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Joint Committee on Children, Youth and Families Testimony for October 5, 2016 Jennifer Hoffman, Executive Director Prince George's Child Resource Center, Inc.

Thank you to Senator King and Delegate Kelly for your attention to the need for quality child care in the State of Maryland. You have been champions for children in our State, and on behalf of children, their families, and the child care community of Prince George's County, I deeply appreciate your continued commitment.

Thank you for the opportunity to share the crucial role subsidy plays for families, and how it ties directly to our state's conversations about access, quality, and supporting the early childhood workforce.

At Prince George's Child Resource Center, we know that policies aren't just words on paper but the real-life work in early childhood programs and the real-life experiences of families. We see first-hand experiences like these:

"I have seen the [subsidy] program help working parents. Without the program many children would not be able to go to programs like mine where they are able to develop skills that will help them later in life. The subsidy program is very important for low income families."

"I participate in EXCELS, and I have a parent receiving the child care subsidy with multiple children in my program. Like many child care providers, the subsidy I receive does not come close to covering my costs, and at the same time, this family cannot afford to pay the difference. I don't have the heart to charge them; I know I am going to eventually not be able to sustain my child care program if reimbursement rates are not increased."

Our state has come a long way since 1990 when the Resource Center first opened. We've seen the research about what's best for young children used to influence policy change and confirm what that quality early care matters. Quality takes effort, commitment, and investment.

Maryland has accomplished so much – we're ahead of many other states in many ways. We've seen investments in quality and endeavors to bring together a system to connect the pieces and parts that contribute to child well-being and family success. Now we must also strive for access to quality.

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We have a problem in Maryland: from 2006 to 2013, 5,600 Maryland children lost access to child care subsidy assistance; fewer providers are enrolling subsidized children; and low subsidy payment rates undermine quality operations.

In some communities, centers and family child care homes are enrolled with majority or entirely subsidy-paying families. Low subsidy payments based on state policy undermine the provider's commitment to continuous quality improvement. Every dollar – whether it is a subsidy payment or a private pay family or other grant/initiative – goes right into successful program operations. Operations take dollars, from the foundations of minimum health and safety requirements to the EXCELS quality progression. These dollars also go to provider wages. We won't solve compensation issues by driving up costs for families. **We cannot drive up costs for families.**

The price of care is making headlines nationwide. Maryland's 2016 CCDF State Plan states that parent co-payment rates will be no higher than 12% of a family's gross income, although the federal guidelines recommend that no family should pay more than 10% of their income for child care. Families are doing their best, choosing from among what they can afford with too often too little support. **For many families that idea of a choice is a false one because the price of care puts quality out of reach.**

The new federal child care law creates some important opportunities for improvement. The U.S. Department of Health and Human Services conditionally approved Maryland's State Plan for compliance with the federal law, noting concern for reimbursement rates that are too low.

As I testified previously, for the Prince George's County's 2015-16 school year, only 38% of children entered kindergarten with the skills and behaviors necessary to succeed (Maryland State Department of Education, School Readiness Report). The quality of child care, and the experience of their birth-to-five years, is crucial to school readiness. Subsidy access is crucial in the quality debate.

Recommendations

Investments needed to make access, quality and affordability a reality:

- ✓ Invest to enroll children off the subsidy waiting list and support 12-month eligibility in subsidy
- ✓ Invest to increase payment rates to providers to ensure access to programs with a foundation of health and safety and access to EXCELS quality providers
- ✓ Invest to carry out the details of the CCDBG law, and Maryland's efforts to prioritize high-needs communities and increase the number of low-income children in high-quality care, including homeless children, families who work non-traditional hours, and families seeking infant care.

There's a role at every level for ensuring access to affordable, safe, reliable, licensed child care. We can do more to ensure that high-quality providers are enrolling low-income children, and more to lift the quality of providers that do enroll subsidized families. Payment rates are critical to this effort. We're committed to advocating at the federal, state and local level for expanding support for families, and support for providers.



Jennifer Hoffman, Executive Director