





March 20, 2026

Policy Analysis and Fiscal Impact Statement

TO: Committee of the Whole

THRU: Lavinia Baxter 
Senior Legislative Budget and Policy Analyst

FROM: Shalene Miller-Whye 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-015-2026 Child Care Building Blocks Act

CB-015-2026 (*Proposed by:* Council Chair Oriadha)

Assigned to the Committee of the Whole

AN ACT concerning Child Care Building Blocks Act for the purpose of establishing a Child Care Facilities Loan Program to preserve and increase childcare; providing for eligibility for and permissible uses of financial assistance from the Program; providing for the funding and administration of the Program; and generally relating to child care facilities.

Fiscal Summary

Direct Impact

Expenditures: Expenditure impact likely.

Revenue: No revenue impact likely.

Indirect Impact

Potentially favorable.

Legislative Summary:

CB-015-2026¹, was proposed by Council member Oriadha and referred to the Committee of the Whole. CB-015-2026 would add Subtitle 5C Secs. 5C-107, 5C-108, 5C-109, 5C-110, and 5C-111 to the Prince George's County Code. It would also repeal and reenact with amendments Subtitle 10, Sec 10-284 of the Prince George's County Code. This would establish a Child Care Facilities Loan Program to preserve and increase childcare.

Background/Current Law:

The Economic Development Incentive Fund (EDI Fund) was established in FY 2012 through legislation (CB-04-2011) to allow Prince George's County to support development opportunities and job attraction and retention by providing critically needed financial assistance to projects that "but for" this public/private partnership will not occur and where market forces do not create the incentive to sustain private investments. As established, the EDI Fund should be used strategically to support developed tier and gateway communities, transit-oriented development, and local, minority, and small businesses, among other important priorities.

The initial \$50 million appropriation to the EDI Fund has leveraged over \$1.3 billion of economic investment. It is still able to leverage funds to attract, retain, and expand businesses and the commercial tax base, especially those with legislative priority, such as Transit-Oriented Development, inside the Beltway, economically impactful industry sectors such as health care and hospitals, information technology, federal government, manufacturing, and research-intensive industries, aligning with the overall economic plan and the "But for Test." To provide outreach for the EDI Fund, the EDC offers business assistance and technical assistance programs. This includes employee recruitment and training, business financing, building site location assistance, public sector procurement, and introductions.

Sec. 10-284 of the Prince George's County Code², established several purposes of the fund, including:

- (1) assist in the retention of existing industry and commerce in the County and in the attraction of new industry and commerce to the County;
- (2) create new jobs and retain existing jobs for County residents;
- (3) broaden the local tax base, particularly the commercial tax base;
- (4) promote economic development and the growth of the Prince George's County economy, with a special strategic focus on the developed tier and gateway communities that have suffered from a lack of investment and economic development and those areas where market dynamics do not create sufficient economic incentives to sustain private sector development;
- (5) promote local, minority, and small businesses in the County; and
- (6) encourage:

¹ [CB-015-2026](#)

² [DIVISION 16. - ECONOMIC DEVELOPMENT INCENTIVE FUND. | Code of Ordinances | Prince George's County, MD | Municode Library](#)

- (A) Transit-Oriented Development, which shall be defined under this Division as a development or project located within one-half (1/2) of a mile in distance of a Washington Metropolitan Area Transit Authority (WMATA) transit station or a Maryland Area Regional Commuter (MARC) station, as measured from the main entrance of the building to the nearest entrance of the transit station;
- (B) a balanced local economy;
- (C) international resources and trade to promote job growth, business attraction, and retention for County businesses and residents; and
- (7) assist County residents who own businesses that are located in the County in the creation, sustenance and expansion of such businesses.
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Resource Personnel:

- Josh Hamlin, Legislative Officer
 - Tre'von Sawyers, Chief of Staff, District 7
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Discussion/Policy Analysis

If enacted CB-015-2026 would:

- Establish a Childcare Facilities Loan Program for the purpose of increasing the number of children who receive licensed childcare services within the County at reasonable costs.
 - Operators may receive financial assistance through this program if they increase the number of children served, help a center or home begin operation, or keep a center or home in operation that is otherwise likely to stop operation
- Determine eligibility through Sec. 5C-108, qualifying nonprofit and profit-making centers or homes, and giving the highest priority of loans to centers or homes that serve significant percentages of low-income children or children with disabilities.
- Establish a use of funds through Sec. 5C-109, requiring that funds loaned be used for capital improvements, which:
 - Establish or increase the capacity
 - Meet licensing, zoning, building, or other government-imposed requirements.
- Establish eligible capital improvements through Sec. 5C-109, including:
 - Buying land or a building
 - Building, repairing, or renovating all or part of a building
 - Buying furniture or equipment with useful life of at least 3 years and;
 - Fees for architects, engineers, accountants, lawyers or other professional services needed to buy, build, repair or renovate a building.
- Establish loan amounts and rates through Sec. 5C-110, requiring that amounts loaned to any single family childcare home must not exceed \$10,000 and that interest rate for loans within the program be set at 0% in the first year of the loan, and below commercial rates in the remaining years of the loan.

