

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 503 (Senator King)
Budget and Taxation

Growing Family Child Care Opportunities Program - Funding

This bill requires, for fiscal 2028 through 2030, the Governor to include an appropriation of \$450,000 in the annual budget bill for the Growing Family Child Care Opportunities Program. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures are not anticipated to be affected, under the assumption discussed below concerning historic funding levels. No assumed impact on revenues. **This bill establishes a mandated appropriation for FY 2028 through 2030.**

Local Effect: Grant funding for local governments is guaranteed in FY 2028 through 2030 due to the mandated appropriation.

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 As originally enacted, the provisions of Chapters 437 and 438 were set to terminate June 30, 2025. Chapters 183 and 184 of 2024 repealed the termination date for the program, thereby establishing it as a permanent program within the Maryland State Department of Education (MSDE), and required the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 2027 budget as introduced includes \$450,000 in general funds for the program; however, as noted above, the mandated funding requirement terminated after fiscal 2026. Although funding for the program was not originally included in the fiscal 2025 budget as introduced (there was no associated mandated appropriation), the fiscal 2025 budget as passed by the General Assembly included funding (\$450,000 in general funds – the funding was contingent on the aforementioned legislation that repealed the termination date of the program). Given the historical support for the program – even in years in which funding has not been mandated – this analysis assumes that even in the

absence of the bill, level funding would have been provided. Accordingly, based on this assumption, general fund expenditures are not anticipated to be affected.

As noted above, federal funds must be used to satisfy the mandate if available. As historical support for the program has generally been met with general funds, this fiscal and policy note also does not reflect an impact on federal funds.

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 continued support that is facilitated by the bill's mandated appropriation. However, as noted above, this analysis assumes that, even absent the bill, funding would have been provided to the program.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 610 and HB 1492 of 2025.

Designated Cross File: HB 742 (Delegate Solomon) - Ways and Means.

Information Source(s): Department of Legislative Services

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sj/jkb

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