

Helping Maine Grow:

Strengthening Our Early Care and Education System Will Improve the Health and Well-being of Children and Support Working Parents

Mainers have a long tradition of working together to solve tough problems. Right now, we face a significant, but solvable challenge of an inadequate early care and education (ECE) system.

In fact, the problem is that it isn't a "system" at all but a patchwork of programs of variable quality, affordability, and availability throughout the state. This creates inequities in opportunity both for children's healthy development and the stability of our workforce. What can we do to support the needs of our modern workforce and ensure Maine has a professional and thriving early care and education system?

In the following sections, we briefly describe the current challenges facing both families and providers, strategies to help repair our patchwork of programs throughout the state to create a true early childhood system, and what kinds of investments are required to build and sustain that system.

The Flawed Market-Based Business Model of Early Care and Education

How the Early Care Business Works

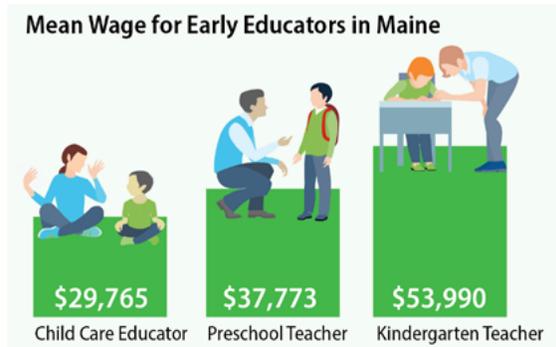
Early childhood programs are made up of a mix of public and private entities, ranging from large centers to small home-based programs, to informal family, friend, and neighbor care. They are structured as sole proprietorships, small businesses, or nonprofit organizations. In Maine, according to a 2019 report, 76 percent of providers were sole proprietors.¹ What these different models have in common is that they are financed by their customers, unlike our public pre-K-12 education system. Families pay "tuition" for their children to attend. Tuition for an infant is similar in annual cost to tuition at the University of Maine.² Of course, this is extremely challenging for parents during a time in their lives when they are just beginning their careers.

This points to another fundamental flaw in the market-based system, which is that **for a program to stay financially viable, it must have full enrollment and collect full tuition from all enrolled families.** Further, the market pricing fails to account for the fact that infants are much more expensive to care for than older children. During infancy, healthy development is facilitated by a lot of one-on-one interaction³, so programs need more staff, which increases costs. Older children can learn and play in groups with peers, so adult-to-child ratios are higher. Many programs rely on four-year-old enrollments to subsidize the cost of infant care and stay financially viable, because most families cannot afford the true cost of infant care. Further, the parents of children with disabilities are particularly challenged to access appropriate care for their child. Another complication for providers is that as more schools offer public preschool for four-year-old children, those less costly children leave private programs, eroding the financial stability of the program.

The high cost of care does not equate to profitable businesses, well-paid staff, or high-quality experiences for children. Regarding quality, we know from research that high-quality child care is related to a variety of positive developmental outcomes. When educators provide care and interactions that are emotionally supportive, consistent, and appropriate to the child’s age, development, and temperament, it supports children’s learning and has a positive effect on the well-being of children and families.

Regarding salaries, the average (mean) hourly wage for child care workers in Maine is significantly lower than preschool or Kindergarten teachers in Maine (see chart below). In addition to low wages, early care educators and staff rarely receive health insurance or paid time off, in stark contrast to their public school counterparts.

These wages result in many child care workers, who are mostly women, unable to meet their own basic needs. Low wages also cause high turnover rates, which is difficult for child care directors and parents, but is so in particular for young children, who need consistent relationships with caregivers⁴ during their formative early years.

