

Testimony of Jake Lachance

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Before the Joint Standing Committee on Labor and Housing

**In Opposition to LD 2280 "An Act to Strengthen Maine's Workforce Through
Preapprenticeship Training Programs"**

Chair Tipping, Chair Roeder, and members of the Joint Standing Committee on Labor and Housing, my name is Jake Lachance, and I am a Government Relations Specialist for the Maine State Chamber of Commerce, which advocates for over 5,000 large and small businesses across the State of Maine. I am here to give testimony in opposition to LD 2280 "An Act to Strengthen Maine's Workforce Through Preapprenticeship Training Programs."

To start, I would first like to point out that the Chamber is in support of the Preapprenticeship Training Program and realizes their importance as a useful pipeline for both employees and employers to bolster the workforce. Key employers from BIW to key industries such as education have partnered with DOL in building Maine's next generation workforce and we support additional funding and collaboration for preapprenticeship programs. These efforts do not go unnoticed, and the Chamber is thankful for these types of programs. With that being said, I would like to outline a few of the concerns the Chamber has with this specific piece of legislation.

- It is unclear what the difference is between "certified" and "registered" programs are. It appears to be a change to language found currently within the program, but clarification of what implications this word change has would be helpful.
- It is unclear if there is a definition or formal determination of what constitutes a "historically marginalized community". This definition may exist somewhere else in statute, but clarification within this statute would be helpful in determining who is eligible for these funds and who is not.
- The Chamber's main concern is the dramatic shift in resources the bill would require. Rather than allowing DOL to determine what makes sense for trends in industries and working with employers and prospective employees in developing these programs, the bill proposes to mandate a portion for industries that meet a high threshold for entry-level employment. Make no mistake, the implications of this change would be the elimination of funding for successful preapprenticeship programs. A review of the specific statistics of the program highlights the implications of this legislative change:

- Average wage of apprentices who complete their programs during 2022 = \$27.44/hour
- Approximately 20-25% of a wage/salary is used in benefit/retirement contribution calculations.
- Using 25%, totals to \$34.30 total package value
- Based on the current language of the bill using the DOL's statistics, this would exclude over 50% of the data set for who would be eligible for a majority of the grant funds.
- While we appreciate the inclusion of additional resources, it is unknown what the current allocation is to this grant program and what percentage of those funds are used on a year-to-year basis. It is the Chamber's understanding that the funds that are currently used are ARPA funds, but it is unknown what that allocation and how that compares to the \$12 million being requested. Solidifying the need and justification for \$12 million would be helpful in the justification of the fiscal component of this bill to ensure no one is being left out.

The Chamber believes that the goal of this program should be to ensure that as many Mainers as possible can access these funds. These programs are a tremendous asset to the employer/employee community, which is why it is essential that all unintended consequences are carefully considered. It is for these reasons that the Maine State Chamber of Commerce urges the committee to vote Ought Not to Pass on the proposed legislation. I am happy to answer any questions committee members may have.