

## Chapter 525

**(House Bill 995)**

AN ACT concerning

**Early Childhood Development – Child Care Scholarship Program – Alterations  
*and Study***

FOR the purpose of requiring the State Department of Education to establish a certain process for granting presumptive eligibility for a subsidy under the Child Care Scholarship Program; requiring the Department to award a certain subsidy to an individual who submits certain proof; prohibiting the Department and the Comptroller from seeking reimbursement or repayment of a certain subsidy from certain individuals under certain circumstances subject to a certain exception; prohibiting the Department from requiring an individual to take certain actions to be eligible for a certain subsidy; requiring the ~~Department Comptroller to pay~~ notify the Comptroller within a certain period of time after receiving a certain invoice; ~~requiring the Comptroller to pay~~ a certain child care provider within a certain amount of time; ~~requiring the Department to establish and publish on its website a certain form, process, and instructions on or before a certain date;~~ ~~requiring the Department to consult with certain experts to establish a certain form and begin using a certain form in a certain process on or before a certain date;~~ requiring the Department to study certain issues related to the Program in consultation with certain stakeholders and experts; requiring the Department to report to the Governor and the General Assembly on the results of a certain study on or before a certain date; and generally relating to the Child Care Scholarship Program.

BY repealing and reenacting, with amendments,  
 Article – Education  
 Section 9.5–113  
 Annotated Code of Maryland  
 (2018 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,  
Article – Education  
Section 9.5–113  
Annotated Code of Maryland  
(2018 Replacement Volume and 2021 Supplement)  
(As enacted by Section 1 of this Act)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 That the Laws of Maryland read as follows:

**Article – Education**

9.5–113.

- (a) In this section, "Program" means the Child Care Scholarship Program.
- (b) The Department shall administer the Program in accordance with federal law.

~~(c) (1) THE DEPARTMENT SHALL ESTABLISH A PROCESS THAT MEETS THE REQUIREMENTS OF THIS SUBSECTION FOR GRANTING PRESUMPTIVE ELIGIBILITY FOR A SUBSIDY UNDER THE PROGRAM.~~

~~(2) AN INDIVIDUAL SHALL CERTIFY THAT THE INDIVIDUAL MEETS THE ELIGIBILITY REQUIREMENTS FOR A SUBSIDY UNDER THE PROGRAM BY COMPLETING AND ELECTRONICALLY SUBMITTING A FORM TO THE DEPARTMENT THAT CERTIFIES:~~

~~(I) THE INDIVIDUAL'S ESTIMATED ANNUAL HOUSEHOLD INCOME; AND~~

~~(II) THAT THE INDIVIDUAL MEETS THE ELIGIBILITY REQUIREMENTS FOR A PROGRAM SUBSIDY.~~

~~(3) AN INDIVIDUAL WHO SUBMITS A FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL RECEIVE A SUBSIDY UNDER THE PROGRAM FOR A PERIOD:~~

~~(I) BEGINNING ON THE DAY ON WHICH THE INDIVIDUAL SUBMITS THE FORM; AND~~

~~(II) ENDING:~~

~~1. IF THE INDIVIDUAL DOES NOT FILL OUT AN APPLICATION IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION, 15 DAYS AFTER THE DATE ON WHICH THE INDIVIDUAL SUBMITS THE FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION; OR~~

~~2. IF THE DEPARTMENT DETERMINES THAT THE INDIVIDUAL DOES NOT QUALIFY FOR A SUBSIDY UNDER THE PROGRAM AFTER REVIEWING THE INDIVIDUAL'S APPLICATION SUBMITTED IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION, THE DATE ON WHICH THE DEPARTMENT MAKES THE DETERMINATION.~~

~~(4) TO CONTINUE TO RECEIVE A SUBSIDY UNDER THE PROGRAM, AN INDIVIDUAL WHO SUBMITS A FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL SUBMIT AN APPLICATION FOR A SUBSIDY UNDER THE PROGRAM WITHIN 15 DAYS AFTER THE DATE ON WHICH THE INDIVIDUAL SUBMITS THE FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION.~~

~~(5) THE DEPARTMENT SHALL CONTINUE TO PROVIDE A SUBSIDY UNDER THE PROGRAM TO AN INDIVIDUAL WHO SUBMITS A FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION AND WHO SUBMITS AN APPLICATION IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION UNTIL THE DEPARTMENT MAKES A DETERMINATION REGARDING THE INDIVIDUAL'S ELIGIBILITY TO RECEIVE A SUBSIDY.~~

