Maryland
DEPARTMENT OF LABOR

Division of Workforce Development and Adult Learning (DWDAL)

Policy Issuance

PI 2026-20 Maryland Home-Based Child Care Expansion Program | November 13, 2026

TO	Division of Workforce Development and Adult Learning (DWDAL) staff, Maryland Home-Based Child Care Expansion Program Applicants and Grantees.
FROM	DWDAL Maryland Department of Labor (MD Labor)
SUBJECT	DWDAL Maryland Home-Based Child Care Expansion Program Policy
PURPOSE	To provide information about the Maryland Home-Based Child Care Expansion Program policy.
ACTION	Local Workforce Development Area (Local Area) Directors, American Job Center (AJC) Reemployment Program Directors, and central office managers will ensure all employees are aware of and receive copies of this policy. DWDAL policies are available on the MD Labor website.
EXPIRATION	Until Cancelled.
QUESTIONS	Mary Keller Director, Office of Strategic Initiatives DWDAL 410.767.2017 mary.keller@maryland.gov Lauren Gilwee Director Policy DWDAL 410.767.2268 laurene.gilwee@maryland.gov
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EXECUTIVE SUMMARY

The Maryland Department of Labor (MD Labor)'s Division of Workforce Development and Adult Learning (DWDAL)'s mission is to improve the lives of all Marylanders by implementing innovative, responsive practices that nurture a skilled workforce, connect people to good jobs, and ensure businesses have the skilled workforce they need to compete in a global economy.

Within DWDAL, the Office of Strategic Initiatives (OSI) oversees high-profile, cross-cutting initiatives that are responsive to workforce challenges, including MD Labor's sector-based, industry-driven portfolio. OSI offers nimble and responsive solutions to address in-demand and emerging industry and jobseeker needs as they evolve. This policy outlines the Maryland Home-Based Child Care Expansion Program within OSI.

MD Labor will utilize $1,500,000 of WIOA Title I Governor's Reserve to establish the Maryland Home-Based Child Care Expansion Program, a competitive grant opportunity within OSI. The Maryland Home-Based Child Care Expansion Program seeks to expand the supply of registered family child care (FCC) homes over a 27- month period of performance by empowering organizations to support providers opening or expanding these facilities in child care deserts across the State and provide resources for sustainable staff training. By expanding the available number of registered FCC homes and aligning with the cultural or industry needs of the nearby community, the Maryland Home-Based Child Care Expansion Program will create available slots that support working parents.

GENERAL INFORMATION

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

WIOA was signed into law on July 22, 2014 and went into effect July 1, 2015. WIOA supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. To help both businesses and job seekers meet their needs, the workforce system established under WIOA is integrated by design. WIOA envisions connecting businesses with job seekers through meaningful partnerships among workforce, education, human services, and economic development entities to ensure optimum results and the leveraging of resources. The law addresses the needs of job seekers by establishing a workforce system that helps them access employment, education, training, and support services to succeed in the labor market. Through the American Job Centers (AJCs), WIOA works to address employer needs by matching them to the skilled workers they need to compete in the global economy.

WIOA GOVERNOR'S RESERVE

WIOA allows Governors to set aside 15% of their Title I Youth, Adult, and Dislocated Worker program allotment for their highest workforce development priorities. These funds provide states the flexibility to invest resources into critical workforce activities.

The Moore-Miller Administration has made several notable strategic investments throughout the State to increase the supply of child care and provide Maryland parents with affordable options. Outlined in the Strategic State Plan,[1] the Moore-Miller Administration identified ten priorities for Maryland, including making child care more affordable for parents. Since taking office in 2023, the Moore-Miller Administration has focused on increasing State investments to the Maryland Child Care Scholarship Program; created the ENOUGH Initiative to fight childhood poverty; and boosted the child care supply by establishing the Child Care Capital Support Revolving Loan Fund to extend zero-to-low interest loans to local child care businesses.

