

Janet T. Mills
Governor

Jeanne M. Lambrew, Ph.D.
Commissioner



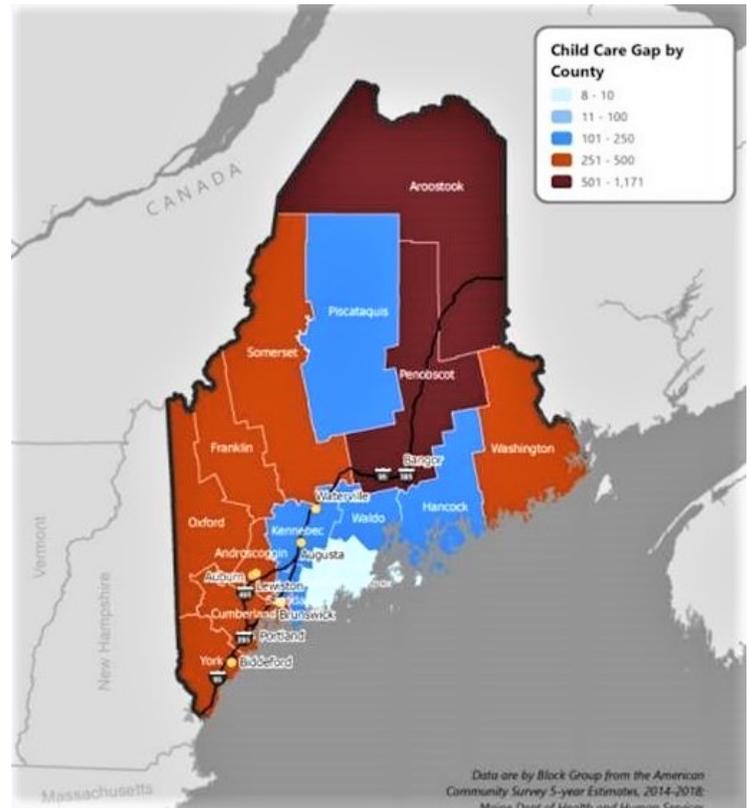
Maine Department of Health and Human Services
Child and Family Services
11 State House Station
2 Anthony Avenue
Augusta, Maine 04333-0011
Tel.: (207) 624-7900; Toll Free: (877) 680-5866
TTY: Dial 711 (Maine Relay); Fax: (207) 287-5282

Child Care Plan for Maine: May 2021

Maine recognizes the importance of quality, accessible, affordable child care to support working families. The benefit of quality child care is multifold – it supports working parents to provide for their families while children benefit educationally, socially, and emotionally from a caring, nurturing environment. From an economic perspective, the Federal Reserve Bank of Boston states, “Research demonstrates child care problems lower worker productivity and cost U.S. employers and working parents billions of dollars annually. Furthermore, job stability and family income directly affect a child’s social, physical, and emotional health.” This Child Care Plan for Maine summarizes the system landscape pre-pandemic and the supports implemented to providers and families during the pandemic. Our focus then turns to recovery and the strategies that will be implemented to support Maine families, children, and child care providers toward a sustainable recovery and brighter future.

Pre-Pandemic

Prior to the COVID-19 pandemic, the Office of Child and Family Services (OCFS), in alignment with the [Children’s Cabinet’s Strategic Plan for Young Children](#), established both long-and short-term goals to increase access to affordable quality child care in Maine and focus on child care workforce recruitment and retention. Maine participated in the [Bipartisan Policy Center’s Child Care Gap Analysis Project](#) in the winter of 2019. The results showed overall there was a 9.2% need of care gap across Maine for children under the age of six with all available parents working. Rural areas of the State saw the most significant gap in the need versus the supply. The map on the right shows that the greatest percentage gaps (orange and red) are in the rural areas of the state with smaller percentage gaps in the southern and more urban parts of Maine. While Maine does not have true data on the gap specific to infants and toddlers, anecdotal evidence indicated this was a common challenge with concerns expressed by several stakeholders. While all states have a goal to eliminate gaps, Maine was one of the two states participating in the project with a gap under 10% which positioned the state to withstand the challenges of the pandemic better than other



Data are by Block Group from the American Community Survey 5-year Estimates, 2014-2018.
Maine Dept of Health and Human Services

states. Despite this relative strength, the child care system was heavily impacted by the pandemic and continues to need support for an effective recovery.

