



Karen B. Salmon, Ph.D.
State Superintendent of Schools

TO: Members of the State Board of Education

FROM: Karen B. Salmon, Ph.D.

DATE: October 23, 2018

SUBJECT: COMAR 13A.14.06.03H
Child Care Subsidy Program Income Eligibility Scale
ADOPTION

PURPOSE:

The purpose of this item is to request adoption of the proposed amendment to Code of Maryland Regulations (COMAR) 13A.14.06.03H *Child Care Subsidy Program Income Eligibility Scale*.

REGULATION PROMULGATION PROCESS:

Under Maryland law, a state agency, such as the State Board, may propose a new or amended regulation whenever the circumstances arise to do so. After the State Board votes to propose such a regulation, the proposed regulation is sent to the Administrative, Executive, and Legislative Review Committee (AELR) for a 15-day review period. If the AELR Committee does not hold up the proposed regulation for further review, it is published in the Maryland Register for a 30-day public comment period. At the end of the comment period, the Maryland State Department of Education (MSDE) staff reviews and summarizes the public comments. Thereafter, the MSDE staff will present a recommendation to the State Board of Education to either: (1) adopt the regulation in the form it was proposed; or (2) revise the regulation and adopt it as final because the suggested revision is not a substantive change; or (3) revise the regulation and re-propose it because the suggested revision is a substantive change. At any time during this process, the AELR Committee may stop the promulgation process and hold a hearing. Thereafter, it may recommend to the Governor that the regulation not be adopted as a final regulation or the AELR Committee may release the regulation for final adoption.

BACKGROUND:

The current regulation regarding Child Care Subsidy Program Eligibility Scale was last adjusted in 2002, when the scale was set at 50 percent of State Median Income (SMI). The ten income eligibility tables are set for each family size and at levels of A-J, where A is set at \$0 income, and J is set at the SMI. This gives the State the flexibility to adjust the eligibility levels in response to fluctuations in funding, which comes from the federal government and the State.

The amendment calls for the removal of the outdated income eligibility scale tables and replacing them with a directive for the Department to establish the *Child Care Subsidy Program Income Eligibility*

Scale annually, by family size and co-payment amount, guided by income eligibility recommendations from the United States Department of Health and Human Services.

At the May 22, 2018 State Board meeting, the State Board approved COMAR 13A.14.06.03H to be published as an emergency regulation. The emergency status began July 9, 2018 and is scheduled to expire January 4, 2019. At the same meeting, the State Board also granted permission to publish COMAR 13A.14.06.03H. The regulation was published in the Maryland Register from August 17, 2018 through September 17, 2018. The MSDE received no comments on the regulation during the public comment period.

EXECUTIVE SUMMARY:

The eligibility tables in COMAR have not been changed since 2002. Rather than being locked into out-of-date income eligibility categories, the emergency and proposed actions to the regulation set the child care subsidy income eligibility scale at 65 percent of State median income. This change will allow more families who are working or going to school to qualify to receive a voucher, so their children can attend an early education program or before- and after- school care.

ACTION:

Request permission to adopt amendment to COMAR 13A.14.06.03H *Child Care Subsidy Program Income Eligibility Scale*.

Attachments:

Title 13A.14.06 Child Care Subsidy Program – Emergency Action on Regulations (Maryland Register)
Title 13A.14.06 Child Care Subsidy Program – Proposed Action on Regulations (Maryland Register)

Emergency Action on Regulations

Symbol Key

- Roman type indicates text existing before emergency status was granted.
- *Italic type* indicates new text.
- [Single brackets] indicate deleted text.

Emergency Regulations

Under State Government Article, §10-111(b), Annotated Code of Maryland, an agency may petition the Joint Committee on Administrative, Executive, and Legislative Review (AELR), asking that the usual procedures for adopting regulations be set aside because emergency conditions exist. If the Committee approves the request, the regulations are given emergency status. Emergency status means that the regulations become effective immediately, or at a later time specified by the Committee. After the Committee has granted emergency status, the regulations are published in the next available issue of the Maryland Register. The approval of emergency status may be subject to one or more conditions, including a time limit. During the time the emergency status is in effect, the agency may adopt the regulations through the usual promulgation process. If the agency chooses not to adopt the regulations, the emergency status expires when the time limit on the emergency regulations ends. When emergency status expires, the text of the regulations reverts to its original language.

