.00</b>	<b>27.00</b>	<b>11.00</b>

#### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	1.52	9.48%
Positions and Percentage Vacant as of 12/31/24	1.0	6.25%
Vacancies Below Turnover	0.52	

- Between fiscal 2024 and 2025, the agency’s personnel doubled in size in order to facilitate the launch of the ENOUGH program and reestablish the Children’s Cabinet.
- In fiscal 2026, GOC receives 11 new regular positions. The agency reports that 6 positions will support the ENOUGH program. These positions include 2 community engagement leads, 3 community engagement coordinators (bringing the agency’s total to 5), and 1 children’s funding coordinator. The children’s funding coordinator position will be responsible for maintaining the agency’s database of available resources so that it remains a resource for stakeholders and to provide training to ENOUGH participants and stakeholders. The remaining 5 new positions will facilitate the agency’s administration of the Children’s Cabinet and support the agency’s role as a coordinating office. These positions include 2 policy advisors, 1 research and evaluation analyst, 1 communications director, and 1 partnership advisor. **GOC should comment on how the addition of these positions will increase its ability to fulfill its mission.**

## ***Key Observations***

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### **1. GOC Launched Its ENOUGH Grant Program and Reestablished the Children’s Cabinet; More Activities Are Planned**

Since it was reestablished in January 2024, GOC quickly completed programmatic requirements, such as notifying local governments of neighborhoods eligible to participate in the ENOUGH grant program. By the start of fiscal 2025, GOC published application guidance for the grant program, and the first grant recipients were announced in December 2024. **Exhibit 5** describes the agency’s reporting requirements as established in Chapters 408 and 735 as well as from the 2024 *Joint Chairmen’s Report* (JCR). These requirements demonstrate the agency’s role as a coordinating office within State government and will contain information to inform the agency’s future actions.

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#### **Exhibit 5 Select Programmatic and Reporting Requirements Fiscal 2025-2027**

<b><u>Programmatic and Reporting Requirements</u></b>	<b><u>Required Submission Date or Frequency</u></b>
Identify eligible neighborhoods for participation in the ENOUGH program and notify local governments.	Annually
Engage with the neighborhood community or communities and approve lead partners for eligible neighborhoods; establish qualifications, standards, and processes for determining lead partners; assign staff or provide technical assistance to neighborhoods; provide grants to eligible neighborhoods to complete a needs assessment, subject to funds availability; and provide neighborhood implementation grants to qualified lead partners, subject to funds availability.	With each ENOUGH Grant cycle
Children’s Cabinet must meet at least four times in open session.	Annually
<i>Children’s Cabinet Annual Report</i> .	Annually on December 1
<i>Out-of-home Placements Report</i> , with additional authors.	January 1, 2025
<i>ENOUGH Annual Report</i> that includes accounting of financial receipts and expenditures and progress and outcome metrics as defined by GOC.	Annually
Develop a public, centralized database of all State, local, and private resources for children, youth, and families in the State.	July 1, 2025

**Programmatic and Reporting Requirements**

**Required Submission  
Date or Frequency**

*Report On Neighborhood Indicators of Poverty* that includes an evaluation of American Community Survey data to provide school district poverty estimates, an evaluation of the area deprivation index, an analyzation of how other states approach measuring poverty, and consulting with each local school system.

October 1, 2025

*State Three-Year Plan for Children, Youth, and Families.*

December 1, 2025

Evaluation of the ENOUGH program.

June 1, 2027

ENOUGH: Engaging Neighborhoods, Organizations, Unions, Governments, and Households  
GOC: Governor’s Office for Children

Source: Department of Legislative Services

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All the referenced reporting requirements will be informative regarding the agency’s past and planned activities. Another reporting expectation for the agency is participation in the annual Managing for Results (MFR) performance analysis process to set objectives and measure the agency’s progress in fulfilling its goals. GOC did not submit MFR data with its fiscal 2026 budget submission. Reporting of performance measures is a primary tool for the Department of Budget and Management and the legislature to monitor how well an agency is achieving its assigned mission. **Therefore, DLS recommends adopting committee narrative requesting GOC to create detailed agency objectives and performance measures and to submit proposed measures by December 1, 2025.**

## **2. Youth Out-of-home Placements**

Language in the fiscal 2025 Budget Bill restricted funds within the Department of Human Services (DHS), DJS, the Maryland Department of Health (MDH), and the Maryland State Department of Education (MSDE), pending GOC’s submission of the out-of-home placements (OOHP) report by January 1, 2025. Related data is also available via a dashboard on GOCPP’s website. Additional discussion of this report can be found in the budget analysis for N00B – DHS – Social Services Administration.

