

## MAINE'S PERMANENT COMMISSION ON THE STATUS OF WOMEN

### MAINE NEEDS QUALITY, AFFORDABLE CHILD CARE

Quality childcare prepares children to succeed in school and eventually, the workplace.

The Brookings Institute conducted a longitudinal study of children who had received early care services across income levels. This study found that children from low-income homes who had received 24 months or more of high-quality early childhood education in their first five years were more likely to graduate from college, and had higher salaries at age 26. High quality child care is a long-term investment that helps break the cycle of intergenerational poverty.

Research shows that children who learn early about global citizenship are better citizens and have advantages that equip them to compete for jobs internationally. Maine can leverage existing innovative programming that introduces global citizenship curriculums for all educators and providers, including those working in early childhood care and education.

Maine's economy depends on child care. Parents with young children can't work when child care is costly, non-existent where they live, or not located in the town where parents live or work. This is even harder for single parents, the vast majority of whom are women. The high cost of child care drives women out of the workforce at a time when employers all over the state are desperate for workers. In large swaths of rural Maine finding quality, affordable, and available child care is even more challenging.

Women constitute the majority of the child care workforce. While historical low wages in this industry are being addressed, these remedies fall short of what's needed to ensure high quality child care as a professional field with more competitive wages, helping to attract and retain employees. Chronically low wages cause hardships for women throughout their lifespan.

The US Department of Labor estimates that paying for child care can take up a staggering 19% of a family's income. (1) In 2021, Child Care Aware found that the national average price of child care was around \$10,600 annually, or 10% of a married couple's annual income (or as much as 35% of a single parent's income). When more than one child in a family required care the cost exceeded annual housing payments by from 28% to over 100%. (2)

"One of the things I constantly grapple with on a day-to-day basis is a society that expects me to work like I don't have kids but parent like I don't have a job." (3)

Beth Dumont  
Portland Press Herald, 9.10.23

Since 2013, the number of family child care providers in Maine has declined by 39% (from 1,134 to 702) which significantly affects rural communities with lower populations where family child care is the most prevalent. Grandparents must often provide child care to fill this gap.

When women leave the workforce to care for their children, their families lose income. Years out of the workforce put women behind once they rejoin it; they have lower pay going forward, and they are able to contribute less to savings and retirement. Many have to delay retirement just to survive, and too often have been unable to save for retirement so they depend on Social Security.

The lack of available child care especially affects families living in poverty, BIPOC families, and those with children who have special needs.



## RECENT WINS IN CHILD CARE



In the last session Governor Janet Mills approved the Maine State Legislature's appropriation of about \$60 million for Maine's child care system over the next two years in order to attract - and retain - child care workers. Monthly stipends for child care workers will increase from \$200/month to an average of \$400/month (the actual amount will vary by worker according to their professional education and experience). (4)

The new funding will also allow families earning up to 125% of the area's median income (AMI) to receive child care subsidies (the current level is 85% of AMI). This subsidy can be a lifeline for helping families achieve economic stability.

In addition, the Legislature funded the creation of a Cost of Care tool that will help identify the true cost of providing quality child care.

In the last decade slots in child care centers (more often located in more populated communities) have increased by 14% (from 715 to 814). To further expand availability, Maine's Office of Child and Family Services (OCFS) is administering a \$15 million fund for child care infrastructure grants to help create and expand child care centers. Over \$8 million in grants have been made to date, creating 2,500 slots (of which only 1700 are filled due to lack of staffing). Some of these grants went to New Mainers to help them start their businesses, allowing them to offer culturally competent care to members of their communities. OCFS is working to build the child care workforce through outreach to Maine's community colleges, and is exploring ways to reach out to high schools as well.

Larger employers in Maine, such as Jackson Labs and Colby College, are exploring ways to help workers cover child care costs. These include onsite child care, reserving local child care slots for their employees, and providing child care savings accounts (like health care savings accounts). This is a promising trend, although these options are not typically available in rural Maine due to the prevalence of small businesses that struggle to provide these benefits.

