Maryland State Child Care Association

Caring For Maryland's Most Important Natural Resource™

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The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over 5500 members working in the field of child care/early childhood education. We believe children are our most important natural resource and work hard to advocate for children, families and for professionalism within the early childhood community.

Testimony in Support of HB 1321

Child Care Scholarship Program – Enrollment and Copays – Alterations

Submitted to: Ways and Means and Appropriations Committees

Position: FAVORABLE

March 4, 2026

Chairs, Vice Chairs, and Members of the Committees:

Maryland State Child Care Association (MSCCA) is in strong support of **House Bill 1321**, legislation that makes critical, targeted improvements to Maryland's **Child Care Scholarship Program (CCSP)**. HB 1321 addresses enrollment freezes, establishes a fair and transparent waitlist system, prioritizes families with the greatest need, connects eligible children to publicly funded prekindergarten, and limits unaffordable copayments for low-income families. Together, these reforms strengthen Maryland's child care system, protect vulnerable families, and support the state's workforce and economy.

Child Care Is an Economic and Equity Imperative

Child care is not optional—it is essential infrastructure. Families need reliable, affordable child care in order to work, pursue education, and contribute to Maryland's economy. Yet many Maryland families spend **upwards of 30% of their income on child care**, an unsustainable burden that forces impossible choices between employment and caregiving. Economists increasingly recognize child care as a **market failure**: parents cannot afford the true cost of care, and providers cannot survive on what families alone can pay.

Maryland currently serves **only about 15% of families eligible** for child care scholarships, leaving thousands of working families without support. At the same time, the state maintains a **child care scholarship waitlist of more than 5,100 children**, signaling a system under severe strain and an undeniable need for further investment and innovative change. These gaps undermine economic stability for families and threaten the long-term viability of child care providers across the state.

HB 1321 Protects Vulnerable Families During Enrollment Freezes

HB 1321 appropriately limits the harm caused by enrollment freezes by **prohibiting freezes from applying to the most vulnerable children and families**, including those participating in Temporary Cash Assistance, TANF, SSI, and children experiencing homelessness. These families face the greatest barriers to employment and stability, and access to child care is often the deciding factor in whether parents can work at all. This bill ensures that the families most in need are not locked out of support during periods of constrained funding.

A Transparent and Fair Waitlist System

When enrollment freezes are unavoidable, HB 1321 requires the Maryland State Department of Education to **establish and maintain a waitlist** for eligible applicants, rather than leaving families in uncertainty. The bill further requires that the waitlist **prioritize families with the greatest financial need and those seeking care for children under age three**, recognizing both economic hardship and the critical importance of early childhood development.

Child care subsidy waitlists represent a serious economic warning sign. Families on waitlists are often forced to reduce work hours, turn down promotions, or leave the workforce altogether—reducing household income, state productivity, and tax revenue. For providers, unstable enrollment leads to staff layoffs, classroom closures, and in many cases permanent shutdowns, shrinking the supply of affordable child care statewide. HB 1321 introduces structure and fairness into an otherwise destabilizing process.

Connecting Families to Prekindergarten Opportunities

HB 1321 also ensures that families whose children qualify for **publicly funded prekindergarten** are identified, informed, and assisted when a scholarship freeze is in place. The bill requires the Department to provide information on available pre-K slots, connect families with providers, and assist with enrollment upon request. This provision helps families access appropriate early learning opportunities without delay and prevents children from falling through the cracks due to administrative barriers. The state must not work in silos unable to connect families and children with critical support and opportunities. HB 1321 is determined to ensure better communication and coordination for Blueprint Pillar 1 mixed delivery PreK expansion.

Limiting Copays to Keep Child Care Affordable

Affordability does not end with enrollment. HB 1321 places critical limits on family copayments, ensuring that families earning **50% or less of regional median income pay no copay**, and that families earning modestly above that level are not required to pay unaffordable shares of their income. The bill caps copays **3% of income for families up to 65% of regional median income and 7% for those above**, protecting families from cost burdens that make participation in the program unworkable. MSCCA prefers not to implement co pays as we know every dollar adds up each week for each child in child care. However, we also understand the options in HB 1321 consider regions and the ability to contribute at some level and receive care to work, is better than not having licensed, quality child care options and not be able to work.

Conclusion

HB 1321 recognizes a fundamental truth: **child care is the workforce behind the workforce**. Without accessible, affordable child care, parents cannot work, employers cannot retain staff, and the economy cannot grow. This legislation makes thoughtful, evidence-based improvements to Maryland's Child Care Scholarship Program by protecting vulnerable families, promoting fairness and transparency, stabilizing providers, and strengthening connections to early learning opportunities.

For these reasons, MSCCA respectfully urges a **FAVORABLE report on House Bill 1321**.