The Maine Department of Education (DOE), in collaboration with Maine Department of Health and Human Services (DHHS), was awarded the Preschool Development Grant (PDG), Birth through Age 5 in 2019. This Initial PDG B-5, which expired in 2020, was a planning grant to study and improve the Early Child Care and Education mixed delivery system. This grant supported the Children’s Cabinet goal that all Maine children will enter kindergarten prepared to succeed. The planning grant provided the state with valuable information gathered from stakeholders across the state through the needs assessment *B-5 for ME: Quality, Accessibility, and Affordability of Services for Maine’s Children & Families*. This work informed the development of *The State of Maine Strategic Plan for Meeting the Needs of Vulnerable Children Birth to Age 5 and Their Families*, a roadmap for moving toward an aligned, efficient, and high-quality system for all children birth-age 5 and their families, especially those who are considered vulnerable. DHHS and DOE collaborated to submit an application to receive the PDG implementation grant, and while the implementation grant was not awarded to Maine, the child care plan and spending strategies stem from the initiatives outlined in the grant application and strategic plan between the Departments.

These findings were the driving factors in two initiatives implemented in 2020. Despite the pandemic, these initiatives were implemented beginning in state fiscal year 2021:

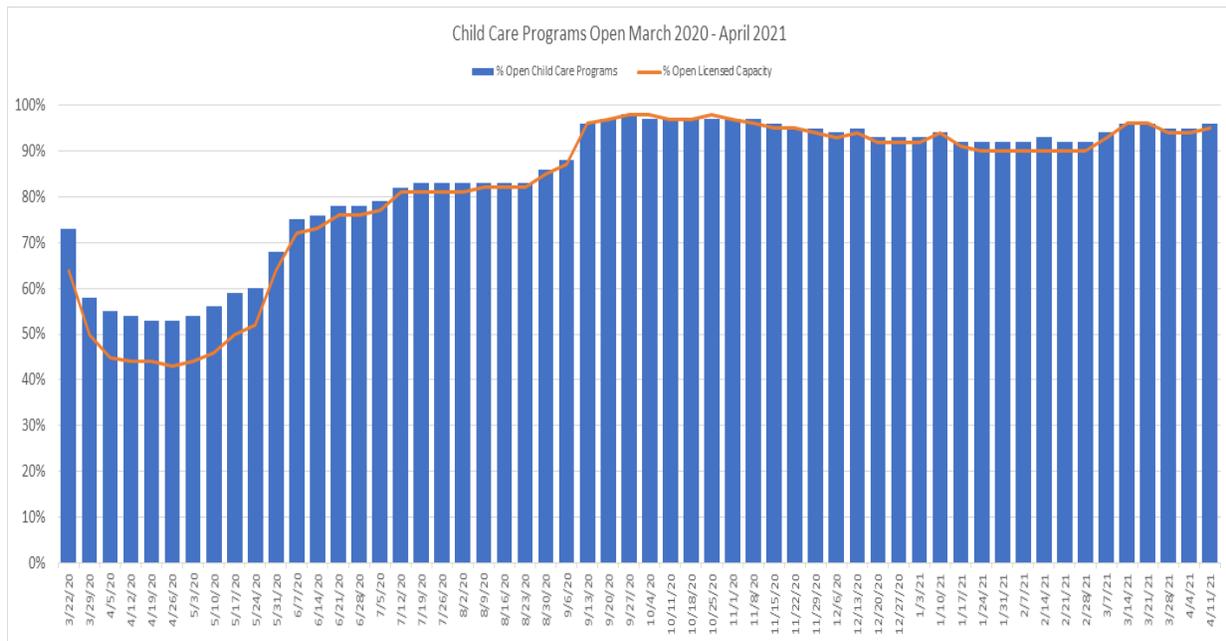
- Providers participating in the Child Care Subsidy Program (CCSP):
 - Receive a weekly stipend of \$100 per infant on CCSP.
 - Receive a 10% quality bump payment for infants and toddlers served through CCSP.
- OCFS, in an attempt to boost the recruitment and retention of early child care educators began:
 - Covering the cost of licensing fees for both family child care providers and facilities.
 - Offering several quality awards in partnership with Maine Roads to Quality Professional Development Network (MRTQ PDN) with new Registry member awards, newly licensed mini-grants, moving up a quality level award, reimbursement for the cost of accreditation, and maintaining accreditation mini-grants.
 - Partnering with Maine Association for the Education of Young Children (AEYC) to create TEACH scholarship program.
- OCFS also began efforts to enhance the Child Care Choices website to improve the availability and accessibility of information about providers for families who may be seeking child care.

