

The Distribution of Children With Child Care Scholarships Across Maryland's ECE Programs

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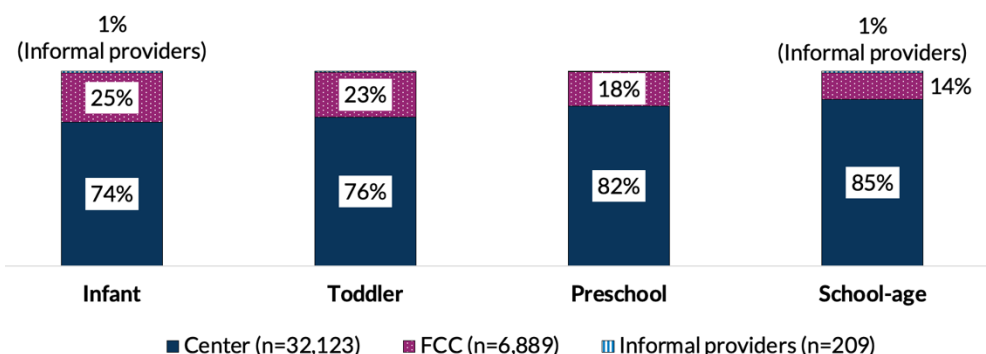
This research brief examines the extent to which early care and education (ECE) programs in Maryland serve children who receive a scholarship from the Child Care Scholarship (CCS) program, the state's child care subsidy program. Using key findings from our research partnership (see box) as headings, the brief provides information on where children with a scholarship tend to receive care and the average share of ECE programs' licensed capacity occupied by children whose enrollment is funded through CCS—referred to as a provider's **scholarship density**—by program type. The brief also summarizes how scholarship density varies by program characteristics, including the ages of children served, program quality rating, and program size. Findings were derived from analysis of Maryland child care licensing and CCSP administrative data at a single point in time (April 1, 2026).

More about this research partnership: Child Trends and the Maryland State Department of Education (MSDE) are collaborating on a four-year research partnership (2022–2026) to understand the ECE workforce in Maryland and changes to the Child Care Scholarship Program. For more information about the administrative data analyzed for this brief and other publications, please visit the [project website](#).

Most children with a scholarship attend a center-based program.

The majority of children with a scholarship receive care in a center-based program (82%), about 18 percent are in family child care (FCC), and less than 1 percent are cared for by an informal provider, such as a family member, friend, or neighbor. As shown in Figure 1, percentages in each type of care vary somewhat by age, with school-age and preschool children being more likely to receive care in a center-based program than infants and toddlers.

Figure 1. Types of care used by children with a scholarship by child age



Centers are more likely than FCC providers to serve children with a scholarship.

Most centers (67%) enroll at least one child with a scholarship. In contrast, only 41 percent of FCCs serve a child with a scholarship.

Figure 2. Percent of centers that serve at least one child who receives a scholarship (n=2,621)

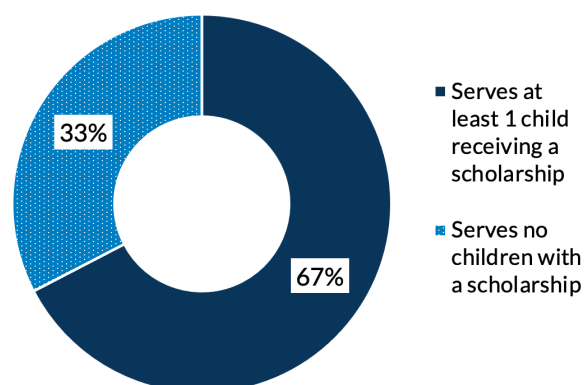
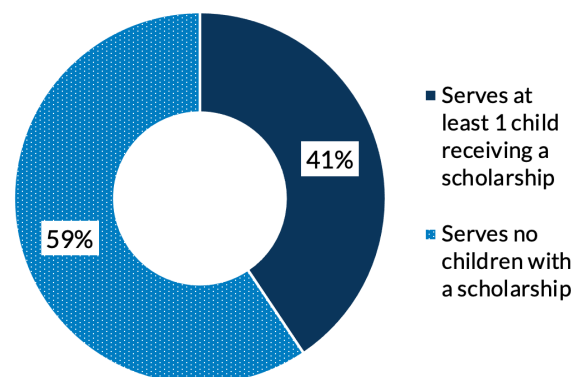


Figure 3. Percent of FCCs that serve at least one child who receives a scholarship (n=4,033)



Terms and Definitions:

Child Care Scholarship (CCS): A program that helps income-eligible families pay for child care while parents work or attend school/training. CCS is funded through the federal Child Care and Development Block Grant (CCDBG) and state funds.