Title 13A STATE BOARD OF EDUCATION

Subtitle 14 CHILD AND FAMILY DAY CARE

13A.14.06 Child Care Subsidy Program

Authority: *Education Article, §2-303 and Title 9.5* [Family Law Article, §§5-550, 5-561, and 5-570], Annotated Code of Maryland
 Agency Note: Federal Regulatory Reference — Child Care and Development Fund 45 CFR 98.50

Notice of Emergency Action

[18-194-E]

The Joint Committee on Administrative, Executive, and Legislative Review has granted emergency status to amendments to Regulation .03 under COMAR 13A.14.06 Child Care Subsidy Program.

Emergency status began: July 9, 2018.

Emergency status expires: January 4, 2019.

Comparison to Federal Standards

There is no corresponding federal standard to this emergency action.

Estimate of Economic Impact

I. Summary of Economic Impact. The purpose of the proposed emergency status for COMAR 13A.14.06.03H, Child Care Subsidy Income Eligibility Scale, is to enable more families to access child care subsidies for their children, thereby reducing or eliminating the large surplus of funds each year resulting from the outdated and low-eligibility tables.

	Revenue (R+/R-)	
II. Types of Economic Impact.	Expenditure (E+/E-)	Magnitude
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
C. On local governments:	(R+)	Unknown

	Benefit (+) Cost (-)	
D. On regulated industries or trade groups:	(+)	Unknown
E. On other industries or trade groups:	(+)	Unknown
F. Direct and indirect effects on public:	(+)	Unknown

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. The increased number of families receiving subsidies will not cost the agency any additional money; the current contract for distributing payments is not dependent upon the number of recipients. Any additional child care providers entering the market due to the increase in supply of families receiving child care subsidies as a result of this action can be absorbed by the current MSDE staff.

B. MSDE is the only agency that is affected by child care subsidies.

C. Local governments will experience increased productivity and tax revenues from an expanded workforce as a result of more parents given access to child care.

D. The increase in the number of families eligible to participate in the child care subsidy program leads to increased revenue for child care providers who, in turn, add to a larger tax base and may contribute revenue to Service Employees International Union (SEIU).

E. The increase in the number of families eligible to participate in the child care subsidy program leads to increased revenue for child care providers who, in turn, purchase materials, resources, and services from multiple vendors, adding to the tax base.

F. More parents will have access to child care and therefore be able to work or participate in training or education. With more access to child care subsidies, fewer parents will need to use unlicensed and unsafe child care, and may have expanded choice of providers as the market expands.

Economic Impact on Small Businesses

The emergency action has a meaningful economic impact on small business. An analysis of this economic impact follows.

With more families eligible to receive child care subsidies, current providers will be able to serve additional children in their centers and homes. The increased supply of eligible families with access to subsidies may result in additional child care providers entering the market.

EMERGENCY ACTION ON REGULATIONS

772

.03 Eligibility.

A.—G. (text unchanged)

H. Income Eligibility Scale.

(existing table proposed for repeal)

<i>Family Size</i>	<i>Gross Income</i>	<i>Copayment Level</i>
1	\$ 0—13,618	A
	13,619—17,022	B
	17,023—18,724	C
	18,725—20,425	D
	20,426—22,128	E
	22,129—23,830	F
	23,831—25,533	G
	25,534—29,362	H
	29,363—33,192	I
	33,193—37,193	J
2	\$ 0—17,808	A
	17,809—22,259	B
	22,260—24,485	C
	24,486—26,710	D
	26,711—28,936	E
	28,937—31,163	F
	31,164—33,389	G
	33,390—38,397	H
	38,398—43,405	I
	43,406—48,637	J
3	\$ 0—21,998	A
	21,999—27,496	B
	27,497—30,247	C
	30,248—32,995	D
	32,996—35,745	E
	35,746—38,495	F
	38,496—41,245	G
	41,246—47,431	H
	47,432—53,617	I
	53,618—60,081	J
4	\$ 0—26,188	A
	26,189—32,734	B
	32,735—36,008	C
	36,009—39,279	D
	39,280—42,554	E
	42,555—45,828	F
	45,829—49,102	G
	49,103—56,466	H
	56,467—63,830	I
	63,831—71,525	J
5	\$ 0—30,378	A
	30,379—37,971	B
	37,972—41,769	C
	41,770—45,564	D
	45,565—49,362	E
	49,363—53,160	F
	53,161—56,958	G
	56,959—65,501	H
	65,502—74,043	I
	74,044—82,969	J
6	\$ 0—34,568	A
	34,569—43,208	B
	43,209—47,530	C
	47,531—51,849	D
	51,850—56,171	E
	56,172—60,493	F

