

**Department of Legislative Services**  
 Maryland General Assembly  
 2022 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

House Bill 1100

(Delegate Queen, *et al.*)

Ways and Means and Appropriations

Budget and Taxation

**Child Care Providers and Employees - Bonuses**

This bill requires the Governor to include in the annual budget for fiscal 2023 a \$16.0 million appropriation to the Maryland State Department of Education (MSDE) for the purpose of distributing specified bonuses for child care providers and employees. In addition to these funds, MSDE may use any other funds, including federal funding, to award such bonuses. MSDE must establish a process for awarding bonuses, must award funds under a first-come, first-served basis, and may continue to award bonuses on or after July 1, 2023, with funds other than the required \$16.0 million. MSDE must receive specified proof of eligibility before distributing certain awards under the bill. **The bill takes effect July 1, 2022, and terminates December 31, 2023.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$16.0 million in FY 2023 to reflect the specified appropriation. The FY 2023 budget includes \$16.0 million in general funds for this purpose. MSDE can handle administrative responsibilities using existing resources. To the extent additional funding is provided for bonuses, expenditures may increase further (not reflected below). Revenues are not affected.

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	16.0	0	0	0	0
Net Effect	(\$16.0)	\$0.0	\$0.0	\$0.0	\$0.0

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

**Local Effect:** None.

**Small Business Effect:** Meaningful.

## Analysis

**Bill Summary:** MSDE must use \$4.0 million to award new hire bonuses of up to \$1,000. Specifically, MSDE must award a \$500 bonus to each individual who (1) during fiscal 2023, begins employment in the State for at least 20 hours per week as a child care provider, or with a child care provider that participates in the Child Care Scholarship (CCS) Program in the State; (2) remains employed as a child care provider for three months; and (3) commits to remaining employed with that provider for at least six months. Each individual receiving this bonus is also eligible for an additional \$500 bonus if the individual earns a Maryland Child Care Credential Program (MCCCP) credential during fiscal 2023 (or had a credential prior to beginning employment) and continues to be employed as or by a child care provider for at least 20 hours a week.

MSDE must use \$10.0 million to award a \$1,000 retention bonus to each individual who, on June 30, 2022, is employed by a child care provider for at least 20 hours per week and either holds an MCCCP credential or earns the credential during fiscal 2023.

MSDE must use the remaining \$2.0 million to award a \$500 hiring assistance bonus to a child care provider that participates in the CCS Program for each employee the child care provider hires in fiscal 2023 to work at least 30 hours per week for at least three months. A child care provider may use these funds for advertising a position, licensure or certification costs, background check fees, or paying the first month of salary to a new employee.

**Current Law:** An individual may apply to the Office of Child Care within MSDE for a staff credential, including a child development associate credential, or an administrator credential under the MCCCP. If a person pursues, obtains, or already holds an office approved credential, the office may award the individual an achievement bonus, a training reimbursement, or a training voucher.

The CCS Program (formerly known as the Child Care Subsidy Program) is administered by the Division of Early Childhood within MSDE. The program provides financial assistance for child care costs to families who meet income eligibility requirements. For each child needing care, the family receives a voucher to purchase child care directly from the provider of their choice that participates in the program.

**Small Business Effect:** Maryland's child care small business owners may receive bonuses and likely realize an improved ability to recruit and retain employees. MSDE advises that the estimated average income of staff working with children in a child care center is \$25,500 per year.

## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** SB 806 (Senator King) - Budget and Taxation.

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

**Fiscal Note History:** First Reader - March 3, 2022  
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