



Committee: Planning, Housing & Economic Development
Committee Review: At a future date
Staff: Christine Wellons, Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #LocalBusinessChildCareGrants

AGENDA ITEM #4B
March 3, 2020
Introduction

SUBJECT

Bill 9-20, Economic Development Fund – Local Business Child Care Grant Program – Established
Lead Sponsor: Councilmember Albornoz
Co-Sponsor: Councilmember Friedson

EXPECTED ATTENDEES

N/A

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

Bill 9-20 would:

- (1) establish a Local Business Child Care Grant Program;
- (2) provide for the administration and eligibility criteria of the program; and
- (3) require regulations to implement the program.

SUMMARY OF KEY DISCUSSION POINTS

- Introduction of bill

This report contains:

Staff Report	Pages 1
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MEMORANDUM

February 27, 2020

TO: County Council

FROM: Christine Wellons, Legislative Attorney
CWellons

SUBJECT: Bill 9-20, Economic Development Fund – Local Business Child Care Grant Program – Established¹

PURPOSE: Introduction – no Council votes required

Bill 9-20, Economic Development Fund – Local Business Child Care Grant Program – Established, sponsored by Lead Sponsor Councilmember Alborno and Co-Sponsor Councilmember Friedson, is scheduled to be introduced on March 3, 2020. A public hearing is tentatively scheduled for March 24, 2020 at 1:30 p.m.

Bill 9-20 would:

- (1) establish a Local Business Child Care Grant Program;
- (2) provide for the administration and eligibility criteria of the program; and
- (3) require regulations to implement the program.

BACKGROUND

On November 19, 2019, the Council adopted the Economic Development Platform for Montgomery County (Resolution No. 19-300). Under the Business Development pillar of the Platform: “The Council will invest in opportunities to 1) decrease the cost of doing business in the County; 2) promote the County’s businesses and business climate; 3) facilitate the attraction and retention of strategic industries; and 4) expand entrepreneurial programs and services to create new businesses.”

Consistent with the Economic Development Platform, the main purposes of Bill 9-20 are to decrease the costs of doing business in the County, and to attract and retain businesses in the County. The bill also would support businesses’ efforts to subsidize child care for their employees.

¹ #LocalBusinessChildCareGrants

BILL DESCRIPTION

Bill 9-20 would require the Director of the Department of Finance to create and administer a Local Business Child Care Grant Program within the Economic Development Fund.

Under the program, a local for-profit or non-profit business, with 50 or fewer employees, could apply for a grant from the County to match up to 50% of the employer's contributions to its employees' Flexible Spending Accounts (FSAs) for eligible childcare and dependent care under Section 125 of the Internal Revenue Code. The match would be available only for employer contributions to FSAs for employees earning gross incomes of less than \$125,000.

Grant recipients under the bill would be required to remit to the County any unused or improperly used grant funds. The Executive would report to the Council annually regarding the outcomes of the program.

This packet contains:

Bill 9-20

Legislative Request Report

Circle #

1

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Bill No. 9-20
Concerning: Economic Development
Fund – Local Business Child Care
Grant Program – Established
Revised: 02/26/2020 Draft No. 3
Introduced: March 3, 2020
Expires: September 3, 2021
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Alborno
Co-Sponsor: Councilmember Friedson

AN ACT to:

- (1) establish a Local Business Child Care Grant Program;
- (2) provide for the administration and eligibility criteria of the program;
- (3) require regulations to implement the program; and
- (4) generally amend the law related to the Economic Development Fund.

By adding

Montgomery County Code
Chapter 20, Finance
Section 20-76F

Boldface

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Deleted from existing law by original bill.

Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 20-76F is added as follows:**

2 **20-76F. Local Business Child Care Grant Program.**

3 (a) Definitions. As used in this Section:

4 Child care contribution means an employer's contribution to an
5 employee's dependent care flexible spending account under Section 125
6 of the Internal Revenue Code.

7 Director means the Director of the Department of Finance or the
8 Director's designee.

9 Fund means the Economic Development Fund established under Section
10 20-73.

11 Local business means a for-profit or non-profit entity that:

12 (1) has its principal place of business in the County; and

13 (2) employs 50 or less full-time-equivalent employees.

14 Principal place of business has the meaning stated in regulations adopted
15 under Section 11B-81.

16 Program means the Local Business Child Care Grant Program
17 established under this Section.

18 (b) Establishment of Program. Subject to appropriation, the Director must
19 create and administer a Local Business Child Care Grant Program to
20 assist local businesses that provide child care contributions for the benefit
21 of their employees.

22 (c) Eligibility. The Director, based upon information submitted by the
23 applicant for assistance, must find that:

24 (1) the applicant owns a local business; and

25 (2) the local business provides child care contributions to its
26 employees.

- 27 (d) Grant Agreement. In order to receive financial assistance from the Fund
 28 under the Program, a local business must enter into a grant agreement
 29 with the County, which must include conditions related to:
- 30 (1) the County's right to audit financial records of the grantee;
 31 (2) the grantee's reporting obligations to the Director; and
 32 (3) the grantee's obligation to remit to the County any unused or
 33 improperly used funds.
- 34 (e) Financial assistance.
- 35 (1) The Director may award a grant from the Fund to an eligible local
 36 business under paragraph (c).
- 37 (2) The amount of the grant must not exceed 50% of the annual
 38 amount of child care contributions paid by the local business to its
 39 employees who earn gross incomes of less than \$125,000 annually.
- 40 (3) The grantee must use the grant solely to provide child care
 41 contributions to employees who earn gross incomes of less than
 42 \$125,000 annually.
- 43 (f) Regulations. The Executive must adopt Method 2 regulations to
 44 implement this Section. The regulations must specify the application
 45 procedures and eligibility criteria for a grant to a local business under the
 46 Program.
- 47 (g) Reports. On or before March 31 of each year, the Executive must report
 48 to the Council on the activities of the Program. The report must include:
- 49 (1) the number of local businesses participating in the Program;
 50 (2) the number and dollar amount of grants made; and
 51 (3) an evaluation of the impact of the Program on economic
 52 development within the County.

LEGISLATIVE REQUEST REPORT

Bill 9-20

*Economic Development Fund – Local Business Child Care
Grant Program – Established*

DESCRIPTION: Bill 9-20 would establish a Local Business Child Care Grant Program; provide for the administration and eligibility criteria of the program; and require regulations to implement the program.

PROBLEM: Attract and maintain small businesses in the County

GOALS AND OBJECTIVES: Incentivize and support local small businesses to locate in the County and to subsidize child care.

COORDINATION: Department of Finance

FISCAL IMPACT: OMB

ECONOMIC IMPACT: Office of Legislative Oversight (OLO)

EVALUATION: To be done.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Christine Wellons, Legislative Attorney

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: N/A