



**Caring For Maryland's Most
Important Natural Resource™**

Maryland State Child Care Association

2810 Carrollton Road
Annapolis, Md. 21403
Phone: (410) 820-9196
Email: info@mscca.org
www.mscca.org

The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over 5000 members working in the field of early childhood/child care. We believe children are our most important natural resources and work hard to advocate for children, families and for professionalism within the early childhood community.

March 29, 2022

House Bill 89

Child Care Stabilization Grant Program and Child Care Expansion Grant Program - Established

Budget and Taxation Committee

Position: Favorable SUPPORT

The Maryland State Child Care Association (MSCCA) fully and enthusiastically supports HB 89 and is grateful for Delegate Queen's leadership, support and advocacy for child care and we are grateful for the support by the entire Maryland General Assembly for your work on behalf of child care during the COVID pandemic as well as the road to recovery for child care small businesses.

Maryland State Department of Education (MSDE) reports as of December 2021, 855 licensed child care programs have closed since March 2020. A decline of almost 10%. We went from 7,933 businesses to 7,078 businesses and more continue to close due to decreased enrollment, increased expenses and critical staffing shortages. MSDE data shows of the 97% of child care businesses that are currently open, 44% of them are under 50% enrolled. Yet the fixed costs remain, and other expenses have skyrocketed.

Without the federal PPP loans and the numerous Covid Relief packages including the American Rescue Plan Act Child Care Stabilization grants which, after March 4, 2022, will be expended with no additional federal relief expected, most child care businesses would not have survived. States need to invest in child care. Without child care, Marylanders cannot work.

Child care is a tuition dependent business, operating on razor thin margins, carried on the backs of parents who are stretched thin. The majority of child care expenses are fixed. They cannot operate any part of their business remotely, they cannot automate or change practices to adjust, and they must maintain adherence to strict teacher to child staffing ratios. As a top-three household expense for families already, raising tuition is a last resort and simply untenable for many child care providers. Childcare shortages impact the economy. Many private providers deliver wraparound care to school-age children, so a child care shortage would impact families with children of all ages. Program closures and child care shortages negatively impact the economy as industry jobs are lost (both providers and child care/early childhood educators) and parents are forced to drop out of the workforce due to lack of adequate care options.

House Bill 89 establishes a state funded Child Care Expansion Grant Program which can be a model for other states and a lifeline for struggling child care businesses. This legislation will assist with financial barriers including COMAR required staff training, criminal background check fees, cleaning supplies which have increased in price and use due to pandemic, educational supplies, and allows for capital or facility improvements to expand child care availability. The legislation also requires MSDE to award the grant no more than three months after an application is submitted. This is an important provision as the goal is to stabilize which should convey a sense of urgency. Grants must adhere to a specific timeline effectively and efficiently in order for businesses to budget accordingly.

Another significant consideration is the alignment of HB 89 with the Blueprint for Maryland's universal expansion of prekindergarten sites through mixed delivery systems including community-based programs. The Blueprint addresses prekindergarten through a five-year phased in mixed delivery system with a minimum 50/50 split for public schools and community-based providers. Maryland will need child care businesses to achieve these goals. HB 89 is an important investment for child care and can facilitate expanding and building capacity, providing access to pre-kindergarten and school-age wrap around care to families in Maryland.

MSCCA's priorities agenda is to ensure children and families have access to affordable, consistent, and quality child care programs and to alleviate barriers. We must work together to rebuild capacity, support our existing child care businesses who have played an essential role during this pandemic. Child care businesses stepped up and kept their doors open so essential personnel could go to work. Child care has remained open despite facing significant under enrollment due to COVID so Marylanders could return to work.

MSCCA supports House Bill 89 as a pathway to rebuild access for families and children and help hard-hit child care businesses stabilize and recover as they return to full enrollment. We need investments to rebuild a sustainable child care system to ensure affordable options for families and long-term survival for businesses.

MSCCA urges a favorable report.

Sincerely,

Christina Peusch, Executive Director