



# Maine Children's Alliance

## THE STATE OF CHILD CARE IN MAINE: 2019

**Child care** is an essential support for families, allowing parents to work while their children are cared for during this critical period of their development. However, the cost of child care is a significant burden for families—particularly for families with limited financial resources.

While many families may be eligible to receive a subsidy to help pay for child care, few get this critical support. Additionally, since the costs are greater to run high-quality programs, there is a shortage of those available to families.<sup>1</sup>

### Why child care is important

Where children are each day while their parents work profoundly affects their development. High-quality child care provides a stimulating, nurturing environment that gives children the skills that will make them successful in school and later in life.<sup>2</sup>

### How many children need child care

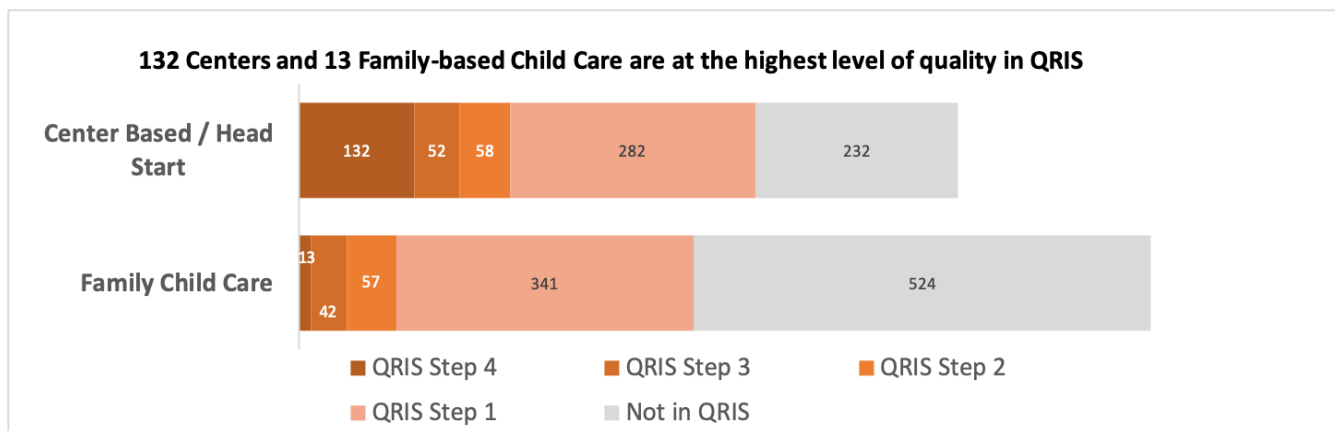
In Maine, 73 percent of children under age six have all available parents in the work force; only six states have higher rates of all parents in the workforce. This means there are approximately **54,000 children under age 6 who need child care in Maine.**<sup>3</sup>

### How rural child care is different

In the U.S., families in rural areas typically spend 12 percent or more of their income on child care. Families living in rural areas are also more likely to use family-based child care than child care centers.<sup>4</sup>

### There's a shortage of high-quality programs available to families

Maine uses Quality for ME, the Quality Rating Improvement System (QRIS) to promote and track high-quality child care. The rating system is based on four steps, with each step leading to a higher quality ranking - Step 4 being the highest step a program/provider can reach. Unfortunately, **just 57 percent of Maine child care providers are even enrolled in the system;** and of these, only 15 percent have reached the highest standard of quality.



