



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

LARRY HOGAN  
*Governor*

BOYD K. RUTHERFORD  
*Lieutenant Governor*

DAVID R. BRINKLEY  
*Secretary*

MARC L. NICOLE  
*Deputy Secretary*

## HOUSE BILL 1100 Child Care Providers and Employees – Bonuses (Queen)

### STATEMENT OF INFORMATION

**DATE: March 24, 2022**

**COMMITTEE: Senate Budget & Taxation**

**SUMMARY OF BILL:** HB 1100, as amended, mandates an appropriation in the amount of \$16 million in FY 2024 to the Department of Education for the provision of hiring and retention bonuses for child care providers and employees as follows: \$10 million to provide a \$1,000 retention bonus to individuals (employees) who are employed, work at least 20 hours per week, and credentialed on June 30, 2023 or earns a credential through the Maryland Child Care Credential Program during FY 2024; \$4 million for up to a \$1,000 new hire bonus as follows – a \$500 bonus for employees and providers who begin employment in FY 2024 and participate in the Child Care Scholarship Program who also work at least 20 hours per week, remain employed as a provider for 3 months and commits to remaining employed with that provided for at least six months – these individuals are eligible for an additional \$500 bonus if they receive a credential through the Maryland Child Care Credential Program during FY 2024 and continue to be employed as or for a provider for at least 20 hours per week; \$2 million \$2,000,000 to award a \$500 hiring assistance bonus to each individual hired during FY 2024 by a child care provider that participates in the Child Care Scholarship Program for each employee the child care provider hires in FY 2024 to work at least 30 hours a week for at least 3 months. The bill sunsets Dec 31, 2024.

**EXPLANATION:** The Department of Budget and Management’s focus is on the \$16 million mandated appropriation provision, which impacts the FY 2024 budget.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature’s new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland’s Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor’s tax relief proposals.

45 Calvert Street · Annapolis, MD 21401-1907

Tel: 410-260-7041 · Fax: 410-974-2585 · Toll Free: 1-800-705-3493 · TTY Users: Call via Maryland Relay

<http://dbm.maryland.gov>

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

**For additional information, contact Barbara Wilkins at (410) 260-6371  
or [barbara.wilkins1@maryland.gov](mailto:barbara.wilkins1@maryland.gov)**