

**The Maine Heritage Policy Center  
Testimony Against LD 1012  
“An Act To Provide Stable Funding and Support for  
Child Care Providers”**

Senator Gratwick, Representative Hymanson, and members of the Committee on Health and Human Services, my name is Adam Crepeau and I serve as a policy analyst at the Maine Heritage Policy Center. Thank you for the opportunity to express our opposition to LD 1012.

Expanding access to affordable childcare is of pressing concern to many Maine families. But imposing additional restrictions on child care providers and tweaking payment rates are not the solution. Government intervention in child care is largely responsible for creating the severe shortages and exorbitant costs parents face today, and this bill entrenches those misguided policies instead of allowing a market-based system to thrive.

In regulating the child care industry, Maine is out of step with national averages -- and policymakers have failed to provide convincing evidence that stricter requirements translate to higher quality of care without unduly jeopardizing access for working families. The average unlicensed provider in the U.S. can watch four children, but in Maine, an unlicensed provider may watch only two. Similarly, staff-to-child ratios in Maine for children four years of age and older is 1:8 for a group of 24 children or 1:10 for a group of 20. In Florida and North Carolina, a single provider may watch up to 20 children of the same age in a similar care environment.

These onerous regulations have had a devastating effect. Maine lost 623 child care providers between 2008 and 2018, most of them family-style providers who are cost effective for Maine families.<sup>1</sup> Over the last decade, every county in Maine has lost at least one-fifth of their licensed family child care providers. During this span, Maine passed several new regulations, including fingerprinting, outdoor “safety” measures and other modifications to child care licensing rules. As a result, dozens of providers have left the profession. This reduces the availability of child care and creates greater demand for these services, making care under a licensed provider even more expensive.

And while Maine’s overall capacity stayed about the same due to an expansion of larger facilities, the decimation of our small child care businesses means that the market is less

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<sup>1</sup> <https://www.sunjournal.com/2019/01/15/maine-loses-child-care-providers-keeps-capacity/>

competitive, particularly in rural areas where parents may now need to travel further -- and pay more -- to find a provider.

A paper by the RAND Corporation concluded, unsurprisingly, “that regulations have an economically significant effect on the price of childcare, which in turn affects both the demand of regulated care and the labor force participation choices of the mothers.”<sup>2</sup> And working-class families are hardest-hit: A 2011 study published in the American Economic Review found that “the imposition of regulations reduces the number of center-based child care establishments, especially in low income markets.”<sup>3</sup>

Deregulation is often accompanied by concerns that quality will plummet, putting childrens’ well-being at risk. Yet, as recent experience in Maine has shown, government oversight is no guarantee of quality. Other states with fewer government requirements enjoy much lower rates with no noticeable loss of quality. Researchers at the National Center for Policy Analysis found that “state and local regulations significantly affect the price of care without improving quality.”<sup>4</sup>

Encouraging competitiveness among providers is the fairest and most cost effective way to achieve quality in child care. Government mandates do not create quality.

I urge you to vote “Ought Not to Pass” on this bill. Thank you.

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<sup>2</sup> [https://www.rand.org/content/dam/rand/pubs/working\\_papers/2004/RAND\\_WR137.pdf](https://www.rand.org/content/dam/rand/pubs/working_papers/2004/RAND_WR137.pdf)

<sup>3</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4076055/>

<sup>4</sup> <https://www.themainewire.com/2016/05/regulations-drive-cost-child-care-maine/>