

Hearing Testimony February 25, 2025  
House Ways and Means Committee  
Service Employees International Union, Local 500

HB862  
Child Care Affordability Commission – Establishment

SUPPORT

SEIU Local 500 represents over 20,000 working people in Maryland, Washington D.C., and Virginia. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Faculty and Staff at several Maryland colleges and universities, staff at non-profits and many other working people across the region. We urge a FAVORABLE Report on HB862 – **Child Care Affordability Commission – Establishment**. We would also like to thank Senator King for her many years as an advocate for the child care community.

Affordable, high-quality child care is a foundational element of both our economy and the success of Maryland's future. Yet, most families continue to struggle to find or afford child care that meets their needs. HB862 recognizes this reality and aims to find meaningful solutions that will support the workforce, bolster Maryland's businesses, and enhance our educational outcomes. Child care is central to the success of the Blueprint for Maryland's Future, particularly the mixed delivery goals, which cannot be achieved without accessible child care.

The evidence is clear: child care impacts businesses and the economy in profound ways. Employers across Maryland require a dependable workforce, and affordable child care plays a key role in supporting that workforce. Businesses lose both profit and productivity when employees cannot access affordable, reliable child care.

The *State of the Economy* report from the Comptroller of Maryland, released on December 31, 2024, underscores the urgency of addressing the lack of child care availability in Maryland. According to the report, Maryland's labor force participation remains 3.8% below pre-pandemic levels, and our state has lost over 1,200 child care businesses—representing a 15.5% decline. Over 12,000 licensed child care slots have also been lost, or a 5.5% decrease in capacity. This is not just a child care crisis; it is a workforce and economic crisis. When parents cannot access affordable, consistent child care, they miss work, leading to lower household incomes and job loss.

Investing in affordable child care is an investment in early education, which helps children succeed in school and life. Yet, as noted in the Comptroller's report, child care in Maryland continues to decline,

threatening our progress on the Blueprint for Maryland's Future. HB862 seeks to address these challenges by establishing a commission that includes a broad cross-section of expert stakeholders who will study and make recommendations on child care affordability. This commission will examine critical issues, such as identifying barriers to a fiscally sustainable child care system, measuring the effectiveness of current investments, and addressing the need for adequate and sustainable resources for the child care infrastructure.

Furthermore, HB862 will review various aspects of child care policy, including licensing regulations, the child care scholarship program, and quality initiatives, all with the guidance of the newly established commission. This effort will provide valuable insights into how we can improve both the affordability and quality of child care in Maryland, ensuring that working parents can fully participate in the labor force.

The Comptroller's report stresses the need for policymakers and the public to understand the shifts and changes within Maryland's child care industry in order to solve the challenges faced by working parents. Hb862 is an essential step toward addressing these issues and advising the General Assembly on meaningful reforms.

The Comptroller further highlights that the U.S. Treasury Department has labeled the nation's child care system a "market failure." The cost of providing high-quality care exceeds what many families can afford, and the report emphasizes the necessity of government intervention to address these market failures. HB862 directly supports this vision by working toward solutions that will benefit Maryland's families, businesses, and economy.

Additionally, this bill takes into account the impact of child care on small businesses and equity. The child care workforce is predominantly made up of women, and many child care providers are small businesses, often owned and operated by women and minority groups. It is essential to support these businesses to ensure they can continue providing high-quality care to Maryland's children.

HB862 will create a Child Care Affordability Commission that can bring together experts to address the systemic issues that have long plagued Maryland's child care industry. The recommendations of the Comptroller and the Administration highlight the importance of making child care affordable and accessible. Therefore, we recommend a favorable report.