

**TESTIMONY: LD1537**

Submitted by: Nate Wildes, *Live and Work in Maine*

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My name is Nate Wildes, Engagement Director for *Live and Work in Maine*. I am here today to explain why we believe LD1537 is a good step forward in enhancing and expanding a currently under-utilized tool for growing and retaining Maine's workforce, and to suggest a minor change in the legislation to further simplify the implementation and utilization.

By way of background, Live and Work in Maine is a private sector initiative which partners with Maine employers, State government, higher education institutions and local communities to build and promote Maine as a career destination. Founded in late-2015, we exist because the workforce needs of Maine employers are acute, and demand timely action. Our "boots on the ground" approach to retaining and growing Maine's workforce focused on highly targeted online marketing, in-person events around the country, and in partnering with Maine employers to help amplify and expand their existing workforce attraction efforts.

The marketing message we deliver about Maine is simple: Maine's quality of life is unparalleled, and is our biggest competitive advantage in getting you to relocate or grow your career here. However, there are some additional tools which set Maine apart on the national stage, and the Educational Opportunity Tax Credit (EOTC) is perhaps the biggest.

A portion of our partnership with the State of Maine is a contract with the Finance Authority of Maine (FAME) to market and promote the Educational Opportunity Tax Credit (EOTC). Since being awarded this contract a few months ago, we have focused our efforts on encouraging Maine employers to leverage the credit as a tool in their recruitment tool belt, and as a retention device for existing employees burdened with student debt. Thanks to our existing relationships with the Maine employer community, we have learned a lot in this short time about what works, what doesn't, and what could be improved upon when it comes to the EOTC.

Said simply, in its current form, the EOTC gets in its own way. While the intention of this credit was originally simple, over the years legislative action to expand the scope of the credit has drastically complicated the qualifications, albeit with good intentions behind those actions. The side effect of this incremental expansion of scope has created a behemoth of a program, too complicated to be clearly utilized and promoted in a compelling way. By attempting to do more good, the credit's complicated nature has prevented Maine employers from utilizing it as effectively as they could be in attracting the talent they need to grow here in Maine. This is not a problem more marketing dollars alone can solve – this is a problem of substance.

While usage of the credit has grown at a dramatic percentage rate year over year, the utilization by Maine employers as a workforce attraction/retention tool has remained at 0. None. Zilch. This, according to Maine employers themselves, is largely due to the complex nature of the message and the details of how an individual could qualify. As employers are required participants in the effort to grow Maine's workforce, we believe the most effective way to leverage a tool like the EOTC is to ensure Maine employers are the primary proponents of it.

To that end, we would suggest a portion of the legislation be amended – 5217-E, Sec. 3A retains the current calculation method for the amount of the tax credit, which is based on the minimum legally required loan payment multiplied by the number of months that individual lived and worked in Maine. We would suggest the legislation be amended to provide a flat tax credit amount, regardless of the legally required minimum payment. This even further simplifies the message Maine employers can deliver to potential talent, by allowing recruiters and HR professionals to communicate a clear financial benefit, without needing detailed and highly individualized information from the candidate's student loan provider.

In closing, the workforce challenges faced by Maine employers are not measured in legislative sessions, years, or even months – they are immediate. LD1537 offers a straight-forward opportunity to provide a clear, compelling and valuable tool in attracting the people Maine's economy and communities so desperately need to succeed and thrive. We urge the committee to act as quickly as Maine employers are, and as quickly as the workforce crisis demands, by supporting the passage of this legislation this session.

Should a working group be formed to pursue this issue further, I would gladly volunteer to assist in those efforts.

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