





March 23, 2026

POLICY ANALYSIS AND FISCAL IMPACT STATEMENT

TO: Committee of the Whole

THRU: Lavinia Baxter 
Senior Legislative Budget and Policy Analyst

FROM: Caleb Callender 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-016-2026 Early Start Child Care Scholarship Program

CB-016-2026 (*Proposed by:* Council Member Oriadha)

Assigned to the Committee of the Whole

A AN ACT CONCERNING CHILD CARE EXPANSION AND QUALITY IMPROVEMENT ACT for the purpose of establishing and administering a scholarship program to assist modest-income families in obtaining childcare services for 0- to 3-year-olds in Prince George's County, subject to certain conditions; and generally relating to early childhood education and childcare.

Fiscal Summary

Direct Impact

Expenditures: The scholarship expenditures from this bill will be funded by the revenue created through CB-017-2026.

Revenues: No anticipated impact on revenues.

Indirect Impact

Likely Favorable.

Legislative Summary:

CB-016-2026 proposed by Council Member Oriadha would establish a scholarship program for families with children from ages 0 to 3 who meet the program requirements. Families are only eligible if they have a household income less than 30% of the median family income of the Washington DC-VA-MD-WV Metropolitan Area. This will be a non-lapsing fund that will solely be used for awarding childcare scholarships and will not revert to the County fund balance. The maximum scholarship award per family would be \$3,000.

After speaking with Director of the Children, Youth and Families Division, it was recommended that this legislation should fall under the purview of the Department of Social Services. The Chair expressed openness to this amendment.

Background/Law:

Federal Law:

The Child Care and Development Block Grant (CCDBG), established in 1990, provides discretionary federal funding to states to help subsidize childcare costs for eligible families¹. Through the Child Care and Development Fund (CCDF), grants are distributed to state agencies to support childcare assistance programs. To qualify, children must be under the age of 13 and live with a working parent or guardian whose income does not exceed 85% of the state's median income².

State Law:

In Maryland, the Maryland Office of Child Care oversees the regulation and support of childcare services statewide. The office is responsible for licensing and inspection requirements for childcare providers and administers of the Maryland Child Care Scholarship Program, established by HB-495-2023³. However, the Maryland Child Care Scholarship Program was suspended in May 2025 due to over-enrollment, underscoring the high demand for affordable childcare across the state. The Maryland House approved three bills which addressed the scholarship freeze, among other

¹ [The Child Care and Development Block Grant](#)

² [Ibid](#)

³ [HB495](#)

various topics regarding childcare, on March 11th, which has the potential to lift the freeze for as many as 3,700 families of the 5,000 on the waitlist⁴.

Other Jurisdictions:

Montgomery County created the Child Care Support Services program within the Montgomery County Department of Health and Human Services to expand access to high-quality early care and education for families⁵. The program is designed to help parents navigate the childcare system by providing individualized support and information. Families can receive one-on-one consultations with trained counselors who help them identify appropriate childcare options, connect them with licensed providers, and guide them through the process of applying for childcare subsidies and other financial assistance programs. These services aim to reduce barriers that families often face when searching for affordable and reliable childcare.

As part of this effort, Montgomery County partnered with the nonprofit organization 20 Degrees to establish the Shared Resources Collaborative⁶. This initiative focuses on strengthening the childcare provider network by offering business and operational support to providers. Through the Collaborative, providers can access a dedicated childcare business coach, receive assistance with financial management and administrative operations, participate in peer learning opportunities, and take part in professional development and training programs. By supporting both families and providers, the initiative seeks to improve the overall stability, quality, and availability of childcare services throughout the county.

Resource Personnel:

- Joseph Hamlin, Legislative Officer
- Tre'von Sawyers, Chief of Staff
- Dr. Orethea Mattison, Director of Children, Youth and Families

Discussion/Policy Analysis:

Parents across Prince George's County are struggling to afford the increasing cost of childcare. This bill targets lower income populations who have children under the age of 3. For children ages 0 to 2, the average cost of a childcare center is \$20,170.28 and the average cost of a family childcare program is \$15,632.76⁷. For children ages 2 to 4, the costs decrease, for childcare centers to \$14,202.24 and \$13,602.16 for family programs⁸. For many families, the cost of sending their

⁴ [Maryland Matters](#)

⁵ [Montgomery County Child Care Support Services](#)

⁶ [Montgomery County Child Care Support Services](#)

⁷ [MFN's Statewide 2025 Child Care Demographics Report](#)

⁸ Ibid

children is approximately 20% of their income, with the assumption they are bringing in the median income for Prince George's County, which is \$100,708.

Due to the high cost of childcare, many parents are forced to leave the workforce and designate one parent to remain at home to provide care. This not only reduces the potential workforce in Prince George's County, but it also highlights an inequity for single-parent households, who do not have the option of relying on a second caregiver or income. For single parents, the expectation of earning the sole household income while also managing the high cost of childcare places an immense financial and emotional burden on families.

For this reason, recommendations related to this bill should prioritize greater support for single-parent households. The maximum scholarship threshold should be increased as much as possible while still ensuring that as many families as possible are granted the scholarship. For example, a family earning \$60,000 per year with a one-year-old child may still be expected to spend nearly one-third of their income on childcare, even after receiving a \$3,000 scholarship, while another significant portion of their income is likely devoted to rent or housing costs. Ultimately, expanding access to childcare assistance would not only ease the financial burden on families, particularly single parents, but also help more residents remain in the workforce and strengthen the county's overall economy.

According to this bill, the Department of Family Services is responsible for administering this program. Although not specifically outlined within this bill, the definition provided on page 3, line 14 of CB-014-2026 details that references of the Department are to be attributed to the Department of Family Services. In the case that CB-014 were to not pass, an amendment would need to be added to CB-016-2026, clearly designating the Department as the Department of Family Services.

Policy Implementation Resource/Project Timeline:

At the time of this report, the Department of Family Services was unable to provide a resource/project timeline for this proposed legislation.

Fiscal Impact:

- *Direct Impact*

The enactment of CB-016-2026 is not likely to have any direct fiscal impact. The funding for this bill will be offset by the revenue brought in by CB-017-2026, Use and Occupancy Permit Fees⁹. According to CB-017-2026 "at the time of remittance, 10% of the fees remitted to the Quality-of-

⁹ [CB-017-2026](#)

Life Improvement Fund shall be disbursed to the Prince George's County Early Start Child Care Scholarship Fund".

- *Indirect Impact*

The enactment of CB-016-2026 may chart a path towards creating more affordable childcare for Prince George's County residents.

Effective Date of Proposed Legislation:

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law.

If you require additional information or have questions about this fiscal impact statement, please reach out to me via phone or email.