To complement these efforts, MD Labor will utilize $1,500,000 of WIOA Title I Governor's Reserve to establish the Maryland Home-Based Child Care Expansion Program, a competitive grant opportunity within OSI.

Growing Opportunities in Family Child Care (GOFCC)

Coordinated through the Maryland Family Network and local Child Care Resource Centers (CCRCs), the Growing Opportunities in Family Child Care (GOFCC) program, funded by the Maryland State Department of Education (MSDE), is designed to support individuals interested in opening a home-based business by guiding them through the registration process. Over the past five years, the program has successfully provided individuals with extensive support, including free required training, background checks, inspection fees, business development training, pre-inspection assistance, and start-up resources. While similar in objective, MD Labor's Maryland Home-Based Child Care Expansion Program will underscore the importance of workforce development and the creation or expansion of registered FCC homes that facilitate parents returning to the workforce.

[1] See more here: https://priorities.maryland.gov/

MARYLAND HOME-BASED CHILD CARE EXPANSION PROGRAM

PURPOSE

Child care has taken center stage in policy and legislative forums nationally as families grapple with access to affordable child care. Quality child care is often unaffordable for many working families in Maryland. Recent data suggests that Maryland has the 11th most expensive infant care in the country[2]. In an attempt to combat the financial burden caused by the rising cost of childcare, many parents who might otherwise have preferred to remain in the workforce opt to stay at home to care for their children (a recent report found that 22% of Maryland children live in households where parents lack secure full-time employment[3]).

In addition to rising costs, child care deserts have become more prevalent across the State in recent years. According to the Center for American Progress, child care deserts are defined as, "census tracts with at least 30 children age 5 or younger and either no licensed child care providers or a ratio of more than three children under age 5 for every licensed slot."[4] Factors that contribute to child care deserts include licensed provider capacity, population density, poverty, and the ratio of children under age five to available licensed slots. Within these child care deserts, families rely heavily on FCC over traditional child care centers due to their geographic availability, affordability, flexible scheduling for non-traditional hours, or community settings[5].

To combat rising costs and address child care deserts throughout the State, the Moore-Miller Administration continues to advance initiatives and legislative action that ensure affordability for Maryland families by creating new pathways to work, wages, and wealth for all Marylanders. In alignment with the Administration's initiatives, MD Labor has the opportunity to frame child care not merely as a family service, but as a critical workforce development strategy. By empowering organizations supporting prospective or existing registered family child care providers through business training and licensing support, this program bridges the gap between child care availability and community demands.

ALLOWABLE USE OF FUNDS

Eligible applicants may apply for up to $250,000 to expand the supply of registered FCC homes in identified child care deserts over a 27-month period of performance from April 1, 2027 through June 30, 2029. Allowable uses of funds include:

- Staff training (CPR/First Aid, including English language classes/instruction if applicable);
- Staffing support, which may include licensure navigation coaching;
- Provider business coaching and development;
- Safety modifications or safety supplies (fire extinguisher, child safety gates, exit signs, etc.);
- Child development or instruction materials;
- Staff recruitment costs;
- Child Development Associate (CDA) credentialing support or wraparound supports;
- Home or facility licensure costs, including expenses associated with expanding slot capacity or with health and safety inspections;
- Other costs as approved by MD Labor[6].

[2] See more here: https://labor.maryland.gov/labor/wages/equalpaydayreport.pdf?=v1Equal Pay Day Report

[3] MD Center for Economic Policy Data: https://mdeconomy.org/annual-kids-count-data-book-reinforces-the-importance-of-policies-that-improve-childrens-well-being/

[4] Center for American Progress (2026): https://www.americanprogress.org/article/americas-licensed-child-care-deserts/

[5] https://link.springer.com/article/10.1007/s10643-022-01375-6

[6] Please note: Administrative Costs are capped at 10% of the total award amount.

