

# HOUSE BILL 849

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By: **Delegates Mireku–North, Addison, Amprey, Behler, Boafo, Buckel, Kaiser, Kaufman, Moreno, Phillips, Queen, Roberson, Ruff, Stinnett, Taylor, Vogel, Wells, White Holland, Williams, Wims, and Young**

Introduced and read first time: February 4, 2026

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Child Care Scholarship Program – Freeze in Enrollment – Exceptions**

3 FOR the purpose of prohibiting a freeze in enrollment in the Child Care Scholarship  
4 Program from including certain individuals enrolled in certain governmental  
5 support programs, children with siblings enrolled in the Program, individuals with  
6 certain employment issues, and individuals employed by a child care provider; and  
7 generally relating to exceptions to a freeze in enrollment in the Child Care  
8 Scholarship Program.

9 BY repealing and reenacting, with amendments,  
10 Article – Education  
11 Section 9.5–111  
12 Annotated Code of Maryland  
13 (2022 Replacement Volume and 2025 Supplement)

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

16 **Article – Education**

17 9.5–111.

18 (a) (1) In this section the following words have the meanings indicated.

19 (2) “Analysis” means the market rate survey or an alternative method  
20 allowable under federal law.

21 (3) “Program” means the Child Care Scholarship Program.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) Beginning in 2017, and every 2 years thereafter, the Department shall  
2 conduct an analysis in order to formulate appropriate reimbursement rates for the  
3 Program.

4 (2) The Department, before conducting the analysis, shall consult with:

5 (i) The Office of Child Care Advisory Council;

6 (ii) Child care resource and referral agencies;

7 (iii) Child care worker organizations; and

8 (iv) Any other appropriate entities.

9 (c) On or before September 1, 2017, and by September 1 every 2 years thereafter,  
10 the Department shall report to the Joint Committee on Children, Youth, and Families, the  
11 Senate Budget and Taxation Committee, and the House Appropriations Committee, in  
12 accordance with § 2–1257 of the State Government Article, on:

13 (1) The methodology of the analysis required under subsection (b) of this  
14 section;

15 (2) Cost estimates for raising the Program's reimbursement rates to the  
16 45th, 55th, 65th, and 75th percentile of child care providers in each of the State's market  
17 regions;

18 (3) The minimum base payment rate that is required for child care  
19 providers to meet health, safety, quality, and staffing requirements in accordance with  
20 federal law and the factors used to determine that rate;

21 (4) The rate adjustment that the Department will implement based on the  
22 analysis;

23 (5) Any adjustments to Program eligibility or family copay amount that  
24 will be implemented; and

25 (6) Any potential impacts on families and providers due to any adjustments  
26 made to the Program.

27 (d) (1) The Governor shall include in the annual State budget an appropriation  
28 from all fund sources for the Program that is not less than the total appropriation for the  
29 Program in fiscal year 2018 or fiscal year 2019, whichever is greater.

30 (2) Except as provided in paragraph (3) of this subsection, the Department  
31 may not make the following alterations to the Program in effect as of January 1, 2023:

32 (i) Reduce the reimbursement rates;

1 (ii) Reduce the income eligibility requirements; or

2 (iii) **[Implement] SUBJECT TO SUBSECTION (E) OF THIS SECTION,**  
3 **IMPLEMENT** a freeze in Program enrollment.

4 (3) (i) The Department may alter the Program in effect as of January  
5 1, 2023, by reducing the reimbursement rates, reducing the income eligibility  
6 requirements, or implementing a freeze in Program enrollment, if:

7 1. The Department submits a notification to the Senate  
8 Budget and Taxation Committee, the Senate Committee on Education, Energy, and the  
9 Environment, the House Appropriations Committee, and the House Ways and Means  
10 Committee, in accordance with § 2–1257 of the State Government Article, on the intended  
11 Program alterations, including the reason for, and expected duration of, the proposed  
12 actions; and

13 2. The Program alterations identified in the notification are  
14 not implemented until the completion of the regular legislative session immediately  
15 following the submission of the notification.

16 (ii) If the Board of Public Works approves budget reductions for the  
17 Program under § 7–213 of the State Finance and Procurement Article for a certain fiscal  
18 year, the Department may reduce the reimbursement rates, reduce the income eligibility  
19 requirements, or implement a freeze in Program enrollment at any time during the fiscal  
20 year.

21 (4) The Department may not increase the copayment levels of the Program  
22 in effect as of January 1, 2024.

23 **(E) (1) A FREEZE IN PROGRAM ENROLLMENT MAY NOT APPLY TO:**

24 **(I) AN INDIVIDUAL OR A FAMILY WHO IS ENROLLED IN THE**  
25 **TEMPORARY CASH ASSISTANCE PROGRAM UNDER § 5–312 OF THE HUMAN SERVICES**  
26 **ARTICLE;**

27 **(II) AN INDIVIDUAL OR A FAMILY WHO IS ENROLLED IN THE**  
28 **FEDERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM;**

29 **(III) A CHILD WHO IS ENROLLED IN THE FEDERAL SOCIAL**  
30 **SECURITY INCOME PROGRAM;**

31 **(IV) THE SIBLING OF A CHILD WHO IS ENROLLED IN THE**  
32 **PROGRAM;**

**(V) AN INDIVIDUAL WHO:**

**1. HAS BECOME UNEMPLOYED WITHIN THE PAST 30 DAYS; AND**

**2. WOULD HAVE QUALIFIED FOR THE PROGRAM BEFORE BECOMING UNEMPLOYED;**

**(VI) AN INDIVIDUAL WHO:**

**1. IS EMPLOYED BY THE FEDERAL OR STATE GOVERNMENT OR A LOCAL GOVERNMENT IN THE STATE;**

**2. IS INVOLUNTARILY FURLOUGHED FROM WORK WITHOUT PAY BECAUSE OF A GOVERNMENT SHUTDOWN, LASTING FOR A PERIOD THAT EXCEEDS 7 CONSECUTIVE DAYS, THAT CAUSES FUNDING TO BE UNAVAILABLE TO OPERATE GOVERNMENTAL ACTIVITIES DUE TO THE LACK OF A LEGISLATIVE APPROPRIATION OR A CONTINUING RESOLUTION; AND**

**3. WOULD HAVE QUALIFIED FOR THE PROGRAM BEFORE BECOMING FURLOUGHED; AND**

**(VII) AN INDIVIDUAL WHO IS EMPLOYED BY A CHILD CARE CENTER, A FAMILY CHILD CARE HOME, OR A LARGE FAMILY CHILD CARE HOME.**

**(2) AN INDIVIDUAL DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL OTHERWISE MEET THE CRITERIA FOR ENROLLMENT IN THE PROGRAM.**

**[(e)] (F)** The Governor shall, from all fund sources, appropriate funds in the annual State budget in an amount sufficient to raise the Program's reimbursement rates for each region to:

(1) For fiscal year 2020, not less than the 30th percentile of the most recent market rate survey or its equivalent if an alternative methodology defined by the Department is used; and

(2) For fiscal year 2021 and each fiscal year thereafter, not less than the 60th percentile of the most recent market rate survey or its equivalent if an alternative methodology defined by the Department is used.

**SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.**