

# HOUSE BILL 849

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By: Delegates Mireku-North, McCaskill, Palakovich Carr, Addison, Amprey, Behler, Bofo, Buckel, Kaiser, Kaufman, Moreno, Phillips, Queen, Roberson, Ruff, Stinnett, Taylor, Vogel, Wells, White Holland, Williams, Wims, and Young Young, Ebersole, Feldmark, Pasteur, Patterson, and Wilkins

Introduced and read first time: February 4, 2026

Assigned to: Ways and Means

Reassigned: Ways and Means and Appropriations, February 12, 2026

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 26, 2026

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Child Care Scholarship Program – Freeze in Enrollment – Exceptions and**  
3 **Waitlist**

4 FOR the purpose of prohibiting a freeze in enrollment in the Child Care Scholarship  
5 Program from including certain individuals enrolled in certain governmental  
6 support programs, children with siblings enrolled in the Program, ~~individuals with~~  
7 ~~certain employment issues, and individuals employed by a child care provider and~~  
8 children who are homeless; requiring the State Department of Education to establish  
9 a waitlist for the Program under certain conditions; requiring the Department to give  
10 priority for enrollment in the Program to certain individuals on the waitlist;  
11 requiring the Department to develop a new application for the Program that collects  
12 certain information; and generally relating to exceptions to a freeze in enrollment in  
13 and a waitlist for the Child Care Scholarship Program.

14 BY repealing and reenacting, with amendments,  
15 Article – Education  
16 Section 9.5–111  
17 Annotated Code of Maryland  
18 (2022 Replacement Volume and 2025 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Education**

4 9.5–111.

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

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

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

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

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

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

14 (ii) Child care resource and referral agencies;

15 (iii) Child care worker organizations; and

16 (iv) Any other appropriate entities.

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

21 (1) The methodology of the analysis required under subsection (b) of this  
22 section;

23 (2) Cost estimates for raising the Program’s reimbursement rates to the  
24 45th, 55th, 65th, and 75th percentile of child care providers in each of the State’s market  
25 regions;

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

29 (4) The rate adjustment that the Department will implement based on the  
30 analysis;

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

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

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

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

10 (i) Reduce the reimbursement rates;

11 (ii) Reduce the income eligibility requirements; or

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

14 (3) (i) The Department may alter the Program in effect as of January  
15 1, 2023, by reducing the reimbursement rates, reducing the income eligibility  
16 requirements, or implementing a freeze in Program enrollment, if:

17 1. The Department submits a notification to the Senate  
18 Budget and Taxation Committee, the Senate Committee on Education, Energy, and the  
19 Environment, the House Appropriations Committee, and the House Ways and Means  
20 Committee, in accordance with § 2–1257 of the State Government Article, on the intended  
21 Program alterations, including the reason for, and expected duration of, the proposed  
22 actions; and

23 2. The Program alterations identified in the notification are  
24 not implemented until the completion of the regular legislative session immediately  
25 following the submission of the notification.

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

31 (4) ~~The~~ **EXCEPT AS PROVIDED IN § 9.5–113(D) OF THIS SUBTITLE, THE**  
32 Department may not increase the copayment levels of the Program in effect as of January  
33 1, 2024.

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

~~(I)~~ 1. AN INDIVIDUAL OR A FAMILY WHO IS ENROLLED IN THE TEMPORARY CASH ASSISTANCE PROGRAM UNDER § 5-312 OF THE HUMAN SERVICES ARTICLE;

~~(II)~~ 2. AN INDIVIDUAL OR A FAMILY WHO IS ENROLLED IN THE FEDERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM;

~~(III)~~ 3. A CHILD, PARENT, OR CAREGIVER WHO IS ENROLLED IN THE FEDERAL ~~SOCIAL~~ SUPPLEMENTAL SECURITY INCOME PROGRAM;

