



**BILL:** Senate Bill 480 **DATE:** February 16, 2022

**SUBJECT:** Child Care Stabilization Grant Program and Child Care Expansion Grant Program – Established **COMMITTEE:** Budget and Taxation

**POSITION:** Support with Amendments

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**EXPLANATION:**

The Maryland State Department of Education (MSDE) supports with amendments **Senate Bill 480 – Child Care Stabilization Grant Program and Child Care Expansion Grant Program – Established**, which would establish the Child Care Stabilization Grant Program and the Child Care Expansion Grant Program within MSDE.

The financial support in this legislation will assist the child care community through the challenging times presented by the continuing pandemic and assist in confronting the routine challenges that face child care providers. It is critical, however, that the committee and General Assembly also confront the long standing structural challenges that have challenged child care providers long before COVID-19. With support for that overarching goal, MSDE requests that the committee consider the following suggested amendments.

1. The definition of “financial hardship” outlined as the eligibility criteria for funding in the bill is left unclear. The Department believes that adding a definition of this term - including at what point the provider would no longer be eligible - is critical for successful implementation of the bill’s requirements.
2. MSDE believes that addressing the significant structural roadblocks regarding the sustainability of the child care industry prior to providers meeting the definition of financial hardship should be front and center in the deliberations of the committee and General Assembly on this topic. To that end, MSDE strongly suggests that the committee consider additional language establishing a grant program that would both (a) launch Shared Service Alliances and (2) encourage and incentivize child care providers to participate in them. These Shared Service Alliances would bolster the fiscal operations and capacity of providers across the State. For more background on Shared Service Agreements, please see this [explanation and set of case studies](#) from the U.S. Chamber of Commerce Foundation.

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The COVID-19 public health emergency has highlighted the critical role child care plays in supporting Maryland's children, families, businesses, and the state economy as a whole. Immediate financial relief for centers at risk of closure is a valuable strategy to bolster a robust and stable child care system. Even prior to COVID-19 child care providers experienced challenges meeting their operational costs each month.

As the pandemic has continued to impact Marylanders, a significant number of family child care and center-based providers have continued to struggle to stay open. Providers will continue to need support in an under-resourced and challenging system.

While Federal relief packages have been helpful, they are temporary, and will not be a long-term solution to addressing the devastating effect of the pandemic on our child care system. MSDE believes that providing continued support to licensed child care providers that find themselves in danger of closing due to financial hardship is critical to the maintenance of child care infrastructure in the State. MSDE also is supportive of establishing a program that would aid new and existing child care programs with the costs of expanding their capacity.

We respectfully request that you consider this information as you deliberate **Senate Bill 480**. Please contact Ary Amerikaner, at 410-767-0090, or [ary.amerikaner@maryland.gov](mailto:ary.amerikaner@maryland.gov), for any additional information.