Prior to the pandemic OCFS had been dedicating significant time and resources to ensuring CCSP was easily accessible to families and in full compliance with federal Child Care Development Block Grant (CCDBG) requirements set out in the 2014 Reauthorization Act. During 2020, OCFS was able to achieve this goal through the creation and implementation of fingerprint-based background checks for providers. To date over 12,000 background checks have been completed to ensure the safety of children served in Maine’s child care settings. OCFS achieved full compliance in July of 2020. In addition, in January of 2020, OCFS began a one application process through the financial and program eligibility requirements for CCSP making the program application simpler for families.

Impact of Pandemic on Child Care

While the COVID-19 pandemic has had an immense impact on the world of child care, through several funding supports and targeted efforts, OCFS has been able to support providers in order to maintain the majority of Maine’s child care capacity. In February of 2020, Maine had a total of 1,835 licensed child care programs statewide. Of those, 1,005 were family child care programs and 830 were facilities. As of March 2021, Maine has 95% of the pre-COVID licensed program totals with 1,713. Of those, 916 are family child cares and 797 are facilities. In addition, the Child Care Subsidy Program (CCSP) has seen a steady increase in

total families and children receiving CCSP over the last four months. Currently 2,854 families representing 4,369 children are served by the program.



From March of 2020 to March of 2021 OCFS' Child Care Licensing Unit received 166 applications for new child care programs. 111 have been licensed; 36 are still in the application process; and 19 closed their application, declining to pursue licensure.

<i>County</i>	February 2020 Total Providers	March 2021 Total providers
<i>Androscoggin</i>	291	326
<i>Aroostook</i>	121	121
<i>Cumberland</i>	514	512
<i>Franklin</i>	57	56
<i>Hancock</i>	89	91
<i>Kennebec</i>	231	220
<i>Knox</i>	57	60
<i>Lincoln</i>	51	48
<i>Oxford</i>	101	109
<i>Penobscot</i>	245	252
<i>Piscataquis</i>	26	30
<i>Sagadahoc</i>	67	54
<i>Somerset</i>	75	74
<i>Waldo</i>	71	74
<i>Washington</i>	50	60
<i>York</i>	291	276
Total¹	2,337	2,363

¹ Total includes camps, CCSP licensed exempt resources, child care facilities and family child care providers.

Pandemic Support for Providers

Throughout the pandemic, OCFS has provided regularly updated [guidance](#) to child care providers on health and safety measures related to COVID-19. This included recommended screening protocols, cleaning requirements, procedures when a staff person or child tested positive, etc. OCFS also collaborated with Maine CDC to provide Binax NOW COVID-19 Antigen Test Cards to child care providers. This onsite testing allows providers to ensure the health and safety of their staff while maintaining continuity of operations whenever possible. OCFS also implemented procedures for Emergency Temporary Licensing of child care providers to address access issues, particularly for essential personnel. Through this process OCFS has supported over 40 providers with a total capacity of nearly 2,200 child care slots.

OCFS in partnership with Maine Roads to Quality Professional Development Network (MRTQ PDN) made the COVID-19 vaccine available to all licensed child care programs in early March as a priority group through the MRTQ PDN Registry as proof of employment in the field statewide. The Registry had over 500 new individuals enrolled.

