



Montgomery County

Office of Intergovernmental Relations

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HB 89

DATE: February 3, 2022

SPONSOR: Delegate Queen

ASSIGNED TO: Ways and Means and Appropriations

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POSITION: SUPPORT

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

House Bill 89 would create two grant programs in the State Department of Education (MSDE). The Child Care Stabilization Grant Program would provide annual financial support to licensed child care providers who demonstrate that they are in danger of closing within twelve months due to financial hardship. The criteria for eligibility would be developed by MSDE and grants would be between \$1,000 and \$35,000; the award amount would factor the child care provider's capacity as a key criteria. The Child Care Expansion Grant Program would provide annual financial support to new or existing child care providers who do not also access the Child Care Stabilization Grant Program; the purpose of the grant is to increase access to and availability of child care. The criteria for eligibility would be developed by MSDE and grants would be between \$3,000 and \$50,000. Under the bill, grants may be used for certain capital and operating costs associated with establishing or expanding child care programs.

If enacted, House Bill 89 would aid child care providers at a critical time when recovery from the economic impacts of COVID-19 has not fully been realized for many providers who are still struggling to keep their doors open. When surveyed by the County in the fall of 2021, nearly one third of providers who responded said that they were unlikely to be able to continue operating in 6 months if conditions remained the same as they were at the time. Fifty-seven percent of survey respondents indicated capital costs such as rent and facility maintenance costs were the largest burden on their finances. The grants created by the Program under House Bill 89 would directly assist providers with costs such as these.

Since the onset of the pandemic, Montgomery County has allocated over \$21M to supporting child care programs in an effort to maintain an adequate supply of child care providers while parents balanced work, virtual learning for school-aged children, and other uncertainties during the pandemic. Despite these efforts, child care providers across the state remain in need of the financial support offered by House Bill 89; Montgomery County respectfully urges the committees to issue a favorable report.