



Testimony to the Joint Standing Committees on Appropriations and Financial Affairs and Health and Human Services

Neither For Nor Against

LD 210, An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027

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Senators Rotundo and Ingwersen, Representatives Meyer and Gattine, and members of the AFA and HHS Committees:

My name is Amy Winston. I live in Edgcomb and am testifying on behalf of Coastal Enterprises, Inc. (CEI), a Community Development Financial Institution, or CDFI, based in Brunswick. CEI integrates financing and business expertise with public policy solutions to make the economy more equitable. CEI prioritizes investing in people and communities overlooked by mainstream finance providers and those that face barriers to entrepreneurship and/or financial stability. Since our founding (1977), CEI has invested in childcare. Our Child Care Business Lab (CCBL) supports business planning and helps entrepreneurs navigate the licensing process. Since 2022, CEI has partnered with Maine's OCFS to administer grants and provide assistance to childcare businesses. In drafting this testimony, I have consulted with my colleague, Cynthia Murphy, who leads CEI's childcare sector work, and her CCBL team.

First, we want to first thank the committees, the legislature, and the administration for the hard work and recent investments in childcare. We are testifying ***Neither for Nor Against*** LD 210. Our purpose is to share concerns about a waitlist that has for all intents and purposes closed the Child Care Affordability Program (CCAP). The HHS committee will hear a series of bills related to this issue, illustrating its importance to Maine families. The biennial budget provides an opportunity to resolve this crisis with emergency legislation that would provide immediate relief to working families and childcare business owners.

The CCAP provides tuition scholarships to working Maine families who cannot afford childcare. This program ensures that childcare slots are available, and affordable, to families. Just as families depend on this program, childcare business owners – especially in communities with higher than statewide average poverty rates and rural areas where child care is scarce – also rely on the CCAP to deliver services to their neighbors. Further, businesses that employ the parents of children who are enrolled in this scholarship program, depend on this program. Without it, parents are not able to go to work.



The 131st Legislature expanded CCAP eligibility as a strategy to make care more available and affordable statewide. Families and businesses alike rely on this program. By November, these funds had been depleted and the department notified income-eligible families that they were operating on a waitlist. Currently, there are a number of businesses in Maine that have been affected by this situation. They have had to lay off childcare employees, turn away families, and delay opening. There are at least 170 families on the waitlist. The impact to families and their employers in communities lacking alternative care options is especially devastating.

The state's economic development strategy pledges investment in this sector as a workforce support, to achieve the state's need to grow its overall workforce, to foster business growth and innovation in signature industries that are poised for growth. Maine has set ambitious goals for workforce development; supporting childcare is integral to growing talent.

The administration and the last two legislatures have begun the long-term work that is needed to develop a sustainable childcare sector. These programs have been put in place to help Maine families access care and early childhood educators to provide that care. While we work toward the long-term goal to limit childcare costs to 7% of household income for eligible families, we can take the immediate step of funding the CCAP to alleviate the waitlist that is preventing families from accessing care and putting existing childcare slots and entire businesses at risk. Preserving these slots will prevent the rash of closures that we saw during the pandemic. Restoring salary supplements and funding childcare employment awards will greatly reduce the financial barriers that educators face and make this profession a financially viable option for young professionals. Further analysis and improvement to these programs will ensure they are equitable, prioritizing geographic and economic need, and investment in educators who are working full-time, to maximize access to quality, affordable care.

Thank you for hearing our testimony. We urge you to **include in LD 210 funding for the Child Care Affordability Program**. Families and businesses made employment and business decisions based on the availability of these funds. These policies have a positive impact on families and childcare businesses experiencing economic hardship in communities where childcare is scarce.