

Chapter 209

(House Bill 418)

AN ACT concerning

Child Care Subsidy Program – Reimbursement Rate Adjustments

FOR the purpose of requiring the State Department of Education to conduct a certain analysis regarding the Child Care Subsidy Program beginning in a certain year and at a certain interval thereafter; requiring the Department to consult with certain entities before conducting a certain analysis; requiring the Department to report to certain committees of the General Assembly on or before certain dates; defining certain terms; and generally relating to the Child Care Subsidy Program.

BY adding to

Article – Education

Section 9.5–111

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Education

9.5–111.

(A) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(1) “ANALYSIS” MEANS THE MARKET RATE SURVEY OR AN ALTERNATIVE METHOD ALLOWABLE UNDER FEDERAL LAW.

(2) “PROGRAM” MEANS THE CHILD CARE SUBSIDY PROGRAM.

(B) (1) BEGINNING IN 2017, AND EVERY 2 YEARS THEREAFTER, THE DEPARTMENT SHALL CONDUCT AN ANALYSIS IN ORDER TO FORMULATE APPROPRIATE REIMBURSEMENT RATES FOR THE PROGRAM.

(2) THE DEPARTMENT, BEFORE CONDUCTING THE ANALYSIS, SHALL CONSULT WITH:

(I) THE OFFICE OF CHILD CARE ADVISORY COUNCIL;

- (II) CHILD CARE RESOURCE AND REFERRAL AGENCIES;
- (III) CHILD CARE WORKER ORGANIZATIONS; AND
- (IV) ANY OTHER APPROPRIATE ENTITIES.

(C) ON OR BEFORE SEPTEMBER 1, 2017, AND BY SEPTEMBER 1 EVERY 2 YEARS THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE JOINT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES, THE SENATE BUDGET AND TAXATION COMMITTEE, AND THE HOUSE APPROPRIATIONS COMMITTEE, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE METHODOLOGY OF THE ANALYSIS REQUIRED UNDER SUBSECTION (B) OF THIS SECTION;

(2) COST ESTIMATES FOR RAISING THE PROGRAM'S REIMBURSEMENT RATES TO THE 45TH, 55TH, 65TH, AND 75TH PERCENTILE OF CHILD CARE PROVIDERS IN EACH OF THE STATE'S MARKET REGIONS;

(3) THE MINIMUM BASE PAYMENT RATE THAT IS REQUIRED FOR CHILD CARE PROVIDERS TO MEET HEALTH, SAFETY, QUALITY, AND STAFFING REQUIREMENTS IN ACCORDANCE WITH FEDERAL LAW AND THE FACTORS USED TO DETERMINE THAT RATE;

(4) THE RATE ADJUSTMENT THAT THE DEPARTMENT WILL IMPLEMENT BASED ON THE ANALYSIS;

(5) ANY ADJUSTMENTS TO PROGRAM ELIGIBILITY OR FAMILY COPAY AMOUNT THAT WILL BE IMPLEMENTED; AND

(6) ANY POTENTIAL IMPACTS ON FAMILIES AND PROVIDERS DUE TO ANY ADJUSTMENTS MADE TO THE PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.