PROHIBITED USE OF FUNDS

Applicants who include prohibited costs as part of their project design will not be considered. Federal regulation lists prohibited activities for WIOA Title I funds (see 20 CFR 683.235, 20 CFR 683.245, 20 CFR 683.250, 20 CFR 683.255, 20 CFR 683.260, 20 CFR 683.265), including:

- The wages of incumbent employees during their participation in economic development activities provided through a statewide workforce development system;
- Public service employment, except as specifically authorized under title I of WIOA;
- Expenses prohibited under any other Federal, State or local law or regulation;
- Subawards or contracts with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal programs or activities;
- Contracts with persons falsely labeling products made in America;
- Foreign travel;
- Construction or structural renovations;
- Purchase of facilities or buildings or other capital expenditures for improvements to land or buildings;
- Employment generating activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, economic development activities, or similar activities, unless they are directly related to training for eligible individuals;
- Encouragement of business relocation from any location in the United States, if the relocation results in any employee losing his or her job at the original location;
- Certain limitations related to religious activities;
- Vehicle purchases;
- Research;
- Debt reduction, repayment, or servicing of existing loans;
- Personal household expenses not directly related to the child care business (e.g., mortgage, general utilities);
- Fundraising activities;
- Lobbying or political contributions;
- Fines, penalties, or litigation expenses; and
- Entertainment or personal goods not related to business operations.

ELIGIBLE ENTITIES

The pilot program is aimed at addressing the challenges identified above through a multifaceted approach designed to expand the supply of registered FCC homes and increase child care slots in areas identified as child care deserts across the State. Successful applicants will support business development and recruitment efforts that train individuals to become new providers through coaching, startup support necessary to open new registered FCC homes, or assist existing FCC providers in expanding their current capacity. Applicants may deploy targeted support by offering wraparound resources or targeted referrals to help new providers overcome operational barriers and maintain long-term stability in areas considered child care deserts.

MD Labor recognizes that professionals in industries with non-traditional hours or individuals in historically underserved communities are often unable to secure affordable child care options. MD Labor encourages organizations supporting the expansion or creation of FCC providers to incorporate relevant Labor Market Information (LMI) for any industries or service areas they intend to target; which includes but is not limited to: industry information, labor demographics, or employment and wage information, to substantiate the community's workforce needs. As stated previously, applicants may choose to deploy targeted outreach or employer recruitment strategies in these industries to advertise new or existing FCC providers.

Additionally, applicants must outline how their project plan will support the establishment or expansion of registered family child care homes in child care deserts or as identified by the Maryland Community Compass Tool, which identifies the unmet need for child care within a community, population density, community economics, and economic growth index. Applicants must include all relevant data within their project plan to substantiate the need for creating registered FCC homes or the expansion of current providers within their targeted area.

The following entities are eligible to apply for the Maryland Home-Based Child Care Expansion Program but are not limited to:

- Non-Profits;
- Community-Based Organizations (CBOs);
- Faith-Based Organizations;
- Institutions of Higher Education;
- Child Care Networks;
- Local Government or County Agencies, including Local Workforce Development Boards;
- Registered Apprenticeship Sponsors;
- Organizations serving immigrants, refugees, and/or New Americans[7]; and
- Other organizations as approved by MD Labor.

Priority consideration will be given to applicant organizations that support historically underserved communities. Specifically, preference shall be given to projects with a demonstrated commitment to serving ENOUGH-designated areas.

THE ENOUGH INITIATIVE

Launched and administered by the Governor's Office for Children, Maryland's ENOUGH Initiative aims to reduce the number of children living in poverty through community-led, government-supported solutions. The initiative addresses the root causes of poverty in specific neighborhoods that have been historically left behind and impacted by barriers to economic mobility. Driven by data, residents' lived experiences and cross-sector collaboration, this grant initiative supports community-led organizations across every region of Maryland to improve access to quality health care, good schools, good jobs and safe neighborhoods so that more children and families can prosper. As noted above, preference shall be given to applicants who demonstrate in their project plan serving areas designated as ENOUGH communities.

