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Testimony of Sue Powers On Behalf of Maine Community Action Partnership

Testimony to the Health and Human Service Committee Regarding LD 2199, An Act to Ensure Subsidy Reimbursements and Emergency Financial Assistance for Certain Child Care Providers

February 20, 2024

Senator Baldacci, Representative Meyer and distinguished members of the Health and Human Services Committee, my name is Sue Powers, and today I am representing Maine Community Action Partnership and our early education partners, in my role as an early childhood education consultant to Maine Head Start and Child Care programs. MeCAP is a network of ten Community Action Programs from across Maine, nine of those CAP's are federal Head Start grantees working in partnership with public school and child care across communities to meet the comprehensive needs of families.

I submit this testimony in support of LD 2199, An Act to Ensure Subsidy Reimbursements and Emergency Financial Assistance for Certain Child Care Providers. I want to thank Sen. Jackson for bringing forward solutions to these critical issues that have the potential to greatly impact the success and survival of child care programs in all areas of the state.

LD 2199 proposes to fill gaps in systems that can make or break the operation of a child care program. In addition, these initiatives may impact the willingness of a child care provider to accept payments from the Child Care Affordability Program (CCAP), expanding child care options in communities across Maine.

Currently providers have to weigh their ability to accept families through the CCAP because they will not always be reimbursed for a full week of care; current program rules base reimbursement on attendance, not enrollment. Meaning not all days are reimbursable by CCAP even when the child is holding an enrollment slot with the provider. If a provider bases all slots on a private fee agreement, they are paid based on enrollment, regardless if the child is in program or not. This allows the provider to be secure in the weekly and monthly revenue expected so they can accurately plan for personnel and other operational expenses. We do not reimburse our school teachers based on how many children are in their class on any given day, so why are we reimbursing our early care and education teachers using this method?

By paying child care providers on an attendance model, we are disincentivizing them to accept children with CCAP vouchers as their payment. This reduces child care enrollment options for working families, who without safe, secure child care cannot be productive workers, thus ultimately impacting the general workforce of our state. Providers who DO accept CCAP payments find themselves losing thousands of dollars each year. Our network alone reports annual loss between \$40,000 and

\$90,000 for payments not received because enrolled CCAP children were absent due to illness, family emergency, or other excusable absences. This is a significant amount of revenue and can quickly put a child care program at risk of remaining open.

Child care providers operate on the edge of financial stability each week, month and year. It is a daily balancing act to break even and be able to pay staff, bills and essentials to operating a safe program for young children. A leaky roof, furnace malfunction or clogged toilet may be just enough to push a provider over the edge with no hope of recovering financially. If there was a fund for these sudden and unexpected emergencies it may make the difference between a provider staying viable or closing. Closing would only displace and disrupt families, employers and communities. In addition to accessing emergency funds to allow a provider to stay operational, providing technical assistance on how to plan and prepare for such events would support providers to set up systems and protocols of how to be prepared in the future. Investing in this emergency preparedness technical assistance is investing in our children and our workforce, supporting families, employers and communities.

Thank you for your time today and for support of LD 2199. If child care fails, families cannot work and businesses cannot stay open. Support of this legislation is support to a child care system that is critical to the economic stability of our communities.

I appreciate your consideration and your commitment to serve the people of Maine.