



Testimony of Nate Cloutier

Before the Joint Standing Committee on Labor and Housing
May 10, 2023

In Support of LD 1726, “An Act to Build Maine’s Economy by Supporting Child Care for Working Families”

Senator Baldacci, Representative Meyer, and distinguished members of Committee on Labor and Housing My name is Nate Cloutier, and I am submitting comment on behalf of HospitalityMaine representing more than 1,200 restaurant and lodging establishments of all sizes across the state HospitalityMaine supports LD 1726, “An Act to Build Maine’s Economy by Supporting Child Care for Working Families”

We are thankful to Senator Jackson for submitting this legislation that addresses the state’s childcare and workforce crises This legislation proposes many changes that would be beneficial to the childcare system, some of which we are especially supportive

- Doubling the monthly wage supplement for childcare providers to \$400/month
- Increasing the childcare subsidy eligibility for families from 85% of state median household income to 125%
- Continuing the process of reimbursing childcare providers who accept subsidy based on enrollment, not attendance
- Developing a long-term plan for limiting childcare costs for families to no more than 7% of income for families earning up to 250% of the state median income beginning in 2030

HospitalityMaine has made childcare legislation a priority this session as we have seen the lack of affordable childcare impact our employees and businesses It is important to look at childcare as a system with multiple components that all need to succeed in order for the system to succeed as a whole Childcare experts much smarter than I have termed these different components as three legs to a stool—accessibility, affordability, and quality From the perspective of the hospitality industry, we have seen the difficulty employees have with paying for childcare, which is why we are in strong support of legislation in other committees that would incentivize employers’ contribution to their employees’ childcare However, that is only one component, families need to be able to afford childcare, yes, but there needs to be a strong and healthy childcare workforce in place so that employees can send their children to childcare in the first place This bill will strengthen that workforce by offering more attractive wages and creating stability across the system

The state needs to examine and research different funding formulas to see what a state contribution would look like for families to pay no more than 7% of the state median income by 2030 The numbers will be staggering and in the hundreds of millions, but we need to start somewhere as monthly stipends cannot be a permanent solution Finally, we would recommend that a representative of the business community be added to the list of representatives on the proposed Child Care Task Force

We urge you to please vote LD 1726 ought to pass Thank you, and I would be happy to answer any questions