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Maine Association for the
Education of Young Children

Testimony of Heather Marden,
on behalf of the Maine Association for the Education of Young Children (MaineAEYC),
before the Health and Human Services Committee, in support of
LD 1726 An Act to Build Maine's Economy by Supporting Child Care for Working Families

May 10th, 2023

Senator Baldacci, Representative Meyer, and distinguished members of the Health and Human Services Committee, my name is Heather Marden and I am writing on behalf of the Maine Association for the Education of Young Children (MaineAEYC)

MaineAEYC promotes high-quality early learning for all children, birth through age 8, by connecting practice, policy, and research. We advance a diverse, dynamic early childhood profession and support all who care for, educate, and work on behalf of young children and families.

Double the investment for the Child Care Educator Wage Supplement Program

Starting on October 1, 2021, the Office of Child and Family Services started providing \$200 monthly stipends to educators and staff in child care programs working directly with children with ARPA Child Care Stabilization Funds. This program has continued as part of Maine's budget as approved in the Supplemental Budget last session and carried over in the Part A budget of this legislative session.

•Over 6,800 educators have been receiving \$200 per month

•Around 86% of child care programs have been participating in the stipend program

Beginning July 1st, 2023 those \$200 monthly stipends will become tiered based on an educator's experience, training, and credentials. Tiering the stipends were widely favored in the child care field as a result of listening sessions hosted by OCFS and attended by those working in child care and other stakeholders. We greatly appreciate this program being designed with field engagement in mind.

The monthly stipend increased wages by roughly \$1.20 per hour for full-time employees. The average child care wage most recently reported by the Maine Department of Labor is \$15.42 per hour. That's an average of around \$32,000 annually for full-time child care educators. In the category of Personal Care and Service, this falls below the hourly averages of nonfarm animal caretakers, animal trainers, and recreation workers. You will hear from many others about how this level of pay is not competitive in the labor market, especially when you account for the lack of benefits that child care programs can provide to their employees.

The MDOL also reports that there is an annual rate of employment openings in child care of around 559 with a net growth rate of employment of -191 by 2030. The only other occupation

listed in the category of Personal Care and Services with a negative net growth is morticians with a -1 net growth. This puts child care in the top 20 of occupations with the largest projected net job losses in the state. If we don't reverse this trend, Maine will be continuing to go without vital child care services.

Filter Major Group: Detailed Occupations Only, Major Groups Only

Select an Occupational Group: Personal Care and Services

Select a Detailed Occupation: All

Education/Training Required: All

SOC Code: All

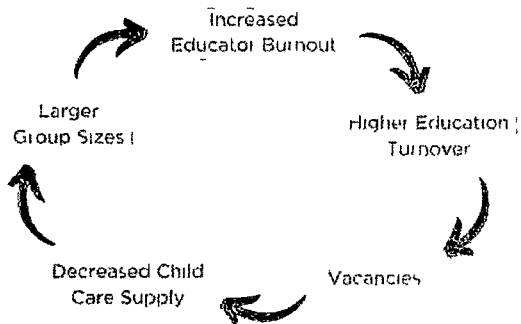
Employment and Job Openings in Maine in 2020 and Projected 2030
 Occupational Group: Personal Care and Services
 Education/Training Required: All

Job Title	2020 Employment	2030 Employment	Net Growth	Percent Change	Annual Growth Openings	Annual Exits & Transfers	Annual Total Openings	Annual Openings Rate	Average Wage (Hourly)	Median Wage (Hourly)
Child-care Workers	4,310	4,119	191	-4.3%	9	578	569	13.0%	\$15.42	\$14.84
Hairstylists, Hairdressers, and Cosmetologists	1,881	2,084	193	9.7%	18	214	232	12.3%	\$22.74	\$20.58
Recreation Workers	1,602	1,694	92	5.7%	9	252	261	18.3%	\$17.20	\$15.63
Fitness Trainers and Aerobics Instructors	1,601	1,868	265	16.6%	27	267	293	16.3%	\$22.25	\$19.44
Nonfarm Animal Caretakers	1,515	1,705	190	12.5%	19	237	258	16.9%	\$16.56	\$14.86
Amusement and Recreation Attendants	621	682	61	9.8%	4	135	139	22.4%	\$14.64	\$13.81
Crematory Operators and Personal Care and Service Workers, All	521	508	-13	-2.5%	5	72	77	14.6%		
Ushers, Lobby Attendants, and Ticket Takers	371	484	113	30.7%	8	95	104	28.0%	\$13.78	\$13.44
Funeral Attendants	279	275	-4	-1.4%	0	37	37	13.3%	\$18.92	\$16.93
Locker Room, Coatroom, and Dressing Room Attendants	238	254	16	6.7%	2	52	54	22.7%	\$14.30	\$14.25
Residential Advisors	230	235	5	2.2%	1	33	33	14.3%	\$19.24	\$18.14
Manicurists and Pedicurists	191	222	31	16.2%	3	21	24	12.8%	\$18.93	\$15.73
Skincare Specialists	184	193	9	4.9%	3	18	21	12.6%	\$22.62	\$21.03
Animal Trainers	125	146	21	16.8%	2	16	18	14.4%	\$18.19	\$15.84
Morticians, Undertakers, and Funeral Directors	111	110	-1	-0.9%	0	13	13	11.7%	\$27.84	\$29.02
Tour and Travel Guides	97	118	21	21.7%	2	17	19	19.6%	\$19.03	\$17.32
Motion Picture Projectionists	15	16	1	6.7%	0	4	4	26.7%	\$15.20	\$15.07

Note: Average/median wages are for wage and salary workers from the 2022 Occupational Employment and Wage Estimates for Maine and do not include the self-employed.

