

News Release

Child Care Providers Detail Frustrations with Pandemic Relief Distributions

Workgroup on Pandemic Spending also hears successes of Agriculture, Human Services aid programs

ANNAPOLIS, Md. (December 8, 2021) - Comptroller Peter Franchot today hosted the fifth meeting of the Comptroller's Workgroup on Pandemic Spending, hearing from child care advocates who expressed frustration at delayed payments and insufficient aid that has forced hundreds of providers to close and left many others struggling.

Prior to the COVID-19 pandemic, Maryland had nearly 8,000 child care providers; roughly 750 businesses have shut down in the past 20 months due to increased expenses, decreased enrollment, critical staffing shortages and an inability to meet payroll with reduced income, according to the Maryland State Child Care Association (MSCCA).

Problems receiving state and federal assistance that flowed through the Maryland State Department of Education (MSDE) forced providers to exhaust reserve funds and dip into personal savings to keep paying staff and to provide care for children of essential workers.

“In 35 years of public service, this is the worst example of government failure I’ve ever seen,” Comptroller Franchot said. “It’s the arrogance of the bureaucracy that confounds me.”

He noted that working families depend on reliable and affordable child care, which is critical to the state’s economy.

“Without us, half of your workforce couldn’t work,” said Ruthie Claytor, who has run Grannie Annie’s Child Care and Learning Center in Pasadena for 18 years.

The pandemic caused her monthly income to drop by nearly 65 percent due to restricted enrollment and promised reimbursements took six weeks to arrive, during which time she continued to pay her staff.

For many providers, the uncertainty of when financial assistance would arrive left child care operators in limbo.

“If you’re trying to budget and you’re trying to pay staff, and you’re trying to stay open, you need to know when the money’s coming,” said Christina Peusch, the MSCCA’s executive director.

She applauded the Comptroller’s Office for working with MSDE, which oversees child care facilities, to expedite relief payments.

Importantly, Peusch also noted the pandemic laid bare the systemic challenges that have plagued the child care market for decades, such as inadequate staff salaries and benefits, racial disparities in access to child care, and the amount parents spend on tuition as a percentage of their income.

“As a top-three household expense already, raising tuition is a last resort and simply untenable for many providers,” Peusch said, noting the need for greater investment in child care.

The workgroup did hear some success stories in pandemic relief distribution from the state departments of Agriculture and Human Services.

Maryland’s farming industry, the state’s largest, weathered COVID-19 better than many other sectors, said Deputy Agriculture Secretary Julie Oberg. Early in the pandemic, many farms pivoted away from selling products to wholesale buyers and instead sold directly to retail.

The state provided \$5 million in grants and loans to 1,300 farmers and producers, which included direct payments and program assistance to a cross-section of growers.

Workgroup members received a similarly positive report on how aid for social service programs were deployed.

More Marylanders sought financial assistance as a result of the pandemic. The Department of Human Services saw a 45 percent increase in demand for the Supplemental Nutrition Assistance Program and Temporary Cash Assistance benefits, said Netsanet Kibret, deputy secretary for programs. Additionally, more than 200,000 new individuals applied for those benefits between April and August of 2020, which is eight times the number of applicants the agency saw prior to the pandemic.

Comptroller Franchot lauded the agency’s decision to help existing clients keep their benefits and streamline application processes that enabled assistance to be distributed efficiently and effectively.

“You made a conscious decision to get the money to the people who needed it. That’s to your credit,” he said.

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