



## PUBLIC POLICY REPORT MAY 2018

### Key Victories (Please click on the bill titles for links to additional narrative)

- ❖ **SB 379 / HB 430 “Education – Child Care Subsidies – Mandatory Funding Levels”**  
Increases Maryland’s abysmal child care subsidy rates to give parents access to quality care, and establishes a new “floor” so that rates never again fall so low. In terms of investment, breadth of benefit, and lasting impact, the most significant victory for early care and education in more than a decade.
- ❖ **HB 1415 “Education – Commission on Innovation and Excellence in Education”**  
Preserves \$22.3 million in pre-K expansion dollars that might otherwise be lost when a federal grant expires.
- ❖ **SB 859 / HB 775 “State Employees – Parental Leave”**  
In anticipation of future statewide legislation, provides up to 12 weeks of paid leave for State employees following the birth or adoption of a child.
- ❖ **SB 373 / HB 547 “Education – Head Start Program – Annual Funding (The Ulysses Currie Act)”**  
Restores a \$1.2 million budget cut imposed in 2009, potentially increasing services for more than 2,100 Head Start children.
- ❖ **SB 912 / HB 1685 “Maryland Prenatal and Infant Care Coordination Services Grant Program Fund (Thrive by Three Fund)”**  
Creates a grant program to expand the coordination of direct services for jurisdictions with a high percentage of births to Medicaid-eligible mothers.

## PUBLIC POLICY REPORT

### MAY 2018

By any reckoning, we live in an extraordinary political moment. Turmoil within the White House and the halls of federal government has spilled out onto the nation's streets, fueling levels of acrimony and activism not witnessed in more than a generation. Long-simmering tensions about issues of race, gender, and violence have again boiled over into cultural discourse. Disquiet is almost palpable.

How this zeitgeist affects Maryland politics in the coming months remains to be seen, but its impact on the 2018 Session of the General Assembly turned conventional wisdom on its head. Election years typically ratchet up partisanship and posturing during Session while suppressing substantive legislative activity. Ongoing upheaval at the national level, one might well have supposed, would only make matters worse.

And yet, with few exceptions, the Governor and the General Assembly conducted the business of Session with a remarkable lack of rancor, reaching agreements on such often-divisive issues as health care, taxes, and gun control. Legislators introduced a record number of bills, and committee workloads were notably heavier than usual. While 30 miles to the west, Washington, D.C. teetered daily on the brink of meltdown, Annapolis again displayed its perennial capacity to confound expectations.

For its part, Maryland Family Network (MFN) pursued an ambitious agenda, perhaps its boldest ever. Some initiatives built upon years of prior work; others took aim at new targets of opportunity. In the end, MFN emerged with an unprecedented string of successes, including landmark child care subsidy legislation that represents the most significant victory for early childhood education in more than a decade. On May 8 and May 15, the Governor signed that bill and four other top MFN priorities into law.

## BUDGET

Budget advocacy always constitutes a top priority for MFN, and in 2018, an unusually harmonious budget process concluded swiftly. The budget proposed by the Governor provided stable funding for many programs critical to young children, including home visiting, the Maryland Infants & Toddlers Program, early childhood mental health consultation, and the State's networks of Child Care Resource Centers and Family Support Centers (which operate under MFN's stewardship). The budget also included an \$8.5 million increase in prekindergarten expansion funds, the majority of which was required by Maryland's federal Preschool Development Grant and by legislation that MFN successfully championed in 2016.

With the budget's release in mid-January, the Administration highlighted an \$11.5 million allocation within the Child Care Subsidy Program (CCSP). A vital support for many families and providers, CCSP helps low-income parents enter and remain in the workforce by subsidizing the high cost of quality child care. The "new" investment (with recycled funding, it turns out) targeted two laudable goals: eliminating the CCSP wait list, in effect since 2011 and numbering more than 4,300 children in late 2017; and increasing the State's abysmally low subsidy rates by 8 percent. These welcome albeit long-overdue measures will begin to address the glaring deficiencies in this chronically underfunded program.

However, research by MFN and subsequent budget testimony brought to light an alarming fact: even with the Administration's announced improvements, the \$90.7 million FY 2019 allocation for CCSP was 10 percent lower than FY 2018's \$100.8 million. Moreover, during FYs 2016-2018, actual expenditures on CCSP fell grievously short of the amounts appropriated by the Governor and General Assembly. Despite a large, lingering wait list and paltry subsidy rates criticized by federal officials as "among the very lowest in the country," Maryland underspent available funding for CCSP by more than \$55 million over that three-year period (see table). All of which made MFN's signature 2018 legislative initiative even more imperative.

