

FINAL_GOC Letter of Support (HB 1321) .pdf

Uploaded by: Andrea Barnes

Position: FAV

March 25, 2026

The Honorable Brian J. Feldman,
Chair, Senate Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: House Bill (HB) 1321 - Child Care Scholarship Program - Application Process and Copays - Alterations - Letter of Support

Dear Chair Feldman, Vice Chair Kagan, and members of the Senate Education, Energy, and the Environment Committee,

The Governor's Office for Children (the Office) respectfully submits this letter of support for House Bill 1321 - Child Care Scholarship Program - Application Process and Copays - Alterations. HB 1321 introduces essential alterations to the Child Care Scholarship (CCS) Program that connect families on the CCS waitlist to critical information on available early care and education programs, creates a sliding-scale Partial Scholarship model that reduces financial barriers for families, and repeals the presumptive eligibility process.

HB 1321 substantially advances economic mobility by removing co-payments for families earning up to 100% of the Federal Poverty Guidelines. A flexible, sliding-scale framework allows the State to serve additional low-income families while minimizing so-called cliff effects, which can cause families to lose access to critical benefits when they receive a modest wage increase. By using this tiered system, the bill ensures that professional advancement does not result in financial loss, creating a clear pathway for families to pursue employment and education that would otherwise be financially out of reach. Further, by reducing out-of-pocket costs for the lowest-income families, the State is creating opportunities to pursue employment and education opportunities that would otherwise be financially out of reach.

Additionally, the bill mandates that the Maryland State Department of Education (MSDE) provides crucial information on available early care and education settings to families during any program enrollment freezes. This includes requiring the MSDE to assist applicants in identifying and connecting with publicly funded prekindergarten, Head Start, or Early Head Start programs.

The Office supports HB 1321 because it aligns with our mission to ensure all Maryland children have access to high-quality early childhood experiences regardless of their family's income. Reducing copays for Maryland's lowest income families and improving interagency coordination protects the financial stability of Maryland families and ensures that children continue to receive the developmental benefits of formal early education.

For these reasons, the Governor's Office for Children strongly supports HB 1321 and urges a favorable report. Thank you for your consideration.

If you would like to discuss this further, please do not hesitate to contact Andrea Barnes, Policy Advisor and Manager of Legislative Affairs at andrea.barnes@maryland.gov.

Sincerely,



Carmel Martin

Special Secretary, Governor's Office for Children and Senior Advisor to the Governor for Policy

Senate hearing EEE HB 1321 testimony MSCCA march

Uploaded by: Christina Peusch

Position: FAV



**Caring For Maryland's Most
Important Natural Resource™**

Maryland State Child Care Association

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Annapolis, Md. 21403
Phone: (410) 820-9196
Email: info@mscca.org
www.mscca.org

The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over five thousand members working in the field of child care/early childhood education. We believe children are our most important natural resource and work hard to advocate for children, families and for professionalism within the early childhood community.

Testimony in Support of HB 1321 Child Care Scholarship Program-Application Process and Copays- Alterations Submitted to: Education, Energy, and Environment Committee March 25, 2026

Chairs, Vice Chairs, and Members of the Committee:

The Maryland State Child Care Association (MSCCA) strongly supports House Bill 1321, legislation that makes targeted, necessary improvements to Maryland's Child Care Scholarship Program (CCSP). This bill addresses persistent structural challenges within the program by establishing a fair waitlist system, protecting vulnerable families during enrollment freezes, limiting unaffordable copayments, and strengthening coordination with publicly funded prekindergarten programs. Collectively, these reforms improve equity, stabilize providers, and better support Maryland's workforce and economy.

Child Care Is an Economic and Equity Imperative

Child care is not optional—it is essential infrastructure. Families rely on affordable, reliable child care to work, pursue education, and contribute to Maryland's economy. Yet many families spend upwards of 30 percent of their income on child care, forcing impossible choices between employment and caregiving.

Economists increasingly recognize child care as a market failure: families cannot afford the true cost of care, and providers cannot survive on what families alone can pay. Currently, Maryland serves only about 15 percent of families eligible for child care scholarships, while more than 5,100 children remain on the CCSP waitlist. These gaps destabilize families, threaten provider sustainability, and undermine long-term economic growth.

