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Legislative Document

No. 1474

H.P. 1013

House of Representatives, April 18, 2017

An Act To Reduce the Regulation of Child Care Facilities

Reference to the Committee on Health and Human Services suggested and ordered printed.

ROBERT B. HUNT

R(+ B. Hunt

Presented by Representative ESPLING of New Gloucester.
Cosponsored by Senator BRAKEY of Androscoggin and
Representatives: HANINGTON of Lincoln, HAWKE of Boothbay Harbor, NADEAU of
Winslow, PICKETT of Dixfield, SANDERSON of Chelsea, STEARNS of Guilford,
WADSWORTH of Hiram.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 5 MRSA §12004-G, sub-§14-I is enacted to read:
3	<u>14-I.</u>
4 5	Human ServicesChild Care Appeal Review PanelExpenses Only Expenses Only22 MRSA §8359
6	Sec. 2. 22 MRSA §3737, sub-§§4 and 5 are enacted to read:
7 8 9 10	4. Child care rates. The department shall establish payment rates for child care services that are at least equal to the 75th percentile of local market rates for the various categories of child care services. The payment rates for child care services for children with special needs must be higher than the 75th percentile of local market rates.
11 12 13	5. Choice of provider. The recipient of a child care subsidy may pay out of pocket the difference between the amount of the subsidy provided by the department and the amount charged by a provider for a child care service.
14 15	Sec. 3. 22 MRSA §3762, sub-§3, ¶B, as amended by PL 2015, c. 267, Pt. RRRR, §2, is further amended to read:
16 17 18 19 20	B. The department may use funds, insofar as resources permit, provided under and in accordance with the United States Social Security Act or state funds appropriated for this purpose or a combination of state and federal funds to provide assistance to families under this chapter. In addition to assistance for families described in this subsection, funds must be expended for the following purposes:
21 22 23	(1) To continue the pass-through of the first \$50 per month of current child support collections and the exclusion of the \$50 pass-through from the budget tests and benefit calculations;
24 25 26 27 28 29 30 31 32 33 34 35 36	(2) To provide financial assistance to noncitizens legally admitted to the United States who are receiving assistance under this subsection as of July 1, 2011. Recipients of assistance under this subparagraph are limited to the categories of noncitizens who would be eligible for the TANF programs but for their status as aliens under PRWORA. Eligibility for the TANF program for these categories of noncitizens must be determined using the criteria applicable to other recipients of assistance from the TANF program. Any household receiving assistance as of July 1, 2011 may continue to receive assistance, as long as that household remains eligible, without regard to interruptions in coverage or gaps in eligibility for service. A noncitizen legally admitted to the United States who is neither receiving assistance on July 1, 2011 nor has an application pending for assistance on July 1, 2011 that is later approved is not eligible for financial assistance through a state-funded program unless that noncitizen is:
37 38	(a) Elderly or disabled, as described under the laws governing supplemental security income in 42 United States Code, Sections 1381 to 1383f (2010);
39	(b) A victim of domestic violence;