Scholarship density: The share of an ECE program's licensed capacity occupied by children whose enrollment is funded through CCS.

Licensed capacity: The maximum number of children an ECE provider is legally allowed to supervise at any single time.

Center-based child care: Licensed child care in a group setting such as a preschool, child development center, nursery school, after-school program, or early learning center; and license-exempt care operated by tax-exempt religious organizations.

Family child care (FCC): Licensed/regulated child care provided in a home that is not the child's.

Informal child care: Unlicensed care provided by a relative, friend, or neighbor in the home of the provider or child.

Among centers serving children with a scholarship, most have a small share of scholarship recipients in their program.

As shown in Figure 4, the largest share of centers either serve no children with a scholarship (33%) or have a low scholarship density (less than one-quarter of licensed capacity is scholarship recipients; 39% of centers). Eight percent of centers have a scholarship density representing one-half to three-quarters of their licensed capacity. Finally, only 5 percent of programs have a high scholarship density (over three-quarters of licensed capacity is scholarship recipients). Figure 5 shows the number and percent of centers by scholarship density.

Figure 4. Percent of centers by scholarship density (n=2,621)

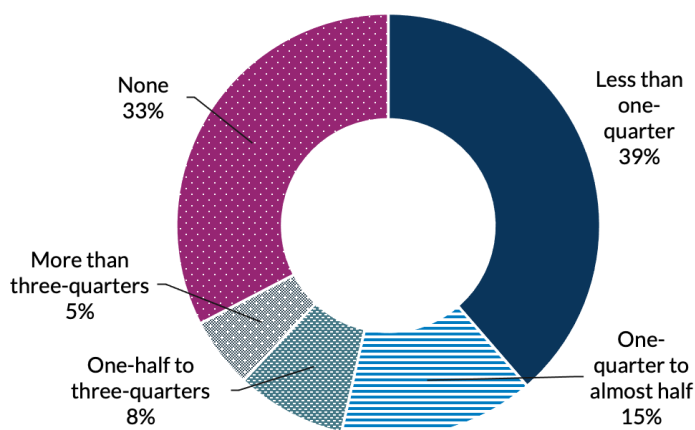
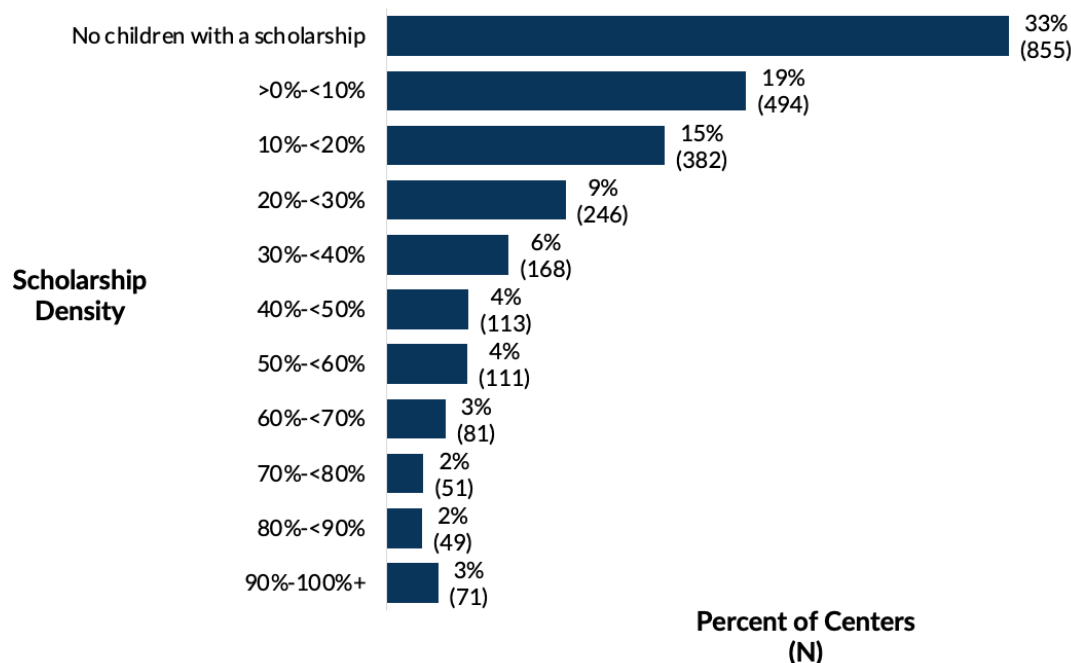


