



# Child Care Scholarship Program Town Hall

**Division of Early Childhood**

September 10, 2025

**PRESENTED BY**

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Dr. Carey M. Wright, State Superintendent of Schools  
Dr. Joshua L. Michael, President, State Board of Education  
Sarah Neville-Morgan, Assistant State Superintendent, Division  
of Early Childhood



## Presentation Outline

1. Welcome Remarks
2. Child Care Scholarship Program Update
3. Questions & Answers

# Welcome to the Child Care Scholarship Program Town Hall

- Due to the size of today's meeting, we are using a webinar format that allows only panelists to speak.
- The Q&A function will be turned on during the Q-and-A portion of the meeting. Please use the Q&A button on the bottom menu bar of your screen to submit any questions that you may have.
- We will respond to as many questions as we can during the Q-and-A portion of today's meeting.
- Questions that we are unable to respond to during the session will be captured and responded to at a later date.
- You can also submit comments, feedback, or questions using the [online form](#) linked in the chat.
- We will have additional feedback and engagement opportunities for the child care community coming soon.

**Dr. Carey Wright, State Superintendent of Schools**

# Welcome Remarks

**Dr. Joshua L. Michael, State Board of Education President**

# Welcome Remarks

## Child Care Scholarship (CCS) Program Context

- **Unprecedented Growth:** The CCS Program expanded rapidly between January 2022 and May 2025. The Advance Payment system was launched quickly, before state systems and staff capacity were fully prepared to manage it effectively.
- **Resulting Overpayments:** The rollout moved too fast without the systems to properly track or correct overpayments in real time. Providers did not receive full and clear payment records until mid-2024, which made it hard to know if they were overpaid.
- **Impact on Providers:** We understand your confusion, extra administrative work, and concerns about fairness and financial stability across the child care sector.

## Update on Child Care Scholarship Payments

Some providers recently received written notices that MSDE would be recouping funds to reconcile past payments dating back to January 2023.

**Update: MSDE has decided not to move forward with broad recoupments of past Child Care Scholarship payments related to recent program audit written notices.**

- **Fixing the system first:** Past systems were outdated and inconsistent. We are improving outdated and inconsistent processes to ensure they are clear, fair, and reliable.
- **Listening to providers:** MSDE has heard your concerns about errors and financial strain, and we are taking them seriously.
- **Our commitment:** MSDE is committed to supporting providers so you can focus on delivering high-quality care to children and families.
- **Program improvement:** If we find any other issues during our system review, we will reach out to the child care community.

## What Is Broad Recoupment for Child Care Scholarship?

MSDE will not pursue broad recoupment for Child Care Scholarship payments issued prior to July 1, 2025, except in cases where fraud or intentional program violations are identified.

This includes the following communications to child care businesses related to program audits:

- **Letters sent in April 2025** addressing repayment agreements for missing invoices dating from January 2, 2023, to November 5, 2023.
- **Letters sent in May 2025** addressing repayment agreements for missing Sign-In/Sign-Out Sheets dating from November 6, 2023, to December 29, 2024.
- **Letters sent in August 2025** addressing repayment agreements related to a systems error regarding children no longer enrolled in care occurring February 1, 2023, through November 30, 2024.

# What Providers Can Expect

## 1. Hold Harmless on Past Payments At This Time

- MSDE will not pursue broad recoupments for payments issued prior to July 1, 2025, except in cases where fraud or intentional program violations are identified.

## 2. New, Transparent Process

- Beginning this fall, MSDE will launch a co-design process to develop a clear and consistent procedure for payment reconciliation, program audits, and intentional program violations.
- MSDE will ensure that any future recoupments are supported by accurate documentation and communicated in advance.
- MSDE will share updates with providers in the coming weeks on this new process.

## 3. System Improvements First

- MSDE will improve outdated and inconsistent processes to ensure they are clear, fair, and reliable.
- Real-time tracking capabilities will be in place prior to new procedure implementations.

