



MEMORANDUM

TO: Joint Standing Committee on Health and Human Services
FROM: Bobbi L. Johnson, LMSW, Director, Office of Child and Family Services
DATE: March 25, 2025
SUBJECT: Follow up to Discussion with HHS re: Child Welfare Child Care Payments

Background Information re: OCFS Payments to Child Care Providers

Child Care Affordability Program (CCAP) helps eligible families to pay for child care so parents can work, go to school, or participate in a job training program. For CCAP children, providers are paid through provider agreements with OCFS. Children who are in state custody, and some children who are adopted with child care support as part of their adoption agreement, have their child care paid through a separate process routed through the child welfare division at OCFS. Below is an explanation of these two processes, including where they differ:

Child Care Affordability Program

- Eligibility is determined by Financial Resource Specialist (FRS)
- Must meet federal and state eligibility requirements
- Currently, invoices are processed by FRS. Once OCFS launches the Baxter Child Care Management System in May 2025, payments will be made prospectively every two weeks based on enrollment at the state market rate
- Funding sources include a mix of federal (such as child care development block grant /child care development fund) and state general funds.

CCAP Payment Process

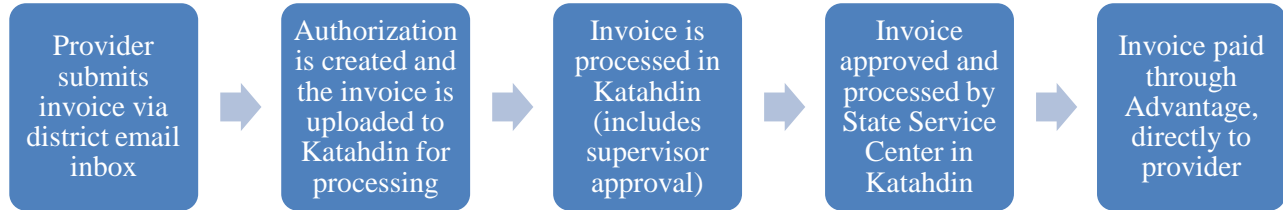


Child Care for Children in Care (State Child Welfare Custody)

- The need for child care is often connected to the ability to identify a placement. Many resource parents are employed and require child care for infants, toddlers and school age children placed in their homes. If child care is unavailable, a resource home may not be an option for placement.
- Child Welfare pays the same rate as CCAP, unless a specific exception is authorized (for example, additional funds for a child with higher needs)
- Invoices are entered by support staff or the caseworker and require supervisor approval

- Funding sources include state general funds, some of which leverages Title IV-E federal funds for children who are IV-E eligible in foster care.

Child Welfare Child Care Payment Process



Child Welfare Child Care Process Delays

Challenges identified in this process that can lead to delays include:

- New vendors require a vendor setup that is mostly outside the control of OCFS (Service Center & Office of the State Controller)
- The preferred method for invoicing is the district child care inbox but OCFS still receive invoices sent directly to caseworkers, by mail and fax.
- Irregular invoicing timing (weekly, bi-weekly, monthly, bi-monthly)
- High turnover in district staff positions
- Invoiced rate differs from authorized (private pay rate v. market rate)
- Incomplete invoices (missing or incorrect information)

Additionally, during the presentation to HHS on March 19th, Senator Moore inquired whether OCFS could quantify the percentage of payments to child care providers that are sent on time. While we recognize any delay can be a challenge for a provider, data demonstrate that 99 percent of payments for invoices that are complete and entered into the system are processed within 15 days.

Current & Next Steps Toward Addressing Process Challenges

Interim steps already taken:

- Established a mailbox for resource parents and child care providers to raise concerns related to payment which could also include child care expenditures. Encouraged resource parents to contact the supervisor or district leadership if unable to reach the caseworker. This message was paired with the dissemination of the updated [Resource Parents Bill of Rights](#) in early 2025.

Ongoing efforts:

- Addressing issues on a case-by-case basis as they are brought to management's attention.
- Work with the Department's Operational Excellence (OpEx) Team to identify constraints in the child welfare child care workflow process and recommend mitigation strategies. OCFS' goals is to process invoices as quickly as possible and eliminate any backlog of pending invoices.

- Vendor Form Processing project – current OpEx initiative to streamline the process for establishing an OCFS provider in the state vendor system
- Central Office Child Care pilot – previous initiative, one staff in central office was assigned to support child welfare staff and providers in Biddeford / Sanford, Portland, Lewiston, Rockland and the Augusta district offices acting as a centralized resource for child care related inquiries, connecting children in care to available providers and processing payments
- OCFS is exploring the long-term strategy of moving children in foster care to the Child Care Affordability Program (CCAP), transferring child welfare funding to CCAP if necessary.

Data

Children in Care by Age (3/18/2025)

Age Range	Children
0 to 4	841
5 to 12	948
13-17	378
18-23	135
Total	2302

Children Receiving Child Care Services Through Child Welfare (3/18/2025)

Age Range	Facility	Family	Total	Percent
0 to 4	353	92	445	53%
5 to 12	215	56	271	29%
13 to 17	6	7	13	3%
Total	574	155	729	

Licensed Child Care Programs (3/18/2025)

Provider Type	All Licensed Providers	# Providing Child Care to Children in DHHS Custody
Child Care Facility	791	231
Family Child Care Provider	663	89
Total	1454	320