

# The 2010 Budget Impact on Maine Children, Families and Service Providers

ACCESS teleconference

Thursday, January 7th, 2010

Presented by Judy Reidt-Parker, Early  
Childhood Specialist



# A Brief History of Early Care and Education Funding in Maine

- **1960's:** Head Start Act; Title I ("Improving the Academic Achievement of the Disadvantaged") enacted along with other "War on Poverty" programs, such as WIC.
- **1970's:** Subsidized child care provided through the Title XX funding of the Social Security Act and the Social Services Block Grant.
- **1980's:** State funding for Head Start ; 4 year old programming included in the Essential Programs and Services funding structure (DOE Chapter 125); Enactment of the Federal Individuals with Disabilities Education Act.
- **1996:** Child Care Development Fund (CCDF) was created as a part of welfare reform. Early Head Start was funded, extending services to pregnant women and children under 3 years old.
- **1999:** Start ME Right coalition is formed. This effort secured over \$12 million dollars in 2000. This increase in early childhood funding came as a result of the Fund for a Healthy Maine.

- **2002:** No Child Left Behind and the early childhood segment: *Good Start, Grow Smart* enacted. Early Reading First included in this effort, as well as a federal focus on early learning guidelines and quality rating systems in each state.
- **2003:** Federal Maternal and Child Health Bureau launch “Early Childhood Comprehensive Systems” grants. This grant funds the Children’s Growth Council.
- **2009:** the majority of state funding for early childhood comes from the Fund for a Healthy Maine. The contribution from the General Fund has been reduced significantly over the past 10 years. The current state commitment to child care funds is the minimum amount required to fully match the Federal funds available to Maine from CCDF.
- There is significant federal activity focused on early childhood, ranging from new legislation such as the early learning challenge grant, early learning councils in the Head Start re-authorization, home visitation programming included in the health care reform legislation, as well as key stimulus funding from the Department of Education.

# **Overview of State and Federal Funding for Early Childhood in Maine**

**CCDF – Child Care Development Fund** –the primary funding for child care subsidy, and the source of funds for all DHHS quality initiatives and basic infrastructure. This includes the quality rating system and the related tiered reimbursement, the cost of fire marshal visits to licensed homes and centers, the professional registry (MRTQ), trainings, scholarships, Care for ME (a registry for family, friend and neighbor care providers), the Resource Development Centers, etc.

One dollar in State funds brings three dollars of Federal CCDF funds to Maine. All State match money for CCDF is from the Fund For a Healthy Maine.

**TANF - Temporary Assistance for Needy Families** –formerly Aid to Dependent Children until welfare reform in 1996. TANF is a safety net program for very low income families. This is a federal block grant and has been linked to CCDF since welfare reform. There is a state match required. Approximately \$29 million from this federal block grant is spent on child care.

## CACFP:

- The Child and Adult Care Food Program – a federally funded food reimbursement program for child care providers. Similar to the school lunch program, providers are partially reimbursed for food costs based on the number of low income children in their program. CACFP is due for re-authorization this year, and bills have been introduced in both the Senate and the House. More information about the re-authorization can be accessed at:

<http://nwlc.org/pdf/CACFPReauthorizationNov09.pdf>

- Head Start & Early Head Start

Head Start is primarily funded with federal funding. Head Start grantees have direct contracts with the Federal Office of Head Start. Maine provides state funds for Head Start and Early Head Start. The state share of Head Start funding is 14% of the total amount. Combining both Federal and State funds, Head Start and Early Head Start is only funded to reach 30% of eligible children in Maine.

# Home Visiting

- This service is funded completely with state resources, from the Fund For a Healthy Maine. Home Visitation was a part of the Start ME Right Initiative.
- Twelve home visiting programs offer voluntary parent education and family supports for first time families with children aged prenatal through five years.

