

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1344
 Appropriations

(Delegate D. Jones, *et al.*)

Education, Energy, and the Environment

Department of General Services - Assessment of State-Owned Facilities - Child Care Centers

This bill requires the Department of General Services (DGS) to conduct an assessment of all facilities owned by the State and operated by the agencies supported by DGS to evaluate whether a facility or a portion of a facility is suitable to lease to a child care center. By December 1, 2026, DGS must report to the General Assembly on the results of the assessment, including (1) an inventory of all facilities owned by the State and (2) a description of whether each facility is suitable and available to lease to a child care center. DGS must also publish the report on its website. **The bill takes effect July 1, 2025, and terminates June 30, 2027.**

Fiscal Summary

State Effect: General fund expenditures increase by \$96,000 in FY 2026 and \$35,500 in FY 2027 for staffing; out-year expenditures reflect annualization and inflation and the bill’s termination in FY 2027. Revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	96,000	35,500	0	0	0
Net Effect	(\$96,000)	(\$35,500)	\$0	\$0	\$0

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

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Current Law: A “child care center” means any agency, institution, or establishment that provides child care services to children from different families, either part-time, full-time, or on a 24-hour basis, at least twice a week on a regular schedule. “Child care center” includes nonpublic nursery schools in which an instructional program is offered or provided for children who are between the ages of 2 and 5 and child care centers operated by a State or local governmental agency.

In addition to complying with all applicable State and local building codes, child care centers must be (1) maintained in good repair; (2) free from health and safety hazards; and (3) clean and free from infestation of insects and rodents. A center must have an outdoor activity area on the premises of, adjacent to, or near and safely accessible to the center that provides adequate usable play space for the approved capacity of the center. The activity area must be free from potential hazards to child health or safety and all outdoor activity equipment must be safe, in good repair, clean, and nontoxic. Furthermore, the centers must be accessible to emergency vehicles, be free of or safe from lead exposure, and meet requirements and standards for floor space, running water, temperature and ventilation, toilets and sanitary facilities, lighting, and disposal of refuse.

State Expenditures: Through its Building Assessment Unit, DGS has data for approximately 1,400 State-owned facilities representing about 25 million square feet of space that serve the 16 agencies that DGS supports. That data can be used as a *starting point* to determine if a State-owned facility may be suitable to lease as a child care center, and DGS’s Office of Real Estate can determine if there is availability for a facility to be leased. For those facilities for which DGS already has data, it must still conduct site visits to verify data and ensure that the facility or space meets all applicable standards for a child care center. Furthermore, DGS must collaborate extensively with the Maryland State Department of Education, which licenses child care centers, to fully understand and apply the physical plant standards for child care centers when it conducts site visits. For these added responsibilities, DGS requires additional staff. As the added responsibilities are not permanent, they can be carried out by contractual staff.

Therefore, general fund expenditures increase by \$96,043 in fiscal 2026, which accounts for a 90-day start-up delay from the bill’s July 1, 2025 effective date. This estimate reflects the cost of hiring a full-time contractual program manager to (1) collect and review data on 1,400 State-owned facilities for which DGS has data; (2) collaborate with MSDE and conduct site visits; and (3) determine if each of the 1,400 facilities is suitable for leasing to a child care center based on MSDE standards. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$88,398
Operating Expenses	<u>7,645</u>
Total FY 2026 State Expenditures	\$96,043

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses, and the termination of the contractual employee on December 1, 2026, the due date for the report.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Additional Comment: The Department of Legislative Services notes that the assessment carried out by DGS is limited only to facilities owned by the State and operated by the 16 agencies that DGS supports. However, the required report to the General Assembly must include an inventory of *all facilities owned by the State*. To the extent that DGS must include information on additional buildings not included in its assessment (*e.g.*, those owned and operated by the University System of Maryland and the Maryland Department of Transportation), more work is required. However, DGS has previously advised that the contractual staff described above can likely collect information on additional buildings operated by other agencies.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Department of General Services; Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2025
rh/mcr Third Reader - March 25, 2025
Revised - Amendment(s) - March 25, 2025

Analysis by: Andrew Stover

Direct Inquiries to:
(410) 946-5510
(301) 970-5510