

Important Natural Resource<sup>™</sup>

## 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 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 the essential professionals within the workforce.

October 1, 2023

The Honorable Helene Grady Secretary Department of Budget and Management 45 Calvert Street Annapolis, MD 21401

Dear Secretary Grady,

The Maryland State Child Care Association and our coalition of partner organizations are writing to shed light on critical concerns about the Child Care Scholarship Program. Maryland State Department of Education has publicly shared the Child Care Scholarship (CCS) Program is on track to run out of funds by January 2024. The CCS is a lifeline for Maryland families who need to work, participate in training programs, or further their education. These child care scholarships are critical for single parents, for mothers in the workforce who most often must choose between job and child care, and Maryland's most overburdened families.

We therefore urge the Administration to include critical child care scholarship funds in Governor Moore's FY2025 budget, so that Maryland can avoid a child care crisis which will negatively impact children, families, and the small businesses providing these services in every corner of the state. Child care is an essential industry driving the economy -- it is the workforce behind the workforce. Without dedicated funding from the state, child care programs that directly impact access to consistent, affordable child care for working Marylanders will not be able to continue, and our state will suffer the loss of more essential child care businesses.

Maryland is not alone -- this is a national child care crisis. Child Care Aware reports a 26% decline in the child care workforce since the pandemic. Maryland has already suffered the closure of *more than 1,000* child care programs since 2020. To further exacerbate the tenuous situation of these businesses, the average salary in Maryland for a lead teacher in a child care center is only \$26,000 per year, according to Maryland Family Network. So, many of these small businesses are owned and operated by diverse women who themselves qualify for the child care scholarships.

Most funding for anything related to child care comes from the federal government, providing states with ARPA pandemic-related child care relief funding. This funding is a testament to the recognition of the devasting impact and unique challenges the vulnerable child care industry faces, being made up of tuition-dependent small businesses primarily owned and operated by diverse women. Federal funds for stabilization and rescue efforts for child care industry have been life saving for many. However more support is needed since ARPA dollars will be depleted shortly, and, according to the Century Foundation, Maryland is facing a childcare cliff.

Child care is an economic driver and a top three household expense. The annual household cost of care varies across the state with Alleghany County cost of care at \$15,305 to Montgomery County annual household cost of care at \$35,766 in 2022. The average weekly cost of full- time care for 2022 in Maryland is as follows:

Ages: 0-23 months= \$341.81 2-4-year-old=\$259.25 5 years=\$239.62 School Age (Before and After School) =\$136.61

The cost of child care is a top 3 household expense rivaling college tuition, yet child care workers only make an average of \$26,000 in Maryland. The *Daily Mail Money* recently reported that Maryland is one of 28 states in which child care is more expensive than

college tuition. Marylanders spend about 15% of their annual wages on child care and costs are more than \$1000 annually for child care than college tuition.

Yet, as stated above, federal funding for child care for thousands of Marylanders is set to expire within days, and without immediate action, state child care scholarship funds will run out by January 2024, with the state needing to incur a waitlist of eligible families. Children will lose the opportunity during critical time of brain development to gain the social and emotional and educational foundations that early childhood programs successfully provide, and school age children will have less options for before and after care programs, which will impact parents work schedules causing stress, possible job loss. As such, MSCCA respectfully requests that funding be included in the Governor's FY2025 for the Child Care Scholarship Program so that families are able to have affordable child care options. These funds are absolutely critical to support child care recovery. We ask you to consider the important strategy of supporting the workforce and the economy by ensuring all Marylanders have access to affordable, licensed, quality child care. We do not want primarily moms to abandon jobs, change hours, stress over loss of opportunities in career, leave school, or quit training all due to a lack of child care scholarship funds. Maryland will continue to count our losses without more investments in child care.

Child care is an economic and equity imperative and should be a priority for our state. We thank you for investing in Maryland's children, families, and economy.

Respectfully and sincerely,

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