

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 641 (Delegate Kelly, *et al.*)
Health and Government Operations

Family Child Care - Registration Requirements for Participants in Maryland
Child Care Subsidy Program

This bill requires a family child care home that participates in the Maryland Child Care Subsidy Program to register with the Maryland State Department of Education (MSDE) and comply with regulations that are applicable to registered providers.

Fiscal Summary

State Effect: MSDE can use existing budgeted resources to license and monitor additional providers. In addition, the bill may help protect federal funding by ensuring that Maryland law complies with federal requirements.

Local Effect: The requirement for child care providers receiving subsidies to register with MSDE may result in additional requests for inspections performed at the local level, by entities such as fire departments and health departments. Any potential increase in inspection costs is not anticipated to materially impact local government finances.

Small Business Effect: Minimal. The requirement for any provider receiving subsidies to register with MSDE may reduce the number of individuals continuing to provide informal child care and correspondingly increase business at other child care facilities.

Analysis

Current Law: Generally, a family child care home or large family child care home may not operate unless it is registered. A family child care home is not required to be registered if the child care provider (1) is related to each child by blood or marriage; (2) is a friend of each child's parents or legal guardian and the care is provided on an occasional basis; or

(3) has received the care of the child from a child placement agency licensed by the Department of Human Resources or by a local department of social services.

MSDE must adopt regulations relating to the registration of family child care homes. The regulations must establish minimum standards of environmental health and safety, including provisions for adequate and safe physical surroundings, the physical and mental health of child care providers, and the investigation of any criminal record of a child care provider. In addition to other provisions, regulations adopted by MSDE also include provisions relating to announced and unannounced inspections, mandatory cardio pulmonary resuscitation (CPR) and first aid training, and emergency preparedness plans.

Background: The Maryland Child Care Subsidy Program provides subsidies for recipients of Temporary Cash Assistance with children and low-income families who meet eligibility requirements. In fiscal 2014, more than 10,000 families received a subsidy, which is provided in the form of a voucher that can be used to purchase care from a child care provider. While child care subsidies may be used to purchase care from licensed (or registered) child care providers, the child care subsidy program also allows for vouchers to be used when care is provided on an informal basis by (1) a relative in the relative's home or in the child's home; (2) a nonrelative in the child's home; or (3) a nonrelative in the nonrelative's home for less than 20 hours per month. Informal child care providers are not required to be licensed under State law. According to MSDE, as of October 2014 (the most recent data available), there are 704 nonlicensed providers currently active and receiving subsidy payments.

The 2014 reauthorization of the Child Care and Development Block Grant Act, which provides federal funding for the child care subsidy program, includes requirements for states to develop and implement various monitoring, safety, and training requirements for child care providers receiving subsidies. MSDE advises that the federal law still allows states to exempt relatives who receive subsidies from the new requirements, but nonrelatives providing informal care will be required to comply with the new requirements. Licensed providers who receive subsidies are already subject to such requirements under existing State law relating to requirements for registered child care providers. However, MSDE indicates that the bill may help protect federal funding by ensuring that the State is in compliance with the federal law as it pertains to nonrelatives who provide informal care and receive subsidies, but are not required to be licensed under current State law.

Additional Information

Prior Introductions: None.

Cross File: SB 487 (Senator King, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland State Department of Education, U.S. Department of Health and Human Services, Department of Legislative Services

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