



Montgomery County

Office of Intergovernmental Relations

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SB 919

DATE: March 15, 2022

SPONSOR: Senator King

ASSIGNED TO: Budget & Taxation and Education, Health & Environmental Affairs

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POSITION: SUPPORT

Child Care Capital Support Revolving Loan Fund – Established

Senate Bill 919 creates a Child Care Capital Support Revolving Loan Fund in 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. The Fund is be funded with \$30M in non-specified funds, spread over Fiscal Years 2024-2026. The loans can be used for purposes such as acquisition, expansion, renovations, and new construction of child care facilities. The bill prioritizes loan allocation to providers that: are located in rural communities, underserved communities, or areas designated by MSDE as child care deserts or as lacking child care slots; serve primarily low-income populations in areas of high poverty; serve children with special needs; or serve children aged two or younger.

If enacted, Senate Bill 919 would aid child care providers at a critical time when recovery from the economic impacts of COVID-19 has not fully been realized for many providers who are still struggling to keep their doors open. When surveyed by Montgomery County in the fall of 2021, nearly one third of providers who responded said that they were unlikely to be able to continue operating in 6 months if conditions remained the same as they were at the time. Fifty-seven percent of survey respondents indicated capital costs were the largest burden on their finances; the loans provided by Senate Bill 919 would directly assist providers with costs such as these.

Since the onset of the pandemic, Montgomery County has allocated over \$21M to supporting child care programs in an effort to maintain an adequate supply of child care providers while parents balanced work, virtual learning for school-aged children, and other uncertainties during the pandemic. Despite these efforts, child care providers across the state remain in need of the financial support offered by Senate Bill 919. Montgomery County respectfully urges the committees to issue a favorable report.