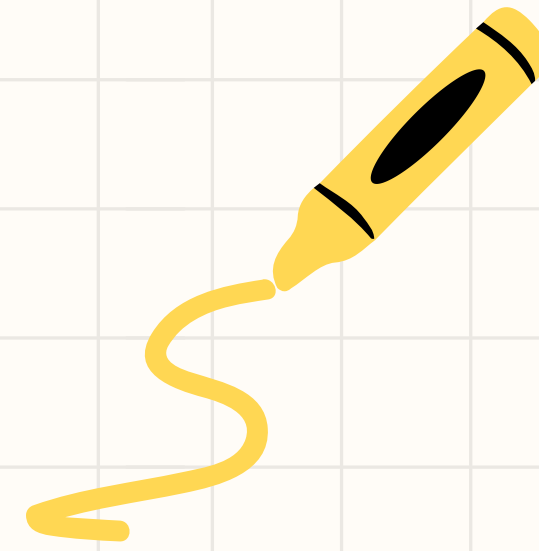
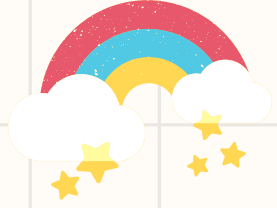




# Childcare Scholarships & Subsidies



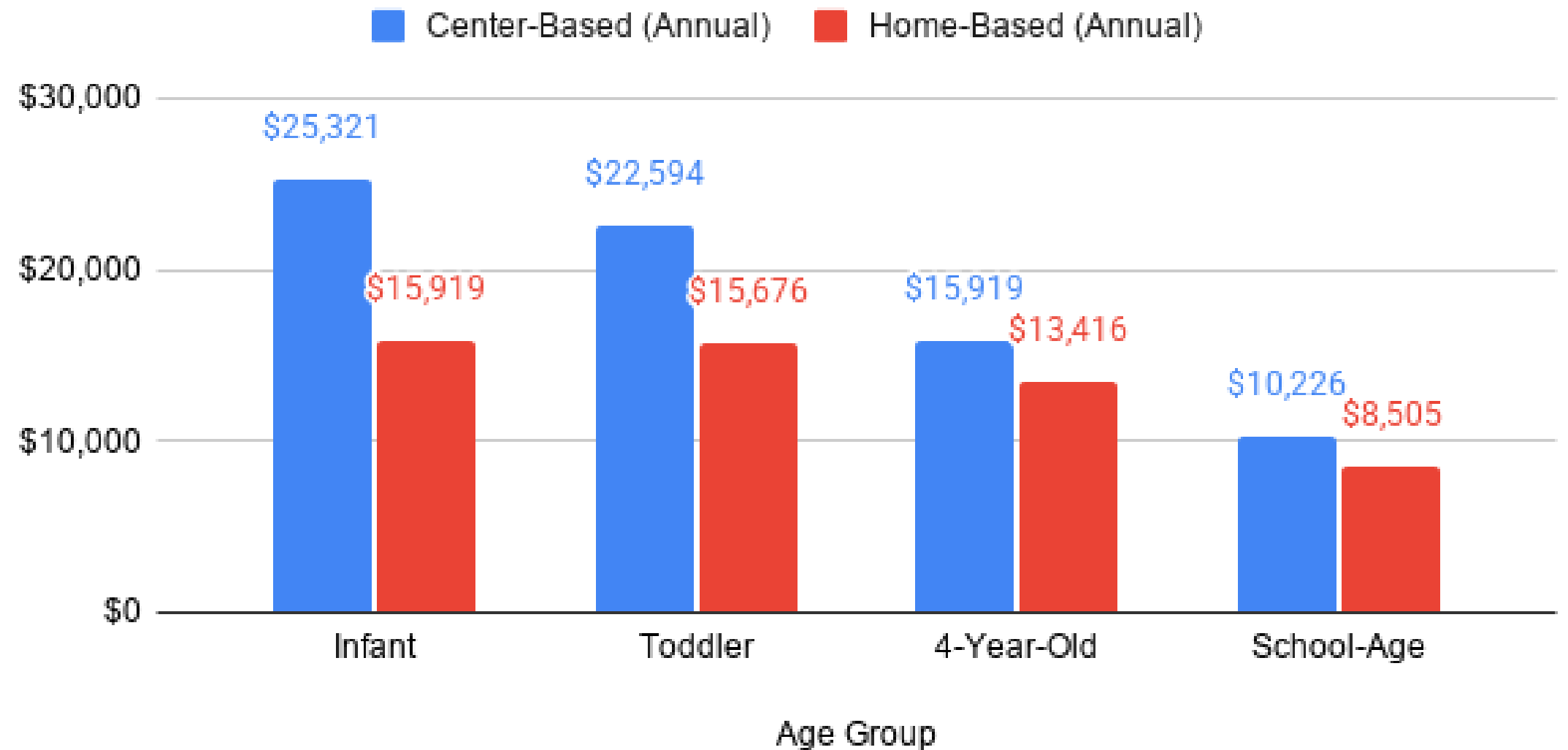
By: Kaylee Mendoza-Diaz



## Childcare Costs as a Percentage of Income

- **Married Couple:**  
15.8% of median income (\$159,911)
- **Single Parent:**  
48.1% of median income (\$52,696)

### Center-Based (Annual), Home-Based (Annual) and Yearly Savings (Home vs Center)



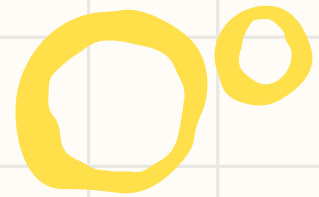


# Consequences

Even if childcare increases by \$100 quarterly it has a ripple effect.

| Income Bracket | Participation Drop                         |
|----------------|--------------------------------------------|
| Low-Income     | -1.20%<br>(average participation rate 41%) |
| Middle-Income  | -0.63%<br>(average participation rate 64%) |
| High-Income    | -0.27%<br>(average participation rate 73%) |

# Drivers of Costs



## Shortage of childcare workers

The number of childcare workers has fallen by approximately 27% from 2019-2022.