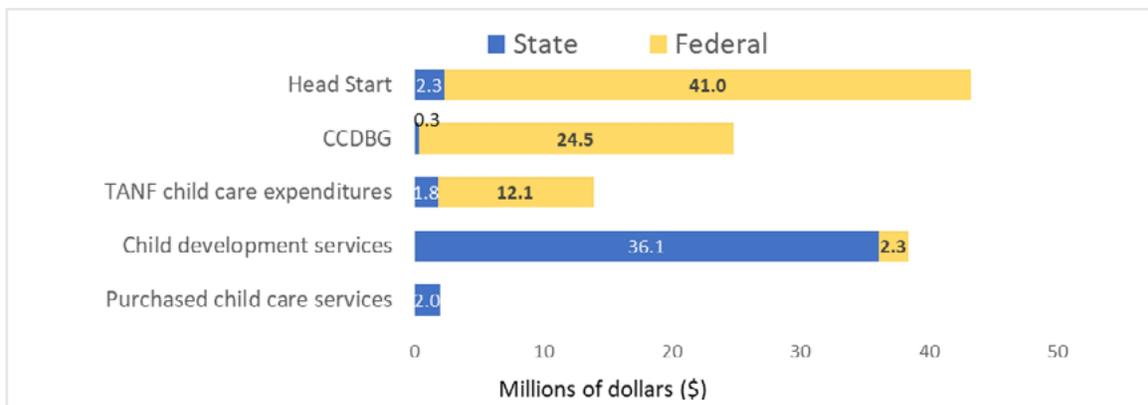


Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2020 State Occupational Employment and Wage Estimates Maine https://www.bls.gov/oes/current/oes_me.htm

How Federal and State Funds Finance Early Care and Education

An array of mostly federal programs provides some supports for early childhood education for working families in Maine. The Child Care Development Block Grant (CCDBG) is the primary source of federal funding to support the child care needs of income eligible working families.

Early Childhood Education in Maine is Primarily Federally Funded

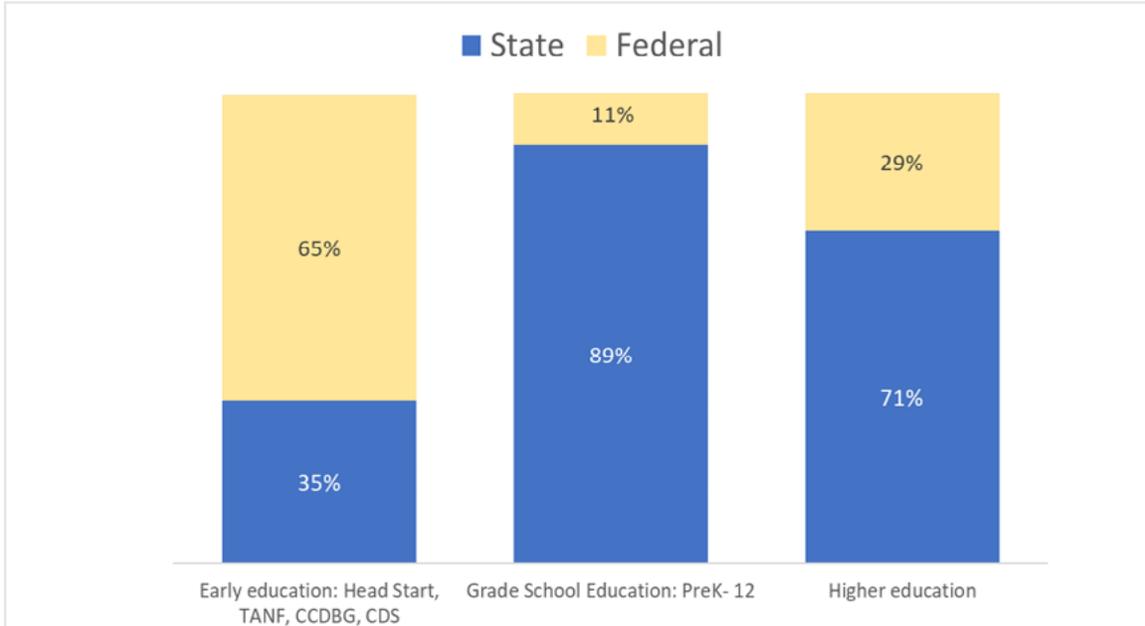


Source: see ECE Chart

Maine contributes few state dollars to child care or Head Start. **Most of the state funding to support early care and education in Maine is focused on the state’s public preschool program**, via the school funding program and Child Development Services. While 80 percent of school districts offer at least one preschool classroom⁵, only 47 percent of four-year-old children attended public preschool in Maine in 2019-2020, and this varies throughout the state – with Aroostook County at 93 percent public preschool