In a recent rapid survey that our Organization conducted to see how the decline in the child care workforce affects enrollment at child care programs, 40% of programs indicated that they were understaffed. You will hear from programs today that reduction in educators means they have had to reduce their enrollment of children.

Lower ratios and smaller group sizes are necessary to keep children safe - but they also keep educators in their programs by limiting staff burnout, turnover, and staffing shortages. Efforts to loosen regulations, driven by a goal of increasing supply and program revenue, will actually have the opposite effect by driving educator burnout and turnover even higher.



Working in child care is a high demand job. Meeting the cognitive, emotional, and physical needs of young children on top of ensuring their safety takes every second of your attention and skill. There is no down time when teaching and nurturing young children. The lack of pay and benefits coinciding with high demands of this work contributes significantly to burnout in the field. It is why ratios are important. In addition to the safety of children, it prevents piling more demands on our already overburdened child care workforce.

This is why we need solutions that invest in the people who are dedicated to this work. The solution is to increase public investment in child care to cover the cost of providing quality care. This by definition must include competitive

compensation that recognizes the skill, competency, and value of early childhood educators, and allows for the recommended ratios and group sizes that are needed for educators to want to do their jobs, and to do them safely and well. Increasing the monthly wage stipend is one of those solutions in the short and long term.

"Having worked in settings with different ratios, I can assure you that the lower the ratio, the better the quality of care. To increase ratios would not only be detrimental to the developing child, it would increase burnout rates for a workforce that already carries a heavy load for minimal pay and benefits" - Jenn Boisvert, Early

Childhood Educator from Westbrook, Maine

When the child care wage stipend program becomes tiered in July, \$200 potentially becomes the average monthly stipend resulting in a loss of wages for some educators who have become accustomed to and rely on this income.

Doubling the investment in the monthly child care wage stipend program would support retention and growth in the child care industry. As one program told me, "One of my educators is staying with me because of the monthly wage stipend, if her stipend is lowered then I'm afraid I will lose her."

It is our hope that increasing these wage stipends could structure the program in a way that \$200 per month becomes the floor, meaning no educator sees a reduction in their pay as the tiers are developed while the majority of educators actually see an increase in their monthly stipend. The investment in this bill could potentially mean that \$400 becomes the average of the tiers.

Structure the Child Care Subsidy reimbursements based on enrollment, not attendance

Another important element of this bill is the continuation of reimbursing child care programs who accept subsidies based on the enrollment of children in their program and not just their attendance day to day.

With federal funding from COVID relief dedicated for child care in Maine, the Office of Child and Family Services were able to make this positive and significant change to the child care subsidy program. Prior to the pandemic, child care programs who accepted children enrolled in the Child Care Subsidy Program did not get paid for the days that children were absent from their program due to being sick, going to appointments or any other reasons they were out for a day or longer.

Thankfully, COVID relief funding allowed OCFS to reimburse child care programs for the spot in the program and not just the days a child was in attendance. We are asking you to support funding that would keep this positive change as permanent in our subsidy system.

Imagine if we only paid public schools based on when children attended and not days they were absent. Schools would not be able to sustain that loss of income for their vital programming.

Child care programs are no different. To accept children on subsidy and then not get paid on days the child is absent hurts their bottom line. Regardless of children being absent at a program, educators still show up, the lights are still turned on, the bills still have to be paid. In fact, private pay families still pay tuition when their child is sick or they take a vacation. Parents

who utilize subsidies still have to pay their copays on those days. The Child Care Subsidy Program must be supported by funding to reimburse programs in the same way.

Reduce CCSP eligibility determination and child care program reimbursement to 15 days

Another hopeful support in CCSP that we are seeking comes from recommendations we made when Maine submitted our state's Child Care Development Fund Plan in 2021. This includes reducing the time in which families are approved for subsidy enrollment from 30 days to 15 days after a completed application is filed. With the scarcity of child care, when a spot opens up for a family, they need to access that spot quickly or they will lose it. Families who need the support of child care subsidy cannot afford to pay up to 30 days to hold that spot for their child while they are awaiting approval. The subsidy system does not reimburse retroactively before an approved application. And conversely, child care programs cannot hold a spot for 30 days without payment while waiting for a family to be approved.

This does not mean that all approvals take 30 days, we have heard of approvals happening in 1 day, we are just seeking a shorter time frame in general to help working families better find and be able to utilize child care and the subsidy program.

