

Office of Policy and Legal Analysis

Date: May 17, 2021
To: Joint Standing Committee on Innovation, Development, Economic Advancement and Business
From: Rachel Olson, Legislative Analyst
Re: LD 1652, An Act To Build a Child Care System by Recruiting and Retaining Maine's Early Childhood Educators Workforce (Fecteau)

Bill Summary

This bill requires the Commissioner of Health and Human Services, the Commissioner of Education and the Commissioner of Labor jointly to develop and implement an early childhood educators workforce support program to recruit and retain early childhood educators working with children up to 5 years of age. Components of the program include:

1. Expansion of educational programs at career and technical education centers and financial support of those programs;
2. Comprehensive scholarships for persons taking classes toward the attainment of an early childhood education credential or an associate, bachelor's or master's degree that allow the persons to graduate without student debt as long as the persons agree to work for a year with an approved employer;
3. An increased number of apprenticeships;
4. Salary supplements awarded to individuals who provide child care or who are early childhood educators. The amount of the supplement is based on the level of education and experience of the individual and other factors;
5. Articulation agreements between local adult education providers of school administrative units, apprenticeship sponsors, career and technical education programs, the Maine Community College System and the University of Maine System for the transfer of credits for course work related to early childhood education and to facilitate enrollment in courses that lead to the issuance of a postsecondary degree by a degree-granting institution; and
6. Collaboration between local adult education providers of school administrative units, apprenticeship sponsors, career and technical education programs, the Maine Community College System and the University of Maine System to provide support for individuals, including immigrants and other populations lacking experience in Maine's workforce, who require foundational skills development to enter and succeed in early childhood education courses, including but not limited to English as a second language, literacy, numeracy and employability skills.

The bill also requires a biennial report to be made by the commissioners to the Legislature including a review of the adequacy of the pathways to early childhood education careers and an evaluation of how the improved collection of workforce and child care data and coordinated, dedicated funding are supporting the ongoing development of an early child care and education system.

Testimony (Please see the [testimony page](#) for the most accurate information):

Proponents: Speaker Fecteau, sponsor; Senator Daughtry, cosponsor; Ben Gilman, Maine State Chamber of Commerce; Eamonn Dundon, Portland Regional Chamber of Commerce; Rita Furlow, Maine Children’s Alliance; Annie Colaluca, Bath Area Family YMCA; Heather Marden, Maine Association for the Education of Young Children; Sheriff Joel Merry, Sagadahoc County; Ninette Irabaruta, United Ways in Maine; Samantha Warren, University of Maine System; Keith Bison, CEI, Inc.; Megan Hannan, Maine Community Action Partnership; Ann Danforth, Maine Equal Justice; Lily Hanstein; Becky Smith, Maine Community College System; Christine Johnson; Destie Hohman Sprague, Maine Women’s Lobby; Tara Williams, Maine Association for the Education of Young Children; Adam Zuckerman, Maine People’s Alliance; Jennifer Michaud, Kids Cove Childcare and Learning Center; Lori Moses; Jordyn Rossignol, Miss Jordyn’s Child Development Center; Anne Soto, Maine Association for the Education of Young Children; Kathryn Soucy, Starting Strong; Victoria Wallack, Maine School Boards Association and Maine School Superintendents Association; Sasha Shunk, Shunk Child Care; Nicole Hogle, Portside Learning Center; Pamela Caron; Elizabeth Capone-Newton; Debby Adkins; Deborah Arcaro; Debra Boyd, Old Town Orono YMCA and Piscataquis Regional YMCA; Alison Britton, Region Two School of Applied Technology; Chrissie Davis, Family Child Care Assoc. of Maine; Stephen deCastro, Educate Maine/ReadyNation; Araksan Egueh; Martha Eshoo, Bowdoin College Children’s Center; Sally Farrell, Central Lincoln County YMCA; Rosalyn Fisher; Gina Forbes, Roots and Fruits Preschool; Tracye Fortin, Educare Central Maine; Brittany Foss; Jayci Fournier, Bangor Region YMCA; Jen France, Somerset Career and Technical Center in Skowhegan; Whitney Gravel; George Hill, Maine Family Planning, Tina Jennings, YMCA of Auburn-Lewiston; Jen Johnson, Waldo County YMCA; Jason Judd, Educate Maine; Angelina Klouthis; Dean Lachance, Catholic Charities Maine; Laura Larson, Family Focus; Grace Leavitt, Maine Education Association; Sarah MacLaughlin; Sarah Mallett; Betsy Meyers, Bowdoin College Children’s Center; Martha Naber; Sara Perrigo; Sandra Phoenix, Healthy Peninsula; Leslee Pierce; Mary Pletcher; Kristen Pollard, Bangor Region YMCA; Cristina Salois; Joyce Schelling, Bethany Seger, Bangor Region YMCA; Julia Selse; Kimberly Simmons; Katharine Slomczynski; Jennifer Smith; Lonney Steeves, Winthrop Area YMCA; Yvete Unezase; Simon West, Maine State Chamber of Commerce and Right From the Start Coalition;