Protecting Vulnerable Families During Enrollment Freezes

HB 1321 appropriately limits the harm caused by enrollment freezes by prohibiting freezes from applying to Maryland's most vulnerable families, including those receiving Temporary Cash Assistance (TCA), SSI, and families experiencing homelessness. For these households, access to child care often determines whether parents can work at all. By ensuring continued access during periods of constrained funding, HB 1321 protects families who face the greatest barriers to stability and employment.

Creating a Transparent and Fair Waitlist System

When enrollment freezes are unavoidable, HB 1321 requires the Maryland State Department of Education to maintain a clear, transparent waitlist for eligible families. The bill prioritizes families with the greatest financial need and those seeking care for children under age three, recognizing both economic hardship and the importance of early childhood development.

Child care waitlists are not administrative inconveniences; they are economic warning signs. Families on waitlists often reduce work hours, decline promotions, or leave the workforce entirely. Providers, in turn, face unstable enrollment, staff layoffs, classroom closures, and even permanent shutdowns. HB 1321 brings structure, fairness, and predictability to an otherwise destabilizing process.

Connecting Families to Public Prekindergarten Opportunities

HB 1321 strengthens coordination between the CCSP and publicly funded prekindergarten by ensuring families are informed about available pre-K options during enrollment freezes. The bill requires the Department to assist families in identifying pre-K slots, connecting with providers, and enrolling when requested.

This provision helps prevent children from losing access to early learning opportunities due to administrative silos and supports Maryland's Blueprint for Education, particularly Pillar 1 mixed-delivery prekindergarten expansion. Families should not fall through the cracks when solutions already exist.

Limiting Copayments to Keep Child Care Affordable

Affordability does not end at enrollment. HB 1321 places critical limits on family copayments by:

- Eliminating copays for families earning 50 percent or less of regional median income
- Gradually, incrementally, and considerately capping copays
- Capping copays at 7 percent of income for families

While MSCCA prefers minimizing copays altogether, we recognize that the bill's regional approach balances fiscal realities with family capacity. Receiving licensed, quality child care that allows parents to work is far better than having no viable options at all.

HB 1321 reflects a fundamental truth: child care is the workforce behind the workforce. Without affordable, accessible child care, parents cannot work, employers cannot retain staff, and Maryland's economy cannot grow.

By protecting vulnerable families, promoting transparency and fairness, stabilizing providers, and strengthening connections to early learning opportunities, HB 1321 makes thoughtful, evidence-based improvements to the Child Care Scholarship Program.

For these reasons, the Maryland State Child Care Association respectfully urges a FAVORABLE report on House Bill 1321.

SEIU Local 500 - Testimony in Support of HB 1321 -

Uploaded by: Elly Colmers

Position: FAV



Testimony - HB 1321, Child Care Scholarship Program - Child Care Scholarship
Program - Application Process and Copays - Alterations
Favorable w/ Amendments
Senate Education, Energy, and the Environment Committee
March 25, 2026
Elly Cowan on Behalf of SEIU Local 500

Honorable Chairman Feldman & Members of the Senate Education, Energy, and the Environment Committee:

SEIU Local 500 represents thousands of working families across Maryland, including public school employees, higher education workers, and early childhood educators who rely on affordable, accessible child care in order to work. HB 1321 makes important, targeted improvements to Maryland's Child Care Scholarship Program that will strengthen access, affordability, and stability for working families—particularly those with the greatest need. We strongly support amending HB 1321 to place guardrails in statute that ensure the co-pay structure is affordably tiered for low-income households.

First, this legislation ensures that even during an enrollment freeze, our most vulnerable families are not shut out of critical childcare assistance. By exempting families receiving Temporary Cash Assistance, children experiencing homelessness, and those receiving SSI or TANF from enrollment freezes, HB 1321 recognizes that childcare is not optional—it is essential for families working to stabilize their lives and participate in the workforce.

Second, the bill creates a transparent and equitable waitlist process when enrollment is capped, prioritizing families with the greatest financial need and those with young children. This is a significant step toward fairness and accountability, ensuring that limited resources are distributed based on need rather than access or timing alone.

Third, HB 1321 takes meaningful steps to reduce the financial burden on working families by limiting copayments. By eliminating copays entirely for families at or below

the federal poverty level and capping copays at reasonable percentages of income for others, the bill helps ensure that childcare assistance actually makes childcare affordable. Too often, even subsidized care remains out of reach due to high copays—this bill directly addresses that barrier.