## Immediate Actions from MSDE

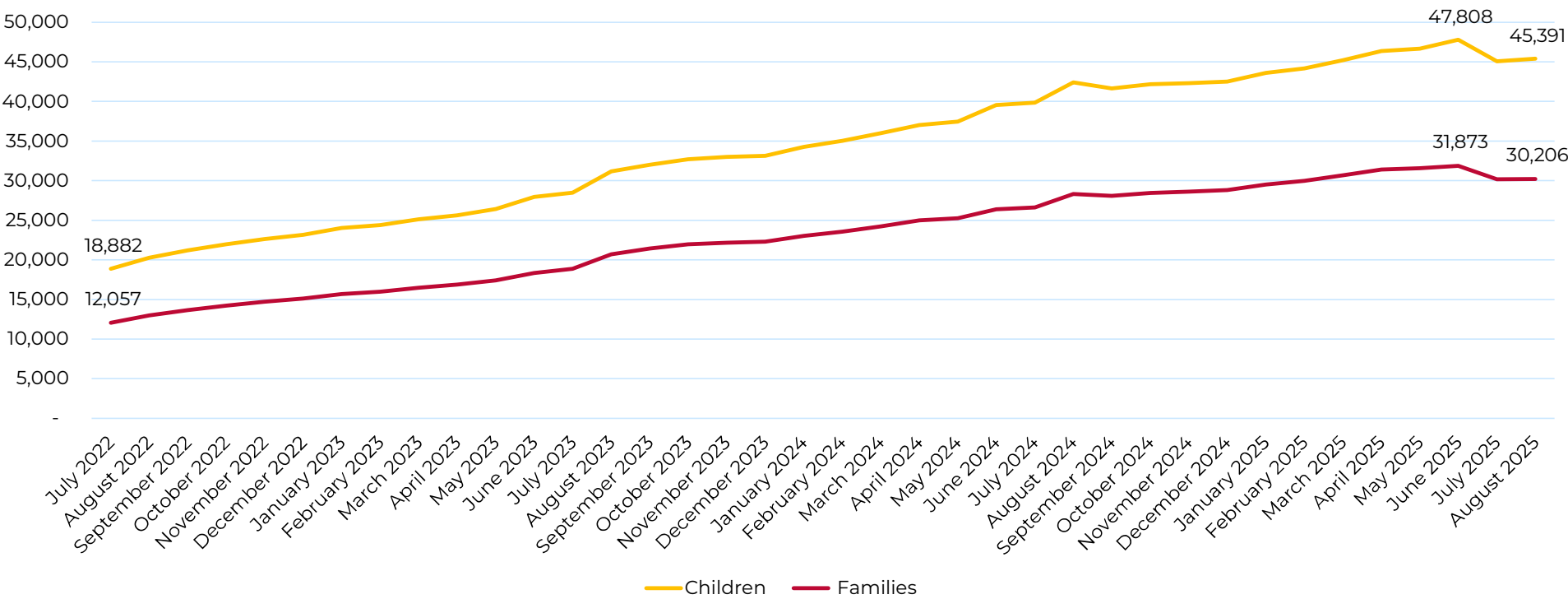
- Collaborate with child care organizations to identify providers to partner with to co-design the system.
  - Establish workgroup that can meet regularly regarding the co-design process.
- Maintain ongoing feedback and engagement opportunities, such as surveys and real-time polls during meetings, with our key constituents in the child care community.
- Continue to provide regular updates and communication.
  - Next Office of Child Care (OCC) Information Session (monthly) - **September 25, 2025, 6:00-7:00 p.m.**
  - Advance Payment notification emails

## Other CCS Improvements

We have received messages and comments about examining and improving:

- Customer Service
- Scholarship Portal
- Guides, trainings, and resources

# Number of Children and Families Receiving CCS, SFY 23 – SFY 25



Source: MSDE internal data systems, accessed 9/4/2025.