The four primary agencies that oversee the welfare of children placed out of the home are:

- **DHS:** approximately 90% of OOHP children were placed by DHS, which oversees programs pertaining to abuse, neglect, and maltreatment;

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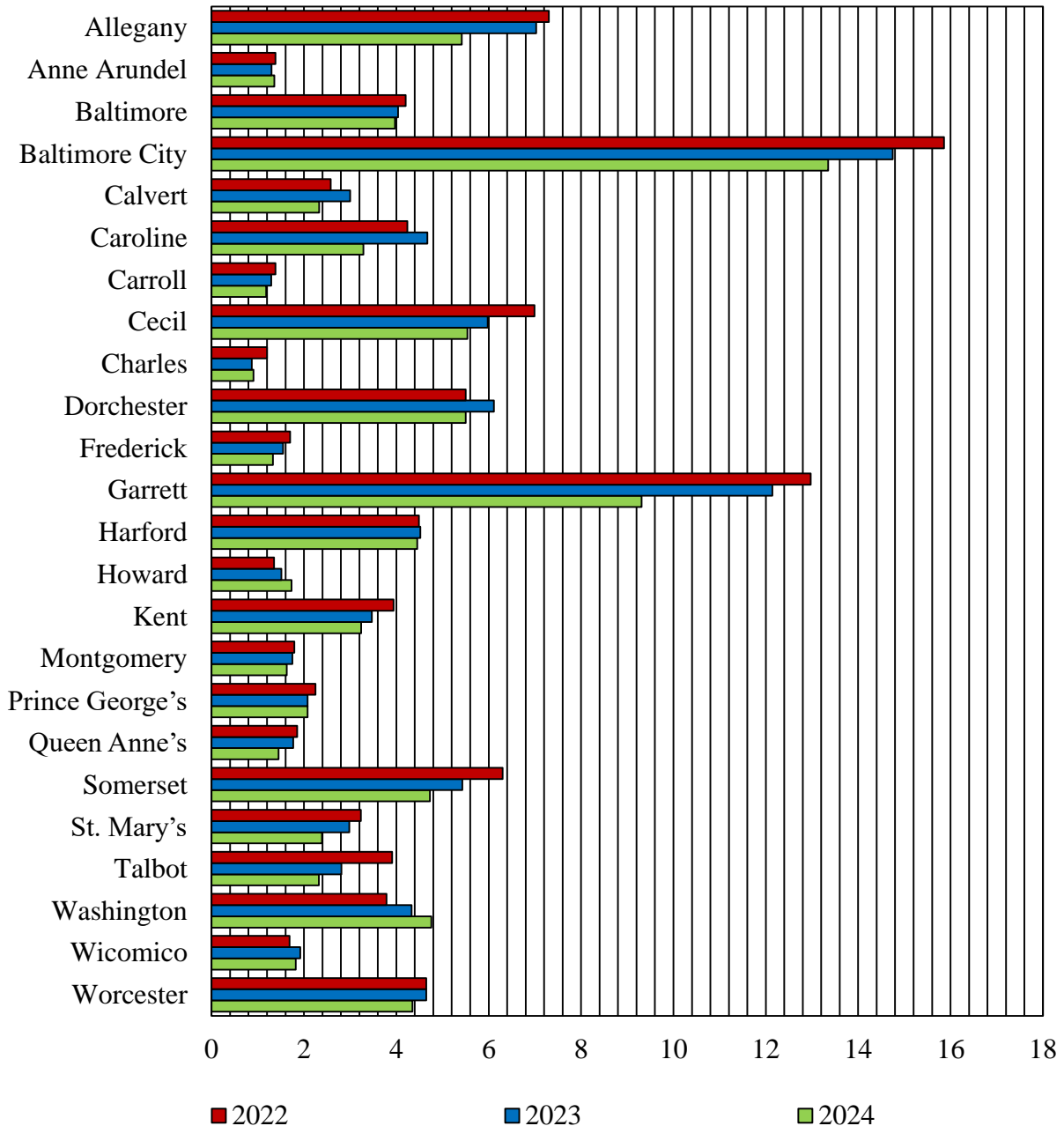
- **DJS:** the second largest youth-placing agency, DJS treats youth who are involved in Maryland’s juvenile justice system;
- **MDH – Developmental Disabilities Administration (DDA) and Behavioral Health Administration (BHA):** though not a youth-placing agency, DDA funds placements for youth who meet eligibility criteria for developmental disability group homes. BHA is also not a youth-placing agency but funds placements in Residential Treatment Centers through Medicaid; and
- **MSDE:** MSDE is not a youth-placing agency. Rather, it oversees the Nonpublic Tuition Assistance Program for nonpublic special education and the Waiver for Children with Autism Spectrum Disorder Program.

