

MAINE STATE LEGISLATURE

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Date 6/12/23

(Filing No S-266)

MAJORITY

HEALTH AND HUMAN SERVICES

Reproduced and distributed under the direction of the Secretary of the Senate

STATE OF MAINE

SENATE

131ST LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S P 690, L D 1726, "An Act to Build Maine's Economy by Supporting Child Care for Working Families"

Amend the bill by striking out everything after the enacting clause and inserting the following

Sec. 1. 22 MRSA §3731-A is enacted to read

§3731-A Maine Child Care Affordability Program

The Maine Child Care Affordability Program is established in the department to provide child care subsidies under this chapter in accordance with the principles described under section 3732 to support the high-quality child care needs of children and working families while also providing a living wage to early childhood educators Eligibility for child care subsidies under the Maine Child Care Affordability Program must be determined in accordance with this chapter and rules adopted pursuant to this chapter Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A

Sec. 2. 22 MRSA §3736, sub-§2, as enacted by PL 1993, c 158, §2, is amended to read

2. Eligibility decision within 30 15 days; retroactive reimbursement. The department shall determine eligibility for child care programs administered under this chapter within 30 15 days of receiving an a completed application If a contractor determines eligibility, the department shall require that the contractor determine eligibility within 30 15 days of receiving an a completed application The department shall provide retroactive reimbursement to a child care program that provided tuition assistance to an applicant during the application period

Sec. 3. 22 MRSA §3736, sub-§4 is enacted to read

4. Changes in eligibility. The department shall notify a provider of child care services provided under this chapter within 2 business days of when a recipient's eligibility changes

COMMITTEE AMENDMENT

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Sec. 4. 22 MRSA §3736-A is enacted to read
§3736-A. Head Start eligibility, contract requirements

1 Eligibility. A Head Start program service provider shall provide Head Start program services to a child up to 5 years of age who

- A Is at risk or whose family is at risk, and
- B Lives in a family with an income at or below 185% of the federal poverty level

For the purposes of this subsection, "at risk" means affected by homelessness, substance use disorder, sexual or physical abuse or a mental health condition that affects the emotional, mental or physical health of a child "At risk" also means being or having been involved in the child welfare system or having a disability.

2 Contract requirements The Department of Health and Human Services shall specify by contract how the funding is to be apportioned among Head Start grantees based on need Head Start grantees shall report annually to the department on use of the funding.

Sec. 5. 22 MRSA §3737, sub-§5 is enacted to read

5. Payments to providers within 15 days. The department shall reimburse a provider of child care services provided under this chapter within 15 days after receiving a complete and accurate invoice if the provider has met all the required state procurement and payment requirements

Sec. 6. 22 MRSA §3740-A is enacted to read

§3740-A. Report

The department shall evaluate child care subsidies provided under this chapter and, beginning January 15, 2024 and annually thereafter, submit a report of the evaluation with recommendations on increasing enrollment and reducing barriers to families receiving child care subsidies to the joint standing committee of the Legislature having jurisdiction over health and human services matters. The report must include

- 1 Barriers.** The identification of access barriers
 - A For children and families to know about and enroll in the Maine Child Care Affordability Program established under section 3731-A, and
 - B For all child care programs to participate in the Maine Child Care Affordability Program established under section 3731-A.

2. Feedback. The ways in which the department has engaged in feedback from families and child care programs through multiple engagement tools, such as surveys, listening sessions and focus groups, and

3. Reimbursement The instances and frequency of and reasons for delayed or late reimbursement payments from the Office of Child and Family Services to participating child care programs and plans to remedy delayed or late reimbursement payments

Sec. 7. 22 MRSA §3740-B is enacted to read

§3740-B. High-quality child care costs estimator tool

1 Considerations In developing the costs estimator tool, the department shall consider

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- 1 A Including a living wage compensation scale for early childhood educators,
- 2 B Including employee salaries and benefits,
- 3 C Including facility costs,
- 4 D Including costs associated with compliance with statutory and rule requirements,
- 5 including the child care quality rating system under section 3737, subsection 3 and
- 6 specific costs associated with each step of the rating system and any quality indicators
- 7 used,
- 8 E Differentiating rates by child age and geographic region, and
- 9 F Using data and research from available studies and reports

10 2. Accessibility The estimator tool must be publicly accessible The department's
11 process for making changes to the tool must be transparent to the public

12 **Sec. 8. 22 MRS A §3740-C** is enacted to read

13 **§3740-C. Affordable child care implementation plan**

14 The department, in consultation with the Office of Child and Family Services, the
15 Children's Cabinet, established under Title 5, section 19131, subsection 1, and the council
16 shall develop, in accordance with this section, a phased implementation plan with
17 benchmarks for limiting child care costs by 2030 to no more than 7% of a family's income
18 for a family earning up to 250% of the median family income in the State The
19 implementation plan must focus on children and families that are the furthest from
20 opportunity, as determined by family income, and must include recommended targeted
21 supports for providers serving children who are underserved, and must emphasize greater
22 racial equity The implementation plan must include

