

**Testimony of Jennifer Michaud, *in support of LD 2199. An Act to Ensure Subsidy Reimbursements and Emergency Financial Assistance for Certain Childcare Providers.***  
**Sponsored by Senate Troy Jackson.**

Thank you Senator Baldacci, Representative Meyer and members of the Health and Human Services Committee. My name is Jennifer Michaud. I am the Owner and Director of Kids Kove Childcare & Learning Center. I have two locations, one in Sanford and the other in Springvale. Having been a business owner in the childcare industry since 2007, I have experienced many degrees of financial hardships over the years. If any childcare owner tells you they are in this business for the money, they are sadly mistaken. If children's smiles and early learning assessment results were measured as currency, providers would be abundant in both gratification and equity.

However, that is not the case, childcare businesses operate on very slim margins. In fact, many childcare businesses struggle to keep doors open for an abundance of financial reasons. Most programs operate on such slim margins that, if one unexpected life event or one extended illness kept them from going to work, business owners would likely have no choice but to close their doors due to lack of financial stability.

Childcare businesses operate on two types of revenue streams; private paid tuition and subsidy paid tuition. Businesses can choose whether or not they want to participate in a subsidy program. Many business owners will not. I personally know of several providers in this State who will not accept subsidy families in their programs and if they do, they limit the amount of families they accept. There are several motivating factors of why a provider will choose to place a limit on enrollment of subsidy program participants. Over the last 17 years as a business owner I have been a State of Maine childcare vendor and participant of several types of subsidy programs. In my experience as a participant and recipient of subsidy tuition funds, I see a discrepancy between state programs and private pay contracts. My private pay families sign a contract to pay a weekly tuition cost in exchange for high quality childcare services and education. In the contract it states that parents must pay tuition regardless of child attendance in the program. If a child is sick, or takes a family vacation or for any other purpose should the family choose to keep their child home for the day, the family is expected to pay. Alternatively, under the criteria of a state subsidy program, if a child is absent from the program due to sickness, vacation or other circumstances, providers do not receive pay. The childcare subsidy tuition program is not aligned with a childcare program's best interest in mind. It needs work. It needs improvement to align with the same expectations of that of our private paying families.

At this time, Kids Kove Childcare and Learning Centers, provide care for 95 children, of those 95 children, 25 of them are provided care that is paid for by the childcare subsidy program. Each week I take a risk as a business owner, that if one of those children are out of care for an extended period of more than a day or two, I will not receive any type of financial reimbursement. What if all 25 of those children were out of care due to an emergency or unexpected childcare closure, in this event I would not receive any type of revenue for these children. Yet, I would still need to provide salary coverage for my employees, insurances, lease payments, utilities. These bills do not stop, regardless if a child attends care or not. Childcare businesses need a reliable revenue stream, and this should not fall single handily on the responsibility of our private paying families. They cannot afford to carry the financial weight of our programs. The childcare subsidy program can help.

LD 2199 will ensure subsidy reimbursements and emergency funds are available to childcare businesses. This bill could be the difference between programs accepting subsidy families or removing them from childcare programs.

In closing, I support LD 2199 and I thank you for your time and consideration.