OCFS engaged stakeholders in developing plans to stabilize and support providers through the multiple funding sources.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

In May of 2020, Maine received \$10.9 million in CCDBG funding through the CARES Act. The funds were utilized in several ways, including grants to directly to providers to cover COVID-19 related costs and build capacity, providing child care subsidy for essential workers (regardless of income eligibility), and increasing support to low income families receiving traditional CCSP by waiving parent fees through the first stage of Maine's Economic Recovery Plan.

Coronavirus Relief Funds (CRF)

In August of 2020 the Governor announced additional financial support would be provided to child care programs through CRF funding. The Governor allocated \$8.4 million to the initiative which provided reimbursement to providers for COVID-19 related business expenses. The grants distributed through OCFS in December of 2020 totaled \$2,176,464.

Payroll Protection Program (PPP)

Further support to the child care industry in Maine to assist in stabilization is through the PPP loans with the U.S. Small Business Administration (SBA) with first and second draw loans. OCFS has worked with SBA Region 1 office to identify and provide outreach to identified eligible programs. Preliminary data from SBA shows 618 loans to 454 programs receiving one of the loan options with an average of \$45,767 per loan.

Maine Economic Recovery Grants (MERG)

Child Care providers were eligible for the second round of Economic Recovery Grants administered by the Maine Department of Economic and Community Development (DECD). A total of 79 awards totaling \$3,307,122 were granted to child care providers, with an average award of \$41,862.

Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act

In March of 2021, Maine received \$30.5 million in CCDBG funding through CRRSA Act. OCFS took a holistic to utilizing the funds by focusing on supporting the child, family, and child care provider. This plan included allocating 75% of the funding directly to child care providers through stabilization grants. Remaining funds will be used to expand professional development for providers through the Maine Roads to Quality (MRTQ) Professional Development Network (PDN) system, provide mental health and social emotional learning support to children and providers through the Early Childhood Consultation Program (ECCP), further

enhance the Child Care Choices website with additional program specific fields and the addition of a mobile app, waiving copayments for CCSP families, and reimbursing CCSP providers based on enrollment. The first installment (\$3.5 million) of quarterly grants to providers was distributed to providers in April 2021 with the next installment planned for June. After June, two additional installments will be made in the second half of 2021 and early 2022. Grant funds are to be used to offset COVID-19 related costs and build capacity within the child care system. These supports will provide essential funds to continue the stabilization and recovery efforts in 2021.

CRRSA funds will also be utilized to provide enhanced professional development for providers through MRTQ by an improved design of the *Strengthening Business Practices for Child Care Programs* trainings by updating the training, recruiting 18 train the trainers, offering added Communities of Practices (CoP) on the trainings, and the inclusion of business software and technology training. In addition, the funds will establish a Statewide Apprenticeship Program for Child Care Providers, provide Mini-grants and awards for achieving or maintaining accreditation, and/or for completing one of the Maine Credentials (Director, Infant Toddler, Inclusion, Youth Development).

Future Support and Plans

American Rescue Plan Act (ARP)

Maine recently received notice of receiving over an additional \$118.8 million in CCDBG funds that will be allocated to the state through the federal American Rescue Plan Act (ARP). Adding in the estimated \$8.4 million that is expected to come in the form of an increase in block grant funding, this totals an estimated \$127.2 million. The ARP child care funds will be broken up into three sections. Below are the amounts Maine will receive:

1. Discretionary - \$45,660,198
2. Stabilization Subgrants - \$73,176,466
3. Mandatory - Estimated \$8.4 million - awaiting Notice of Award

Once again the funds will be used to implement the Child Care Plan for Maine with a whole system approach to the utilization of the funds meant to enhance Maine's entire child care delivery system with intentional strategies that again align with the Children's Cabinet's strategic plan which focuses on access, quality, and workforce. These plans support short-term stabilization and recovery as well as long-term growth and system improvement.