Figure 5. Percent (and number) of centers by scholarship density



Although FCC providers are less likely to enroll children with a scholarship, those that do have a more even distribution of scholarship density.

Most FCCs (59%) do not serve children who receive a scholarship. Among those that do, though, the share of enrolled children who receive scholarships is relatively evenly distributed: 8–13 percent of FCC providers fall into each of the scholarship density categories shown in Figure 6. Figure 7 provides the number and percent of FCCs by scholarship density.

Figure 6. FCC providers by scholarship density (n=4,033)

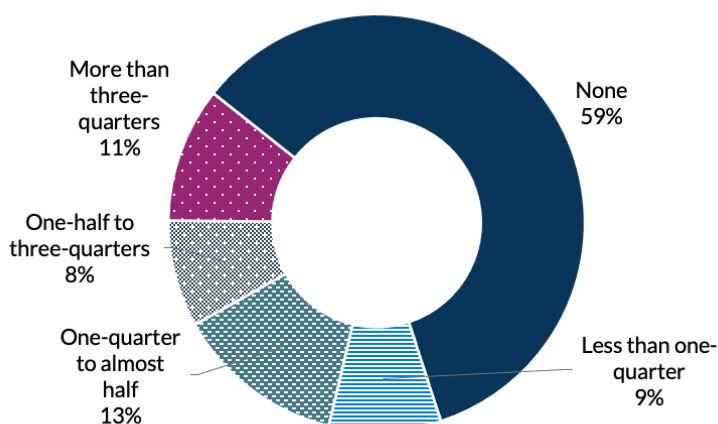
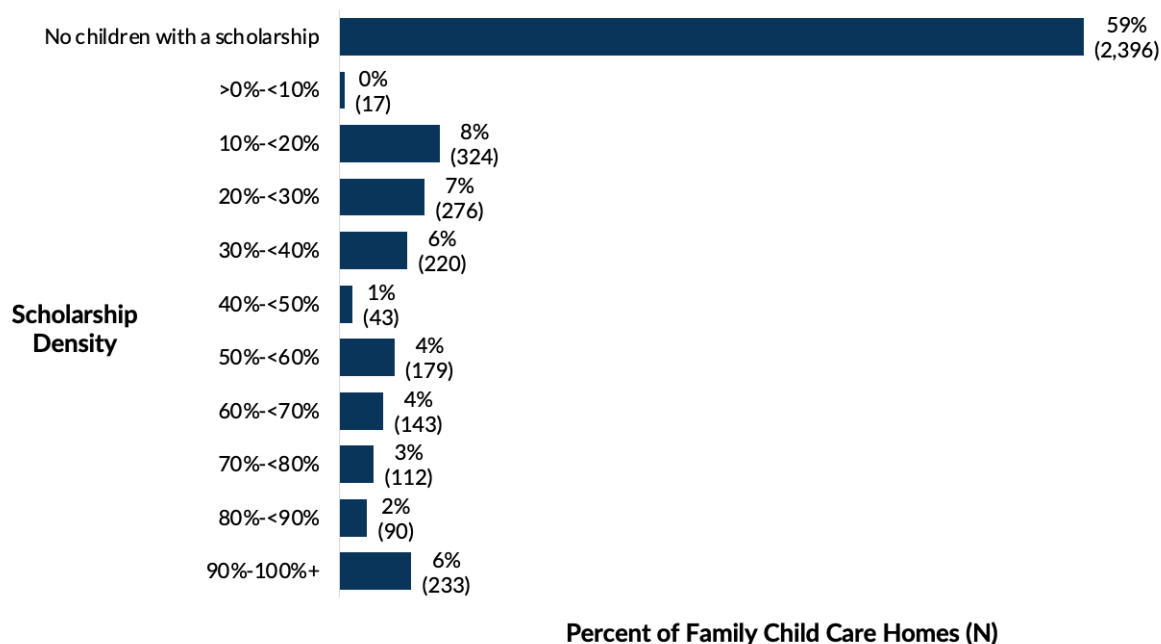


