



PUBLIC POLICY REPORT MAY 2020

Key Victory

- 📌 **HB 1300 “Blueprint for Maryland’s Future – Implementation”**
Based on the recommendations of the blue-ribbon Kirwan Commission, the “Blueprint” legislation will institute sweeping reforms in the K-12 education system and lead to dramatic strides in early care and education. Its key early childhood provisions include a vast expansion of public pre-K in schools and child care programs, enhanced professional development for providers, new funding for the Maryland Infants and Toddlers Program, and the creation of 135 new Judy Centers and 30 new Family Support Centers over the next 10 years. The “Blueprint” represents a triumph of MFN’s efforts in these areas and is arguably the State’s most important piece of legislation in decades. Although the Governor vetoed the bill on May 7, it passed the General Assembly with overwhelming majorities, and a vigorous override campaign is expected.

Unfinished Business

- 📌 **HB 839 / SB 539 “Labor and Employment – Family and Medical Leave Insurance Program – Establishment” (Time to Care Act)**
Introduced for a second consecutive year, the Time to Care Act made tremendous progress but sadly fell short of success. It sought to establish an insurance fund to provide partial wage replacement for workers taking time away from jobs to care for new babies, loved ones with serious health conditions or disabilities, or themselves. The U.S. is the only industrialized country that lacks a paid family and medical leave program, and Maryland would have become the ninth state to establish one. The bill was under active negotiation until early adjournment become inevitable; no final vote on the legislation was taken. Ironically, the pandemic has itself spotlighted this critical need.

Looking Ahead

- 📌 The pandemic’s negative impact on the State budget will almost certainly be severe, and allocations to critical programs are vulnerable to potential cuts. Even before the pandemic struck, the Governor had indicated serious reservations about the “Blueprint” legislation, so his veto was not entirely unexpected. The timing of an override vote will depend on whether the General Assembly leadership decides to convene a Special Session in the coming months or wait until the opening of the 2021 Session. In the meantime, Maryland’s young children and families face challenges no one would have imagined a short while ago, and child care providers are struggling for their survival at a time when they will be utterly indispensable to economic recovery. MFN must redouble its public policy efforts to protect and advance all their interests.



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MAY 2020

As Maryland political observers might readily have predicted, change and unpredictability marked the 2020 Legislative Session. Seismic shifts at the pinnacles of leadership in both the Senate and House of Delegates sent aftershocks rippling through the General Assembly power structure. New cadres of lawmakers, ushered in by successive high-turnover elections, continued to assert their generational presence in ways their predecessors might barely recognize. Meanwhile, an agenda packed with complex and contentious proposals made the outcomes of many top priorities open to question. When the General Assembly convened in early January, the only thing certain about the 2020 Session was uncertainty.

But no one, it's safe to say, could have foreseen the upheaval that has ensued. The outbreak of the COVID-19 pandemic unleashed death, illness, and disruption on a global scale not witnessed in a century. Annapolis, of course, was not immune. Faced with a rapidly intensifying public health emergency, the Governor and legislative leaders in mid-March barred public entry to the State House and its office complex, casting an eerily depopulated pall over buildings normally bustling with staff, advocates, and other citizens. As the situation grew even more dire, the Session abruptly drew to a close on March 18, nearly three weeks ahead of schedule—the first early adjournment since the Civil War. The Administration, the General Assembly, and all Marylanders will be dealing with the pandemic and its myriad ramifications for the foreseeable future.

And yet, amid the most trying circumstances many can remember, the Session concluded with an extraordinary flurry of activity. With only a handful of bills finalized even the week before, the General Assembly enacted more than 650 pieces of legislation in its final three days. Faced with spotty internet connections and unstaffed legislative offices, MFN and other advocates struggled remotely to keep abreast and weigh in on critical matters, when possible. The sprint to the finish included not only the passage of a challenging FY 2021 budget (as required by the State Constitution) but several major pieces of education legislation. Chief among them was the landmark “Blueprint for Maryland’s Future – Implementation,” which within its sweeping scope embodies the most dramatic strides in early childhood education in decades. While the uncertainty that marked the beginning of the 2020 Session remains in even greater force, the “Blueprint” legislation—like the pandemic itself—will mark a point in Maryland history.

