

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1121

(Delegate Shetty, *et al.*)

Ways and Means

Education, Energy, and the Environment

**Child Care Scholarship Program - Youth Transitioning From Foster Placement
to Successful Adulthood Program - Establishment**

This bill establishes the Youth Transitioning from Foster Placement to Successful Adulthood Program, administered by the Maryland State Department of Education (MSDE), to remove certain application barriers for parenting foster youth and increase eligibility access to the Child Care Scholarship (CCS) Program for the foster youth's child. The program must begin by January 1, 2026. MSDE must remove barriers in the CCS Program application process for foster youth in the program by removing specified requirements. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by \$91,000 in FY 2026 only for MSDE to make reprogramming changes. General fund expenditures further increase, *potentially significantly*, beginning in FY 2026 to the extent additional families are eligible for scholarships under the CCS Program, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: "Foster youth" means an individual who (1) is at least age 16 and younger than age 22 and (2) is in out-of-home care under the responsibility of the State *or* was in out-of-home care under the responsibility of the State on the individual's 18th birthday.

MSDE must remove the following CCS Program application requirements for program participants: (1) proof of a foster youth's employment or enrollment in an education or career training program; (2) the name of the other parent of the foster youth's child; (3) a written authorization from a parent if the parent is not residing in the same household as the child; and (4) application information, including income, that relates to a foster youth's foster parents rather than to the foster youth. MSDE must incorporate the framework of the Youth Transitioning from Foster Placement to Successful Adulthood Program into the CCS Program.

MSDE must award a scholarship under the CCS 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 MSDE, of participation in the Youth Transitioning from Foster Placement to Successful Adulthood Program.

The Department of Human Services (DHS) must make referrals to MSDE regarding the program.

Current Law: The State oversees a variety of early education services that are provided to Maryland children and their families in cooperation with local governments, local school systems, and private child care providers. The Division of Early Childhood coordinates the State's early childhood care and education system and is composed of three subdivisions: (1) the Office of Child Care; (2) the Office of Early Learning and Instruction; and (3) the Office of Family Support Services.

The CCS Program (formerly known as the Child Care Subsidy Program) provides financial assistance with child care costs to low-income families that meet applicable State or federal requirements. The program is funded through a combination of State funds and the federal Child Care and Development Block Grant. All participating parents or guardians must meet a variety of technical requirements and must be working or enrolled in school, a training program, or a work-related activity.

State Expenditures: MSDE advises that it must update its Child Care Administrative Tracking System and CCS Program portals to accommodate the new application and eligibility requirements. Therefore, in fiscal 2026, general fund expenditures increase by approximately \$91,000 to make the necessary reprogramming changes. This estimate is based on a similar modification that MSDE made to its system in 2022.

MSDE advises that the eligible population is likely relatively small (based on information from DHS, fewer than 40 families are expected to be eligible); accordingly, it is estimated that MSDE can handle administrative aspects of the program using existing budgeted resources. MSDE did not provide a specific estimate on providing CCS Program benefits to families under the program. However, general fund expenditures are assumed to

increase, potentially significantly, to the extent that additional individuals receive scholarships under the bill who would not have otherwise been eligible. CCS scholarships per child vary depending on the age of the child, the region where care is being provided, and the type of care (*i.e.*, child care centers vs. family child care homes). *For illustrative purposes only*, if 30 families under the program receive a scholarship for one child, general fund expenditures may increase by \$355,680 on an annual basis (based on an average of the regional rates for infants served in family child care homes).

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 687 (Senator Benson) - Education, Energy, and the Environment.

Information Source(s): Department of Human Services; Maryland State Department of Education; Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2025
km/jkb
Third Reader - March 20, 2025
Revised - Amendment(s) - March 20, 2025
Enrolled - May 2, 2025
Revised - Amendment(s) - May 2, 2025

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