

2022 GBCC SB 806 provider bonuses.pdf

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Position: FAV



Testimony on behalf of the Greater Bethesda Chamber of Commerce

*In Support of
Senate Bill 806—Child Care Providers and Employees--Bonuses*

*March 9, 2022
Senate Budget and Taxation Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 806—Child Care Providers and Employees--Bonuses.

The Greater Bethesda Chamber has identified the issue of child care access and affordability as an urgent economic imperative that needs to be addressed to help Maryland grow and prosper. We strongly believe there are economic costs to unreliable and unaffordable child care. As Maryland continues to reopen and more people go back to work, child care challenges present a growing threat to the State's economy. The rapid workplace changes brought about by the COVID-19 pandemic has had a tremendous impact and created significant new challenges in the attraction and retention of employees. Now more than ever, the availability of quality and affordable child care is an important determinate to the success of the local workforce.

Senate Bill 806 is a step in the right direction to helping current struggling child care providers (both center-based and family) and their employees. We must support this struggling industry as it is a crucial one for the success of Maryland's current and future workforce.

For these reasons, we strongly support Senate Bill 806.

SB 806_MFN_FAV_Weeldreyer .pdf

Uploaded by: Beth Morrow

Position: FAV



Additional Testimony from Child Care Providers Concerning SB 806
“Child Care Providers and Employees - Bonuses”
Submitted to the Senate Budget & Taxation Committee
March 9, 2022

Position: **SUPPORT**

In addition to our organizational testimony in support of SB 806, Maryland Family Network presents the public comments of child care providers from all over our state who strongly support this legislation. Many of them share their own experiences and describe how this bill would help attract and retain staff. We urge a favorable report for SB 806.

The struggles is that we can't compete with the public school system. The bonus will help us to at least have some form of leverage and options to offer hires.

Rhonda Darrell Watson

I am a Center owner/Director and I care very much about children, families and the profession. The pandemic has exacerbated many things related to childcare and we need to address fixing them. We are a skeleton crew and have lost a couple of staff and most of our subs. This is causing so much stress and many teachers are worried about taking a day off. We are exhausted and stressed which is not healthy for us or the children in care. Our children are so delayed in social/emotional and speech & language, truly raised by screens during the pandemic. It takes so much longer to help them learn routines or regulate bodies causing tantrums and trauma for teachers. If we could pay more and attract more staff to our program, it would improve our ability to meet the needs of the children where they are. This is a year that all staff should get a significant raise and have more staff to support them but the wages are too low to compete with other easier jobs that pay the same or more.

Flora Gee, Prince George's County

Bonuses would help me compete with Walmart's \$18 an hour.

Amy Heger, Salisbury

It is hard to get someone to work because child care providers can't afford to pay high salaries.

Josephine Chan, Gaithersburg

Child care providers do a lot of preparation for children before entering school but with little

pay. Since hiring quality staff is a must, I can't pay the amount they are willing to work for with their degrees etc.

Millis Gregory, Prince George's County

Childcare is essential to our state's infrastructure and economy. All families should have access to high quality childcare to be able to work, pursue higher education, and seek medical care. Making childcare more accessible for all families requires greater investment in our childcare workers. They have also been frontline workers during the pandemic, even when many schools were virtual. We as a state own them for their essential work.

When I was pregnant with my twins, my biggest stressor was finding quality, affordable childcare. We do not live near family and I was panicked about not being able to find childcare before I had to return to work. Paying childcare workers more and increasing opportunities for childcare scholarships would make a huge difference for Maryland families.

Jenna R. Silverman, Columbia

Extra money is an incentive to stay and feel valued and appreciated.

Delores Robinson, Fort Washington

SEIU Local 500 - SB 806 child care bonus bill- Sup

Uploaded by: Beth Myers

Position: FAV



**Hearing Testimony March 9, 2022
Senate Budget and Tax Committee
Service Employees International Union, Local 500, CtW, CLC**

Senate Bill 806: Child Care Providers and Employees- Bonuses

SUPPORT

Dear Chairman Guzzone, Vice Chair Rosapepe, and members of the Senate Budget and Tax Committee,

On behalf of the 20,000 working people in our region represented by SEIU Local 500, we offer our strong support for **Senate Bill 806**. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Faculty at institutions of higher education, staff at non-profits, and many other working people across the region. SEIU Local 500 would like to thank Senator King for her steadfast leadership for the child care community and our members.

