



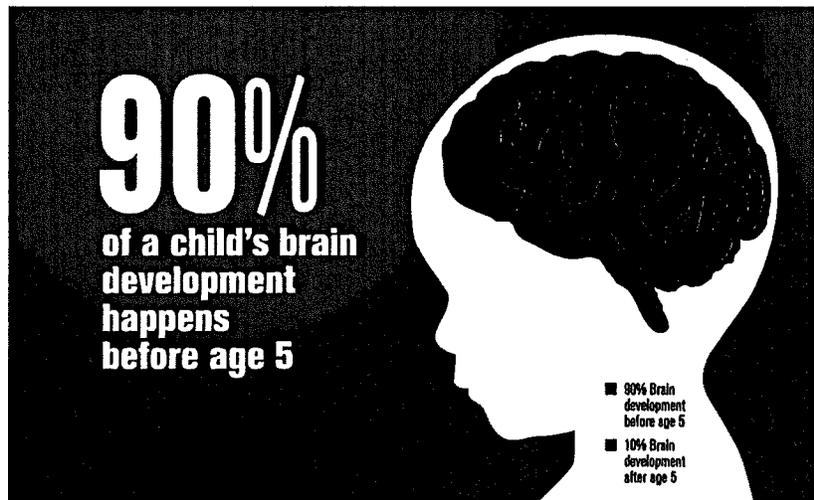
Senator Rotundo, Representative Gattine, Senator Ingwersen, Representative Meyer, and distinguished members of the Health and Human Services Committee and Appropriations and Financial Affairs Committee,

My name is Heather Marden, and I am here on behalf of Maine Association for the Education of Young Children and the Family Child Care Association of Maine, organizations dedicated to advancing high-quality early learning for Maine's children, birth through age five, and to supporting the early childhood workforce and the families they serve.

I am here today to strongly urge you to include \$15 million in ongoing funding for the Child Care Affordability Program (CCAP) in the Maine Supplemental Budget.

### Why This Matters for Children

The first five years of life are a period of unparalleled brain development. Research shows that more than 90% of brain growth occurs before age five, laying the foundation for literacy, executive function, social-emotional skills, and long-term health outcomes. Access to safe, stable, high-quality early care and education during this window is not a luxury—it is essential infrastructure for healthy child development.



Continuity of care is especially critical. When children experience disruptions in their early learning environments due to financial instability or gaps in affordability assistance, they lose not only daily routines but also secure attachments with trusted educators. Those relationships are foundational to resilience, learning, and emotional regulation.

High-quality early learning programs have been shown to:

- Improve school readiness and third-grade reading proficiency
- Increase high school graduation rates

- Reduce special education placements
- Decrease later involvement with the criminal justice system

Longitudinal studies such as the Perry Preschool Project demonstrate returns on investment of \$7–\$13 for every \$1 invested in high-quality early childhood programs, driven by improved educational attainment, higher earnings, and reduced public expenditures over time.

When families can access CCAP consistently, children experience stability. Stability drives healthy development. And healthy development drives lifelong outcomes.

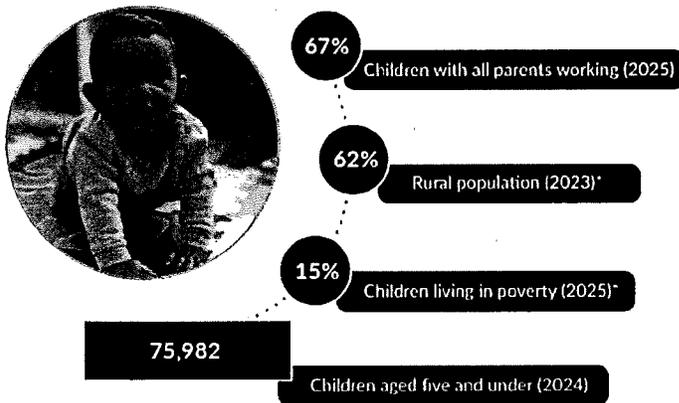
### Why This Matters for Families

Child care is the backbone of workforce participation. Parents cannot work if they do not have reliable care.

When families have access to affordable child care:

- Parents are more likely to enter and remain in the workforce.
- Household incomes increase.
- Employers benefit from reduced absenteeism and turnover.

National research shows that child care disruptions cost U.S. businesses billions annually in lost productivity. In Maine, where workforce shortages are acute, ensuring families can access CCAP is a direct workforce strategy.



Without reliable affordability support, families face impossible choices: reduce work hours, leave employment, rely on unstable arrangements, or accumulate debt. When CCAP funding is uncertain or insufficient, families experience gaps in care that disrupt employment and income stability.

