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Appropriations Committee

*Subcommittees*

Capital Budget

Vice Chair, Education  
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*House Chair*  
Joint Audit and Evaluation  
Committee

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**HB 495/SB 350 Testimony – Early Childhood Development – Child Care Scholarship  
Program - Funding  
February 15, 2023  
Ways and Means Committee**

Good afternoon Chair Atterbeary, Vice Chair Wilkins, Esteemed Colleagues. Thank you for the opportunity to present today on my legislation – the Early Childhood Development – Child Care Scholarship (CCS) Program – Funding.

Nationally, the **cost of child care has risen nearly 41%**. In Maryland, from March of 2020 to December 2021, child care costs have ranged from an increase of 12% to as much as 33% depending on the setting and type of care. The drastic rise in child care costs coupled with the significant reduction in child care providers puts a financial strain and burden on families who continue to struggle with inflation and rising costs.

HB 495 aims to **rebuild Maryland’s child care capacity and support families** by helping to make child care more affordable so more parents can get back to work and more children can get the high-quality care they deserve.

Over the last few years, Maryland has made tremendous improvements in our CCS system moving from one of the worst to one of the best. 2018 marked the beginning of improvements to the system, including legislation mandating scholarship rates rise from the 9<sup>th</sup> percentile of the market to at least the 60<sup>th</sup> percentile, and a regulatory expansion of family income eligibility from approximately \$35,000 to \$72,000 for a family of four. July 2022 saw scholarship rates increase to the 70<sup>th</sup> percentile of the market, income eligibility expanded to slightly more than \$90,000 for a family of four, and parental copayments were eliminated for many families and drastically reduced for all others. State and federal funds have facilitated many of these improvements. However, the latest improvements were funded through the American Rescue Plan Act (ARPA). Such funds must be obligated by the end of calendar year 2024 and spent by the end of 2026.

HB 495 makes the latest enhancements permanent, not subject to the expiration of ARPA funds. According to an MSDE report to the General Assembly in September, it would cost between \$60 and \$67 million to maintain these improvements. This amount could fall to the state, although more federal funding may become available. For example, Maryland’s share of the child care block grant was increased by \$21.8 million in the past few weeks.

This bill also guarantees access to CCS for all families who meet eligibility criteria by preventing the MSDE from unilaterally imposing an enrollment freeze. Although there is currently no waitlist, enrollment freezes have been used as a cost cutting measure. In the event of dire fiscal circumstances, the Governor and the General Assembly would retain the ability to take necessary action--through a BRFA, for example.

As you can see from the testimony submitted and the witnesses with us today, this bill is supported by child care centers, family day care homes, community leaders, and parents. This bill makes child care more accessible, allowing parents to resume their work. I ask for a favorable report on HB 495.