the department under this division are routine technical rules as defined by 3 4 Title 5, chapter 375, subchapter 2-A; or 5 (d) Unemployed but has obtained proper work documentation, as defined by the department by rule. Rules adopted by the department under this division 6 7 are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A; 8 (3) To provide benefits to certain 2-parent families whose deprivation is based 9 on physical or mental incapacity; 10 (4) To provide an assistance program for needy children, 19 to 21 years of age, who are in full-time attendance in secondary school. The program is operated for 11 12 those individuals who qualify for TANF under the United States Social Security Act, except that they fail to meet the age requirement, and is also operated for the 13 14 parent or caretaker relative of those individuals. Except for the age requirement, all provisions of TANF, including the standard of need and the amount of 15 assistance, apply to the program established pursuant to this subparagraph; 16 17 (5) To provide assistance for a pregnant woman who is otherwise eligible for 18 assistance under this chapter, except that she has no dependents under 19 years of age. An individual is eligible for the monthly benefit for one eligible person if 19 the medically substantiated expected date of the birth of her child is not more 20 21 than 90 days following the date the benefit is received; 22 (6) To provide a special housing allowance for TANF families whose shelter expenses for rent, mortgage or similar payments, homeowners insurance and 23 property taxes equal or exceed 75% of their monthly income. The special 24 25 housing allowance is limited to \$200 per month for each family. For purposes of this subparagraph, "monthly income" means the total of the TANF monthly 26 benefit and all income countable under the TANF program, plus child support 27 received by the family, excluding the \$50 pass-through payment; 28 29 (7) In determining benefit levels for TANF recipients who have earnings from employment, the department shall disregard from monthly earnings the 30 following: 31 32 (a) One hundred and eight dollars; 33 (b) Fifty percent of the remaining earnings that are less than the federal 34 poverty level; and 35 (c) All actual child care costs necessary for work, except that the department may limit the child care disregard to \$175 per month per child or \$200 per 36 37 month per child under 2 years of age or with special needs; 38 (7-A) In determining eligibility and benefit levels, the department may apply a gross income test only to applicants and not to recipients; 39 40 (8) In cases when the TANF recipient has no child care cost, the monthly TANF

(c) Experiencing other hardship, such as time necessary to obtain proper

work documentation, as defined by the department by rule. Rules adopted by

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benefit is the maximum payment level or the difference between the countable

1 earnings and the standard of need established by rule adopted by the department, whichever is lower: 2 3 (9) In cases when the TANF recipient has child care costs, the department shall 4 determine a total benefit package, including TANF cash assistance, determined in accordance with subparagraph (7) and additional child care assistance, as 5 provided by rule, necessary to cover the TANF recipient's actual child care costs 6 7 up to the maximum amount specified in section 3782-A, subsection 5. The 8 benefit amount must be paid as provided in this subparagraph. 9 (a) Before the first month in which child care assistance is available to an ASPIRE-TANF recipient under this paragraph and periodically thereafter, the 10 department shall notify the recipient of the total benefit package and the 11 following options of the recipient: to receive the total benefit package 12 directly; or to have the department pay the recipient's child care assistance 13 directly to the designated child care provider for the recipient and pay the 14 balance of the total benefit package to the recipient. 15 (b) If an ASPIRE-TANF recipient notifies the department that the recipient 16 17 chooses to receive the child care assistance directly, the department shall pay 18 the total benefit package to the recipient. 19 If an ASPIRE-TANF recipient does not respond or notifies the department of the choice to have the child care assistance paid directly to the 20 21 child care provider from the total benefit package, the department shall pay the child care assistance directly to the designated child care provider for the 22 recipient. The department shall pay the balance of the total benefit package 23 to the recipient: 24 25 (d) An ASPIRE-TANF recipient may choose to pay the difference out of pocket between the amount of child care subsidy provided by the department 26 and the amount charged by a provider for a child care service. 27 28 The department shall notify the designated child care provider of an ASPIRE-TANF recipient's eligibility for child care assistance, any changes to 29 eligibility, including renewals and information requests, and advanced notice of 30 no less than 4 weeks of ineligibility as long as the ASPIRE-TANF recipient 31 authorizes the communication between the designated child care provider and the 32 33 department; 34 (10) Child care assistance under this paragraph must be paid by the department 35 in a prompt manner that permits an ASPIRE-TANF recipient to access child care necessary for work; and 36 37 (11) The department shall adopt rules pursuant to Title 5, chapter 375 to implement this subsection. Rules adopted pursuant to this subparagraph are 38 39 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. 40 Sec. 4. 22 MRSA §3762, sub-§8, ¶E, as enacted by PL 2009, c. 291, §6, is 41 repealed and the following enacted in its place:

- E. The department shall establish payment rates for child care services that are at least equal to the 75th percentile of local market rates for the various categories of child care services. The payment rates for child care services for children with special needs must be higher than the 75th percentile of local market rates.
 - **Sec. 5. 22 MRSA §3782-A, sub-§5,** as enacted by PL 1997, c. 530, Pt. A, §19, is repealed and the following enacted in its place:
 - 5. Child care during participation in employment, education and training. The department shall provide child care in accordance with federal law and this Title when the child care is necessary to permit a TANF-eligible family member to participate in the ASPIRE-TANF program.
 - A. The department shall establish payment rates for child care services that are at least equal to the 75th percentile of local market rates for the various categories of child care services. The payment rates for child care services for children with special needs must be higher than the 75th percentile of local market rates.
 - B. The department shall provide an ASPIRE-TANF program participant's actual cost for child care up to the maximum rate authorized by federal law. In determining the maximum rate, the State shall use a method that results in an amount that equals, or most closely approaches, the actual market rate in different regions of the State for various types of child care services received by families in the State participating in the ASPIRE-TANF program.
 - C. An ASPIRE-TANF program participant may choose to pay out of pocket the difference between the amount of the subsidy provided by the department and the amount charged by a provider for a child care service.
 - **Sec. 6. 22 MRSA §8301-A, sub-§1-A,** as amended by PL 2009, c. 211, Pt. B, §§20 and 21, is further amended to read:
 - **1-A. Definitions.** As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.
 - A. "Child care center" means:

- (1) A house or other place in which a person maintains or otherwise carries out a regular program, for consideration, for any part of a day providing care and protection for 13 or more children under 13 years of age; or
- (2) Any location or locations operated as a single child care program or by a person or persons when there are more than 12 children being cared for.
- B. "Child care facility" means a child care center, small child care facility or nursery school. "Child care facility" does not include a facility operated by a family child care provider, a youth camp licensed under section 2495, programs offering instruction to children for the purpose of teaching a skill such as karate, dance or basketball, a formal public or private school in the nature of a kindergarten or elementary or secondary school approved by the Commissioner of Education in accordance with Title 20-A or a private school recognized by the Department of Education as a provider of equivalent instruction for the purpose of compulsory

- school attendance. Any program for children under 5 years of age that is located in a private school and programs that contract with one or more Child Development Services System sites are required to be licensed as a child care facility.
 - C. "Family child care provider" means a person who provides day care in that person's home on a regular basis, for consideration, for $\frac{3}{5}$ to 12 children under 13 years of age who are not the children of the provider or who are not residing in the provider's home. If a provider is caring for children living in that provider's home and is caring for no more than $\frac{2}{4}$ other children, the provider is not required to be certified as a family child care provider.
 - D. "Nursery school" means a house or other place in which a person or combination of persons maintains or otherwise carries out for consideration during the day a regular program that provides care for $\frac{3}{5}$ or more children 33 months of age or older and under 8 years of age, provided that as long as:
 - (1) No session conducted for the children is longer than 3 1/2 hours in length;
 - (2) No more than 2 sessions are conducted per day;
 - (3) Each child in attendance at the nursery school attends only one session per day; and
 - (4) No hot meal is served to the children.

- "Nursery school" does not include any facility operated as a child care center or small child care facility licensed under subsection 2, a youth camp licensed under section 2495 or a public or private school in the nature of a kindergarten approved by the Commissioner of Education, in accordance with Title 20-A.
- E. "Small child care facility" means a house or other place, not the residence of the operator, in which a person or combination of persons maintains or otherwise carries out a regular program, for consideration, for any part of a day providing care and protection for 3 5 to 12 children under 13 years of age.
- **Sec. 7. 22 MRSA §8301-A, sub-§2,** as amended by PL 2005, c. 640, §2, is further amended to read:
- 2. Child care facility licensure. The owner or operator of a child care facility shall pay the licensing fee required under section 8303-A. A child care facility must be licensed under this chapter and must comply with the rules adopted by the commissioner under section 8302-A and the fire safety requirements of section 8304-A. The department shall make at least one unannounced inspection of a child care facility licensed under this chapter during the term of the license. The inspection must take place between 6 and 18 months after the issuance of the license. A licensed child care facility that has been continuously in operation for a minimum of 5 years and has completed satisfactory inspections pursuant to this subsection is eligible for a license for 5 years at the time of the next regular license renewal. Except as otherwise provided, a nursery school must meet the requirements of this chapter and chapter 1675.
- **Sec. 8. 22 MRSA §8301-A, sub-§3,** as amended by PL 2005, c. 640, §3, is further amended to read:

1 2 3 4 5 6 7	3. Family child care provider certification. A family child care provider shall pay the certification fee required under section 8303-A. A family child care provider must be certified under this chapter and shall comply with the rules adopted by the commissioner under section 8302-A and the fire safety requirements of section 8304-A. The department shall make at least one unannounced inspection of a family child care provider certified under this chapter during the term of the certificate. The inspection must take place between 6 and 18 months after the issuance of the certificate. A certified
8 9 10	family child care provider that has been continuously in operation for a minimum of 5 years and has completed satisfactory inspections pursuant to this subsection is eligible for a certification for 5 years at the time of the next regular certification renewal.
11 12	Sec. 9. 22 MRSA §8301-A, sub-§4, as amended by PL 2005, c. 530, §7, is further amended to read:
13 14 15 16 17 18	4. Complaints. Upon receipt of a complaint about a licensed child care facility or a certified family child care provider and if the department has reasonable cause to suspect that a violation of the licensure or certification requirements has occurred, the department may investigate the complaint and enter the premises at any reasonable time for the purposes of the investigation <u>as long as any inspection undertaken relates only to the complaint</u> .
19	Sec. 10. 22 MRSA §8357, sub-§5, as enacted by PL 2015, c. 283, §3, is repealed.
20	Sec. 11. 22 MRSA c. 1674-A is enacted to read:
21	CHAPTER 1674-A
22	CHILD CARE APPEAL REVIEW PANEL
22	CHED CARE ATTEAL REVIEW TAKEL
23	§8359. Child Care Appeal Review Panel
23 24 25 26 27 28	The Child Care Appeal Review Panel, established by Title 5, section 12004-G, subsection 14-I, referred to in this chapter as "the review panel," shall review disputes between a child care facility, a family child care provider or a nursery school, as those terms are defined in section 8301-A, collectively referred to in this chapter as "the facility," and the department relating to compliance with licensing or certification,
23 24 25 26 27 28 29	The Child Care Appeal Review Panel, established by Title 5, section 12004-G, subsection 14-I, referred to in this chapter as "the review panel," shall review disputes between a child care facility, a family child care provider or a nursery school, as those terms are defined in section 8301-A, collectively referred to in this chapter as "the facility," and the department relating to compliance with licensing or certification, complaints and disputes but not investigations of out-of-home child abuse and neglect. 1. Membership. The review panel has 10 voting members appointed by the
23 24 25 26 27 28 29 30 31	The Child Care Appeal Review Panel, established by Title 5, section 12004-G, subsection 14-I, referred to in this chapter as "the review panel," shall review disputes between a child care facility, a family child care provider or a nursery school, as those terms are defined in section 8301-A, collectively referred to in this chapter as "the facility," and the department relating to compliance with licensing or certification, complaints and disputes but not investigations of out-of-home child abuse and neglect. 1. Membership. The review panel has 10 voting members appointed by the Governor as follows: A. Three early childhood professionals; B. One pediatric health care professional;
23 24 25 26 27 28 29 30 31	The Child Care Appeal Review Panel, established by Title 5, section 12004-G, subsection 14-I, referred to in this chapter as "the review panel," shall review disputes between a child care facility, a family child care provider or a nursery school, as those terms are defined in section 8301-A, collectively referred to in this chapter as "the facility," and the department relating to compliance with licensing or certification, complaints and disputes but not investigations of out-of-home child abuse and neglect. 1. Membership. The review panel has 10 voting members appointed by the Governor as follows: A. Three early childhood professionals;