Child care providers and employees have been called “the workforce that takes care of the workforce”. There is no doubting the value that they bring to families across Maryland, especially during the COVID-19 pandemic. However, while providing care to the children of our future, they have simultaneously experienced financial struggle. SB 806 would provide Child Care Providers and their employees with a modest bonus of \$1,000 that would be a positive first step in recognizing their sacrifice during this unprecedented health crisis.

Prior to the COVID-19 pandemic, the Maryland State Department of Education reported that the total number of licensed child care providers had declined by 629 between fiscal years 2016 and 2018. The Economic Policy Institute found that during this time, child care providers made less than \$14/hour on average and tended not to have benefits.

The COVID-19 pandemic accelerated this loss of providers, and between fiscal years 2020 and 2021, there were 751 fewer open licensed providers according to net total changes. The MSDE also reported that there were 609 fewer registered child care centers in 2021 than in 2020. In November 2021, 44% of programs that had reopened (97% of registered providers) were operating under 50% capacity of kids they served prior to the pandemic, according to the Maryland State Childcare Association. This industry has experienced workforce shortages due to the difficulty of finding qualified staff and competition with higher-paying jobs with benefits offered by Sam’s Club, fast food restaurants, and many others. Providers and employees have not had access to a stable income due to Child Care Scholarship payment delays or non-payments and a 20% drop in enrollment between January 2020 and 2021. This financial difficulty is met with increases in the cost of food and operational expenses due to inflation, leading providers to dip into their own pockets to stay afloat.

SB 806 promises relief for child care providers and employees, allowing providers to attract credentialed employees and counter the workforce shortage, while also promoting access to care for families using the

**Service Employees International Union, Local 500, CtW, CLC
901 Russell Avenue, Gaithersburg, MD 20879
301-740-7100 www.seiu500.org
Pia Morrison, President**



Child Care Scholarship program, simultaneously supporting parents in the workforce. This legislation would follow suit with the D.C. Council's recent effort to gradually increase the salaries of early childhood educators, starting with a one-time payment of \$1,000 per worker to retain quality providers and reward them for their commitment to providing quality child care during an unprecedented time. **For these reasons, SEIU Local 500 supports this legislation and asked for a favorable report for SB 806.**

Service Employees International Union, Local 500, CtW, CLC
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Pia Morrison, President

SB 806 Testimony March 9 MSCCA final.pdf

Uploaded by: Christina Peusch

Position: FAV



**Caring For Maryland's Most
Important Natural Resource™**

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 5000 members working in the field of early childhood. We believe children are our most important natural resource and work hard to advocate for children, families and for professionalism within the early childhood community.

**Testimony: Senate Bill 806
Child Care Providers and Employees – Bonuses
Position: Favorable
Submitted to: Budget and Taxation Committee
March 9, 2022**

Maryland State Child Care Association enthusiastically supports Senate Bill 806. We thank the sponsor, Senator King for her leadership support of the child care industry and are grateful to the General Assembly for making child care a priority this session. This bill will provide retention bonuses to all current licensed and credentialed staff as well as staff entering the state credentialing system. SB 806 includes funding for new hire bonuses available to all hired staff from one year of the date of enactment. Additionally, this legislation includes a \$500 new hire assistance fund payable to the child care provider/facility to cover the costs of advertising a position, licensure and certification costs, background check processing, or first month's salary.

The child care industry is facing critical workforce shortages and needs investments to recover and rebuild. Federal funds for stabilization and rescue efforts for the child care industry have been life saving for many, however, more support is needed. The majority of child care expenses are fixed and most child care businesses spend between 60-70% of revenue on staffing. They cannot operate any part of their business remotely, they cannot automate or change practices to adjust, and they must maintain adherence to strict teacher to child staffing ratios. As a top-three household expense already, raising tuition is a last resort and simply untenable for many providers.