- Establish funding, administration and reporting requirements through the program, to be administered as part of the Economic Development Incentive (EDI) Fund. Through 5C-111, it will require the Chief Administrative Officer or their designee to adopt administrative procedures for the program, including lending standards and priorities, interest rates and terms, payment schedule, application and referring procedures.
- Require the program to set aside no less than \$500,000 from the EDI Fund for the program, with the outstanding loan balance not exceeding \$500,000 at any time.
- Require a quarterly program report, including program loan recipients, loan uses, and the number of additional children served.
- Require the EDI Fund to promote the preservation and expansion of childcare in the County through the administration of the Child Care Facilities Loan Program.

Prince George's County Childcare Data

Recent data³ the childcare supply in Prince George's County indicates a divergent trend between family childcare providers and center-based programs, with implications for access, affordability, and system capacity. The number of family childcare providers has declined steadily over time. After starting at approximately 702 providers in 2020, the number dropped to 588 in 2021, then recovered modestly to 634 in 2023. However, projections indicate a continued decline beginning in 2024, with the number decreasing from 569 providers to 470 by 2029.

This trend reflects a long-term contraction in home-based childcare capacity which childcare provided in private homes versus, which is particularly significant given that family providers often serve:

- Infants and toddlers
- Nontraditional-hour care needs
- Lower-income or subsidy-eligible families

The projected decline suggests reduced accessibility and flexibility in care options, especially for vulnerable populations. In contrast, the number of center-based programs shows an overall upward trend. Programs decreased slightly from 237 in 2020 to 209 in 2021, then increased to 247 in 2022 and 244 in 2023, before rising sharply to 347 in 2024.

Projections indicate continued growth, reaching approximately 435 programs by 2029.

This growth suggests a shift toward center-based care. This demonstrates that the County is experiencing a structural shift in its childcare market, with declining numbers of home-based providers and increasing capacity at centers. While growth in centers expands overall supply, the loss of family childcare providers may create gaps in:

- Geographic coverage
- Infant/toddler care

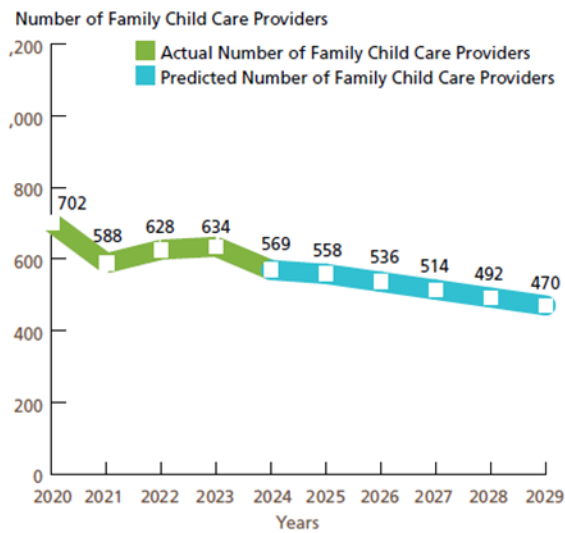
³ Childcare demographics, Prince George's County, 2025

- Flexible and nontraditional-hour care

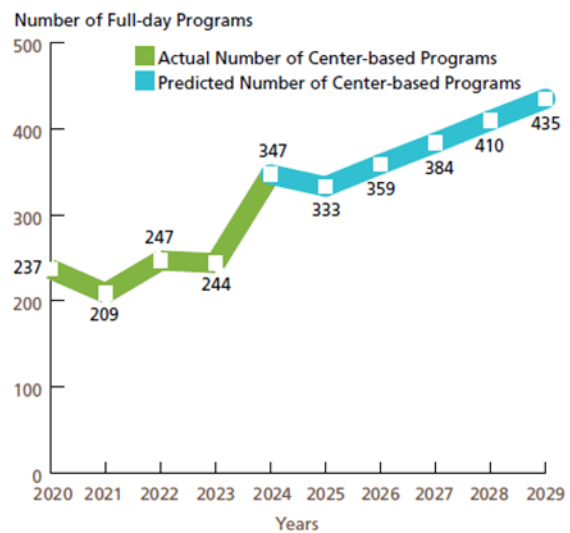
These trends support the creation of a childcare provider loan program by demonstrating:

