

JULIE PALAKOVICH CARR
Legislative District 17
Montgomery County

Ways and Means Committee
Chair, Revenues Subcommittee

Chair, Montgomery County
House Delegation



The Maryland House of Delegates
6 Bladen Street, Room 202
Annapolis, Maryland 21401
410-841-3037
800-492-7122 Ext. 3037
Julie.PalakovichCarr@house.maryland.gov

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 1321
Child Care Scholarship Program - Enrollment and Copays - Alterations

HB 1321 is a necessary and timely response to the unprecedented growth in Maryland's Child Care Scholarship Program and the resulting enrollment freeze that has left thousands of families on a waitlist without access to affordable child care. Legislative action is needed by the General Assembly to provide more opportunities for families to get off of the waitlist and to do so in a cost neutral way to the State.

Record Investments in Child Care

Enrollment in Maryland's Child Care Scholarship Program more than doubled between 2022 and 2025, from roughly 18,882 children in July 2022 to more than 41,000 by early 2025. This growth in enrollment reflects both rising needs and the success of recent policy improvements. In FY 2026, thanks to the Moore/Miller Administration and the work of the General Assembly, the Child Care Scholarship Program received record funding. Additionally, legislative changes to provide presumptive eligibility have made it easier for families to apply and start receiving child care.

This rapid expansion in participation, combined with structural workforce shortages and rising child care costs, created a situation in which demand for scholarships outpaced available funding. The result was a partial enrollment freeze that started on May 1, 2025. Since then the waitlist has grown to nearly 5,000 children.

Certain groups of children are able to bypass the waitlist: families receiving Temporary Assistance for Needy Families (TANF), Temporary Cash Assistance (TCA), or Supplemental Security Income (SSI). Additionally, families that are already enrolled can add additional children, for instance if they have a new baby.

MSDE estimates that fully eliminating the waitlist would require an additional \$68 million annually and returning to peak enrollment levels would require an additional \$166.5 million annually.

Need for Legislative Action

The Child Care Scholarship is projected to continue to have a waitlist for the foreseeable future. Now is the time for the General Assembly to take a close look at how the program is operating and to make changes.

This bill proposes several potential reforms:

- Ensures in law—as opposed to regulations—that the neediest families bypass the waitlist. The bill codifies MSDE’s current practice that the enrollment freeze does not apply to families receiving TCA, TANF, or SSI. The bill also ensures that children experiencing homelessness bypass the waitlist.
- As scholarship slots open up, the bill requires MSDE to prioritize families with the greatest financial need and those seeking care for children under age three—a group that faces the highest cost of care.
- The bill requires MSDE to identify scholarship applicants who qualify for publicly funded pre-K, inform them of available pre-K slots, and assist with enrollment. With Blueprint pre-K enrollment now exceeding 33,000 children statewide, this would help some families on the scholarship waitlist to get their child into high-quality care during critical developmental years.
- Establishes copays for families whose income exceeds the poverty line. By requiring families who can pay more to do so, the program can generate more funding to cover the participation of thousands of more kids.

We should uphold Maryland’s commitment to ensuring every child has access to high-quality early childhood education. HB 1321 would help strengthen the child care scholarship program, while protecting the families with the greatest need.