

**Testimony of
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On behalf of the
Maine State Chamber of Commerce
Before the Joint Standing Committee on Labor and Housing
in opposition to
L.D. 741, An Act to Prohibit Training Repayment Agreements by Employers**

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Sen. Tipping, Rep. Roeder and members of the Joint Standing Committee on Labor and Housing, my name is Peter Gore, and I am a Government Affairs Consultant with Maine Street Solutions, and I am here on behalf of my client, the Maine State Chamber of Commerce, a statewide business association representing both large and small businesses speaking to you today in opposition to **L.D. 741, An Act to Prohibit Training Repayment Agreements by Employers**.

As drafted, L.D. 741 would prohibit an employer from requiring an employee to agree to repay the employer for training costs related to their job, should the employee leave that employers business.

The current labor market is such that employers are hiring individuals who have a willingness to learn and/or obtain the appropriate certifications to complete the job duties with skills they may need but do not have in order to perform the position. This includes jobs that require certificates or other trainings, or even advanced education at the collegiate level. Accordingly, many employers agree to pay the costs associated with these trainings and certificates (such as OSHA 10-Hour Training), provide employees with work time to study, and pay for the time associated with the course if the employee agrees to continue to work with the organization for a period of time after receipt of any training or educational advancement.

In some cases, if the individual does not work for that time period, they can be required to re-pay the costs paid for the training proportionally to the time in which they remained employed. In most situations this training or certificate is one which will be beneficial to the employee in future employment and be of value to competitors who may wish to employ the individual. In addition, the employer may have agreed to pay for courses or training opportunities with the expectation of long-term employment of the worker.

The language of L.D. 741 would limit an employer from requiring an employee to enter into these types of agreements. This would prove detrimental to both the worker and the

business owner. If employers cannot be certain they will see a return on their educational investment, why should they be forced to take the risk of training, then losing an employee they may be counting on, to a competitor? The effect on the benefits employers currently provide to employees will be to cease to offer certificate opportunities as well as reimbursement for courses/classes/degree programs as the benefit will *no longer provide any benefit to the employer as the employee can immediately leave employment without penalty.*

The Voice of Maine business

In discussing this bill with Chamber members, not all employers require any type of reimbursement or repayment for training opportunities presented to employees. But some certification, or higher education courses are expensive, and employers want to be sure they are investing in their people wisely. They know offering these types of incentives serve both the worker and business. That is why this type of training and educational opportunities are often part of a larger benefit package. However, the net effect of prohibiting any employer from ensuring some mutual rate of return on the money they willingly spent to improve a worker's skills, will be to simply stop offering these incentives.

The Maine Chamber believes this is a lose-lose outcome for workers and the businesses that employ them. Innovation, training, flexibility, and nimbleness are the hallmarks of our future workforce. If Maine is to compete in the global marketplace, we must have workers that are trained in the latest technologies and have the educational tools to advance our economy. We are opposed to passage of legislation like LD 741 that, in the long run will inhibit these goals. We therefor urge this committee to give LD 741 an ought not to pass report. Thank you for the opportunity to present you with our thoughts.