~~(D)~~ (C) ~~(1)~~ THE DEPARTMENT SHALL AWARD A SUBSIDY UNDER THE PROGRAM IN AN AMOUNT SUFFICIENT TO ENSURE THAT AN INDIVIDUAL WILL NOT BE REQUIRED TO PAY A COPAY FOR CHILD CARE IF THE INDIVIDUAL PROVIDES PROOF, AS DETERMINED BY THE DEPARTMENT, OF:

~~(1)~~ ~~(H)~~ (1) PARTICIPATION IN ONE OF THE FOLLOWING PROGRAMS:

~~(1)~~ ~~1.~~ (I) FEDERAL SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN;

~~(H)~~ ~~2.~~ (II) FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM;

~~(H)~~ ~~3.~~ (III) FEDERAL HOUSING ACT HOUSING CHOICE VOUCHER PROGRAM;

~~(IV)~~ ~~GUARANTEED ACCESS GRANT UNDER § 18-303 OF THIS ARTICLE;~~

~~(V)~~ ~~4.~~ (IV) SUPPLEMENTAL SECURITY INCOME BENEFITS;  
OR

~~(VI)~~ ~~5.~~ (V) TEMPORARY CASH ASSISTANCE; AND

~~(2)~~ ~~(H)~~ (2) EMPLOYMENT OR ENROLLMENT IN AN EDUCATION OR CAREER TRAINING PROGRAM.

~~(2) IF AN INDIVIDUAL DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT QUALIFY FOR A FULL SUBSIDY WITHOUT A COPAY, UNDER FEDERAL LAW, A CHILD CARE PROVIDER MAY NOT BE REQUIRED TO PAY ANY DIFFERENCE IN THE AMOUNT OF FEDERAL FUNDING AND THE COST OF THE INDIVIDUAL'S PARTICIPATION IN THE PROGRAM.~~

[(c)] ~~(E)~~ (D) An individual is eligible to continue to receive a subsidy under the Program:

(1) For at least 90 days in a year if the individual is unemployed and seeking employment; and

(2) If the individual meets any other eligibility criteria determined by the Department.

~~(F)~~ **(E)** THE DEPARTMENT MAY NOT REQUIRE AN INDIVIDUAL TO PURSUE OR RECEIVE CHILD SUPPORT PAYMENTS OR APPLY FOR SERVICES FROM A CHILD SUPPORT AGENCY TO BE ELIGIBLE FOR A SUBSIDY UNDER THE PROGRAM.

~~(G)~~ **(F)** (1) THE DEPARTMENT SHALL ~~PAY A CHILD CARE PROVIDER WITHIN 10~~ **NOTIFY THE COMPTROLLER WITHIN 9 10** DAYS AFTER THE DATE ON WHICH THE DEPARTMENT RECEIVES AN INVOICE FROM A CHILD CARE PROVIDER.

**(2) THE COMPTROLLER SHALL PAY A CHILD CARE PROVIDER WITHIN 6 5 DAYS AFTER THE DATE ON WHICH THE COMPTROLLER RECEIVES A NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

~~[(d)]~~ ~~(H)~~ **(G)** The Department shall adopt regulations to implement the provisions of this section.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before August 1, 2022, the State Department of Education shall establish and publish on its website the electronic form and a process and instructions for submitting the form required under § 9.5-113(e)(2) of the Education Article, as enacted by Section 1 of this Act.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2023, the State Department of Education shall:~~

~~(1) consult with national experts to establish a simplified form for an individual to apply for a Child Care Scholarship under the Child Care Scholarship Program that enables the Department to:~~

~~(i) determine a family's eligibility for a subsidy under the Program;~~

~~(ii) determine an appropriate copay for the family; and~~

~~(iii) comply with all necessary federal data reporting requirements for the Program; and~~

~~(2) begin using the simplified application form established under item (1) of this section in the application process for a subsidy under the Program.~~

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Education

9.5–113.

(a) In this section, “Program” means the Child Care Scholarship Program.

(b) The Department shall administer the Program in accordance with federal law.

(C) (1) THE DEPARTMENT SHALL ESTABLISH A PROCESS THAT MEETS THE REQUIREMENTS OF THIS SUBSECTION FOR GRANTING PRESUMPTIVE ELIGIBILITY FOR A SUBSIDY UNDER THE PROGRAM.

