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Position: FAV



February 21, 2025

SB 780 Prekindergarten - 3-Year-Olds - Private Providers (Parental Choice for Prekindergarten Act)

Senate Education, Energy and the Environment Committee

Position: FAVORABLE

The Maryland Catholic Conference offers this testimony in support of Senate Bill 780. The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals and numerous charities combine to form our state's second largest social service provider network, behind only our state government. Additionally, we offer this testimony on behalf of the families of more than 50,000 students served by over 150 PreK-12 Catholic schools in Maryland.

Senate Bill 780 would alter the definition of "Tier I child" to include three-year-old children whose parents elect to enroll them in Pre-K3 with a private provider. The income threshold for eligible families for state-funded Pre-K3 would be 300% of the federal poverty level.

With the state's ambitious prekindergarten expansion goals hampered by cost, private providers could be utilized at a cost savings to the state. Many private providers and nonpublic schools educate students at a vastly lower cost than the state per pupil average. Some Catholic providers have participated in state prekindergarten expansion for several years, providing prekindergarten to four-year-old children whose family income is 300% of the federal poverty level (FPL) or lower. Catholic schools and other providers have the capacity to offer high quality seats at our programs and stand at the ready to partner with the state of Maryland in that endeavor.

All three of (arch)dioceses serving Maryland have a strong commitment to education and recognize the important role that kindergarten-readiness plays in a child's educational development. Within the State of Maryland, there are approximately 120 prekindergarten programs in Catholic schools or parishes, in addition to Headstart programs. Nearly all are accredited by an accrediting agency recognized by MSDE and a vast majority of them employ state-certified prekindergarten teachers.

Lastly, the parental choice option provided by this proposal aligns succinctly with the mission of our Catholic schools, where our faith tradition holds that parents are the first educators of their children. The state owes a duty to ensure all of Maryland's children are afforded the educational opportunities best suited to their needs. For these reasons, we urge a favorable report for Senate Bill 780.

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Position: FAV



Bill Number: Senate Bill 780

Prekindergarten – 3–Year–Olds – Private Providers 2 (Parental Choice for Prekindergarten

Act)

Submitted by: Ruby Daniels, President, Maryland State Family Child Care Association (MSFCCA)

Hearing Date: February 21, 2025

Committee: Education, Energy, and the Environment

Position: Favorable

Dear Chair Feldman Vice Chair Kagan, and Esteemed Members of the Committee,

My name is Ruby Daniels, and I am the President of the Maryland State Family Child Care Association (MSFCCA), representing thousands of family child care providers across the state. Additionally, I am a second-year independent prekindergarten expansion grantee, providing high-quality early education aligned with Maryland's public school curriculum. I am submitting this testimony on behalf of Maryland's family child care providers who play an essential role in delivering equitable and community-based prekindergarten services to families.

Senate Bill 780 introduces important changes to the prekindergarten landscape in Maryland, particularly regarding the enrollment of 3-year-olds in publicly funded pre-K programs. While the bill expands parental choice and strengthens private provider participation, I urge the committee to carefully consider its impact on family child care providers, who are critical to ensuring a diverse, community-centered early learning system.

Considerations for Family Child Care Providers

Increased Barriers to Participation for Family Child Care Providers — While the bill allows private providers to serve Tier I 3-year-olds, it requires an MOU with MSDE and the county board of education. Family child care providers often lack the administrative resources of larger providers, making it more challenging to navigate complex agreements and compliance requirements. Clearer **technical assistance and streamlined participation processes** are essential for equitable access.

Funding and Equity Considerations – The bill provides public funding to eligible private providers enrolling Tier I 3-year-olds, which is a positive step. However, funding allocations should ensure that family child care providers receive equitable support compared to larger pre-K centers. Family child care programs are uniquely positioned to provide culturally responsive, relationship-based care in home-like settings, which is particularly beneficial for younger learners.

Ensuring Meaningful Inclusion of Family Child Care Providers in Mixed-Delivery – The intent of Maryland's pre-K expansion is to promote a robust mixed-delivery system where both public and private providers have a role in early learning. However, without intentional outreach and



structural support for family child care providers, there is a risk that these smaller, community-based programs could be overlooked. The state should prioritize strategies to actively integrate family child care into pre-K expansion efforts.

