

Reference No.: CB-096-2023
Draft No.: 2
Committee: Governments Operations and Fiscal Policy
Date: 10/12/2023
Action: FAV (A)

REPORT:

Committee Vote: Favorable 5-0 (In favor of Council Members Burroughs, Oriadha, Fisher, Harrison, and Ivey)

The Government Operations and Fiscal Policy Committee convened on October 12, 2023, to consider CB-96-2023. The legislation repeals and reenacts with amendments to Subtitle 10A: Purchasing, Division 7 Economic Development, Subdivision 1 County-Based Small Business Assistance. It aims to support working families with work-related childcare costs by allowing local businesses to apply for county grants to offset these expenses for eligible employees. CB-96-2023 provides the eligibility criteria with a maximum grant limit and eligible employee income thresholds.

The grant shall be at most fifty percent (50%) of the annual childcare contributions paid by the Local Business to offset contributions to eligible employees' work-related childcare expenses. It shall be used to provide childcare contributions to employees who earn a gross income of less than forty-two thousand dollars annually or have a combined household income of less than eighty-seven thousand dollars.

The Director of Finance shall create and administer a Local Business Childcare Grant Program to assist Local Businesses that provide childcare contributions for the benefit of their eligible employees and provide a report on or before March 31 of each year of the Program activities.

The bill sponsor expressed concern about childcare costs and hiring affecting her constituency and local businesses. The bill is designed to assist working families in offsetting some of the expenses associated with childcare, provide support for these families, and reduce the burden of work-related childcare costs.

The Policy Analysis and Fiscal Impact Statement indicates that additional expenditures are required, subject to appropriation. There is no anticipated revenue impact. There is a potentially favorable indirect impact.

The Office of Law has reviewed the referenced bill as it was presented on October 3, 2023, and finds it to be in proper legislative form with no legal impediments to enactment.

The Office of Law revised its initial comments, indicating concerns about the Economic Development Incentive Fund distributing Childcare Grant funds to local businesses. The Economic Development Incentive Fund does not provide use for childcare services in the manner listed in CB-96-2023 and, therefore, presents a legal impediment to the enactment of CB-96-2023.

Concerns were raised regarding the funding for the Childcare Grant Program, specifically questioning the source of funding, particularly in light of anticipated state budget cuts. This raises concerns about the program's financial sustainability and how it will be supported.

A Council Member suggested that the funding could come from the general fund.

Language was added on page 2, line 1; non-lapsing funds will be negotiated during the budget process.

A motion passed 5-0 on the amendment.

The Government Operations and Fiscal Policy voted 5-0 favorably on CB-96-2023.