



Maine Community College System

OFFICE OF THE PRESIDENT

323 State Street, Augusta, ME 04330-7131

(207) 629-4000 | Fax (207) 629-4048 | mccs.me.edu

TO: Senator Curry, Representative Roberts, Members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business

FROM: David Daigler, President

RE: Testimony in support of LD 1918 *An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs*

DATE: May 19, 2023

Senator Curry, Representative Roberts and members of the Joint Standing Committee on on Innovation, Development, Economic Advancement and Business, please accept this testimony in strong support of LD 1918 *An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs* (hereinafter “*the Dirigo Business Incentives Program*” or “*the Program*”).

The U.S. economy is undergoing a radical shift. Pandemic-related disruptions to the industrial supply chain, global geo-political tensions, and changing attitudes within the workforce have added to rapid technological advances and demographic shifts that all contribute to this transformation.

A 2022 survey by the Maine State Chamber of Commerce of nearly 500 business leaders called for added investments in the trades, technical skills, and in vocational programs.

But, if we step back for a moment, we realize we have seen these changes coming, and Maine has started to prepare. Released in 2019, before all the pandemic-related disruption, Maine released a 10-year economic plan that said then what we know now: We need to focus on talent and innovation.

LD1918, the Dirigo Business Incentives Program, does both. It offers financial incentives for businesses looking to make investments that reflect our current economic reality. The Dirigo Business Incentives Program encourages investments that support Maine’s workforce needs and help companies invest in people and infrastructure that support growth.

Said another way, the Program will incentivize employers to invest in, grow, and develop their talent pool.

There are several ways employers can access the incentive: Apprenticeships, on-the-job contracts already ascribed into law, or education and training through one of Maine's accredited institutions, including both UMS and MCCA.

MCCA is prepared to support these businesses. We have long recognized that the demand for frontline workers is intense, and we are working directly with Maine businesses to understand the skills their employees need and deliver in real-time.

Lately, you have primarily heard me talk about the success of the Free College Program. That news may have overshadowed the achievements of the Harold Alfond Center for the Advancement of Maine's Workforce (hereinafter "the Center"). The Center has created active working relationships using a written agreement called a Maine Workforce Development Compact, and the Center has engaged over 1,100 employer Compact Partners.

The relationship is unique. Maine is leading the way in building a coordinated system of training programs and opportunities that fit together in a logical stepwise fashion, are accessible to all who need them, are designed to provide real-time deployment of customized training programs to meet emerging labor market needs and are true partnerships between the state's public and private sectors.

So, the Dirigo Business Incentives Program is a good policy. It supports businesses working through a period of significant economic transition where talent and innovation provide pathways to prosperity. And Maine's workforce development partners are ready.

I encourage you to vote Ought to Pass on L.D. 1918. I strongly support this legislation.

Thank you.