Recommendations

To fully realize the goals of Senate Bill 780 while ensuring family child care providers remain central to the mixed-delivery system, I respectfully recommend:

A streamlined process for family child care providers to enter into MOUs with MSDE and county boards, ensuring they are not burdened with disproportionate administrative requirements.

Dedicated technical assistance to help family child care providers navigate compliance, reporting, and operational challenges related to state pre-K participation.

A clear commitment to preserving and expanding family child care's role in Maryland's prekindergarten system, ensuring parents have access to small-group, home-based learning environments that offer high-quality, developmentally appropriate care. Family child care providers offer a vital service to Maryland's families, especially in areas where public school-based programs may not be accessible. I urge the committee to consider amendments that will ensure family child care remains an integral part of the prekindergarten expansion.

I urge the committee to pass SB 780 making sure that there are technical assistance provided to family child care providers especially ones who are speakers of other languages.

Thank you for your time and consideration. I am happy to answer any questions and look forward to working collaboratively to enhance Maryland's early education system.

Sincerely,
Ruby Daniels
President, Maryland State Family Child Care Association (MSFCCA)
Independent Pre-K Expansion Grantee

- MSCCA Testimony - SB 780 oppose Prek 3 year olds Uploaded by: Christina Peusch

Position: UNF

Maryland State Child Care Association

Caring For Maryland's Most Important Natural Resource™ 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 five thousand 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 780 Prekindergarten-3-Year-Olds-Private Providers (Parental Choice for Prekindergarten Act)
Submitted to: Education, Energy, and Environment Committee
February 21, 2025

SB 780 seeks to alter the definition of "Tier I child" for purposes of publicly provided prekindergarten to not include 3–year–olds and only include certain 4–year–olds in public prekindergarten. This bill is in direct conflict with Pillar 1 recommendations for a mixed delivery system and will negatively impact the private providers. SB 780, while well-intentioned, creates conditions that could devastate local child care markets and, by extension, severely impact community economic health. When child care isn't available, parents – primarily mothers – don't work. The consequences of an unstable child care market cascade through local economies, affecting workforce participation, business growth, and family economic security.

The Maryland's Comptroller in her State of the Economy Report released in December 2024 found child care providers are operating on margins less than 1%. Now, without sufficient data or impact analysis, this legislation risks further destabilizing an already fragile system.

Child care programs that serve only infants to three-year-olds simply cannot survive. If forced to operate without the revenue from 4-year-olds, we would be left with no choice but to raise prices for infant and toddler care, which is already hard to access and is unaffordable for many families. This could ultimately lead to the collapse of our business, as we would no longer be able to maintain the high standards of education and care that our community expects and deserves.

Furthermore, the Blueprint for Maryland's Future was designed to support a mixed-delivery system that provides families with the option to choose the best fit for their child's early education. ALL child care programs, needed for all children in our state, is supported by the enrollment of both 3- and 4-year-olds. Losing access to 4-year-olds would make it extremely difficult for us to remain operational and continue to offer a high-quality, educational childcare experience.

MSCCA recommends you consider the long-term impact of SB 780 on both our business and the families we serve. Child Care providers are deeply committed to the well-being and education of our children, and we hope you will support legislation that ensure families have access to a diverse range of high-quality early childhood education options.

Please consider the critical data gaps below which make it impossible to predict the full impact of this legislation:

Market Data Gaps:

- No enrollment data for providers
- Limited data on capacity by different age groups under 5

- Incomplete data on provider types and business models
- No analysis of current vacancy patterns and causes
- No data on geographic distribution of demand vs. supply

Economic Impact Gaps:

- No modeling of revenue impact on providers at different Tier 1 or Tier 2 absorption rates by the LEAs
- No analysis of cross-subsidization effects (how 4-year-old revenue supports infant/toddler care)
- No projections of potential provider closures at county level
- No assessment of impact on local labor force participation
- No evaluation of ripple effects on business growth and development

Implementation Feasibility Gaps:

- No assessment of providers' ability to shift age group focus
- No analysis of market demand for expanded 3-year-old care
- No evaluation of geographic and demographic factors affecting enrollment
- No study of transportation impacts on family choice
- No data on provider capacity to maintain quality with changed age ratios

Private providers' business model is not sustainable without three and four -year olds.