In addition to working together to produce the OOHP report, GOC works with DHS, DJS, MDH, and MSDE as members of the Children’s Cabinet. In fiscal 2025, each agency also participated in four Children’s Cabinet working groups for access to benefits, community schools, ENOUGH liaisons, and the State coordinating council/working group for children with complex needs.

### **Youth Placement Data**

Across all agencies, 5,730 youth experienced at least one OOHP in fiscal 2024, compared with 6,084 in fiscal 2023, a 5.8% decrease. **Exhibit 6** details OOHP per 1,000 youth by jurisdiction. Most (19) jurisdictions had fewer or the same OOHPs per 1,000 youth in fiscal 2024 than in fiscal 2022 and 2023. Two jurisdictions – Anne Arundel and Charles counties – had a higher fiscal 2024 rate than 2023 but remained lower than the fiscal 2022 levels. In Wicomico County, the rate dropped from 1.92 placements per 1,000 youth in fiscal 2023 to 1.82 in fiscal 2024, though both were higher than the fiscal 2022 rate of 1.69 placements. Only Howard and Washington counties had their rate increase in both fiscal 2023 and 2024 over the prior year.

**Exhibit 6**  
**Out-of-Home Placements Per 1,000 Youth by Jurisdiction**  
**Fiscal 2022-2024**



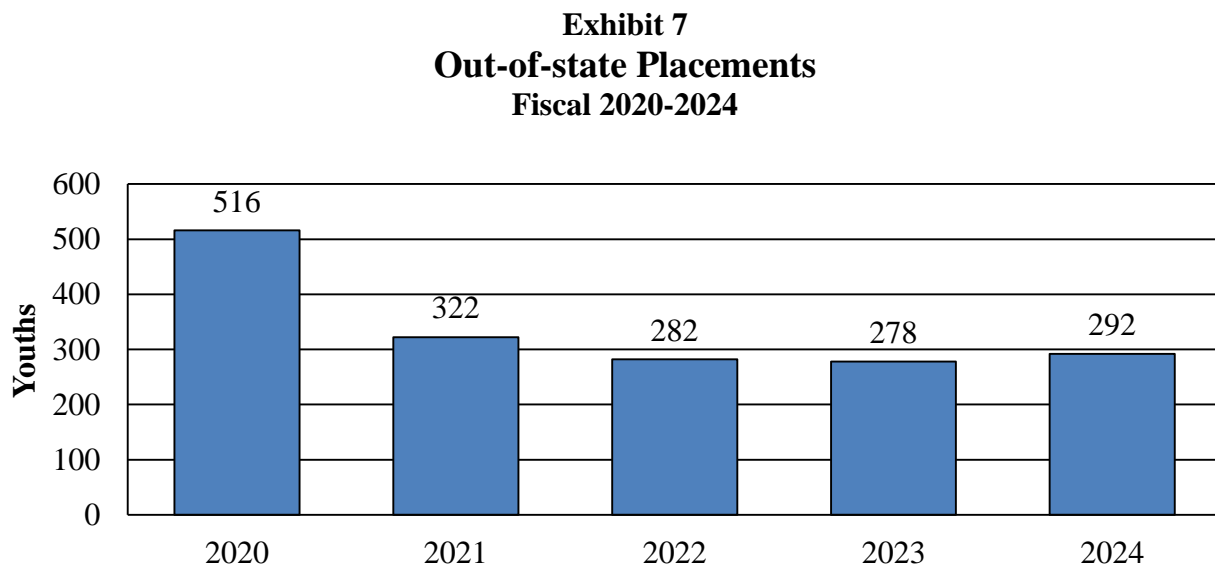
Source: *Fiscal 2022, 2023, and 2024 Out-of-Home Placement Reports*



