



# 131st MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2023

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Legislative Document

No. 1726

S.P. 690

In Senate, April 20, 2023

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

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Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by President JACKSON of Aroostook.  
Cosponsored by Representative TERRY of Gorham and  
Senators: BALDACCI of Penobscot, BENNETT of Oxford, RENY of Lincoln, VITELLI of  
Sagadahoc, Representatives: COLLAMORE of Pittsfield, MEYER of Eliot, MILLETT of  
Waterford, MILLETT of Cape Elizabeth.

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

2 **Sec. 1. 5 MRSA §12004-I, sub-§39-A** is enacted to read:

3 **39-A. Human Services**

4 <u>Human</u>	<u>Child Care Task Force</u>	<u>Not Authorized</u>	<u>22 MRSA</u>
5 <u>Services</u>			<u>§3740-E</u>

6 **Sec. 2. 22 MRSA §3731-A** is enacted to read:

7 **§3731-A. Maine Child Care Scholarship Program**

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

16 **Sec. 3. 22 MRSA §3736, sub-§2**, as enacted by PL 1993, c. 158, §2, is amended to  
17 read:

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

25 **Sec. 4. 22 MRSA §3736, sub-§4** is enacted to read:

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

28 **Sec. 5. 22 MRSA §3736, sub-§5** is enacted to read:

29 **5. Payments to providers within 15 days.** The department shall reimburse a provider  
30 of child care services provided under this chapter within 15 days.

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

32 **§3740-A. Report**

33 The department shall evaluate child care subsidies provided under this chapter and,  
34 beginning December 6, 2023 and annually thereafter, submit a report of the evaluation with  
35 recommendations on increasing enrollment and reducing barriers to families receiving  
36 child care subsidies to the joint standing committee of the Legislature having jurisdiction  
37 over health and human services matters. The report must include:

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

39 A. For children and families to know about and enroll in the Maine Child Care  
40 Scholarship Program established under section 3731-A; and

1           B. For all child care programs to participate in the Maine Child Care Scholarship  
2           Program established under section 3731-A;

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

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

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

10           **§3740-B. Quality child care costs estimator tool**

11           The department, in consultation with the Children's Cabinet established under Title 5,  
12           section 19131, subsection 1 and the council, shall create and maintain an estimator tool in  
13           accordance with this section to calculate the actual cost of quality child care.

14           **1. Requirements.** The estimator tool must:

15           A. Include a living wage compensation scale for early childhood educators pursuant to  
16           the recommendations of the Child Care Task Force established in section 3740-E;

17           B. Include regional differences in costs;

18           C. Include employee salaries and benefits;

19           D. Include facility costs;

20           E. Include costs associated with compliance with statutory and rule requirements,  
21           including the child care quality rating system participation under section 3737,  
22           subsection 3 and specific costs associated with each step of the rating system and any  
23           quality indicators used; and

24           F. Use data and research available from existing studies and reports.

25           **2. Considerations.** In developing the estimator tool, the department shall:

26           A. Evaluate the effectiveness of current boundaries of child care subsidy regions;

27           B. Consider differentiating child care subsidy rates by child age and geographic region;  
28           and

29           C. Examine alternatives to the current system under paragraph B, such as zip code level  
30           regions or regionalization based on urban, suburban or rural designations.

31           **3. Accessibility.** The estimator tool must be publicly accessible. The department's  
32           process for making changes to the tool must be transparent to the public.

33           **Sec. 8. 22 MRSA §3740-C** is enacted to read:

34           **§3740-C. Affordable child care implementation plan**

35           The department, in consultation with the Office of Child and Family Services, the  
36           Children's Cabinet, established under Title 5, section 19131, subsection 1, and the council  
37           shall develop, in accordance with this section, a phased implementation plan with  
38           benchmarks for limiting child care costs, by 2030, to no more than 7% of a family's income  
39           for a family earning up to 250% of the median family income in the State. The

1 implementation plan must focus on children and families that are the furthest from  
2 opportunity, as determined by family income, and must include recommended targeted  
3 supports for providers serving children who are underserved, and must emphasize greater  
4 racial equity. The implementation plan must include:

5 **1. Phased approach.** A phased approach with benchmarks, that gradually increases  
6 eligibility based on income until 2030;

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

10 **3. Cost modeling.** Payment rates informed by a cost modeling tool that includes  
11 providing a living wage to licensed child care providers;

12 **4. Expanded access.** Expanded access to a child care subsidy by developing a model  
13 to enable the department to provide contracted slots to programs that service a family using  
14 the child care subsidy; and

15 **5. Strategy.** A strategy, a budget, revenue recommendations and a timeline to achieve  
16 the goals of this section.

