

Mohammed Choudhury

State Superintendent of Schools

Environmental Affairs

BILL: Senate Bill 920 DATE: March 15, 2022

SUBJECT: Early Childhood Development – **COMMITTEE:** Education, Health, and

Child Care Scholarship Program

- Alterations

POSITION: Support with Amendments

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The Maryland State Department of Education (MSDE) supports **Senate Bill 920 – Early Childhood Development – Child Care Scholarship Program – Alterations**, which would make significant changes to the Child Care Scholarship Program, including establishing a process for granting presumptive eligibility under the Child Care Scholarship Program. MSDE appreciates the collaborative efforts made by the authors of the legislation and the opportunity to provide input throughout the process.

Expediting access to child care for vulnerable families is a laudable goal and one that the MSDE fully supports. It is critical, however, that we pursue this in a manner that does not jeopardize critical federal funds nor lead to the MSDE acting as a collections agency, seeking to recoup funds paid to providers serving families ultimately deemed ineligible. Therefore, MSDE requests that the committee consider the following amendments:

- 1. Establish a State fund to pay for childcare services provided to families found to be ineligible. After consultation with the United States Department of Health and Human Services Office of Child Care, it is clear that neither (a) federal Child Care Development Fund (CCDF) funds nor (b) state funds used as "matching" funds within the CCDF program are allowed to be used to pay for child care for a child whose parents or guardians are found to be ineligible. To ensure that Maryland does not run afoul of these rules, the State will need to be prepared to pay for the childcare services provided to any families that are ultimately found to be ineligible;
- 2. Adjust the timeline by replacing August, 2022 with July 1, 2023. This allows a new state funding stream to be appropriated in FY24 before the program begins and provides adequate time to build and implement presumptive eligibility programming in a thoughtful, strategic way; and
- 3. Add language making clear that MSDE is not to recover funds paid to providers to serve families ultimately deemed ineligible, and instead is to reassign these costs from CCDF funds to the state funds dedicated for this purpose.

Additionally, because MSDE does not directly pay providers, MSDE requests a technical amendment recognizing the multiple agencies involved in issuing payments to providers under the scholarship program:

- 4. On page 3, please replace current (G) with the following text, consulting with the Comptroller's office to identify the appropriate number of days in (H): "(G) THE DEPARTMENT SHALL PROCESS A CHILD CARE PROVIDER'S CORRECTLY SUBMITTED INVOICE AND TRANSMIT THE PAYMENT TO THE COMPTROLLER WITHIN 10 DAYS AFTER THE DATE ON WHICH THE DEPARTMENT RECEIVES AN
 - (H) THE COMPTROLLER SHALL PAY THE PROVIDER WITHIN [#] DAYS AFTER THE DATE ON WHICH THE DEPARTMENT TRANSMITS SUCH PAYMENT UNDER (G)."

We respectfully request that you consider this information as you deliberate SB 920. Please contact Ary Amerikaner, at 410-767-0090, or ary.amerikaner@maryland.gov, for any additional information.

INVOICE FROM A CHILD CARE PROVIDER.