



Testimony in Support of LD 1995
Committee on Appropriations and Financial Affairs

Senator Breen, Representative Pierce and members of the Appropriations and Financial Affairs Committee,

My name is Eamonn Dundon, and I am the Director of Advocacy at the Portland Regional Chamber of Commerce. We represent 1,300 businesses in our region who employ over 65,000 Mainers. I am here today to express our organization's broad support for the supplemental budget as presented in LD 1995, with several requests for small amendments to fully capture the opportunity this budget surplus presents to our state.

Housing

Our organization closely followed and provided extensive testimony to the Commission to Increase Housing Opportunities in Maine by Studying Land Use and Zoning Restrictions. Housing has become our number one priority as an organization as we have increasingly seen it as the single biggest barrier to economic growth and workforce development in our region and around the state. For too long our municipal regulatory structures of land use and zoning restrictions have held back much needed housing production, and we look forward to supporting the bold reforms forthcoming in Speaker Fecteau's LD 2003 addressing the commission's recommendations.

Many of the proposed recommendations in the bill are of little to no cost to either the state or municipalities. They merely propose to eliminate long standing regulatory barriers to housing development, increased density, and sustainable smart growth. To do it right, many of these changes will require technical work and community engagement at the municipal level - that will come at a cost. For that reason, we are incredibly supportive of the commission's recommendations to increase technical assistance and incentives to municipalities to fund the completion of this work, and we are glad that Speaker Fecteau has included robust assistance and incentive funds in his bill, totaling approximately \$4.5MM. Similarly, we are encouraged to see that the Governor has proposed \$3MM for these same initiatives.

What we are requesting of your committee is that you find a way to fully fund the \$4.5MM suite of incentives and technical assistance contemplated by the Speaker's bill to ensure that should it emerge from the committee it does so without a fiscal note. Specifically, this would entail increasing the first initiative under the Housing Opportunity Program from \$1MM to \$3MM and adding one planning and research assistant position to provide support to the contemplated Municipal Housing Development Permit Review Board at a cost of \$79,762.

Regardless of what happens with LD 2003, municipalities need technical assistance and incentives to meet their housing goals. Using the framework put forward under LD 2003 better reflects the full scope of needs identified by the study commission, and while we support all of the recommendations in LD 2003, the technical assistance and incentive programs have the ability to make meaningful progress on housing production even without the other statutory changes. As we see our housing shortage grow worse every day, with housing security getting further out of reach for more and more Mainers, the time has never been



*Cape Elizabeth • Cumberland • Falmouth • Gorham • Scarborough • South Portland • Portland •
Westbrook*

more critical to get communities the resources they need to unlock the immense investment of private capital that would come with increased ability to build housing.

Childcare

Last year, we fully supported LD 1652 and we are appreciative that many of its key components to supplement the wages of childcare workers has been included in the Governor's supplemental budget proposal. In both 2020 and 2021 we worked with Starting Strong, a Portland based coalition focused on establishing the building blocks for lifetime learning, to survey our membership and ascertain the impacts of lack of childcare on the business community in our region. We surveyed businesses from small storefronts with a handful of workers up to some of the largest employers in the state and the results were resoundingly clear: a lack of childcare is a severe impediment to hiring, training, and retaining employees and the current programs in place are not enough to address this overwhelming need.

61% of our members report that their employees have trouble finding childcare. This translates into very real business impediments that undermine our economic development efforts at the state and local level, with 75% of our members saying that their employees experience unplanned work absences due to lack of childcare, and nearly 50% saying that lack of childcare has caused issues when it comes to employee retention. Ranking even higher than affordability or location, 95% of our members who identified lack of childcare as a problem for their business gave availability as the largest barrier.

We cannot begin to address issues around programmatic availability unless we invest in the most critical component of any system: people. Maine childcare workers have been undercompensated for decades, despite possessing the degrees and expertise needed to care for our youngest residents. This has led to high turnover and burnout among these professionals, further limiting childcare slots and presenting many challenges to those looking to open or expand a childcare program.

These investments proposed in the supplemental budget represent the best chance to make these critical investments in our childcare workers and lay the groundwork for healthy educated futures for our young people, sustainable careers for our childcare workers, and predictability for Maine families so parents can fully participate in the economy while remaining confident that their children are in good hands. For these reasons we ask that you support these important investments in workers who do so much to hold up our economy and Maine families.

Student Loan Tax Credit

We appreciate that the Governor has put forward much needed reforms to the Student Loan Repayment Tax Credit. We are supportive of the amended version of LD 798, which was crafted in a bipartisan manner that addresses many of the core issues of the current program by simplifying and expanding the eligibility for borrowers. We request that this committee fully consider the work that the Committee on Taxation has done in a unanimous manner to update this program. While the \$2,000 annual credit proposed by the Governor is a meaningful step, the \$2,500 annual credit recommended by the Committee on Taxation will have even more of an impact as we seek to grow the workforce by attracting skilled workers from out of state and retaining Maine graduates in good-paying jobs desperate for qualified employees.



PORTLAND
Regional Chamber
of Commerce

04101 • (207) 772-2811 chamber@portlandregion.com •

Cape Elizabeth • Cumberland • Falmouth • Gorham • Scarborough • South Portland • Portland • Westbrook

Homelessness & Emergency Statewide Response

The only critical component for our state's future that we see missing from this bill are resources to assist in the unprecedented arrival of thousands of asylum seekers in our region. Over the past several months, the City of Portland has been faced with an unimaginable burden of coordinating emergency response, housing services, transportation, language services, education, and food for these New Mainers. The City of Portland has been managing all of this work on top of their usual responsibility for sheltering hundreds of people who come to Portland from around the state who lack housing and services and are seeking shelter, mental health supports, and other necessities not provided in their home communities.

This burden on the City of Portland has extracted an immense toll not only on city employees, but on the small businesses, residents and visitors that make up the economic vitality of our region. Without state resources we are facing dramatic increases to property taxes to pay for these increased services. Additionally, the lack of capacity has led to increased mental health episodes involving physical altercations, property damage, drug use, and sexual violence in our streets. This has the potential to impact the revival of business activity, tourism visits, and foot traffic in our downtown and waterfront areas, just as businesses are attempting to recover from the pandemic.

Luckily, the city has been supported by our state's investments in general assistance, as well as COVID related assistance from FEMA. Unfortunately, even with that assistance it has become impossible for a municipality of 68,000 residents to coordinate and deliver services to a population of this size that is now spread among hotels from Old Orchard Beach to Freeport. Given our state's generous general assistance policies, as well as cultural and linguistic bonds many of these new arrivals have to existing communities in our state, we do not foresee this crisis easing anytime soon and thus it is incumbent upon the state to take the lead in coordinating a response.

There are several potential avenues to assist in this crisis that currently sit on the appropriations table that could be funded in this supplemental budget. These include [LD 211](#) An Act To Support Emergency Shelter Access for Persons Experiencing Homelessness, [LD 910](#) An Act To Amend the General Assistance Laws Governing Reimbursement, and [LD 1300](#) An Act To Require County Governments To Coordinate with Municipalities To Create Plans To Address Homelessness. We ask that you consider including these priorities in your final supplemental budget to ease the burden on the City of Portland and lay the groundwork for statewide involvement in this statewide issue.

In closing, we thank you all for the work you do on behalf of our state. We know that the decisions and tradeoffs you face are incredibly difficult, and we ask that you consider our above priorities in your deliberations on this supplemental budget that will deliver much needed relief and resiliency to all Mainers.