



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 890 Early Childhood Education – Child Care Provider Support Grant Program (King)

STATEMENT OF INFORMATION

DATE: February 25, 2021

COMMITTEE: Senate Education, Health & Environmental Affairs

SUMMARY OF BILL: SB 890 creates a Child Care Provider Support Grant Program in the State Department of Education (MSDE), which is administered by the Department of Commerce (Commerce), in consultation with MSDE. The bill mandates an annual appropriation in the amount of \$25 million for grants to child care centers that meet specific criteria, including: were in operation before March 2020; are open and operational after Sept 30, 2020; are enrolled in EXCELS; can demonstrate loss of at least 20% in enrollment (for a period of at least 2 mos. between March 1, 2020 and June 30, 2021) causing financial distress; and is not currently enrolling children, but can do so within 30 days of receiving a grant. A grant application process is to be established by Commerce and maximum grant awards cannot exceed two months of operating expenses of the grantee.

EXPLANATION: 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>

The \$25 million appropriation contained in the bill is a permanent mandate, despite the funding being directed to specific child care providers that experienced a significant, but temporary reduction in enrollment because of COVID-19.

**For additional information, contact Barbara Wilkins at
(410) 260-6371 or barbara.wilkins1@maryland.gov**