(2) AN INDIVIDUAL SHALL ATTEST THAT THE INDIVIDUAL MEETS THE ELIGIBILITY REQUIREMENTS FOR A SUBSIDY UNDER THE PROGRAM BY COMPLETING AND ELECTRONICALLY SUBMITTING A FORM PROVIDED BY THE DEPARTMENT, INCLUDING A STATEMENT OF THE INDIVIDUAL’S ESTIMATED ANNUAL HOUSEHOLD INCOME.

(3) THE DEPARTMENT SHALL PROVIDE A SUBSIDY UNDER THE PROGRAM TO AN INDIVIDUAL WHO SUBMITS A FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION FOR A PERIOD:

(I) BEGINNING ON THE DAY ON WHICH THE INDIVIDUAL SUBMITS THE FORM; AND

(II) ENDING:

1. IF THE INDIVIDUAL DOES NOT FILL OUT AN APPLICATION WITHIN 15 DAYS IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION, 60 DAYS AFTER THE DATE ON WHICH THE INDIVIDUAL SUBMITS THE FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION; OR

2. IF THE DEPARTMENT DETERMINES THAT THE INDIVIDUAL DOES NOT QUALIFY FOR A SUBSIDY UNDER THE PROGRAM AFTER REVIEWING THE INDIVIDUAL’S APPLICATION SUBMITTED IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION, THE LATER OF:

A. 60 DAYS AFTER THE DATE ON WHICH THE INDIVIDUAL SUBMITS THE FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION; OR

**B. THE DATE ON WHICH THE DEPARTMENT MAKES THE DETERMINATION.**

**(4) TO CONTINUE TO RECEIVE A SUBSIDY UNDER THE PROGRAM, AN INDIVIDUAL WHO SUBMITS A FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL SUBMIT AN APPLICATION FOR A SUBSIDY UNDER THE PROGRAM WITHIN 15 DAYS AFTER THE DATE ON WHICH THE INDIVIDUAL SUBMITS THE FORM UNDER PARAGRAPH (2) OF THIS SUBSECTION.**

**(5) THE DEPARTMENT OR THE COMPTROLLER MAY NOT SEEK REIMBURSEMENT OR REPAYMENT OF A SUBSIDY PROVIDED TO AN INDIVIDUAL UNDER PARAGRAPH (3) OF THIS SUBSECTION IF THE DEPARTMENT DETERMINES THE INDIVIDUAL DOES NOT QUALIFY FOR A SUBSIDY UNDER THE PROGRAM UNDER PARAGRAPH (3)(II) 2 OF THIS SUBSECTION, EXCEPT FOR SUSPECTED FRAUD.**

**(6) (I) IN THIS PARAGRAPH, "FUND" MEANS THE CHILD CARE SCHOLARSHIP PROGRAM PRESUMPTIVE ELIGIBILITY FUND.**

**(II) THERE IS A CHILD CARE SCHOLARSHIP PROGRAM PRESUMPTIVE ELIGIBILITY FUND.**

**(III) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

**(IV) 1. THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

**2. THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

**(V) THE FUND CONSISTS OF:**

**1. MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

**2. REIMBURSEMENTS MADE IN ACCORDANCE WITH SUBPARAGRAPH (VIII) OF THIS PARAGRAPH; AND**

**3. ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.**

**(VI) THE FUND MAY BE USED ONLY TO AWARD A SUBSIDY UNDER THE PROGRAM IN AN AMOUNT SUFFICIENT TO PROVIDE CHILD CARE FOR AN INDIVIDUAL WHO IS GRANTED PRESUMPTIVE ELIGIBILITY UNTIL:**

1. THE INDIVIDUAL EITHER FAILS TO COMPLETE THE FULL APPLICATION WITHIN 15 DAYS OR IS FOUND INELIGIBLE FOR A SUBSIDY UNDER THE PROGRAM AND THE TIME PERIOD DESCRIBED UNDER PARAGRAPH (3) OF THIS SUBSECTION LAPSES; OR

2. THE INDIVIDUAL IS FOUND ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

(VII) FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND AT LEAST EQUAL TO THE AMOUNT RECOMMENDED BY THE DEPARTMENT IN THE STUDY CONDUCTED IN ACCORDANCE WITH SECTION 3 OF CHAPTER (S.B. 920/H.B. 995) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2022 THAT IS NECESSARY TO PROVIDE PAYMENT OF THE SUBSIDY AMOUNT FOR WHICH AN INDIVIDUAL WHO IS PRESUMPTIVELY ELIGIBLE QUALIFIES.

