Maryland
DEPARTMENT OF BUDGET AND MANAGEMENT

LARRY HOGAN
Governor

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Lieutenant Governor

DAVID R. BRINKLEY
Secretary

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Deputy Secretary

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

STATEMENT OF INFORMATION
DATE: March 4, 2022

COMMITTEE: House Ways & Means and House Appropriations

SUMMARY OF BILL:. HB 1100 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 credentialed individuals (providers or employees) who participate in the Child Care Scholarship Program; $4 million for a $500 new hire bonus to those individuals who commit to remain working at least six months and receives a credential; and $2 million for a $500 hiring assistance bonus to child care providers for the cost of advertising, background checks or first month salaries. 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.

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.

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