

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE

House Bill 932 (Delegate Luedtke)
 Health and Government Operations

Child Care Centers - Dispute Resolution

This bill establishes a dispute resolution workgroup to be appointed by the Governor. The bill requires the State Superintendent of the Maryland State Department of Education (MSDE) in consultation with the workgroup, to adopt rules and regulations establishing a uniform and timely dispute resolution process that addresses the needs of children and their families to obtain and keep child care.

Fiscal Summary

State Effect: General fund expenditures increase by \$96,600 in FY 2014, which reflects the bill’s October 1, 2013 effective date and an additional three-month start-up delay, for MSDE to hire staff to facilitate the dispute resolution process. Future year expenditures are annualized and adjusted for inflation. Revenues are not affected.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	96,600	181,900	190,100	198,700	207,700
Net Effect	(\$96,600)	(\$181,900)	(\$190,100)	(\$198,700)	(\$207,700)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The resolution process must include (1) investigation of discrimination complaints based on a child’s disability; (2) written findings of fact and conclusions of

law with respect to the complaint; and (3) appropriate remedies. The dispute resolution process adopted may include provisions for an ombudsman, mediation, or any other informal resolution process.

Current Law: The State Superintendent of MSDE is responsible for adopting rules and regulations for licensing and operating child care centers. Child care centers are agencies, institutions, or establishments that, for part or all of a day or on a 24-hour basis on a regular schedule and at least twice a week, offer or provide child care to children who do not have the same parentage except as otherwise provided by law or regulation. Among other requirements specified in statute, the rules and regulations must ensure the health of children in child care centers by monitoring the care of infants and children with special needs. The Licensing Branch of the Office of Child Care within MSDE monitors program compliance and investigates complaints.

Background: Since 1992, the Americans with Disabilities Act has prohibited discrimination on the basis of disabilities within child care programs. Child care centers must make reasonable modifications in their policies, practices, and procedures in order to accommodate the child with a disability unless the modification would fundamentally alter the nature of the program.

Despite these requirements, the Maryland Developmental Disabilities Council has indicated that quality and inclusive child care remain inaccessible to many children with disabilities and their families. The council conducted two surveys in August and September 2011 regarding access to child care. Approximately 450 families and 480 child care providers responded, and a report was prepared in 2012 with the findings. According to the report, *Barriers to Quality Child Care and Out of School Time Activities in Maryland*, 75% of complaints about a child care provider not providing the services, supports, or accommodations a child needed were not resolved. One of the recommendations within the report was to establish a dispute resolution process to investigate and address discrimination complaints against child care providers.

State Expenditures: General fund expenditures increase by \$96,633 in fiscal 2014, which assumes a three-month start-up delay after the bill's October 1, 2013 effective date to allow time for the workgroup to establish a dispute resolution process. This estimate reflects the cost of hiring one attorney and one staff specialist to facilitate the review process and make written findings of fact and conclusions of law. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2
Salaries and Fringe Benefits	\$83,328
Operating Expenses	<u>13,305</u>
Total FY 2014 State Expenditures	\$96,633

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

MSDE did not provide information regarding the number of complaints they routinely receive regarding a child's disability. Additional staff may be needed in future years if the dispute resolution process that is adopted under the bill results in a higher volume of complaints, which would need to be investigated and resolved. To the extent that an additional attorney is needed, general fund expenditures increase by more than an additional \$100,000 annually. To the extent an additional investigator is needed, general fund expenditures increase by an additional \$80,000 annually.

Additional Information

Prior Introductions: None.

Cross File: SB 832 (Senator Ferguson) - Judicial Proceedings.

Information Source(s): Maryland State Department of Education, Maryland Developmental Disabilities Council, Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2013
mc/lgc

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