### Child Care Subsidy Program Spending (in millions)

	FY '16	FY '17	FY '18	FY '19
Appropriation	\$91.7	\$97.4	\$100.8	\$90.7
Actual	\$78.9	\$76.9	\$78.0 (Feb '18 est.)	

## LEGISLATION

### Child Care Subsidy Rates

Ensuring access to affordable, high-quality child care has helped define MFN's mission since the organization's inception in 1945, so the roots of SB 379 / HB 430 "Education – Child Care Subsidies – Mandatory Funding Levels" run deep. This year's legislation evolved from an extensive examination of child care issues in 2016 and 2017 by the General Assembly's Joint Committee for Children, Youth, and Families, conducted in concert with MFN. Multiple hearings, off-line work by MFN and legislative staff, and a statutorily mandated report revealed the depth to which Maryland's child care subsidy rates had fallen.

The Child and Dependent Care Block Grant (CCDBG) provides roughly half the funding for CCSP, and it mandates that families receiving subsidies have "equal access" to the quality child care available to more affluent families. Consequently, the U.S. Department of Health and Human Services (which oversees CCDBG) strongly urges states to set subsidy rates that give parents the ability to afford at least 75 percent of the child care market.

And yet, disgracefully, Maryland's current rates force families participating in CCSP to choose among the cheapest 10 percent of child care options in their communities, in effect relegating them to the poorest quality care. These same low rates handicap the ability of providers serving low-income communities to sustain their programs and improve quality, while creating strong disincentives for providers in more affluent communities to enroll children receiving subsidy. Governor Hogan's promise to raise rates in the near future will deliver modest assistance, increasing the buying power of CCSP families from 10 percent to 20 percent of the market. This measure nonetheless fails to raise subsidy rates to a level that grants "equal access" to quality, nor does it establish the year-to-year program stability that parents and providers who rely on CCSP have lacked for so long and so sorely need.

SB 379 / HB 430 requires the State to raise subsidy rates in 2019, 2020, and 2021, expanding CCSP families' access to at least 60 percent of the market. That minimum may rest lower than the federal benchmark, but it represents a transformative advance by any standard. Of particular importance, this legislation for the first time institutes a "floor"—once rates attain the 60th percentile, the bill mandates that they never again fall below that level.

After so many years of neglect, progress comes with a price tag. When fully implemented, MFN estimates that the legislation will add \$20-\$25 million to the annual budget for CCSP. Underspent reserves and a fortuitous influx of new federal funds will cover those costs for the foreseeable future. In terms of the dollars invested, the breadth of families and providers affected, and the lasting impact on child care in Maryland, this legislation is in every way a landmark.

### Kirwan Commission and Pre-K

MFN has also championed the expansion of publicly funded pre-kindergarten for decades. Partly in recognition of that fact, in 2016 MFN Executive Director Margaret Williams was appointed to the Commission on Innovation and Excellence in Education (better known as the "Kirwan Commission"), which is expressly charged with considering the establishment of universal pre-K in Maryland, among many other topics related to funding and policy in the K-12 public education system.

Although it initially hoped to meet a December 2017 reporting deadline, the Kirwan Commission has postponed its final recommendations until later this year. In the meantime, it issued a Preliminary Report in January intended to summarize areas in which the Commissioners had already achieved broad consensus.

From an early childhood perspective, the Preliminary Report contained several important features, all strongly informed by MFN's input. Two were especially prominent: a firm commitment to provide access to publicly funded prekindergarten, through a diverse-delivery system, for all four-year-olds and for three-year-olds from low-income families; and the acknowledgement of "an inescapable obligation" to advocate the strengthening of services for children birth to age 3 and their families, in addition to the Commission's ostensible focus on prekindergarten-to-12 public education.

The commitment to public pre-K formed a cornerstone of HB 1415 "Education – Commission on Innovation and Excellence in Education," legislation intended to enact parts of the Preliminary Report in anticipation of the final recommendations to come. Among its many components, this bill includes a provision that will preserve \$22.3 million in pre-K expansion dollars that might otherwise be lost in FY 2020, when a federal Preschool Development Grant (and with it, State matching funds) is set to expire. If, as many anticipate, the federal grant program is not renewed, that amount will be replaced by State funding until the expected implementation of universal pre-K in accordance with final Kirwan Commission recommendations.

### "Thrive by Three" Care Coordination

In spirit if not in explicit language, the Kirwan Commission's Preliminary Report also lent support to two pieces of legislation directed toward Maryland's youngest children and their families. SB 912 / HB 1685 "Maryland Prenatal and Infant Care Coordination Services Grant Program Fund (Thrive by Three Fund)" grew out of MFN's work with B'more for Healthy Babies, a partnership focused on improving birth outcomes in Baltimore City. It won the backing of legislators who had taken keen interest in the Commission's deliberations on early childhood. The bill establishes a grant program, seeded with \$50,000, to expand the coordination of direct services for local jurisdictions with a high percentage of births to Medicaid-eligible mothers. Care coordination is an essential component of effective maternal and child health delivery, yet its funding has stagnated even as direct services have expanded dramatically under the Affordable Care Act. The "Thrive by Three Fund" begins to remedy this situation. It will require ongoing advocacy to secure additional resources.