There is also an increase in demand but limited staff capacity to meet that demand.

## Strict staff to child ratios

Childcare centers must follow a strict staff to child ratios, ranking #2 nationwide.

- Infants: 1 to 3 staff/ child
- Toddlers: 1 to 3 staff/child
- Infants and toddlers, 1 or 2 infants: 1 to 3 staff/child

## Scholarships for families in need

Maryland's childcare scholarship program is currently serving about 15% of eligible families, this program looks to relieve the burdens of childcare costs.

## Maryland Earned Income Tax Credit

Helps individuals, families, and low income workers. EITC provides up to \$4,000 in a refundable tax credit.



# Childcare Scholarship Program

## What is it?

A scholarship awarded by the state that helps eligible families pay for high quality childcare programs.

## Who is it serving?

Currently serving only 15% of eligible families.

## Current state of program

After a almost year long freeze, during this year's legislative session there were various bills passed that addressed the scholarship program.

## Bills passed this session

- SB503-Maryland Child Care Credential Program - Extension of Funding
- SB668- Children's Cabinet Fund - Renaming and Funding for Grants to Local Management Boards
- HB849- Child Care Scholarship Program - Freeze in Enrollment



# New Mexico-Universal Childcare System

## Effectiveness

- Not limited to a specific income
- Looks to expand workforce for childcare providers
- Plans to open more childcare centers
- Provides quality childcare to families

## How it works

- First month of its launch, it enrolled 7,036 new children into the program, but it has supported over 12,000 children
- For 2026, 30,000 families are on track to receiving free childcare, with plans of 44,000 children

## Shortcomings

- Problems meeting demand
- Not enough childcare providers and centers



# Colorado- Rural Homes Early Childhood Initiative

## How it works

## Effectiveness

## Limitations

- Simultaneously addresses the shortage of affordable housing and childcare
- Has an education module, which provides a 13 week program to train and help individuals start new licensed family childcare home businesses

- Builds affordable homes, that also meet the state's childcare regulations.
- Six children per childcare facility provides income for low income families, workforce development, housing, and childcare support for working families

- Focused on rural areas at this time (where the shortage is greatest)
- Limited funding





# Missouri-Child Care Works Program



## How it works

- State, families, and employers pay into childcare to share the costs of childcare
- Incentivizes employers to pay into childcare to have high workforce retention rates, and reduced absenteeism rates among parents
- Allows for providers to receive consistent funding, which helps maintain childcare slots

## Effectiveness

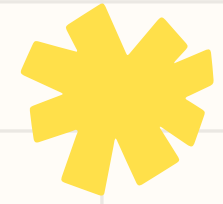
- Within a month of launch 287 seats had been awarded across state
- Plans to reduce childcare costs by 75%

## Shortcomings

- Does not focus on the expansion of childcare providers
- Does not focus on the expansion of childcare centers



# Solutions



## Phase in programs

Instead of implementing a program that looks to alleviate costs all at once, programs should be phased in. Starting with childcare provider training, then creating more childcare centers, and finally implementing something like universal childcare.

## Implement a “Maryland Child Works Program”

Have the state, families, and employers pay into childcare, and use that money to first train providers, then to build centers, and lastly to pay for childcare itself.

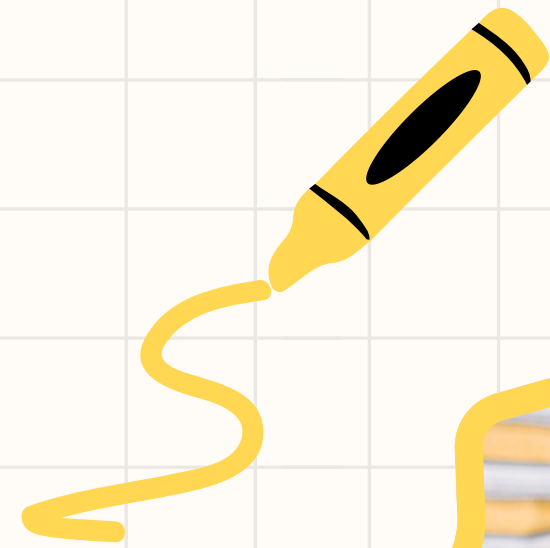
## Maryland’s Homes for Early Childhood Initiative

Maryland can tackle the issue of affordable housing and childcare by implementing a program similar to Colorado’s, except it should focus on putting these homes in all counties.



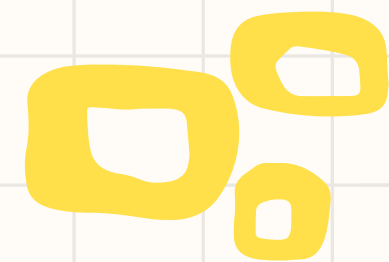


Thank You  
So Much!





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