

**Testimony of Linda Caprara
for the Maine State Chamber of Commerce in Opposition to
L.D. 1664, An Act to Repeal the Dirigo Business Incentive Program
April 24, 2025**

Good afternoon, Sen. Curry, Rep. Gere, members of the Joint Standing Housing and Economic Development Committee. 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 opposition to L.D. 1664, An Act to Repeal the Dirigo Business Incentive Program.

Maine's business community strongly supports the Dirigo Business Incentive Program. Repealing this program would no doubt threaten Maine's economic competitiveness in attracting capital investment and encouraging workforce training.

The Dirigo Business Incentives Program was enacted by the Legislature in 2023 and replaced the State's Pine Tree Development Zone Program which had been on the books since 2003. We applauded the efforts of Governor Mills and the Department of Economic & Community Development (DECD) to modernize the State's Pine Tree Development Zone Program (PTZD) by enacting the Dirigo Business Incentives Program as a replacement for PTDZ. We strongly supported 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.

The program was geared towards specific industry sectors that Maine has identified that will be key to economic growth in the State. These sectors include agriculture, forestry, and fishing; manufacturing; long distance freight transportation; software publishing, data processing and computer design services and engineering, architecture and scientific research and development services most of which have been identified in the State's 10-year strategic plan.

We support the Dirigo Business Incentive Program for many reasons. The workforce training credit in this bill is very important to Maine businesses. Workforce training is very costly and employers are having to train more now than ever before for many different reasons. While job creation is always a goal, nowadays, companies have everything they can do to retain and fill existing positions. With the so called "great resignation" after COVID hit, 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 absolutely vital for long term survival when there are gaps in the hiring process and companies can't fill those positions right away. In addition, upskilling allows workers to qualify for better paying jobs. And lastly, as technology advances rapidly, it will require new skills in the workplace.

Training is key to building a creative and productive workforce. In order to qualify for the training credit, employees must engage in a qualified employee training program under either the Maine Apprenticeship Program, a Local Workforce Board, a training program approved by the Maine Community College System, the University of Maine or other accredited colleges in the State.

The capital investment credit is critical 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. Continued investment is imperative. Upgrading equipment provides workers with 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.

Maine needs a stable business climate. This program was just enacted in 2023 and has now begun in January of this year. The PTDZ program ended in December of 2024. According to the Department of Economic & Community Development, 34 business are certified for the new Dirigo program with plans to invest over \$409.6 million over 5 years, with a total of 3,058 in qualified planned employee trainings.

If this program is repealed, Maine will not have an economic development program in place to attract business to the State.

We urge the Committee to vote ought not to pass on L.D. 1664. I would be happy to answer any questions.