### Parental Leave

As the Kirwan Preliminary Report points out, Maryland lacks a system of paid family leave for new parents. Indeed, despite clear evidence of the benefits to families and society as a whole, the United States stands alone among industrialized nations in its failure to provide parents with paid time off to care for and bond with newborns and newly adopted children. MFN Director of Public Policy Clinton Macsherry served on the Task Force to Study Family and Medical Leave Insurance, which issued recommendations in late 2017. Those recommendations are expected to form the basis of legislation establishing a paid family leave plan (akin to unemployment insurance) for all Marylanders in 2019 or 2020.

In the meantime, MFN led the effort this Session to enact SB 859 / HB 775 "State Employees – Parental Leave," which will provide up to 12 weeks of paid leave for State employees following the birth or adoption of a child. Employees must first exhaust accrued personal/vacation time, after which the new parental leave benefit will cover the balance of the 12-week period. MFN's advocacy for this legislation led to some of the most dramatic moments of Session. The Chairs of the Committees in final negotiations over the bill reached out to MFN—in one case, via a telephone call from the Senate floor; in another, through a personal request to attend a Conference Committee strategy session late on Sine Die. With the clock ticking and the bill's fate hanging in the balance, MFN kept in steady contact with key legislators as they maneuvered toward agreement and navigated procedural hurdles. At 11:57 p.m., the House gave its approval. In the Senate, SB 859 became the final piece of legislation passed before midnight brought the 2018 Session to a close.

## Head Start

Other notable MFN successes included the passage of SB 373 / HB 547 “Education – Head Start Program – Annual Funding,” which through amendment was renamed “The Ulysses Currie Act” to honor the retiring Senator Currie for his long and distinguished service to Head Start in Prince George’s County. The bill increases State supplemental funding for Head Start to a minimum annual level of \$3 million, effectively restoring a \$1.2 million budget cut imposed in 2009 during the Great Recession. Head Start is funded almost entirely by federal dollars, but State supplemental funding allows programs to extend services into hours of the day and months of the year that federal dollars do not cover. According to the Maryland Head Start Association (MFN’s key ally in this effort), the legislation will potentially increase services for more than 2,100 children. (The actual number of children will be determined by how local Head Start programs allocate additional program hours to meet their communities’ particular needs.)

## PRESENCE IN ANNAPOLIS

As guests of Arundel Child Care Connections, MFN’s Public Policy Committee convened its bi-weekly Session meetings a few short blocks from the State House before busy days of lobbying and bill hearings. As always, the meetings brought together a variety of MFN’s longtime partners and other early childhood stakeholders to discuss and strive for consensus on legislation and budget matters. Committee members deserve great credit for freely exchanging information and perspectives, even—or rather, especially—when they differ, in a spirit of shared commitment to Maryland’s children.

MFN’s annual day of advocacy brought more than 325 parents, young children, and staff from Family Support Centers and Child Care Resource Centers to Annapolis—many of them for the first time—to meet with their legislators, learn about the legislative process, and make their voices heard. The “stroller brigade” once again carried MFN’s mission and message into the halls of the State House and legislative offices.

Looking forward, MFN’s public policy work of necessity continues throughout the Interim between General Assembly sessions, as freshly minted legislation is implemented, task forces meet, new budget proposals are developed, contracts are negotiated, regulations are promulgated, and new ideas for legislation emerge for discussion and debate. A primary election in June and the general election in November bring additional opportunities to inform candidates about the many critical issues surrounding early care and education.

When the 2019 Session commences next January, Maryland may be under the leadership of a new Governor. (Even if the incumbent is re-elected, gubernatorial administrations usually undergo major overhauls in their second term.) The rosters of the Senate and the House will almost certainly have experienced record turnover, and key committee assignments and leadership positions will be in flux. Altered power dynamics and steep learning curves will make for a treacherous landscape. Debate over the final Kirwan Commission recommendations and the sweeping legislation that embodies them promises to be exceptionally intense.

In times of change and challenge, the role of a respected and resourceful advocate grows all the more critical. MFN will stand prepared to protect the needs and advance the interests of Maryland’s young children and their families.

*Special thanks are due to the organizations that targeted funds for MFN’s advocacy work in 2018: The Annie E. Casey Foundation, the Zanvyl and Isabelle Krieger Fund, and The Pew Charitable Trusts.*