



The Joint Standing Committee on Taxation  
Testimony from Jason Judd, Executive Director, Educate Maine, and Member of ReadyNation

**In Support Of**

**L.D. # 1222: "An Act To Expand Child Care Services Through an Employer-Supported Tax Credit"**

April 11, 2023

Senator Grohoski, Representative Perry, distinguished members of the Taxation Committee, my name is Jason Judd, Executive Director of Educate Maine. I represent a business-led education advocacy organization. Thank you for the opportunity to testify in support of L.D. #1222.

Educate Maine's mission is to ensure that Maine people are prepared to succeed in education and career and that all Maine people reach their highest educational potential. As a member of the MaineSpark coalition, we measure this by attainment - the share of adult workers with a postsecondary credential of value in demand by Maine employers. Maine's goal is to reach 60% by 2025.

LD 1222 addresses one part of an issue facing so many Maine families: affordable child care. Educate Maine supports this bill because high quality, accessible, and affordable child care in Maine is necessary for parents to be part of our workforce. By offering a tax credit to businesses and nonprofits to help pay for child care expenses, this bill will help Maine families better afford child care. The costs of child care in Maine are often between \$10,000 and \$15,000 per child per year which is often well above the 10% guideline recommended by the DHHS of the median household income in Maine. Many families are paying 15% or more of their income on child care. This bill will help the average affordability for families and allow parents to stay in the workforce.

We all know how important it is to attract and retain people in our workforce. In 2022, the Maine State Chamber of Commerce, the Maine Development Foundation, and Educate Maine released *Making Maine Work* which highlights the priorities of the business community. Three of the top six priorities were connected to expanding the workforce. A December 2022 survey of working parents indicated that about two-thirds of parents of infants and toddlers reported being late to work or having to leave work early because of inadequate child care. According to a ReadyNation report, the child care shortage has cost the United States \$122 billion in lost earnings, productivity, and revenue each year. Affordable child care is directly connected to attracting and retaining workers. We have the ability to address these workforce challenges through bills like LD 1222.

As a business-led nonprofit, we often hear from employers about the pressing need for affordable and accessible child care to support their employees. This tax credit will help share the cost of child care between employers and the state. It will help employers recruit and retain more workers by increasing their access to reliable child care. I am excited to see the broad coalition of employers and early childhood advocates working together to strengthen early childhood access, affordability, and quality in Maine. If passed, our organization is committed to spreading the word about this program so that both families and employers participate widely across Maine.

Your colleagues in the HHS Committee will soon review a bill focused on early childhood educator wages. I encourage you to support the variety of bills this session that address high quality, accessible, and affordable child care. By working together with educators, families, higher education institutions, policymakers, nonprofits, and employers, we have the opportunity to help strengthen our child care opportunities in Maine allowing our youngest learners to thrive, our educators to remain in the field, and our parents to persist in the workforce. I encourage you to support LD 1222. Thank you for your time.