



TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

SENATE BILL 919 – CHILD CARE CAPITAL SUPPORT REVOLVING LOAN FUND - ESTABLISHED

Sponsor: Senator King

March 15, 2022

DONALD C. FRY

PRESIDENT & CEO

GREATER BALTIMORE COMMITTEE

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 919, which would create a Child Care Capital Support Revolving Loan Fund administered by the Maryland State Department of Education (MSDE) to provide no-interest loans for capital expenses to child care providers who participate in the Child Care Scholarship Program. Child care providers would have five years to repay the loans, unless they were given a financial hardship exemption to allow more time to repay the loan. MSDE would give priority to child care providers located in rural communities, underserved communities or child care deserts, as well as those that serve primarily low-income populations, children with special needs, or children age two and younger. The Governor would be required to include in the annual budget \$15 million for fiscal year 2023, \$10 million for fiscal 2024, and \$5 million for fiscal year 2025.

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.

There is an urgent need to ensure that adequate high-quality child care is available for the children of Maryland's workforce. Strengthening existing child care providers by ensuring they are able to make needed capital investment at a low cost is integral to the state's business ecosystem. 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. The provisions in House Bill 993 would provide much-needed assistance to struggling child care providers in rural and underserved communities that are serving some of our most vulnerable children.

This bill is consistent with one of the key tenets in *Gaining a 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 919.

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.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org