The federal government is also recognizing the importance of child care to the economy. For example, the CHIPS Act requires employers receiving federal assistance to expand chip manufacturing to provide child care to their employees. (2) This signals a step in the right direction.

# REMAINING CHILD CARE CHALLENGES



Almost 50 percent of child care providers in Maine closed their doors during the start of the COVID-19 pandemic; the losses were especially acute in rural areas. Recently, a new child care center opened in Houlton and almost immediately slots were full, with 100 children on the waiting list ([Bangor Daily News, 10.13.23](#)). (5) State leaders acknowledged that Piscataquis, Penobscot, and some of Aroostook County are chronically not well-served.

Licensed childcare is available for fewer than 50 percent of children under the age of 12. There is a particular need for infant care. There are from 10,000 - 12,000 babies born in Maine each year, but only about 5,000 infant child care slots; infants require more care, which adds staffing demands and cost. However, before and after school care is also difficult to find.

While there are public programs available to build or renovate child care centers, rural providers may lack the expertise needed to apply for and manage these programs.

State regulations add costs to building new centers or to renovating existing structures, and they are inconsistent across town recreation programs, public schools, and private providers. This hampers the creation of public/private partnerships supporting child care.

Rural families tend to need more child care subsidies, due to low incomes, but the current formula awards rural families less than those in southern Maine. The new "cost of care" tool will help identify the true cost of providing quality child care, throughout Maine.

Attracting and retaining educators is another challenge facing the child care system. Four-year college graduates with degrees in early childhood education have the worst pay outcomes of any four-year degree. And Maine's demographics are working against us; as older Mainers retire there aren't sufficient workers to take their place.

Providing child care is stressful, and many workers have found better paying jobs with more flexibility in other sectors, resulting in a "churning" workforce for early care settings. This results in a constant need to hire and train new workers, which exacerbates the workforce shortage and contributes to the disconnect between the number of child care slots available and the number that are actually filled. In 2023 there are more licensed child care slots available in Maine than there were pre-pandemic, but providers often can't fill the slots because they can't recruit or retain staff.

Maine women of color, including refugees, immigrants, and Indigenous women, have difficulty finding culturally sensitive child care. There is also a shortage of child care options for children with developmental disabilities, whose need for extra care is further complicated by recruitment and retention challenges.

Foster parents caring for infants and young children receive a subsidy to offset costs of childcare, based on their location and the children's age. However, finding a daycare with space can prove difficult, and may prevent foster parents from accepting placements. In rural areas, particularly, families must rely on grandparents or other family members to provide kinship foster care.



In the upcoming session, the Maine legislature will consider new bills supporting child care:

- Providing a business-supported child care tax credit for employers that would provide up to \$1,000 per child or \$10,000 total to build, furnish, license, staff, operate, subsidize or contract with a licensed child care facility.
- Providing a tax credit to employers who pay or provide in-kind resources for the care of children of their employees. The proposed credit would be 50% of the expended amount up to \$3,000.
- New child care legislation this session will require child care subsidy to provide reimbursement to child care programs based on enrollment and not attendance.

OCFS should continue using the Child Care Business Development Infrastructure grants to expand existing or establish new family child care businesses. Grants will be available through 2024 or until all funds are awarded, whichever comes first.

Standardizing requirements between the public and private sectors would reduce confusion and facilitate child care programs working seamlessly across programs operated by private providers, public schools, Head Start programs, and municipal recreation departments. Standardizing fire and safety and building code requirements for licensed child care centers, municipal recreation departments and public schools can remove barriers to creating new centers in rural areas.

Other strategies to promote recruitment of child

care workers include ensuring access to benefits such as healthcare and paid sick and personal days, advocating for more flexible use of sick time, and allowing employees the flexibility to respond to child care issues when they arise. This includes, when possible, working from home when a child is sick.

Workers with flex-time and the option for remote work are more able to stay home with a sick child. However, this can result in income loss for child care workers who are asked to “sit out” the day due to low child attendance.

Efforts to encourage businesses to partner with existing child care programs, help employees pay for child care through Dependent Care Flexible Spend Accounts or other strategies, expand available slots, and improve the quality of programming should continue.

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