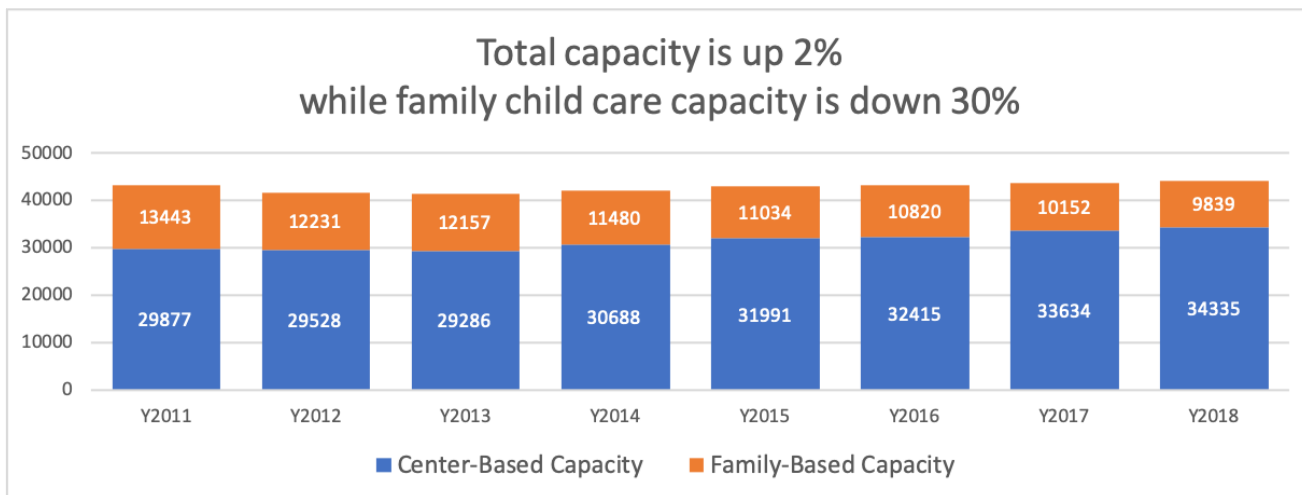


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### The number of center-based sites has held steady, while the number of family-based child cares has decreased

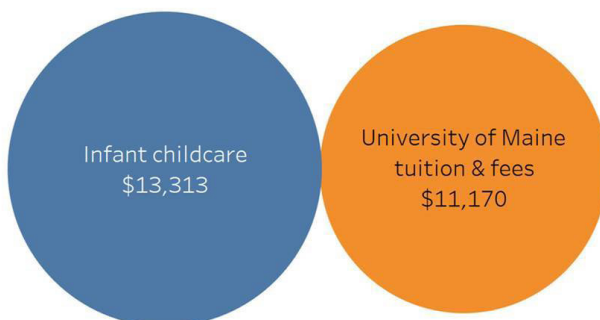
The number of sites for family based child care decreased by 30% from 1,278 to 897 from 2011 to 2018 reducing the number of slots at family child care by 3,604. Meanwhile, the number of centers increased from 741 to 765 and the number of "slots" for center-based child care increased by 4,458 from 2011-2018, for a net gain of 854 slots to 43,320 children ages 0–11 in child care. This shifted the number of children in center-based care from 69 percent to 78 percent of all children in child care. Meanwhile, the total number of children in Maine decreases each year. Another contributing factor is that when the economy is improving, more children are likely to have all parents in the workforce, increasing the need for child care.



**The percent of children under age six with all parents in the workforce in Maine rose from 67 percent to 73 percent between 2015-2017** as the economy improved, adding 4,255 children who needed child care, even though there were 612 fewer children overall in that age group by 2017 due to population declines.

