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Testimony Concerning the State FY 2025 Budget
for the Maryland State Department of Education—
Division of Early Childhood Development
Submitted to the House Appropriations Committee (EED Subcommittee)

February 21, 2024

Maryland Family Network (MFN) commends the Moore Administration and Maryland State Department of Education (MSDE) for their support of young children, their families, and others who provide them care. The General Assembly should also take deserved pride in its leadership role in early care and education. Over the past two decades, Maryland has become a national model in the intertwined fields of family support, child care, and early childhood education. "The Blueprint for Maryland's Future" elevates our State's national stature even further.

With the release of the FY 2025 budget, the Administration has provided dramatic new investments in Maryland's youngest citizens. MFN urges your support for the proposed budget.

MFN has worked since 1945 to improve the availability and quality of child care and early childhood education, as well as other supports for children and families in Maryland. We have been active in state and federal debates on child care policy and are strongly committed to ensuring that young children, along with their parents, have access to high-quality, affordable programs and educational opportunities.

The Governor's proposed budget commits State funds in the amounts of $218 million for FY 2024 and $270 million for FY 2025 for the Child Care Scholarship Program (CCS). Each alone would constitute the largest single-year child care allocation in Maryland's history. Together, they total $488 million over the two years. The magnitude of this State investment cannot be overstated, nor can the importance of the timing—as Maryland and most states face the precipitous decline of federal funds from expiring COVID relief packages. It could not come at a better time for Maryland's children, working families, and child care providers.

That said, the proposed budget comes with two adjacent provisions of significant concern to MFN. The first would reimpose copayments, quite onerous in some cases, for families participating in CCS. (See table below.) Since May 2022, copayments have been waived for most families and drastically reduced for all others. Maryland need not take this costly step backwards at the expense of working families.

A second troubling provision is included in the budget bill's companion Budget

Reconciliation and Financing Act (BRFA), to be heard separately by the full Committee. In this case, the 2024 BRFA would undercut legislation enacted by the General Assembly last year that both raised the floor for CCS eligibility and benefits and limited the ability of the Administration to impose cost-cutting measures unilaterally, without input from the General Assembly. The 2024 BRFA would eliminate this critical safeguard and allow for the reinstitution of waiting lists for CCS. MFN maintains that such an action should require careful prior consideration by the General Assembly—or, in the case of dire necessity, emergency action by the Board of Public Works.

We can all be proud of the great strides Maryland has made. At the same time, we must ensure that the State remains committed to protecting this progress. MFN urges the General Assembly to support the proposed allocation for CCS and to resist both of the harmful measures vigorously.

Effect of proposed copayment increases:

Impact of MSDE change to Child Care Scholarship on participaing familes

Income for family of four	*Percent of SMI*	*Percent of income required from families*	*Monthly payment for families*
<$42.000	<35%	0%	$0.00
$45,000	37.5%	3%	$112.50
$53,000	44.2%	3%	$132.50
$60,000	50.0%	3%	$150.00
$67,500	56.3%	7%	$393.75*
$75,000	62.5%	7%	$437.50
$80,000**	66.6%	7%	$467.00
$90,000**	75.0%	7%	$525.00

Source| *Marlyand Family Network*

Notes| * The monthly payment increases to 7% of family income once income reaches 55% of SMI. ** For the upper limits of eligibility, it is unclear if the calculated copay levels would exceed the subsidy amount and, therefore, potentially be reduced.