



**Mohammed Choudhury**  
State Superintendent of Schools

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DATE: July 6, 2022

TO: Child Care Stabilization Grants Round Two Recipients

FROM: Steven Hicks, Assistant State Superintendent

SUBJECT: Unutilized Funds from Child Care Stabilization Grants Round Two

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From September 2021 to December 2021, MSDE issued \$158,886,393 to 5,205 child care providers in American Rescue Plan Act of 2021 Child Care Stabilization Grants Round 1. In the second round, MSDE processed 5,591 grants to providers for a total of \$109,639,052. The grant application period opened on January 3, 2022 and closed on January 23, 2022.

The Grant Information Guide for Child Care Stabilization Grant Round Two stated that the balance of any unutilized funds made available from providers not seeking a grant award would be distributed to all grant-awarded providers evenly, per licensed slot. During the month of July, MSDE will begin processing these remaining funds.

On January 17, 2022, Governor Larry Hogan announced that the State of Maryland will provide an additional \$50 million in grant funding to support child care providers during the COVID-19 pandemic, and on April 21, 2022, he approved House Bill 89. The law requires MSDE to administer child care stabilization grants in fiscal year years 2022 and 2023 to child care providers that have faced a financial hardship or suffered an operational burden during the COVID-19 pandemic.

In awarding grants MSDE must give preference to child care providers based on the following criteria, in order of priority:

1. providers that have a demonstrated financial hardship that poses significant risk of the provider's business closing within the next 12 months;
2. providers that have not received a stabilization grant in a prior application cycle;
3. providers that participate in the Child Care Scholarship Program;
4. providers located in areas designated by the State Department of Education as lacking child care slots;
5. providers that serve primarily low-income populations in areas of high poverty;
6. providers that serve children with special needs; and
7. providers that serve children 2 years old and under.

In late July, MSDE plans to release the Grant Information Guide and application. The agency will also conduct a series of technical assistance webinars. More information will be available on our website at: <https://earlychildhood.marylandpublicschools.org>. You may also subscribe to our list serv here: <https://public.govdelivery.com/accounts/MDMSDE/subscriber/new>.