17 **Sec. 9. 22 MRSA §3740-D** is enacted to read:

18 **§3740-D. Early childhood integrated data system**

19 This section governs data collection and reporting relating to an early childhood  
20 integrated data system.

21 **1. Data collection.** The commissioner shall collect data in accordance with this  
22 subsection to create an early childhood integrated data system to provide information  
23 across agencies to make decisions about programs and policies that promote access, quality  
24 and a strong workforce to support children who have not attained 10 years of age. The data  
25 collected must include information on the early childhood educator workforce and child  
26 care data for child care facilities and family child care providers licensed under section  
27 8301-A, including, but not limited to, workforce demographics, salaries and benefits;  
28 enrollment and staffing demographics; and assessments on cost-of-care and affordability.  
29 Race, ethnicity and geographic information must be included in each data set collected.

30 **2. Report.** No later than December 15, 2023 and biennially thereafter, the  
31 commissioner, the Commissioner of Education and the Commissioner of Labor shall  
32 jointly submit a report to the joint standing committees of the Legislature having  
33 jurisdiction over child care matters that includes a review of the adequacy of the pathways  
34 to early childhood education careers and an evaluation of how the collection of data under  
35 subsection 1 and coordinated, dedicated funding are supporting the ongoing development  
36 of an early care and education system. The joint standing committees that receive the report  
37 may report out legislation relating to the report.

38 **Sec. 10. 22 MRSA §3740-E** is enacted to read:

39 **§3740-E. Child Care Task Force**

40 The Child Care Task Force, referred to in this section as "the task force," is established  
41 to make recommendations to the department about child care.

1           **1. Membership.** The task force consists of 14 members appointed by the  
2 commissioner as follows:

3           A. One nonprofit child care administrator;

4           B. One for-profit child care administrator;

5           C. Two family child care provider owners;

6           D. Two educators working in child care programs;

7           E. One representative from a state association representing early childhood education;

8           F. One representative from a state association representing diversity, equity and  
9 inclusion;

10          G. One representative of child care providers;

11          H. One representative of the child care quality rating system under section 3737;

12          I. Two parents;

13          J. One economist; and

14          K. One policy analyst or researcher.

15          **2. Chairs.** The first 2 named members of the task force serve as chairs.

16          **3. Duties.** The task force shall develop policy recommendations and provide the  
17 recommendations to the Office of Child and Family Services regarding the following:

18          A. Preserving and increasing racial and ethnic equity and diversity and recognizing the  
19 value of cultural competency and multilingualism in the child care workforce;

20          B. Providing a salary floor that supports recruitment and retention of a qualified  
21 workforce in every early education setting, determined by an analysis of fields that  
22 compete to recruit workers with comparable skills, competencies and experience of  
23 early childhood educators;

24          C. Indexing salaries for child care providers against the salary for a typical preschool  
25 lead teacher, differentiating base compensation for varying levels of responsibility  
26 within the early childhood workplace, including consideration of center directors,  
27 assistant directors, lead teachers, assistant teachers, paraprofessionals, family child  
28 care facility owners and family home assistants;

29          D. Incentivizing attainment of relevant higher education credentials and credential  
30 equivalencies, including early learning certificates, associate degrees, bachelor's  
31 degrees, master's degrees and doctoral degrees; training; and years of experience by  
32 increasing compensation for each of these;

33          E. Considering credential equivalencies, including certified demonstration of  
34 competencies developed through apprenticeships, peer learning models, community-  
35 based training, elective training and other strategies;

36          F. Considering a child care provider's years of experience in the field and years of  
37 experience at the child care provider's current site;

38          G. Differentiating subsidy rates by region; and

1 H. Providing additional targeted investments for child care providers serving a high  
2 proportion of families receiving a child care subsidy, child care providers  
3 demonstrating additional linguistic or cultural competency and child care providers  
4 serving populations furthest from opportunity, as defined by family income, including:

5 (1) Families experiencing homelessness;

6 (2) Children in foster care;

7 (3) Underserved geographic communities;

8 (4) Underserved ethnic or linguistic communities;

9 (5) Underserved age groups, such as infants and toddlers; and

10 (6) Populations with specialized health or educational needs.

11 **4. Staffing.** The department shall provide staffing for the task force.

