

Manufacturers Association of Maine

21 March 2023

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Senator Tipping, Representative Roeder and honorable members of the Joint Standing Committee on Labor and Housing, we offer this testimony in opposition to LD 741, *An Act to Prohibit Training Repayment Agreements by Employers*.

The Manufacturers Association of Maine (MAME) is a non-partisan 501(c)6 non-profit grounded in service to its membership, providing a network of resources designed to support the strategic business growth needs of Maine manufacturing entrepreneurs. Maine's manufacturing businesses are diverse, employing almost 60,000 individuals in military and defense, aerospace, metal fabrication, paper, boat building, semi-conductor, wood products, aquaculture and biotech, medical device, composites, and bioplastics, as well as the food and beverage industries. These businesses represent almost 10% of Maine's annual GDP and 14.5% of all the wages paid in the state on a weekly basis. MAME's mission is to help manufacturing grow and succeed and supports Maine's development of future manufacturing through a variety of programs.

As we have testified before, MAME's advocacy efforts focus on four (4) key areas: workforce development, taxation, human resources/wage and hour and energy. This bill directly impacts workforce development and employment law by prohibiting an employer from requiring an employee to enter into an agreement that would require the employee to reimburse the employer for training costs if the employee were to leave that job.

Manufacturing has a long history in Maine. From our ship building and shoe making heritage to the bio-manufacturing and composites of today, all of it requires skilled workers. In order to stay relevant and competitive in the global market, businesses must invest in their workers by providing training that directly impacts the job duties of the workforce. Some companies also offer training or tuition reimbursement for employees seeking to improve their skills or attain new skills that are beneficial to the employer and the employee alike. It not only increases the value of the employee to the current employer but also makes the employee more marketable to future employers. Because this practice or investment is seen as a valuable benefit, employers typically tie the cost of the training or reimbursement to continued employment or the requirement of payback, to make sure they, at least for a period of time, benefit from that investment.

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As proposed, this bill would prohibit the practice outlined above and have an adverse effect on employers who would no longer have any incentive to offer additional training or educational opportunities to their employees because the employee could leave as soon as the training was finished, or the reimbursement received. At a crucial time when Maine businesses are struggling to get the skilled workers they need, this bill has the potential to exacerbate the issue. It would also have a detrimental effect on employees who take advantage of the benefit and seek to better or advance their skills.

Given the state's already significant workforce challenges, this bill would only worsen the situation. As such, we ask that the committee vote this bill Ought Not To Pass.