enrollment, and Cumberland County at 17 percent.⁶ Public preschool programs often don't meet the needs of full-time working parents, as only 8.9 percent of enrolled four-year-olds are in programs that are full-day and meet five days a week.⁷

Maine Funds School-Age and Higher Education at Much Higher Rates than Early Childhood Education

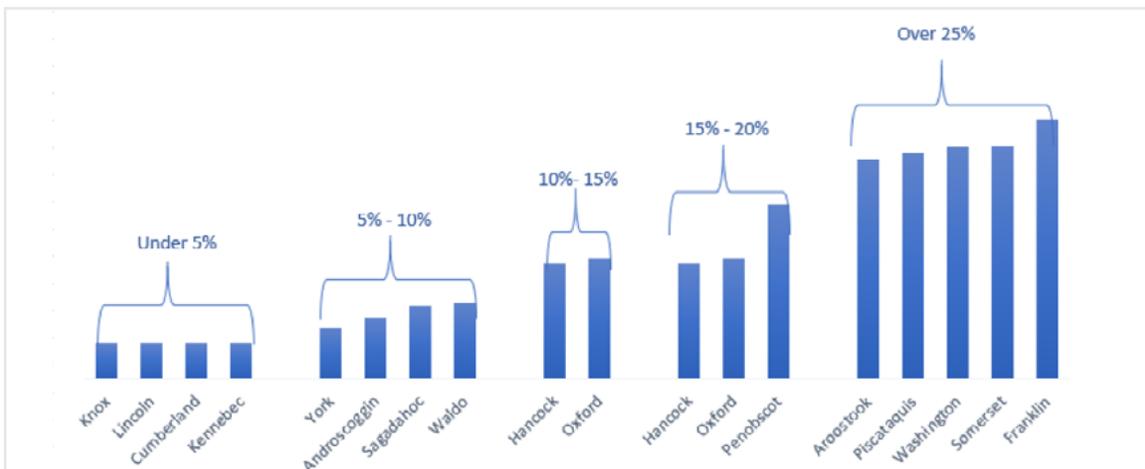


Source: see **Maine and Federal Funding Chart**

The Needs of Working Families

Roughly 71 percent of families in Maine with a child under age six have all adults in the household working, which equates to approximately 53,000 children in need of high-quality learning environments.⁸ But ECE is not readily available or affordable for all families, and public preschool for four-year-olds doesn't solve the challenges for families with younger children. A 2020 report by the Bipartisan Policy Center⁹ examined the percent of Maine children under age six with all available parents in the labor force who do not have access to care (the “percent gap”) and found significant differences by county.

Gap Between Supply of Child Care and Potential Need



Source: see **Gap Chart**

Of course, even if parents can access care, is it affordable? One recommended federal benchmark for affordable care is seven percent of family income¹⁰, yet most parents in Maine are paying more. Child Care Aware finds that a married couple in Maine with a single child is spending between nine and 11 percent of family income while a single parent is spending between 29 to 39 percent of their income.¹¹ While the state offers supports to some families based on income, also known as “subsidies,” they serve only about 10 percent of eligible children in Maine.¹² Further, providers are reimbursed for serving families with subsidies, but only at the 75th percentile of the market rate¹³ for care.

In short, how early childhood education is structured and financed doesn’t work for families or providers.

