

MAINE STATE LEGISLATURE

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DMC
R. 05/18

L.D. 166

Date: 3/22/2018 Majority

(Filing No. S-407)

HEALTH AND HUMAN SERVICES

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STATE OF MAINE

SENATE

128TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 58, L.D. 166, Bill, "An Act To Increase Reimbursement for Child Care Services"

Amend the bill in section 1 in subsection 4 in the 2nd line (page 1, line 4 in L.D.) by striking out the following: "at least equal" and inserting the following: 'up'

Amend the bill in section 1 in subsection 4 in the 4th line (page 1, line 6 in L.D.) by striking out the following: "must" and inserting the following: 'may'

Amend the bill by striking out all of section 2 and inserting the following:

'Sec. 2. 22 MRSA §3762, sub-§3, ¶B, as amended by PL 2017, c. 284, Pt. NNNNNNN, §10 and c. 290, §1, is further amended to read:

B. The department may use funds, insofar as resources permit, provided under and in accordance with the United States Social Security Act or state funds appropriated for this purpose or a combination of state and federal funds to provide assistance to families under this chapter. In addition to assistance for families described in this subsection, funds must be expended for the following purposes:

(1) To continue the pass-through of the first \$50 per month of current child support collections and the exclusion of the \$50 pass-through from the budget tests and benefit calculations;

(2) To provide financial assistance to noncitizens legally admitted to the United States who are receiving assistance under this subsection as of July 1, 2011. Recipients of assistance under this subparagraph are limited to the categories of noncitizens who would be eligible for the TANF programs but for their status as aliens under PRWORA. Eligibility for the TANF program for these categories of noncitizens must be determined using the criteria applicable to other recipients of assistance from the TANF program. Any household receiving assistance as of July 1, 2011 may continue to receive assistance, as long as that household remains eligible, without regard to interruptions in coverage or gaps in eligibility for service. A noncitizen legally admitted to the United States who is neither receiving assistance on July 1, 2011 nor has an application pending for assistance

8.018

- 1 on July 1, 2011 that is later approved is not eligible for financial assistance
- 2 through a state-funded program unless that noncitizen is:
- 3 (a) Elderly or disabled, as described under the laws governing supplemental
- 4 security income in 42 United States Code, Sections 1381 to 1383f (2010);
- 5 (b) A victim of domestic violence;
- 6 (c) Experiencing other hardship, such as time necessary to obtain proper
- 7 work documentation, as defined by the department by rule. Rules adopted by
- 8 the department under this division are routine technical rules as defined by
- 9 Title 5, chapter 375, subchapter 2-A; or
- 10 (d) Unemployed but has obtained proper work documentation, as defined by
- 11 the department by rule. Rules adopted by the department under this division
- 12 are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A;
- 13 (3) To provide benefits to certain 2-parent families whose deprivation is based on
- 14 physical or mental incapacity;
- 15 (4) To provide an assistance program for needy children, 19 to 21 years of age,
- 16 who are in full-time attendance in secondary school. The program is operated for
- 17 those individuals who qualify for TANF under the United States Social Security
- 18 Act, except that they fail to meet the age requirement, and is also operated for the
- 19 parent or caretaker relative of those individuals. Except for the age requirement,
- 20 all provisions of TANF, including the standard of need and the amount of
- 21 assistance, apply to the program established pursuant to this subparagraph;
- 22 (5) To provide assistance for a pregnant woman who is otherwise eligible for
- 23 assistance under this chapter, except that she has no dependents under 19 years of
- 24 age. An individual is eligible for the monthly benefit for one eligible person if
- 25 the medically substantiated expected date of the birth of her child is not more
- 26 than 90 days following the date the benefit is received;
- 27 (6) To provide a special housing allowance for TANF families whose shelter
- 28 expenses for rent, mortgage or similar payments, homeowners insurance and
- 29 property taxes equal or exceed 50% of their monthly income. The special
- 30 housing allowance is limited to \$200 per month for each family. For purposes of
- 31 this subparagraph, "monthly income" means the total of the TANF monthly
- 32 benefit and all income countable under the TANF program, plus child support
- 33 received by the family, excluding the \$50 pass-through payment;
- 34 (7) In determining benefit levels for TANF recipients who have earnings from
- 35 employment, the department shall disregard from monthly earnings the
- 36 following:
- 37 (a) One hundred and eight dollars;
- 38 (b) Fifty percent of the remaining earnings that are less than the federal
- 39 poverty level; and

