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Senate Bill 873
Child Care Provider Stabilization Program-Established
Education, Energy, and the Environment Committee
Budget and Taxation Committee

Testimony from the Maryland Alliance of YMCAs

On behalf of the Maryland Alliance of YMCAs, we are pleased to present this written testimony in strong support of Senator Mary Washington's Senate Bill 873, which would establish a Child Care Provider Stabilization Program in the State of Maryland for fiscal year 2025 and each fiscal year thereafter.

Simply stated, Maryland's childcare system is in deep crisis, and heading in a perilous direction. The number of providers has declined over 13% in the past three years, and the continuing significant increases in labor costs (which will only be exacerbated by an earlier than previously planned increase to a \$15 an hour minimum wage) will inevitably push far more out of business if nothing is done.

The Childcare Stabilization grants provided to Maryland's childcare providers over the past several years, funded by the federal dollars that came as a result of COVID, helped keep most providers (including the Y) afloat. In the case of Maryland's Ys, absent those funds, we would have likely had to cease much of our childcare work. Now, with the abrupt announcement only recently from the Maryland State Department of Education that the final tranche of those grants will be redirected elsewhere, providers like the Y who serve those other than the wealthy are being pushed to the limit. Without a recurring state subsidy, the numbers simply don't work.

Collectively, Maryland's Ys are the largest non-profit provider of childcare in the State of Maryland (inclusive of early childhood – preschool and Head Start, before and after school enrichment, summer camp and Community Schools out-of-school-time services). Maryland's Ys have been faced with an unprecedented increase in costs (driven largely by wages) over the past several years, as we struggled to keep our doors open to continue to serve Maryland's working families. Given our mission to keep our pricing as low as possible and to provide significant financial assistance for those who struggle to afford our services, we have very little ability to pass along our rapidly increasing costs to the working families we serve.

Unfortunately, the United States is the only developed country in the world that doesn't significantly subsidize childcare, and the State of Maryland hasn't developed a statewide strategy or identified a dedicated revenue stream to fund a long-term subsidy. The need for the State of Maryland to confront its childcare crisis is now, as a failure to do so will result in both a mass exodus of providers and cause an economic crisis for the state, as working families who don't have the luxury of having only one parent working will be forced to make some very difficult decisions. The impact of thousands of Marylanders exiting the labor force will be felt for a very long time.

The economics of childcare work, which have always been challenging, are now untenable without a subsidy to cover rising wages and protect high quality providers serving working families. Senator Washington's bill makes that issue plain, and proposes to finally do something material about it. Failure to pass this bill will mean that childcare will become more like a privilege for the well-do-to, rather than a resource available to all of Maryland's families.

We would very much welcome further conversations with the relevant legislators in the Maryland's Senate and House of Delegates, and are committed to working in collaboration to solve Maryland's childcare crisis.

The Maryland Alliance of YMCAs is made up of the following organizations:

- The YMCA of Central Maryland (Serving Anne Arundel, Baltimore, Carroll Harford and Howard Counties, and Baltimore City) (John Hoey, CEO)
- The YMCA of the Chesapeake (Serving Cecil, Kent, Queen Anne's, Talbot, Caroline, Dorchester, Wicomico, Worcester and Somerset Counties) (Robbie Gill, CEO)
- The YMCA of Cumberland (Serving Allegany County) (Julie O'Neal, Executive Director)
- The YMCA of Frederick County (Serving Frederick County) (Chris Colville, CEO)
- The YMCA of Hagerstown (Serving Washington County)(Maria Rubeling, CEO)
- The YMCA of Metropolitan Washington (Serving Montgomery and Prince Georges Counties) (Angie Reese-Hawkins, CEO)

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