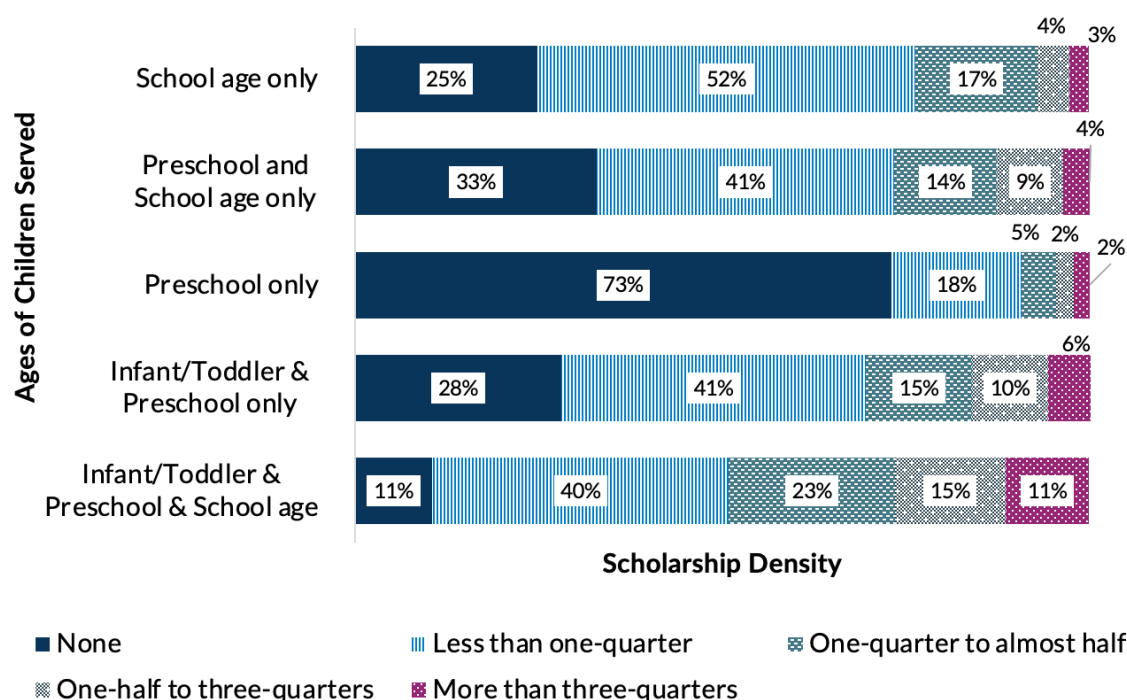
Figure 7. Percent (and number) of FCC providers by scholarship density (%/N)



Comparing center subsidy density by ages served, those that serve only preschoolers have the lowest subsidy density.

Only about one-quarter (27%) of preschool-only centers serve children with a scholarship.¹ In contrast, at least two-thirds of programs that serve other age groups serve children with a scholarship. Regardless of age group served, it is most common for programs to have a scholarship density of less than one-quarter of licensed capacity (i.e., less than one-quarter of the children programs are licensed to serve are scholarship recipients).

