

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 838  
Ways and Means

(Prince George's County Delegation)

Education, Energy, and the Environment

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Prince George's County Family Child Care Home Expansion Grant Program -  
Establishment  
PG 505-24

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This bill establishes the Prince George's County Family Child Care Home Expansion Grant Program, administered by the Prince George's County Public School System (PGCPS), to increase the number of registered family child care providers, family child care homes, and large family child care homes in low-income communities in the county.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State finances or operations.

**Local Effect:** PGCPS expenditures may be significantly affected, as discussed below. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** None. Although the bill benefits nonprofits in Prince George's County, nonprofits are not considered small businesses for purposes of fiscal and policy notes.

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**Analysis**

**Bill Summary:** To carry out the program, PGCPS must award grants to nonprofit organizations in the county to provide training and financial assistance to individuals intending to become family child care providers that operate family child care homes and large family child care homes in low-income communities.

To be eligible for a grant, an applicant must demonstrate (in an application process developed by PGCPS) that the applicant:

- is a nonprofit organization with experience in providing child care support services to individuals (including offering training and technical assistance to become a registered family child care provider); and
- will provide child care support services to individuals who (1) intend on becoming registered family child care providers that will operate registered family child care homes or large family child care homes; (2) live in a low-income community in the county, as determined by PGCPS; (3) have a gross household income that does not exceed 50% of the statewide median income for a household of like size; and (4) own or rent as their primary residence the dwelling that will be used as the family child care home or large family child care home.

A grant awarded under the bill may be used to offer services to the individuals noted above by:

- providing multilingual outreach and translation services to recruit and train individuals to become registered family child care providers;
- providing technical assistance and start-up assistance for recruited individuals as they navigate the Maryland State Department of Education's process to become a registered family child care provider, which includes assistance in meeting building code requirements and inspection expenses to establish registered family child care homes and large family child care homes;
- assisting newly registered and established family child care providers through technical assistance to achieve quality benchmarks; and
- assisting individuals with obtaining background checks to become registered family child care providers.

**Current Law:** Subject to limited exception, family child care homes and large family child care homes may not operate in the State unless they are registered. The State Board of Education is required to adopt regulations that relate to the registration of family child care homes and large family child care homes. A family child care home is a residence in which family child care is provided for up to 8 children. A large family child care home is a residence in which family child care is provided for at least 9 children, but not more than 12 children.

**Local Expenditures:** PGCPS advises that the bill may cause significant operational and funding difficulties. Under the bill, PGCPS must, among other things, award grants to nonprofit organizations to provide training and financial assistance to individuals intending to become family child providers. PGCPS indicates that it is not equipped to administer

grants in the manner required by the bill. As a result, significant administrative and other start-up costs are likely incurred to establish the program beginning in fiscal 2025.

The exact cost to establish the grant program depends on several factors (*e.g.*, the total amount of funding available to be awarded, the number of applications, etc.) that cannot be reliably predicted without experience under the bill. However, *for illustrative purposes only*, PGCPs advises that six additional positions may be needed in order to operate such a program. In fiscal 2025, administrative costs only could total approximately \$965,400; by fiscal 2029, administrative costs increase to \$1.2 million. This estimate assumes that funding is made available to issue grants totaling \$600,000 in fiscal 2025 and that available grant funding increases over time. In total (taking into account both administrative costs and the grant awards), PGCPs expenditures could increase by as much as \$1.6 million in fiscal 2025 and by \$2.0 million by fiscal 2029.

Although the aforementioned costs represent a preliminary estimate *as provided by PGCPs*, the Department of Legislative Services advises that a more modest grant program could likely be implemented that would still meet the bill's requirements yet incur significantly less costs than those reflected above.

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### Additional Information

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

**Designated Cross File:** None.

**Information Source(s):** Prince George's County; Maryland State Department of Education; Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2024  
km/jkb Third Reader - April 6, 2024  
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Analysis by: Eric F. Pierce

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510