## Public Pre-K:

- 4 year old programming is a part of the Essential Services and Programming public school funding formula. Schools are paid the year after service is provided, so it can be a challenge for schools to start pre-k programs. This can create the opportunity for collaboration with community providers. Some of the CCDF quality funds support the costs of collaboration coaches for school districts and local early care and education providers.

## **Title I:**

- Title I is federal funding that goes both directly to school districts as well as to the State DOE. The amount of money each school district receives is based on the number of children eligible for free or reduced meals through the school lunch program. This money is intended to improve child outcomes and parent involvement. It can be used for early childhood programming.

- **IDEA (Part B & C) Early Intervention**
- **Part B** is for ages 3 – 5 years old; and requires a state match to draw down federal funds
- **Part C** is for ages birth to 3 years old and is voluntary for states. Currently all 50 states participate, and some provide state funds as well. Federal funds do not require a state match.
- Maine uses both DOE and DHHS funds to support the early intervention system, also known as Child Development Services (CDS)

# The Current Fiscal State for Early Care and Education in Maine

- The Governor's proposed budget does not reflect any new cuts to the child care system. However, there is no guarantee there won't be cuts to early care and education by the time the budget process is final this session.
- There are cuts to other programs such as children's mental health services, adult mental health, domestic violence programs and the child abuse and neglect councils that will have an impact on Maine families and therefore are relevant to the early childhood system. Providers may find a greater number of children with behavioral challenges unable to access services, and families under stress may not have access to appropriate shelter and services. There will most likely be an increase of child abuse and neglect reports.

# Policies and Rule Changes that Impact the Early Childhood System

# Changes in MaineCare Rules

- Changes in the targeted case management system resulted in significant cuts to Head Start/Early Head Start (\$4.8 million) and Home Visitation (\$1 million) in this past year. Service reductions are certainly expected from both of these early childhood components in the coming program year.

- Sec. 27 of MaineCare, which funds “developmental services,” will be deleted. These services will be transferred to a revised Sec. 28.
- The problem with this change is that CDS staff who provide direct services would not be eligible providers unless the CDS agency becomes certified as a Section 28 provider, something that will be difficult to achieve. This could mean a loss of millions for CDS.

# DOE Proposed Rule Changes

- Proposed rule changes to Chapter 101 would reverse the legislation passed last year designed to better serve children birth to five years in the early intervention system. The changes would be:
- A change from 60 calendar days to 45 school days for initial assessment. The 60 calendar days required education staff to work during the summer to complete assessments and increased costs to school districts. One reason for the 60 calendar days was to prevent the loss of momentum in developmental progress when therapies were interrupted by the summer months.
- Eligibility will be reduced to be more consistent with minimum federal standards and the timeframe for determining eligibility will be extended which can cause delays in service.
- Increased requirements to prove “harm to educational success” in order to qualify for early intervention services are also being proposed in the rule changes.

# CCDF Policy Changes

Legislation passed last session made following changes to the CCDF program:

- Family income eligibility reduced from 275% Federal Poverty Level to 200% Federal Poverty Level
- Reimbursement rates have been cut to 75% of the 2006 market rate from 75% of 2008 rates (resulting in a 10% rate cut).
- This change is limited to a two year period, after which time DHHS is expected to provide analysis of the impact on the accessibility of child care for families with subsidy.

Additional policy changes in administration of CCDF have had an impact on families:

- the establishment of a flat rate parent fee regardless of hours of care
- child welfare open protective cases no longer categorically eligible for child care subsidy.

# The Current Fiscal State for Early Care and Education in Maine

- The Governor's proposed budget does not reflect any new cuts to the child care system. However, there is no guarantee there won't be cuts to early care and education by the time the budget process is final this session.
- There are cuts to other programs such as children's mental health services, adult mental health, domestic violence programs and the child abuse and neglect councils that will have an impact on Maine families and therefore are relevant to the early childhood system. Providers may find a greater number of children with behavioral challenges unable to access services, and families under stress may not have access to appropriate shelter and services. There will most likely be an increase of child abuse and neglect reports.