Figure 8. Percent of centers by ages of children served and scholarship density



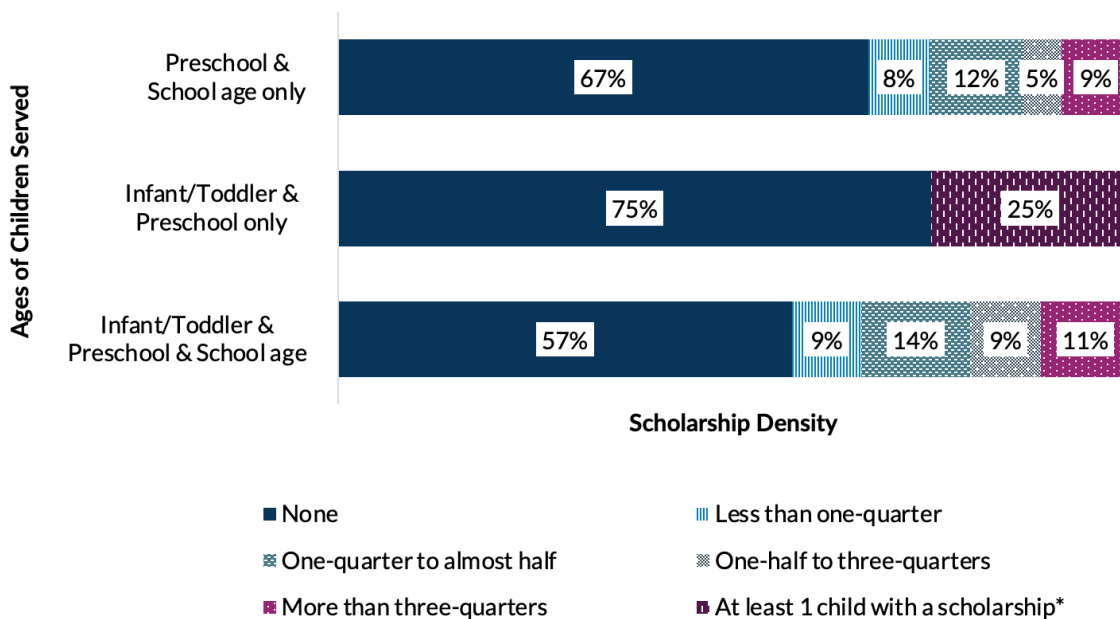
Note: Sample sizes for each age group category are as follows: school-age only (n=553), preschool and school-age only (n=526), preschool only (n=492), infants/toddlers and preschool only (n=399), I/T and preschool and school-age (n=638)

There are few evident differences in subsidy density by ages served among FCC providers.

The vast majority of FCCs are licensed to serve all three age groups (infants/toddlers, preschoolers, and school-age children). Additionally, most FCCs, regardless of ages served, do not serve children with a scholarship. Providers that serve all age groups are most likely to serve children with a scholarship (43%), followed by those that serve only preschool and school-age children (33%) and those serving only infants/toddlers and preschoolers (25%).

¹ Preschool-age children are eligible for both child care scholarships and public pre-K.

Figure 9. Percent of FCC providers by ages of children served and scholarship density



Note: Sample sizes for each age group category are as follows: preschool and school-age only (n=103), infant/toddler and preschool only (n=324), infant/toddler and preschool and school-age (n=3,546)

