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Testimony on Behalf of Maine Equal Justice *in opposition to* LD 1729, An Act to Reduce Child Care Provider Regulation

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Good morning Senator Baldacci, Representative Meyer, and members of the Health and Human Services Committee. My name is Ann Danforth and I use she/her pronouns. I'm a Policy Advocate at Maine Equal Justice, a nonprofit legal aid provider working to increase economic security, opportunity, and equity for people in Maine.

I am here testifying today in opposition to LD 1729, An Act to Reduce Child Care Provider Regulation. While we appreciate that this bill aims to increase access to child care, we are concerned about the ways in which it proposes to do so. We oppose a number of provisions in this bill, but I am focusing my testimony on our concerns around the provision that would allow child care providers to charge a parent the difference between what the provider charges private pay parents and what the state will reimburse.

We understand that child care providers across our state are struggling to stay open, particularly following the pandemic. We also recognize the importance of increasing access to affordable, quality, child care and early learning to support Maine families in achieving economic security and opportunity, and also to bolster our state's workforce. We strongly believe that the solution to our state's child care crisis is not to deregulate child care nor to set up an expectation that parents with low income can pay the difference between the private pay rate and CCSP reimbursement rate. This sets up a dangerous precedent that Maine families simply cannot afford, especially at a time when more than 1 in 10 Mainers are living in poverty – that is, a family of four living below \$27,479 annually, or a little over \$500 a week.¹

¹ <https://data.census.gov/table?q=poverty+maine&tid=ACSST1Y2021.S1701>

The reality is that with the lowest median household income in New England², Maine families are facing financial strains that jeopardize their ability to maintain a safe place to live and to put food on their tables. 63,564 Maine households pay more than 30% of their income for rent.³ With the loss of the SNAP emergency allotments, low income families have decreased purchasing power for food at a time when food costs remain high. With warmer weather, some of the pressure of increased costs for heat and utilities has eased, but those pressures will surely return in just a few months. Families with low incomes simply do not have any room in their budgets to pay more for child care. Because of that, we are concerned that an unintended consequence of this legislation could be reduced participation in work and school for parents who won't be able to afford child care in the face of housing instability and food insecurity.

We believe that a better solution would be increasing child care reimbursement rates to make sure providers *and* parents alike can stay whole. Maine's CCSP already requires parents to pay "parent fees," which go to the provider on top of what the state reimburses the provider.⁴ These sliding scale parent fees can prove to be burdensome on families who are already struggling to make ends meet, and we have been heartened that OCFS has been waiving parent fees for families below 60% state median income with ARPA funds through the end of September 2023.⁵ As this welcome policy comes to an end, the state should be looking at how to continue waiving parent fees for families with the lowest income, not creating more expectation that they will pay for essential services like child care.

Thank you for the opportunity to express our concerns about LD 1729. We respectfully request that you oppose this bill, and instead, focus on solutions that will truly benefit child care providers and families alike.

² https://www.mekids.org/site/assets/files/2031/2023_kidscount_databook_interactive.pdf

³ https://www.mekids.org/site/assets/files/2031/2023_kidscount_databook_interactive.pdf

⁴ <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/Fee%20assessment.pdf>

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<https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/60%25%20parent%20fee%20waiver%20chart.pdf>