(VIII) IF AN INDIVIDUAL IS FOUND ELIGIBLE TO PARTICIPATE IN THE PROGRAM, FEDERAL AND MATCHING STATE FUNDS AVAILABLE UNDER THE FEDERAL CHILD CARE DEVELOPMENT FUND SHALL BE USED TO REIMBURSE THE FUND FOR ANY EXPENDITURES MADE IN ACCORDANCE WITH SUBPARAGRAPH (VI) OF THIS PARAGRAPH.

(IX) 1. THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

2. ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

[(c)] (D) The Department shall award a subsidy under the Program in an amount sufficient to ensure that an individual will not be required to pay a copay for child care if the individual provides proof, as determined by the Department, of:

(1) Participation in one of the following programs:

(i) Federal Special Supplemental Food Program for Women, Infants, and Children;

(ii) Federal Supplemental Nutrition Assistance Program;

(iii) Federal Housing Act Housing Choice Voucher Program;

(iv) Supplemental Security Income benefits; or

(v) Temporary cash assistance; and

(2) Employment or enrollment in an education or career training program.

[(d)] (E) An individual is eligible to continue to receive a subsidy under the Program:

(1) For at least 90 days in a year if the individual is unemployed and seeking employment; and

(2) If the individual meets any other eligibility criteria determined by the Department.

[(e)] (F) The Department may not require an individual to pursue or receive child support payments or apply for services from a child support agency to be eligible for a subsidy under the Program.

[(f)] (G) (1) The Department shall notify the Comptroller within 10 days after the date on which the Department receives an invoice from a child care provider.

(2) The Comptroller shall pay a child care provider within 5 days after the date on which the Comptroller receives a notice under paragraph (1) of this subsection.

[(g)] (H) The Department shall adopt regulations to implement the provisions of this section.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) In this section, “Program” means the Child Care Scholarship Program established under § 9.5–113 of the Education Article.

(b) (1) (i) The State Department of Education shall study and make recommendations on establishing a process to expand access to subsidies under the Child Care Scholarship Program established under § 9.5–113 of the Education Article.

(ii) In conducting the study under subparagraph (i) of this paragraph, the Department shall consult with stakeholders and nationally recognized experts, including lead agencies in other states responsible for administering the federal Child Care Development Fund.

(2) The study conducted under paragraph (1) of this subsection shall include an investigation into a method to grant presumptive eligibility to an initial applicant for a subsidy under the Program, including a determination on:

(i) a method for determining the level of support the individual should receive from the Program;



(ii) the appropriate length of time between the date of submission of an initial request for enrollment in the Program and submission of a complete application with all required documentation; and

(iii) the minimal length of time that an individual who is granted presumptive eligibility should receive a subsidy under the Program if the individual is later determined to be ineligible for the Program.

(3) The study conducted under paragraph (1) of this subsection shall include an analysis of the effects of changes to the Program, as enacted by Section 1 of this Act, including an analysis of:

(i) the annual effect on Program participation of allowing individuals who have not pursued child support payments to participate in the Program;

(ii) whether the support programs listed under § 9.5–113(c) of the Education Article, as enacted by Section 1 of this Act, are the appropriate programs to use in order to ensure that vulnerable families are not required to pay for child care; and

(iii) any additional support programs that should be used in addition to or instead of those listed under § 9.5–113(c) of the Education Article, as enacted by Section 1 of this Act.

(4) The study conducted under paragraph (1) of this subsection shall include an investigation into the creation of a simplified form to be used by an individual applying to the Program.

(5) The study conducted under paragraph (1) of this subsection shall include an investigation into methods of aiding applicants to the Program in completing the application process, including the possibility of enlisting the voluntary participation of child care provider employees.

(c) The Department shall study and make recommendations on the practical steps needed to carry out the processes recommended under subsection (b) of this section, including:

(1) the extent to which money provided by the federal government and State matching funds for the Program can be used to accomplish the goals listed under subsection (b) of this section and the extent to which the State must provide separate funding;

(2) the need to alter or renegotiate any contracts used in the operation of the Program, and the earliest date on which those contracts could be altered or renegotiated;

(3) any statutory changes necessary to achieve the goals listed under subsection (b) of this section; and

(4) any additional State funding needed to continue to offer robust support through the Program for all individuals eligible under federal law.

(d) On or before December 1, 2022, the State Department of Education shall report on the results of its study to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2023.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That, except as provided in Section 4 of this Act, this Act shall take effect July 1, 2022.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 29, 2022.**