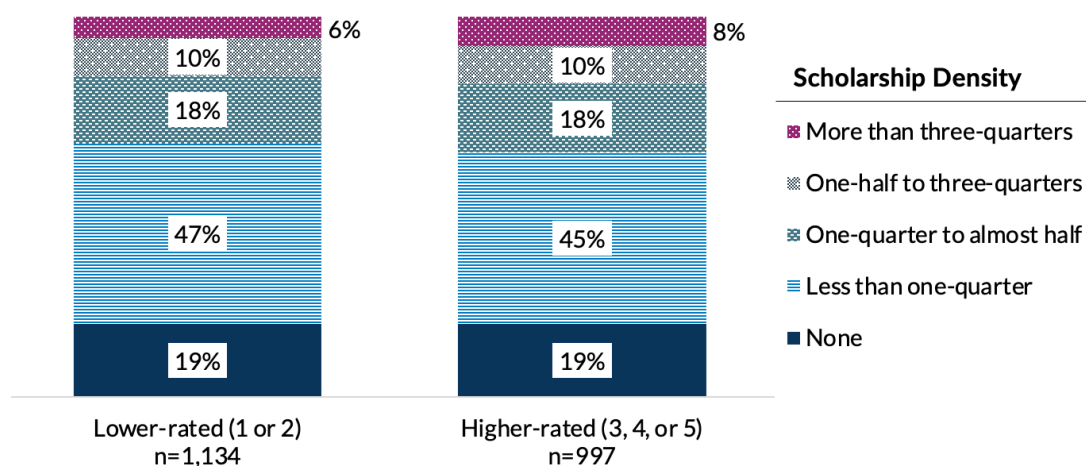
*Subsidy density categories are collapsed for the infant/toddler and preschool-only FCCs due to small numbers of providers in each category.

Scholarship density does not vary by Maryland EXCELS quality rating.

As shown in Figure 10, scholarship density in center-based programs does not differ by quality rating. For both lower-rated (Maryland EXCELS Levels 1–2) and higher-rated (Maryland EXCELS Levels 3–5) centers, about 1 in 5 centers do not enroll any child with a scholarship. Of center-based programs that have at least one child with a scholarship enrolled, the median subsidy density is 20 percent.²

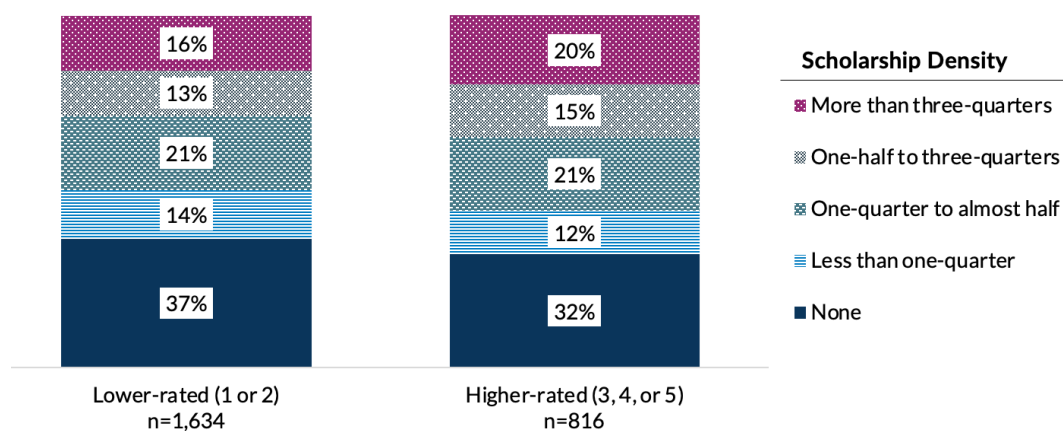
² To learn more about Maryland EXCELS Quality Ratings, see: <https://marylandexcels.org/about-maryland-excels/understanding-quality-ratings/>

Figure 10. Percent of center-based programs by Maryland EXCELS rating and scholarship density



Among FCCs, scholarship density is generally similar across quality rating levels, although slight differences exist. Higher-rated programs are slightly more likely to have at least one child with a scholarship enrolled in care than lower-rated programs (see Figure 11), and are more likely to have scholarship density of 50 percent or more (35% vs. 29%, respectively).

Figure 11. Percent of FCC providers by Maryland EXCELS rating and scholarship density



