



United Way
of Southern Maine

LIVE UNITED

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

February 20, 2024

Senator Baldacci, Representative Meyer, and honorable members of the Committee on Health and Human Services, my name is Jared Gay, and I am the Director of Public Policy and Advocacy at United Way of Southern Maine (UWSM). Today, I submit this testimony on behalf of all United Ways of Maine in support of LD 2199, which addresses critical issues surrounding child care in our state. This bill strongly aligns with United Ways of Maine's work supporting access to high-quality, affordable early learning opportunities.

Child care is not just a service; it is an essential workforce support system. It enables parents to work, thereby supporting all other sectors of our economy. United Ways of Maine operate at the nexus of the corporate, nonprofit, and public sectors, which provides us with deep insight on this issue. United Way of Southern Maine, for example, has met with several large businesses in the past 6 months to determine how child care has impacted their employee recruitment and retention efforts. Through surveys, we learned that of the respondents who stated all adults within their household are *not* currently working, 84% said access to an affordable child care slot would enable all adults in their household to enter the workforce.

It is critical to understand the landscape that Maine families are currently navigating. Our state's infant and toddler care shortage has reached alarming levels, costing approximately \$403 million annually, with costs doubling over just four years. Additionally, Maine's child care programs currently serve 9,422 fewer children than licensed capacity due to staff shortages, necessitating approximately 1,090 additional child care teachers.¹ While the Legislature has taken clear steps in recent months to work toward solutions such as salary supplements and increased incentives for infant slots in the state's affordability program, significant gaps persist.

LD 2199 provides a clear path to strengthen the Legislature's commitment to this work. Shifting to an enrollment-based rather than attendance-based reimbursement policy would create greater financial stability for providers, allowing them to continue offering vital services to the low- and middle-income families who need it most. Furthermore, the proposal for an emergency fund for providers needing temporary assistance, coupled with technical support for future sustainability, is a proactive safeguard. As the cost of providing care for our youngest learners continues to rise, it's important to acknowledge that most for-profit providers operate on razor-thin margins of less than 1%, putting them at risk of closure.² LD 2199 takes steps to boost the financial stability of the field in the short term, while simultaneously underscoring the long-term importance of sustaining these services for families across Maine.

United Ways of Maine fully supports LD 2199 and urges the committee to consider the critical role of child care in our state's workforce and economic stability. We must act swiftly and decisively to address the challenges facing child care providers and ensure that all families have access to quality care for their children.

Thank you for your time and consideration.

¹ Maine Association for the Education of Young Children (MaineAEYC). (2023). 2023 Rapid Survey. MaineAEYC. Retrieved from <https://maineaeYC.org/2023-rapid-survey>

² Ibid.