

Maryland State Child Care Association

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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 5000 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: HB 862 Child Care Affordability Commission- Establishment Submitted to: Ways and Means Committee February 25, 2025

MSCCA enthusiastically supports HB 862.

The establishment of the Child Care Affordability Commission is important because child care is an economic and equity imperative. Most families struggle to find or afford high-quality child care that meets their needs.

HB 862 understands the critical role affordable child care plays in the economy of Maryland, the essential impact child care has on businesses, and the importance of child care in the success of the Blueprint for Maryland's Future of mixed delivery, which is unattainable without child care.

We know employers need a dependable workforce, and affordable child care can help support the workforce. Businesses lose profit and productivity when there are insufficient, affordable child care options. The Maryland Chamber of Commerce lists child care as a top priority because child care directly and indirectly impacts businesses.

<https://www.mdchamber.org/2024/12/02/2025-legislative-priorities-and-critical-issues/>

According to the Comptroller of Maryland in her State of the Economy report released December 31, 2024, <https://marylandtaxes.gov/reports/static-files/research/childcare.pdf>, Maryland's Labor Force Participation remains at 3.8% below pre-pandemic levels and Maryland's child care workforce has not recovered and rebounded as many of the other states in the country. Maryland has lost over 1,200 child care businesses or 15.5 % and continues to suffer a decline in number of child care seats losing over 12,000 or 5.5 % in overall capacity in licensed child care slots. When parents cannot access affordable, consistent child care, they miss work, which leads to lower household incomes and job loss.

Investing in affordable child care, which is early education, helps children succeed in school and in life. The Blueprint for Maryland's Future, Pillar 1 mixed delivery goals are squarely based on child care participating as partners in mixed delivery, yet based, on the Comptroller's recent State of the Economy, child care continues to decline in our state.

<https://marylandtaxes.gov/reports/static-files/research/childcare.pdf>

HB 862 creates a Commission to include a broad, cross sector of expert stakeholders to study and make recommendations regarding child care affordability, including, identifying the obstacles and barriers to a fiscally sustainable child care/early childhood education system, measuring the efficiency and effectiveness of investments in child care, and will work to address adequate and sustainable resources to build a stronger infrastructure for child care/early learning.

Additionally, HB 862 will examine relevant issues concerning affordability and quality of child care with the guidance of the established Commission. This work could review the child care licensing and regulations, child care scholarship program, policies and quality initiatives, expansion of mixed delivery, and Kindergarten readiness data related to child care.

The Comptroller of Maryland urges in her State of the Economy report that in order to “solve the challenges that confront working parents in maintaining a foothold in the labor force, policymakers and the public need to understand the shifts and changes to Maryland’s child care industry.” HB 862 is a step in the right direction to advise the General Assembly.

The Comptroller concludes, “The U.S. 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.”

<https://marylandtaxes.gov/reports/static-files/research/childcare.pdf>.

HB 862 is also addressing viability of small businesses and equity, as women dominate the child care workforce. Child Care is primarily small businesses often women and minority owners and operators.

Despite the importance of access to high-quality child care to children, families, communities, and our country's economic growth, child care remains a fundamentally broken system. Even with historic investments and improvements in policies around the child care scholarship program, Maryland is planning to freeze the child care scholarship program and decrease the reimbursement rates by 10% for service providers, therefore many parents will not be able to work and will have less access to quality, affordable, licensed, safe, child care in our state. Child care providers will suffer due to less reimbursement in an already tenuous tuition dependent business model.

The time to act is now. The establishment of a Child Care Affordability Commission should be a priority for state policy makers due to the historic investments of the Administration and recommendations of our Comptroller. We owe it to working families, our businesses, and our economy to address affordability for child care.

Maryland State Child Care Association urges a favorable report.