The Office of Child and Family Services (OCFS) plans to spend the funds utilizing the following strategies that build upon the goals of the Children's Cabinet as well as many of the cross-system initiatives that were part of the joint Department of Education (DOE) and Department of Health and Human Services (DHHS) Preschool Development Grant Application. These strategies will further stabilize Maine's child care providers, continue to place value on quality child care, and invest in long-term infrastructure building. Each strategy below also indicates the goal area the strategy supports (**Access, Quality, or Workforce**). *The information below is estimated and subject to change as more guidance and information becomes available from the federal Administration of Children and Families (ACF).*

1. Access

- Waive Child Care Subsidy Program (CCSP) parent fees until 9/30/24 to support low income families
- Continue waiving child care licensing fees for 2 years to support new and existing child care providers

- Provide a 35% increase to child care providers who take subsidy and are serving children with special needs
- Cover CCDF short fall for FFY23 to help ensure that there is not a waiting list for families to access child care subsidy
- Reimburse CCSP based on enrollment for 2½ years
- Provide startup funding for Help Me Grow for 2 years to coordinate early childhood resources statewide
- Expand the Parent Ambassador program to empower more parent advocates and to include parents from family child care
- Translate CCSP materials into identified languages for both families and providers
- Hire a temporary staff position to create the technology and reporting procedures to process monthly stabilization subgrant payments
- Hire a temporary staff position to implement building the child care information system onto Comprehensive Child Welfare Information System (CCWIS)
- Placeholder for new/expanding child care program grants which may not be eligible for stabilization subgrants (depending on ACF guidance on use of funds)
- Retain all current CRRSA application elements. Payments will be:
 - Required to be on a rolling basis and prorated on operating expenses
 - Based on capacity
 - Increased payments for quality and for providers taking subsidy
 - Will provide stipends to child care providers per staff member that will be required to be spent on wages/benefits/bonuses (Access and Workforce)

2. Quality

- Support license-exempt CCSP nonrelative providers with a monthly stipend for purchasing educational supplies, reading materials, and other allowable expenses to align with the QRIS Revisions
- Support Maine Center for Disease Control (CDC) physical activity and nutrition program in early care and education work to align with Quality Rating and Improvement System (QRIS) revision standards with TA, tools, and resources
- Complete a process evaluation of Early Childhood Consultation Partnership (ECCP) pilot
- Invest in Ages and Stages Questionnaire (ASQ) online screening tool for child care providers to screen and refer children to early intervention when delays in development are detected
- Support the creation of the Early Childhood Integrated Data System (ECIDS) to assess programmatic outcomes of early childhood programs across the lifespan
 - Hire temporary project manager
- Provide Second Step curriculum for child care to support social emotional learning
- Expand Classroom Assessment Scoring System (CLASS) to measure outcomes in child care and incentive program participation with \$500 per program (estimate 200 programs) (Workforce and Quality)
- Train early care and education providers on Maine Early Learning Development Standards (Workforce and Quality)
- Increase child care quality payments to 3%, 10%, 15% for 2-years to support an increase in high-quality programs
- Build child care information system onto CCWIS
- Hire a temporary staff person to manage all ARP projects

