



Mohammed Choudhury
State Superintendent of Schools

BILL:	House Bill 993	DATE:	March 29, 2022
SUBJECT:	Child Care Capital Support Revolving Loan Fund – Established	COMMITTEE:	Budget and Taxation and Education, Health, and Environmental Affairs
POSITION:	Support		
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The Maryland State Department of Education (MSDE) supports **House Bill (HB) 993 – Child Care Capital Support Revolving Loan Fund – Established**, which would create a fund to provide no-interest loans for capital expenses to child care providers who participate in the Child Care Scholarship Program. HB 993, as amended, would require the Department of Commerce to administer the Fund, with support from MSDE, and require Commerce and MSDE to publicize the availability of loans from the Fund.

This legislation, as amended in the House, will aid child care providers by providing an opportunity for small business providers to expand and renovate existing facilities and construct new facilities. This may lead to an increase in the capacity of child care programs in the State with the provision of interest-free loans. Often, such loans are difficult to obtain for this industry, and interest rates are prohibitively high. Federal and state grants cannot typically be used for this purpose.

With the support for that premise in mind, MSDE will work with the Department of Commerce to establish eligibility criteria and execute strategies to prioritize access in underserved communities and publicizing the availability of the loans from the funds. Additionally, MSDE will work to encourage providers to review existing operational capacity to manage the loan by participating in Shared Services Alliances (SSAs) to bolster the fiscal operations and capacity of providers across the State. A Shared Services Alliance is a partnership of childcare providers working together to share costs and deliver services in a streamlined and efficient way.

For more background on SSAs, please see this explanation and set of case studies from the U.S. Chamber of Commerce Foundation¹.

We respectfully request that you consider this information as you deliberate **HB 993**. Please contact Ary Amerikaner, at 410-767-0090, or ary.amerikaner@maryland.gov, for any additional information.

¹ <https://www.uschamberfoundation.org/case-study-shared-services-alliances>