

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1139

(Delegate Solomon)

Ways and Means and Appropriations

Education, Energy, and the Environment

Growing Family Child Care Opportunities Pilot Program – Permanent Establishment

This bill repeals the termination date for the Growing Family Child Care Opportunities Pilot Program, as originally established in Chapters 437 and 438 of 2021, thereby establishing it as a permanent program within the Maryland State Department of Education (MSDE). The bill also requires the Governor, for fiscal 2026, to include a \$450,000 appropriation in the annual budget bill for the program. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: No assumed effect in FY 2025. General fund expenditures increase by \$450,000 annually beginning in FY 2026, reflecting mandated funding in FY 2026 and assumed discretionary funding annually thereafter. Revenues are likely not materially affected. **This bill establishes a mandated appropriation for FY 2026.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	450,000	450,000	450,000	450,000
Net Effect	\$0	(\$450,000)	(\$450,000)	(\$450,000)	(\$450,000)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: No assumed effect in FY 2025. Local revenues and expenditures may increase beginning in FY 2026.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The Growing Family Child Care Opportunities Pilot Program was established under Chapters 437 and 438 to provide grants to establish and support local pilot programs in the State. Under the requirements of the Acts, the Governor was required to include \$450,000 in the State budget for the program in fiscal 2023 and 2024. To the extent authorized under federal law, the Governor must use federal funds to satisfy the mandated appropriation.

MSDE must partner with the Maryland Child Care Resource Network to administer the program. To be eligible for a grant, a county governing body or multiple county governing bodies must sign a memorandum of understanding with a child care resource center that serves the child care licensing region that contains one of the counties. The county/counties and the child care resource center must jointly apply for the grant and administer the local pilot program. Grant recipients must:

- use the grants to (1) establish and support a local pilot program and (2) target the use of the grant to increase the supply and ensure the sustainability of family child care providers in areas with above average rates of poverty and unemployment or areas with a lack of available child care providers;
- raise local matching funds, including in-kind matching resources at a 1:1 match;
- collaborate with existing family child care providers during the implementation of the program;
- provide multilingual outreach to recruit individuals to become registered family child care providers within MSDE;
- provide technical assistance, financial incentives, and start up assistance for recruited individuals as they navigate the process of becoming a registered family child care provider;
- assist newly registered and established family child care providers through technical assistance to achieve quality benchmarks, peer-to-peer mentoring, and financial incentives; and
- establish partnerships with local chambers of commerce, or other local or State organizations for family child care providers that support small businesses and women and minority-owned businesses, as specified.

Each year, MSDE must develop and publish goals for the program and report to the General Assembly on the status of the program, as specified. As originally enacted, the provisions of Chapters 437 and 438 are set to terminate June 30, 2025. The fiscal 2025 budget as introduced does not include funding for the program.

State Fiscal Effect: General fund expenditures increase by \$450,000 annually beginning in fiscal 2026 to provide program funding. This estimate (1) reflects the mandated appropriation in fiscal 2026 and (2) assumes discretionary funding of the same amount continues to be provided to the program after fiscal 2026. This fiscal and policy note accounts only for the impact on general funds; however, to the extent that federal funding is available and authorized under federal law to be used for the bill's purposes, the general fund impact may be mitigated.

Local Fiscal Effect: To the extent that a local jurisdiction is awarded grant funding, revenues increase. Local expenditures in such jurisdictions increase to reflect program expenditures and required matching funds.

Small Business Effect: Although family child care providers are not direct recipients of grant funding, family child care providers in jurisdictions in which grant funding is received may benefit from increased support due to the authorized purposes of grant funding.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 882 (Senator King) - Education, Energy, and the Environment.

Information Source(s): Maryland State Department of Education; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2024
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