Testimony of Rita Furlow
Senior Policy Analyst Maine Children's Alliance
Before the Joint Standing Committee on Appropriations and Financial Affairs and
the Committee on Health and Human Services
on LD 209, the Governor's Supplemental Budget
January 23, 2025

Good afternoon, Senators Rotundo and Ingwersen, Representatives Gattine and Meyer, and members of the Joint Standing Committees on Appropriations and Financial Affairs and Health and Human Services. My name is Rita Furlow. I am the Senior Policy Analyst at the Maine Children's Alliance. We are a statewide non-partisan advocacy organization whose mission is to promote sound public polices and best practices to improve the lives of Maine children, youth, and families.

I offer testimony today in support of language in the Governor's supplemental budget in Part N as follows:

PART N

Sec. N-1. 22 MRSA §3731-A, sub-§1 as enacted by PL 2023, c. 643, Pt. RRR, §1 is amended to read:

1. State funding to support eligible families. Other Special Revenue Funds <u>and General Funds</u> allocated for the purposes of supporting the Maine Child Care Affordability Program may be used to support any eligible family.

At the Maine Children's Alliance, we believe that Maine's future prosperity depends upon how our children are doing today. We know from research on developmental science of the critical importance of the first five years of brain development. This period is crucial in establishing the neural functions and connections that shape future cognitive, social, emotional, and health outcomes. There is clear evidence from neuroscience that demonstrates the importance of what is called "serve-and-return" interactions. These interactions help build child-adult relationships that are responsive and attentive and ultimately build a strong foundation in a child's brain for all future learning and development.

¹ National Scientific Council on the Developing Child (2004). Children's Emotional Development Is Built into the Architecture of Their Brains: Working Paper No. 2. Retrieved from: https://d6y5eh11fngw3ve3ytpwxt9r-wpengine.netdna-ssl.com/wp-content/uploads/2004/04/Childrens-Emotional-Development-Is-Built-into-the-Architecture-of-Their-Brains.pdf

² National Scientific Council on the Developing Child. (2004). Young children develop in an environment of relationships. Working Paper No. 1. Retrieved from: https://46y5ehl1fngw3ve3ytpwxt9r-wpengine.netdna-ssl.com/wp-content/uploads/2004/04/Young-Children-Develop-in-an-Environment-of-Relationships.pdf

Child care is a critical need for families in our state. Families pay an average of \$11,284 to have a toddler in child care in Maine.³ If a family has two children under the age of five; they are likely spending over \$20,000 a year on child care. With over 70 percent of Maine children under the age of six having both parents working to make ends meet, many families need early care and education to help them care for their children.⁴ A high quality system of child care that meets the needs of children and families is essential to not only the healthy development of young children but to the Maine economy.

Unfortunately, Maine's Child Care Affordability Program is currently unavailable to Maine families because there has been a waiting list to access the program since November of 2024. This is the first waitlist for the state's child care subsidy system in almost a decade.

The proposed language change follows years of work by members of the Health and Human Services and Appropriations Committees to increase access to child care for working families. During the First Regular Session of the 131st Legislature, members of the Health and Human Services Committee passed LD 1726, *An Act to Build Maine's Economy by Supporting Child Care for Working Families*.

This was a comprehensive bill that was sponsored by Senate President Jackson to address the child care workforce shortage, provide incentives to become an early childhood educator, increase funding to support more families in need of assistance paying for child care, and set a long-term goal of having no family pay more than 7% of their monthly income for child care by 2030. The language and funding were included in the state budget (LD 258/P.L. 2023, ch.412), and signed by the Governor on July 11, 2023, with an effective date of October 25, 2023. A number of changes, including delays in implementation, were made related to the program and funding during the Supplemental budget in 2024. Ultimately, the funding was allocated as follows in the final budget document:

- 1. Use up to \$5,400,000 for the one-time Child Care Stability Grant program established in section 3 of this Part.
- 2. Use up to \$3,500,000 for one-time technology improvements in the Maine Child Care Affordability Program, including efficiently implementing new federal requirements; and
- 3. Use the remaining funding to efficiently and expeditiously support child care access for families, with priority placed on support for low-income families, consistent with the Maine Child Care Affordability Program.

We urge your support of this budget and hope that the language changes requested by the Department will result in more Maine families being able to access the Child Care Affordability Program in a timely way. We appreciate the staff of the Office of Child and Family Services as they work to support the needs of working families to access child care. Thank you for your consideration.

³ Child Care Affordability in Maine – 2022. Source: Child Care Aware® of America's Catalyzing Growth: Using Data to Change Child Care Report Series. https://info.childcareaware.org/hubfs/2022%20Price%20of%20Care%20State%20Fact%20Sheets/Maine%202022%20-Price%20Fact%20Sheet.pdf

⁴ The Annie E. Casey Foundation, KIDS COUNT Data Center, Children under age 6 with all available parents in work force (5-yr averages) in Maine, retrieved from: <a href="https://datacenter.aeof.org/data/tables/7317-children-under-age-6-with-all-available-parents-in-work-force-detailed?loc=21&loct=2#detailed/2/any/false/1095.2048.574.1729.37.871.870.573.869.36/any/14380.14381