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THE SENATE OF MARYLAND  
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**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.