

Department of Legislative Services  
 Maryland General Assembly  
 2025 Session

FISCAL AND POLICY NOTE  
 First Reader

Senate Bill 610 (Senator King)  
 Budget and Taxation

Growing Family Child Care Opportunities Program - Funding

This bill requires, for fiscal 2027 and 2028, the Governor to include an appropriation of \$900,000 in the annual budget bill for the Growing Family Child Care Opportunities Program. **The bill takes effect July 1, 2025.**

Fiscal Summary

**State Effect:** No effect in FY 2026. General fund expenditures increase by *up to* \$900,000 in FY 2027 and 2028, as discussed below. Revenues are likely not materially affected. **This bill establishes a mandated appropriation for FY 2027 and 2028.**

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	900,000	900,000	0	0
Net Effect	\$0	(\$900,000)	(\$900,000)	\$0	\$0

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

**Local Effect:** Grant funding for local governments increases in FY 2027 and 2028; local grant expenditures increase accordingly.

**Small Business Effect:** Potential meaningful.

## Analysis

**Current Law:** The Growing Family Child Care Opportunities Pilot Program was established under Chapters 437 and 438 of 2021 to provide grants to establish and support local pilot programs in the State. Under the requirements of the Acts, the Governor was required to include \$450,000 in the State budget for the program in fiscal 2023 and 2024. As originally enacted, the provisions of Chapters 437 and 438 were set to terminate June 30, 2025. Chapters 183 and 184 of 2024 repealed the termination date for the program, thereby establishing it as a permanent program within the Maryland State Department of Education (MSDE), and required the Governor, for fiscal 2026, to include a \$450,000 appropriation in the annual budget bill for the program. To the extent authorized under federal law, the Governor must use federal funds to satisfy the mandated appropriation.

MSDE must partner with the Maryland Child Care Resource Network to administer the program. To be eligible for a grant, a county governing body or multiple county governing bodies must sign a memorandum of understanding with a child care resource center that serves the child care licensing region that contains one of the counties. The county/counties and the child care resource center must jointly apply for the grant and administer the local pilot program. Grant recipients must:

- use the grants to (1) establish and support a local pilot program and (2) target the use of the grant to increase the supply and ensure the sustainability of family child care providers in areas with above average rates of poverty and unemployment or areas with a lack of available child care providers;
- raise local matching funds, including in-kind matching resources at a 1:1 match;
- collaborate with existing family child care providers during the implementation of the program;
- provide multilingual outreach to recruit individuals to become registered family child care providers within MSDE;
- provide technical assistance, financial incentives, and start-up assistance for recruited individuals as they navigate the process of becoming a registered family child care provider;
- assist newly registered and established family child care providers through technical assistance to achieve quality benchmarks, peer-to-peer mentoring, and financial incentives; and
- establish partnerships with local chambers of commerce, or other local or State organizations for family child care providers that support small businesses and women and minority-owned businesses, as specified.

Each year, MSDE must develop and publish goals for the program and report to the General Assembly on the status of the program, as specified.

**State Expenditures:** The fiscal 2026 budget as introduced includes \$450,000 in general funds for the program, consistent with the mandated funding requirement. As noted above, the current \$450,000 mandate terminates after fiscal 2026. Although the fiscal and policy notes for Chapters 183 and 184 assumed ongoing discretionary funding of \$450,000 after fiscal 2026, the Department of Budget and Management (DBM) advises that continued funding (beyond the mandated appropriation in fiscal 2026) is not assumed in the out-year forecast at this time. Thus, this analysis accounts for the full amount of the mandated funding requirement in the bill. To the extent that some level of funding for the program would have been provided otherwise in fiscal 2027 or 2028 (even in the absence of the mandated appropriations in the bill), the impact solely attributable to the bill is mitigated.

Although the Governor is authorized to use federal funds to satisfy the mandate, both MSDE and DBM advise that available federal funding is already fully utilized for other purposes. Thus, this fiscal and policy note assumes general funds are needed.

**Small Business Effect:** Although family child care providers are not direct recipients of grant funding, family child care providers in jurisdictions in which grant funding is received may benefit from additional support under the bill.

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### **Additional Information**

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

**Designated Cross File:** HB 1492 (Delegate Solomon) - Rules and Executive Nominations.

**Information Source(s):** Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2025  
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