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Date: (Filing No. S- )

**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 “ ” 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**

1           **Sec. 4. 22 MRSA §3736-A** is enacted to read:

2           **§3736-A. Head Start eligibility; contract requirements**

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

5           A. Is at risk or whose family is at risk; and

6           B. Lives in a family with an income at or below 185% of the federal poverty level.

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

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

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

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

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

20           **§3740-A. Report**

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

26           **1. Barriers.** The identification of access barriers:

27           A. For children and families to know about and enroll in the Maine Child Care  
28           Affordability Program established under section 3731-A; and

29           B. For all child care programs to participate in the Maine Child Care Affordability  
30           Program established under section 3731-A;

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

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

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

38           **§3740-B. High-quality child care costs estimator tool**

39           **1. Considerations.** In developing the costs estimator tool, the department shall  
40           consider:

- 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 MRSA §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 MRSA §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

1 and maintain an early childhood integrated data system to integrate data from early  
2 childhood programs across state agencies, including, but not limited to, the department, the  
3 Department of Education and the Department of Labor. The early childhood integrated  
4 data system must be designed to inform decisions about early childhood programs and  
5 policies that will promote access, quality and a strong workforce to support children up to  
6 5 years of age and their families.

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

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

13 1. Review department rules, department materials and department publications,  
14 including on the department's publicly accessible website, and replace references to "Child  
15 Care Subsidy Program" with "Maine Child Care Affordability Program";

16 2. Promote the Maine Child Care Affordability Program, established in the Maine  
17 Revised Statutes, Title 22, section 3731-A, statewide with a plan to reach underserved and  
18 marginalized populations; and

19 3. Streamline and simplify the online invoicing and billing systems for child care  
20 providers to accurately reflect reimbursements, including quality increases, payments to  
21 child care programs and parent copayments, and to isolate payments for the changes to  
22 eligibility under the department's child care subsidy rules from state funding.

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

25 1. Increase eligibility for child care subsidies from 85% of the State's median income  
26 to 125% of the State's median income;

27 2. Add eligibility for an employee of a licensed child care center or family child care  
28 provider if the applicant otherwise meets the eligibility requirements after the department  
29 disregards all of the employee's earned and unearned income and verifies the employee's  
30 employment; and

31 3. Reimburse child care providers that accept child care subsidies based on enrollment  
32 and not attendance.

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

37 **Sec. 13. Appropriations and allocations.** The following appropriations and  
38 allocations are made.

39 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

40 **Child Care Services 0563**

41 Initiative: Provides funding to double the monthly wage supplement for all child care  
42 workers.

1	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
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	<b>Child Care Services 0563</b>		
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	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
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	<b>Child Care Services 0563</b>		
13	Initiative: Provides funding to include child care staff in the Maine Child Care Affordability		
14	Program.		
15	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
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	<b>Child Care Services 0563</b>		
20	Initiative: Provides funding for delivery of Head Start services to support families earning		
21	up to 185% of the federal poverty level.		
22	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
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	<b>Child Care Services 0563</b>		
27	Initiative: Provides funding to make system improvements to the Maine Child Care		
28	Affordability Program.		
29	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
30	All Other	\$100,000	\$100,000
31			
32	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$100,000</u>
33	<b>Child Care Services 0563</b>		
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	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
40	All Other	\$200,000	\$0
41			
42	GENERAL FUND TOTAL	<u>\$200,000</u>	<u>\$0</u>

1	<b>Child Care Services 0563</b>		
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	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
6	All Other	\$100,000	\$100,000
7			
8	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$100,000</u>
9	<b>Child Care Services 0563</b>		
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	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
13	All Other	\$100,000	\$0
14			
15	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$0</u>
16	<b>Child Care Services 0563</b>		
17	Initiative: Provides funding to continue to reimburse child care providers that accept		
18	subsidies based on enrollment, not attendance.		
19	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
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	<b>Child Care Services 0563</b>		
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	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
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	<b>HEALTH AND HUMAN SERVICES,</b>		
35	<b>DEPARTMENT OF</b>		
36	<b>DEPARTMENT TOTALS</b>	<b>2023-24</b>	<b>2024-25</b>
37			
38	<b>GENERAL FUND</b>	<b>\$37,589,174</b>	<b>\$37,794,707</b>
39			
40	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u><b>\$37,589,174</b></u>	<u><b>\$37,794,707</b></u>
41			

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)**