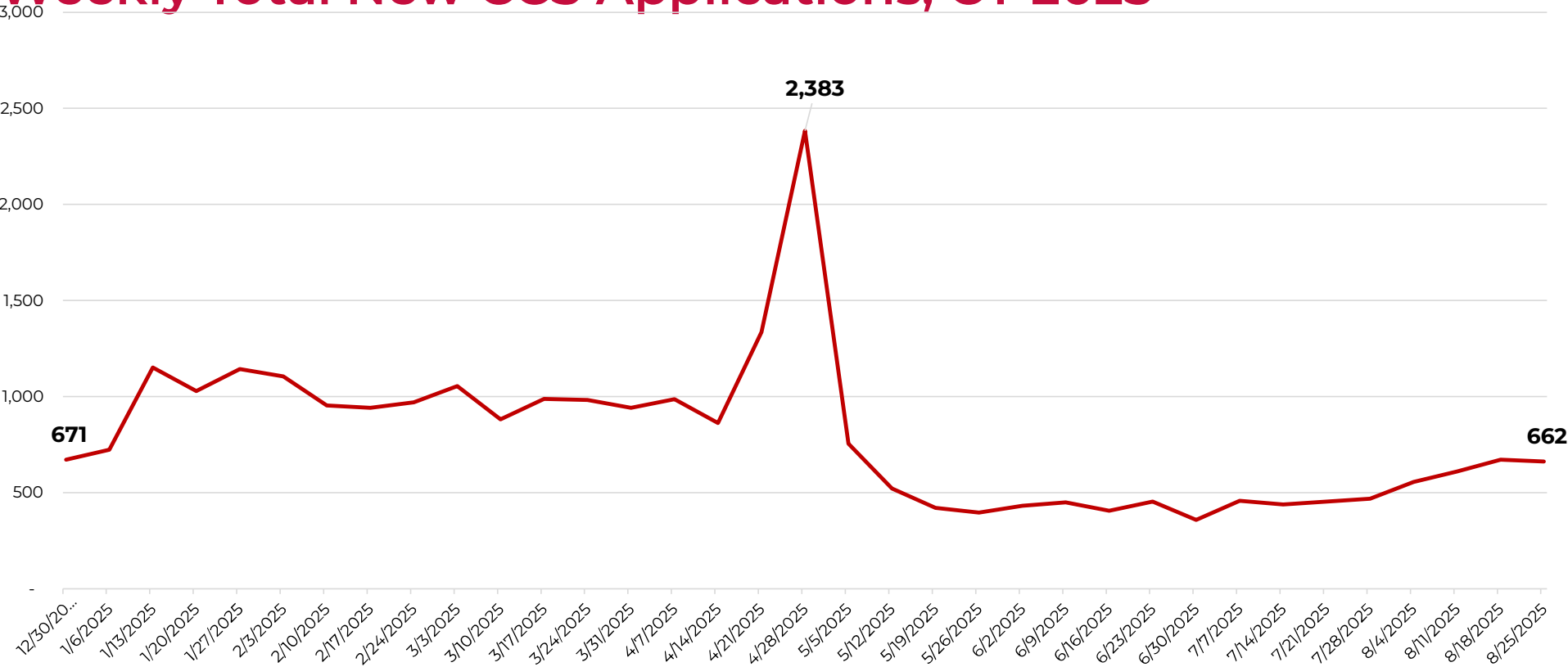
Note: Data may fluctuate slightly over time due to updates in historical enrollment data.

# Annual Expenditures on Scholarships, SFY 23 – SFY 25



Source: <https://earlychildhood.marylandpublicschools.org/data> Expenditure Data by County, downloaded 8/11/2025.

# Weekly Total New CCS Applications, CY 2025



Source: DEC internal data systems, accessed 9/4/2025.

Note: Total new applications include fast track applications and full applications. There may be some applications counted in both fast track and full applications, therefore the numbers shown in this graphic represent a high-end estimate of total applications. Application numbers may fluctuate over time due to data system updates.

# Credentialing Program

AF1

- MSDE is launching a two-phase approach to reopening credential applications:
  - Phase 1: Renewal applications for participants with an expired credential
    - Online application that will require minimal information to create an account and verification of employment for renewal
  - Phase 2: New applications for participants without an existing credential

## Slide 15

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**AF1**      [@Laura Wallace] [@Kelly Dwyer]

Amanda Frekot, 2025-09-09T21:47:40.708

**AW1 0**    [@Jena Smith]

Alexis Washington, 2025-09-10T11:33:23.136

## Credentialing Program Timeline

- Applications for renewal will open in the early fall.
- Financial support for professional development will become available by the end of the calendar year.
- Bonuses for credentialed participants will begin being paid later this year.
- Updates will be provided through DEC communications including Tuesday Tidbits.

## Maryland State Department of Education (MSDE)'s Commitment to Providers

Led by State Superintendent Dr. Carey Wright and Assistant State Superintendent Sarah Neville-Morgan, MSDE is committed to:

- Improving payment systems and procedures
- Strengthening accountability for MSDE, providers, and the use of public funds
- Enhancing communication with providers

**MSDE recognizes that providers are essential partners in supporting Maryland's youngest learners and families. Our goal is to ensure that the state systems support the work of providers fairly and transparently.**

## Continued Engagement

### Where to Get Updates

- OCC Information Session – September 25, 2025
- Tuesday Tidbits
- Child care associations

### Submit Comments, Feedback, or Questions

Complete the form: <https://forms.gle/GkZUsiDnzQrXZrBr7>

## Frequently Asked Questions

1. What actions should child care businesses take to comply with program requirements now?
2. Will child care businesses still need to submit Sign-In/Sign-Out Sheets from 2023 or 2024?
3. Will child care businesses still need to submit Sign-In/Sign-Out Sheets going forward?
4. Will child care businesses still need to submit missing invoices from 2023 or 2024?
5. Will child care business still need to submit invoices going forward?
6. For providers who have already made payments on audit findings, will there be an opportunity for reimbursement or adjustment?

# Questions & Answers