

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 664 (Senator Harris)
Education, Energy, and the Environment

Child Care Scholarship Program - Priority for Child Care Providers

This bill requires the Maryland State Department of Education (MSDE) to establish a framework to prioritize the children of individuals who provide care for children in licensed child care centers, registered family child care homes, and registered large family child care homes for scholarships under the Child Care Scholarship (CCS) Program. The bill applies to applications MSDE receives after the bill's July 1, 2026 effective date. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: MSDE did not respond to a request for information on the fiscal impact of the bill. This analysis assumes that MSDE can develop and implement the framework required by the bill with existing resources, under the assumption discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law:

Child Care Scholarship Program

The CCS 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.

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: Although MSDE did not respond to a request for information regarding the fiscal impact of the bill, it noted for a bill with a similar provision that, in 2022, there were more than 40,000 early child care and education workers in the State. It is unknown how many of these workers may have children otherwise eligible for the CCS Program.

Effective May 1, 2025, the CCS Program temporarily instituted an enrollment freeze (and a corresponding waitlist for services) due to significant growth in the program in recent years. As the bill only requires MSDE to develop a framework for prioritizing specified children (and does not establish an enrollment freeze exemption), this analysis assumes there is likely no overall increase in general fund expenditures for the CCS Program. Under this assumption, MSDE can comply with the bill's requirement by developing a framework under which *once an enrollment freeze is lifted* and families on the waitlist begin receiving scholarships, the children of child care workers are prioritized as appropriate.

If, however, the framework developed by MSDE exempts additional children from the enrollment freeze, general funds are likely necessary to cover the additional costs; this scenario, however, has not been accounted for in this analysis.

Additional Information

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

Designated Cross File: HB 910 (Delegate McCaskill) - Appropriations and Ways and Means.

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

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