### Child care is a major expense for families

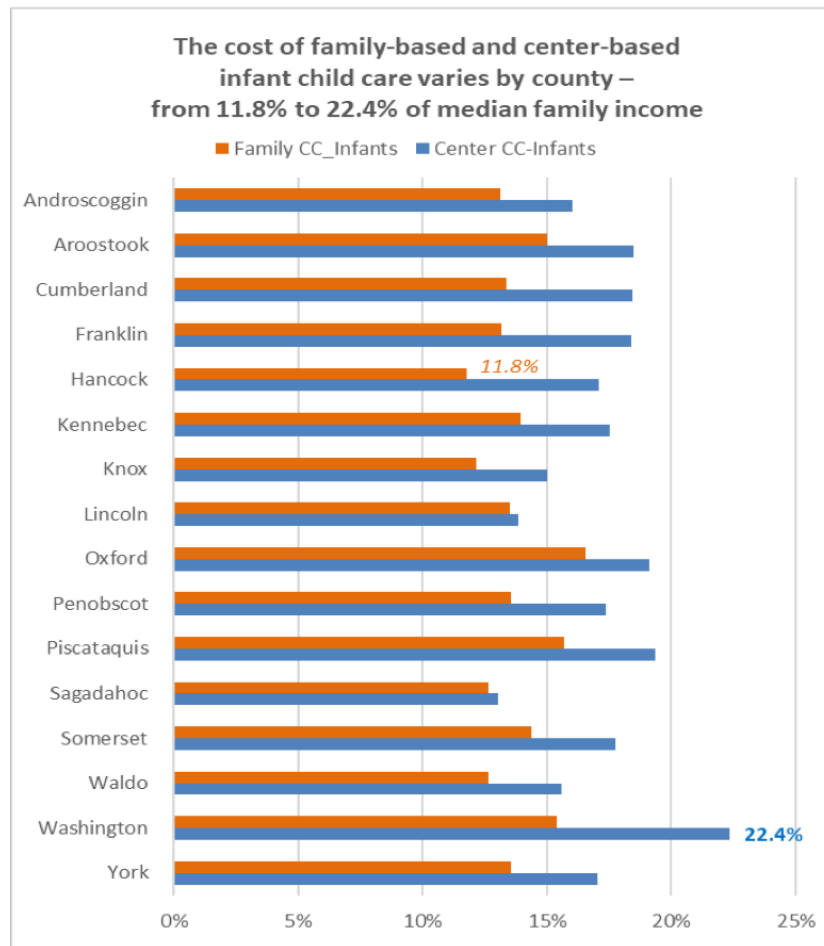
The cost of providing child care is high,<sup>5</sup> and these costs are most often passed on to parents. **It takes between 11% to 22% of a typical family's income to pay for full-time childcare.**<sup>6</sup> Costs range from a low of \$6,500 for full-time preschool care in Aroostook County, to a high of \$15,756 for infant care in Cumberland County. The federal benchmark for affordable child care is seven percent of family income. By this standard, **99 percent of low-income Maine families pay more than the federal benchmark for full-time child care**, and 59 percent of all families pay over the federal standard for affordable child care.<sup>7</sup>





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### Limitations of the Maine Child Care Tax Credit

The federal tax code, and that of 26 states, including Maine, provide some assistance to families in meeting their employment-related child care expenses. But since **it is only worth 25 percent of the federal Child and Dependent Care Tax Credit (CADC)** upon which it is based, the current credit provides limited benefits for working families, especially on the lower end of the income scale.

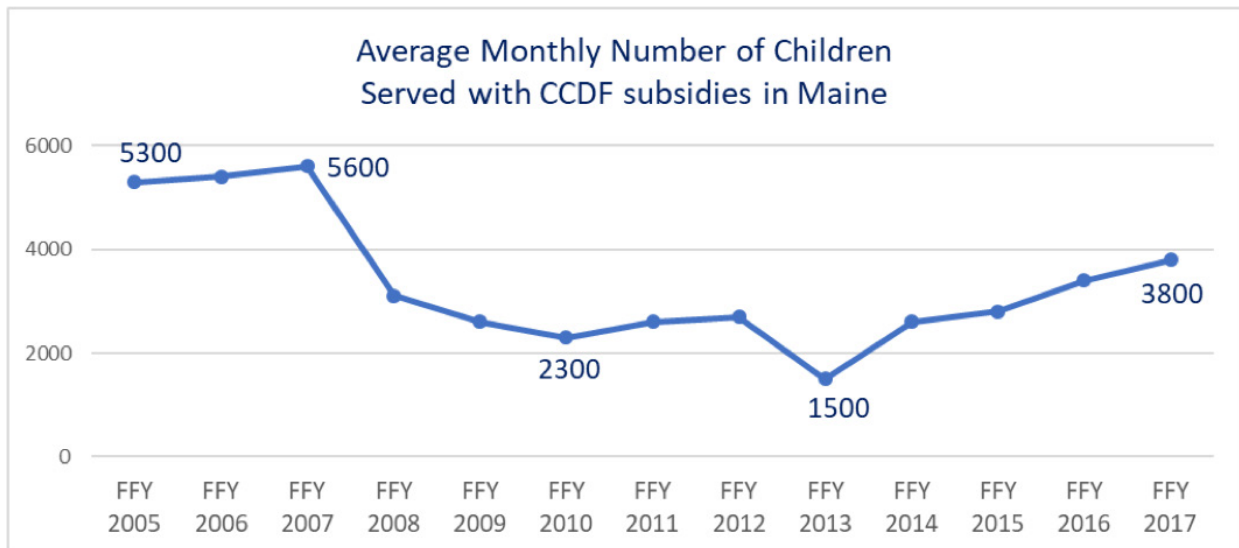
### Child Care subsidies help but not everyone gets them

