

January 31, 2022

**HB0089 — Child Care Stabilization Grant Program and Child Care Expansion Grant Program –
Established – SUPPORT**

Dear Chair Atterbeary, Vice Chair Washington, and Members of the Ways & Means Committee;

The Maryland Out of School Time Network (MOST) is a statewide organization dedicated to closing opportunity gaps by expanding both the quantity and quality of afterschool and summer learning opportunities for school-aged young people. MOST is one of the fifty statewide networks supported by the Charles Stewart Mott Foundation and serves as Maryland's affiliate to the National Afterschool Association.

MOST Network strongly supports HB0089 as a means to protect the state's ailing childcare sector from further disruptions caused by the covid-19 pandemic. Such measures are necessary not only to maintain the many benefits children receive from early childhood education, but also to ensure the well-being of the broader regional economy.

Over 700 early childcare facilities in Maryland have closed since the pandemic began. Amid lockdowns and school closures, many businesses in the sector saw much of their clientele evaporate in early 2020. The introduction of vaccines and the general reopening of the economy allowed many childcare operators to remain in business, but uncertainties related to intermittent school closures and remote work strategies have kept enrollment far below pre-pandemic levels. Facilities that have remained open now struggle to bear the additional costs associated pandemic-related health restrictions, especially sanitation and testing.

Like many industries, early childcare facilities are also struggling with labor shortages. Childcare operators have seen their revenues drop dramatically compared to pre-pandemic levels. As a result, **many employers now find themselves unable offer competitive wages amid an increasingly competitive labor market and inflationary pressures.** Childcare facilities are directly competing with industries that have raised wages and benefits as they try to attract new workers, such as retail, hospitality, food service, and elder care. Early childcare and education providers have simply not had the resources to keep pace with wage growth. This problem has been further compounded by the higher levels of training and certification that are required from new employees.

These personnel shortages have far-reaching effects for the entire economy. **Without quality childcare access for the children, parents must limit their career aspirations to meet the immediate needs of raising young children.** In practice, this often means foregoing higher education, lucrative careers, and training opportunities to supervise their kids. Even for those who benefit from remote work environments, the social and psychological tole of working and raising a family simultaneously is daunting, and many otherwise effective professionals will simply decline these opportunities altogether if they can afford to. This problem is further exacerbated by intermittent school closures, which contributes additional

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uncertainty to parents' employment decision.

Expanding childcare access is therefore a necessary step to support the socio-economic well-being of children, families, and Maryland's economy. Beyond the well-documented benefits of early childcare and education for students, these businesses provide an indispensable service to parents in the workforce by expanding the number job opportunities they can reasonably pursue while still providing for their loved ones. At a moment defined by rising wages and widespread labor shortages, providing Marylanders with additional leverage to take advantage of this historic opportunity is a necessary policy measure.

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