Strategies for Building a Better System

To ensure a prosperous future, Maine needs a better system of early care and education that truly supports the needs of our youngest children, families, and early childhood educators. Priorities should include the following:

1. Improving Access to Quality Care Through Community Innovation – Two Models for Coordination, Integration and Partnership

- a. Early childhood partners in Maine have already created a model that provides quality care and healthy development for children, supports the needs of working families, and improves compensation for educators while providing them with coaching and professional development. The **Elevate Maine initiative**¹⁴ in Skowhegan offers us this vision in practice in a rural area. Assessment data for Head Start eligible children found that after being enrolled in the project for just six months, all children met or exceeded the age-appropriate standards in five out of the six developmental domains, with growth shown in all domains.



- b. Another model is utilizing regional hubs in conjunction with the national [Help Me Grow model](#), a systems-level initiative that connects parents with early learning providers, health care providers, and child-serving state and local agencies to assist families in locating appropriate services for their children. Help Me Grow does not provide direct services, but instead builds on existing resources to develop a comprehensive approach to early childhood.



As communities are growing Elevate Maine projects over time, provisions of the Child Care Development Block Grant can be utilized elsewhere in the state to provide contracts or grants to child care providers who accept parents qualified for the subsidy program. Approximately 30 states currently use this option¹⁵ and it has the effect of providing stability for parents and providers and allows the state to target underserved areas and at-risk populations.

2. Supporting the Early Childhood Workforce

Significant reforms are required to improve the wages and benefits of early childhood educators. Maine should develop a plan that includes wage supplements along with scholarships for higher education, apprenticeships, and support from Career and Technical Education to build ECE career pathways. Ultimately, standards and a wage scale should be developed based on education, training, and experience. A plan should aim to achieve wage parity between early educators and public school teachers over a 10-year period.

3. Improving Early Childhood Infrastructure and Access

Governor Mills has proposed using \$10 million in American Rescue Plan Act funds to finance early learning facilities. These resources could help realize the vision of regional early childhood hubs. While some communities may require new construction, others may need to renovate or add to an existing space. Planning, designing, building or renovation of an existing early learning center can excite and generate community and business support and partnerships.

4. Improving Data Systems

Increased public investment in early childhood data collection and analysis is important to drive good policy and guide decisions that produce positive outcomes for children. There are three significant data/research needs: a system that would help match parent needs with the availability of ECE in their communities; a child care workforce study to determine the demographic, educational, and professional development needs that would best support the field; and continued prioritization of the Early Childhood Integrated Data System.

5. Addressing Infant Care with Paid Family Leave

The early months in a child's life are crucial to brain development and in building the responsive relationships with caregivers that are necessary to thrive. A symposium held by the Boston Federal Reserve Bank¹⁶ in 2018 cited evidence that paid family leave can improve infant health, maternal health, and result in lower rates of domestic violence and child abuse. Robust paid family leave policies can also relieve the high cost of infant care for families in the first year of a child's life. While approximately 14 percent of workers have access to paid family leave, just six percent of the lowest earning employees have access to leave, as compared to 22 percent of the top earning employees.¹⁷

6. Addressing Affordability Through Public Investment

Truly meeting the needs of families and employers will require significant state and federal funding to support early care and education as the public good it is. Relying on private tuition from young families and underpaying early childhood educators is not an equitable, nor a sustainable system. While strategies such as tax credits and wage stipends can support families and educators, ultimately it will require higher wages to attract and retain educators in the field and it will require lower weekly child care costs for families to afford quality care. One solution would be to provide universal preschool for three- and four-year-old children through a mixed delivery system that includes public school, child care centers, family child care providers, and Head Start. The Child Care Subsidy program could be reformed and expanded to include a sliding scale so no parent would pay beyond a reasonable maximum level for infant and toddler care and educators could be paid for the actual cost of care at wages equal to those of public school educators.

Conclusion

We have intelligent and caring educators across the state working to support young children and families. With coordination, parent input, leadership, and additional state and federal funding, we can design a system that complements the strengths of center and family child care, Head Start, home visiting, and public schools. And with a stronger, more equitable system, we can create a prosperous future for all Maine children and families.

