

Adam Zuckerman
Maine People's Alliance
LD 1222

Senator Grohoski, Representative Perry, and members of the Joint Standing Committee on Taxation, my name is Adam Zuckerman and I am the lobbyist for the Maine People's Alliance. MPA is Maine's largest community action organization with over 32,000 members across the state. Our mission is to create a world where everyone has what they need, contributes what they can, and no one is left behind.

I am here to testify in opposition to LD 1222, "An Act to Expand Child Care Services Through an Employer-supported Tax Credit." While this bill is a well-intentioned attempt to address our child care crisis, we ultimately believe that it misses the mark.

The main issue affecting our lack of child care is low wages and the resulting challenge to attract and retain workers in this sector. 85 percent of child care centers in Maine are experiencing staffing shortages, with low wages overwhelmingly identified as the biggest barrier to recruitment. This bill does nothing to address that.

Extending tax credits to employers who offer free or reduced-price care is not a bad idea in of itself. The problem is that it is not targeted, applying to all employers across the state, including those who already have the resources to offer child care benefits to their workers. Another issue with a credit like this is that businesses would be reimbursed after the fact. The large businesses that can already afford to provide child care would have no problem with that. However, the truly small businesses that are unable to afford child care in the first place would also be unlikely to front the costs for child care.

The biggest issue with this bill is that it would transfer significant resources that could be targeted to lower- and middle-income families to our state's most prosperous employers.

While we agree that resolving our child care challenges will require much greater public investment, we believe that untargeted corporate subsidies are not the right approach. Instead, we would urge this committee to support investments to raise the wages of child care workers and improve and expand our child care subsidies as a much more promising and equitable path forward. Thank you.