

REPORT TO THE MARYLAND GENERAL ASSEMBLY

**Status of the Maryland Child Care Subsidy Program as It
Relates to Family Child Care Providers**

Annual Report
December 2012



Submitted by:

**Division of Early Childhood Development
Maryland State Department of Education**

Status of the Maryland Child Care Subsidy Program as It Relates to Family Child Care Providers: Annual Report for 2012

BACKGROUND

During Maryland's 2010 legislative session, the Maryland General Assembly passed House Bill (HB) 465, "Collective Negotiations by Family Child Care Providers," which established collective bargaining rights for family child care providers participating in the State's child care subsidy program. The requirements of HB 465 went into effect on July 1, 2010.

The bill codified the provisions of a 2007 executive order and a subsequent memorandum of understanding that certified the Service Employees International Union (SEIU) as the exclusive collective bargaining representative for all licensed and license-exempt family child care providers participating in Maryland's child care subsidy program.

Under HB 465, the Maryland State Department of Education (MSDE) is required to submit a report, on or before December 31 of each year through 2013, on the status of the child care subsidy program as it relates to family child care providers. The report must include:

- The number of providers and children participating in the program;
- The number of providers who join the collective bargaining unit and the number of children served by those providers;
- The number of providers who have used the fund required to be established by this bill, and the terms of eligibility for payments from the fund;
- Recommendations on how to safeguard the fund in the event that management of the fund is transferred or the fund is terminated; and
- An analysis of any positive or negative trends resulting from the implementation of this bill.

The MSDE Division of Early Childhood Development (the "Division") is responsible for the regulation and administration of the child care subsidy program. The Division maintains all data related to the operation of the program.

STATUS REPORT

The SEIU implemented a change during the previous legislative session that requires all licensed family child care providers participating in the State's child care subsidy program with subsidy children in care to pay a mandatory service fee. That fee is a maximum of \$10 per month. The SEIU reduced the cost for members from \$20 per month to \$10. Family home and informal providers still have the option to join as a union member in order to receive full services.

(1) The number of providers and children participating in the child care subsidy program.

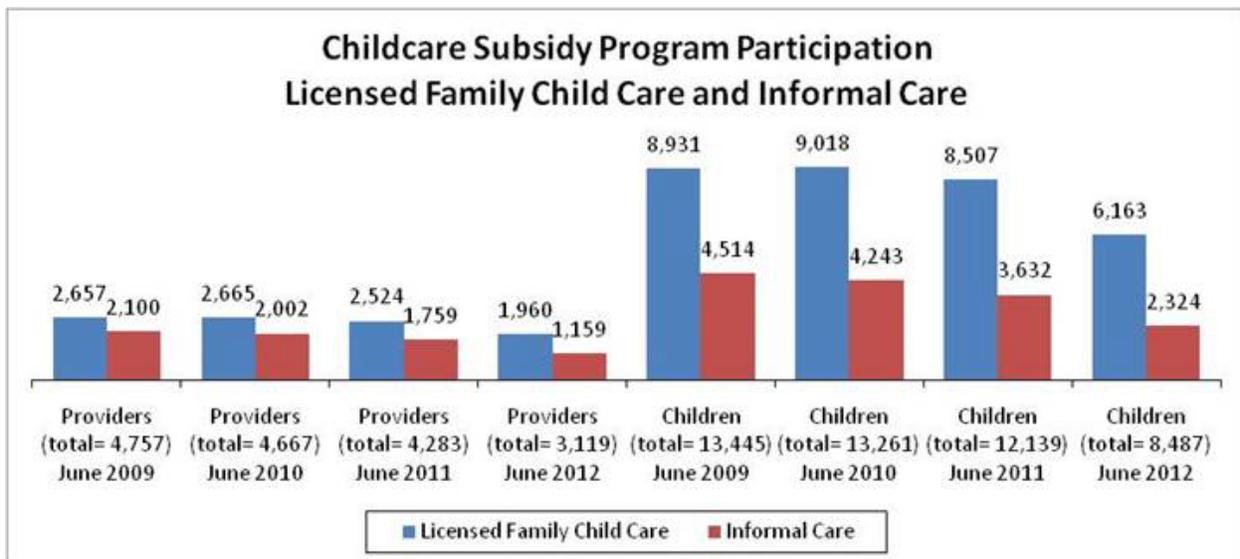
(a) Participation during FY 2012: The following table shows provider and child participation in the child care subsidy program as of the end of June 2012:

	Participating Providers	Participating Children
Licensed family child care providers	1,960	6,163
Informal care providers	1,159	2,324
Totals:	3,119	8,487

(b) Comparison with Previous Years: In MSDE's annual report for 2011, provider and child subsidy program participation data were presented for June 2009 (which served as a baseline year), June 2010, and June 2011. The following table compares provider and child participation data during the month of June in each of 2009, 2010, 2011, and 2012:

		Participating Providers	Participating Children
June 2009 (baseline)	Licensed family child care providers	2,657	8,931
	Informal care providers	2,100	4,514
	Totals:	4,757	13,445
June 2010	Licensed family child care providers	2,665	9,018
	Informal care providers	2,002	4,243
	Totals:	4,667	13,261
June 2011	Licensed family child care providers	2,524	8,507
	Informal care providers	1,759	3,632
	Totals:	4,283	12,139
June 2012	Licensed family child care providers	1,960	6,163
	Informal care providers	1,159	2,324
	Totals:	3,119	8,487

These participation figures are displayed graphically in the following chart:



(2) The number of providers who join the collective bargaining unit (SEIU) and the number of children served by each of the providers.

