

P.O. Box 34047, Bethesda, MD 20827

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House Bill 1469 - Taxes - Sugary Beverage Distributor Tax (For Our Kids Act)

Ways and Means Committee and Economic Matters Committee - March 6, 2025

SUPPORT

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club** (WDC) for the 2025 legislative session. WDC is one of Maryland's largest and most active Democratic clubs with hundreds of politically active members, including many elected officials.

WDC urges the passage of HB1469. Aptly named the "For Our Kids Act," this bill will create a dedicated funding stream for the state Free Feeding Program and the Maryland Meals for Achievement In–classroom Breakfast Program through the Healthy School Meals Fund, while supplementing the Child Care Scholarship Program <u>and</u> adding significant additional revenue to the state's coffers. From a small tax on sugary drinks (\$.02 / ounce), an additional \$189 million will be added to the Healthy School Meals Fund and \$50 million to the Child Care Scholarship program, each year.

Childhood hunger impacts cognitive development, ability to learn, and physical and mental health and well-being. Decades of research have demonstrated profound and long-lasting effects. The provisioning of school meals to all students will ensure that their potential is not limited by hunger. Currently, according to <u>Feeding America</u>, one in every six children in Maryland face hunger. A pre-pandemic (2020) report indicates that for secondary school students, this number is one in four. According to <u>No Kid Hungry Maryland</u>, many secondary school students "lack consistent access to the healthy food they need," with "some counties experiencing [food insecurity] rates of over 40%." Furthermore, "the risk of experiencing food insecurity is more than double for Black middle and high school students, as compared to White students." The "For Our Kids Act" (HB1469) "earmarks \$189 million of any Maryland tax for free breakfast and lunch programs for every publicschool student and qualifying private schools" (<u>Maryland Matters</u>). HB1469 would establish and maintain a stable, dedicated funding stream for school nutrition, enabling Maryland to continue to support equity in the classroom is by ensuring that every child has the nutrition they need to strive and achieve in school.

Early care and education (ECE) is unaffordable for many in the state. The cost and scarcity of childcare directly impacts women's labor force participation (link to comptroller's report). While the state has made recent historic investments to increase the affordability of childcare through the Child Care Scholarship Program, four years in, the state estimates that only 13% of eligible children receive childcare scholarships. Meanwhile, the governor's proposed budget would effectively cap the number of children that can participate through a cap on program funding. The "For Our Kids Act" (HB1469) sets aside \$50 million for childcare subsidies (Maryland Matters). HB1469 would establish and maintain a stable, dedicated funding stream to supplement the current inadequate



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funding of the Child Care Scholarship Program, currently a key element of the state's effort to address the crisis in ECE.

The "For Our Kids Act" (HB1469) would help Maryland to protect the health and welfare of its children and to advance educational equity. <u>Analyses</u> of the tax estimate that it will also add an additional \$210 million to the state's General Fund (<u>Maryland Matters</u>).

Programs to protect the health and welfare of children and to advance educational equity are perennially underfunded. This includes the state's school nutrition programs and its Child Care Scholarship Program. With so many in our state struggling due to actions by the current Federal Executive, reluctance to add even a small tax is understandable. However, we believe that some programs are so vital to the well-being of our state and its children that, even in times such as these, we are morally obligated to add funding, rather than cut it. We furthermore believe that most Maryland voters agree and will be willing to pay a small additional tax on sugary drinks—if they understand and approve of the programs the tax will fund.

We ask for your support for HB1469 and strongly urge a favorable Committee report.

Tazeen Ahmad WDC President Kate Stein WDC Children and Youth Subcommittee Cynthia Rubenstein WDC Advocacy Co-Chair