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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 944 – The Family Child Care Pilot Act

February 24, 2021, 1:30pm

Chair Kaiser, Vice Chair Washington, and Committee Members,

Thank you for the opportunity to present today on my legislation HB 944, The Growing Family Child Care Opportunities Pilot Program.

Our state depends on child care to keep parents earning and children learning. To help achieve these essential goals, child care programs must be accessible, affordable, and high quality. These three factors are intertwined, but access is arguably the most basic. Access to child care is threatened when the supply of affordable, high-quality programs is diminished or inequitably distributed.

Licensed family child care (FCC) programs, as distinct from child care centers, are typically operated by women, based in a home, and are allowed to care for up to eight children at a time. FCC constitutes a critical component of the overall supply of child care and a necessary or preferable option for many parents due to cost, geographic proximity, hours of availability, and cultural or linguistic concerns. And yet, the number of FCC programs in Maryland has declined precipitously over the past two decades—from approximately 12,500 in 1996 to 5000 in 2020—a trend that’s mirrored nationally. The pandemic will likely make matters worse.

Multiple factors have contributed to this decline. Among them are barriers to entering and remaining in the field. Before they can launch their programs, prospective FCC providers often face a long and arduous approval process involving multiple layers of government regulations. Even after opening, providers can face significant challenges associated with a lack of resources and support for their small businesses and need for professional development and quality improvement.

What Does the Bill Do?

Building on a very promising effort in Montgomery County, the purpose of the legislation is to establish a pilot program to increase the supply of FCC programs and ensure the sustainability of new and existing providers. MSDE will administer the pilot program with the cooperation of the State’s network of child care resource centers. Pilot program grants will be awarded to one urban, one suburban, and one rural jurisdiction or child care licensing region, and a local match in funding will be required to secure State funding. This match can also include in kind

contributions. Within each jurisdiction or licensing region receiving an award, the pilot program's efforts shall be targeted to high-need areas.

These efforts should include:

- Coordinating with existing family child care programs;
- Conducting outreach through multi-lingual means;
- Recruiting individuals who seek to become licensed FCC providers;
- Supporting those individuals as they navigate the regulatory process through training, technical assistance, and financial incentives;
- Helping retain newly registered and existing FCC providers through technical assistance to achieve quality benchmarks, peer-to-peer mentoring, and financial incentives; and
- Working with State and local partners, such as chambers of commerce and organizations that support small businesses and women- and minority-owned businesses, to provide further assistance to FCC programs in implementing best business practices and achieving financial sustainability.

MSDE may seek funding to launch the Pilot Program immediately upon enactment of this legislation, and the Governor shall allocate \$450,000 in fiscal years 2023 and 2024 to fund three Pilot Program sites with \$150,000 per site (not counting local match). MSDE shall develop program goals and report to the General Assembly annually. Unless otherwise authorized, the pilot program and its funding requirement will terminate as of June 30, 2024.

The Montgomery County program, which is the model for this piece of legislation, recruits, develops, and retains individuals who want to open Family Child Care Centers. This is accomplished by partnering with community organizations and stakeholders in high needs areas to identify prospective participants, recruit ambassadors from established child care centers to act as mentors, and provide soup to nuts training and ongoing support. This training includes help towards professional credentialing, support on the business side of running a child care center the Women's Business Center, and long term guidance on curriculum and Maryland EXCELS certification.

The small annual budget of approximately \$300,000 pays for two staff, materials, credentialing support, and start up assistance. After only two years, the Montgomery County program has created 61 new family child care centers and 321 newly available child care slots in some of the highest poverty zip codes in the county. The overwhelming majority of these center are run by individuals who speak a foreign language – including 25 Spanish speakers.

It's clear that for a relatively small investment, we can help grow and rebuild the child care sector, support the growth of small businesses, and provide high quality services for low income families. Even with the fiscal note, I believe the return on investment is significant and **I urge a favorable report and thank you for your consideration.**