Additionally, the bill improves coordination across early childhood systems by requiring the State Department of Education to connect families to publicly funded pre-K, Head Start, and Early Head Start programs when appropriate. This is a smart, family-centered approach that helps maximize available resources and ensures families are aware of all their options. However, as drafted, HB 1321 does not outline the co-pay structure in statute, which leaves families vulnerable to a future administration implementing co-pays that would make the childcare scholarship program out of reach for many Marylanders because of affordability. Therefore we amending the bill to ensure co-pays are affordably tiered and explicitly outlined in statute.

SEIU Local 500 members see firsthand how access to affordable childcare impacts workers' ability to stay employed, pursue education, and support their families. When childcare is unstable or unaffordable, it forces working parents—disproportionately women and workers of color—out of the workforce or into impossible choices.

HB 1321 helps build a more equitable and functional childcare system that supports both families and the broader economy.

For these reasons, we urge a favorable report on House Bill 1321.

Thank you for your time and consideration.

Senate Side- COA_Written Testimony_HB 1321 Child C

Uploaded by: Laura Jahromi

Position: FAV



March 23, 2026

Testimony in Support of House Bill 1321 – Child Care Scholarship Program Enrollment and Copays Alterations

We respectfully urge the Education, Energy, and the Environment Committee to issue a favorable report on HB 1321 with an amendment. The Child Care Scholarship (CCS) is a crucial support for many families in Montgomery County and across the state; the current enrollment freeze has hurt both families and child care providers.

We thank the General Assembly for considering adding more funding to the Child Care Scholarship (CCS) Program to serve more children on the waitlist – as, ultimately, we hope that enough funding could be appropriated to the program to lift the freeze entirely and that discussions of prioritizing the waitlist will no longer be needed. Until that time is possible, we are grateful for modifications that will allow the state to serve more vulnerable children and families through all available program options.

While we recognize that the re-introduction of co-pays is not an ideal situation for families living in poverty, we believe it is a creative solution that will allow the state to serve more families than would otherwise be possible. Given the great extent of the need, and the large numbers of eligible families not being served, we are in favor of alterations that allow more families to participate. It is important that the co-pays suggested stay below 7% of income.

We are working hard as a community in Montgomery County to build our mixed delivery system of Pre-Kindergarten programs, yet one large barrier we still face is family awareness of the opportunities available. We support the recommendation in HB 1321 that requires the State Department of Education to provide families on the CCS waitlist with information about other subsidized programs that they might be eligible for.

It is important to point out that this legislation should be a temporary solution to a deeply entrenched issue that still must be addressed. The child care system is built on a fundamentally flawed economic model, in which the true costs of providing quality services are more than parents are able to pay. The federal government recommends that, for it to be considered affordable, families should spend 7% of their income on child care. This would mean *a family of an infant in Montgomery County would need to make at more than \$450,00 annually to “afford” center-based care.* Child care affordability is a problem faced by the majority of Marylanders, not just those in the low-income households currently eligible for the Child Care Scholarship Program.

A handwritten signature in black ink, appearing to read "Laura Jahromi".

Laura Jahromi, Manager, Strategic Initiatives
The Montgomery County Children's Opportunity Alliance
1801 Rockville Pike, Rockville, MD 20852 | 301-450-1871 |
laura@mocochildren.org

The Montgomery County [Children's Opportunity Alliance](https://www.mocochildren.org) connects our community to build an equitable, accessible, high-quality, and sustainable early childhood system that narrows disparities and puts all young children on a path to reach their greatest potential.

HB1321 Molly McGriff testimony.pdf

Uploaded by: Molly McGriff

Position: FAV

Chairperson, and Members of the Committee:

I am writing in support of House Bill 1321.

House Bill 1321 makes adjustments to Maryland's Child Care Scholarship Program (CCS) by restoring modest parent copayments, capped at 7 percent of family income. This level aligns with the U.S. Department of Health and Human Services' recommended affordability threshold and strikes the right balance between family contribution and public investment.

Returning modest copays is a responsible step that allows the state to serve more families with existing resources. By improving the sustainability of the scholarship program, HB1321 will help reduce the current waitlist and expand access to child care assistance for families who need it most. When parents can access affordable, reliable child care, they are better able to work, pursue education, and contribute to Maryland's economy.

