



**Testimony to the Joint Standing Committee on Health & Human Services
in support of**

LD 1712, An Act To Support Children's Healthy Development and School Success

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Amy Winston, State Policy Director
CEI, Brunswick, Maine
Amy.Winston@ceimaine.org

Senator Claxton, Representative Meyer, and Distinguished Members of the Joint Standing Committee on Health and Human Services--My name is Amy Winston and I live in Edgecomb. I am the Director of State Policy at Coastal Enterprises, Inc (CEI), and testifying on behalf of CEI in support of LD 1712, "An Act To Support Children's Healthy Development and School Success."

CEI is a Community Development Finance Institution (CDFI) with a 43-year history of promoting good jobs, environmentally sustainable enterprises, and shared prosperity in Maine. Since 1988, CEI has invested a total of \$12,131,487 to 171 center-based and family child-care enterprises. We also made a New Markets Tax Credit investment of over \$12 million in [Educare Central Maine](#) in Waterville.

Early childhood education remains a priority sector for CEI. Currently, CEI's Child Care Business Lab is working with diverse entrepreneurs to increase the number of child-care businesses and care enrollment slots that exist in Maine, particularly in rural areas where access to care is especially acute. The Child Care Business Lab is an intensive, cohort-based experiential leadership opportunity and learning community which integrates small business start-up education, guidance in how to deliver high quality child-care programming, advice on hiring, and coaching through the licensing process.

Childcare is a multifaceted issue, and quality childcare that is affordable is a contradiction. Direct intervention and reframing of early childhood education as essential public infrastructure, in Maine's 10-year Economic Development Strategy and the new Maine Jobs and Recovery Act, has been needed to reconcile conflict between the key dimensions of affordability, quality and availability, to begin to align supply with demand. Our Child Care Business Lab program, which supports providers starting childcare businesses through missioned investment, seeks to do this by developing equitable solutions that right the market.

With its comprehensive, statewide, coordinated system of early identification, referral and follow up for children from prenatal care to 8 years of age, early screening, this bill promotes healthy development for all children. It brings dedicated coordination and annual reporting to support legislative oversight - in both committees of relevant jurisdiction - to ensure universal access to needed services. In addition to this statewide system, this bill expands statewide, an existing, community-based approach to early childhood care and education, with wrap-around health and education services for at-risk youth and

their families, by replicating Central Maine Educare’s successful holistic approach. In all, this bill enacts a path to effective learning, family health, well-being, and financial stability, which will benefit families, childcare businesses and other employers, working parents, parents who are not working, and taxpayers in the state of Maine.

CEI strongly supports a bold early childhood education policy for Maine, which is consonant with Strategy E, Action item E1, in the state’s 10-year comprehensive Economic Development Strategy, which aims to create a world-class childcare system for Maine.¹ We see early childhood education and childcare specifically as critical for the healthy cognitive development of children and for Maine's workforce and economy. For this reason, we supported LD 1652, “An Act To Attract, Build and Retain an Early Childhood Education Workforce through Increased Training, Education and Career Pathways.”² That bill proposes a systemic approach to help childcare providers build their workforce with apprenticeships and training incentives that expand the credentialed early childhood profession by giving individual workers greater opportunities for increased compensation, skill development and satisfaction.

An adequate supply of qualified childcare workers is critical to parents’ participation in the labor force. Without adequate staffing, childcare businesses cannot meet required teacher-child ratios and are forced to reduce services. Ultimately, the supply (availability) of childcare slots and parents’ ability to participate in the labor market more fully or at all depend on an ample supply of qualified workers. Staffing challenges persist even in populous places due to poor quality jobs, a constant constraint on availability. Expectations of early learning environments have increased regardless of consumer ability to afford high quality care and market demand is not enough to ensure care of any quality exists at all. The effect of this market failure is to segregate families into parallel systems and keep parents at home when they cannot find arrangements that are comfortable or appropriate for their needs. It is important to keep early childhood care and education front and center in the state’s conversation about economic development. It is essential to growing and attracting new and existing talent in and to Maine, and to building an inclusive economy where parents can work to their full potential, and to be fully engaged at work.

