

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 561

(Delegates Palakovich Carr and McCaskill)

Appropriations and Ways and Means

Budget and Taxation

Maryland Child Care Credential Program - Extension of Funding

The bill reestablishes mandated funding for the Maryland Child Care Credential Program by requiring the Governor to appropriate an amount in fiscal 2028 (and each year thereafter) that is at least equal to the amount appropriated in fiscal 2024. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: No effect in FY 2027. General fund expenditures increase by \$5.7 million beginning in FY 2028 due to the reestablishment of mandated funding for the program, as discussed below. No effect on revenues. **This bill establishes a mandated appropriation beginning in FY 2028.**

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	5.7	5.7	5.7	5.7
Net Effect	\$0.0	(\$5.7)	(\$5.7)	(\$5.7)	(\$5.7)

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: For the Maryland Child Care Credential Program, an individual may apply to the Office of Child Care (OCC) for a staff credential, including a child development associate credential, or an administrator credential. If a person pursues, obtains, or already holds an OCC-approved credential, OCC may award to the individual an achievement bonus, a training reimbursement, or a training voucher.

The Governor was required to appropriate \$4.0 million for the program for fiscal 2021. For each of fiscal 2022 through 2024, funding for the program was required to increase by 10% over the prior fiscal year. For fiscal 2026, the Governor was required to appropriate for the program an amount at least equal to the amount appropriated in fiscal 2024. Although not mandated, the fiscal 2027 budget as passed by the General Assembly includes \$5,687,000 for the Child Care Credential Program (provided through the Blueprint for Maryland's Future Fund).

State Expenditures: Although funding for the program has historically been provided through the Blueprint for Maryland's Future Fund, beginning in fiscal 2028, the fund balance is likely to be exhausted and unable to support ongoing funding for the program. Therefore, this analysis assumes that general funds are needed to meet the mandated funding required in fiscal 2028 and beyond under the bill (\$5,687,000 based on the fiscal 2024 appropriation).

Small Business Effect: Small business child care providers may benefit to the extent that the bill's incentives encourage and support professional development, credential attainment, and workforce retention.

Additional Information

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

Designated Cross File: SB 467 (Senator King) - Budget and Taxation.

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

Fiscal Note History: First Reader - February 19, 2026
jg/jkb Third Reader - March 21, 2026
Revised - Updated Information - April 1, 2026
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Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510