Importantly, this bill supports the long-term stability of the child care system by ensuring that limited public funds are stretched as effectively as possible. The scholarship program is a critical workforce support for families across the state, and HB1321 helps ensure that it can continue to meet demand while maintaining affordability for low-income households.

I urge the Committee to issue a favorable report on House Bill 1321. This bill represents a practical, data-informed approach to strengthening Maryland's child care system, supporting working families, and promoting economic stability statewide.

Thank you for your consideration and for your continued leadership on issues affecting Maryland's children and working families.

Sincerely,
Molly McGriff
Senior Director, Untied for Childcare

United Way of Central Maryland

(410) 895-1383, molly.mcgriff@uwcm.org

HB 1321 - State Board & MSDE - Support (3.25.26).d

Uploaded by: Stefan Redding-Lallinger

Position: FAV

TO: Senate Education, Energy, and the Environment Committee

BILL: House Bill (HB) 1321 – Child Care Scholarship Program – Enrollment and Copays – Alterations

DATE: March 25, 2026

POSITION: Support

The Maryland State Department of Education (MSDE) is providing this letter of support for consideration regarding House Bill (HB) 1321 – Child Care Scholarship Program – Enrollment and Copays – Alterations. HB 1321 seeks to establish requirements connecting families on the Child Care Scholarship (CCS) waitlist to available early care and education in their community, repeal the presumptive eligibility process, and create a new family copayment structure.

MSDE strongly supports HB 1321. The Department recognizes the need to communicate with families on the CCS waitlist about other early care and education options in their areas, including publicly funded prekindergarten programs. Through its federally awarded Preschool Development Grant and recently awarded Congressional Earmark, MSDE is developing a centralized pre-kindergarten enrollment system that will enable the Department, local education agencies, and private providers to connect families to open seats more efficiently. MSDE appreciates the sponsor’s flexibility, allowing the Department to provide the best available data on prekindergarten availability to families until the real-time enrollment system is functional. MSDE also acknowledges the need for improved information sharing about assistance programs and tax credits, and will seek opportunities to partner with community members to implement this provision.

The Department appreciates the flexibility included in the proposed copayment framework of HB1321. This flexibility will allow MSDE to research and implement a copayment structure that best serves the needs of families and the State. Analysis of several models that adhere to the requirements in this provision have shown the potential to increase the number of children receiving scholarships by reducing the State’s per child expenditure and reallocating that funding to support additional families across the state. The requirement to gradually increase family copayments based on income above the Federal Poverty Line will minimize abrupt benefits cliffs, promoting stability and economic mobility for participating families.

As the Department strives to make further improvements to strengthen the CCS Program, this legislation will have a meaningful impact on expanding access to CCS for more families in Maryland. For further information, please contact Laurel Cratsley, Interim Executive Director of Government Affairs, at 443-571-5461 or Laurel.Cratsley@maryland.gov.

HB1321_MDAEYC_FAV.pdf

Uploaded by: Stephanie Schaefer

Position: FAV



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.

HB1321 - FWA Senate Testimony.pdf

Uploaded by: Abby Snyder, Co-Chair

Position: FWA



HB1321: Child Care Scholarship Program - Application Process and Copays – Alterations

Senate Education, Energy, and the Environment Committee

March 25, 2026

POVERTY FREE MARYLAND

FAVORABLE WITH AMENDMENTS

Poverty Free Maryland envisions a Maryland without poverty, and a future where all Marylanders have the support and economic stability that's needed to thrive.

Affordable childcare is critically important for Maryland children and families. Childcare enables parents to pursue their careers knowing that their children are in good hands. Yet high costs put childcare out of reach for many Marylanders – and this barrier is more prevalent for some than others. Maryland has made significant progress in recent years in expanding access to its childcare scholarship program, which is a critical first step in addressing affordability.

The Childcare Scholarship (CCS) program is a cornerstone of childcare provision in Maryland, and it should be easily accessible to eligible families, fully funded, and expanded to increase access when possible. We recognize the difficult budget situation the state is facing, and that the CCS relies on a substantial investment of general fund dollars. Nevertheless, the current waitlist for CCS and capping enrollment at 40,000 children negatively impacts families, child care providers, and communities across the state.

