

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

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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 (MCCCP).

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 MCCCP and
 - Each individual who earns a credential through MCCCP, 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 MCCCP 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:

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.