

Good afternoon Sen. Rotundo, Rep. Sachs, members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Linda Caprara, I am the Vice President of Advocacy for the Maine State Chamber of Commerce. I am also a resident of Winthrop. We are testifying in strong support of the Dirigo Business Incentives Program in L.D. 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"

We applaud the efforts of the Governor and the Department of Economic & Community Development (DECD) to modernize the State's Pine Tree Development Zone Program by proposing the Dirigo Business Incentives Program. We strongly support the two key components of this program: investment and workforce training. Capital investment, a strong workforce and improved productivity drive and sustain economic growth and are vital to the State's economic welfare.

First of all, we very much support the workforce training credit in this bill. Workforce training is very costly and employers are having to train more now than ever before for many different reasons. With respect to workforce, while job creation is always a goal, nowadays, companies have everything they can do to retain and fill existing positions. Before COVID, this was an issue. After COVID, its even more of an issue. With the so called "great resignation" there were lots of folks that left the workforce for a variety of reasons. Companies have had to grapple with a smaller pool of available workers. As such, on the job training or upskilling as it is called has become a new norm for many companies. Upskilling or training workers for more than one job has become a necessity, especially when turnover is high. In some cases, it is vital for long term survival when there are gaps in the hiring process.

We also support the capital investment credit as well. Capital investment is key to long term success and competitiveness in this global economy we are operating in. Companies must constantly keep up with technology or risk falling behind in the global market. Competition is fierce and Maine companies have to compete with companies from all over the world. In addition, companies need to invest to allow their workers to have to the tools they need to produce the world class products they produce or the services they provide. This credit will help Maine companies compete for investment dollars and encourage investment here in Maine.

We do feel that energy-related benefits found in 35-A MRS §3210-E subsection 1 of the PTDZ program that should be carried over into the Dirigo Incentives program. This provision allows the PUC to approve economic development electric rates for PTDZ participants. The PUC should be allowed to consider the proposed economic development value of the entire Dirigo participant's business as it can currently for PTDZ businesses. With the current high prices for electricity and the current forecasts of higher prices for years to

come, it is important for Maine's economic development activities to maintain this provision in the coming years. It's our understanding that this benefit does not impact the General Fund; and yet provides Maine with important tools to reduce energy costs of Dirigo Incentive businesses.

I would also mention that this proposal aligns nicely with what we have been hearing from our own members at the Chamber. In fact, The Chamber's Taxation Policy Committee met over the summer to discuss what could be done in terms of tax incentives. Two of the top tax policy objectives were workforce training and investment.

We understand this language is also found in L.D. 1918 which will go before the IDEA Committee tomorrow. Again, we urge you to support the Dirigo Business Incentives Program in L.D. 258 look forward to working with the IDEA Committee and DECD on this very important program. I would be happy to answer any questions.