- The director of the division of licensing and regulatory services or the director's designee shall chair the review panel and act as a nonvoting member.
 - 2. Legal counsel. The review panel receives legal counsel from the Office of the Attorney General.
 - <u>3. Terms.</u> Members of the review panel are appointed for 5-year terms. A member of the review panel appointed to fill a vacancy occurring otherwise than by expiration of a term is appointed only for the unexpired term of the member succeeded.
 - **4. Duties.** The review panel shall review disputes between the department and a facility. The review panel shall review the records, conduct any interviews or inspections considered necessary, make a determination regarding findings of fault and, if necessary, determine appropriate action by the department or the facility. Disputes subject to appeal include the following:
 - A. Revocation or suspension of a license or certification to operate a facility;
 - B. Denial of an application for a license or certification to operate a facility;
 - C. Conversion of a license or certification from regular to conditional status;
- D. Disputes between facilities and the department concerning compliance with rules; and
 - E. Denials of alternative compliance requests.

- 5. Timely review of disputes. A facility that is aggrieved by a decision by the department related to a dispute subject to the review panel must file a request for the review panel to review the dispute within 30 days of receiving the decision by the department. The review panel shall schedule an initial meeting to review the dispute within 14 days of a request by a facility. A final decision on the dispute must be made no later than 30 days after the review panel has met to review the dispute. Any review conducted by the review panel must be in accordance with Title 5, chapter 375, subchapter 7.
- 6. Authority. The department and the facility shall act according to the final decision by the review panel.
- **Sec. 12. 22 MRSA §9057, sub-§4,** as enacted by PL 2015, c. 299, §25, is amended to read:
 - **4. Conditional employment.** In accordance with subsection 2, an employer may employ an individual as a direct access worker on a conditional basis for up to 60 calendar days, or in a child care facility for up to 90 days, before the employer receives a final background check report or from the date the employer receives a disqualifying background report on the following conditions:
 - A. The employer initiates the background check by entering the individual into the Background Check Center database as a conditionally employed worker;
 - B. The individual is not identified in the Background Check Center database as a disqualified person based on an earlier background check;

- C. The individual has agreed to submit to the steps necessary to comply with this chapter, including taking substantial steps toward correcting inaccurate data in the disqualifying background check report if applicable;
 - D. The individual signs a statement declaring that a background check will not reveal a disqualifying offense or that an offense that appears is inaccurate;
 - E. The employer verifies and documents that the individual has submitted the mandatory identity verification and employment eligibility documents required by rules adopted in accordance with this chapter; and
 - F. The individual is subject to direct personal supervision during the course of the conditional employment as described in rules adopted pursuant to this chapter.
 - Sec. 13. PL 2011, c. 380, Pt. UU is repealed.

- Sec. 14. Department of Health and Human Services to develop welfare cliff plan. The Department of Health and Human Services shall develop a plan for a sliding scale of income and subsidy to eliminate the so-called welfare cliff as it relates to child care subsidies so that an individual continues to receive some amount of subsidy for a period of time after reaching certain income thresholds. The department shall report the plan to the Joint Standing Committee on Health and Human Services no later than January 30, 2018. The committee is authorized to report out a bill regarding the plan to eliminate the welfare cliff to the Second Regular Session of the 128th Legislature.
- Sec. 15. Department of Health and Human Services to amend child care facility rules. No later than January 1, 2018, the Department of Health and Human Services shall amend Office of Child and Family Services rule Chapter 32: Rules for the Licensing of Child Care Facilities to make the following changes:
 - 1. Remove the requirement for a minimum space of 35 square feet per child;
- 2. Allow for extenuating circumstances when child care facilities cannot meet staff-child ratios to allow for unusual circumstances as long as the facility documents the situation;
- 3. Change the staff-child ratios as follows: one staff person to 6 infants up to 12 months of age with a maximum of 10 children in the room; one staff person to 7 children 12 to 24 months of age with a maximum of 12 children in the room; one staff person to 12 children 24 to 36 months of age with a maximum of 20 children in the room; one staff person to 18 children 36 months to 4 years of age with a maximum of 30 children in the room; one staff person to 20 children 4 to 5 years of age with a maximum of 36 children in the room; and one staff person to 25 children 5 years of age and older with no maximum for children in the room. Staff that are employed on a conditional basis pursuant to the Maine Revised Statutes, Title 22, section 9057, subsection 4 are included as staff for the purpose of the staff-child ratios. The ratio for children of mixed ages should be an average of the groups for staff-child ratios;

