



March 1, 2024

Testimony Concerning House Bill 1314 – Corporations and Associations – Annual Reports – Filing Fees (Right to Start Act)

The Montgomery County [Children's Opportunity Alliance](#) is a newly locally legislated Early Care and Education Coordinating Entity that brings community together to create a more equitable, accessible, high-quality, and sustainable early childhood system that narrows disparities and puts young children on a path to reach their greatest potential.

We urge you to support House Bill 1314 favorably with the amendments proposed by Delegate Chisolm that: alter the allocation of the filing fee to:

- Half of the funding from the business filing fee revenues should be allocated towards childcare as follows: 12.5% earmarked to support the [GOFCC grant](#) (so we can encourage more people to start up their child care business and expand access for children and families who need care), 12.5% of the revenue earmarked for the Pre-K grant, and 25% of the revenue earmarked for the Child Care Scholarship Program.

Increasing access to child care is an economic imperative.

HB 1314 is a creative and effective way to invest and allocate funds into supporting three critical programs that are all designed to increase access for diverse families with children to access care in the way that works best for their family. This will in turn support working families, benefit children, and drive the economy.

GOFCC (Growing Opportunity for Family Child Care) originated in Montgomery County and has been such a resounding success in helping new professionals gain the skills needed to run a small business and open a new family child care program that has been nationally recognized as a model. Between FY2020 and FY2023, the Montgomery County GOFCC program resulted in the creation of 1,076 new child care seats for young children. The recent expansion to more counties across the state continues to be a success and needs to be sustained. We need to continue to support and add more child care seats to address the increasing prevalence of child care deserts, particularly in infant and toddler care.

The Maryland Pre-K grant, in alignment with the *Blueprint for Maryland's Future*, is imperative to creating a mixed-delivery Pre-K system, that involves both public schools and private community-based child care providers, which is needed to make high quality early childhood education available to the vulnerable 3 and 4 year olds who need it the most. This year, Montgomery County only has enough seats created through the Pre-K expansion grant to serve



208 children, while our goal, in alignment with the 50/50 mixed delivery ratio, is to have over 6,600 seats. These grants need to be grown and sustained to meet the goals as outlined in the Blueprint.

The Child Care Scholarship Program is a critical tool in allowing low-income parents to ensure their children are in safe, nurturing learning environments while they are at school. The recent successes leading to growth of the program in this current fiscal year are thanks to your leadership and cannot be backtracked now.

These three critical programs collectively address inequitable access to early care and education, which impacts the entire community.

- A lack of access to quality programs and resources necessary for their children's development and well-being forces many parents to make tough choices about their jobs and give up on necessary goods and services for the family. Stress during early childhood can have long-term impacts on a child's learning, behavior, and overall wellbeing, placing a burden on parents as they navigate its effects on the entire family.
- When working parents face family challenges, it leads to higher rates of absenteeism, reduced productivity, and difficulty for employers in attracting and retaining a skilled workforce. Even before COVID-19, businesses in Maryland lost almost \$3B in revenue annually due to employee absenteeism resulting from just child care issues. Now, the economic impact is even worse.
- The childcare workforce, built on low-wage labor of primarily immigrant and Black and brown communities, faces systemic inequities. Post-pandemic, child care providers face an average of 53% increase in costs, cutting into their already thin profit margins. Some providers even operate at a loss, putting them at risk of ceasing to operate at their licensed capacity – or at all.

We urge a favorable report with amendments of HB 1314.

Submitted on behalf of the Children's Opportunity Alliance.

A handwritten signature in black ink, appearing to read "Laura Jahromi". The signature is fluid and cursive, written in a professional style.

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