



**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

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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.**

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