



**Testimony Concerning the State FY 2023 Budget
for the Maryland State Department of Education—
Division of Early Childhood Development
Submitted to the Senate Budget & Taxation
Committee (EBA Subcommittee)**

February 4, 2022

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 2023 budget, the Administration highlighted its recent investments in Maryland's youngest citizens. The General Assembly also can take pride in its leadership in early care and education.

While MFN urges support for the proposed budget, we are also deeply concerned about the sustainability of current spending levels—especially to the extent that they are supported by time-limited federal dollars from the American Rescue Plan Act (ARPA), among other sources. In absence of additional funding, Maryland families could face a dramatic decline in vital services in the out years. Our concerns stand particularly but not solely with regard to the Child Care Scholarship Program (CCSP). We ask the General Assembly 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 2023 budget for MSDE's Division of Early Childhood includes significant expansions of several key early childhood programs—including CCSP, publicly funded pre-kindergarten, the Maryland Infants & Toddlers Program, and the State's networks of Judy Centers and Patty Centers (the latter also known as Family Support Centers). The proposed budget also includes Special Fund

increases in support of professional development for child care providers. These items largely reflect the goals and provisions of the landmark Blueprint legislation. Also of note, the budget proposes a CCSP increase of \$10 million in General Funds, for which the Administration is to be commended.

MFN remains especially gratified to note that CCSP has undergone dramatic improvements since the 2018 Session, thanks in large measure to this Subcommittee's attention. At this time just a few 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 a mandated floor of 60% of market rates, arguably placing Maryland among the top ten states in the child care assistance it provides to low-income families. With the use of ARPA funding, MDSE intends to raise the rates still further—to the 70th percentile of the market—bringing them very near the federally recommended 75th percentile level.

While expanding parents' buying power, these initiatives have at the same time eased burdens on child care providers serving low-income communities, for whom low subsidy rates also impose financial hardship and make quality difficult to attain. Raising the rates also encourages more child care programs to accept subsidized children. For all of these reasons, more children now receive care in safe, high-quality environments.

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. Again using ARPA funds, MSDE intends to raise the eligibility cap for a family of four to just over \$90,000, or 75% of state median income.

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. In the absence of sustained funding, MSDE could well be forced to impose yet another enrollment freeze on a program that just four 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.