As passed in the House, HB 1321 does not outline the co-pay structure in statute, which leaves families vulnerable to a future Administration implementing unaffordable co-pays that would make the program out-of-reach for many Marylanders. As such, we urge amendments that ensure co-pays are affordably tiered and outlined in statute.

We strongly support amending HB 1321 to place guardrails in statute that ensure the co-pay structure is affordably tiered for low-income households.

*Founded in 2025 through the merger of Welfare Advocates (established in 1979) and Marylanders Against Poverty (established in 1988), **Poverty Free Maryland** is a coalition of service providers, faith groups, and other organizations working together to exchange information, educate decisionmakers, and advocate for statewide public policies and programs necessary to address the underlying systemic causes of poverty and ensure that low-income Marylanders are provided with low- and no-barrier access to all resources needed to thrive and build a better life for the future.*

Voting Member Agencies:

Anne Arundel County Food Bank

Baltimore Jewish Council

CASH Campaign of Maryland

Catholic Charities

Family League of Baltimore

Laurel Advocacy & Referral Services,
Inc.

Maryland Center on Economic Policy

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Poverty Free Maryland

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HB 1321_MFN_FWA_CCSP Alt.pdf

Uploaded by: Beth Morrow

Position: FWA



Testimony on House Bill 1321
“Child Care Scholarship Program – Enrollment and Copays – Alterations”
Submitted to the Senate Education, Energy and the Environment &
Budget and Taxation Committees
March 25, 2026

Position: Favorable with amendments

Maryland Family Network (MFN) supports HB 1321 with amendments that sustain General Assembly oversight of the Child Care Scholarship Program.

Maryland Family Network (MFN) has worked since 1945 to improve the availability and quality of child care and other vital supports for children and their families. We have been active in state and federal debates on child care policy and are strongly committed to ensuring that children and their caregivers have access to the resources and opportunities they need to thrive.

The Child Care Scholarship (CCS) program is a critical support for Maryland families. The CCS program provides financial assistance to low-income working parents so they can afford high-quality child care. Finding affordable, accessible, quality child care is a significant barrier for working families, and the CCS program is a vital resource that enables parents to remain in the workforce, build economic security, and ensure their young children are connected to early learning opportunities.

Maryland Family Network strongly believes that all families should have access to affordable child care, a goal that has been set back by the current enrollment cap and waitlist. The CCS program is a cornerstone of child care provision in Maryland, and it should be easily accessible to eligible families, fully funded, and expanded to increase access when possible. The current waitlist for CCS and capping enrollment at 40,000 children negatively impacts families, child care providers, and communities across the state. We appreciate the intent of HB 1321 is to increase revenue for the CCS program so that more families can move off of the waitlist – a joint goal we share.

Moreover, we appreciate the Administration’s assurances that MSDE would implement a progressive copayment structure that limits copays for families with the lowest incomes. At the same time, as drafted, HB 1321 does not outline the co-pay structure in statute leaving the door open for future Administrations to levy unaffordable co-pays upon families that would make the program out-of-reach for many Marylanders, or would leave child care providers scrambling to chase down co-payments families are unable to afford. **As such, we urge amendments that ensure the General Assembly retains program oversight via the Legislative Policy Committee.**

Submitted by: Beth Morrow, Director of Public Policy

HB 1321_MD Center on Economic Policy_FWA.pdf

Uploaded by: Kali Schumitz

Position: FWA



MARCH 25, 2026

Fully Funding the Child Care Scholarship is the Best Way to Support Working Families and Our Economy

Position Statement in Support of HB 1321 with Amendments

Given before the Senate Education, Energy, and Environment and Budget and Taxation Committees

Affordable child care is critical for Maryland children and families. Child care enables parents to pursue their careers knowing that their children are in good hands. Yet high costs put child care out of reach for many Marylanders – and this barrier is more prevalent for some than others. Maryland has made significant progress in recent years in expanding access to its child care scholarship program, which is a critical first step in addressing affordability. **The Maryland Center on Economic Policy strongly supports amending HB 1321 to place guardrails in statute that ensure the co-pay structure is affordably tiered for low-income households.**

Child Care Scholarship is Critical for Maryland Families and Our Economy

Maryland continues to have some of the highest child care costs in the nation, with costs exceeding more than \$15,000 per year on average, according to one survey – more than in-state tuition at any University System of Maryland institution.ⁱ High-quality child care is most out of reach for parents in low-wage jobs. In Maryland, one in seven employed mothers of young children worked in a low-wage occupations.ⁱⁱ Structural barriers like pay discrimination put child care even further out of reach for Black, Latinx, and Indigenous parents.ⁱⁱⁱ **The Child Care Scholarship (CCS) Program provides financial assistance for child care costs to eligible working families.**

The CCS enables parents to enter and remain in the workforce by subsidizing the high cost of child care. It gives parents and children access to licensed early education programs. This means that parents are able to work in order to provide for the families while at the same ensuring that their children are receiving the care and learning they need at a critical time in childhood development.