Regulations restrict the amount of infants, toddlers, and two year olds in licensed private programs, therefore there is no way to make up the loss of four year olds.

SB 780, ultimately prevents private providers from serving Tier 1 four-year-olds, it creates market conditions that could trigger a cascade of closures. The suggestion that school districts focus on Tier 1 four-year-olds while private providers shift to three-year-olds and Tier 2/3 four-year-olds ignores fundamental business realities.

Experts in Maryland's private child care sector, the people on the ground doing the work believe this bill endangers their livelihoods and the health of the child care marketplace.

Research from Rhode Island and New Mexico shows that programs serving only younger children are not financially sustainable at any size or quality level.

Additionally, there are challenges by allowing school districts to waive parent fees for Tier 2 children. This creates an untenable competitive disadvantage where parents can access free PreK in public schools, but must pay fees with private providers. The impact could be severe - evidence from New York City shows that for every seven four-year-olds who left private care for public PreK, one infant/toddler slot was lost.

As Maryland has learned during the pandemic, once child care capacity is lost, it is extremely difficult to rebuild. Since 2020:

- Over 1,200 providers have closed
- Maryland capacity has decreased by more than 12,000
- Maryland has seen one of the sharpest declines in child care workers nationally

- Child care costs remain among the highest in the nation
- Maryland is set to freeze the child care scholarship program in May of 2025, causing hardship for families, child care providers and public Pre-K due to families using scholarship for before and after school care.

We respectfully request:

- 1. A comprehensive economic impact analysis should be completed to determine the consequences of eliminating Tier 1 Fours from private child care providers.
- 2. Develop a data-driven implementation approach that ensures the sustainability of Maryland's mixeddelivery system.
- 3. Let Tier 1 four year old parents choose what setting best meets their needs because most parents do not work 6.5 hours per day and child care Kindergarten Readiness data is higher than public Pre-K.

Why would you want to limit parent choice for Tier 1 four-year-olds?

MSCCA urges an unfavorable report for SB 780.

SB780 RAIbertsen testimony.pdf Uploaded by: RANDI ALBERTSEN Position: UNF



10400 Hardwood Court Woodstock, MD 21163 410-370-2837

innovationsineducation@verizon.net

www.innovationsed.com @innovations.ed

My name is Randi Albertsen. I own Innovations in Education, LLC. We provide professional development and consulting for early childhood programs. I am *vehemently opposed* to SB 780, Parental Choice for Prekindergarten Act.

If passed, this bill will cause irreparable harm to community-based childcare programs in Maryland and will negate the intent of Pillar 1 in the Blueprint for Maryland's Future. Pillar 1 is designed to create a 50-50 mixed delivery system to serve Maryland's most marginalized 3- and 4-year-olds. The goal of Pillar 1 is to increase access to high-quality early learning environments and enhance opportunities for school readiness for our youngest learners.

Rather than increase access to high-quality early learning environments through an equitable mixed-delivery system, this bill will decrease the availability of prekindergarten slots in community-based childcare programs. This bill removes the ability of public school systems to serve Tier-eligible 3-year-olds AND, simultaneously, limits the number of 4-year-olds whom community-based private providers can serve as counties move toward a 50-50 mixed delivery system.

If the goal of this bill is to support parental choice for prekindergarten, it will do the exact opposite. As we approach a true mixed delivery system, if more community-based programs enroll 3-year-olds in their prekindergarten programs, the number of community-based slots for eligible 4-year-olds will be proportionately decreased. This bill's net effect is placing more Tier 1 eligible 4-year-olds in public schools and far fewer 4-year-olds in community-based prekindergarten programs. With fewer community-based, 4-year-old slots available for Tier 1 families, parental choice is significantly reduced, as in some communities, their only option for prekindergarten will be a public school.

Most non-early childhood educators do not understand how community-based childcare programs operate and how their budgets function. Many of our community-based

programs are small businesses. Childcare has notoriously low operating margins, with very little room for error. Any changes to a childcare program's overall enrollment creates a ripple effect within the business and will most likely create an economic hardship. When this happens, it's parents who pay the price. That price may be an increase in tuition or a shuttering of the childcare program, leading to a lack of available care.

