



**Testimony Concerning HB 89 – Child Care Stabilization Grant Program
and Child Care Expansion Grant Program**

Submitted to Ways, Means and Appropriations

February 3, 2022

Position: Support

The Maryland State Family Child Care Association (MSFCCA) is an all-volunteer non-profit association advocating on behalf of approximately 4,440 registered family childcare providers in Maryland. These small businesses are a vital part of the child care delivery system in Maryland and a significant portion of the child care programs that remained OPENED throughout the COVID-19 Pandemic. In the past year 609 family child care programs closed due to the financial hardships and other factors caused by the pandemic this has left working families with fewer child care options, especially families looking for infant and toddler spots.

With family child care programs continuing to close at an exponential rate, it is imperative to provide financial assistance to new and existing programs. HB 89 would provide financial assistance to child care programs that need to expand, as well as, helping new childcare programs with start-up costs to meet the ever growing need for child care spots. Historically, a large number of family child care programs are started by young mothers, and some are immigrants. Many childcare providers have difficulty qualifying for loans because some banks require W-2's, employees, business checking, sizeable net income which family childcare programs often do not have for start costs and expansion loans. Examples of startup costs are background

checks, physicals, fingerprinting, pre-service modules, supplies, equipment, Use and Occupancy (U&O), insurance, minor renovations. Family childcare providers starting their business can expect to invest a minimum of \$1,000.00 before opening their doors, but this amount could be higher when you factor in purchasing equipment and minor renovations which could cost up to \$10,000. HB 89 would offer the financial assistance for family childcare providers who wish/need to expand their programs to meet the current need in Maryland for increased infants and toddlers' spots.

HB 89 can provide a family child provider with the financial assistance especially ones who may not be able to qualify for loans to start up and/or expand existing programs to meet the needs of Maryland's Working Families.

I would like to respectfully ask for a favorable vote on HB 89 the Child Care Stabilization Grant and Child Care Expansion Grant. Your favorable vote would help providers, families and communities supporting Maryland in our economic recovery.