

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-SIX

S.P. 674 - L.D. 1728

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

Be it enacted by the People of the State of Maine as follows:

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

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

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

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

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

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

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