Because the cost of operating a high-quality child care program is expensive, child care subsidies are critically important for parents to afford child care and for child care providers to cover their operating costs. Approximately half of all Maine families qualify for child care assistance through the federal Child Care and Development Block Grant (CCDBG) Act that authorizes funds through the Child Care Development Fund (CCDF) <sup>8</sup>, but only 1 in 20 eligible children ages 0-11 in Maine actually gets this support.<sup>9</sup> This may be due to lack of awareness of the subsidies or real or perceived barriers for parents or providers to participate in the program.



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### More state investment is needed in Child Care Subsidies

For CCDF subsidies in the most recent year, the state investment was far less than that of the federal investment. The federal share of spending was \$17.41 million for 72 percent of the overall spending, while **Maine's investment was only \$6.81 million, representing 28 percent of the total expenditure.**<sup>10</sup>

- 1 [CLASP, Inequitable Access to Child Care Subsidies https://www.clasp.org/publications/report/brief/inequitable-access-child-care-subsidies](https://www.clasp.org/publications/report/brief/inequitable-access-child-care-subsidies)
- 2 [NICHD Early Child Care Research Network. \(2006\). Child care effect sizes for the NICHD Study of Early Child Care and Youth Development. American Psychologist, 61\(2\), 99-116.](#)
- 3 [KIDS COUNT Data Center, Children under age 6 with all available parents in the labor force in Maine https://data-center.kidscount.org/](https://data-center.kidscount.org/)
- 4 [Center for American Progress, 5 Things to Know About Child Care in Rural America, https://www.americanprogress.org/issues/early-childhood/news/2019/06/04/470581/5-facts-know-child-care-rural-america/](https://www.americanprogress.org/issues/early-childhood/news/2019/06/04/470581/5-facts-know-child-care-rural-america/)
- 5 Center for the Study of Child Care Employment, University of California, Berkeley, Early Childhood Workforce Index 2018 <http://csce.berkeley.edu/files/2018/06/2018-Index-Maine.pdf>
- 6 MCA analysis comparing median income by county of families to the reimbursable rate by county for infant, toddler and preschool care in 2017
- 7 The Heller School for Social Policy and Management, Brandeis University <http://www.diversitydatakids.org/data/map/656/full-time-full-year-working-parents-who-would-pay-more-than-the-federal-benchmark/#loct=2&t-f=21&ch=128>
- 8 Families who are on Transitional Assistance for Needy Families (TANF) who enter the workforce are eligible for TANF Child Care subsidies. TANF Child Care subsidies are not included in this fact sheet.
- 9 An analysis conducted by Casey Foundation's Population Research Bureau using Census data for 2017 computing number of children in families at 85% median income by family size, 82,475 children ages 0 - 11 were eligible out of 161,906 children in Maine. Since 3,800 children served, 3,800 divided by 82,475= 4.6% of those eligible were served.
- 10 US DHHS Administration for Children and Families <https://childcareta.acf.hhs.gov/state-profiles/profiles/ME>