

Manufacturers Association of Maine

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10 May 2023

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Senator Baldacci, Representative Meyer, and distinguished Members of the Joint Standing Committee on Health and Human Services, my name is Mike Roughton. I am a resident of Standish, testifying on behalf of the Manufacturers Association of Maine in support of LD 1726, An Act to Build Maine's Economy by Supporting Child Care for Working Families.

There are approximately 1880 Maine manufacturing businesses employing more than 56,700 Maine workers, with payrolls 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 Association's highest priority this session. We believe access to childcare will help bring working age adults back into the workforce.

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Childcare providers are not immune to the challenges of attracting and retaining talented and trained childcare workers. Some childcare 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.

Senate President Jackson's legislation promotes increasing wages of childcare workers through a direct state subsidy. With childcare tuition hovering around \$12,000, there is not much room to increase the cost of childcare to raise revenue for raises.

While we are also working on a bill addressing childcare tax credits for parents and businesses, to improve affordability and to expand access, none of those efforts matter if we don't have enough childcare workers available to care for our kids. We need to find a way to attract and retain these childcare workers. Higher wages are a great way to do that.

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

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