

Maryland State Child Care Association

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

Caring For Maryland's Most Important Natural Resource™

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 5500 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 professionalism within the early childhood community.

Testimony: SB 611: Access to Health Insurance for Child Care Professionals-Outreach and Qualifying Nonprofit Satellite Organizations Submitted to: Budget and Taxation Committee March 5, 2025

MSCCA enthusiastically supports SB 611.

Health care benefits are critical for the early childhood education and care workforce because access to necessary medical treatment when needed, ensures the health and well-being of the essential child care professional workforce, which is vital for providing quality care to children. Child care businesses are declining in Maryland.

Health care and other benefits help to attract and retain employees in a field often plagued by low wages and high turnover rates; a healthy caregiver can better support the development of young children. SB 611 supports a collaborative approach to ensure outreach and opportunities for access to health insurance for child care professionals.

There are many positive outcomes to offering health care benefits for child care professionals in the workforce including, but not limited to:

1. **Reduced absenteeism:** Access to healthcare allows caregivers to address health issues in a time sensitive manner, minimizing time off work due to illness.
2. **Employee retention:** Offering health benefits can significantly improve staff retention by making the job more attractive and demonstrating that the employer values their well-being.
3. **Financial security:** Health insurance helps protect caregivers from high medical costs in case of unexpected illness or injury.
4. **Addressing workforce challenges:** The child care industry often struggles with low wages, which can make it difficult for workers to afford private health insurance.
5. **Child development impact:** Healthy caregivers are better equipped to provide quality care and support children's development, especially in the early years when interactions with adults are crucial.

Early childhood education and care professionals need access to affordable health care in order to realize their own best health and to best serve the children.

The child care workforce is primarily small businesses or self-employed in family child care homes owned and operated by women. Most of these small businesses and their employees lack access to affordable health care coverage options. According to Center for Law and Social Policy, *nationally, 16 percent of child care workers under age 65 are uninsured, compared to 13.3 percent among all uninsured adults under age 65. The rates of uninsurance*

for child care workforce in the 12 states that have not yet expanded. Medicaid is almost three times as high (30.6 percent) as in expansion states (10.3 percent). This disproportionately affects women of color, as they comprise 40 percent of the early childhood workforce and are more likely to work in early childhood than the K-12 system.

SB 611 is an innovative collaboration of support for access to health insurance, which will assist child care professionals and businesses navigate the options and opportunities that best fit the budget needs of the diverse workforce as it is difficult to compete as small business for health care benefits due to affordability and economies of scale.

Additionally and importantly, SB 611 expands qualifying non-profit organizations -satellite organizations with eligibility to participate in the State Employee and Retiree Health and Welfare benefits program to include child care provider that receives funds from local, state, or federal government that cover more than two thirds of the organizations operating expenses. This opens the door to pay fair share for state level benefits child care providers/programs could never afford otherwise.

Early childhood education and care professionals need access to affordable health care in order to realize their own best health and to best serve the children.

The Comptroller of Maryland's recent State of the Economy concludes, *Child care is a fragile market that requires government intervention to enable providers – often small businesses – to succeed and enable parents with young children to work. Child care challenges can create significant headwinds for equitable economic growth.*

SB 611 is a step in the right direction to addressing the workforce decline and compensation issues that impact small child care businesses by creating a collaboration, outreach, and equity model.

Maryland State Child Care Association requests a favorable report.