Opponents: None

Neither for nor against: Jenn Wiles, Maine Roads to Quality Professional Development Network; Todd Landry, Child and Family Services, Maine DHHS;

Potential Issues or Technical Problems:

OCFS believes the funding provided in the bill is likely not adequate to fully implement the initiatives proposed in the bill

Information Requests:

1. During the public hearing, it was mentioned that other states are providing similar supports for the early childhood educators (ECE) workforce. More information on these similar supports was requested.

A review of wage supplements and wage strategies used in other states was shared on pages 37-39 of the [materials provided, by request, from Ms. Williams, Executive Director of the Maine Association for the Education of Young Children.](#)

2. How would this workforce approach fit into the broader context of early childhood education supports?

A look at how LD 1652 fits into other existing or proposed supports was shared on pages 2-4 of the [materials provided, by request, from Ms. Williams, Executive Director of the Maine Association for the Education of Young Children](#).

3. A request for the Office of Child and the Family Child Care Plan for Maine report.

The report was emailed to the committee following the close of the public hearing. It was also included on pages 5-11 of the [materials provided, by request, from Ms. Williams, Executive Director of the Maine Association for the Education of Young Children](#).

Additional Information:

- [Work Session Memo](#) from the Maine Association for the Education of Young Children
- [Path to a Better Future: The Fiscal Payoff of Investment in Early Childhood Development in Maine](#) (Philip Trostel, Margaret Chase Smith Policy Center & School of Economics, University of Maine. April, 2013.)
- [Email from Tara Williams, Maine Association for the Education of Young Children](#) outlining provided materials for the work session (above).
- [LD 1559 Resolve, To Create the Commission to Develop a Paid Family and Medical Leave Benefits Program](#) (Daughtry) – LBHS, OTP on May 17, 2021
- [LD 1678 An Act To Support Child Care Providers and School readiness through Tax Credits](#) (Millett) – TAX, Public Hearing May 18, 2021
- [LD 1712 An Act To Support Children’s Healthy Development and School Success](#) (Pres. Jackson) – HHS, In Senate on May 19, 2021
- [MaineSpark Coalition](#)
- [MRTQ PDN](#)
- [TEACH Scholarships](#)
- [Childcare Business Lab \(CEI, Inc.\)](#)
- [Child Care Subsidy Program \(CCSP\) – info for Providers](#)
- [Child Care Subsidy Program \(CCSP\) – info for Parents](#)

Possible Amendments:

The [sponsor put forward an amendment](#) addressing the start date for salary supplements and adjustments to the appropriations and allocations section.

OCFS would suggest that time and careful study is needed to understand the impact of the current TEACH initiative before codifying and permanently dedicating funding to such a program.

Fiscal Impact: Not yet determined. The bill, and the amendment, include an appropriations and allocations section.

LD 1559 Resolve, To Create the Commission To Develop a Paid Family and Medical Leave Benefits Program

This resolve establishes the Commission To Develop a Paid Family and Medical Leave Benefits Program. It requires the State Controller to transfer \$200,000 from available balances in Other Special Revenue Funds accounts within the Department of Professional and Financial Regulation to the General Fund unappropriated surplus to support the duties of the commission.

LD 1678 An Act To Support Child Care Providers and School Readiness through Tax Credits

This bill does the following for quality child care services, beginning in 2022.

