



Mohammed Choudhury
State Superintendent of Schools

BILL:	Senate Bill 919	DATE:	March 15, 2022
SUBJECT:	Child Care Capital Support Revolving Loan Fund – Established	COMMITTEE:	Budget and Taxation and Education, Health, and Environmental Affairs
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 919 – Child Care Capital Support Revolving Loan Fund – Established**, which would create a fund to provide no-interest loans for capital expenses to child care providers who participate in the Child Care Scholarship Program. SB 919 would require MSDE to administer the Fund and the Department of Commerce to publicize the availability of loans from the Fund.

This legislation will aid child care providers by providing an opportunity for small business providers to expand and renovate existing facilities and construct new facilities. This may lead to an increase in the capacity of child care programs in the State with the provision of interest-free loans. Often, such loans are difficult to obtain for this industry, and interest rates are prohibitively high. Federal and state grants cannot typically be used for this purpose.

With the support for that premise in mind, MSDE requests that the committee consider the following suggested amendment:

1. Revise language on page 2, line 30, to require the Department of Commerce, in consultation with the Department of Education to administer the fund. MSDE has historically not administered loan programs such as the one outlined in this bill. The Department of Commerce is well-positioned to administer the fund. MSDE will work with the Department of Commerce to administer the fund and provide policy and technical support. This would include:
 - a. Establishing eligibility criteria and executing strategies to prioritize access in underserved communities and publicizing the availability of the loans from the funds.
 - b. Demonstrating existing operational capacity to manage the loan or willingness to participate in Shared Services Alliances (SSAs) to bolster the fiscal operations and capacity of providers across the State. A Shared Services Alliance is a partnership of childcare providers working together to share costs and deliver services in a streamlined and efficient way.

For more background on SSAs, please see this explanation and set of case studies from the U.S. Chamber of Commerce Foundation¹.

We respectfully request that you consider this information as you deliberate **SB 919**. Please contact Ary Amerikaner, at 410-767-0090, or ary.amerikaner@maryland.gov, for any additional information.

¹ <https://www.uschamberfoundation.org/case-study-shared-services-alliances>