Currently Maine only serves about 7% of its eligible families while the national average of families served through child care subsidies is 14.5%. We are leaving

too many families without this needed support. *(Graphic by Hunt Institute 2025 Maine Early Care and Education Report)*

Ongoing funding provides predictability—predictability for parents to maintain employment, pursue education, and provide for their families with the peace of mind that their children are safe and nurtured.

### Why This Matters for Child Care Businesses

Child care programs operate on razor-thin margins—often between 1–2%. Unlike other sectors, child care cannot easily increase prices without pricing families out of care. At the same time, programs must cover fixed costs: staff wages, rent or mortgages, utilities, food, insurance, and compliance with licensing and safety standards.

When eligible families cannot access CCAP due to funding limitations or waitlists, programs face enrollment instability. Empty slots mean lost revenue that cannot be recovered. This makes long-term budgeting nearly impossible.

Sustainable CCAP funding:

- Stabilizes enrollment
- Ensures predictable revenue streams
- Supports workforce retention
- Allows programs to invest in quality improvements

Without it, programs close classrooms—or close entirely. Maine has already experienced significant loss of child care capacity in recent years. We cannot afford further instability in a sector that underpins every other industry.

### **Why This Matters for Maine's Economy**

Child care is economic infrastructure.

Research consistently demonstrates that investments in early childhood yield strong economic returns. Nobel laureate economist James Heckman has found that high-quality early childhood investments can yield a 13% annual return through better education, health, and workforce outcomes.

In the near term, affordable child care:

- Increases labor force participation
- Reduces unemployment
- Boosts state income and sales tax revenues
- Improves business productivity

When parents can work, they contribute to Maine's GDP. When employees are not distracted by child care crises, businesses thrive. When early educators are supported by stable enrollment, they remain in the workforce.

The Child Care Affordability Program is a benefit for all businesses, not just large corporations. Often small businesses cannot provide child care benefits such as investing in onsite child care or providing child care stipends, flexible schedules, etc. This program is designed to meet eligible families regardless of who their employer is, that means even our thousands of small self-employed businesses around Maine. This program doesn't favor any industry over the other.

Every dollar invested in child care affordability circulates through local economies—supporting small businesses, stabilizing communities, and strengthening Maine's competitiveness.

## A Smart, Ongoing Investment

The \$15 million in ongoing CCAP funding is not simply a line item—it is a strategic investment in:

- Children's healthy development
- Family economic stability
- Small business sustainability
- Maine's workforce and economic growth

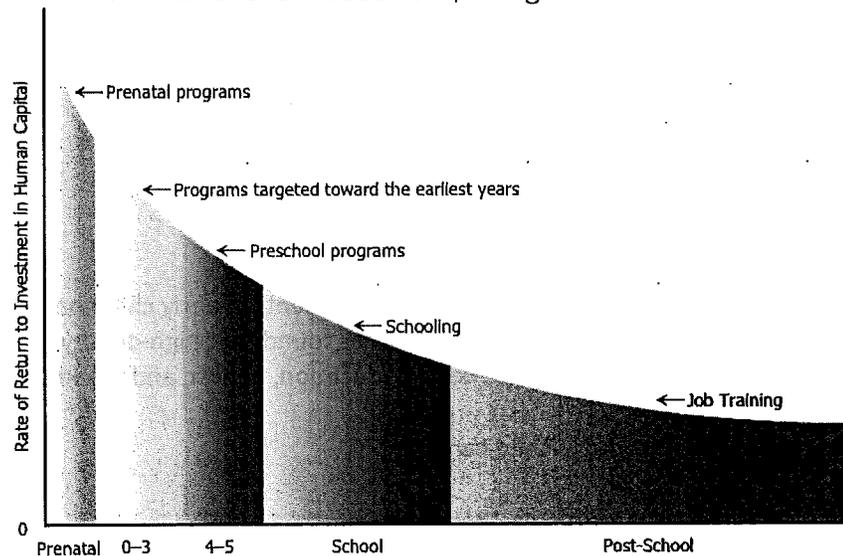
Making this funding ongoing is essential. One-time funding creates uncertainty. Ongoing funding creates stability—and stability is what children, families, and businesses need to thrive.

Maine has the opportunity to lead by recognizing child care as essential infrastructure. By including \$15 million in ongoing funding for CCAP in the Supplemental Budget, you will strengthen Maine today and build a more prosperous future for generations to come.

Thank you for your time and your commitment to Maine's children and families. I am happy to answer any questions.

## EARLY CHILDHOOD DEVELOPMENT IS A SMART INVESTMENT

The earlier the investment, the greater the return



Source: James Heckman, Nobel Laureate in Economics