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Before the Joint Standing Committee on Innovation, Development, Economic Advancement and Business

LD 1652 – An Act To Build a Child Care System by Recruiting and Retaining Maine's Early Childhood Educators Workforce

Hearing Date: May 11, 2021

Good Morning Senator Curry, Representative Roberts, and Members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business:

I am Todd Landry, Director of the Office of Child and Family Services (OCFS) within the Department of Health and Human Services and I am here today to provide information on LD 1652, An Act To Build a Child Care System by Recruiting and Retaining Maine's Early Childhood Educators Workforce. This bill would require the Department of Health and Human Services, Department of Education, and Department of Labor to implement an early childhood educators workforce support program which would include expansion of educational programs at career and technical education centers, development of comprehensive scholarships for those pursuing an early childhood education (ECE) credential, increase the number of apprenticeships, provide salary supplements to individuals who provide care in early childhood settings, and create agreements between various partners to enable easy transfer of credits and to provide support to individuals who require foundational skill development to succeed in the ECE field.

OCFS agrees that workforce is a challenge in meeting our State's goals to expand the affordability and accessibility of high-quality child care. While this bill has some strong ideas to support staff, we believe the funding provided in the bill is likely not adequate to fully implement the initiatives proposed in the bill. Salary supplements are a strategy utilized in other states to target workforce development, but adequate funding is instrumental to the success of such a program. This bill would also require the establishment of staff positions within OCFS (and possibly additional staff within DOE and DOL) to engage in the required work, particularly as it relates to salary supplements. Administering this type of program would also require a sophisticated technical solution, as well as audit and accountability controls and monitoring protocols to reduce fraud and improper payments.

In the coming months Maine will be receiving \$127 million in federal American Rescue Plan Act (ARPA) funding to support child care providers. The identified strategies to distribute this funding includes \$28 million in wage support over the next two years. We recognize that this

will not constitute a permanent solution, but we believe the ARPA funding presents the opportunity to study and analyze how wage supplements benefit the workforce. That information can be used to inform a permanent wage supplement initiative in the future. To implement a program now, without the valuable insight from the wage supplement program funded by ARPA, would be premature and divest the State of a valuable opportunity to implement a program with evidence to support its effectiveness and efficient use of our resources.

OCFS is aware of a recent amendment to the bill proposed by the sponsor and we have had the opportunity to review those proposed changes. Most notably, the funding sources for the salary supplement program would be shifted under the amendment from 100% General Fund to 50% General Fund and 50% Child Care Development Block Grant (CCDBG) funding. Utilizing \$2.5 million in CCDBG funding in this way will have a negative impact on families who rely on the Child Care Subsidy Program (CCSP) to afford child care by pushing Maine into the implementation of a waitlist for CCSP sooner than currently forecasted by our projections. When a waitlist is implemented it will disproportionately impact low-income families that require the support of CCSP in order to pay for child care. OCFS strongly believes that while salary supplements may be an effective strategy to target workforce development such a strategy should not be implemented with funds that would otherwise be used to enable families to access affordable child care.

In addition, the bill appears to embed OCFS' current support of the TEACH scholarship program in statute, which could be problematic in the future when the program needs to be changed or altered. 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. The current TEACH program has been in place for a year and has provided scholarships to 20 individuals pursuing a degree or credential in the early childhood education field. Notably, 10% of those individuals have already left the field or the state. OCFS requires more time to study and quantify the benefit of this program before supporting implementation of a permanent scholarship program.

The TEACH scholarship program is just one of a number of initiatives already underway within OCFS to support the early childhood education workforce. Other efforts include articulation agreements, ongoing efforts with career and technical education programs, and an apprenticeship program in development. OCFS also provides training and technical assistance to child care staff through the Professional Development Network (PDN) and maintains a registry to track professionals along a career lattice.

Last week OCFS released the <u>Child Care Plan for Maine</u> which outlines current plans to spend \$127.2 million in American Rescue Plan Act funding. Workforce development is one of the three key strategies where funding is being devoted. These efforts will include training; expanding a system to measure outcomes in child care programs. Of note, the plan includes grants to providers that must be used for stipends for direct care staff. While OCFS has not yet received federal guidance on the ARPA funds, the current planning for the stipends would be \$100 per staff per month for two years. As a point of reference, the cost for this level of stipend is \$28 million over the two year period. While not completely comparable to the salary supports envisioned by LD 1652, the comparison of \$28 million (\$14 million per year) demonstrates the

fiscal cost of implementing meaningful wage supports. If passed, LD 1652 could complicate or conflict with the implementation of the ARPA strategies, particularly the stipend program.

OCFS acknowledges and supports the general concepts in LD 1652 but we suggest the timing of the bill may not be appropriate given the current efforts to implement similar concepts using federally awarded ARPA funds.

Thank you for the opportunity to testify before you today. I'm happy to answer any questions you may have.