



**Caring For Maryland's Most  
Important Natural Resource™**

# Maryland State Child Care Association

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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 4500 members working in the field of early childhood. 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: State FY 2021 Budget for the Maryland State Department of Education, Division of Early Childhood Development Education and Economic Development Subcommittee February 3, 2020

MSCCA acknowledges and appreciates all the hard work of the Maryland State Department of Education (MSDE) under the strong leadership in the Division of Early Childhood - Early Care and Education. Maryland has become a national role model in many areas including early childhood education, family engagement and exceptional quality initiatives. The FY 2021 budget conveys important, necessary investments in Maryland's children.

MSCCA concurs with the key observations and the recommendations made by DLS, especially related to reporting important expenditures and projections regarding child care scholarships/subsidies and Pre-K Expansion.

**MSDE Lacks Adequate Projections for Child Care Scholarship Program Participation and Expenditures:** Recent actions lifting the enrollment freeze, raising income eligibility, and increasing reimbursement rates are all driving a substantial increase in CCS program participation. **MSDE indicates that it has not contracted with any vendor to provide data analysis and research to forecast program participation or costs since the recent actions have taken effect, causing concern that the department does not have adequate forecasts for program costs in fiscal 2021 and beyond.** This analysis is unsettling as adequate forecasts of public dollars used and projections are crucial to efficiency and continued access for families that have long waited for this opportunity. MSCCA asks that MSDE explain what they need to secure a vendor for data analysis and why this action has not been taken to ensure proper reporting to legislature.

### Operating Budget Recommended Actions

1. Add language withholding funds until the department submits a report accounting for recent Child Care and Development Fund beginning and closing balances.
  2. Adopt narrative to request a report regarding Blueprint for Maryland's Future Fund spending on early childhood expansion activities.
  3. Adopt narrative to request quarterly reports on Child Care Scholarship expenditures.
  4. Adopt narrative to request a report with projected Child Care Scholarship program
- Numerous community-based programs participate in the Pre-K Expansion grant in order to provide public pre-k and we are willing partners to ensure our most vulnerable, at risk children have full day access to quality early childhood experiences that prepare them for kindergarten and life.

So much progress has been made by the General Assembly, the Governor and MSDE in the past two years, especially related to the child care scholarship/subsidy program. Unfortunately, MSCCA is urgently concerned about the sustainability of current spending levels without additional monitoring and funding, most importantly related to Child Care Scholarships/Subsidies. MSDE has been diligent in keeping up with the overwhelming response from Maryland families who are finally beginning to have access to affordable, quality child care. This demand is proof families are in serious need of the investments. MSDE has helped to destigmatize the child care subsidy program by aptly renaming the program to reflect a child's first scholarship. The infusion of federal and state dollars earmarked for child care scholarships (subsidies) has made a huge difference in the lives of children and families. As we know child care is a top three household expense across the country and child care can rival college tuition. Without diligent attention to the trajectory of spending, possible deficits will upset the progress recently made in our state. MSDE has been able to provide a child's first scholarship's to over 20,000 children who now have access to affordable, quality child care/early education programs

across the state. Maryland, one of the richest states in the country, finally climbed out of the embarrassing bottom of the country ranking for child care reimbursement rates and we cannot allow our state to regress. Without support for MSDE and their efforts to meet and sustain the increases dictated through landmark legislation last year increasing reimbursement rates to the 60%, in 2021 (still below the national recommendations of 75%, but moves Maryland into top ten states for child care assistance) MSDE has indicated that Maryland is facing an enrollment freeze or waiting lists which will present a significant risk for families, children and the overall economy. Loss of access to affordable, quality child care will discourage families, negatively impact the workforce, increase unlicensed care and even further drive the early childhood workforce out of the field.

MSCCA members are proud to serve Maryland families every day as they care for and educate our youngest learners. MSCCA believes that the most equitable and efficient way to expand access to quality child care/early education in the state of Maryland is through direct family investments. These investments include child care scholarships. These public supports help to address affordability and availability issues for Maryland's families and assist with increasing wages for Marylanders struggling to make a living working in this critical field. We know that access to quality, affordable child care/early education leads to better outcomes for Maryland's youngest citizens. Maryland has to keep pace. According to research from the Economic Policy Institute:

- **Despite low early educator pay, care still costs too much for families.** Full-time infant care costs, per child, an average of \$14,970 per year in Maryland—\$5,681 more per year than in-state college tuition (which averages \$9,289 per student) and takes up 17.2% of a typical family's income, far higher than the 7% recommended by the U.S. Department of Health and Human Services. Early care and education for four-year-olds in Maryland costs \$10,010, annually, per child. Importantly, **combined state and federal investment falls far short of serving all eligible children who qualify** for current subsidy programs, and as a result, many low- and moderate-income families are heavily burdened by the costs of child care.

Increases to the state child care scholarships/subsidies help to infuse funds for compensation to our low paid educators with important responsibilities working with our youngest learners. Research shows education begins at birth. The brain develops most significantly from birth to age 3. Children in quality child care programs demonstrate better school outcomes, including higher vocabulary scores, language abilities and overall school success. It is incumbent upon Maryland to ensure resources to children and families to access early care/education in order to facilitate this learning and development.

Child Care is a necessity in society. It's not a handout. It's not a social service. It's an investment. It's an investment in the parents in our current workforce: their reliability, their prosperity, their social mobility. Maryland must have accountability measures in place for MSDE to report spending of the early childhood budget in order to understand and work to prevent deficiencies, waiting lists and negatively impact child care businesses enrolling more families in need.

Additionally, MSCCA has numerous programs that participate in the Pre-K Expansion model and we are grateful for the increased funding for quality. Families should have choices and access to affordable child care/early education and through both expansion grants and child care scholarship/subsidy support, they have more options.

MSCCA asks that legislators work together with MSDE to allow Maryland to provide the supports to meet the needs of families and children, including access to affordable, quality child care/early education through continued monitoring, keen recommendations for required reporting and projections related to the Division of Early Childhood budget.