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Testimony of Courtney Wood before  
the Committee on Health and Human Services  
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 Courtney Wood and I am the Director of Child Care Services for the Down East Family YMCA in Ellsworth. I support LD 2199: *An Act To Ensure Subsidy Reimbursements And Emergency Financial Assistance For Certain Child Care Providers*.

The shift from attendance-based to enrollment-based reimbursement for childcare subsidy is an important step in making this critical program work for families and providers. Enrollment-based reimbursement is a more stable and sustainable funding mechanism for providers, meaning we will be better equipped to meet the needs of our communities.

In 2023, the Down East Family YMCA served 260 children in our early childhood education and school age programs, 40 of which were enrolled in the state subsidy program. **Our YMCA lost between \$75,000 and \$100,00 on these subsidy slots last year compared to what we would have collected if those children were from private-pay families.** This has an extreme impact on our budget and exacerbates the ongoing challenges of paying good wages and operating programs across multiple large facilities. There is also a significant administrative burden associated with tracking attendance for children on subsidy – we must track the number of hours children attend and report the reason they are absent. This is a huge headache for our team that simply does not exist for private-pay families.

Due to these challenges, our YMCA recently made the very hard decision to limit the number of subsidy slots we will enroll at our childcare centers. In 2023, we served 40 children on subsidy; this year we are serving 30 but will not be able to take anymore even with the increase in families that qualify and an increase in centers we have. This is very difficult because we want to be there for every family, regardless of their income, but we simply cannot continue to absorb these losses. At this time, we plan to continue taking children on subsidy, but if we keep losing income due to the structure of the subsidy program, including the attendance-based reimbursement policy, we may be forced to discontinue our participation and only accept private-pay families.

This bill also establishes an emergency fund for childcare providers to help providers meet an urgent need to support their operations and continue serving families. We have recently seen more closures of childcare programs, or programs declining to accept children on subsidy, in our community because they cannot sustain their operations. These many closures have a huge impact on working parents, as Hancock County is large and very rural, and families are now being forced to drive further or go out of their way to bring their children to care. We see this emergency fund as an important lifeline for providers that are meeting a critical community need but forced to operate with razor-thin margins. This important support could mean the difference between a program closing its doors permanently or remaining open to serve families.

Respectfully submitted,

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