



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

Maryland State Child Care Association

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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. We believe children are our most important natural resource and work hard to advocate for children, families and for professionalism within the early childhood community.

**House Bill 993
Child Care Capital Support: Revolving Loan Fund Established
Position: SUPPORT
Budget and Taxation Committee
March 29, 2022**

Maryland State Child Care Association (MSCCA) appreciates the leadership, advocacy and support of Delegates Ebersole as well as the General Assembly to champion important child care legislation. MSCCA enthusiastically supports HB 993 to establish a revolving, non-lapsing, no interest loan fund specific to child care providers who agree to participate in the Child Care Scholarship Program.

The federal government has provided states with pandemic related child care relief funding as they recognize the devastating impact and unique challenges the child care industry faces as tuition dependent small businesses - primarily women owned and operated. Federal funds for stabilization and rescue efforts for the child care industry have been life saving for many, however, more support is needed at the state level to recover.

Child care has suffered devastating losses due to the pandemic. Even with the federal aid to states specific to child care, it is not enough to stem the loss of over 900 child care businesses in Maryland. The loss of child care, the critical workforce shortages, capacity issues and skyrocketing inflation has brought many providers to the breaking point. State investments are critical to recovery and HB 993 provides opportunity to support essential businesses to include new construction, expansion and renovation therefore expanding access for families to child care. The bill also includes provisions for financial hardship exemption allowing additional time to repay, if necessary.

Program closures and child care shortages negatively impact the economy as industry jobs are lost and parents are forced to drop out of the workforce due to lack of adequate care options.

According to a Center for American Progress analysis, a lack of child care negatively affected communities of color before the pandemic, as parents of color were more likely than their non-Hispanic white counterparts to experience childcare-related job disruptions that could affect their families' finances. Policymakers must act to address these disparities or the crisis will only intensify. HB 993 is acting by prioritizing the loan fund be used for our most underserved communities.

Child care must recover and rebuild stronger as it is an economic and equity imperative. Without child care there is no workforce. It is necessary to invest state dollars to serve the families and children, especially our most vulnerable, youngest citizens. HB 993 is a step towards recovery.

MSCCA urges a favorable report.