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Date: (Filing No. S-)

HEALTH AND HUMAN SERVICES

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**STATE OF MAINE
SENATE
132ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 674, L.D. 1728, “An Act to Establish the Maine Child Care Affordability Program Advisory Board”

Amend the bill by striking out the title and substituting the following:

'An Act to Improve Affordability, Stability and Access in the Maine Child Care Affordability Program'

Amend the bill by striking out all of the emergency preamble.

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

'Sec. 1. 22 MRSA §3731-A, sub-§3 is enacted to read:

3. Copayments limited. The department shall limit the amount of copayments required to be paid by families receiving subsidies under the Maine Child Care Affordability Program in accordance with this subsection.

A. A family earning up to 85% of the median family income in the State for a family of the same size may not be required to contribute more than 7% of the family’s household income as a copayment.

B. Copayments may be further reduced or waived, as determined by the department, for additional populations, including, but not limited to:

- (1) Families earning up to 30% of the median family income in the State for a family of the same size;
- (2) Children who are in foster care or kinship care;
- (3) Families experiencing homelessness; and
- (4) Families with a child with a disability.

Sec. 2. 22 MRSA §3731-B is enacted to read:

§3731-B. Copayment schedule

COMMITTEE AMENDMENT

1 The department shall post on its publicly accessible website information about
2 copayments, as determined by the department pursuant to section 3731-A, subsection 3,
3 that must be paid by families receiving subsidies under the Maine Child Care Affordability
4 Program established in section 3731-A. The information posted must include, but is not
5 limited to, the sliding fee scales used to determine family copayments, estimated amounts
6 of copayments for families based on income and family size and policies related to reduced
7 or waived copayments. The website must use plain language and must be updated when
8 copayment schedules and amounts change.

9 **Sec. 3. 22 MRSA §3737, sub-§7** is enacted to read:

10 **7. Reimbursements for subsidies.** The department shall reimburse a provider of child
11 care services provided under this chapter for subsidies provided under the Maine Child
12 Care Affordability Program established in section 3731-A administered by the department
13 pursuant to rules adopted by the department. To the extent allowable under federal law,
14 reimbursement under the program to a child care provider must be based on generally
15 accepted payment practices for private-pay families for child care, including enrollment-
16 based rather than attendance-based practices. Reimbursement based on generally accepted
17 payment practices must support child care provider stability and encourage more child care
18 providers to serve children receiving child care services under the program. In developing
19 the program, the department shall identify the practices common for child care providers
20 servicing private-pay families and determine which practices are most important to meet the
21 goals of ensuring that high-quality child care providers participate in the program. The
22 department shall make a plan to align requirements for providers accepting children
23 receiving federal Child Care and Development Fund child care assistance to the practices
24 of child care providers servicing private-pay families. The department shall examine
25 generally accepted payment practices regarding paying prospectively based on enrollment
26 and practices related to separating provider closure limits for holidays or vacations or to
27 compensate for inclement weather from child absence allowances. The department shall
28 adopt rules to implement this subsection. Rules adopted pursuant to this subsection are
29 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

30 For the purposes of this subsection, "generally accepted payment practices" are practices
31 that align with the private-pay child care market in order to encourage providers to accept
32 children receiving federal Child Care and Development Fund child care assistance and
33 enable families to retain child care services.

34 **Sec. 4. 22 MRSA §3737, sub-§8** is enacted to read:

35 **8. Subsidy above equivalent private rate.** To the extent allowable by federal law,
36 the department may reimburse a provider of child care services for subsidies provided
37 under the Maine Child Care Affordability Program established in section 3731-A at the
38 market rate established pursuant to subsection 4 to better reflect the cost of providing care
39 even if that rate is higher than the rate charged by a provider of child care for a child in a
40 family that is not receiving a subsidy under this chapter.'

41 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
42 number to read consecutively.

SUMMARY

1
2 This amendment replaces the bill, changes the title and removes references to the
3 Maine Child Care Affordability Program Advisory Board. The amendment does the
4 following.

5 1. It establishes a cap on copayments for families receiving subsidies under the Maine
6 Child Care Affordability Program. A family with income up to 85% of the median family
7 income in the State not may be required to pay more than 7% of the family’s household
8 income. This is the current limit on copayments in federal child care subsidy regulations.

9 2. It allows the Department of Health and Human Services to further reduce or waive
10 copayments for additional populations, including families with income up to 30% of the
11 median family income in the State, children in foster care or kinship care, families
12 experiencing homelessness and families with a child with a disability.

13 3. It requires the department to post on its publicly accessible website information
14 related to the copayments required from families receiving subsidies under the program.

15 4. It requires the department to reimburse child care providers for subsidies based on
16 enrollment rather than attendance. Payment practices must promote the financial stability
17 of child care providers and continuity of care for children.

18 5. It allows the department to reimburse child care providers receiving a subsidy at a
19 rate that is higher than the amount charged for a child in a family that is not receiving a
20 subsidy.

21 **FISCAL NOTE REQUIRED**

22 **(See attached)**