# WRITTEN TESTIMONY IN SUPPORT OF HB 561

## Maryland Child Care Credential Program – Extension of Funding

**House Appropriations Committee**
**February 24, 2026 — Hearing at 1:00 p.m.**

**Submitted by:** Bill Hudson, Executive Director
**Organization:** Family Child Care Alliance of Maryland
**Position:** **FAVORABLE**

---

Dear Chair Barnes, Vice Chair Kaiser, and Members of the House Appropriations Committee:

Thank you for the opportunity to submit written testimony in support of House Bill 561. As introduced, HB 561 would require the Governor, beginning in fiscal year 2028, to appropriate annually to the Maryland Child Care Credential Program an amount that is at least equal to the amount appropriated in fiscal year 2024.

I am writing as the Executive Director of the Family Child Care Alliance of Maryland (FCCAMD). FCCAMD created and operates the ASPIRE Pre-K program, which currently supports 97 active FCC Pre-K programs across 17 counties and Baltimore City, representing 97% of Maryland's FCC-based publicly funded Pre-K delivery. Source: MSDE, FY2026 Prekindergarten Grantees Final list.

This gives our organization a direct operational vantage point into how policy decisions, including the Credential Program's suspension, affect the FCC providers who make mixed-delivery Pre-K work on the ground.

The broad case for the Credential Program has been made well by the lead advocates for this bill, and we share their position. FCCAMD's testimony today focuses on what this program means specifically for family child care, what Maryland's own data shows about the FCC capacity crisis, and why extending this funding requirement is urgent.

## WHAT THE CREDENTIAL PROGRAM MEANS FOR FAMILY CHILD CARE

The Maryland Child Care Credential Program recognizes and rewards early childhood educators who invest in professional growth beyond state licensing minimums. Through a tiered system of staff credentials (including the "4 Plus" designation) and administrator credentials, the program provides:

- Achievement bonuses of $200 to $1,500 paid directly to individual providers
- Training vouchers and reimbursements up to $400 per year (as funds are available) that offset continuing education and CDA coursework costs
- A structured career ladder connected to Maryland EXCELS, the state's quality rating system, positioning providers to meet the Blueprint for Maryland's Future's rising workforce requirements

For family child care providers, these supports matter disproportionately. FCC providers are usually solo operators and all are micro-businesses. They have no institutional HR department, no employer-funded professional development budget, and no economies of scale. The Credential Program is one of the few structured pathways that directly supports their professional growth and provides financial recognition for exceeding licensing minimums. For a provider working alone out of her home, the training reimbursement is often the difference between affording professional development and not.

For FCCAMD's ASPIRE providers specifically, the Credential Program's training infrastructure and career ladder directly support the FCC educators who deliver Pre-K through our grant program. When the Credential Program is suspended, it undermines the professional development pipeline that keeps ASPIRE providers qualified and competitive within the mixed-delivery system.

MSDE paused the Credential Program beginning July 1, 2024, citing a lack of funding for FY2025. Training vouchers and reimbursements have since been restored, but the core of the program remains suspended. Since July 1, 2024, MSDE has not processed new credential applications and has not paid achievement bonuses. The Department indicates it will not accept credential applications through June 30, 2026.

That suspension is not happening in a vacuum. It is happening in the middle of a documented, continuing collapse of family child care capacity across the state.

## THE FCC CAPACITY CRISIS IN MARYLAND

When we look at the child care capacity, MSDE licensing statistics tell a stark story. From November 2020 to November 2025, Maryland lost 5,373 total licensed child care capacity slots (−2.5%). These figures reflect licensed capacity, not enrollment, meaning they capture the system's ability to serve families. But that topline number masks the real crisis: family child care capacity fell by 6,693 slots, a 17.3% decline. Center capacity, by contrast, was essentially flat statewide. The entire net loss in Maryland's child care capacity, and then some, is coming from family child care.

Four to five years after the initial pandemic shock, the decline continues. Isolating the most recent year alone (November 2024 to November 2025), FCC capacity fell another 0.68%, and 16 of 24 jurisdictions are still losing FCC slots. The bleeding has not stopped. Source: MSDE Licensing data.

Because FCC homes are far more likely than centers to accept infants and toddlers, every closure represents a disproportionate loss of the care type Maryland needs most and that is hardest to replace.