LEGISLATION

HB 1300 “Blueprint for Maryland’s Future – Implementation”

Since its inception during World War II—another time of national emergency—MFN has led the fight to strengthen early childhood education in Maryland. Over the past three decades, most of MFN’s programmatic and public policy work has focused on the interwoven goals of supporting young families, enhancing child care, and expanding publicly funded pre-kindergarten. In many ways, enactment of the “Blueprint” legislation represents a triumph of those efforts.

Partly in recognition of MFN’s history of advocacy, in 2016 then-Executive Director Margaret Williams was appointed to the blue-ribbon Commission on Innovation and Excellence in Education (better known as the “Kirwan Commission”), which was expressly charged with considering the expansion of pre-K in Maryland, among many other topics related to funding and policy reform in the K-12 public education system. Over the ensuing three years, the Commission undertook extensive examinations of the world’s

highest performing education systems, held scores of in-depth meetings and hearings in Annapolis and around the State, conducted painstaking fiscal analyses, and issued a series of recommendations. After some preliminary budget actions and legislation in 2018 and 2019, this year's "Blueprint" bill brought the Kirwan Commission's work to culmination.

From the beginning, MFN was deeply gratified to find the Commission willing to take a more comprehensive view of early childhood education than its charge dictated. Initially, this took the form of including low-income 3-year-olds, not just 4-year-olds, in the expansion of pre-K. With Margaret's encouragement and guidance, the Commission went even farther, acknowledging "an inescapable obligation" to advocate the strengthening of services for children birth to age 3 and their families. The resulting package of recommendations and the legislation that embodies them would have seemed unattainable just a few years ago.

As noted, the recommendations include making publicly funded full-day pre-K available free of charge to all 3- and 4-year-olds whose families earn at or below 300% of the Federal Poverty Guidelines (\$78,600 for a family of four) and whose parents choose to enroll them. (Unlike kindergarten, pre-K enrollment is voluntary, not compulsory.) For 4-year-olds whose families earn between 300% and 600% of the Guidelines (\$157,200 for a family of four), pre-K will be offered on a sliding fee scale. For the roughly 20% of Maryland households above that income level, parents will be expected to pay full cost, although local school systems may choose to cover some or all of that cost themselves.

In keeping with a longstanding goal of MFN and its allies, pre-K will be offered through a "diverse delivery" system. High-quality providers already established in their communities, such as child care programs, can receive public funds to educate pre-K students, provided that the quality of the education is the equivalent of what those pupils would receive in a public school classroom. The importance of diverse delivery is four-fold: it allows school systems to focus funds on instruction rather than capital costs; it better meets the wrap-around care needs of working parents; it incentivizes the expansion of quality for all children served in the community-based programs, not just the pre-K population; and it avoids undermining the affordability of child care for children birth through age 3.

The legislation calls for at least 30% of pre-K students to be served in diverse-delivery sites in the 2021-22 school year, climbing to at least 50% by the 2025-26 school year. To help child care providers meet the qualifications required for participation in diverse delivery, the bill codifies and mandates increased funding for several professional development programs. These include child care accreditation support (for programs) and credentialing (for individuals), the Child Care Career and Professional Development Fund (for coursework-related expenses), and Maryland EXCELS (the State's quality rating scale).

Additional early childhood provisions of the "Blueprint" legislations have drawn less public attention than pre-K but are no less welcome. The long-underfunded early intervention services for children with special needs provided through the Maryland Infants and Toddlers Program will receive a steady increase in State funding over the next 10 years, rising from its current \$10.4 million to \$22.7 million in FY 2030 and adjusted annually for inflation thereafter. The State's Judy Centers, which help coordinate an array of early childhood services for families in Title I school areas, will expand in number from 55 to 190 over the same period. After several years during which universal administration of the State's Kindergarten Readiness Assessment has been optional, it will once again be performed for every incoming Maryland kindergartner so that teachers, school systems, policymakers, and advocates can all operate with more robust data.