FCC LICENSURE

Applicants must note that FCC is regulated under the Code of Maryland Regulations COMAR 13A.15[8], which requires providers to obtain a "Certificate of Registration" (which is a form of license) *before* operating a family child care program. Registration requires that a program meets the child health and safety requirements established by the MSDE. Eligible entities seeking funding to establish a new or expand the capacity of their FCC must connect with their applicable MSDE Regional Licensing Office.

In addition to business development and recruitment support, applicants may choose to identify how their project plan will implement a streamlined support system for new providers or providers interested in expanding their capacity. Following MSDE regulations, applicants may choose to deploy licensing navigators, offer bundled FCC staff training (CPR/First Aid) or conduct pre-inspection walkthroughs utilizing State regulations to avoid licensing delays. To support streamlined coordination and accelerate the licensure pathway, eligible entities may also consider exploring strategic interagency partnerships within

[7] Participants must meet WIOA Title I eligibility regarding work authorization status.

[8] See COMAR 13A.15 here: https://regs.maryland.gov/us/md/exec/comar/13A.15

the child care space to enable timely, standardized inspections like the required fire marshal code enforcement and zoning approvals.

APPLICATION PROCESS

The Maryland Home-Based Child Care Expansion Program is a competitive funding opportunity through DWDAL's OSI. To receive application materials, prospective applicants must submit an Intent to Apply. Additional information, including submission instructions and the application deadline, can be found on the Department's website. Incomplete applications or those submitted after the due date will not be considered.

APPLICATION REVIEW

MD Labor will convene a review panel of subject matter experts to evaluate proposals for consideration of grant funding. The panel must ensure that selected proposals meet budgetary and programmatic requirements as outlined in this policy.

To ensure compliance with the Public Ethics Law, MD Code Ann. Gen'l Provisions, Title 5, all staff who participate in discretionary grant reviews are required to complete the DWDAL Reviewer Confidentiality and Conflict of Interest Form. Should a conflict of interest exist, staff must recuse themselves from application review, and if staff becomes aware that a conflict may exist during the process, that person must immediately notify the DWDAL Assistant Secretary.

APPLICATION APPROVAL/DENIAL

MD Labor will inform applicants via email of approvals or denials at the conclusion of the internal review process. If approved, OSI shall provide the applicant with a Grant Award to be signed by the applicant. If a grant application is denied, OSI shall provide the applicant with a Grant Denial Notification. A denied applicant may not request reconsideration of the decision. However, denied applicants are encouraged to reapply for future funds should they become available. MD Labor will provide unsuccessful applicants with feedback on how to improve future applications upon request.

RISK ASSESSMENT

MD Labor prioritizes grantees' financial integrity and responsible stewardship of public funds. Applicants should be aware that the Department reserves the right to exclude any organization from consideration for funding if, through the Department's due diligence review, the organization is determined to pose a significant risk to the proper execution and oversight of the grant agreement. This assessment may involve a thorough review of the applicant's previous program and fiscal monitoring reports, public financial statements, audit reports, tax filings, organizational solvency, prior grant management history, and any other relevant indicators. The goal of this process is to ensure that grant funds are awarded to organizations with the necessary financial stability and capacity to meet the programmatic and fiscal responsibilities outlined in the grant solicitation and subsequent agreement.

Organizations deemed to present an unacceptable financial risk, including but not limited to those with a history of material audit/monitoring findings, significant financial instability, pending litigation that threatens solvency, or a demonstrable inability to properly manage federal or State funds, may be deemed ineligible for an award, or the Department may otherwise take the entity's financial risk into account in administering grants or selecting grantees.

MD Labor may also take into consideration an organization's status concerning any current or past obligations to the State of Maryland or the federal government, including but not limited to unpaid taxes, Family and Medical Leave Insurance, or Unemployment Insurance obligations. Submission of an application constitutes the applicant's acknowledgment of this financial risk assessment policy and the applicant's commitment to provide all necessary and accurate financial documentation upon request to facilitate this determination. Failure to meet MD Labor's standards for financial responsibility may result in disqualification from the funding opportunity.

