



**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 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 857 Child Care Prekindergarten Expansion Modifications and Workgroup Submitted to: Education, Energy, and Environment Committee

March 5, 2025

Maryland State Child Care Association enthusiastically supports SB 857.

SB 857 addresses important challenges for community-based Prekindergarten programs.

Consideration must be given to the unintended consequences, numerous barriers, and inequities in the Blueprint for Maryland's Education-Pillar 1 along with the additional layers of challenges that prohibit many early childhood programs from participating in public PreK mixed delivery system. If we want to support working families and we want to achieve a true mixed delivery system with diverse teachers and quality options for parents to choose what best meets their family's needs, we must recognize, understand the unintended consequences to alleviate the barriers to ensure Blueprint recommendations are met.

Public schools' policies and practices are very different from those in regulated childcare settings. While public schools and community-based programs fall under the authority of MSDE, they are not the same. The language and terminology used in public schools are very different from those used in community-based programs. The regulations are different. The oversight is different. The funding is different. The staff qualifications are different. The workload is different. The length of the workday is different. The interactions and relationships with families are different.

Additionally, there is a lack of understanding of child care operating expenses and budgeting. Most community-based programs are funded solely through tuition paid for by parents and families. Families can only afford to pay so much for high quality child care. Childcare costs are in the top three household expenses for families with young children. The true cost of infant care is unaffordable for most families. To compensate for this, community-based programs set tuition rates for children birth – 2 at less than the actual cost of care. To balance the budget and cover program operating expenses, community-based programs set tuition rates for 3- and 4-year-olds higher than the actual cost of care. This distributes the total operating costs more equitably across age groups. However, if 4-year-olds leave community-based programs to attend public school prekindergarten, there will be devastating financial costs for families of children birth-3 years old. Most community-based programs will not be able to afford to stay in business. Most community-based programs operate on razor thin margins. Anything that adds to their operating expenses, or decreases revenue, e.g. pandemic shutdowns, will significantly harm a program's ability to balance their budget.

The timeline for when the grant RFPs are released, and funding decisions are distributed does not align with the operational timeline of community-based programs.

Most community-based programs begin registration for the following school year in January or February. MSDE typically releases the grant application in the spring. There has been no consistent release date for this grant. While it is typically released in March or April, the grant has been released in February and May.

The turn-around time for funding decisions can take 4-6 weeks from the submission due date. By the time the grant application is released, most programs have already enrolled in their 3- and 4-year-old classrooms. A community-based program that wants to participate in Blueprint cannot afford to reserve slots on the speculation that they might receive grant funds, so those slots go to self pay families.

The timeline for when the grant RFPs are released, and funding decisions are distributed does not align with the operational timeline of community-based programs. For community-based programs currently participating in Blueprint and applying for a renewal grant, the wait time for receiving a Notification of grant award (NOGA) is very difficult. They have already enrolled grant eligible children, yet they cannot guarantee free tuition for families without the Notice of Grant Award. When the grant is not released until late spring, and NOGAs aren't issued until July, some families will leave the community-based program and enroll elsewhere (mostly public school) due to a lack of guarantee of funding. This legislation will address these challenges.

The terminology in the grant application does not align with the terminology used in community-based programs. LEAs have a grants office and much administrative support to complete the RFP. Their grant writers are familiar with the language. MSDE releases a Prekindergarten Programs Operating Manual AFTER programs receive their NOGA. Often there are new rules or requirements included in this manual that were NOT specified requirements in the grant application. It's like changing the rules in the middle of the game.

For many families attending community-based programs, even with free tuition, when a slot opens in a public prekindergarten, the family leaves and sends their child to public school. For many MSDE certified prekindergarten teachers working in community-based programs, when a teaching position opens in public school, they leave the program to teach in public school. Better benefits, shorter working hours, more resources, and more support provided by LEAs are contributing factors. This only exacerbates the staffing crisis in community-based programs.

When families at 600% above FPL can participate through a sliding scale, the competition between LEAs and community-based programs will only increase. This has the potential to lead to more community-based programs going out of business. Without child care, there will be an increase in unlicensed, unregulated care. This is detrimental to children and families with poor outcomes. Enrollment challenges include, when a community-based program is awarded a grant, they do so in good faith with the expectation they will meet their stated enrollment numbers. However, families may be transient for a variety of reasons. When a family leaves during the school year, it is very difficult for the community-based program to fill that slot. Currently, Prekindergarten slots must be 85% enrolled by December 31. If enrollment is less than that, MSDE reduces the program's funding by the number of slots not enrolled. The program, however, still must maintain all grant expectations, including teacher salaries. As noted previously, operating margins in community-based programs are razor thin. Any loss in funding can be catastrophic to the program's operating budget. The program is penalized for something that is out of their control. It is exponentially more devastating when a family leaves mid-year to enroll in a public-school program.

SB 857 will move towards equity in mixed delivery of Prekindergarten and support growth by establishing a workgroup to understand the many unintended consequences and challenges for community-based providers and programs to participate.

MSCCA urges a favorable report.

