



THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Members of the Economic Matters Committee,

HB1314, also known as the Right to Start Act, encourages entrepreneurship, while supporting new childcare providers and funding the Child Care Scholarship Program with existing funds.

This bill waives the \$300 business filing fee for the first year of all NEW businesses. This will open the door for new businesses, making Maryland more competitive and would improve our business climate.

- With around 20% of new businesses failing within one year and inflation making entrepreneurship even more difficult, the personal-finance website WalletHub released its report on [2024's Best & Worst States to Start a Business](#). Maryland is ranked as one of the worst states in the country to start a business. Maryland ranked 47 out of 50 overall.
- Maryland's other rankings include: 27th – Average growth in number of small businesses.
- Just as Governor Moore said at the MACO Conference, *"We are home to some of the greatest institutions of science, health care, research, education, and commerce in the world. There's no reason why Maryland should be ranked 47th in the nation for economic momentum. We're better than that."*
- According to the [Right to Start](#) organization, 15+ Million Americans didn't start a new business because of government fees and/or red tape.

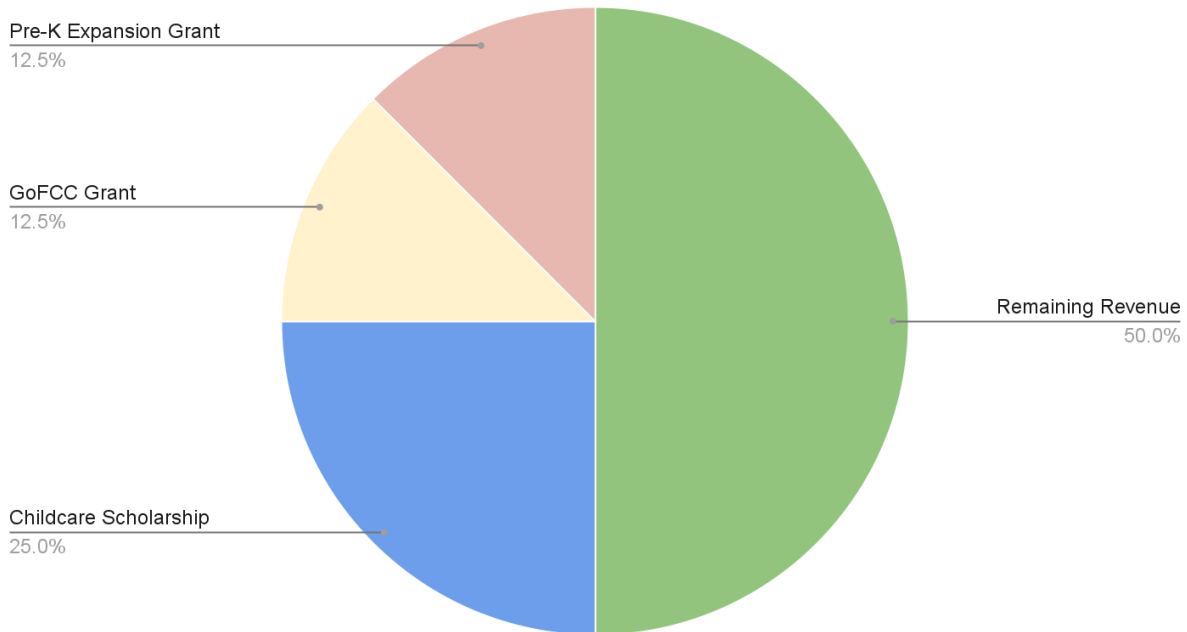
This bill's commitment to childcare is evident as it will allocate 50% of business filing fee revenue to childcare initiatives, solidifying the link between a thriving workforce and a well-supported childcare system. In addressing the shortage of family residential childcare providers, 12.5% of these funds are earmarked for the GoFCC grant, serving as an investment in the workforce by encouraging more individuals to enter the childcare business with the supports:

- GoFCC is a statewide initiative, designed to expeditiously get interested individuals licensed as family childcare providers. On average, without intensive and intentional support, it takes 12 months for a person to get their family childcare license. With GoFCC, it takes about 7 months and it's getting providers off to a **quality** start for a **sustainable** business.
- GoFCC provides training, technical assistance, coaching, business consultation, licensure startup orientation, business sustainability, and quality support.
- Below are the January 2023 –January 2024 GOFCC program advancements:
 - License and Registration –88 programs have completed and received their license or registration (36 are currently awaiting a decision)
 - MD EXCELS –62 of new programs enrolled in MD EXCELS

- Child Care Scholarship –58 out of the 62 programs are set up to accept Child Care Scholarship
- Last week, my office was invited by the Baltimore City Child Care Resource Connect to understand its GoFCC program and its impact on Baltimore City. Through their GoFCC, they helped new providers open their doors which added 106 *new* childcare slots in the city.

The Right to Start Act dedicates 12.5% to the Pre-K Expansion Grant, laying the groundwork for a well-prepared future workforce through early childhood education. It's no surprise that childcare is expensive. With 25% of filing fee revenue directed towards the Child Care Scholarship Program, the bill ensures that there is an additional funding stream to help cover the cost for low- and moderate-income families. I request a favorable report for HB1314, Right to Start Act, as this legislation positions childcare as a crucial element in "feeding" the workforce – acknowledging that a well-supported and nurtured workforce is vital for Maryland's economic vitality.

Total Revenue - Business Filing Fee



Sincerely,

Brian Chisholm

Delegate Brian Chisholm

Anne Arundel County, District 31