



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Senate Bill 452 - Child Care Affordability Commission - Establishment**

February 12, 2025

Mister Chairman and Members of the Education, Energy and the Environment 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 child care options and the opportunity to fully participate in the labor force."

Senate Bill 452 will establish a Child Care Affordability Commission to gather together government officials, child care providers, business leaders and policy experts to work together to solve the problem of affordable child care that is grappling our state and our nation. The Commission will be charged to study and make recommendations regarding child care affordability in the state including:

- (1) an identification of:
  - a. obstacles to obtaining a fiscally sustainable system of child care and early childhood education that meets the needs of children living in poverty and children at risk of living in poverty;
  - b. barriers to increasing the supply of child care while offering additional supports and incentives to achieve and maintain quality;
  - c. measures to ensure the success and sustainability of the Child Care Scholarship Program for working families and any additional measures to support working families, including business tax credits and other incentives for investments in child care; and
  - d. revenue streams to create an adequate and sustainable source of funding for child care in the State;
- (2) a determination of the economic threshold the State should use to cap the cost of child care for families in the State; and
- (3) an examination of any other relevant issues concerning access to or the quality or affordability of child care, as determined by the Commission

The Commission is required to file an interim report by January 1, 2026, and a final report would be due to the General Assembly by December 1, 2026. The Commission would be allowed to hire outside consultants that could be paid by philanthropic contributions to the state.

Comptroller Lierman's report makes reference to national research that establishes a clear link between increased access to quality, affordable child care, and increased Labor Force Participation. It further notes that access to child care is also associated with improved productivity, increased state revenues, and greater economic security and earnings potential for women. Investments in Maryland's child care industry are essential to equitably growing Maryland's economy and keeping Maryland competitive, not to mention the educational and social benefits that children can receive from high quality care early in life.

For all those reasons, I respectfully request a favorable report on Senate Bill 452.