

Department of Legislative Services  
 Maryland General Assembly  
 2026 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 1373 (Delegate Martinez)  
 Ways and Means

State Department of Education - Independent Regulatory Framework for After School and Out of School Time Child Care Programs - Study

This bill requires the Maryland State Department of Education (MSDE) to study and make recommendations on a framework for the regulation of child care programs for children who are at least five years old that is distinct from the regulation of child care programs for children who are younger than age five. The framework is to focus on the unique child care needs of after school and out of school time child care. By December 1, 2026, MSDE must submit a report of its findings and recommendations to specified committees of the General Assembly. **The bill takes effect July 1, 2026.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$500,000 in FY 2027 only for contractual services. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	500,000	0	0	0	0
Net Effect	(\$500,000)	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** None.

Analysis

**Bill Summary:** In conducting the study, MSDE must:

- investigate the regulatory barriers providers of after school and out of school time child care programs face by having to adhere to the same regulatory and licensing requirements adopted for full-day, early childhood child care centers;
- evaluate the unique needs of after school and out of school time child care programs and how they differ from those of traditional, early childhood child care centers, as specified;
- identify and analyze regulations and licensing requirements in other states that are distinctly designed for after school and out of school time child care programs; and
- evaluate the administrative approach necessary to oversee the particular needs of after school and out of school time child care programs (*e.g.*, whether programs should be licensed by or registered with MSDE, the time it would take to transition into a new administrative approach and the regulatory framework that should govern these programs during that interim, etc.).

The recommendations must include specific recommendations on certain requirements, such as those related to staffing, staff to child ratios, background checks, etc. MSDE must also consult with stakeholders.

**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.

### *Child Care Centers*

Subject to limited exception, child care centers may not operate in the State unless they are licensed. The State Board of Education is required to adopt regulations that relate to the licensing and operation of child care centers. A child care center is an agency, institution, or establishment that, for part or all of a day, or on a 24-hour basis on a regular schedule, and at least twice a week, offers or provides child care to children who do not have the same parentage except as otherwise provided for in law or regulation.

### *Family Child Care Homes and Large Family Child Care Homes*

Generally, family child care homes and large family child care homes may not operate in the State unless they are registered. The State Board of Education is required to adopt regulations that relate to the registration of family child care homes and large family child care homes. A family child care home is a residence in which family child care is provided

for up to 8 children. A large family child care home is a residence in which family child care is provided for at least 9 children, but not more than 12 children.

**State Expenditures:** MSDE advises that it is already engaged in multiple projects that align with the timeframe under the bill and must therefore contract with an outside vendor to meet the bill's requirements. Accordingly, general fund expenditures increase by \$500,000 in fiscal 2027 for this purpose. The vendor's responsibilities will include studying the possibility of establishing an independent regulatory structure for after school and out of school time child care programs, as well as assisting in the preparation of the required report.

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### **Additional Information**

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

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - March 9, 2026  
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