4. Allow for a change in staff-child ratios when a child is within 6 months of the age that would result in lower staff-child ratios as long as the change is developmentally appropriate for the child;

- 5. Remove the authority of the department to post inspection reports and reports of violations on the department's publicly accessible website except for criminal and child abuse reports. Criminal and child abuse reports may be posted only after any appeals process has been completed;
- 6. Require the department to act in a respectful manner when posting or removing an action plan to address violations;
- 7. Require the department to provide the facility with a copy of all notes relating to an inspection or investigation prior to leaving the facility;
- 8. Allow a child care facility access to all records kept by the department relating to that child care facility at no cost to the facility and in a timely fashion;
 - 9. Require the department to notify a child care facility of any information regarding the facility that is shared with parents, the public or the media for any reason including a freedom of access request or inquiries related to posted or unposted information about the facility;
- 18 10. Require that persons conducting inspections for the department provide one hour of advance notice to the director and owner of the facility of the intention to conduct an inspection;
 - 11. Require the department to notify a child care facility if the individual who regularly inspects the facility changes;
 - 12. Allow a facility license to be issued to a corporation;
 - 13. Set licensing fees for 5-year licenses at 150% of the 2-year license fee;
 - 14. Require the department to refund a license fee if the department does not issue the license;
 - 15. Remove the requirement for the department to be notified of a change in director at a facility;
 - 16. Remove the requirement for references to be supplied to the department for a license application;
- 17. Remove the requirement for personnel files of the director, owner, administrator, staff members and volunteers to include references;
- 18. Remove the requirement for the facility to provide extra clothing for preschool-aged children;
 - 19. Remove requirements for the specific types of food provided in facilities;

- 20. Remove the requirement that dishes and nursing bottles must be made of unbreakable materials; and
 - 21. Remove requirements for staff qualifications at child care centers.

Rules adopted pursuant to this section are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

- Sec. 16. Department of Health and Human Services to amend family child care provider rules. No later than January 1, 2018, the Department of Health and Human Services shall amend Office of Child and Family Services rule Chapter 33: Rules for the Certification of Family Child Care Providers to make the following changes:
- 1. Define an infant as 0 to 12 months of age and a toddler as one to 3 years of age for the purposes of staff-child ratios;
- 2. Change the staff-child ratios as follows: one staff person to 6 infants up to 12 months of age with a maximum of 10 children in the room; one staff person to 7 children 12 to 24 months of age with a maximum of 12 children in the room; one staff person to 12 children 24 to 36 months of age with a maximum of 20 children in the room; one staff person to 18 children 36 months to 4 years of age with a maximum of 30 children in the room; one staff person to 20 children 4 to 5 years of age with a maximum of 36 children in the room; and one staff person to 25 children 5 years of age and older with no maximum for children in the room. Staff that are employed on a conditional basis pursuant to the Maine Revised Statutes, Title 22, section 9057, subsection 4 are included as staff for the purpose of the staff-child ratios. The ratio for children of mixed ages should be an average of the groups for staff-child ratios;
- 3. Allow for a change in staff-child ratios when a child is within 6 months of the age that would result in lower staff-child ratios as long as it is developmentally appropriate for the child;
- 4. Remove the authority of the department to post inspection reports and reports of violations on the department's publicly accessible website except for criminal and child abuse reports;
- 5. Require the department to act in a respectful manner when posting or removing an action plan to address violations;
- 6. Require the department to provide the child care provider with a copy of all notes relating to an inspection or investigation prior to leaving the premises of the child care provider;
- 7. Allow a child care provider access to all records kept by the department relating to that child care provider at no cost to the provider and in a timely fashion;
- 8. Require the department to notify a child care provider of any information regarding the provider that is shared with parents, the public or the media for any reason

