



Caring For Maryland's Most Important Natural Resource¹...

Maryland State Child Care Association

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The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over 4500 members and our members provide care and education for Maryland children and support working families. We believe children are our most important natural resources and work hard to advocate for children, families and for professionalism within the early childhood community.

**Testimony Concerning SB 890
ECE-Child Care Provider Support Act
Submitted to: Education, Health and Environmental Affairs
February 25, 2021
Position: Support**

MSCCA fully and enthusiastically supports SB 890 and applauds the efforts of Senator King in sponsoring this legislation to take important steps to ensure a critical source of funding for child care providers that will offer support through grants as the State reopens and their enrollment capacity increase. The grants may be used for payroll expenses, rent or mortgage payments, utility expenses, and other operating costs, including PPE, cleaning supplies which have skyrocketed in price. MSCCA also supports the innovative solutions for distributing grants through Department of Commerce as MSDE does not have an efficient system in place to ensure timely distribution of critical grant funds.

MSDE data shows there were 7, 858 licensed providers pre-pandemic in March 2020. As of December 2020, MSDE shows that currently 6, 577 licensed providers have completed a form and been approved to reopen to serve children and families. There are 977 that have not submitted a form to reopen yet and in Feb. 2021, MSDE reports 500 licensed programs have permanently closed. Little investments have been made to help families with access, equity and affordability of child care services in our State before the pandemic hit. In the wake of COVID, the loss of businesses and therefore the loss of thousands of slots is deeply concerning. Significant closures conveys less choice for families and possibly less affordable choices. Families will suffer a shortage of child care when they need or believe it is safe to go back to work. Senator King understands we need state investments to support child care. The programs that are currently open serve roughly 45-55 percent of our historic capacity. Our members are small businesses and often minority women dominated. Our essential services enable Maryland's economy to flourish. When the State shutdown, thousands of our licensed programs remained open, many risking their own health to serve families and save their businesses. We are all concerned about the future of child care and the workforce. In the best of times, the America's child care industry operates on razor-slim margins. Providers have high fixed costs and important teacher-to-child ratios that cap revenue capacity. Due to the COVID-19 pandemic, our providers have faced catastrophic reductions in children served while fixed costs were unchanged and additional expenses incurred due CDC guidelines for child care.

Experts conveyed to Congress child care would need 50 billion dollars infused to states to recover from losses due to pandemic. Congress recently approved 10 billion. Maryland will not get enough federal funds to recover fully. SB 890 will help in the effort to secure critical grants from the state to child care programs in the future.

While our programs remain on the brink of financial ruin, endangering the broader Maryland economy, we believe the grant system initiated by the state government can help stabilize our programs and build a stronger child care and early childhood education infrastructure for the future.

Child care is essential and Maryland should not only depend on only federal dollars to recover and rebuild a system which provides a public good through primarily small businesses.

It is time to recover, rebuild, provide necessary supports and stabilize child care, which ultimately benefits working families, children and Maryland's economy.

MSCCA urges a favorable committee report.