

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE

Senate Bill 964 (Senator Currie, *et al.*)
 Budget and Taxation

Children's Services Budget Restoration Act of 2006

This bill requires the Governor to include at least \$5.8 million for the Maryland Child Care Resource Network (MCCRN) and \$6.9 million for the Maryland Family Support Center Network (MFSCN) in the annual State budget beginning in fiscal 2008.

Fiscal Summary

State Effect: General fund expenditures would increase by \$3.3 million annually beginning in FY 2008, which reflects the increase over the current contract costs for MCCRN and MFSCN. Revenues would not be affected.

(\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	3.3	3.3	3.3	3.3
Net Effect	\$0	(\$3.3)	(\$3.3)	(\$3.3)	(\$3.3)

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

Local Effect: None.

Small Business Effect: Minimal. Many of the providers supported by MCCRN and MFSCN are small businesses and would benefit from the additional services the networks could provide with additional State funding.

Analysis

Current Law: State funding for MCCRN and MFSCN is discretionary.

Background: The Maryland Committee for Children (MCC) reports that MCCRN supports 12 regional child care resource centers around the State with MCC providing statewide guidance. The regional centers help parents find quality child care, provide training and professional development for child care providers, and offer technical assistance to child care providers that want to open or expand programs and businesses seeking to address the child care needs of employees. MFSCN is a statewide system of family support centers that provides guidance to parents and prepares children from birth to age three for future educational experiences.

Chapter 585 of 2005 transferred the Child Care Administration from the Department of Human Resources (DHR) to the Maryland State Department of Education, along with the contracts for MCCRN and MFSCN. DHR reports that cost containment measures in fiscal 2003 and 2004 resulted in reductions to the contracts that have not been fully restored. According to DHR, the MFSCN contract totaled \$6.9 million in fiscal 2002 and was paid with State general funds and the MCCRN contract totaled \$5.7 million as recently as fiscal 2003 and was paid with \$1.4 in State general funds and \$4.3 million in federal funds.

State Expenditures: Mandated general fund expenditures will increase by \$3.3 million annually beginning in fiscal 2008. This figure was calculated using the following information and assumptions.

- The proposed fiscal 2007 State budget includes \$4.8 million for MFSCN and \$4.6 million for MCCRN. Without this legislation, it is assumed that these funding levels would remain relatively stable over the next several years.
- With this bill, the annual amounts for MFSCN and MCCRN will increase to \$6.9 million and \$5.8 million, respectively, beginning in fiscal 2008. This represents an increase of \$2.1 million for MFSCN and an increase of \$1.2 million for MCCRN.

Additional Information

Prior Introductions: None.

Cross File: HB 1490 (Delegate Conway, *et al.*) – Appropriations.

Information Source(s): Maryland State Department of Education, Department of Human Resources, Department of Legislative Services

Fiscal Note History: First Reader - March 14, 2006
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