We need Maine leaders to understand early childhood brain science, the economic value of early childhood education, and most importantly, commit themselves to early care and education as a public good. When children can get a strong early start, and their parents can be fully engaged in the workforce, our communities and economy will also reap the rewards of this investment.

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Graph sources

ECE Chart

1. Head Start: Federal: [Head Start Program Facts: Fiscal Year 2019](#) State: Summary of Identified Child Care Expenditures by Approp and Fund”, page 2 received from Luke Lazore, Senior Analyst, Office of Fiscal and Program Review, September 2020.
2. TANF Child Care, both federal and state: [TANF and MOE Spending and Transfers by Activity, FY 2019 Maine](#) page 2.
3. CCDBG: Federal [Final GY 2019 CCDF Allocations \(Including Redistributed Funds\)](#) . State: “Summary of Identified Child Care Expenditures by Approp and Fund”, page 2 received from Luke Lazore, Senior Analyst, Office of Fiscal and Program Review, September 2020.
4. Purchased Social Services is only funded by the state. SFY 2019, from “Summary of Identified Child Care Expenditures by Approp and Fund”, page 2 received from Luke Lazore, Senior Analyst, Office of Fiscal and Program Review, September 2020.
5. Child development services [Child Development Services, State Compendium of State Fiscal Information, State Fiscal Year ending June 30, 2019](#) page 106 (federal) and page 83 (state)

Maine and Federal Funding Chart

1. Head Start: Federal: [Head Start Program Facts: Fiscal Year 2019](#) State: Summary of Identified Child Care Expenditures by Approp and Fund”, page 2 received from Luke Lazore, Senior Analyst, Office of Fiscal and Program Review, September 2020.
2. TANF Child Care, both federal and state: [TANF and MOE Spending and Transfers by Activity, FY 2019 Maine](#) page 2.
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5. Child development services [Child Development Services, State Compendium of State Fiscal Information, State Fiscal Year ending June 30, 2019](#) page 106 (federal) and page 83 (state)
6. School-age education: [State Compendium of State Fiscal Information, State Fiscal Year ending June 30, 2019](#) Federal: page 106 (federal) and page 83 (state) omitting Other and Child Development Services for both federal and state.
7. Higher Education: State: [State Compendium of State Fiscal Information, State Fiscal Year ending June 30, 2019](#) page 84. Federal: Pew Trust, [Two Decades of Change in Federal and State Higher Education Funding](#) the ratio of federal and state spending for Maine was applied to estimate the federal funding estimated for FFY 2019.

Gap Chart

1. **Source:** Smith, L., Bagley, A., and Wolters, B. Child Care in 25 States: What We Know and Don't Know. Quantifying the Supply Of, Potential Need For, and Gaps in Child Care Across the Country. October 2020. <https://childcaregap.org>

Endnotes

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4. National Scientific Council on the Developing Child. (2004). Young children develop in an environment of relationships. Working Paper No. 1. <http://www.developingchild.net>
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9. Smith, L., Bagley, A., and Wolters, B. Child Care in 25 States: What We Know and Don't Know. Quantifying the Supply Of, Potential Need For, and Gaps in Child Care Across the Country. October 2020. https://bipartisanpolicy.org/wp-content/uploads/2020/10/BPC_Working-Family-Solutions_FinalPDFV3.pdf
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12. MCA analysis of data from Maine Office of Child and Family Services, Population Reference Bureau, and Maine Office of Vital Statistics. Total # eligible at 85% median income and family size, Population Research Bureau estimates approximately 54% were eligible for 2015-2019. Number of children ages 0-11 in Maine in 2019 was 159,294 (Maine Office of Vital Statistics). Based on this, there were approximately 85,559 eligible children in 2019. At some point in time during the state fiscal year 2020, 8,034 kids had a subsidy. So, approximately 9.4% of eligible children were served in state fiscal year 2020.
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17. Ibid

