

- (3) the budget committees have reviewed and commented on the report or 45 days have elapsed from the date the committees received the report.

MSDE shall incorporate review of these audits into the annual rate-setting process for group homes licensed in Maryland by checking the audit results against reported budget data that were used to develop the rates. It is the intent of the General Assembly that the departments submit audit reports to the Interagency Rates Committee on an annual basis.

SECTION 43. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation for M00A01.01 – Executive Direction, and \$100,000 of the general fund appropriation for N00A01.01 – Office of the Secretary, and \$100,000 of the general fund appropriation for V00D01.01 – Office of the Secretary may not be expended until:

- (1) the Department of Health and Mental Hygiene, the Department of Human Resources, and the Department of Juvenile Services submit a report to the budget committees by October 1, 2006, that reports on the percentage of dollars currently paid to licensed child residential group homes that is spent on direct care and that proposes a minimum percentage of the per diem funds paid to child residential group home providers in Maryland that should be spent on the direct care of residents. The report shall also discuss the feasibility of requiring licensed child residential group homes in Maryland to spend a minimum percentage of the per diem funds on the direct care of residents and the recommended method (by statute, regulation, or other means) such a requirement would be instituted; and
- (2) the budget committees have reviewed and commented on the report or 45 days have elapsed from the date the report was received by the committees.

SECTION 44. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation for N00A01.01 – Office of the Secretary, and \$100,000 of the general fund appropriation for R00A01.01 – Office of the State Superintendent-Headquarters, and \$100,000 of the general fund appropriation for V00D01.01 – Office of the Secretary may not be expended until:

- (1) the Department of Human Resources, the Department of Juvenile Services, and the Interagency Rates Committee in the Maryland State Department of Education submit a report to the budget committees by October 1, 2006, providing a methodology for fiscal 2008 rates set by the Interagency Rates Committee to incorporate performance-based incentives based upon outcomes appropriate for each department; and
- (2) the budget committees have reviewed and commented on the report or 45 days have elapsed from the date the committees received the report.

It is the intent of the General Assembly that the departments should utilize performance-based contracts for all out-of-home placements that utilize rates set by the Interagency Rates Committee annually beginning in fiscal 2008.