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**Testimony of Senator Harold “Trey” Stewart
Presenting L.D. 492, An Act To Create a Regional Grant Program To Help
Rural Businesses Find Qualified Staff
Before the Innovation, Development, Economic Advancement and Business Committee
March 16, 2021**

Senator Curry, Representative Roberts, and members of the Legislature’s Committee on Innovation, Development, Economic Advancement and Business: I am State Senator Trey Stewart and I have the distinction of representing 51 communities in Aroostook and Penobscot Counties. I am before you today to present L.D. 492, An Act To Create a Regional Grant Program To Help Rural Businesses Find Qualified Staff.

We have a serious workforce problem in the County. We are unable to retain our young people after they graduate high school and of the young people who do decide to stay, roughly one third remain on the sidelines rather than finding employment. This problem is at crisis levels and we must act quickly if we want to have any hope at turning the tide.

A few years ago, the Aroostook Partnership commissioned a study to look at northern Maine’s demographic situation. The study found that even if we retain 100% of our graduating seniors over the next decade, we would still be roughly 50% short of filling the gap left by the baby boomers who will retire over the same amount of time. Simply put, there are less people being born in the County than we have seniors who are leaving the workforce. Compound this problem with the fact that of those who do decide to stay and make a life in northern Maine, roughly 1/3 of our working age population remains disengaged from the workforce for a multitude of reasons. Quickly, you can see the problem taking shape—and I assure you that things are going to get worse before they get better in this regard.

When you consider the fact that so many of our systems of government, commerce, and life are based around having population growth, the realities of the problem get even more real. Property taxes increase as less people live in a community that refuses to consolidate or cut governmental services to their residents- which would likely make it even harder to subsequently attract people to that community. Energy prices increase as a grid once built for over 100,000 people is now operating with roughly 33% less consumption- yet the infrastructure still needs to be maintained. Healthcare insurance costs increase as the population ages which increases the risk of the pool of people who live in the region. School budgets are decimated when our state’s funding formula provides less funding to districts who have lost students, forcing them to decide whether to cut staff or pass the costs on to local taxpayers. These are just a few examples of why it’s critical that population growth remains a priority in rural Maine. If you aren’t growing, you’re dying- it’s that simple.

This begs the question of, “How?” A few years ago, a group from Northern Maine attempted to recruit families who had lost their homes in Hurricane Maria in 2017. These people were looking for places to go and while most weren’t interested in moving to Northern Maine, one family decided to take the leap and have become successfully integrated into the Valley community and found meaningful employment. While this success story is a great start, it took a significant amount of work and planning by an all-volunteer group of community leaders in the County who fronted the costs of the recruiting trip and spent countless hours on the effort. If we want more growth and more families to come to the County, this work can’t be done on an ad hoc basis, but rather needs to be done with a strategy and commitment from governments at all levels- state, local, and federal.

I sponsored this bill, which utilizes a general fund appropriation to fund this work, as well as a resolve which hasn’t been printed yet. The resolve I’ve sponsored utilizes funding streams from the Northern Border Regional Commission- a federal funding source for northern states that can be used for a variety of purposes. Notably, Vermont utilizes NBRC funding to help them grow the more rural parts of their state in a similar effort to that which our state’s 10-year economic development plan with regard to workforce. In the time since this bill was printed and this hearing was scheduled, I’ve been in contact with the Department of Economic and Community Development, who are thankfully here today to participate in this hearing. They have an amendment to this bill which they will be presenting that I support as a way of accomplishing what I think we all seek to address here.

While I recognize that I’ve spoken solely about Aroostook County in my testimony, I would be remiss to not mention that most—if not all—rural counties are struggling with this same problem. To that end, I would have no problem expanding the counties eligible to participate in this sort of program to other rural counties across Maine, as we are all in this struggle together. I believe that with a conscious effort that’s deliberate, targeted, and supported at all levels of government, we can chart a new course for rural Maine and make living there better for us all. Rural Maine’s economy is the backbone of our state and when our rural communities are strengthened, our whole state thrives.

To be sure, attracting new people to Maine is but one prong of the solution to this problem, but it is an incredibly important one. While it is critical that we care for our residents here in Maine who already call this beautiful state “home” we must also be aware that that is not enough and that we must work to draw more people here if we want to avoid the problems I articulated earlier becoming worse. The workforce recruitment prong is one significant step that this committee can take this session to move our state in a positive direction, and do so with federal funding that won’t impact the state’s budget.

I thank the committee for your time and attention to this important matter and am happy to answer any questions that you may have at this time. Thank you.