



Mohammed Choudhury
State Superintendent of Schools

BILL: Senate Bill 920 **DATE:** March 31, 2022

SUBJECT: Early Childhood Development – **COMMITTEE:** Ways and Means
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 has appreciated the opportunity to work closely with the bill sponsors and committee leadership on this legislation to reach common goals. We appreciate the inclusion of amendments requested by the Department, including altering timelines to recognize the multiple agencies involved in issuing payments to providers under the scholarship program and making clear that MSDE is not to recover funds paid to providers to serve families ultimately deemed ineligible.

The Department agrees that expediting access to child care for vulnerable families is incredibly important. It is critical, however, that as we pursue this goal, we do so in a manner that does not jeopardize critical federal funds nor establish unreasonable timelines that make implementation of the provisions within the bill as drafted very difficult.

Additionally, the bill as currently drafted would require a lengthy and costly renegotiation of the existing contract that MSDE has in place regarding the administration of the Child Care Scholarship Program. This would cause significant complications for ongoing administration of the program and would potentially delay implementation of the presumptive eligibility requirement in this legislation.

MSDE could study options and best practices regarding presumptive eligibility for child care scholarship programs in the next year and report back to the Maryland General Assembly to inform future legislation.

If, however, this bill moves forward through the committee, MSDE strongly 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 for the establishment of the new process by replacing August 1, 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.

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.