



**Testimony to the Joint Standing Committee on Appropriations and Financial Affairs  
in Support  
of including  
LD 1955, *An Act to Increase Child Care Affordability and Early Childhood Educator Stability*  
in Supplemental Budget Bill  
LD 2212, *An Act Making Unified Supplemental Appropriations and Allocations for the Expenditures of  
State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law  
Necessary to the Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30,  
2027*  
(Neither for Nor Against LD 2212)**

Chair Rotundo, Chair Gattine, and distinguished members of the Appropriations and Financial Affairs Committee,

My name is Amy Winston. I am a resident of Edgecomb and testifying on behalf of CEI. Founded in Wiscasset in 1977, CEI is a CDFI (Community Development Financial Institution) that integrates small business financing, business expertise and policy solutions to build a vibrant and sustainable economy for people and communities in Maine and rural areas. We provide free business advising with expertise and financing tailored to small businesses in industries and communities that are underserved by mainstream financial institutions. Child care is one of these sectors.

Thank you for the opportunity to testify today in strong support of including funding for the Child Care Affordability Program (CCAP) in the Supplemental Budget Bill (LD 2212).

Over the last two years, the Legislature has taken important steps to strengthen Maine's Child Care Affordability Program. Maine has aligned CCAP with the 2024 federal Child Care Development Fund rule, adopting copay caps, enrollment-based payments, 12-month eligibility, expanding at-risk eligibility and prioritizing vulnerable populations (including children of early childhood educators). The Legislature is also considering other important bills to augment child care and help providers meet the needs of Maine families. However, the best practices contained in these measures cannot reach families without sufficient funding.

Today, over 1,000 income-eligible families are on the CCAP waitlist—preventing parents from entering or staying in the workforce and placing strain on employers across the state. Including \$15 million in the Supplemental Budget to clear the wait list will ensure these families can access care and providers can sustain the payment practices the Legislature has already approved. LD 1955 was recalled from the Governor's desk to eliminate this waitlist. While codifying policy is important funding it is essential.

Since the 1970s, CEI has financed or advised hundreds of child care businesses. We've used that experience to design the Child Care Business Lab. CEI's Child Care Business Lab provides clear evidence of how stable funding supports child care businesses as employers and economic anchors. Since 2020, Child Care Business Lab graduates have launched 57 new child care businesses statewide, creating more than 1,500 licensed child care slots and 300 jobs, and enabling over 500 parents—primarily women—to enter the workforce. These businesses operate largely in rural and small-town communities, where predictable revenue is essential to staying open, maintaining enrollment, and hiring staff. The Child Care



Affordability Program is critical to sustaining this impact. Without sustainable funding, child care businesses can not plan, grow, or continue serving working families.

Across rural and immigrant-serving regions of Maine, child care providers supported through CEI's Child Care Business Lab consistently report that predictable public funding is essential to staying open and planning for the future. Providers with stable revenue are better able to maintain enrollment, make hiring decisions with confidence, and invest in quality improvements rather than operating in crisis mode. In contrast to statewide closure trends – particularly in rural counties – Child Care Business Lab alumni demonstrate strong business longevity, underscoring how affordability programs like the CCAP directly support child care businesses as employers and economic anchors in their communities. When child care revenue is predictable, providers are able to hire and retain staff, stabilize enrollment, and remain open – outcomes that directly support employers and working families across Maine's rural and underserved regions.

Maine's Economic Development Strategy<sup>1</sup> recognizes that child care is the infrastructure that enables every other sector to function. When parents cannot find or afford care, employers lose workers, and Maine's economy suffers – families and businesses in communities that can least afford it absorb and pay the cost.

Eliminating the CCAP waitlist is a workforce and economic development strategy that will allow Maine's child care system to function as intended. We respectfully urge the Committee to prioritize funding for CCAP this session. Thank you for the opportunity to speak with you today.

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<sup>1</sup> Maine Economic Development Strategy 2020-2029, a Focus on Talent and Innovation and Maine 2020-2029 Economic Development Strategy: The 2024 Reset