EMERGENCY ACTION ON REGULATIONS

<i>Family Size</i>	<i>Gross Income</i>	<i>Copayment Level</i>
	60,494—64,814	G
	64,815—74,535	H
	74,536—84,256	I
	84,257—94,413	J
7	\$ 0—35,354	A
	35,355—44,190	B
	44,191—48,611	C
	48,612—53,027	D
	53,028—57,447	E
	57,448—61,867	F
	61,868—66,287	G
	66,288—76,229	H
	76,230—86,171	I
	86,172—96,558	J
8	\$ 0—36,139	A
	36,140—45,173	B
	45,174—49,691	C
	49,692—54,206	D
	54,207—58,724	E
	58,725—63,242	F
	63,243—67,760	G
	67,761—77,923	H
	77,924—88,086	I
	88,087—98,704	J
9	\$ 0—36,925	A
	36,926—46,155	B
	46,156—50,771	C
	50,772—55,384	D
	55,385—60,001	E
	60,002—64,617	F
	64,618—69,233	G
	69,234—79,617	H
	79,618—90,001	I
	90,002—100,850	J
10	\$ 0—37,711	A
	37,712—47,137	B
	47,138—51,851	C
	51,852—56,562	D
	56,563—61,277	E
	61,278—65,992	F
	65,993—70,707	G
	70,708—81,311	H
	81,312—91,916	I
	91,917—102,996	J

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Subtitle 14 CHILD AND FAMILY DAY CARE

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Agency Note: Federal Regulatory Reference — Child Care and Development Fund 45 CFR 98.50

Notice of Proposed Action [18-194-P]

The Maryland State Board of Education proposes to amend Regulation .03 under **COMAR 13A.14.06 Child Care Subsidy Program**. This action was considered at the May 22, 2018 meeting of the State Board of Education.

Statement of Purpose

The purpose of this action is to update the income eligibility categories to allow more families to access child care subsidies for their children.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. The purpose of the proposed emergency status for COMAR 13A.14.06.03H, Child Care Subsidy Income Eligibility Scale, is to enable more families to access child care subsidies for their children, thereby reducing or eliminating the large surplus of funds each year resulting from the outdated and low-eligibility tables.

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C. On local governments:	(R+)	Unknown
	Benefit (+)	Magnitude
	Cost (-)	Magnitude
D. On regulated industries or trade groups:	(+)	Unknown
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F. Direct and indirect effects on public:	(+)	Unknown

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Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Steven R. Hicks, Assistant State Superintendent, Early Childhood Development, Maryland State Department of Education, 200 West Baltimore Street, Baltimore, Maryland 21201, or call 410-767-0342 (TTY 410-333-6442), or email to steven.hicks@maryland.gov, or fax to 410-333-9908. Comments will be accepted through September 17, 2018. A public hearing has not been scheduled.

Open Meeting

Final action on the proposal will be considered by the State Board of Education during a public meeting to be held on October 23, 2018, 9 a.m., at 200 West Baltimore Street, Baltimore, Maryland 21201.

Editor's Note: The text of this document will not be printed here because it appeared as a Notice of Emergency Action in 45:16 Md. R. 771 —773 (August 3, 2018), referenced as [18-194-E].

KAREN B. SALMON, Ph.D.
State Superintendent of Schools