Child care workers have long been underpaid and given fewer benefits like health insurance. On average, child care workers in the US are paid \$13.51 per hour, according to the EPI analysis. This data aligns with Maryland average salary of \$27,000 per year for a child care teacher. That's nearly half of what the average US worker makes, at \$27.31 an hour. This often means that child care workers can't afford to support themselves or their families, resulting in higher rates of job turnover, decreased quality of care, and a greater risk for towns and cities to become child care deserts.

The child care industry has not recovered from the pandemic and was tenuous prior to the pandemic. According to the Bureau of Labor and Statistics, about 11% fewer people are working in child care services now than in February 2020. In Maryland, MSDE reports that over 97% of licensed child care is open, however of the businesses open, 44% of businesses are under 50% enrolled. Additionally, numerous programs have demand for services, but cannot open space/classrooms due to the critical workforce shortages plaguing small business, especially the child care industry.

Providers and advocates say recruiting and retaining workers is now one of their biggest challenges. Many small businesses are struggling to compete with fast-food chains and big chain stores that are offering upwards of \$20 an hour. MSCCA conducted a workforce survey in October 2021 and the barriers and workforce issues included finding qualified staff, compensation, pandemic related issues, and lack of benefits.

MSCCA member, small business owner, Dr. Lisa Herbst owner of Wee Lad and Lassie and A Child's Garden located in Anne Arundel County shared this personal story:

“When I received the ARPA grant, I increased pay scale by 20% to fill 14 staff positions in two center locations. We had to because people could go to Kohls or McDonalds or Sam's Club for jobs. We are competing for the few people that are

willing and able to work. I don't know how long I will be able to sustain the salaries, however, ultimately, I want to be able to pay employees what they deserve. It is critical considering the requirements of the job. This is highly skilled work. It requires being aware of growth and development, it requires being aware of social and emotional development, cognitive development and physical development...it requires having a lot of physical energy and stamina.” The critical need is for more resources to better support parental needs for child care, to bolster and expand child care businesses, and to be able to improve the wages and benefits of child care professionals. SB 806 provides an opportunity for additional support for businesses and deserved bonuses for the essential child care workforce.

Providers and advocates say recruiting and retaining workers is now one of their biggest challenges. MSCCA surveys from our members show almost 90% of our members are facing workforce shortages, ranking issues from inability to find qualified candidates, compensation not competitive, pandemic related concerns and lack of benefits and all weigh heavily in recruitment and retainment. SB 806 provides necessary supports to businesses to offset hiring costs, to help with important staff qualifications through training funding, to offer recruitment bonuses and to reward essential child care professionals working in the field as they are so deserving.

MSCCA urges a favorable report.

SB 806_MFN_FAV_Macsherry .pdf

Uploaded by: Clinton Macsherry

Position: FAV



Testimony Concerning SB 806
“Child Care Providers and Employees - Bonuses”
Submitted to the Senate Budget & Taxation Committee
March 9, 2022

Position: Support

Maryland Family Network (MFN) strongly supports SB 806, which would provide hiring and retention bonuses for child care workers as well as grants to child care employers to help offset the costs associated with the hiring process. These public dollars, time-limited though they are, will provide desperately needed support for a struggling child care sector that is inarguably essential to the public good.

MFN has worked since 1945 to improve the availability and quality of child care and early childhood education as well as other supports for children and families in Maryland. We have been active in state and federal debates on child care policy and are strongly committed to ensuring that children, along with their parents, have access to high-quality, affordable programs and educational opportunities.

Child care providers have been called “the workforce behind the workforce.” Their mostly small businesses—which play a preeminent role in enabling parents to earn and children to learn—are struggling for their survival. Some have already closed permanently. Others remain open but face the double-barreled crisis of not only drastically reduced enrollment, but higher expenses associated with health protocols, intensive sanitation, and—crucially—staffing shortages. Maryland providers may have managed to keep their doors open thus far, but for too many, their current level of operation is unsustainable.

The slow-motion collapse of child care will pose enormous barriers to resurrecting the economy and getting citizens back to work. Several states have launched efforts to sustain child care providers during this period. We commend Maryland’s similar efforts up to this point. But they have been insufficient to meet the ongoing challenge we face.