~~(IV)~~ 4. THE SIBLING OF A CHILD WHO IS ENROLLED IN THE PROGRAM; AND

~~(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

5. A CHILD WHO IS HOMELESS.

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

1           **(2) (I) IF THE DEPARTMENT ESTABLISHES A FREEZE IN PROGRAM**  
2 **ENROLLMENT, THE DEPARTMENT SHALL ESTABLISH A WAITLIST FOR ELIGIBLE**  
3 **INDIVIDUALS WHO APPLY TO THE PROGRAM AFTER THE FREEZE IS IN EFFECT.**

4           **(II) THE WAITLIST SHALL REMAIN IN EFFECT AS LONG AS**  
5 **THERE ARE FEWER AVAILABLE AWARDS UNDER THE PROGRAM THAN ELIGIBLE**  
6 **APPLICANTS FOR THE PROGRAM.**

7           **(III) THE WAITLIST SHALL PROVIDE AWARDS FOR ENROLLMENT**  
8 **IN THE PROGRAM TO QUALIFIED APPLICANTS IN THE FOLLOWING ORDER OF**  
9 **PRIORITY:**

10                   **1. APPLICANTS WITH THE GREATEST FINANCIAL NEED,**  
11 **BASED ON ANNUAL HOUSEHOLD INCOME;**

12                   **2. APPLICANTS WHO WORK FOR AT LEAST 20 HOURS A**  
13 **WEEK AS AN EMPLOYEE OR OPERATOR OF A CHILD CARE CENTER, A FAMILY CHILD**  
14 **CARE HOME, A LARGE FAMILY CHILD CARE HOME, OR AN ELIGIBLE PUBLICLY**  
15 **FUNDED PREKINDERGARTEN PROGRAM UNDER TITLE 7, SUBTITLE 1A OF THIS**  
16 **ARTICLE THAT ACCEPTS CHILDREN ENROLLED IN THE PROGRAM;**

17                   **3. APPLICANTS ENROLLING A CHILD UNDER THE AGE OF**  
18 **3 YEARS; AND**

19                   **4. APPLICANTS WHO HAVE BEEN ON THE WAITLIST FOR**  
20 **THE LONGEST PERIOD OF TIME.**

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

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

27                   (2) For fiscal year 2021 and each fiscal year thereafter, not less than the  
28 60th percentile of the most recent market rate survey or its equivalent if an alternative  
29 methodology defined by the Department is used.

30           **SECTION 2. AND BE IT FURTHER ENACTED, That:**

31                   **(a) The State Department of Education shall develop a new application for the**  
32 **Child Care Scholarship Program that collects information necessary to determine whether**  
33 **an individual is employed for at least 20 hours a week by a child care center, a family child**

1 care home, a large family child care home, or an eligible publicly funded prekindergarten  
2 program that accepts Child Care Scholarship recipients.

3 (b) In implementing a waitlist for applicants for the Child Care Scholarship  
4 Program as required by § 9.5–111(e) of the Education Article, as enacted by Section 1 of  
5 this Act, the Department shall focus on enrolling other eligible applicants prioritized on the  
6 waitlist until the new application is developed in accordance with subsection (a) of this  
7 section.

8 SECTION 3. AND BE IT FURTHER ENACTED, That:

9 (a) (1) The State Department of Education shall review the methodology used  
10 to determine whether a parent or guardian is attending a job training program for the  
11 purposes of determining eligibility for a scholarship under the Child Care Scholarship  
12 Program.

13 (2) In conducting its review, the Department shall consider alternative  
14 methods of measuring job training that could result in qualifying additional applicants.

15 (b) On or before December 15, 2026, the Department shall report to the General  
16 Assembly, in accordance with § 2–1257 of the State Government Article, on the results of  
17 its review.

18 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 July 1, 2026, contingent on the taking effect of Chapter \_\_\_\_\_ (H.B. 1321) of the Acts of the  
20 General Assembly of 2026, and if Chapter \_\_\_\_\_ (H.B. 1321) does not take effect, this Act,  
21 with no further action required by the General Assembly, shall be null and void.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.