23 1. Phased approach. A phased approach with benchmarks that gradually increases
24 eligibility based on income until 2030,

25 2 Copayments A graduated system of copayments to eliminate the benefit cliff effect
26 as defined in Title 26, section 3801, subsection 1 for families and to limit the amount a
27 family pays for child care,

28 3 Cost modeling Payment rates informed by a cost modeling tool that includes
29 providing a living wage to licensed child care providers,

30 4. Expanded access. Expanded access to a child care subsidy by developing a model
31 to enable the department to provide contracted slots to programs that service a family using
32 the child care subsidy, and

33 5 Strategy. A strategy, a budget, revenue recommendations and a timeline to achieve
34 the goals of this section

35 **Sec. 9. 22 MRS A §3740-D** is enacted to read

36 **§3740-D. Early childhood integrated data system**

37 This section governs data collection and reporting relating to an early childhood
38 integrated data system

39 1 Data collection. To the extent permissible under state and federal laws governing
40 early childhood programs and privacy and confidentiality, the department shall develop

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and maintain an early childhood integrated data system to integrate data from early childhood programs across state agencies, including, but not limited to, the department, the Department of Education and the Department of Labor. The early childhood integrated data system must be designed to inform decisions about early childhood programs and policies that will promote access, quality and a strong workforce to support children up to 5 years of age and their families.

2. Report. No later than January 15, 2024, and biennially thereafter, the commissioner shall submit a report to the joint standing committee of the Legislature having jurisdiction over early childhood programs that includes an update on the development and implementation of an early childhood integrated data system.

Sec. 10. Department of Health and Human Services to make changes to child care subsidy program. The Department of Health and Human Services shall

- 1 Review department rules, department materials and department publications, including on the department's publicly accessible website, and replace references to "Child Care Subsidy Program" with "Maine Child Care Affordability Program",
- 2 Promote the Maine Child Care Affordability Program, established in the Maine Revised Statutes, Title 22, section 3731-A, statewide with a plan to reach underserved and marginalized populations, and
- 3 Streamline and simplify the online invoicing and billing systems for child care providers to accurately reflect reimbursements, including quality increases, payments to child care programs and parent copayments, and to isolate payments for the changes to eligibility under the department's child care subsidy rules from state funding

Sec. 11. Child care subsidy rules. The Department of Health and Human Services shall amend its rules in Child Care Subsidy Program Rules, Chapter 6 to

- 1 Increase eligibility for child care subsidies from 85% of the State's median income to 125% of the State's median income,
- 2 Add eligibility for an employee of a licensed child care center or family child care provider if the applicant otherwise meets the eligibility requirements after the department disregards all of the employee's earned and unearned income and verifies the employee's employment, and
- 3 Reimburse child care providers that accept child care subsidies based on enrollment and not attendance

Sec. 12. Report on salary supplement rulemaking. The Department of Health and Human Services shall, no later than January 15, 2024, report to the Joint Standing Committee on Health and Human Services on the status of its rulemaking pursuant to the Maine Revised Statutes, Title 22, section 3737-A

Sec. 13. Appropriations and allocations. The following appropriations and allocations are made

HEALTH AND HUMAN SERVICES, DEPARTMENT OF
Child Care Services 0563
 Initiative Provides funding to double the monthly wage supplement for all child care workers

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COMMITTEE AMENDMENT "A" to S P 690, L D 1726 (5-26-24)

1	GENERAL FUND	2023-24	2024-25
2	All Other	\$15,000,000	\$15,000,000
3			
4	GENERAL FUND TOTAL	<u>\$15,000,000</u>	<u>\$15,000,000</u>
5	Child Care Services 0563		
6	Initiative Provides funding to increase eligibility for child care subsidies from 85% of the		
7	State's median income to 125% of the State's median income		
8	GENERAL FUND	2023-24	2024-25
9	All Other	\$9,728,280	\$10,214,694
10			
11	GENERAL FUND TOTAL	<u>\$9,728,280</u>	<u>\$10,214,694</u>
12	Child Care Services 0563		
13	Initiative Provides funding to include child care staff in the Maine Child Care Affordability		
14	Program		
15	GENERAL FUND	2023-24	2024-25
16	All Other	\$2,500,000	\$2,500,000
17			
18	GENERAL FUND TOTAL	<u>\$2,500,000</u>	<u>\$2,500,000</u>
19	Child Care Services 0563		
20	Initiative Provides funding for delivery of Head Start services to support families earning		
21	up to 185% of the federal poverty level		
22	GENERAL FUND	2023-24	2024-25
23	All Other	\$3,600,000	\$3,600,000
24			
25	GENERAL FUND TOTAL	<u>\$3,600,000</u>	<u>\$3,600,000</u>
26	Child Care Services 0563		
27	Initiative Provides funding to make system improvements to the Maine Child Care		
28	Affordability Program		
29	GENERAL FUND	2023-24	2024-25
30	All Other	\$100,000	\$100,000
31			
32	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$100,000</u>
33	Child Care Services 0563		
34	Initiative Provides one-time funding for the Department of Health and Human Services,		
35	Office of Child and Family Services, in consultation with the Maine Children's Cabinet and		
36	Maine Children's Cabinet Early Childhood Advisory Council, to create an estimator tool to		
37	calculate the cost of quality child care, which enables the State to model actual costs of		
38	child care		
39	GENERAL FUND	2023-24	2024-25
40	All Other	\$200,000	\$0
41			
42	GENERAL FUND TOTAL	<u>\$200,000</u>	<u>\$0</u>