REPORTING, MONITORING AND RECORD RETENTION

REPORTING

MD Labor requires grantees to submit quarterly programmatic and fiscal reports. Reports are due on the 10th of the month following the end of the quarter. Continued funding is conditional on the recipient's satisfactory performance and compliance. At any time, MD Labor can decrease, recover funding, or terminate an award if the grantee fails to perform the requirements of the award.

MONITORING

MD Labor, as it deems necessary, will monitor grantees, both fiscally and programmatically, on the terms under which this grant is awarded. However, failure of MD Labor to supervise, evaluate, or provide guidance and direction shall not relieve the grantee of any liability for failure to comply with the terms of the grant award.

RECORD RETENTION

MD Labor requires documentation of processes for record retention and requires folders and documentation to be maintained for a period of at least three years following the exit date. If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until three years after all litigation, claims, or audit findings involving the records have been resolved and final action has been taken.

Grantees must ensure the confidentiality, privacy, and security of data provided to or accessed by grantees under this grant and ensure compliance with the Protection of Information by Government Agencies provisions in Title 10, Subtitle 13 of the State Government Article, Annotated Code of Maryland, and any other applicable State or federal privacy laws. All records, both electronic and physical, must be maintained in accordance with DWDAL's policy concerning security, to maintain confidentiality and protect Personally Identifiable Information (PII)[9]. PII is participant-level and employee data that either by itself or combined with other data can link to a specific individual or identity.

When emailing documents containing PII, all grantees and MD Labor staff must use password protection, encryption (preferred), strong authentication procedures, and/or other security controls to make the information inaccessible to unauthorized individuals. Physical records must be kept in locked offices or file rooms. If the file room is shared with other programs, and/or staff other than staff authorized for this program have access to that room, then the files must be maintained in locked cabinets.

[9] DWDAL's Policy Issuance on privacy and data security can be found here: https://labor.maryland.gov/employment/mpi/mpi17-26.pdf

FAIR PRACTICES AND ACCESSIBILITY

It is MD Labor's policy that all persons have equal opportunity and access to services and facilities without regard to race, religion, color, sex, marital status, genetic information, age, national origin or ancestry (including Limited English Proficiency), disability, veteran status, political affiliation or belief, for the beneficiaries, applicants, and participants only, based on citizenship status, or participation in a program or activity that receives financial assistance. Interested parties may refer to MD Labor's Nondiscrimination Plan[10] and Language Access Plan[11] for more information on accommodations and services.

[10] See MD Labor's Non-Discrimination Plan here: http://www.labor.maryland.gov/employment/ndp/

[11] See MD Labor's Language Access Plan here: http://www.labor.maryland.gov/employment/wioa-access.pdf

REFERENCES

LAW

- Workforce Innovation and Opportunity Act (WIOA), 29 U.S.C. § 3101 et. seq (2015);
- Md. Ann. Code, Labor and Emp. Art., Title 11, Division of Employment and Training.

REGULATION

- 2 CFR Part 200 and 2900 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 20 CFR Part 682 – Statewide Activities under Title I of the Workforce Innovation and Opportunity Act;
- 20 CFR Part 683 – Administrative Provisions under Title I of the Workforce Innovation and Opportunity Act; and
- 29 CFR Part 38 –"Implementation of the Nondiscrimination and Equal Opportunity Provisions of the Workforce Innovation and Opportunity Act.

OTHER RESOURCES

- DWDAL Policy Issuance Page;
- Language Access Plan;
- Maryland WIOA Combined State Plan;
- Maryland's Labor Market Information;
- Center for American Progress: Child Care Desert Data Dashboard;
- Maryland State Department of Education Family Child Care; and
- MD Labor's Non-Discrimination Plan.