

The voice of Maine business

Testimony By Simon West of the Maine Sate Chamber of Commerce and Member of ReadyNation Before The Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services

## **In Support Of**

LD 258: An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025

Chairs Rotundo, Sachs, Baldacci, and Meyer and distinguished members of the Committees, I am Simon West and I represent the Maine State Chamber of Commerce, a statewide business association made up of both large and small businesses. Thank you for the opportunity to submit testimony in support of L.D. 258.

Expanding Maine's workforce and its capabilities is part of the state's strategic plan. Of the ten business community priorities outlined in the latest *Making Maine Work* report, availability of entry level workers and availability of skilled technical workers are in the top three. Engaging Maine's existing population of workforce-age parents is a must if we intend to increase our workforce participation rate. In the spring of 2022 34,000 Mainers with children ages 5 and under reported inadequate childcare availability that forced them to cut hours or leave the workforce. Maine can help reduce this type of disruption and keep our prime working age people engaged in the workforce by increasing pathways to access affordable childcare as well as increasing the number of available childcare slots. We appreciate the Governor's proposed investment in childcare in the budget before you and believe it's a great first step. Still, there is more to be done. There is upcoming legislation that aims to ease these complications for Maine's current workforce by making a greater investment.

Beyond critical efforts to engage our current workforce, new Mainers are an important demographic to growing our economy. Social and environmental trends are helping people from other parts of the country view Maine as more than Vacation Land. People want to move here to work and build a life for their families. What is a large barrier they are running into? Lack of available childcare. Uncertainty and long waiting lists are causing families to rethink their move to Maine. We have for some time understood the inadequacy of our birthrate to grow our population. Our state is dependent on in migration and expanding childcare is a fundamental pillar in our strategy to attract talent to our workforce.

The inadequate childcare availability referenced above is driven by the inability to recruit and retain a workforce. There is an industry specific workforce challenge that is exacerbating a statewide workforce challenge. Low wages are the fundamental barrier to recruitment and retention in childcare. The industry is in a difficult position. Even with wages that put childcare workers in the bottom 2% of earners on a national scale, childcare in Maine is prohibitively expensive for many. Childcare being unaffordable and unavailable is an issue for parents and employers alike. We ask that you prioritize investments in childcare and work to reduce costs and ease the staffing shortages.

Thank you for the opportunity to share my testimony.