



Montgomery County Community Action Board Testimony

County Council Bill 9-20

Economic Development Fund – Local Business Child Care Grant Program – Established

Tuesday, March 24, 2020

The Montgomery County Community Action Board strongly supports County Council Bill 9 – 20. As advocates for the low-income community, and as the governing body for Head Start, our Board is keenly aware of the challenges many parents face when trying to obtain high-quality early care and education. By supporting local small businesses that offer child care Flexible Spending Accounts (FSAs), this bill will not only support working parents, but will encourage more employers to assist employees with child care costs.

Paying for child care, especially in an expensive area like Montgomery County, poses immense challenges for many parents of young children. While Head Start and MCPS Pre-K programs offer high-quality early education for children in lower-income households, eligibility is restricted to households meeting certain income requirements. The spots that do exist are primarily for four-year-olds, meaning that space for three-year-olds is quite limited and parents of younger children and infants must obtain their own child care. This results in significant burdens for families when the average cost of infant care at a family child care provider is \$17,713 annually, and the average cost of preschool at a child care center is over \$15,000.¹ While child care scholarships are available and eligibility guidelines have increased in recent years, allowing for more families to apply, these scholarships only cover a portion of the entire cost. Too many families still struggle to pay the balance. This is why innovative programs, like child care FSAs that this bill supports, are so critical.

¹ <http://www.marylandfamilynetwork.org/wp-content/uploads/2019/04/Montgomery.pdf>

The Self-Sufficiency Standard, which measures the actual cost of living in a given location, reflects the challenges that too many residents face. The hourly Self-Sufficiency Standard income for a family of four with two working adults, one preschooler and one infant is \$25.08 per adult – twice the County’s minimum wage for small businesses. This family will spend \$2,773 per month on child care costs alone – more than any other household expense.² When 38% of County households with a child under the age of six have incomes below the Self-Sufficiency Standard, our Board believes that much more needs to be done to support Montgomery County parents.

It is worth noting that the current Covid-19 crisis has highlighted many of the challenges facing lower-income households. With schools closed, parents are left to scramble to find and pay for adequate child care, while at the same time ensuring their children have access to meals they would typically receive at school. While many businesses are closed, meaning that hourly workers are likely receiving no income at this time, others that remain open pose challenges for low-wage workers who do not have access to work supports such as paid time off. They must take leave without pay to stay home with their children, or try to cover the incredibly high cost of child care mentioned above. All of this is compounded by the fact that these low-wage workers are unlikely to have a large amount of savings for an emergency situation such as this. This crisis shows why the Council should support innovative programs like the grants proposed in Bill 9 – 20, and must continue to explore other policies such as child care tax credits, paid time off, and continuous increases to the minimum wage that will ease the burdens that so many households experience.

² <http://www.selfsufficiencystandard.org/maryland>