The quality and sustainability of a child care program is directly and overwhelmingly determined by its staff. As Maryland’s economy attempts to rebound from the worst effects of the pandemic, child care programs need to compete successfully in attracting and retaining qualified employees. The incentives created by this legislation will be essential to this effort. For these reasons, MFN urges your favorable consideration of SB 806.

SB0806 - 03.09.22--Child care Providers and Employ

Uploaded by: Donald Fry

Position: FAV



TESTIMONY PRESENTED TO THE BUDGET AND TAXATION COMMITTEE
SENATE BILL 806 – CHILD CARE PROVIDERS AND EMPLOYEES - BONUSES
Sponsor: Senator King

March 9, 2022

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Support

Senate Bill 806 would require the Governor to appropriate \$16 million in the fiscal year 2024 budget to create retention and hiring bonuses for child care providers and employees as a way to encourage individuals to seek and maintain employment as a child care provider and for current child care providers who earn a credential through the Maryland Child Care Credential Program (MCCCCP).

The GBC COVID-19 Business Recovery Advisory Council, comprised of regional business executives, made a number of recommendations to assist businesses recover from the pandemic, with a particular focus on small and minority-owned businesses. Recognizing both the immediate problems, as well as a systemic shortage of quality licensed child-care options, the council called for state and local governments to address the immediate shortage and to create long-term solutions pertaining to child care through targeted policy or funding initiatives.

Without affordable and dependable child care options, Maryland's workforce is challenged to perform their employment responsibilities and duties to maximum capacity and capabilities resulting in loss of production in business operations. Adequate staffing is essential to dependable child care services.

The provisions in Senate Bill 806 would encourage individuals to begin and sustain employment as a child care provider. The following bonuses are outlined in the bill:

- \$1,000 retention bonus would be awarded to:
 - Each individual who, during fiscal year 2024, holds a credential through the MCCCCP and
 - Each individual who earns a credential through MCCCCP, if the individual does not qualify for a new hire bonus.
- A new hire bonus of \$500 would be awarded to:
 - Each individual who, during fiscal year 2024, begins employment as a child care provider and commits to staying for at least 6 months
 - An additional \$500 bonus if the individual earns a credential through the MCCCCP during the fiscal year.
- \$500 hiring assistance bonus would be awarded to:
 - An employer for each individual hired during fiscal year 2024 by a child care provider that participates in the Child Care Scholarship Program,
 - The funds may be used for advertising, licensure or certification costs, or paying the first month of salary of the new employee.

This bill is consistent with one of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth. The pillar provides:

GREATER BALTIMORE COMMITTEE

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Government leadership that unites with business as a partner. Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 806.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

MD Catholic Conference_FAV_SB 806.pdf

Uploaded by: Garrett O'Day

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

March 9, 2022

SB 806

Child Care Providers and Employees - Bonuses

Senate Budget & Taxation Committee

SUPPORT

The Maryland Catholic Conference offers this testimony in SUPPORT of Senate Bill 806. The Conference represents the public policy interests of the three (arch)dioceses serving Maryland, the Archdioceses of Baltimore and Washington and the Diocese of Wilmington, which together encompass over one million Marylanders.

Senate Bill 806 would establish fund to provide retention bonuses for credentialed child care provider employees. The bill also establishes a fund to provide for new hire bonuses. The bonus funds shall be administered through the Maryland State Department of Education, with the Department also establishing award procedures.

Maryland's child care providers, one of the most essential service providers for Maryland families, have also one of the most beleaguered sectors during the ongoing coronavirus pandemic. These grants would provide much needed support to this essential sector of Marylander's economy by enabling the retention of a certificated workforce. Hundreds of providers have been forced to close their doors in Maryland since early 2020, leading to less options for child care access for working families. A significant part of their struggle has been the retention and hiring of qualified child care employees.

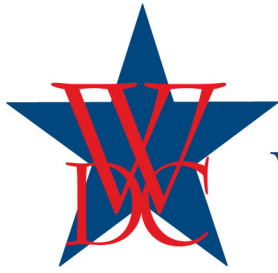
Child Care is an essential component to supporting strong, economically secure families. Additionally, the Church supports this bill as a part of its priority interest in alleviating poverty in our state, as enabling working parents' continued access to child care services is an imperative part of combating poverty. Often, a barrier to sustainable and full-time employment is the availability and affordability of reliable child care services. The State should thus do all it can to support access to child care services for working parents.