The State makes efforts to, whenever possible, place youth in a setting that is as close to their home as possible in order to minimize the trauma associated with their placement and the burden of travel for the family. Of the 12,918 placements statewide in fiscal 2024 among 5,730 youth, 49.5% of placements kept the youth in the county of origin, an additional 39.5% of placements were made out of county, and 3.5% of placements were out of State (292 individual youth). Most youth (80.0%) entered family home placements, whether located in State or out of State.

The District of Columbia (56 youth), Pennsylvania (45), Virginia (34), Florida (28), and West Virginia (23) were the states with the highest number of Maryland’s out-of-state placements. Of total out-of-state youth, 63.7% went to one of these destinations. Youth are often placed out of State to enroll in programs that better fit a youth’s particular service needs. In some instances, programs in the aforementioned states are actually closer to the youth’s home than an in-state option and therefore may be better for the youth’s wellbeing and family participation. Of the 292 youth in an out-of-state placement in fiscal 2024, most were placed in family homes (55.8%), were hospitalized out of State (19.9%), or were in community-based placements (18.2%).

**Exhibit 7** shows the number of youths in an out-of-state placement in each fiscal year from fiscal 2020 to 2024. The population of youths out-of-state increased by 5.0% between fiscal 2023 and 2024. However, the fiscal 2024 level remains 9.3% lower than in fiscal 2021 and 43.4% lower than in fiscal 2020. Reducing out-of-state placements was also a priority stressed under Maryland’s COVID-19 pandemic response, with a decrease of 37.6% between fiscal 2020 and 2021. A slightly larger percentage of children were placed in an out-of-state family home in fiscal 2024 (55.8%) compared with fiscal 2023 (54.0%) and fiscal 2022 (53.5%).



Source: *Fiscal 2024 Out-of-home Placements Report*

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Additional placements may be made to family homes in future fiscal years. In fiscal 2025, Chapter 429 of 2024 went into effect, which expands the definition of “kinship caregiver,” requires the placement of a child with a kinship caregiver if a kinship caregiver is located subsequent to the child’s placement in a foster care setting and specifies considerations that must be taken into account when placing a child in out-of-home care if a kinship caregiver cannot be located. DHS also launched its kin-first approach known as “Family Matters” for placing youth out of home in December 2024.

GOC, DHS, DJS, DDA, and MSDE have substantively fulfilled the requirements set forth by the fiscal 2025 budget language. **DLS therefore recommends that \$100,000 in withheld general funds for each of DHS, DJS, DDA, and MSDE be released and will process a letter to this effect if no objections are raised during the hearing.**

DLS finds that the OOHP report is a useful evaluative tool to assess the well-being of Maryland’s youth and families and to identify areas of concern related to youth placed out of home. The report may additionally provide additional insights into recent OOHP trends and demonstrate coordination with goals set by the Children’s Cabinet. **DLS recommends adding a section to the budget bill restricting funds in each of the data contributing agencies pending the submission of the 2025 OOHP report.**

## **Operating Budget Recommended Actions**

- |  | <b><u>Amount<br/>Change</u></b> |    |
|--|---------------------------------|----|
| 1. Reduce the general fund appropriation for the Engaging Neighborhoods, Organizations, Unions, Governments, and Households Grant Fund to the mandated level.                        | -\$22,862,000                   | GF |
| 2. Reduce the special fund appropriation for the Engaging Neighborhoods, Organizations, Unions, Governments, and Households Grant Fund to align with the general fund appropriation. | -\$22,862,000                   | SF |
| 3. Adopt the following narrative:  |                                 |    |

