



**maineaeYC**

Maine Association for the  
Education of Young Children

Testimony of Heather Marden  
On behalf of the Maine Association for the Education of Young Children

In support of LD 1222: An Act to Expand Child Care Services Through an Employer Supported  
Tax Credit

4/10/2023

Senator Grohoski, Representative Perry and distinguished members of the Committee on Taxation, my name is Heather Marden, Co-Executive Director of the Maine Association for the Education of Young Children (MaineAEYC).

*MaineAEYC promotes high-quality early learning for each and every child, birth through age 8, by connecting practice, policy, and research. We advance a diverse, dynamic early childhood profession and support all who care for, educate, and work on behalf of young children.*

Even before the pandemic, inadequate childcare was costing working parents \$37 billion a year in lost income and employers \$13 billion a year in lost productivity. Child care has become more of a critical issue in the workplace as employers recognize that absence of child care causes disruption in labor force participation.

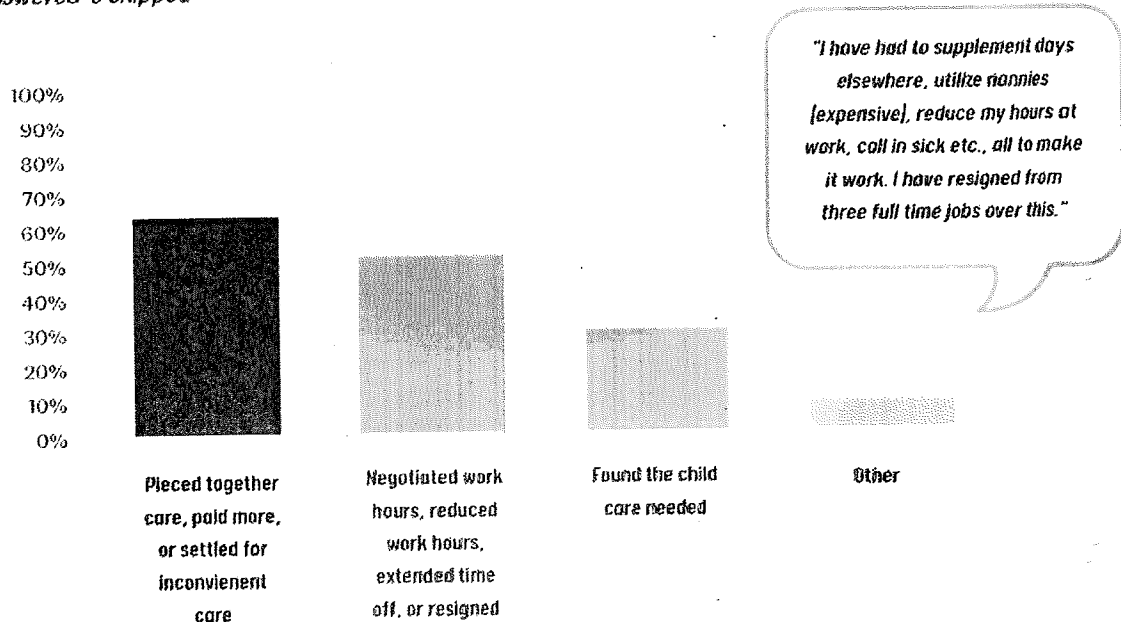
As an organization that promotes early care and education, we are happy to see more businesses consider how they might play a part in supporting access and affordability of child care. However, we also know that Maine is a state with a large number of small businesses who can often not afford to invest in child care access for their employees. We see this tax credit as an opportunity to not only encourage larger businesses and nonprofits to consider investments in child care but also give smaller businesses an incentive to think about creative solutions.

Supporting refundable tax credits would incentive businesses to consider contracting for child care placements in community programs, investing in new or expansion of child care programs in their communities, or providing their employees with a child care stipend or benefit. We do have models in Maine of businesses and even municipalities partnering to build the child care supply. There are businesses who offer to reimburse a portion of child care costs. Some have already become part of the solution and we need to bring more Maine businesses into the mix.

MaineAEYC and partners conducted a parent survey about child care in the spring of 2022. We found that parents were on a waitlist for child care for an average of 7 months. Respondents also indicated that they often could not find the type of child care that fit their needs often resulting in settling for inconvenient care or making tough decisions about their work.

**Thinking about your youngest child, what did you do if you couldn't find the care you needed?**

231 answered 3 skipped



We also look at this legislation as a way to draw attention to a big network of employers across Maine, our child care businesses themselves. Often we forget that small family child care programs all the way through large child care centers are businesses that employ people. They employ the workforce behind the workforce. These employees can often struggle to find access or afford child care themselves.

To support their employees, many child care businesses and nonprofit organizations around Maine provide a free or reduced child care tuition rate for their employees. However, we know that child care programs operate on razor thin margins, so this benefit comes at a reduction of investments in other areas of their businesses such as quality improvements or raising wages and benefits.

With this legislation, we can recognize child care programs as the businesses they are and provide them with a refundable tax credit so that they may invest money back into their programs.

LD 1222 is just a part of longer term solutions and I also encourage you to support legislation this session that looks to raise child care educator wages while also supporting other initiatives to increase access and affordability for families.

Thank you for your consideration.