

Janet T. Mills  
Governor

Jeanne M. Lambrew, Ph.D.  
Commissioner



Maine Department of Health and Human Services  
Commissioner's Office  
11 State House Station  
109 Capitol Street  
Augusta, Maine 04333-0011  
Tel: (207) 287-3707; Fax: (207) 287-3005  
TTY: Dial 711 (Maine Relay)

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Senator Joseph Baldacci, Chair  
Representative Michele Meyer, Chair  
Members, Joint Standing Committee on Health and Human Services  
100 State House Station  
Augusta, ME 04333-0100

Re: LD 1726, *An Act to Build Maine's Economy by Supporting Child Care for Working Families*

Senator Baldacci, Representative Meyer, and Members of the Joint Standing Committee on Health and Human Services:

Thank you for the opportunity to provide our perspective on LD 1726, *An Act to Build Maine's Economy by Supporting Child Care for Working Families* as drafted.

LD 1726 is a wide-ranging bill that proposes a number of changes to the Child Care Subsidy Program (CCSP) and the oversight of child care providers. It would:

- Increase the funding for the child care worker stipend by \$15 million (doubling the existing amount);
- Require that the Department determine CCSP eligibility within 15 days and provide retroactive reimbursement to an applicant during the application period;
- Require that the Department provide notification to a provider within two days of a recipient's eligibility changing;
- Require that the Department pay providers under CCSP within 15 days of services being provided;
- Direct the establishment of a quality child care "estimator tool" to calculate the actual cost of quality child care;
- Direct the development of a plan to limit the cost of child care by 2030 to no more than 7 percent of a family's income for a family earning up to 250 percent of the median family income. This plan must include cost modeling and an eliminate of the "cliff effect" in child care funding;
- Direct the Department to develop an early childhood integrated data system;
- Establish a Child Care Task Force to make recommendations regarding child care, composed of provider, advocates, parents, and others but excluding the Department which would staff this task force;
- Change CCSP to streamline and simplify the program and incorporate a new "Scholarship Program;"
- Update to CCSP rules to pay up to 125 percent of the State Median Income (SMI) and make permanent the payment of providers based on enrollment, not attendance; and
- Establish CCSP for employees of child care providers regardless of their income.

The Maine Department of Health and Human Services and OCFS share the goals of this legislation: to increase the affordability of and access to child care in Maine. Under the leadership of Governor Mills,

Maine has made strides toward these goals, as well as improving quality. For example, Maine has invested in new construction and capacity expansion, worker payment supplements, advancing innovations in early childhood education, and quality improvements.

OCFS is opposed to this bill because we estimate that its proposed funding would be inadequate for its purpose, creating expectations for families that it cannot meet. It would also complicate and duplicate program administration. These concerns are detailed further below. However, the Department stands ready to work with the bill's sponsors on changes that the Department could support in this bill to advance quality, affordable, and accessible child care in Maine.

The first concern is related to inadequate funding for an expansive policy change. The bill's provision to increase eligibility for CCSP to 125 percent of the SMI is significantly underfunded and thus creates a false promise to families. Under federal law and regulation, the Child Care Development Block Grant (CCDBG), which provides the primary funding for CCSP, cannot be used for families over 85 percent of the SMI. As such, to increase eligibility to 125 percent of the SMI would necessitate full funding by Maine's General Funds. However, the bill only includes \$3.7 million annually for this cost, whereas OCFS estimates that the annual cost of this change would be approximately \$15 million, leaving three-fourths of eligible families, approximately 850 children, without the promised support.

Second, the legislation would create implementation timelines that could not be achieved within existing systems and resources or without duplication of effort. For example, the proposed requirement regarding eligibility and reimbursement timelines as well as retroactive reimbursement would represent significant departures from current policy and practice. Without sufficient time for testing, implementation, and program integrity assurances, Maine could be at risk for paying a provider who is not eligible, thus creating a federal compliance issue. This bill would require significant rulemaking (changing the program name, eligibility guidelines, etc.).

Relatedly, it would be duplicative and potentially complicate ongoing work. The Children's Cabinet Early Childhood Advisory Council (CCECAC) was legislatively established in 2019 to advise the Children's Cabinet. The CCECAC serves as the State Advisory Council on Early Childhood Education and is responsible for ensuring statewide coordination and collaboration among the wide range of early childhood programs and stakeholders in the State, including child care, Head Start, IDEA preschool and infants and families' programs, and pre-kindergarten programs. Other current efforts include the [\\$24 million](#) federally funded Preschool Development Grant (PDG) that will accomplish some of the goals of this bill.

Additionally, OCFS in conjunction with stakeholders and other partners is already developing an integrated data system, although the goal and impact of that system may be different than what is envisioned in this bill. The purpose of the system under development is to integrate data across systems from programs serving young children and their families in order to support policymakers to make informed policy decisions and improve outcomes for children. The Early Childhood Integrated Data System (ECIDS) will match data that state agencies already collect.

Sincerely,



Todd Landry, Ed.D.  
Director, Office of Child and Family Services