**Status Report on Managing for Results (MFR) Measures:** Because the Governor’s Office for Children (GOC) is a newly reestablished agency, it did not submit MFR goals, objectives, or measures with its fiscal 2026 budget. The committees request that, by December 1, 2025, GOC submit proposed MFR goals, objectives, and measures to be provided with the agency’s fiscal 2027 budget.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Status report on MFR measures	GOC	December 1, 2025

- |  | <b><u>Amount<br/>Change</u></b> |    |
|--|---------------------------------|----|
| 4. Reduce the general fund appropriation for the Baltimore City Children and Youth Fund grant due to the mandate’s expiration. | -\$3,500,000                    | GF |
| 5. Add the following section:  |                                 |    |

### **Section XX Out-of-home Placements Report**

SECTION XX. AND BE IT FURTHER ENACTED, That \$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 the Governor’s Office for Children (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 2023, 2024, and 2025;
- (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 2023, 2024, and 2025 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.

Further provided that each agency or administration that funds or places children and youth in out-of-home placements shall assist GOC and comply with any data requests necessary for the timely production of the report. The report shall be submitted to the budget committees by January 1, 2026, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise for any other purpose. Should the report not be submitted by the requested date, the restricted funds shall revert to the General Fund.

**Explanation:** The out-of-home placements report is a report required by Section 8-703(e) of the Human Services Article. It is also annually requested to be submitted to the budget committees. This report is a useful evaluative tool to assess the wellbeing of Maryland’s youth and families and to identify areas of concern related to youth placed out of home. This language restricts funds in each of the data reporting agencies and specifies the data of interest to the General Assembly, including agency-specific data for out-of-home and out-of-state placements.

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<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Out-of-home placements report	GOC Department of Human Services Department of Juvenile Services Maryland Department of Health Maryland State Department of Education	January 1, 2026
<b>Total Net Change</b>		<b>-\$49,224,000</b>
<b>Total General Fund Net Change</b>		<b>-\$26,362,000</b>
<b>Total Special Fund Net Change</b>		<b>-\$22,862,000</b>

**Appendix 1**  
**2024 Joint Chairmen’s Report Responses from Agency**

The 2024 JCR requested that GOC prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- **OOHP Report:** In this annually requested report, GOC was asked to detail the number of OOHPs and entries by jurisdiction, agency, and placement type for fiscal 2022, 2023, and 2024. GOC submitted this report on January 16, 2025. Further discussion of this data can be found in Key Observation 2 of this analysis.

**Appendix 2**  
**Object/Fund Difference Report**  
**Governor's Office for Children**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	8.00	16.00	27.00	11.00	68.8%
<b>Total Positions</b>	<b>8.00</b>	<b>16.00</b>	<b>27.00</b>	<b>11.00</b>	<b>68.8%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 128,880	\$ 1,982,832	\$ 3,675,049	\$ 1,692,217	85.3%
03 Communication	1,596	16,520	18,000	1,480	9.0%
04 Travel	89	28,000	55,000	27,000	96.4%
08 Contractual Services	453,144	5,852,510	813,521	-5,038,989	-86.1%
09 Supplies and Materials	2,436	19,000	20,000	1,000	5.3%
10 Equipment – Replacement	0	0	5,000	5,000	N/A
11 Equipment – Additional	29,032	31,253	38,300	7,047	22.5%
12 Grants, Subsidies, and Contributions	0	62,980,335	101,304,335	38,324,000	60.9%
13 Fixed Charges	0	2,300	1,000	-1,300	-56.5%
<b>Total Objects</b>	<b>\$ 615,177</b>	<b>\$ 70,912,750</b>	<b>\$ 105,930,205</b>	<b>\$ 35,017,455</b>	<b>49.4%</b>
<b>Funds</b>					
01 General Fund	\$ 615,177	\$ 48,862,750	\$ 66,268,205	\$ 17,405,455	35.6%
03 Special Fund	0	20,000,000	37,862,000	17,862,000	89.3%
05 Federal Fund	0	250,000	0	-250,000	-100.0%
09 Reimbursable Fund	0	1,800,000	1,800,000	0	0%
<b>Total Funds</b>	<b>\$ 615,177</b>	<b>\$ 70,912,750</b>	<b>\$ 105,930,205</b>	<b>\$ 35,017,455</b>	<b>49.4%</b>

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.