1. It provides a refundable tax credit of \$1,000 to \$2,000 per eligible child to child care providers that provide services to children whose parents are participating in the child care subsidy program operated by the Department of Health and Human Services, Office of Child and Family Services or foster children in the custody of the Department of Health and Human Services. The amount of the credit is based on the quality of the child care provider as determined pursuant to a quality rating and improvement system based on standards for center-based child care programs developed by the Department of Health and Human Services, Office of Child and Family Services.

2. It provides a refundable tax credit of \$1,000 to \$5,000 to administrators, educators and other professional support staff of child care providers that provide services to children whose parents are participating in the child care subsidy program operated by the Department of Health and Human Services, Office of Child and Family Services or foster children in the custody of the Department of Health and Human Services. The amount of the credit is based on individual qualification score lattices developed and established for administrators, management, owners and coordinators and educators and other support staff of child care facilities through a collaborative partnership between the Cutler Institute of Health and Social Policy at the University of Southern Maine, the University of Maine Center for Community Inclusion and Disability Studies and the Department of Psychology at the University of Maine.

3. It amends the current income tax credit for child care expenses to allow a taxpayer to obtain a credit of between 50% and 200% of the federal tax credit, depending on the quality rating of the child care site providing child care services for the child of the taxpayer. Current law allows up to 50% of the federal tax credit if the child care expenses are incurred through the use of quality child care services.

4. It provides a tax credit of a percentage of expenses paid by an employer to provide child care and education services to the children of its employees, either on site, at a facility licensed or registered with the Department of Health and Human Services or through child care resource and referral services or vouchers for the purpose of paying for child care and education services. The percentage of expenses that may be taken by the employer is determined by the quality rating of the child care facility.

5. It indexes for inflation the dollar amounts of the tax credits beginning annually in 2023.

6. It requires the Office of Child and Family Services to notify the State Tax Assessor immediately of any changes to the grading and scoring systems used to determine child care-related tax credits and requires the office, after consultation with the assessor, to submit a report and suggested legislation to implement the changes to the grading and scoring systems.

7. It requires the Office of Program Evaluation and Government Accountability, beginning in 2025, to review the tax credits provided by this legislation to determine whether the specific public policy objectives and economic benefit of the credits outweigh the loss of revenue to the State and annually report its findings to the joint standing committee of the Legislature having jurisdiction over taxation matters.

LD 1712 *An Act To Support Children's Healthy Development and School Success*

This bill:

1. Establishes the Help Maine Grow System in the Department of Health and Human Services. The system is a comprehensive, statewide, coordinated system of early identification, referral and follow-up for children from prenatal care up to 8 years of age and their families. The system ensures access to early periodic screening, diagnosis and treatment services and related services to promote healthy development and develop a coordinated system of screening, referral and services. The bill establishes the position of coordinator of the system to work collaboratively across offices within the department, the Children's Cabinet, the Department of Education and other applicable departments. The department must submit annual reports to the joint standing committees of the Legislature having jurisdiction over health and human services and education matters; and

2. Establishes the First 4 ME Early Care and Education Program under the Department of Health and Human Services to provide comprehensive, high-quality early child care and education services for at-risk children under 6 years of age who have not entered kindergarten and the children's parents by funding projects that integrate comprehensive resources and services with traditional child care center and family child care settings. The projects are sponsored by coalitions of stakeholders, providers and other community members within the communities that the projects serve. Each project is led and coordinated by a community contractor who staffs the project's operations and contracts with community providers to provide health care, education or parenting services, which may include services provided in a licensed child care center or by a licensed family child care provider, in a home visit or by an individual providing services to a family member within the individual's or family member's residence. The community contractor employs or contracts with community coaches who train and provide support to community providers. The department is directed to seek and apply for available federal funds or funds from any other sources to pay the costs of projects under the program and, to the maximum extent possible, use state funds received for the projects to maximize receipt of federal funds to be used for the projects. This bill directs the department to request proposals for up to 5 pilot projects to implement the program and to report to the Legislature on the progress of the pilot projects toward the objectives, goals and intended outcomes of the projects in 2025.