From a programmatic standpoint, the provision perhaps most significant to MFN will vastly expand the State's network of Family Support Centers (FSCs). MFN pioneered FSCs in the 1980s, and they served as a model for federal Early Head Start and similar state-level programs around the country. Their hallmark is a two-generation approach that incorporates child development and parenting skills into a process that encourages families to set and achieve goals and helps them move toward self-sufficiency. MFN manages the FSC network under contract with the State.

Over the three-year course of the Kirwan Commission's deliberations, Chairman William E. "Brit" Kirwan became an increasingly vocal champion of FSCs and their highly effective work in service to young children and their families. The "Blueprint" legislation bears witness to this. For the first time, FSCs are now defined and enshrined in Maryland law, lending them a measure of statutory protection. The "Blueprint" bill will add 30 new FSCs over the next 10 years, more than doubling their number, and increases the annual State funding allotted to each from \$275,000 to \$330,000.

The final legislation incorporated an amendment designating the network of FSCs as the "Patricia H. Kirwan Family Support Centers" and adding that "a Family Support Center shall be known as a 'Patty Center,'" in honor of Chairman Kirwan's late wife, a former early childhood educator and advocate who passed away in 2018. While this is not an honor that MFN sought, it reflects the tremendous recognition and value that the Kirwan Commission and the entire General Assembly place on the dedication and work performed by FSCs.

If the "Blueprint" legislation had simply focused on early childhood education, its impact would have been momentous. The fact that its scope also includes major new policies and funding structures to elevate the teaching profession, to institute broad supports for children facing high barriers to success, to expand and enhance career and technical education aligned with the 21st century economy, and to protect all these advances with new degrees of accountability make it arguably the State's most important piece of legislation in decades.

On May 7, Governor Hogan vetoed the Blueprint bill, citing "the economic fallout from this pandemic" as the basis for his decision. Advocates and legislative leaders countered that the legislation incorporates a "pause button" provision to reduce education spending during fiscal downturns, and they have promised to mount a vigorous override campaign. An override vote requires a three-fifths majority in both the Senate and the House of Delegates—margins that were exceeded when the chambers passed the legislation. The timing of a vote will depend on whether the General Assembly leadership chooses to convene a Special Session in the coming months or wait until the opening of the 2021 Session.

HB 839 / SB 539 "Labor and Employment – Family and Medical Leave Insurance Program – Establishment" (Time to Care Act)

No legislative priority of MFN suffered more from the General Assembly's early adjournment than the Time to Care Act. Introduced for a second consecutive year with support from a broad coalition, this bill was intended to address the fact that the U.S. is the only industrialized country in the world that lacks a paid family and medical leave program. While the federal Family and Medical Leave Act has since 1993 guaranteed unpaid leave for workers at companies with 50 or more employees, only 17 percent of U.S. workers have access to paid family leave. Partly as a result, nearly 25 percent of women take 10 days or fewer of maternity leave, putting themselves and their children at risk physically and emotionally. And while evidence shows that early paternal involvement pays lasting dividends, three out of four new fathers take one week or less of leave when their babies are born.

Based on recommendations from a task force on which MFN Director of Public Policy Clinton Macsherry served, the Time to Care Act would have established an insurance fund (similar to unemployment insurance) to provide partial wage replacement for Marylanders taking time away from work to care for new babies, loved ones with serious health conditions or disabilities, or themselves. Employers and employees would contribute a small amount from each paycheck, and workers would draw benefits when they experience a documented need. The combined contribution would vary depending on the worker's wages, but would total under 0.7%—approximately \$7.50 per week for someone earning the average weekly wage in Maryland. Benefits would be capped at \$1000 per week for up to 12 weeks.

The legislation's introduction in late January drew considerable media attention, and press coverage continued to a remarkable degree throughout Session. Polling indicated that Marylanders overwhelmingly favor the concept, even knowing that it would be funded by paycheck deductions. Dynamic and well-orchestrated bill hearings buttressed support among key legislators, although significant pockets of resistance remained.

