



## Testimony of Courtney Wood before the Committee on Health and Human Services in support of

## LD 561: An Act to Ensure Subsidy Reimbursements for Certain Child Care Providers March 14, 2025

Senator Ingwersen, Representative Meyer, and honorable members of the Committee on Health and Human Services, my name is Courtney Wood and I'm the Director of Child Care Services for the Down East Family YMCA in Hancock County. I support LD 561: *An Act to Ensure Subsidy Reimbursements for Certain Child Care Providers.* 

Collectively, the 15 YMCAs in Maine are the largest childcare provider in the state. We serve thousands of children in our early childhood education programs, before/afterschool programs, and summer camp. These programs provide children with safe, nurturing and enriching care, and are a critical component of our state's infrastructure to support working parents and our economy.

The current attendance-based reimbursement payment practice for children on the Child Care Affordability Program (CCAP) is a financial and administrative burden for providers. This payment practice causes significant hardship for those providers that participate, and discourages others from accepting children on subsidy. Providers have no way of knowing, or control over, the children's attendance, and therefore cannot predict their payments. Further, the fixed costs of care – including staffing and keeping the building open – do not decrease if those children are absent, yet our payments from the State do decrease. Frankly, providers are left subsidizing the subsidy program, and this is simply not sustainable or fair.

At our Y, we care for more than 295 children at any given time. Last year, we served 241 children on subsidy. Considering that the CCAP reimbursement rate is lower than our private pay rate and that we only got paid for the actual time kids attended, we lost \$178,454 last year alone. Further, we had to track 241 children's hours, and spend time billing separately for 241 children. We want to support our community and make a difference in the lives of children, but this program is burdening our organization with incredibly high administrative and financial costs.

The shift from attendance-based to enrollment-based reimbursement for CCAP is a critical step in making this important program work for families and providers. Enrollment-based reimbursement is a more stable and sustainable funding mechanism for providers, and better aligns with the payment practices of our private-pay families.

Respectfully submitted, Courtney Wood

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