- 1 including a freedom of access request or inquiries related to posted or unposted 2 information about the provider: 3 9. Require that persons conducting inspections for the department provide one hour of advance notice to the director and owner of a child care facility of the intention to 4 conduct an inspection. For a home provider, the department must give 2 hours of notice 5 to allow the provider to bring in a support witness; 6 7 10. Require the department to notify a child care provider if the individual who 8 regularly inspects the facility changes; 9 11. Allow a child care provider certification to be issued to a corporation; 10 12. Set certification fees for 5-year certifications at 150% of the 2-year certification 11 fee: 12 13. Require the department to refund a certification fee if the department does not 13 issue the certification; 14 14. Remove the requirement for references to be supplied to the department for a 15 certification application; 15. Remove the requirement for the child care provider to provide extra clothing for 16 17 preschool-aged children; 18 16. Remove requirements for the specific types of food provided by child care 19 providers: and 20 17. Remove the requirement that dishes and nursing bottles be made of unbreakable 21 materials. 22 Rules adopted pursuant to this section are routine technical rules as defined in the 23 Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A. Staggered terms of Child Care Appeal Review Panel. 24 Sec. 17. 25 Notwithstanding the Maine Revised Statutes, Title 22, section 8359, subsection 3, of the 10 members first appointed by the Governor to the Child Care Appeal Review Panel 26 pursuant to Title 22, section 8359, subsection 1, the Governor shall designate one 27 member whose term is one year, one member whose term is 2 years, one member whose 28 29 term is 3 years and one member whose term is 4 years. The balance of members serve
- 31 SUMMARY

for 5 years.

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- This bill makes a number of changes to the child care system in the State.
 - 1. It repeals Public Law 2011, chapter 380, Part UU, which set the child care subsidy payment rates of the Department of Health and Human Services at the 50th percentile of local market rates. This bill increases the payment rates to the 75th percentile of local market rates for payments the department makes on behalf of recipients of benefits under

the child care subsidy program, recipients of benefits under TANF and recipients of benefits under ASPIRE-TANF.

- 2. It allows recipients of child care subsidies to pay the difference out of pocket between the amount of subsidy received and the amount charged by the child care provider.
- 3. It exempts from licensure family child care providers, nursery schools and small child care facilities that care for fewer than 5 children. Current law maintains this exemption for fewer than 3 children.
- 4. It establishes a 5-year license and certification for child care providers that have been continuously in business without compliance violations. The cost of a 5-year license or certification is 150% of the current 2-year license or certification.
- 5. It specifies that when an inspection is prompted by a complaint the investigator may investigate only the specific complaint and not conduct an inspection that is unrelated to the complaint.
- 6. It removes the authority of the department to post complaints and investigation results on the department's website.
- 7. It establishes the Child Care Appeal Review Panel to review disputes related to the licensing and certification of child care facilities. This includes revocations, suspensions, denials, demotions to conditional status, rule compliance issues and denials of requests for alternative compliance methods. The review panel members are appointed by the Governor for 5-year terms. The director of the office of licensing and regulatory services within the department is the chair of the panel but does not vote. The Office of the Attorney General provides legal counsel to the review panel. The department is required to abide by decisions made by the review panel.
- 8. It allows a child care provider to employ on a provisional basis an employee for 90 days before receiving a background check report from the Background Check Center.
- 9. It requires the department to develop a sliding scale plan to allow recipients of child care subsidies to keep part of the subsidy for a period of time after the recipient earns sufficient income to no longer be eligible for the subsidy. The Joint Standing Committee on Health and Human Services is authorized to report out a bill relating to eliminating the so-called welfare cliff with respect to child care subsidies after receiving the plan.
- 10. It requires the department to make a number of changes to rules governing licensed child care facilities and certified family child care providers regarding staff-child ratios, qualifications of staff, providing inspection reports to facilities at the time of inspection, removing requirements for references for owners and staff, removing requirements of spare clothing and removing specific requirements for the type of food provided.