



**Testimony Concerning the State FY 2022 Budget
for the Maryland State Department of Education—
Division of Early Childhood Development
Submitted to the House Appropriations Committee (EED Subcommittee)
and the Senate Budget & Taxation Committee (EBA Subcommittee)**

February 18, 2021

Maryland Family Network (MFN) commends the Maryland State Department of Education (MSDE) for its longstanding support of young children, their families, and others who provide them care. Under MSDE's leadership, particularly over the past two decades, Maryland has become a national model in the intertwined fields of family support, child care, and early childhood education. With the release of the proposed FY 2022 budget, the Administration has again made noteworthy investments in Maryland's youngest citizens. The General Assembly also can take pride in its leadership in early care and education, most recently demonstrated by the enactment of the "Blueprint for Maryland's Future"—a landmark in our State's history.

While MFN urges support for the proposed budget, we are also deeply concerned about the sustainability of current spending, particularly but not solely with regard to the Child Care Subsidy (or "Scholarship") Program (CCSP). Federal COVID relief packages have provided sorely needed infusions of funding that can and have benefited child care in several ways—but this funding is by definition temporary. We ask the General Assembly to request a full accounting of pandemic-related child care revenues and expenditures, to redouble its vigilance of CCSP's fiscal standing, and, wherever possible, to enhance MSDE's efforts to extend the benefits of high quality programs to more young children, families, and early educators.

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 proposed FY 2022 budget for MSDE's Division of Early Childhood maintains and in some cases expands investments in several key early childhood programs—including home visiting, the Maryland Infants & Toddlers Program, early childhood mental health consultation, Head Start, and the State's networks of Child

Care Resource Centers and Family Support Centers. MFN is grateful that the Administration has again seen fit to make above-baseline allocations that reflect the early childhood programmatic priorities embodied in the Blueprint legislation. While the proposed budget also reflects a \$10.4 million decrease in State special funds for full-day prekindergarten and pre-K expansion, we understand that decrease is driven by pandemic-related enrollment declines. We look forward to the increasing appropriations that the Blueprint legislation promises in future years.

MFN is especially gratified to see an addition of \$5 million in State general funds to CCSP (for a net increase of \$2 million, with some federal funds apparently set aside). CCSP has undergone dramatic improvements since the 2018 Session, thanks in large measure to your Subcommittees' attention. As recently as three years ago, Maryland's subsidy rates fell among the very lowest in the country, effectively relegating parents to the cheapest (and by proxy, the poorest quality) child care programs in their community. Now, as a result of legislation enacted in 2018 and 2019, subsidy rates have risen to the 60th percentile of market rates, arguably placing Maryland among the top ten states in the child care assistance it provides to low-income families. In addition to the rate increase, MSDE implemented a substantial expansion of CCSP income eligibility levels. In previous years, a family of four earning just over \$35,700 would have exceeded the eligibility cap. Now a family of four earning up to \$71,525 can qualify for child care subsidy. We can all be proud of the progress Maryland has made.

Even so, the fiscal stability of CCSP remains in question. MFN hopes that a previous lack of rigorous analysis in MSDE's budget forecasting may be resolved with the renewal of an arrangement with the Regional Economic Studies Institute of Towson University. MSDE has on a few occasions warned of looming deficits that could potentially beset CCSP. In such a scenario, MSDE would likely be forced to impose yet another enrollment freeze on a program that just three years ago eliminated a wait list that had been in place since 2011. Such programmatic whiplash poses a great risk to families, children, child care providers, and the economy as a whole. MFN urges MSDE and the General Assembly to work vigilantly and diligently to ensure that this does not occur.