

Manufacturers Association of Maine

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08 April 2025

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Senator Rafferty, Representative Murphy and honorable members of the Education and Cultural Affairs Committee: my name is Mike Roughton and I'm submitting this testimony on behalf of the Manufacturers Association of Maine ("MAME"), in opposition to LD 1219, *An Act to Increase State Funding for the Campuses of the University of Maine System and to Raise the Minimum Hourly Wage for Employees of the System*.

The Manufacturers Association of Maine ("MAME") is a non-partisan 501(c)6 non-profit grounded in service to its membership, providing a network of resources designed to support the strategic business growth needs of Maine manufacturing entrepreneurs. Maine's manufacturing businesses are diverse, employing almost 60,000 individuals in military and defense, aerospace, metal fabrication, paper, boat building, semi-conductor, wood products, aquaculture and biotech, medical device, composites, and bioplastics, as well as the food and beverage industries. These businesses represent almost 10% of Maine's annual GDP and 10.4% of all the wages paid in the state on a weekly basis. MAME's mission is to help manufacturing grow and succeed and supports Maine's development of future manufacturing assets through a variety of programs.

MAME's advocacy efforts focus on four (4) key areas: workforce development, taxation, human resources/wage and hour and energy. Today, we are here to address tax issues, and the impact these proposals will have on our membership. While we understand the intention behind this bill is to enhance funding for our educational institutions and ensure fair wages for university employees, we believe that the consequences of this legislation could have detrimental effects on the surrounding labor market and create inequities for employees from various regions.

The mandated funding increases for the University of Maine System may necessitate **significant reallocations of state resources or potential tax increases**. This could place a considerable financial burden on local businesses and the community at large. As employers, we are already navigating the challenges of rising costs, including labor, materials, and operational expenses. Increased taxes or reduced funding for other critical services will strain our ability to hire and retain employees, hindering our growth and, by extension, the local economy.

The proposal's requirement that universities fund themselves at a percentage of peer institutions **creates an uneven playing field**. This comparative funding model may inadvertently prioritize certain campuses over others, leading to disparities that can affect the quality of education and resources available to



students. Such inequalities can then hinder an employer's ability to attract talent from diverse backgrounds and educational experiences, which is critical for fostering innovation and competitiveness in the workforce.

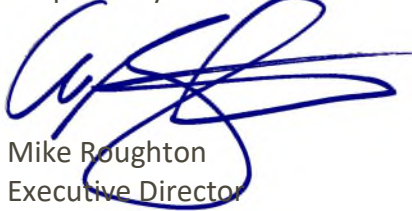
Additionally, and perhaps most importantly, the increase in minimum wage to 125% of the current state minimum wage may seem like a positive step; however, it will have **significant consequences for the larger labor market**. Employers in the area will now have to compete with the university campuses for available labor and will likely struggle to meet these new wage demands, leading to potential job losses, reduced hours, or even business closures. This could exacerbate unemployment rates in those communities and make it more challenging for students and residents, particularly those seeking minimum wage or entry-level jobs that provide valuable work experience.

Furthermore, this bill may disproportionately affect employees from other areas who seek employment opportunities in the University of Maine System. If wages are significantly elevated without corresponding increases in funding or resources, there may be fewer positions available, making it more difficult for individuals from neighboring regions to secure employment. This **creates an unfair advantage** for those already established within the system while marginalizing potential talent from other areas.

In closing, while we support the mission of our educational institutions to provide quality education and fair wages, we urge you to consider the broader implications of this legislation on the local labor market and the lack of fairness it extends to potential employees from various regions. The unintended consequences of increased funding and wage mandates could hinder the very growth and stability that we all seek for our communities.

Thank you for your time and consideration. **We urge you to vote Ought Not to Pass on LD 1219.**

Respectfully submitted, . .



Mike Roughton
Executive Director

