

State Superintendent of Schools

BILL:	House Bill 1100	DATE:	March 4, 2022
SUBJECT:	Child Care Providers and Employees – Bonuses	COMMITTEE:	Ways and Means and Appropriations
POSITION:	Support with Amendments		
CONTACT:	Ary Amerikaner 410-767-0090 ary.amerikaner@maryland.gov		

The Maryland State Department of Education (MSDE) supports with amendments **House Bill (HB) 1100 – Child Care Providers and Employees – Bonuses**, which would establish funding for retention and new hire bonuses, as well as bonuses for participation in the Child Care Scholarship and Maryland Child Care Credentialing Programs.

The financial support in this legislation will assist child care educators, administrators, and providers through the challenging times presented by the continuing pandemic.

While Maryland is ahead of many states in providing workforce compensation support through the Maryland Child Care Credentialing Program, bonuses through higher quality levels of Maryland EXCELS, and salary parity through the Prekindergarten Expansion Grants Program, hiring and retaining staff remains difficult for child care programs.

Other states have implemented programs that have proven successful at providing financial incentives for child care staff while reducing turnover. Beginning in 2019, Virginia launched the Teacher Recognition Program which initially provided \$1,500 in financial support to child care teachers provided that they worked 30 hours a week with children and they remained at their child care site for an 8-month period of time¹. This resulted in turnover rates among child care teachers being cut in half through the first year of implementation².

Since then, Virginia has expanded and grown the incentive to reach up to \$2,000 provided that the teachers meet the requirements of the program. More than two in five child care teachers indicated that this incentive encouraged them to remain in their position for a longer period of time.

¹ https://vecf.org/wp-content/uploads/2021/12/a95a62df-b56a-48a3-82fc-69923556cd6a.pdf

https://www.brookings.edu/blog/brown-center-chalkboard/2022/01/05/how-can-we-improve-early-childhood-education-use -public-dollars-to-pay-teachers-more/

House Bill 1100 - Child Care Providers and Employees – Bonuses House Ways and Means and Appropriations Committees March 4, 2022

The Maryland Family Network reports that the turnover rate in 2020 of child care staff in child care centers in Maryland exceeded 20 percent³. However, it is likely that figure is even higher. Maryland also continues to see a steady decline in the number of family child care providers. A program that provides a long-term, systemic financial incentive for child care teachers would aid in reducing turnover amongst child care staff.

The quality of a child care program and the experiences of children are directly related to the quality and stability of its staff. High turnover rates mean it is extremely hard to maintain continuity, which is important in the development of young children. Children from low-income families, children with disabilities, and multilingual children are especially vulnerable when there is continued staffing disruptions and turnover in programs. HB 1100 will provide additional financial support to address recruitment and retention challenges faced by today's child care system, and for those reasons MSDE supports the proposal.

It is critical, however, that the committee and General Assembly go further than providing these one time bonuses and confront the many structural challenges that have faced child care providers long before the COVID-19 pandemic.

To that end, MSDE strongly suggests that the committee consider additional language establishing a grant program that would:

- 1. Launch one or more Shared Services Alliances, and
- 2. Encourage and incentivize child care providers to participate in them in order to receive bonuses through this program.

Shared Services Alliances would bolster the fiscal operations and capacity of providers across the State. For more background on Shared Services Alliances, the U.S. Chamber of Commerce Foundation has a list of case studies and practical applications ⁴.

Further, in order to build on important lessons learned about what works in the Virginia program, the MSDe suggests:

- 3. The inclusion of language that the recipient of funds work at least 30 hours a week with children;
- 4. Making this a long term program instead of a one time payment; and
- 5. Increasing the bonus amount and making payments in two parts (one in January and one in May).

Finally, for clarity, the MSDE suggests:

6. A clarifying amendment to the language in subsection (d); in (d)1 the funds are provided to an <u>individual</u> but (d)2 says those funds can be used by a <u>provider</u> for various employment purposes.

We respectfully request that you consider this information as you deliberate House Bill 1100. Please contact Ary Amerikaner, at 410-767-0090, or ary.amerikaner@maryland.gov, for any additional information.

³ https://www.marylandfamilynetwork.org/sites/default/files/2020-07/Trends%202020%20FINAL%20%281%29.pdf

⁴ https://www.uschamberfoundation.org/case-study-shared-services-alliances