During FY 2012, a total of 442 licensed family child care providers became SEIU members. Of these, 328 providers served a total of 1938 children. During the same period, a total of 66 informal care providers became SEIU members. Of these, 32 providers served a total of 70 children.

(3) The number of providers who have used the fund required to be established by HB 465, and the terms of eligibility for payments from the fund.

Through SEIU's multiple conversations with MSDE and child care providers throughout the state, SEIU has determined that the modernization and advanced computerization of the purchase of care subsidy program has largely fixed the problem of late payments.

Since the passage of SB 284, no provider has requested assistance from this fund.

(4) Recommendations on how to safeguard the fund in the event that management of the fund is transferred or the fund is terminated.

If the management of the fund is transferred or terminated, the conditions of that transfer or termination would be subject to bargaining between MSDE and SEIU Local 500.

(5) An analysis of any positive or negative trends resulting from the implementation of HB 465.

(a) SEIU reports the following trends:

- **The union has expanded educational opportunities for Child Care providers in the State of Maryland.** In 2012, the union provided MSDE approved trainings for 263 providers. This represents a 36% increase in providers trained from last year. These trainings allow providers to continue their education and to participate in the credentialing program. Topics included CPR and first aid, rainy day activities for children, activities for pre-school children, emergency preparedness, stress management and child development. Most importantly, most of these classes were given in Spanish to meet a need of providers for quality, low cost trainings (subsidized by the union) for Spanish speakers. Other trainings, especially in CPR and First Aid, were targeted for Baltimore city and county areas to meet the needs of providers in those areas.
- **The Union advocated for additional local funding for the Child Care Subsidy program.** Over 2012, the union worked diligently with the Montgomery County Council, specifically Councilmember Valerie Ervin, to secure additional funds for parents who rely on the subsidy program to get back to work. The Union's advocacy helped to secure an additional \$900,000 for the program from Montgomery County.
- **The union supported activities around nutrition and healthy living for providers and children.** Working with Spanish speaking providers in Montgomery County, the union helped providers and children plant a garden and hold a number of activities around healthy eating and nutrition. 19 providers and 15 children attended.

- **The union has created a provider-led English conversation program to assist immigrant providers in increasing their language skills.** Last year, the union worked with 15 providers in weekly classes to practice their English with other providers. In 2012, this program expanded to reach as many as 35 providers a week for most of the year. These classes give providers the confidence to speak; as well as providing basic grammar instruction and pronunciation assistance. Providers see these classes as a way to build their business and to better communicate with parents and children in their bilingual child care homes.
- **The union has built on the success of its English language classes to begin working with providers in getting their citizenship.** Using the same provider-led model, the union has begun working with approximately 9 providers over the fall of 2012 to assist them in preparing to take the test for U.S. citizenship. The providers requested these classes as way to become more engaged in their communities and the state of Maryland.
- **The union is increasing the political understanding and activism of Child Care providers in the State of Maryland.** During the 2011, the union provided leadership training and political education to providers throughout the state. One hundred and thirteen providers met various times to discuss issues impacting providers in their areas. Meetings were held in Howard, Prince George's, Frederick, Montgomery, Baltimore Counties and Baltimore City. The union also held a Latina leadership institute attended by Delegate Ana Sol Gutierrez.
- **The union educated parents on the MSDE program Healthy Beginnings and the importance of finding licensed child care.** The union provided information from MSDE on the Healthy Beginnings program and flyers on finding licensed family child care to over 400 young families within the Montgomery County School system at a back-to-school fair. It is our goal to expand this program in 2013.
- **The union has worked to create a collaborative and supportive relationship with MSDE.** The union brought together child care providers to provide feedback to MSDE on proposed regulations for Large Family homes and the credentialing program. A provider leader also sits on the Office of Child Care Advisory Council. The union and MSDE have used a joint labor management process to work on a committee with providers and licensing specialists to improve the relationship and better the service of the state to providers. The union also gathered together over 40 providers to hear from MSDE regarding the credentialing program.
- **The union is creating more productive conversations between MSDE and Providers when there is an error in payment processing.** In 2012, the union individually counseled 29 providers on late payment of vouchers and assisted them in working with MSDE to correct errors when necessary.

(b) The MSDE Division of Early Childhood Development reports the following trends:

- Subsidy program participation
 - As of June 2012, the total number of providers participating in the subsidy program showed an overall decrease of 27% compared with the total for June 2011.

- Participation by licensed family child care providers decreased 22%, while participation by informal care providers decreased 34%.
- The total number of subsidy children served decreased 30% from June 2011 to June 2012. Children served by licensed family child care providers decreased 27%, and children served by informal care providers decreased 36%.
- SEIU membership and children served
 - Between June 2011 and June 2012, SEIU's overall provider membership remained consistent with slight fluctuations within provider types. Licensed family child care provider membership increased 2%, and informal provider membership decreased 13%.