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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Senate Bill 611 – Access to Health Insurance for Child Care Professional

March 5, 2025

Mister Chairman and Members of the Budget and Taxation Committee:

In a December 2024 report by the Comptroller of Maryland entitled *STATE OF THE ECONOMY SERIES: CHILD CARE AND THE ECONOMY*, Comptroller Lierman wrote, “The US Treasury Department has called the nation’s child care system a “market failure” because parents are required to pay out-of-pocket for the cost of care in order to work, but the cost of providing high-quality care is more expensive than many parents can afford. Government intervention is necessary to address market failures. As state leaders, we must do all we can to ensure that parents, especially those with young children, have affordable and accessible childcare options and the opportunity to fully participate in the labor force.”

The Comptroller’s report also noted that Maryland has experienced a 15.5% decline in licensed childcare providers and a 5.5% decline in overall childcare capacity in just the past few years. Home-based childcare providers have experienced the most significant declines in that span, with a net loss of over 1,000 registered providers for an overall rate of decline of 21.6%.

The report went on to say, that with respect to Childcare Workers:

- Wages are low and benefits are rarely offered.
- Significantly more experience and training are required to become a licensed childcare worker than other similarly paid positions in sectors such as retail, hospitality, and warehousing.
- In Maryland, where there are more job openings per job seeker than in surrounding states and the U.S., there are more alternative jobs and career paths for prospective childcare workers to pursue.

Senate Bill 611 seeks to help stabilize and strengthen the childcare workforce by:

- Allowing non-profit childcare providers who receive more than two thirds of their operating budget from local, state or federal governments to participate and enroll their employees in the state health insurance plan, including medical, dental, and prescription coverage.

- Requiring Maryland State Department of Education to work with the Maryland Health Benefit Exchange to promote access to health insurance for childcare professionals by partnering with the PreK provider Hubs, Child Care Associations, and relevant nonprofit organizations to:
 - Help childcare professional obtain insurance coverage through the Benefits Exchange;
 - Help those who are eligible enroll in Medicaid or for those who lose Medicaid, transition to other health insurance options;
 - Help ensure health plan options meet the budget and coverage needs of childcare professionals; and
 - Provide information, resources, or additional support as needed for childcare professionals in need of insurance.

The need for safe, quality childcare is more important than ever to build our economy by allowing parents to enter or return to the workforce and by promoting childcare businesses. This legislation will strengthen our childcare delivery system by enhancing the health and financial security of childcare professionals which will in turn aid in the hiring and retention of high-quality staff and ensure a more sustainable future for childcare in Maryland.

I respectfully request a favorable report on Senate Bill 611.