COMMITTEE AMENDMENT

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1	Child Care Services 0563		
2	Initiative Provides one-time funding for the Department of Health and Human Services,		
3	Office of Child and Family Services to develop a phased implementation plan and		
4	benchmarks for limiting child care costs for families by 2030		
5	GENERAL FUND	2023-24	2024-25
6	All Other	\$100,000	\$100,000
7			
8	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$100,000</u>
9	Child Care Services 0563		
10	Initiative Provides one-time funding for the Department of Health and Human Services,		
11	Office of Child and Family Services to develop an early childhood integrated data system		
12	GENERAL FUND	2023-24	2024-25
13	All Other	\$100,000	\$0
14			
15	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$0</u>
16	Child Care Services 0563		
17	Initiative Provides funding to continue to reimburse child care providers that accept		
18	subsidies based on enrollment, not attendance		
19	GENERAL FUND	2023-24	2024-25
20	All Other	\$5,866,666	\$5,866,666
21			
22	GENERAL FUND TOTAL	<u>\$5,866,666</u>	<u>\$5,866,666</u>
23	Child Care Services 0563		
24	Initiative Provides funding to establish one Social Services Program Specialist II position,		
25	one Social Services Manager I position and 2 Financial Resource Specialist II positions to		
26	handle the increased workload in the program		
27	GENERAL FUND	2023-24	2024-25
28	POSITIONS - LEGISLATIVE COUNT	4 000	4 000
29	Personal Services	\$368,080	\$387,199
30	All Other	\$26,148	\$26,148
31			
32	GENERAL FUND TOTAL	<u>\$394,228</u>	<u>\$413,347</u>
33			
34	HEALTH AND HUMAN SERVICES,		
35	DEPARTMENT OF		
36	DEPARTMENT TOTALS	2023-24	2024-25
37			
38	GENERAL FUND	\$37,589,174	\$37,794,707
39			
40	DEPARTMENT TOTAL - ALL FUNDS	<u>\$37,589,174</u>	<u>\$37,794,707</u>
41			

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1 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
2 number to read consecutively

3 **SUMMARY**

4 This amendment, which is the majority report of the committee, makes the following
5 changes to the bill

6 1 It changes the name of the program from the Maine Child Care Scholarship Program
7 to the Maine Child Care Affordability Program

8 2 It clarifies that the eligibility determination for child care programs requires a
9 complete application

10 3 It clarifies that the Department of Health and Human Services is required to notify a
11 provider of eligibility changes within 2 business days

12 4 It clarifies that the department is required to reimburse providers within 15 days of
13 the provision of services after receiving a complete and accurate invoice and the provider
14 has met all the required state procurement and payment requirements

15 5 It changes all reporting dates from December 2023 to January 15, 2024

16 6 It changes the high-quality child care costs estimator to require the department to
17 create and maintain a costs estimator model and removes some of the requirements for
18 developing the tool from the bill

19 7 It changes the requirements of the early childhood integrated data system required
20 by the bill to clarify what is necessary and requires the department to report on its progress
21 on the development and implementation of the system

22 8 It removes the Child Care Task Force

23 9 It requires Head Start providers to provide services to children up to 5 years of age
24 who are at risk and below 185% of the federal poverty level, rather than all children below
25 185% of the federal poverty level

26 10 It increases the appropriations for the initiative that increases eligibility for child
27 care subsidies from 85% of the State's median income to 125% of the State's median income
28 to reflect a more accurate estimate of the cost of the initiative

29 **FISCAL NOTE REQUIRED**

30 (See attached)



131st MAINE LEGISLATURE

LD 1726

LR 1449(02)

An Act to Build Maine's Economy by Supporting Child Care for Working Families

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-266)

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$37,589,174	\$37,794,707	\$38,218,717	\$38,766,394
Appropriations/Allocations				
General Fund	\$37,589,174	\$37,794,707	\$38,218,717	\$38,766,394

Fiscal Detail and Notes

The bill includes General Fund appropriations to the Department of Health and Human Services of \$37,589,174 in fiscal year 2023-24 and \$37,794,707 in fiscal year 2024-25 to increase eligibility and wages for child care services and to implement improvements to child care subsidies and to establish one Social Services Program Specialist II position, one Social Services Manager I position and 2 Financial Resource Specialist II positions to handle the increased workload in the program

Additional costs to the Department of Labor and the Department of Education associated with the provisions in this legislation can be absorbed within existing budgeted resources