



Testimony to the Joint Standing Committee on Health and Human Services
in support of
LD 1726, An Act to Build Maine's Economy by Supporting Childcare and Working Families

Amy Winston, Senior Policy Director
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Dear Senator Baldacci, Representative Meyer, and honorable members of the Committee:

My name is Amy Winston and I live in Edgecomb. I am testifying in support of the childcare wage supplement included in LD 1726 on behalf of Coastal Enterprises, Inc. (CEI). CEI is a nonprofit community development corporation (CDC) and community development finance institution (CDFI). CEI works to build a just, vibrant, and climate-resilient future for people and communities in Maine and other rural regions. We do this by integrating finance, business expertise and policy solutions to make the economy work more equitably.

For 46 years, CEI has provided specialized financing and free, sector-specific advice on starting a childcare business, expanding licensed capacity, or transitioning a business to a new childcare provider. During this time, we have loaned \$13 million to more than 200 family- and center-based childcare business start-ups, including for- and non-profit businesses and cooperatives, that have created or retained over 7,200 childcare slots. Our accrued expertise in this industry has helped care entrepreneurs navigate the challenges and opportunities that are unique to this sector to improve their profitability and long-term business viability, to create and maintain childcare slots and quality jobs, and enable more parents to work full time or return to school.

In 2020, CEI created the Child Care Business Lab (CCBL), a 6-month group-based program that provides entrepreneurs with the tools they need to open a successful business, from small business start-up education to childcare management instruction and coaching through the licensing process. Our current class includes 3 cohorts: a family childcare group, a facility or center-based childcare group and a group of English language learners. To date, 19 Mainers have opened financially sustainable childcare businesses serving over 390 children and enabling 83 parents to start full time jobs.

CEI envisions a childcare industry where childcare providers are educators who are paid a living wage and there is high-quality, affordable care available to every Maine child under age 5. To advance this vision, we partner with the State Office of Child and Family Services, Maine Roads to Quality Professional Development Network, Maine Association for the Education of Young Children and Family Child Care Association of Maine to strengthen the childcare ecosystem. We advocate for pragmatic solutions that reduce barriers to delivering high-quality care and to expand opportunities for people in Maine who are interested in owning their own childcare business.

By continuing – and doubling – the monthly wage supplements that were initiated during the pandemic, LD 1726 proposes a pragmatic process for retaining and attracting talent to this profession. These stipends are integral to retaining teachers and keeping childcare businesses open in a tight labor market. Low wages have driven workers providing childcare out of this profession and forced childcare classrooms and entire businesses to close. We would like to thank Senator Jackson and the sponsors for bringing this bill forward. We feel it validates work that is underway at the Department of Health and Human Services and Maine Children's Cabinet that will help the childcare system in Maine to reflect the



true cost of care and childcare businesses, which are in the public interest, to be viable and sustainable enterprises. CEI urges the committee to pass the wage supplement provision in LD 1799. Thank you for considering our testimony.