



Maryland Association for the Education of Young Children

**Testimony in Support of HB 1321  
“Child Care Scholarship Program – Application Process and Copays –  
Alterations”**

**Submitted to the Senate Education, Energy, and the Environment Committee  
March 25, 2026**

**Position: Support**

The Maryland Association for the Education of Young Children (MDAEYC) submits this testimony in support of HB 1321, which makes targeted adjustments to the Child Care Scholarship Program’s copayment structure and requires the Maryland State Department of Education to conduct a market rate survey every two years.

MDAEYC is a professional association of 1,700 early childhood educators, allied professionals, and families. We promote high-quality early learning for all children, birth through age 8, by connecting early childhood education practice, policy, and research. We advance a diverse, dynamic early childhood profession and support all who care for, educate, and work on behalf of young children.

In May 2025, the Child Care Scholarship Program has been frozen to new enrollments, leaving thousands of families unable to access scholarships. Given that the current funding level does not allow the State to serve all families seeking a Scholarship, HB 1321 takes a practical approach: by aligning copayments with a federally recognized affordability standard, the bill allows the program to serve more families with available funds.

Capping the increase to the Child Care Scholarship copayment at 7% is appropriate given that federal guidance has set 7% as an appropriate benchmark to maintain affordability for families, grounded in research on child care affordability for low- and moderate-income families. Capping copayments at this level ensures that scholarship recipients are still receiving meaningful, significant support while it also enables the Scholarship Program to reallocate some funding to serve additional families in need of the Program.

We also support the bill’s requirement that the Maryland State Department of Education (MSDE) conduct a market rate survey every two years. Regular, timely market rate data is beneficial and helps ensure that scholarship reimbursement rates reflect the actual cost of care in Maryland communities. Outdated rates drive providers out of the scholarship program, reducing the number of slots available to families. Biennial surveys will help the state keep pace with real costs and maintain a strong provider network.

MDAEYC urges a favorable vote on HB 1321. Maryland’s families and child care providers cannot afford for the scholarship program to remain frozen and underfunded. We thank the committee for its continued commitment to early childhood education and for the opportunity to submit this testimony.