3. Workforce

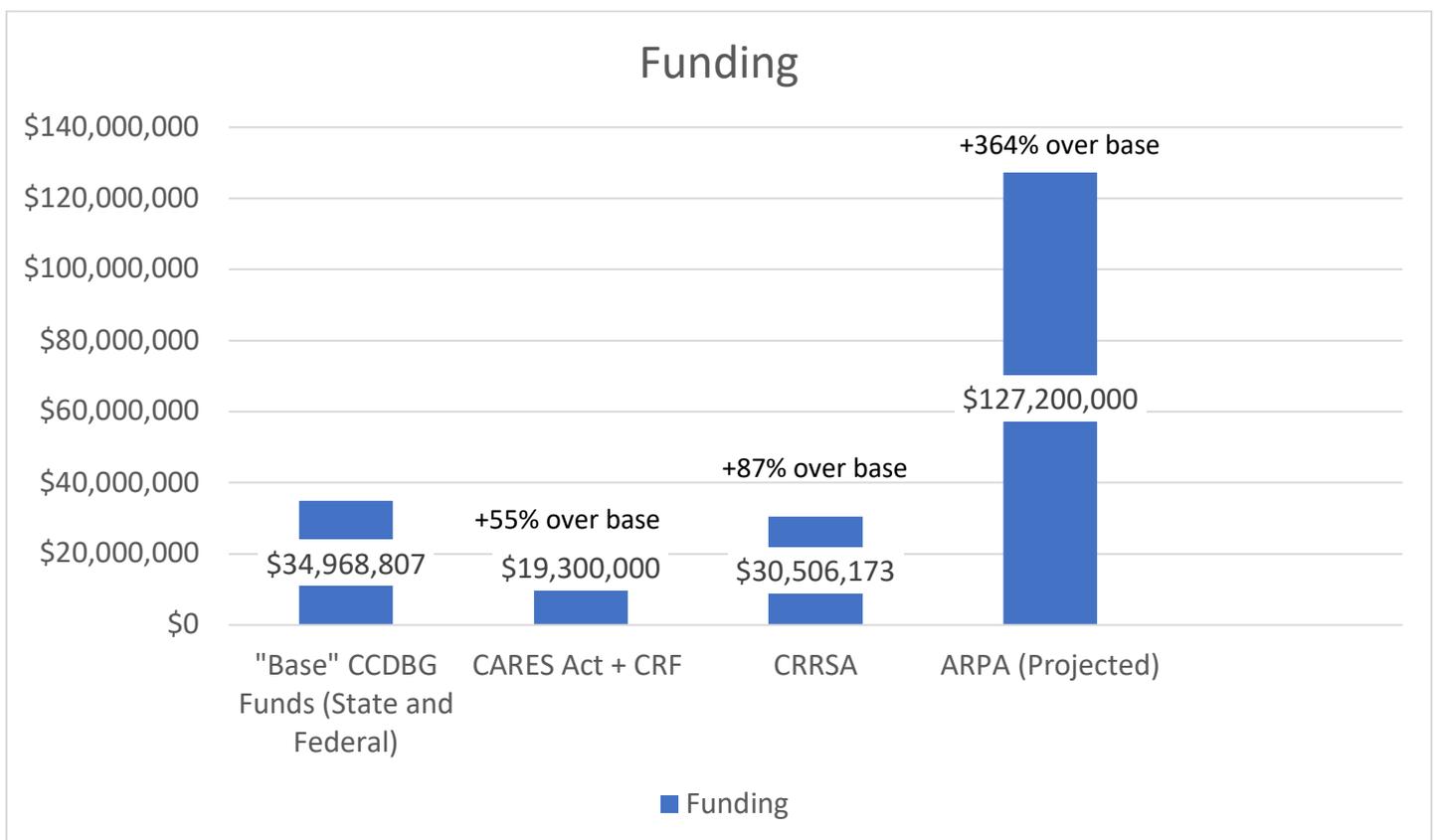
- Develop and deliver a Parent Engagement training to child care providers

- Will provide stipends to child care providers per staff member that will be required to be spent on wages/benefits/bonuses
- Expand Classroom Assessment Scoring System (CLASS) to measure outcomes in child care and incentive program participation with \$500 per program (estimate 200 programs) (Workforce and Quality)
- Train early care and education providers on Maine Early Learning Development Standards (Workforce and Quality)

In addition to the ARP funds, OCFS will continue to support child care through ongoing efforts, including the infant/toddler stipend, workforce development through the TEACH scholarship, technical assistance through Maine Roads to Quality, and other efforts.

Taken together, the Federal funding from the coronavirus response laws totals \$168,696,307. This is roughly 4.5 times the annual Federal and state block grant spending on child care in Maine. The White House describes ARP as the single biggest investment in child care since World War II.

Federal Relief – Child Care Budget Impacts



Infrastructure Proposal

The Governor’s proposed ARP infrastructure initiative includes \$10 million in support for grants that would provide direct infrastructure support, including “bricks-and-mortar” expansion efforts, to expand existing or build new child care facilities and programs. These funds will effectively further leverage the available federal funds to support Maine working families.