COMMITTEE AMENDMENT

- 1 (c) All actual child care costs necessary for work, except that the department
2 may limit the child care disregard to \$175 per month per child or \$200 per
3 month per child under 2 years of age or with special needs;
- 4 (7-A) In determining eligibility and benefit levels, the department may apply a
5 gross income test only to applicants and not to recipients;
- 6 (7-B) In addition to the earned income disregards provided in subparagraph (7),
7 a TANF recipient who enters employment must receive a one-time employment
8 incentive payment of \$400 if that TANF recipient retains employment for the
9 subsequent 4 months after entering employment, to be paid at the end of that
10 4-month period. This subparagraph is repealed December 31, 2018;
- 11 (8) In cases when the TANF recipient has no child care cost, the monthly TANF
12 benefit is the maximum payment level or the difference between the countable
13 earnings and the standard of need established by rule adopted by the department,
14 whichever is lower;
- 15 (9) In cases when the TANF recipient has child care costs, the department shall
16 determine a total benefit package, including TANF cash assistance, determined in
17 accordance with subparagraph (7) and additional child care assistance, as
18 provided by rule, necessary to cover the TANF recipient's actual child care costs
19 up to the maximum amount specified in section 3782-A, subsection 5, paragraph
20 B. The benefit amount must be paid as provided in this subparagraph.
- 21 (a) Before the first month in which child care assistance is available to an
22 ASPIRE-TANF recipient under this paragraph and periodically thereafter, the
23 department shall notify the recipient of the total benefit package and the
24 following options of the recipient: to receive the total benefit package
25 directly; or to have the department pay the recipient's child care assistance
26 directly to the designated child care provider for the recipient and pay the
27 balance of the total benefit package to the recipient.
- 28 (b) If an ASPIRE-TANF recipient notifies the department that the recipient
29 chooses to receive the child care assistance directly, the department shall pay
30 the total benefit package to the recipient.
- 31 (c) If an ASPIRE-TANF recipient does not respond or notifies the
32 department of the choice to have the child care assistance paid directly to the
33 child care provider from the total benefit package, the department shall pay
34 the child care assistance directly to the designated child care provider for the
35 recipient. The department shall pay the balance of the total benefit package
36 to the recipient;
- 37 (10) Child care assistance under this paragraph must be paid by the department
38 in a prompt manner that permits an ASPIRE-TANF recipient to access child care
39 necessary for work; and
- 40 (11) The department shall adopt rules pursuant to Title 5, chapter 375 to
41 implement this subsection. Rules adopted pursuant to this subparagraph are
42 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

1 Amend the bill in section 3 in paragraph E in the first and 2nd lines (page 3, lines 22
2 and 23 in L.D.) by striking out the following: "at least equal" and inserting the following:
3 'up'

4 Amend the bill in section 3 in paragraph E in the 4th line (page 3, line 25 in L.D.) by
5 striking out the following: "must" and inserting the following: 'may'

6 Amend the bill in section 4 in subsection 5 in paragraph A in the first and 2nd lines
7 (page 3, lines 32 and 33 in L.D.) by striking out the following: "at least equal" and
8 inserting the following: 'up'

9 Amend the bill in section 4 in subsection 5 in paragraph A in the 4th line (page 3, line
10 35 in L.D.) by striking out the following: "must" and inserting the following: 'may'

11 Amend the bill by inserting after section 5 the following:

12 '**Sec. 6. Increasing child care center rates with additional federal funding.**
13 Any increased federal funding received by the State from increases to discretionary
14 spending for subsidized child care for low-income families in a child care and
15 development block grant from the enactment of the federal Bipartisan Budget Act of
16 2018, PL 115-123, and any subsequent funding legislation, must be used to increase
17 reimbursement rates to child care centers up to the 75th percentile of local market rates
18 for child care services. Payment rates for child care services for children with special
19 needs may be higher than the 75th percentile of local market rates.'

20 SUMMARY

21 This amendment, which is the majority report of the committee, requires that any
22 additional federal funding received in a child care and development block grant due to the
23 passage of the federal Bipartisan Budget Act of 2018, PL 115-123, and any subsequent
24 funding legislation, must be applied to increasing reimbursement rates to child care
25 centers up to the 75th percentile of local market rates for child care services. Payment
26 rates for children with special needs may be higher. Family child care providers are
27 already being reimbursed at the 75th percentile. This amendment increases rates to child
28 care centers, according to the amount of increased discretionary funding received, up to
29 the 75th percentile.

FISCAL NOTE REQUIRED,
(See attached).



Approved: 03/15/18 *MAC*

128th MAINE LEGISLATURE

LD 166

LR 585(02)

An Act To Increase Reimbursement for Child Care Services

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-407)
Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

Contingent current biennium cost increase - Federal Block Grant Fund

Fiscal Detail and Notes

This bill allows the Department of Health and Human Services (DHHS) to increase rates paid to child care centers up to the 75th percentile in the child care subsidy program, the Temporary Assistance for Needy Families Program (TANF) and the Temporary Assistance for Needy Families - Additional Support for People in Retraining and Employment Program (ASPIRE) contingent upon the Child Care and Development Block Grant discretionary funding being increased by federal legislation. The federal Bipartisan Budget Act, PL 115-123 increased federal discretionary spending to multiple programs. However, the actual programs that will receive the discretionary increases are not known at this time. When that information becomes known, the additional allocations to allow the rate increases will need to be made by financial order.

Assuming that the discretionary funding allows for the increase in the rates to the 75th percentile, DHHS would require Federal Block Grant allocations of \$6,510,610 annually. Of this funding, \$4,058,620 would be on behalf of recipients of benefits under the child care subsidy program and \$2,451,990 would be on behalf of recipients of benefits under the TANF and ASPIRE programs.