Senator Rotundo, Representative Sachs, Senator Baldacci, Representative Meyer, and members of the Appropriations and Financial Affairs and Health and Human Services Committees, my name is Laura Larson, and I am the executive director of Family Focus, a large non-profit Early Care and Education agency serving Midcoast Maine. I have been with Family Focus for 19 years and the executive director for the last nine years.

I am asking you to reject the following childcare initiatives in the Supplemental budget:

Reducing funding by recognizing one-time General Fund savings for monthly wage supplements for all child care workers due to the October 25, 2023 effective date of Public Law 2023, chapter 412.

When we talk about the core answer to solving our childcare crisis, it supports the educators in the building day in and day out. When educators working in this industry can't pay their bills or feel undervalued in their profession, they seek other employment opportunities. The 130th and 131st legislature did their due diligence to enact and fund the wage supplement program, recognizing that we must take steps forward to raise the compensation of this low-paid industry. In this budget, there is a proposal to send $4.4 million back. That's $4.4 million that will not go into the pockets of these educators who are still not even making comparable wages to many entry-level positions in other industries.

Please consider the well-being of the staff members trying to become self-sufficient—those using some form of state assistance. I have a few of these staff members, and lowering the stipends could lead to economic insecurity, adding more stress to their already challenging situation. It's crucial that we support them in their efforts to achieve financial stability.

We should be moving this money forward to ensure the wage supplement program is fully funded and at no time at risk of reducing educators' level of supplements.

Reducing funding by recognizing one-time savings for child care staff in the Maine Child Care Affordability Program due to delaying implementation until fiscal year 2024-25.

This initiative is a significant benefit for our operations at Family Focus. We currently offer a 50% tuition reduction for our employees. I currently have six children using this discount. That means we have a reduction in revenue of over $40,000 a year to support our staff in this retention strategy. While we work in the small margins to offer this, it comes at the expense of raising everyone's wages, investing in our quality, and building savings for emergencies. When we have staff who cannot afford the other 50%, we usually absorb that cost, too, because losing an educator comes at a higher cost of closing the classroom for families. We were expecting to see this program over the winter and trying to plan our budgets for the next fiscal year. Instead, we are still waiting for these provisions to be implemented while losing revenue daily.

Reducing funding on a one-time basis due to the delayed implementation of changes to income eligibility for child care subsidies in the Child Care Affordability Program enacted in Public Law 2023, chapter 412, Part VVV.

Many families in my program have been awaiting an opportunity to apply for the Child Care Affordability Program. It costs, on average, $18,460 for an infant to attend full-time. For a family, that is a monthly payment of $1,538.00. As our childcare business awaits new market rates for subsidies and is hopeful you will all pass LD 2199 this legislative session to make subsidy reimbursement rates more on par with private pay tuition practices, I am hopeful that our program can live out its mission to serve all families, especially ones who are lower income. This funding program was promised to families in January 2024, yet they are still waiting.

I've been in this field for a long time, delivering the same messages of needing to fund programs for childcare businesses and nonprofits. Those in the industry have consistently warned of the effects that childcare closures have on our communities and economy. It took the pandemic for people to listen. We have had some improvements with the work of this body, but we have to keep moving forward. The $11 million that went unspent to our programs over the last six months just allowed more closures, more staff leaving the field, and more burnout. Please ask the department to get these initiatives done as soon as possible and not continue to delay the much-needed assistance for childcare programs in Maine.