The Conference appreciates your consideration, for these reasons, respectfully requests a favorable report on Senate Bill 806.

WDC Testimony SB0806-2022_FINAL.pdf

Uploaded by: JoAnne Koravos

Position: FAV



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

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Senate Bill 0806 - Childcare Providers and Employee Bonuses
Budget and Taxation – March 9, 2022
SUPPORT

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2022 legislative session. WDC is one of the largest and most active Democratic Clubs in our County with hundreds of politically active women and men, including many elected officials.

WDC urges passage of **SB0806 - Childcare Providers and Employee Bonuses**. This bill will establish a fund to award bonuses to employees of child care providers that participate in the Maryland's Child Care Scholarship Program (CSS). The CSS provides financial assistance with child care costs to eligible working families in Maryland. This bill requires the Governor's Fiscal Year 2024 budget to include \$16,000,000 for this bonus fund that will be administered by the State Department of Education on a first-come basis, \$10,000,000 of which shall be used to award a \$1,000 retention bonus to each employee who holds or earns a credential through the Maryland Child Care Credential Program during fiscal year 2024. The fund will allocate \$4,000,000 to be used to award a \$500 new hire bonus to each individual who begins employment during fiscal year 2024 as a child care provider or with a child care provider, and to award a \$500 additional bonus to each new hire who also earns a credential through the Maryland Child Care Credential Program, provided the individual commits to remaining employed for at least 6 months. The fund will allocate \$2,000,000 to be used to award a \$500 hiring assistance bonus for each individual hired during fiscal year 2024 by a child care provider that participates in the CSS.

The childcare industry is in crisis. There has been a drop of 36 percent in the childcare workforce since the start of the pandemic. Childcare work is some of the lowest paid work in the country. A national survey found that low wages were the main recruitment challenge for the child care industry. This bill will encourage greater recruitment and retention of trained childcare workers. The availability of affordable, predictable, quality childcare is a significant factor in a woman's ability to remain in the workforce and provide for her family - especially for low-and moderate-income families.

We ask for your support for SB0806 and strongly urge a favorable Committee report. To maintain our competitive edge as a State, we need to keep women in our workforce.

Respectfully,

Leslie Milano
President

SB0806-BT_MACo_SUP.pdf

Uploaded by: Kevin Kinnally

Position: FAV



MARYLAND
Association of
COUNTIES

Senate Bill 806

Child Care Providers and Employees – Bonuses

MACo Position: **SUPPORT**

To: Budget and Taxation Committees

Date: March 9, 2022

From: Brianna January and Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 806. This bill would support currently licensed child care providers in the state and would incentivize the establishment of new providers via hiring and retention bonuses. It comes at a time when the child care community and county resources are pushed to their brink.

The COVID-19 pandemic has illuminated the shortage of licensed child care providers to support the safe care of Maryland's kids and support the state's working families. The state does not currently have enough licensed providers to meet the needs of families balancing work, child care, and the ongoing pandemic. Many providers had to cease operation during the pandemic out of public health risk and financial instability associated with COVID-19. Those providers that remain in operation are struggling to stay afloat, and many are unable to secure adequate staff to provide reliable child care.

SB 806 seeks to address these issues. The bill would provide existing child care staff with bonuses, as well as provide hiring bonuses for new staff. Particularly helpful is SB 806's appropriation of \$2 million in state funding to provide existing child care providers with funds to offset the hiring bonuses of new hires.

While counties have creatively addressed the needs of reliable and safe child care, they welcome state resources to help stabilize the industry and expand services. Reliable and safe child care is critical for economic development, successful families and communities, and the development of children. For these reasons, MACo **SUPPORTS** SB 806 and urges a **FAVORABLE** report.

