

Policy Changes Associated With Increased Access to Child Care Scholarships in Maryland

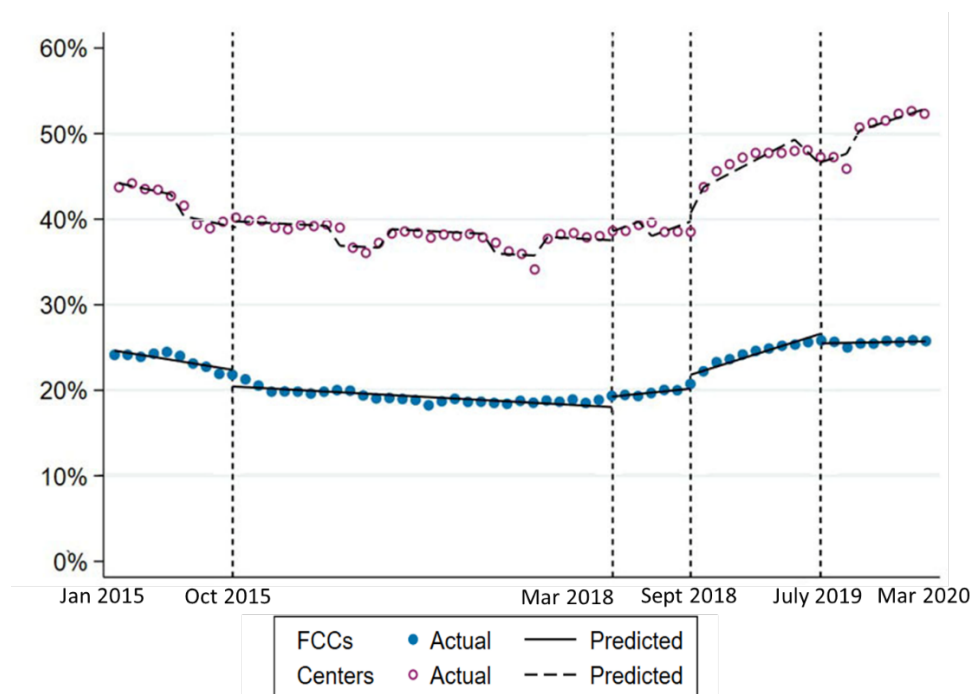
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Prior to the COVID-19 pandemic, the Maryland State Department of Education (MSDE) implemented several policy changes to the Child Care Scholarship¹ program aimed at improving access to high-quality child care (see Box 1).

Administrative data analyses explored how the child care supply changed during the time period when these state policy changes were being implemented.² **We found a significant increase over time in the percentage of providers serving children with a scholarship, corresponding to the period when Maryland eliminated waitlists, increased family income eligibility for scholarships, and raised provider reimbursement rates (Exhibit 1).**

Increases in the percentage of providers serving children with scholarships may correspond to the *combination of policy changes* during this time period and cannot be causally attributed to any policy change. For additional information on methods and findings, please see [Appendix 1: 2019 Maryland Child Care Research Partnership \(MDCCPRP\) Detailed Data Collection & Analysis Methods Summary](#) and the [Decline in Family Child Care in Maryland](#) report.

Exhibit 1. Percentage of FCC and center-based providers serving children with scholarships



Source: Child Trends analysis of MSDE administrative data.

¹ Maryland refers to child care subsidies funded through the federal Child Care and Development Block Grant (CCDBG) as child care scholarships.

² Many of Maryland's scholarship program policies were implemented in rapid succession. As a result, some of the timepoints used in the administrative data time series analyses in Exhibits 1 and 2 represent the implementation of multiple policies. The March 2018 timepoint represents the December 2017 and February 2018 policies. The September 2018 timepoint represents the May and August 2018 policies.

Box 1. Changes to Maryland Scholarship Program Policies from 2015–2019

1. **August 2015:** Scholarship application and reimbursement vendor moved scholarship reimbursement from local departments of social services to a statewide centralized system.
2. **October 2015:** Providers were required to participate in Maryland EXCELS, Maryland's QRIS, to receive a scholarship reimbursement.
3. **December 2017:** Provider reimbursement rates were increased from the 10th to the 12th percentile of the 2017 market rate survey.¹ Payments were retroactive to July 2017.
4. **February 2018:** Families in the highest eligibility income tiers became eligible for scholarships.² Between February and April 2018, letters were mailed to these families that were on the waitlist for child care scholarship.
5. **May 2018:** Provider reimbursement rates were increased from the 12th to the 20th percentile of the 2017 market rate survey.³
6. **August 2018:** Income eligibility for families was raised from 32 percent to 65 percent of the state median income (SMI). For a family of four, income eligibility increased to \$71,525 (from \$35,702).⁴
7. **July 2019:** Reimbursement rates were increased to the 30th percentile of the 2019 market rate survey.⁵

¹ H.B. 430, 2018 Maryland General Assembly, 2018 Reg. Sess. (Mar. 2018). https://mgaleg.maryland.gov/2018RS/fnotes/bil_0000/hb0430.pdf

² Maryland State Department of Education. (2018, February 13). *Hogan Administration Lifts Freeze on Child Care Subsidy List* [Press release]. <https://news.maryland.gov/msde/hogan-administration-lifts-freeze-on-child-care-subsidy-list/>

³ H.B. 430, 2018 Maryland General Assembly, 2018 Reg. Sess. (Mar. 2018). https://mgaleg.maryland.gov/2018RS/fnotes/bil_0000/hb0430.pdf

⁴ H.B. 430, 2018, Maryland General Assembly, 2018 Reg. Sess. (Mar. 2018). https://mgaleg.maryland.gov/2018RS/fnotes/bil_0000/hb0430.pdf

⁵ Maryland State Department of Education. (2019, August 7). *Maryland Takes Major Steps to Improve Access to Quality Child Care* [Press release]. <https://news.maryland.gov/msde/maryland-takes-major-steps-to-improve-access-to-quality-child-care/>

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