



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

Maryland State Child Care Association

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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.

SB350 -Early Childhood Development-Child Care Scholarship Program-Funding

Position: Support

Submitted to: Ways and Means

March 28, 2023

Maryland State Child Care Association (MSCCA) enthusiastically supports HB 495. Kudos the sponsors for recognizing the importance of children, families, and the economy.

The Child Care Scholarship program is a critical support system/program for Marylanders allowing them to work or pursue higher education which leads to positive, direct economic impacts. Child care is an economic and equity imperative that has lacked appropriate levels of attention and investment nationally and in our state until just recently. Child care is a top three household expense for families and many families cannot afford or access quality, consistent child care, therefore we lose lots of revenue and productivity in our state.

Maryland legislature, leadership and advocates have recognized the need for and importance of the Child Care Scholarship program moving Maryland only a few short years ago from the 9th percentile for reimbursement rates, one of the lowest in the country, to the 70th % which is closer to the national recommendations of 75th%. Additionally, thanks to federal and some state funding have doubled our eligibility criteria for families needing child care scholarships. This is important and significant progress which increases access and equity in one of the wealthiest states, we should continue to do more to support our most vulnerable families.

SB350 helps to address the funding uncertainty to the scholarship program, while still allowing for future implementation of cost-containment measures. Should such measure become necessary, the bill removes the sole authority from MSDE and ensures an opportunity for review and possible action by the General Assembly. This could help to limit the hardship and programmatic damage caused by prolonged enrollment freeze, which has deterred providers from accepting scholarship families due to the insufficient reimbursement rates and inefficiencies of the scholarship system. In fact, many child care providers have had to subsidize the subsidy scholarship system trying to help families and are stuck with differential payments or lowering costs, impacting their ability to offer quality. Parents and providers should not have to sacrifice quality or affordability. Thanks to the actions of the General Assembly last year, many more families are now eligible for the program and should be able to access the funds in order to work and contribute to the economy. We urge you to now act to ensure these families don't get further deterred by waitlists or become victims to the consequences of bureaucratic inertia.

SB350 provides critical safety and protective supports for the child care scholarship system to function as it should, with funding and laws that govern how the program is facilitated and ensure we do not regress and negatively impact families and providers in the future.

MSCCA urges a favorable report.