LARRY HOGAN
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Lieutenant Governor

DAVID R. BRINKLEY
Secretary

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Deputy Secretary

HOUSE BILL 944 Growing Family Child Care Opportunities Pilot Program – Established (Solomon)

STATEMENT OF INFORMATION

DATE: February 24, 2021

COMMITTEE: House Ways & Means and House Appropriations

SUMMARY OF BILL:. HB 944 creates a four-year pilot in the State Department of Education (MSDE) to award grants to local jurisdictions or a designated child care licensing region to establish and support family child care providers within an urban, suburban, and rural region. The bill mandates annual appropriation in the amount of $450,000 in FY 2023 and FY 2024 to fund the grant awards. MSDE is to partner with the Maryland Child Care Resource Network to administer the program.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the mandated increase in funding for this program. DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which requires spending allocations for FY 2022 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2020.

Economic conditions remain precarious as a result of COVID-19, making revenue predictions for the remainder of FY 2021 and FY 2022 highly volatile. Many individuals and households are unemployed or underemployed, with many industry sectors operating at much less than 100% capacity. Federal stimulus programs are providing much needed relief, but the impact of the COVID-19 pandemic continues to present a significant budgetary vulnerability.

The General Assembly and Administration have successfully enacted the Governor's emergency Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (SB 496 RELIEF Act), which provides $1.2 billion in direct stimulus and tax relief for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic. It is incumbent upon us to allow the impact of this unprecedented relief package on the State's economy to take effect. Further mandated spending increases need to be reevaluated within the context of an ongoing pandemic.

In response to the COVID pandemic, in FY 2020, the State dedicated $95.4 million to the Emergency Personnel Child Care (EPCC) program in FY 2020. In addition, the state continued to pay for children participating in the Child Care Scholarship Program based on enrollment, rather than attendance through the end of FY 2020, to ensure participating providers continued to receive payments when enrollment declined as a result of COVID-19. In FY 2021 (as of 12/21/20), an additional $3.6 million was spent for EPCC program.

Through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, Maryland received additional federal funding to support child care for children and families. MSDE is establishing a $60 million grant program to support eligible child care programs throughout the State to help meet operating costs and address lost revenue.

On February 14, 2021, Governor Hogan announced that licensed child care centers and registered family child care providers are eligible to apply for Child Care Pandemic Relief Fund grants to help meet increased operation costs during the COVID-19 pandemic. The online grant application must be completed by March 3, 2021. For more information: https://earlychildhood.marylandpublicschools.org

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