As the saying goes, timing is everything. The bill gained traction and was under active negotiation as the typical mid-March deadline for favorable committee action neared—only to be derailed when early adjournment became inevitable and the General Assembly narrowly focused its agenda. The Session ended with no final vote on the legislation in either the House or the Senate.

Ironically, the pandemic itself has spotlighted the need for this policy. Eight other states as well as the District of Columbia have already instituted paid family and medical leave insurance, and it is under consideration in several others. It will remain a key goal for MFN.

BUDGET

Budget advocacy always constitutes a top priority for MFN. The FY 2021 budget proposed by the Governor provided stable funding for many programs critical to young children, including home visiting, early childhood mental health consultation, Head Start, and the State's network of Child Care Resource Centers. MFN was gratified to see \$15 million in additional federal funds allocated for child care subsidies, although some concern remains that spending may outstrip the new funding level when subsidy rates increase (as mandated in 2018 and 2019 legislation) later this year. As MFN has previously advocated, legislators added interim reporting requirements to the budget so that the General Assembly can keep close watch on the fiscal status of the program throughout the year.

With an eye toward jump-starting some "Blueprint" legislation provisions, the General Assembly earmarked funds for that purpose in last year's budget—but without specifying all funding targets. The Governor's FY 2021 budget included a welcome tranche of new "unallocated" funds for FSGs (\$3 million), Judy Centers (\$6.5 million), and the Maryland Infants and Toddlers Program (\$2 million).

Although not technically part of the FY 2021 budget, the General Assembly considered numerous revenue proposals, some of which met with considerable controversy. Legislation to extend the State sales tax to cover most services (not just goods) was tabled shortly after introduction, but other measures (including a tax on digital advertising) were enacted and sent to the Governor for his signature. The General Assembly's analysts estimate that these measures, together with those enacted over the last three years, will suffice to implement provisions of the "Blueprint" legislation through FY 2025 or FY 2026—the latter year dependent on voter approval of sports betting and on continued strong yields from the so-called Wayfair tax on internet purchases.

LOOKING AHEAD

Speculation about the future is a precarious undertaking even in the best of times. The heightened uncertainty of this moment notwithstanding, responsible stewardship of MFN's mission requires contingency planning, in public policy matters as well as program operations.

The economic fallout from the pandemic cannot, at this point, be calculated. That said, the negative impact on the State budget will almost certainly be severe. The Governor has signaled his intention to freeze State spending and withhold approval for legislation that will incur future expenditures, but there's little clarity about how exactly his statements will translate into action. Although the Governor cannot veto the FY 2021 budget or individual items within it, he has some discretion in authorizing the actual expenditure of the funds. The Board of Public Works may also exercise its authority to curtail previously budgeted State spending at any point during a fiscal year, as it has in previous fiscal emergencies. Allocations for State contracts and programs are vulnerable, those of critical importance to MFN included.

Even before the pandemic struck, the Governor had indicated serious reservations about the "Blueprint" legislation, so his veto was not entirely unexpected. For its part, the General Assembly noted in adjourning early that it might return to Annapolis to convene a Special Session, during which it could consider overriding vetoes and taking up new legislation related to the ongoing public health emergency. Whether circumstances will permit a Special Session remains unclear. The General Assembly might also opt to delay an override vote until the opening of the 2021 Session, when such matters are most often considered.

In the meantime, Maryland's young children and families face challenges that no one would have imagined a short while ago. Child care providers are struggling for their survival at a time when they will be utterly indispensable to economic recovery. Too many Marylanders are forced to choose between caring for themselves and earning a livelihood, between the jobs they need and the families they love. MFN must redouble its public policy efforts to protect and advance their interests. As MFN Executive Director Laura Weeldreyer concluded in a commentary recently published in *The Sun*, "Here's hoping that the current crisis will cause us to look long and hard at our policies and bring permanent solutions to support our children, families, and caregivers. If not now, will we ever?"

Special thanks are due to the organizations that targeted funds for MFN's advocacy work in 2020: The Alliance for Early Success, the Annie E. Casey Foundation, the Baltimore Community Foundation, the Fund for Change, the PNC Foundation, and the Washington Area Women's Foundation.