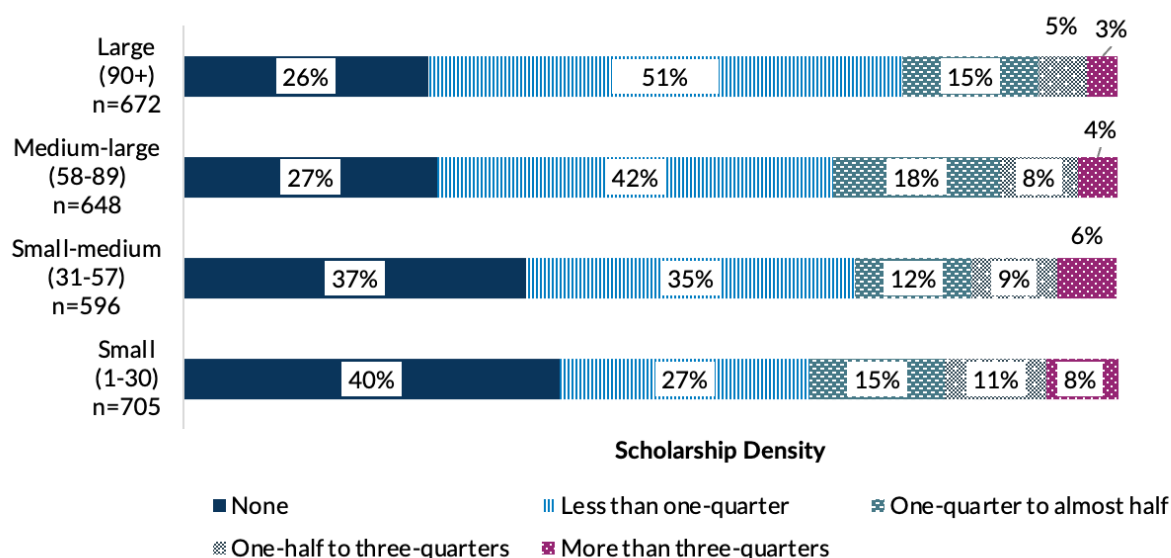
Larger centers are more likely to serve children with a scholarship but less likely to have a high scholarship density.

Among center-based programs, scholarship participation varies by program size (measured by licensed capacity³). Small centers (1–30 children) are the least likely to have children with a scholarship enrolled, with 60 percent serving scholarship recipients. However, among centers that do have at least one child with a scholarship, small centers have a higher median subsidy density than larger centers (29% vs. 14%). Larger

³ Programs may enroll fewer children than their licensed capacity.

centers are more likely to serve children with a scholarship, with approximately 75 percent of medium-large centers (58–89 children) and large centers (>90 children) serving at least one child with a scholarship. With the exception of small programs, center-based providers tend to have no more than one-quarter of their enrollment paid for by scholarship.

Figure 12. Percent of center-based programs by center size (licensed capacity) and scholarship density



Note. Sample sizes for each center sizes are as follows: large (90+ children; n=672), medium-large (58–89 children; n=648), small-medium (31–57 children; n=596), small (1–30 children; n=705)

Summary of Key Findings

Regardless of type of care provided, ECE providers that serve children with scholarships tend to have a low scholarship density (less than one-quarter of children in care are paid for by scholarship). Additionally, for both centers and FCCs, scholarship density is similar in both lower- and higher-rated providers.

Scholarship density specific to center-based care: Two-thirds of centers serve at least one child with a scholarship, although larger centers are more likely than smaller centers to serve children with a scholarship. Centers that serve school-age or combined age groups are more likely to have children with a scholarship enrolled than those serving only preschool-age children.

Scholarship density specific to family child care: One-fifth of FCCs serve at least one child with a scholarship. There are small differences in scholarship density by age of children served, with providers that serve all age groups (infants/toddlers, preschoolers, and school-age children) being most likely to have children with a scholarship enrolled.

More about this research partnership:

The project “Understanding the Child Care Workforce and Changes to the Child Care Scholarship Program in Maryland” is a four-year research partnership between Child Trends and the Maryland State Department of Education (MSDE). It is supported by the Administration for Children and Families (ACF) of the United States (U.S.) Department of Health and Human Services (HHS) as part of a financial assistance award (Grant #: 90YE0288). The project uses qualitative and quantitative research methods to explore questions related to the supply of/access to child care. Specifically, this project aimed to: 1) describe key characteristics and professional development needs of the child care and early education workforce, 2) better understand the experiences and child care choices of families applying for and utilizing the state’s Child Care Scholarship program, and 3) identify areas of the state with limited access to high-quality child care for children using a Child Care Scholarship.

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