To ensure that Tier 1 parents truly have options and choices for prekindergarten for their 4-year-olds, we must continue to uphold an equitable mixed-delivery system that values a variety of high-quality early childhood learning environments in both public and private settings. The existing language in Pillar 1 for Tier eligibility of 3- and 4-year-olds needs to remain intact, and this bill must NOT move forward.

Please oppose this bill to preserve the true integrity of parental choice.

SB 780 Joint Written Testimony.docx.pdf Uploaded by: Zachary Hands

Position: UNF





TO: Senate Education, Energy, and the Environment Committee

BILL: Senate Bill (SB) 780 - Prekindergarten - 3-Year-Olds - Private Providers (Parental Choice for

Prekindergarten Act)

DATE: February 21, 2025

POSITION: Oppose

Chair Feldman and Members of the Education, Energy, and the Environment Committee:

The Maryland State Board of Education (State Board), the Maryland State Department of Education (MSDE) and the Accountability and Implementation Board (AIB) oppose Senate Bill (SB) 780 - Prekindergarten - 3-Year-Olds - Private Providers (Parental Choice for Prekindergarten Act). If enacted, this legislation would exclude Tier I 3-year-olds from accessing publicly provided prekindergarten and would only allow them to be served by private providers. This could substantially limit the availability of and access to Pre-K opportunities for these students. Additionally, the legislation does not consider 3-year-olds who might already be or will be enrolled in a public school program. It is probable some of these students will already have an Individualized Family Service Plan (IFSP) or an Individualized Education Plan (IEP) in place.

We understand that to continue expansion at a rapid rate to meet the goals of the Blueprint for Maryland's Future, some challenges must be addressed. Space and capacity are challenges to Pre-K expansion in certain jurisdictions. In some LEA settings, space to expand Pre-K is limited and the number of private providers are few. At this juncture, it is important that all providers have the ability to meet the need for 3- year-olds, as well provide choice for families. Families should have a wide range of choices that address their unique situations and should not face barriers to access, , such as transportation.

Maryland is working to expand access to Pre-K through a mixed delivery model. The mixed delivery Pre-K model offers publicly provided prekindergarten in a variety of settings to meet families' needs and preferences. These settings include local education agencies (LEAs) as well as non-LEA private provider settings, such as child care centers, family child care homes, and Head Start programs. In publicly funded prekindergarten programs, under the current definition of Tier I, both public and private providers can enroll 3- and 4-year-olds. Maryland has made significant strides in developing a high-quality, mixed-delivery, full-day Pre-K system. The State aims to expand access, enhance quality, and create equitable opportunities across various delivery models.

The AIB and State Board recently released a joint policy aimed at maximizing the number of students served in Maryland's mixed delivery Pre-K system by encouraging public providers to focus on ensuring all eligible Tier I 4-year-olds are served and then encouraging private providers, including Head Start programs, to focus on serving Tier I 3-year-olds and Tier II and Tier III 4-year-olds.

Additionally, the <u>joint policy</u> emphasizes that private providers may choose to serve Tier I 4-year-olds; and public providers may choose to serve Tier II and III 4-year-olds. Maryland's focus remains on scaling current efforts while continuously evaluating outcomes and refining strategies. The approach in SB 780 may unnecessarily limit LEAs who wish to serve 3-year-olds and provide few flexibilities for public and private providers to serve the market.

The State Board, MSDE, and the AIB encourage LEAs to think creatively about ways to partner with private providers to mitigate space challenges. In some counties, the county board of education works closely with the private providers in their catchment area to support mixed delivery Pre-K by elevating the distribution of 3- and 4-year-old children based on the capacity within each setting. This allows choice for families, more children to be served, and fewer available seats to go unfilled. While this is a promising practice, more consistent and strategic support for private providers is needed to expand Pre-K through the mixed delivery system.

For these reasons, MSDE and AIB **oppose SB 780** and request an **unfavorable report**. Please contact Dr. Akilah Alleyne, Executive Director of Government Affairs, MSDE, at <u>Akilah.alleyne@maryland.gov</u> or at 410-767-0504; or Joy Schaefer, Government Relations Director, AIB at <u>joy.schaefer@maryland.gov</u> or (410) 991-7326, if you would like any additional information.