Widespread access to high quality child care is also essential for Maryland businesses and the health of our economy. The Office of the Comptroller's 2024 "State of the Economy" report found that rising child care costs are one of the most significant factors preventing women from rejoining the traditional labor force and that Maryland has seen a greater decline in the number of women working or actively seeking work than the national average.^{iv} Maryland's lower labor force participation rate continues to make it more challenging for businesses to hire the workers they need.

Prior to 2018, Maryland had one of the worst child care subsidy programs in the country. That year saw the beginning of several major improvements in Maryland’s CCS program, including legislation mandating that scholarship rates rise from 9th percentile of the market to at least the 60th percentile, and a regulatory expansion of family income eligibility from approximately \$35,000 to \$72,000 for a family of four. In July 2022, the state made further improvements to the CCS. Scholarship rates were increased to the 70th percentile of the market – for the first time bringing Maryland into line with federal guidelines – income eligibility was expanded to just over \$90,000 for a family of four, and parental copayments were eliminated for many families and drastically reduced for all others.

These improvements have made an important difference for Maryland families and our economy:^v

- The child care scholarship program now serves about 40,000 children, more than double the number receiving assistance during FY 2018.
- Based on states’ historical experiences following child care expansions, improved access to care may have enabled nearly 12,000 women to gain employment, with resulting earnings of up to \$380 million.
- By enabling more women to enter the workforce, these child care expansions may have lifted as many as 8,800 Marylanders out of poverty.
- Between the earnings boost from increased employment and families’ cost savings from getting help with child care, these expansions may have increased household spending by \$120 million or more and generated up to \$27 million in state and local tax revenue.

Maryland has a history of imposing enrollment freezes for the CCS program at different times over the past two decades as a means of cutting costs, preventing otherwise eligible parents from receiving assistance they need to work and support their family. There is currently a waiting list for the program with an estimated 3,800 children who qualify but are not receiving funding, and potentially many other families that have been discouraged from applying due to the enrollment freeze. MDCEP supports full funding of the Child Care Scholarship program and strongly encourages the General Assembly and the Maryland State Department of Education to work to eliminate the waiting list and serve all eligible students.

Recommended Improvements – Co-pays

HB 1321 allows MSDE to implement copays on any participants in the Child Care Scholarship program who have incomes above the Federal Poverty Level and who are not enrolled in certain other public benefits programs. This could increase revenue available for the CCS program, which could in turn allow more families to receive the scholarship.

It is our understanding that MSDE is proposing co-pays that start at \$10 a month and gradually increase with a family’s income. However, as passed in the House, this bill creates the possibility for unaffordable co-pays for many families if a future administration has different priorities. It allows copays to equal up to 7% of a family’s income, which could be reasonable for a middle-income household, but likely would price out families with more modest incomes just above the poverty line. For example, a family of three earning just \$35,000 a year could be asked to pay up to \$200 per month. This could create a “doughnut” effect in which only the lowest income families who do not have a copay and higher income families who can more easily afford a copay are able to participate in the program.

To mitigate this, **we urge amendments that ensure co-pays are affordably tiered and that MSDE’s proposed tiers are more specifically outlined in statute.** We also recommend including families enrolled in

Medicaid or the Children’s Health Insurance Program on the list of public assistance programs whose participants are not required to pay a copay, for the sake of consistency.

