



Before the Joint Standing Committee on Appropriations and Financial Affairs and the Committee on Health and Human Services on LD 210, the Governor's Biennial Budget

Greetings 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 Jared Gay, and I am the Director of Public Policy and Advocacy at United Way of Southern Maine (UWSM). I am testifying today on behalf of all seven United Ways of Maine to express our concerns and opposition to the proposed cuts to child care and Head Start resources.

Maine's economic vitality is deeply intertwined with the accessibility and affordability of child care. For many families, especially those that are ALICE (Asset Limited, Income Constrained, Employed), the availability of reliable child care is not just a convenience; it's a necessity that enables parents to participate fully in the workforce and contribute to our state's economic prosperity.

The child care sector, often referred to as "the workforce behind the workforce," is critical because it supports all other industries by allowing parents to work without the concern of unaffordable care. Yet, in a recent survey UWSM conducted in partnership with local employers, of the approximately 400 households who indicated both adults were not currently working full time, 85% indicated that access to affordable child care would enable them to do so. This alarming statistic underscores the urgency of investing in our child care infrastructure.

By enhancing support for child care, we not only aid individual families but also fortify our state's economic landscape. Strengthening this sector means enabling both current workers and their children, who represent the future of our workforce, to achieve greater financial stability and well-being. As such, sustained investment in child care is not merely a policy choice; it is an economic imperative that supports workforce development and ensures the long-term prosperity of Maine.

Child care educators, vital yet underappreciated members of our workforce, currently earn an average of \$16.40 per hour. The Governor's proposed \$15 million annual cut would reduce these wages significantly, exacerbating financial strain on educators already struggling to meet basic needs. If we cut their support, we risk destabilizing an industry foundational to our state's economic infrastructure.

The Maine Child Care Employment Award is not just a tuition assistance program; it is a lifeline for those in the child care profession. Covering full tuition for individuals working in licensed child care centers, this program crucially dismantles financial barriers for workers

in an industry known for its low wages. Since its launch, the program's popularity has underscored its necessity—funds were depleted within just three months, leaving 400 qualified professionals on a waiting list. This overwhelming demand illustrates the program's critical role in enhancing the competitiveness and feasibility of child care positions. By stabilizing the workforce and elevating the quality of child care, the program fosters a nurturing environment crucial for the developmental needs of Maine's children.

Equally essential is the Head Start program, which serves as a cornerstone of early childhood education for Maine's most disadvantaged families. With the current levels of funding, Head Start supports approximately 1,742 low-income children, providing them with critical early educational opportunities. Proposed funding cuts threaten to sever this lifeline for about 180 children, potentially resulting in the closure of up to 9 classrooms. Such reductions would not only diminish service quality but also risk Maine's eligibility for federal Head Start funds, which require maintaining 97% enrollment. The loss of these federal funds would be a significant financial blow, exacerbating the challenges faced by Maine's vulnerable populations and potentially causing irreversible damage to the educational outcomes of hundreds of children.

United Ways of Maine urge the committee to consider the broader implications of these cuts. Reducing funding for these programs threatens to unravel the progress we have made in building a robust child care system in Maine. This is not merely a funding issue; it is a reflection of our priorities and values as a state committed to supporting working families and fostering economic development.

The data is clear, the stakes are high, and the solution is straightforward: sustain and strengthen state support for child care, not diminish it. We owe it to our children, to our families, and to the future prosperity of Maine to make the right choice.

Thank you for the opportunity to testify.

KENNEBEC JOURNAL

Opinion: Past time for Maine to fix its child care crisis

Our policymakers must reject efforts to cut wages for child care educators.

Posted 4:00 AM SUNDAY, FEBRUARY 3, 2025

Quincy Hentzel and Liz Cotter Schlax Special to the Telegram

Maine's critical child care industry is in crisis. Parents need and want to go to work, but can't do so without safe and reliable child care for their children. Currently, there is not enough child care to support our working parents.

The problem with our child care shortage is twofold: we need more programs, and we need more staff in these programs. Compounding this problem is that no one organization or sector can solve the child care crisis alone. It takes businesses, nonprofits, government and philanthropy partnering in innovative ways to make sure we can solve this crisis.

ABOUT THE AUTHORS

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That is why the Portland Regional Chamber of Commerce and United Way of Southern Maine have partnered with several area employers to build new child care programs. We are starting by planning to retrofit buildings in Freeport, South Portland and Biddeford to create new child care centers. That takes care of one side of the equation: appropriate space. The other side of the equation is staff, and staffing challenges are more daunting given the low wages paid to child care educators in Maine.

The second problem can only be addressed with support from the state. This is why the proposed biennial budget is so concerning. The proposed budget includes a \$15 million annual cut to child care educators' wages. This is a cut to some of Maine's hardest working, most essential employees who remain in the bottom 3% of wage earners.

Currently, child care educators earn an average of \$16.40 per hour, or approximately \$34,000 annually. Cutting the monthly stipend program by half, as the budget proposes, would reduce wages to \$15.15 per hour (\$31,500 annually). This proposal will make hiring and retaining our critical child care workforce next to impossible.

United Way's ALICE data shows that educators with such a low household income struggle — paycheck to paycheck — to make ends meet. If educators cannot meet their own basic household budget, they cannot stay in this critical workforce.

As leaders of two organizations looking to have Maine be a place where people can truly afford to live, work and retire here, we worry that any proposed cut to child care educators' wages will cause this vital industry to implode. Based on surveys of some of the employers we are partnering with, the lack of high-quality, affordable child care has been one of the top two barriers to workforce development since the pandemic, alongside housing.

Maine's child care workforce truly is the workforce behind the workforce, and this workforce needs and deserves continued critical state support, not cuts.

Data supporting a state investment was made painfully clear in a recent ReadyNation report on the economic impact of Maine's child care crisis. The data is sobering.

Pre-pandemic, ReadyNation found that the lack of affordable infant and toddler child care in America was costing the national economy \$57 billion annually. In just four years, post-COVID, the economic impact of the child care crisis has more than doubled, to \$122 billion in lost earnings, productivity and revenue every year. In Maine, the lack of child care — for just infants and toddlers — costs Maine's economy an estimated \$403 million per year, more than double the 2019 estimate of \$180 million per year.

These losses are calculated based on parent surveys reporting that the infant-toddler child care crisis had caused them to be fired, or to have pay or hours reduced, nearly three times more often than in 2019. The lack of child care caused parents to be demoted or transferred to a less desirable job, or change from full-time to part-time work, more than twice as often. Rates of parents reporting quitting a job due to child care problems also doubled.

We know that if parents do not have child care, they cannot go to work. Employers need a reliable workforce and that depends on reliable child care.

It's a cycle in a broken system that will not be resolved on its own without continued and strengthened, not reduced, state support. It's why so many of us are partnering together to play our role; we need the state to as well.