

**Department of Legislative Services**

Maryland General Assembly

2002 Session

**FISCAL NOTE****Revised**

House Bill 986

(Chairman, Appropriations Committee)

(Departmental – Human Resources)

Appropriations

Education, Health, and Environmental Affairs

**Child Care Quality Incentive Grant Program**

This departmental bill creates the Child Care Quality Incentive Grant Program within the Department of Human Resources (DHR) to help qualified child care providers purchase supplies, materials, and equipment to improve the quality of care they provide.

**Fiscal Summary**

**State Effect:** The proposed FY 2003 State budget for DHR includes \$200,000 in federal Child Care Development Funds to award grants to child care providers. Out-year expenditures are expected to remain constant.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
FF Expenditure	200,000	200,000	200,000	200,000	200,000
Net Effect	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)

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

**Local Effect:** None.

**Small Business Effect:** The Department of Human Resources has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

**Analysis**

**Bill Summary:** To be eligible to receive grants, child care providers must have a current certificate of registration or license that is not subject to pending regulatory action,

including revocation and suspension. A childcare provider must not be in arrears in payments to the State. Grants will be limited to child care centers in Title I communities, child care centers where at least 25% of the children enrolled receive subsidies through the Purchase of Care program, and family day care homes that serve children who receive Purchase of Care subsidies. Grants may not exceed \$2,500 and may only be awarded if federal funds are available to cover the cost.

Grant applications must include: (1) the name and address of the child care provider; (2) an itemization of known and estimated costs including a statement from the child care provider of how the grant will be used; (3) the total amount of funds required by the provider to purchase supplies, materials, and equipment; (4) the funds available to the applicant to make the purchases; (5) the amount of direct incentive grant funds requested; (6) the number of children the child care provider serves who receive child care subsidies through the Purchase of Care program; and (7) any other relevant information DHR requests.

A person may not knowingly make or cause any false statement or report to be made in a grant application or in any document provided to DHR. A person may not knowingly make or cause any false statement or report to be made for the purpose of influencing DHR's action on a grant application or influencing any DHR action affecting a direct incentive grant whether or not such a grant was awarded. Any person or any aider or abettor that violates these prohibitions is guilty of a misdemeanor and on conviction is subject to a fine of up to \$1,000 or imprisonment in the penitentiary for up to one year, or both.

DHR must adopt regulations that carry out the bill's provisions.

**Current Law:** A child care center means an agency, institution, or establishment that, for part or all of a day, or on a 24-hour basis on a regular schedule, and at least twice a week, provides child care to children who do not have the same parents, except as otherwise provided for in law or regulation. It also includes a nonpublic nursery school in which an instructional program is provided for children who are under the age of five.

A family day care provider means an individual who cares for no more than eight children in a registered family day care home.

**Background:** There are 4,220 child care facilities throughout the State that are caring for children whose parents pay for the services with DHR Purchase of Care vouchers. There are no direct grant programs to help child care centers and family child care homes purchase materials, equipment, and supplies to improve the quality of the care they provide.

However, grants of up to \$500 are available to help family day care providers meet the costs associated with becoming registered or maintaining their registrations. Providers can use the grants to pay for required medical examinations, criminal record checks, inspections required for compliance with local codes, fences, and space modifications to meet fire safety codes.

**State Fiscal Effect:** The proposed fiscal 2003 State budget request for DHR includes \$200,000 in federal Child Care Development Funds to award grants to child care providers pursuant to this bill. DHR advises that it intends to award 29 grants per month at an average \$575 per grant on an annualized basis. Future years show stable federal funding.

The criminal penalty provisions of the bill are not expected to significantly affect State finances or operations.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Human Resources, Department of Legislative Services

**Fiscal Note History:** First Reader - February 26, 2002  
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