

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 561 (Delegate Palakovich Carr)
 Appropriations and Ways and Means

Maryland Child Care Credential Program - Extension of Funding

The bill extends mandated funding for the Maryland Child Care Credential Program beyond fiscal 2026 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. Special 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
SF 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.

State Expenditures: Consistent with the expiration of the funding mandate for the program, the fiscal 2027 budget as introduced does not include funding for the Child Care Credential Program. As a result, this analysis does not assume discretionary funding for the program in fiscal 2027.

Beginning in fiscal 2028, special fund expenditures increase by \$5,687,000 annually. This amount reflects the fiscal 2024 appropriation for the program, as required by the bill. Expenditures are assumed to be provided from the Blueprint for Maryland's Future Fund (BMFF), consistent with historical funding for the Child Care Credential Program. However, it is unclear whether BMFF can fully support the additional expenditures in fiscal 2028 and beyond, as the fund balance is likely to be exhausted after fiscal 2028. Thus, the additional mandated funding under the bill may require either a reallocation within BMFF (and a corresponding reduction in expenditures for other programs) or general fund support, particularly after fiscal 2028.

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
js/jkb

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