

**Department of Legislative Services**  
 Maryland General Assembly  
 2026 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 1574  
 Ways and Means

(Delegate Solomon, *et al.*)

Education, Energy, and the Environment

**Child Care Providers - Licensing and Registration Alterations**

This bill makes several changes to licensing, registration, and regulatory requirements for certain child care providers (*i.e.*, child care centers, registered family child care homes, and registered large family child care homes). The Maryland State Department of Education (MSDE) must establish a grace period for the implementation of new or substantively amended regulations, subject to certain conditions. By December 1, 2027, MSDE and the Office of the Child Care Advocacy Council jointly must review (and report to the General Assembly) on (1) the impact of rating reductions for Maryland EXCELS and (2) experiential education requirements for child care providers. In conducting the review, a [report](#) from the Office of Program Evaluation and Government Accountability must be considered. MSDE’s report must include (1) findings from the review and (2) recommendations for statutory or regulatory changes to address workforce and licensing challenges. **The bill takes effect July 1, 2026; provisions related to the joint review and report terminate June 30, 2028.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$125,000 in FY 2027 only for reprogramming. Revenues are likely not materially affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	125,000	0	0	0	0
Net Effect	(\$125,000)	\$0	\$0	\$0	\$0

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

**Local Effect:** The bill is not anticipated to materially affect local government finances or operations.

**Small Business Effect:** Meaningful.

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## **Analysis**

### **Bill Summary:**

#### *Grace Period for Regulations*

MSDE must establish a grace period for the implementation of new or amended regulations adopted under Title 9.5 of the Education Article; the requirement is applicable only to regulations adopted on or after July 1, 2026, that add new regulations or substantively amend existing regulations. MSDE has discretion to determine when a grace period may or may not be provided, including when (1) a regulation is necessary to protect the health or safety of children, or (2) a regulation is necessary to ensure compliance with federal law.

#### *Regulatory Changes and Complaint Prioritization*

Regulations must require that emergency information from a child's parent or guardian be maintained and updated as needed and reviewed by the parent or guardian at least once each year.

Regulations must also provide that procedures followed by the department in response to a complaint about a family child care home, large family child care home, or child care center (1) make use of a uniform complaint intake process and (2) by July 1, 2027, implement a standardized complaint priority guide that differentiates complaints by the seriousness of the issue raised, including defined response times for each level of complaint.

#### *Child Care Centers – Staff Requirements*

Beginning July 1, 2027, MSDE rules and regulations must require that a child care teacher in a child care center complete active supervision training within 90 days after being hired as a child care teacher.

### **Current Law:**

#### *Maryland EXCELS*

Maryland EXCELS is the State's quality rating and improvement system for licensed child care and early education programs that meet nationally recognized quality standards.

Maryland EXCELS promotes quality by awarding ratings to the following programs: child care centers, school-age child care programs, family child care homes, and public prekindergarten programs. A rating of 1 is awarded to providers and programs that successfully meet initial requirements. A rating of 5 is granted to those with the highest level of quality and who are [state or nationally accredited](#).

### *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:** General fund expenditures increase by \$125,000 in fiscal 2027 only to update MSDE's Child Care Scholarship Administrative Tracking System, which must be modified to comply with the bill's changes.

**Small Business Effect:** As the bill establishes changes related to licensing and registration of child care providers, small business child care providers may be meaningfully affected under the bill.

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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 Human Services; Department of Public Safety and Correctional Services; Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2026  
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