SB806 King Sponsor Testimony.pdf

Uploaded by: Senator Nancy King

Position: FAV

NANCY J. KING
Legislative District 39
Montgomery County

MAJORITY LEADER

Budget and Taxation Committee

Chair
Education, Business and
Administration Subcommittee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SPONSOR STATEMENT

Senate Bill 806 – Child Care Providers and Employees - Bonuses

March 9, 2022

Mister Chairman and Members of the Budget and Taxation Committee:

The pandemic has highlighted an already growing problem not only in Maryland, but across the country – the shortage of licensed, qualified child care. According to a New York Times article that appeared in September of 2021, “The shortage is partly because of the pandemic. Some centers went out of business after lockdowns early on....But the biggest reason for the shortages, child care providers across the country said, is they can’t find people to hire.

Eight in 10 providers said they were experiencing a staffing problem, and half said hiring was harder than it had been before the pandemic, according to a survey over the summer of 7,500 of them by the National Association for the Education of Young Children [NAEYC]. Half said they were serving fewer children as a result of hiring problems, and a quarter had reduced their hours. The lack of child care is also contributing to other labor shortages, because many parents who can’t find reliable child care can’t return to work.”

The NAEYC survey also reported that, “Compensation remains both the challenge and the solution for staffing recruitment and retention problems.

- 78% of survey respondents identify wages as the main recruitment challenge because they are so low that potential applicants are either relying on pandemic unemployment or are recognizing they can make more money working just about anywhere else.
- Similarly, 81% of respondents say that low wages are a key reason that educators leave the field, followed closely by 54% who cited a lack of benefits.
- A third of respondents pointed to exhaustion and burnout, while only 8% said regulations were a key challenge.”

Other service industries have raised their hourly rates and are offering sign-on bonuses to attract employees, making it even more difficult to find employees to fill low-paying and high responsibility positions that are a part of child care. Senate Bill 806 will provide some support for our child care industry by providing:

1. A \$1000 retention bonus to each individual who, during FY2024, holds a credential through the Maryland Child Care Credential Program (CCCCP)
2. A \$500 new hire bonus to an individual hired during FY2024 and commits to remaining employed as or by a provider for at least 6 months. An additional \$500 bonus if the provider becomes credentialed during FY2024
3. A \$500 hiring assistance bonus awarded to an employer for each individual hired during FY2024 if the provider participates in the Child Care Scholarship Program. These funds can be used for advertising, licensure or certification costs, or for paying the first month's salary for the new employee.

Child care is a workforce issue both for the people who provide child care and for the families who need child care. This legislation will help retain providers and encourage individuals to enter into the child care field while also help to keep the cost of child care from significant increases, and so I respectfully request a favorable report on Senate Bill 806.

SB 806 - SWA - Child Care Providers and Employees

Uploaded by: Ary Amerikaner

Position: FWA



Mohammed Choudhury
State Superintendent of Schools

BILL:	Senate Bill 806	DATE:	March 9, 2022
SUBJECT:	Child Care Providers and Employees – Bonuses	COMMITTEE:	Budget and Taxation
POSITION:	Support with Amendments		
CONTACT:	Ary Amerikaner 410-767-0090 ary.amerikaner@maryland.gov		

The Maryland State Department of Education (MSDE) supports with amendments **Senate Bill (SB) 806 – 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>

² <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/>

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. SB 806 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 applications⁴.

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 individual but (d)2 says those funds can be used by a provider for various employment purposes.

We respectfully request that you consider this information as you deliberate SB 806. 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>

SB 806 Child Care Providers and Employees-Bonuses

Uploaded by: Barbara Wilkins

Position: INFO

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor



DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 806 Child Care Providers and Employees – Bonuses (King)

STATEMENT OF INFORMATION

DATE: March 9, 2022

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 806 mandates an appropriation in the amount of \$16 million in FY 2024 to the Department of Education for the provision of hiring and retention bonuses for child care providers and employees as follows: \$10 million to provide a \$1,000 retention bonus to credentialed individuals (providers or employees) who participate in the Child Care Scholarship Program; \$4 million for a \$500 new hire bonus to those individuals who commit to remain working at least six months and receives a credential; and \$2 million for a \$500 hiring assistance bonus to child care providers for the cost of advertising, background checks or first month salaries. The bill sunsets Dec 31, 2024.

EXPLANATION: The Department of Budget and Management's focus is on the \$16 million mandated appropriation provision, which impacts the FY 2024 budget.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

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