

Good afternoon Chairman Ingerwersen, Chairwoman Meyer, and distinguished members of the Health and Human Services Committee.

My name is Chantel Pettengill, and I am the owner of Pettengill Academy. We are a large childcare provider serving the communities of Lewiston for 14 years, Brunswick for 3 years, and Auburn for 1 year. I am also a certified teacher in the State of Maine and a childcare business coach with the Child Care Success Academy, where I work with childcare owners across the United States, Canada, and the UK.

Across our three schools, we are licensed to serve 484 children and currently employ an average of 80 teachers and administrators. I am here today in strong support of **LD 2066**.

The childcare employment subsidy has been a positive support for both my staff and my centers—but its current limitations make it difficult to rely on consistently. In 2021, before this subsidy was available, I offered **free childcare** to staff at one of my centers as a retention strategy. With 15 staff children enrolled, this resulted in a loss of approximately **\$187,000 in tuition revenue** in a single year. For an industry operating on extremely thin margins, this was not sustainable.

As costs have continued to rise—food, wages, and especially insurance—I have since had to move to discounted tuition for staff children. Insurance costs for childcare programs nationwide have increased by over **200%**. Today, wages account for roughly **65% of our revenue**, compared to 28–40% in other labor-intensive industries. While a healthy business typically operates with a 35% profit margin, the average childcare margin is only **3–5%**, and in Maine, it is often even tighter.

When the subsidy was first introduced, only about **25% of my eligible staff** were able to access it before funds ran out. For the past 18 months, no new teachers were accepted. We are now seeing movement again, but due to past experience, we do not actively promote the program unless teachers ask—because it often meant significant paperwork with no results.

As a result, many of my teachers still pay **50% tuition**, which causes us to lose approximately **\$120,000 per year** in tuition revenue.

LD 2066 is critical. It supports the financial health of childcare programs while allowing us to offer a meaningful benefit to the very educators we are trying so hard to recruit and retain. Stable childcare programs mean stable childcare access for Maine families—and a stronger workforce for the entire state.

Thank you for your time and consideration. Please do not hesitate to contact me at **chantel@pettengillacademy.com**. I would be happy to speak further, including sharing insights from my national-level work on this issue.