

Testimony of Nate Cloutier

Before the Joint Standing Committee on Health and Human Services
February 20, 2024

In Support of LD 2199, ***"An Act to Ensure Subsidy Reimbursements and Emergency Financial Assistance for Certain Child Care Providers"***

Senator Baldacci, Representative Meyer, and distinguished members of the Joint Standing Committee on Health and Human Services: My name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing more than 1,300 restaurant and lodging establishments of all sizes across the state. HospitalityMaine supports LD 2199, *"An Act to Ensure Subsidy Reimbursements and Emergency Financial Assistance for Certain Child Care Providers"*.

This bill would make two important changes that would address existing shortcomings childcare providers face across the state. The first would require the Department of Health and Human Services (DHHS) to reimburse providers for subsidies based on enrollment rather than attendance. You will hear from childcare providers of all sizes and geographies who can speak more directly to the tangible benefit this would provide. This is a common-sense change that more fairly compensates providers for the services that their businesses provide.

The second component of the bill would create a program within DHHS that would provide short-term, one-time emergency financial assistance to childcare providers based on demonstrated need. The threat of potential closures of any childcare facility is unsettling for employers. We've seen firsthand the cascading effects that the displacement of children who lose access to reliable childcare can cause on the economy. A closure of a childcare facility, especially if sudden or unexpected, often means parents are out of the workforce at least temporarily—and in some cases permanently—to care for their child because there is no other available option. Alternatives are not readily available either, as existing facilities don't have sufficient staff to take in new children. The dual drain that this places on the greater economy cannot be overlooked; we find ourselves in the position of losing a business (and its employees) in a crucial sector on the one hand, while pulling eligible workers from their professions—contributing even more to an already strained workforce—on the other. The business community and the state both have incentives to protect these vital businesses from potential closure.

The nationwide workforce shortage has not discriminated against businesses here in the state. The employers I speak with have had to amend their business practices by reducing operating hours to accommodate the lack of a strong and steady workforce. I also commonly hear from employers that childcare is one of the biggest barriers for employees to come to work or come to work full-time. Employers are by-and-large very understanding of this and do their best to work with their employees, but it's in everyone's best interest to remove or mitigate these barriers to ensure those who want to participate in the workforce can do so.

It would be ideal if childcare policy were an issue that only required an easy fix so that children could be properly cared for and parents could go to work unworried where their child will be during the day or after school. Unfortunately, it is not, and we owe it to ourselves to continue problem solving these issues through multiple avenues and from multiple vantage points. This Legislature has proven it understands the importance of supporting the childcare industry—aptly dubbed the workforce behind the workforce. We urge you to carry on with that same commitment by supporting LD 2199.

Thank you for your consideration. I would be happy to answer any questions you may have.