Lack of accessible, available, and affordable childcare has a ripple effect on the economy. Research demonstrates childcare challenges lower worker productivity and cost U.S. employers and working parents billions of dollars annually, including negative effects on parental lifetime earnings as well as the work trajectory of parents who modify their engagement with the labor force during the years they need child care in order to work.³ Research demonstrates clear links between access to child care and

¹ Maine Department of Economic and Community Development. 2019. Maine Economic Development Strategy, 2020-2029: A Focus on Talent and Innovation, p32. Accessible at:

https://www.maine.gov/decd/sites/maine.gov/decd/files/inline-files/DECD_120919_sm.pdf

² Sponsored by Rep. Fecteau (fiscal note: \$5m).

http://legislature.maine.gov/legis/bills/display_ps.asp?LD=1652&snum=130

³ Savage, Sarah. May 2019. *High-Quality Early Child Care: A Critical Piece of the Workforce Infrastructure. Regional and Community Outreach Framing Paper*. Federal Reserve Bank of Boston. Bostonfed.org

workforce participation.⁴ These operate in unique ways at different socioeconomic levels yet they cut across and transcend economic strata. Research also demonstrates that family income and employment stability directly affect a child's social, physical, and emotional health. The dominant perspective that has governed our economy has been that childcare needs are temporary and not worthy of significant investment since children age out of needing labor-intensive early childcare. Without a shift in paradigm, and concerted campaign to professionalize childcare, many families and especially those with lower incomes, often settle for inconsistent, poor quality care that lead to poorer cognitive, social, and emotional-development outcomes in infants and toddlers, affecting their readiness for school and capacity to achieve their potential and contribute to society.

The economic and employment implications for families and businesses are stark. Nationally, the cost to working parents and businesses of not having a quality childcare system in place is estimated to be in the billions of dollars annually.⁵ To redress these household, state and national level impacts and implications requires an understanding of the problem from the perspective of working parents. The Federal Reserve Bank of Boston advocates a working-parent lens to make childcare available and accessible.⁶ That means approaching the issue from the perspective of working parents, understanding what is needed for a working parent to access a childcare option, assessing policies, programs and practices in ways that address the needs of working parents, to build a childcare workforce infrastructure that will be highly utilized.

The timing is critical given our state's demographic and workforce challenges. The Federal Reserve notes the need to better align bold, preschool-expansion and efforts to enlarge care options that are designed to improve childhood outcomes with the needs of working parents. By supporting working parents, broader, more systemic change can occur. There is much known about how to provide early childcare in ways that benefit children but less about how to pay for making it accessible to all working parents. By focusing on the role that early childcare has on the economic and employment stability and mobility of working parents, we can ensure child developmental outcomes and foster talent and innovation in the state economy.

We know part of the success of the Somerset County Educare pilot is that it supplements educators' pay, using "quality improvement stipends" to improve the quality of care by improving the *quality of care jobs*. We respectfully recommend that the committee consider adding language in Section 2 (22 MRSA - 3931, subsection 4) of the bill that codifies the provision of workforce supports such as stipends and scholarships for job training, education and professional development, and flat-out increases in

⁴ Recent data show Maine's overall 2019 labor force participation rate at 62%; among men, this rate is 66.3% (down half a percentage point since 2015) and 57.2% among women⁴. It is worth noting that labor force participation rates among males of traditional parenting age (25-54) is higher than that of women of childbearing age, suggesting that women face greater constraints than men due to childcare and other factors. A 2016 Maine Department of Labor survey found that 10% of 5,000 workers surveyed, and 20% of women surveyed, cited childcare as a reason they did not work full time. (Maine Department of Labor. 2016. Reasons for Working Part-time by Gender, 2000-2016.)

⁵ Savage, Sarah. May 2019. *High-Quality Early Child Care: A Critical Piece of the Workforce Infrastructure. Regional and Community Outreach Framing Paper*. Federal Reserve Bank of Boston. Bostonfed.org

⁶ Ibid.

childcare worker wages and compensation, as a required project component. *Additionally, a mechanism should be considered to ensure that the initial pilot projects proposed in Section 3 of the bill achieve statewide geographic reach, apply a racial equity and ethnic diversity lens in addition to preference that is based on economic disadvantage and range of coalition providers.* Finally, in order to ensure geographic, economic and racial or ethnic diversity, the committee may want to consider adding a provision for technical assistance for proposal development to promote equitable development of community coalitions and care networks in order to assure that this initiative reaches communities that need and lack child care regardless of their readiness to submit a proposal.

Thank you for this opportunity to testify on this important bill. CEI is pleased to have been part of the Right From the Start Coalition and member of the state economic development strategy work group that have connected early childhood education with economic development. With the opportunity to maximize federal American Rescue Plan Act funds in the Maine Jobs and Recovery Act, and LD 1652 proposing a process for building a professional care workforce, this bill represents a vital investment in Maine's future that is timely if not overdue. We urge the committee to vote ought to Pass on LD 1712.