With these amendments, the bill can remain faithful to its intent by ensuring copays in the future are affordable for everyone who needs childcare assistance.

i <https://unitedwaynca.org/blog/childcare-cost-burden-for-low-income-households-in-the-us/>

ii “NWLC Resource: Mothers of Very Young Children in Low-Wage Occupations,” National Women’s Law Center, 2017, <https://nwlc.org/resources/interactive-map-mothers-very-young-children-low-wage-occupations/>

iii Christopher Meyer, “Budgeting for Opportunity: Maryland’s Workforce Development Policy Can Be a Tool to Remove Barriers and Expand Opportunity,” Maryland Center on Economic Policy, 2021, <http://www.mdeconomy.org/budgeting-for-opportunity-workforce/>

iv “State of the Economy,” Office of the Comptroller, 2023 <https://www.marylandtaxes.gov/reports/static-files/SOTE.pdf>

v Christopher Meyer, “Child Care Expansions Are Making a Difference for Maryland’s Economy,” Maryland Family Network and Maryland Center on Economic Policy, 2024, <https://www.marylandfamilynetwork.org/sites/default/files/2024-03/MDCEP%20ROI%20Report%202.0.pdf>

3.23 HB 1321 - Child Care Scholarship Program - Ap

Uploaded by: Lonia Muckle

Position: FWA



HB 1321 - Child Care Scholarship Program - Application Process and Copays - Alterations
Senate Education, Energy, and the Environment Committee

March 25, 2026

SUPPORT WITH AMENDMENTS

Chair Feldman, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support with amendments for House Bill 1321.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

The Child Care Scholarship Program plays a critical role in the financial stability for working families. Access to affordable child care allows parents to enter and remain in the workforce, pursue education and training opportunities, and build more secure financial futures. For many families we serve, child care is one of the largest monthly expenses, and without assistance, it can be a significant barrier to employment and economic mobility.

The CCS program not only supports families, but also strengthens Maryland's workforce and economy by helping parents maintain consistent employment and employers retain workers. When child care is stable and affordable, families are better able to plan, save, and avoid financial shocks that can lead to debt or missed payments.

HB 1321's intent is to help sustain and expand access to the program so that more children and families can benefit. As drafted, the bill does not fully outline the co-pay structure in statute, which may create some uncertainty for families over time. Establishing clear, income-based guardrails in statute would help ensure that co-pays remain predictable and affordable, particularly for those with the greatest financial need.

We believe that with these thoughtful adjustments, HB 1321 can both strengthen the program and preserve its accessibility for Maryland families.

Thus, we encourage you to return a report of favorable with amendments for HB 1490.

Creating Assets, Savings and Hope

HB1321 Testimony.pdf

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HB1321
Child Care Scholarship Program - Application Process and Copays - Alterations
Education, Energy, and the Environment Committee
3/25/2026
Favorable with amendments

Catholic Charities supports with amendments HB1321, which requires the State Department of Education to identify, inform, and assist Child Care Scholarship Program applicants who qualify for enrollment in publicly funded prekindergarten, Head Start, and Early Head Start subject to certain conditions; requiring the process for identifying and assisting eligible applicants whose children qualify for a program to continue as long as the waitlist is in effect; and limiting certain copays for certain individuals under the Program.

For more than a century, Catholic Charities has served Marylanders in need, walking alongside individuals and families as they work toward stability and opportunity. We support children in preparing for educational success, help parents secure and maintain employment, and ensure families can access the services they need to thrive.

Through this work, we see firsthand that access to affordable, high-quality childcare remains one of the most significant barriers facing working families. The Child Care Scholarship program is a critical support that allows parents to stay in the workforce, pursue economic mobility, and connect their children to early learning opportunities that set the foundation for lifelong success.

However, we also see the gaps. Some eligible families begin the Child Care Scholarship application process but are ultimately unable to participate because the required co-pay makes care financially out of reach. For families already struggling to make ends meet, even modest co-pay can be the difference between accessing care and going without.

As long as there is a waitlist for the Child Care Scholarship program and as the State works to expand access, it is essential that participation remains truly affordable for the families it is intended to serve. For this reason, Catholic Charities strongly supports amendments to HB 1321 that establish clear guardrails around the co-pay structure.

As currently drafted, the bill does not define co-pay limits in statute, leaving open the possibility that future changes could make the program unaffordable for low-income families. To ensure long-term accessibility and equity, we urge the Committee to adopt amendments that require co-pays to be reasonably and affordably tiered based on income.

By strengthening these provisions, HB 1321 can better fulfill its promise, connecting more children to early education and supporting working families across Maryland.

For these reasons, Catholic Charities respectfully urges the Committee to issue a **favorable report with amendments** on HB 1321.

Submitted By: Madelin Martinez, Assistant Director of Advocacy