- A clear need for capital access to sustain and expand providers, particularly smaller, home-based operations
- The importance of designing financing tools that address disparities between provider types
- An opportunity for the County to strategically influence supply by targeting underserved segments of the market

Family Child Care Providers in Prince George's 2020-2029



Center-based Programs in Prince George's 2020-2029 Full-day (8 to 12 hours)



Source: Maryland Family Network, LOCATE: Child Care (June 2024)

Other Jurisdictions

Several jurisdictions have implemented childcare financing programs to support the development, expansion, and sustainability of childcare facilities. These programs primarily focus on providing low or no interest capital to providers with varying degrees of flexibility in eligible uses and targeting criteria. Across these jurisdictions, common strategies include the use of low or no-interest loans to support capital investment in childcare facilities, with an emphasis on expanding supply. The State of Maryland and Montgomery County focus more narrowly on facility-based capital projects, while Virginia allows for broader uses and longer repayment terms, increasing accessibility for smaller providers. Additionally, Maryland's program highlights the importance of targeting resources to underserved communities and linking funding to participation in subsidy programs.

State of Maryland Child Care Capital Support Revolving Loan Fund

The State of Maryland administers a Child Care Capital Support Revolving Loan Fund⁴ to provide no-interest loans to licensed childcare providers for capital projects. Eligible uses include the acquisition, construction, expansion, or renovation of childcare facilities, while operating expenses are not eligible. Loan terms are generally limited to five years and require demonstration of repayment ability. The program prioritizes providers serving low-income communities, rural areas, and underserved populations, including infants and toddlers and children with special needs. Additionally, participation in the State's Child Care Scholarship Program is required, aligning financial support with access for subsidized families.

Virginia Child Care Financing Program

Virginia operates a Child Care Financing Program⁵ that provides no-interest loans with more flexible terms. Loan amounts vary by provider type, with lower caps for family childcare homes and higher caps for childcare centers. Repayment terms may extend up to 7–10 years, improving affordability. Eligible uses include facility improvements, equipment purchases, and transportation, allowing providers to address a broader range of operational and capital needs.

Family Day Home Providers may borrow up to \$25,000, with repayment over up to 7 years. Child Care Centers may borrow up to \$150,000, with repayment over up to 7 years. Child Care Centers may borrow up to \$250,000, with repayment over up to 10 years.

Montgomery County, Maryland Early Childhood Education Facility Loan Program

Montgomery County has established a local Early Childhood Education (ECE) Facility Loan Program⁶ to support the development and expansion of childcare facilities. The program provides financing for capital improvements, such as construction, renovation, and expansion, to increase the overall supply of early childhood education spaces within the County. The program is structured to align with broader economic development and school readiness goals and is typically administered in partnership with a financial intermediary.

Through this program, forgivable loans for homes and centers are capped at \$74,000. For 0% interest loans for centers have a maximum amount of up to \$300,000.

Policy Implementation Resource/Timeline

⁴ [Funding & Incentives Child Care Capital Support Revolving Loan Fund](#)

⁵ [Child Care Financing Program | Child Care VA](#)

⁶ [Montgomery County Early Care and Education \(ECE\) Facility Loan Program — Reinvestment Fund](#)

The Chief Administrative Officer, or their designee, shall adopt procedures for the administration of the Program.

Questions for Committee Consideration:

1. What level of participation have childcare providers engaged in through programming and technical assistance offered by FSC First and EDC?
2. What level of partnership does the FSC First and EDC have with the State of Maryland to connect applicants to additional programs and financing?
3. What underwriting standards will be developed and used to assess creditworthiness and approve loan participants?
4. Does including this program within the EDI Fund impede any level of incentives for business attraction, job creation, or broadening the local tax base through commercial projects?

Fiscal Impact:

- *Direct Impact*

Adoption of CB-015-2026 would adversely impact the EDI Fund, as it would require the fund to set aside \$500,000 to administer the program. It may also require additional funding for two positions, including an underwriter at \$90,000 annually and an asset manager at \$88,0000 annually.

- *Indirect Impact*

Adoption of CB-015-2026 would promote the recruitment and retention of childcare centers and homes within the County, especially regarding affordable care. This could also meet the gaps in the overall reduction of family childcare providers.

- *Appropriated in the Current Fiscal Year*

No.

Effective Date of Proposed Legislation:

The proposed Act shall take effect forty-five (45) calendar days after it becomes law

If you require additional information or have questions about this fiscal impact statement, please email me.