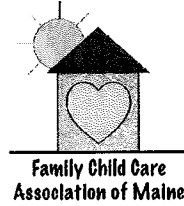




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Maine Association for the Education
of Young Children



Family Child Care
Association of Maine

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 Heather Marden, Co-Executive Director of the Maine Association for the Education of Young Children. I'm also testifying on behalf of the Family Child Care Association of Maine. We are in opposition to the Supplemental Budget changes to certain child care programs as outlined below.

I was an early childhood educator for 20 years working special education and child care settings. I earned my degree and still by the end of 20 years, I was making under \$40,000 per year in gross income. It was because of this lack of growth in the industry on wages in my 20 years that I made the choice to leave the classroom. However, I feel fortunate to come into a role where I interact with early childhood educators and owners daily and listen to their accomplishments and challenges.

Over the last three years, many of you have listened in committees, received emails, phone calls and did diligent work to invest in child care initiatives. You have helped raise wages of early childhood educators and funded programs to increase tuition affordability for families and those working in child care programs.

The child care field was and is eager for these initiatives. However, since the budget went into effect, they are still waiting for many promised programs. This is why we oppose the following budget proposals and raise awareness about families and child care businesses who are enduring continued challenges the longer these programs take.

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.

This budget proposal would reduce the funding for the current year's wage supplement program by \$4.4 million. With the introduction of the new tiered wage system that is currently paying out based on three different tiers of education and experience, we are seeing more educators meet higher credentials at a faster rate than anticipated. Educators are incentivized to turn in credentialing paperwork and enroll in training that moves them to higher tiers. The supplement program is anecdotally showing that when we invest in wages, educators are more likely to increase their own training and quality of practice.

Tier Level	Maine Roads to Quality Registry Levels	Monthly Supplement Amount
1	Level 1, Level 2, Level 3, Level 4	\$275
2	Level 5, Level 6	\$415
3	Level 7, Level 8	\$625

However, as part of this funding, the tiers can be reduced as the educator workforce increases and/or educators move to higher tiers.

In the future, the Department will determine tier amounts based on current annual budget and total number of educators enrolled in the salary supplement program. Salary supplement amounts and any changes to amounts will be posted on the Early Childhood Educator Workforce Salary Supplement Program website: <https://www.maine.gov/dhhs/ocfs/provider-resources/early-childhood-educator-workforce-salary-supplement-program>.

We recommend making sure the \$4.4 million stays with the salary supplement program to ensure the stipends are fully implemented at the current levels.

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.

Sec. TT-1. Department of Health and Human Services, Child Care Staff Scholarship Pilot Program. Maine will implement a 2-year child care staff scholarship pilot beginning in state fiscal year 2024-25 capped at \$2.5 million per year. Staff who work in a licensed child care program in Maine are eligible to apply for a child care scholarship to help pay for their own child to attend a licensed child care program. The scholarship will be paid out to the program where the child attends. The pilot will be evaluated to inform recommendations on how to design an effective and efficient permanent program.

One unique benefit that many child care programs across Maine attempt to offer for staff when possible is free or reduced child care tuition for their own children. However, the loss in income that occurs to providing this benefit is at the expense of further increasing wages, investing back into quality of programs, and paying overhead costs. Child care businesses often run on a less than 1% margins. A large, multi location child care business reported \$100,000 in lost revenue trying to offer this benefit.

The effort of state programs to support child care educators in paying for their own child care has proven successful in Kentucky and is being introduced through legislation across the U.S. as a strong recruitment and retention strategy for the child care workforce. When this was passed in last year's budget, child care businesses began to prepare; evaluating their own budgets, sharing about the legislation with staff, and building this into their retention and recruitment strategies. However, eight months have passed these businesses still wait unable to make changes in their budgets or give answers to staff who were eagerly waiting for this program.

Just last week a toddler teacher gave their notice to a Bangor area program citing she could not afford her own child care anymore. When you think about the ripple effect, that's six toddlers who are now without a teacher, six families wondering the fate of their child care.

You all passed this in law last year intending to bring this program to the public through a rulemaking process. Not only have we not seen the rules, proposed language in this budget changes the intention of the legislature to turn this program into a 2 year pilot. This proposal leaves child care businesses feeling uneasy wondering if they will be part of the pilot or what happens after two years. The intention of this bill was to form long term recruitment strategies for vital child care programs and not institute uncertainty of the program in a pilot form.

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 VV.

PART SS

Sec. SS-1. PL 2023, c. 412, Pt. VV, §11 is amended to read:

1. Beginning January 1, 2024, increase eligibility for child care subsidies from 85% of the State's median income to 125% of the State's median income; and

Families across Maine are paying equivalent to their mortgage on child care. In fact, child care is a leading cause of keeping many women out of the labor force who want to work. It was promised to Maine families that the income eligibility for the Child Care Affordability Program would increase from 85% SMI to 125% SMI beginning January 1st, 2024. While delays continue, Maine families literally pay the price.

I would like to share this from Chrissie Davis, a family child care owner in Skowhegan.

"It's little wonder folks lose their faith in state government.

Child care providers are real people, serving real people – children – on a daily basis, trying to pay our ever-increasing bills each week. We don't have the luxury of pushing our financial obligations off for months to a year.

Last year, you and your legislative colleagues passed and funded these programs. While the money is sitting there in state accounts, families are struggling to find and pay for child care. Child care programs

are struggling to make to all this work while losing money on every subsidy child we serve. Some programs, like mine, have reduced the number of children they enroll, and some providers have left the field entirely.”

Please reject these budget proposals and ask for accountability in beginning these promised programs.