



**Caring For Maryland's Most
Important Natural Resource™**

Maryland State Child Care Association

2810 Carrollton Road
Annapolis, Md. 21403
Phone: (410) 820-9196
Email: info@mscca.org
www.mscca.org

The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over 5000 members working in the field of child care/early childhood education. We believe children are our most important natural resource and work hard to advocate for children, families, and for professionals within the early childhood community.

**Testimony: HB 868
Child Care Stabilization Program -Established
Position: Support
Submitted to: Ways and Means Committee
March 1, 2023**

MSCCA fully supports HB 868 and applauds the sponsor's efforts to recognize the essential role of child care programs for families, children and the economy.

Maryland has lost a more than 800 child care programs, more than 10% of the licensed child care providers and programs in our state closed since the pandemic.

Child care is a tuition dependent business and a top three household expense for families. We adhere to approximately fifty pages of COMAR regulations with some of the strictest licensing requirements in the country. It is not easy to do child care business in Maryland. Most families struggle to find affordable, quality, licensed, consistent care for their children and one important way to support the economy and child care businesses is through investment. The Child Care Scholarship Program is a necessary investment to allow families to earn while children learn, and Maryland has made great progress in raising reimbursement rates along with increasing eligibility criteria to include many more families. However, as the child care industry has always struggled with workforce issues due to lack of adequate compensation and benefits, but require high skill levels, we have rebounded at a much slower pace from the pandemic than most other industries.

A [2019 poll](#) by Maryland State Education Association (MSEA) showed half of Maryland's ECE providers work a second job to make ends meet and 13 percent of providers live in poverty. Persistently low wages, limited or no benefits, and challenging working conditions (due to the pandemic) have illuminated the need for states to find ways to augment compensation and think creatively about how to recruit, recognize, and retain qualified teachers. Last session Md. Passed House Bill 1100, enacted July 1, 2022 as a one year investment, attempts to address aspects of pay parity and retention through award of bonuses for hiring, educational advancement, and retention, however those bonuses have still not been paid.

According to Center for American Progress, a randomized controlled trial in Virginia child care sites found that providing additional compensation is highly effective for retaining early childhood educators in their positions. The experiment provided \$1,500 to teachers who remained at their sites throughout an eight-month period. Teacher turnover in child care centers that received the \$1,500 bonus was about half what it was in centers that did not receive the bonus—15.3 percent vs. 30 percent. Likewise, permanent wage increases—a longer-term solution than one-time payments—have a significant impact on hiring and retention

HB 868 recognizes the need to establish a stabilization program to invest in child care at the state level and to use funds for child care in a variety of ways to support the essential child care industry. HB 868 includes funding for wages and bonuses to retain and recruit workforce, to cleaning and food supplies which have skyrocketed with inflation, offsetting expenses not covered with subsidies and scholarship payments and more.

The child care providers need a stabilization program that addresses the unique challenges this essential industry faces. We must consider the impact of the expansion of universal prekindergarten in the Blueprint for Maryland related to Pillar one and many programs will continue to close or diminish capacity without investments like HB 868.

MSCCA urges a favorable report.