The Credential Program does not single-handedly reverse this decline. Providers close for many reasons, including low reimbursement rates, rising costs, and regulatory burden. But the Credential Program is one of the few state investments that directly reaches FCC providers as individuals, recognizes their professional growth, and puts money in their hands. Its role is retention: keeping the providers who are still operating in the field. When those providers leave, their capacity does not come back. In that context, freezing credential advancement and achievement bonuses since July 2024, during a continuing FCC capacity crisis, is not a neutral budget decision. It is removing a tool that helps hold the line.

## THE EVIDENCE: RETENTION BONUSES WORK

This is not a speculative investment. Maryland has its own rigorous evidence that retention bonuses reduce turnover.

The University of Virginia's ECSTRA (Enhanced Childcare Support and Teacher Retention Award) study, a randomized controlled trial funded with federal ARPA dollars, tested retention bonuses of $1,000 to $3,000 among 5,446 of Maryland's credentialed early childhood educators from October 2023 through June 2024. Seventy-five percent received bonus offers; 25% served as controls. The results:

Bonuses reduced 8-month turnover from 9.5% to 7.8%, a 1.7 percentage point drop representing an 18% relative reduction overall

Among early-career educators (first five years), turnover dropped from 19.8% to 10.7%, a 46% reduction and the study's strongest finding

In Baltimore City, turnover among bonus recipients dropped from 14.9% to 5.8%

UVA found similar effects across all bonus amounts; differences between $1,000, $2,000, and $3,000 were not statistically distinguishable. The pooled "any bonus offer" effect was associated with a measurable reduction in turnover. This means even modest financial recognition matters.
The Credential Program's achievement bonuses ($200 to $1,500) operate in the same range the ECSTRA study found effective. Maryland has the evidence that these bonuses work. The credential and bonus

components of the program have been frozen since July 2024. The case for restoring them is straightforward. (The full UVA ECSTRA summary is available to the Committee upon request.) Source: University of Virginia EdPolicyWorks, ECSTRA bonus program report (Jan 2025).

## WHAT HB 561 DOES AND WHAT WE ASK

HB 561 requires the Governor to appropriate funding for the Maryland Child Care Credential Program beginning in FY2028 at a level at least equal to the FY2024 appropriation. The bill's effective date is July 1, 2026. This is a modest sum in the context of Maryland's budget, and a proven, high-return investment in the stability of the early childhood workforce.

We also want to flag a practical continuity issue. Current law, through Chapter 165 of 2024, covered FY2026. HB 561 addresses FY2028 and beyond. FY2027 sits in the middle with no comparable funding requirement. If FY2027 is not funded, the credential and bonus suspension could stretch toward three years, long enough to push providers out of the field permanently. We strongly urge the Committee and the Administration to close that gap.

FCCAMD respectfully asks the Committee to:

Issue a favorable report on HB 561 to extend the funding floor for the Credential Program

Urge the Administration to address the FY2027 funding gap so that the suspension does not extend further while awaiting the FY2028 mandate

## CLOSING

FCCAMD operates at the intersection of FCC provider sustainability and Pre-K quality. Through ASPIRE, we see daily what happens when the state invests in FCC providers, and what happens when those investments disappear.

The Credential Program is not just workforce development. For family child care providers, it is professional recognition, financial support, and a signal that Maryland values the people who care for its youngest children in their own homes and communities.

Extending this funding requirement is urgent. FCCAMD respectfully urges a FAVORABLE report on HB 561.

**Bill Hudson**
Executive Director
Program Manager, ASPIRE PreK
Family Child Care Alliance of Maryland
Bill.Hudson@fccamd.org
717.951.7902

About the Alliance

The Family Child Care Alliance of Maryland is a statewide nonprofit that strengthens family child care as part of Maryland's early learning infrastructure. In 2020, we created what is now known as the ASPIRE Pre-K program. ASPIRE helps FCC educators deliver publicly funded Pre-K in home-based settings through coaching, implementation guidance, and hands-on administrative support. This work matters because Maryland’s mixed-delivery Pre-K system includes multiple settings, and family child care is the part most likely to lack institutional support, which means sustaining FCC-based Pre-K requires more than funding seats, it requires a support structure that makes delivery feasible.