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

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

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

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

24 **Sec. 12. Child care subsidy rules.** The Department of Health and Human Services  
25 shall amend its rules in Child Care Subsidy Program Rules, Chapter 6 to:

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

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

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

34 **Sec. 13. Head Start eligibility rules.** The Department of Health and Human  
35 Services shall amend its rules in Head Start Program, Chapter 5 to increase eligibility for  
36 enrollment in Head Start to 185% of the federal poverty level.

37 **Sec. 14. Report on salary supplement rulemaking.** The Department of Health  
38 and Human Services shall, no later than December 15, 2023, report to the joint standing  
39 committee of the Legislature having jurisdiction over health and human services matters

1 on the status of its rulemaking pursuant to the Maine Revised Statutes, Title 22, section  
2 3737-A.

3 **Sec. 15. Appropriations and allocations.** The following appropriations and  
4 allocations are made.

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

6 **Child Care Services 0563**

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

9	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
10	All Other	\$15,000,000	\$15,000,000
11			
12	GENERAL FUND TOTAL	<u>\$15,000,000</u>	<u>\$15,000,000</u>

13 **Child Care Services 0563**

14 Initiative: Provides funding to increase eligibility for child care subsidies from 85% of the  
15 State's median income to 125% of the State's median income.

16	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
17	All Other	\$3,700,000	\$3,700,000
18			
19	GENERAL FUND TOTAL	<u>\$3,700,000</u>	<u>\$3,700,000</u>

20 **Child Care Services 0563**

21 Initiative: Provides funding to include child care staff in the Maine Child Care Scholarship  
22 Program.

23	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
24	All Other	\$2,500,000	\$2,500,000
25			
26	GENERAL FUND TOTAL	<u>\$2,500,000</u>	<u>\$2,500,000</u>

27 **Child Care Services 0563**

28 Initiative: Provides funding for delivery of Head Start services to support families earning  
29 up to 185% of the federal poverty level.

30	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
31	All Other	\$3,600,000	\$3,600,000
32			
33	GENERAL FUND TOTAL	<u>\$3,600,000</u>	<u>\$3,600,000</u>

34 **Child Care Services 0563**

35 Initiative: Provides funding to make system improvements to the Maine Child Care  
36 Scholarship Program.

37	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
38	All Other	\$100,000	\$100,000
39			
40	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$100,000</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, in consultation with the Maine Children's Cabinet and		
4	Children's Cabinet Early Childhood Advisory Council, to create an estimator tool to		
5	calculate the cost of quality child care, which enables the State to model actual costs of		
6	child care.		
7	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
8	All Other	\$200,000	\$0
9			
10	GENERAL FUND TOTAL	<u>\$200,000</u>	<u>\$0</u>
11	<b>Child Care Services 0563</b>		
12	Initiative: Provides one-time funding for the Department of Health and Human Services,		
13	Office of Child and Family Services to develop a phased implementation plan and		
14	benchmarks for limiting child care costs for families by 2030.		
15	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
16	All Other	\$100,000	\$0
17			
18	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$0</u>
19	<b>Child Care Services 0563</b>		
20	Initiative: Provides one-time funding for the Department of Health and Human Services,		
21	Office of Child and Family Services to develop an early childhood integrated data system.		
22	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
23	All Other	\$100,000	\$0
24			
25	GENERAL FUND TOTAL	<u>\$100,000</u>	<u>\$0</u>
26	<b>Child Care Services 0563</b>		
27	Initiative: Provides funding to continue to reimburse child care providers who accept		
28	subsidies based on enrollment, not attendance.		
29	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
30	All Other	\$4,800,000	\$4,800,000
31			
32	GENERAL FUND TOTAL	<u>\$4,800,000</u>	<u>\$4,800,000</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>\$30,100,000</b>	<b>\$29,700,000</b>
39			
40	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u><b>\$30,100,000</b></u>	<u><b>\$29,700,000</b></u>



**SUMMARY**

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This bill establishes the Maine Child Care Scholarship Program within the Department of Health and Human Services to encompass the former child care subsidy program and new eligibility for child care providers. The bill directs the department to amend its procedures regarding eligibility and reimbursement, submit an annual report relating to child care subsidies to the joint standing committee of the Legislature having jurisdiction over health and human services matters and to implement various departmental improvements to the child care subsidy program. The bill establishes the Child Care Task Force to make recommendations to the department regarding quality child care. The bill provides funding to increase eligibility and wages for child care services and to implement the improvements to child care subsidies. The bill also directs the department, by 2030, to implement a program to achieve affordable child care.