

Manufacturers Association of Maine

2023 Executive BOARD

11 April 2023

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Senator Grohoski, Representative Perry, and distinguished Members of the Joint Standing Committee on Taxation,

My name is Michael Saxl. I am testifying on behalf of the Manufacturers Association of Maine in support of LD 1222, An Act to Expand Child Care Services Through an Employer Supported Tax Credit.

There are approximately 1880 Maine manufacturing businesses employing more than 56,700 Maine workers, with payroll topping \$3.6 billion, representing 14.5% of wages paid statewide. Manufacturers come in all shapes and sizes from large employers like Bath Iron Works, to much more common sole proprietorships and small businesses with around 15 employees. In every corner of Maine, you will find a manufacturer, from Dovetail Baseball bats in Shirley to Nichols Machine LLC in Portland.

The biggest challenge facing manufacturers in Maine is available workforce. As you know, workforce participation has not returned to pre-Covid levels. Some of that is due to Maine's demographic challenges of an aging workforce. Some might be an unintentional impact of free community college, attracting young people to academic pursuits instead of heading straight into the workforce.

At the Manufacturers Association, we believe the greatest hindrance to reentry into the workforce is access to affordable, quality childcare. As a result, working to expand access to childcare is our Associations highest priority this session. We believe access to childcare will help bring working age adults back into the workforce.

For many, available childcare simply does not exist. There are no slots available. Childcare is facing a workforce challenge as well. Workers are attracted to higher wage positions. Others, in a sad irony, need to stay at home to care for their own children, with childcare wages being insufficient to cover the cost of paying for childcare. The stories are endless.

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Sen. Republican Leader Stewart's legislation is one of several bills you will hear this year which incentivizes businesses to partner with childcare providers and their employees to expand access. This legislation, coupled with President Jackson's effort to increase childcare wages, and House Majority Leader Terry's work to provide a tax credit for both businesses and parents will provide a framework to strengthen our workforce and grow manufacturing jobs in Maine.

As you think about childcare, we urge you to maintain a flexible approach. Some childcare will be the wonderful Educare model in Waterville. Others will be onsite at a business. Still others will be in church basements or in a private home. As long as the facility has a state license, all of these models will help us meet the enormous demand.

Also please think about the unique needs of individual parents. Some work the overnight shift at your hospital or the swing shift at a manufacturing facility. They will need night care for their kids. Others commute long distances to work and will need flexibility in pick-up times. A nine to five approach or will not meet those needs.

Please don't restrict the model. Let individual businesses work with childcare providers and employees to find the model that works best for their unique circumstances.

Thank you again to Sen. Stewart and his colleagues who are looking for a way to care for our kids and strengthen Maine's economy.

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