We are also seeking a reduction from 30 days to 15 days for child care programs to be reimbursed by the Child Care Subsidy Program. As we know, child care margins are often tight. Income is quickly turned around to pay expenses. Private pay families in many programs pay weekly or biweekly. The reimbursement timeline can be a barrier for programs choosing to accept subsidy approved families as waiting longer times for reimbursement can be a detriment to their business model. Reducing reimbursement wait times paid out to the child care programs allows better bookkeeping practices, more efficient payment of bills, and could entice more programs to participate.

There is also a request in this bill that child care programs be notified within two days of changes to a family's child care subsidy eligibility. I would like to clarify that should be within two business days and I would propose that wording be clear and amended as needed. Since child care programs do receive copays from some families enrolled in the subsidy program, knowing when those copays change are important to their billing operations. Also, if a family is deemed ineligible for subsidy without the program's knowledge, there can often be a loss of income to the program as they are continuing to invoice the state and not charge the family a private pay rate. Timely notification can help streamline this process and ensure child care programs are on the same page as families and the subsidy system when it comes to eligibility.

There are additional provisions in this bill regarding the Child Care Subsidy Program including:

- Increasing eligibility from the current 85% state median income to 125% state median income
- Renaming the Child Care Subsidy Program as the Child Care Scholarship Program to reduce stigma associated with families affording child care costs. This would not create a new program just change the title.
- Include a report back to the Legislature from DHHS and OCFS that includes how families and programs are accessing CCSP, identifying barriers to participation and solutions to reduce barriers, as well as engaging families and the child care field to identify the barriers and successes.

This bill also lays out an opportunity to create long term planning in Maine to look at how we continue to increase subsidy eligibility for families while reimbursing child care programs at a

true cost of care that is reflective of the thriving wages and benefits the workforce needs. This can also support Maine in how we prioritize federal funding to meet goals in our planning by outlining benchmarks for families making up to 250% of state median income paying no more than 7% of their income on child care.

Scholarships for child care tuition for those working in child care programs

As mentioned at the beginning of my testimony, child care programs are not able to provide many benefits to their educators. In the last market rate survey, only around 50% of centers were able to provide health insurance to employees.

To attract and retain a workforce, there is a benefit that child care programs are in the business of, providing child care. By funding a child care scholarship which would help child care educators pay for their own child care, the savings to those working in the field can begin to help compete with wage and benefit packages offered in other industries. A child care educator looking at making \$2 more per hour at a retail store may find it more lucrative and supportive to work at a child care program that can offer free child care.

Child care programs who do put this in their business model as a creative strategy to recruit and retain often take a big hit in their income which reduces their opportunities to increase wages, offer benefits, or invest in their quality for children. Here is an example of how this could help programs not only recruit but invest back in their programs:

"Of our 32 currently enrolled employee children, the staff collectively pay \$1,893 (per week) and we supplement an additional \$8,627 (per week) in order for our teachers to feel they can earn a living wage after paying for their child care."

PER YEAR - this would put \$98,436 back in the pocket of hard working child care teachers and \$448,604 back in our annual budget to increase wages and keep our family tuition as low as possible. (These are the 32 families who do not currently meet the CCSP qualifications)"

Kentucky has been implementing this benefit as part of their child care strategy to recruit and retain educators which began from their ARPA child care stabilization program and has extended into their state budget. Kentucky has gained national recognition for this model to support educators. <https://kyyouth.org/celebrating-new-benefits-for-child-care-employees/>

I would also note that a similar program was written into the Preschool Development Grant, which Maine has been awarded, to use this strategy to recruit new teachers by paying their child care. Therefore the program outlined in this bill would be complementary by focusing on the retention of those teachers by continuing to pay for their child care when they do not qualify for subsidy.

Develop a cost of care tool to influence future subsidy reimbursement rates

Maine currently uses a market rate survey to help determine subsidy reimbursement rates for counties at 75% of the market rate as reported by programs. Market rate surveys look backward, at what costs were during a specific period of time, and lock future payments at a level that makes them unresponsive to market or economic changes.

Basing subsidy reimbursement rates on market rate surveys does not adequately serve the needs of the child care sector.

"The discrepancies between the analyses of what it costs to provide care and the reimbursement rates that result from the market rate survey process indicate that it is extremely challenging to meet the financial needs of providers when continually basing future payments on the broken system of the past "

<https://www.americanprogress.org/article/states-can-improve-child-care-assistance-programs-through-cost-modeling/>

Increased Head Start eligibility

LD 1726 looks to support families by increasing the eligibility of Head Start to 185% of the Federal Poverty Level

Head Start programs provide comprehensive services to enrolled children and their families, which include health, nutrition, social, and other services. This increase would allow Head Start programs to provide more continuity of care for children enrolled in their services by ensuring that a slight increase in income doesn't remove children and families from the vital services they need.

You will hear from many and also read many testimonies why the provisions in this bill matter to Mainers. We hope their message is received and that you support LD 1726 to continue moving Maine forward for working families and the child care programs they rely on day in and day out