



GREATER BALTIMORE COMMITTEE

Regional business leaders creating a better tomorrow... today.

TO : The Honorable Anne Kaiser, Chair, House Ways and Means Committee
The Honorable Maggie McIntosh, Chair, House Appropriations Committee
The Honorable Jared Solomon, Maryland House of Delegates

FROM : Donald C. Fry, President & CEO

DATE : February 5, 2021

SUBJECT : House Bill 608 -- The Child Care Provider Support Act

The Greater Baltimore Committee (GBC) is strongly in support of the intent of House Bill 608, and its efforts to give much needed support to child care providers to maintain operations during the economic downturn attributable the COVID-19 pandemic. If child care providers are able to maintain operation, this has a positive ripple effect on other businesses whose employees are unable to reliably perform their duties without affordable and dependable child care.

The GBC has been actively involved in supporting businesses as they weather the ill effects of the pandemic and the resulting restrictions placed on business operations and the resulting economic downturn. To address the challenges and to assist businesses to recover the [GBC COVID-19 Business Recovery Advisory Council](#) was selected to make recommendations to benefit businesses in the Greater Baltimore business community. The council recommended that the GBC and its member companies advocate to address child care challenges through targeted policy or funding innovations to address immediate shortage and create long-term solutions.

The GBC would like to make some recommendations as to the best way to ensure a grant program could be executed quickly and smoothly in order to address these immediate needs.

House Bill 608 would not provide any financial relief to struggling child care centers until July 1, 2022, when fiscal year 2023 begins. Although helpful, unfortunately, that will likely be too late to support these centers and the parents who rely on them for child care.

The GBC contends that the most efficient way to get financial support to child care centers is by amending House Bill 612 -- the RELIEF Act. Grants under this bill could proceed upon enactment of the bill, assuming corresponding appropriations are included in the Budget Reconciliation Financing Act (BRFA).

Local government agencies responsible for distributing grants have shared that the bill's provisions could hamper their ability to quickly and efficiently distribute funding to grant recipients. Local governments, and particularly economic development organizations (EDOs), are taking on the task of administering multiple grant programs. These programs started as local initiatives through CARES Act funding, but now are being directed by the state and supported by state funds.

This state/local dynamic poses two challenges. One is that the state provides no reimbursement for the administration of these programs, creating a local mandate. Second, for local EDOs, the fewer conditions put on the grants, the faster the money will get in the hands of businesses. A general condition of replacing lost revenue associated with the pandemic should suffice. Local EDOs consistently require businesses to affirm that financial conditions outlined in the grant are met. Requiring a more detailed local agency review of each submission is costly and needlessly delays money going to businesses.



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If the sponsor and committee choose to move forward with House Bill 608, we would recommend that you consider an amendment to the definition of “eligible grantee,” as well as re-examine the timing of the grant.

1. The definition of “Eligible grantee” includes two mutually exclusive conditions, both of which have to be met as part of the eight item definition. We would recommend amending the bill so that the definition includes a child care center that:

(II) (A) IS OPEN AND OPERATIONAL ON OR AFTER SEPTEMBER 30, 2020; OR

(B) IS NOT CURRENTLY SERVING ENROLLED CHILDREN BUT CAN CONFIRM ITS INTENTION TO ENROLL CHILDREN NOT MORE THAN 30 DAYS AFTER THE DATE ON WHICH A GRANT IS RECEIVED;

Suggested amendment language to accomplish this is as follows:

In line 4, after “(II)” insert “(A)”; in line 5, after “2020;” insert
“OR

(b) is not currently serving enrolled children but can confirm its intention to enroll children not more than 30 days after the date on which a grant is received;”

In line 11, after “2021;” insert “AND”.

Strike beginning in line 12 after (VII) down through (VIII) in line 15.

2. It is unclear if there is a revenue source for this grant in fiscal year 2021 or 2022, which appear to be the target years of the bill. The bill only requires that the Governor include the funding in the budget for fiscal year 2023 and each year after. The effective dates do not seem to provide assistance to child care centers that are currently in economic crisis.
3. It is also unclear why the bill requires funding the grant in fiscal year 2023 and each year after. Grant funds for years after fiscal 2022 seem unnecessary, given the definition of eligible grantee. In order to qualify for the grant, all harms or losses would need to have occurred by June 30, 2021. The grant program would receive \$25 million for the fiscal year beginning on July 1, 2022, but the eligible grantees would remain only those who had financial issues as of June 30, 2021. This raises the question as to whether the intent is to indefinitely provide annual grants to those who suffered losses in 2020 and 2021.

In conclusion, the GBC recommends pursuing this grant assistance through an amendment to The Relief Act. If the committees choose to move forward with HB 608, we respectfully request that you consider the issues we have raised.

If you have any questions, please do not hesitate to contact me at (410) 727-2820 ext. 12 or via e-mail at donaldf@gbc.org.