



Maine Forest Products Council

The voice of Maine's forest economy

Companies represented on the MFPC Board

A & A Brochu Logging
American Forest Mgmt.
Baskahegan Co.
BBC Land, LLC
Columbia Forest Prod.
Cross Insurance
Family Forestry
Farm Credit East
Fontaine Inc.
H.C. Haynes
Huber Resources
INRS
J.D. Irving
Katahdin Forest Mgmt.
Key Bank
Kennebec Lumber
LandVest Inc.
Louisiana Pacific
Maibec Logging
ND Paper
Nicols Brothers
Pingree Associates
Prentiss & Carlisle
ReEnergy
Richard Wing & Son
Robbins Lumber
Sappi North America
Southern Maine Forestry
Stead Timberlands
St. Croix Tissue
St. Croix Chipping
TD Bank
Timber Resource Group
Timberstate G.
Wadsworth Woodlands
Wagner Forest Mgt.
Weyerhaeuser
Woodland Pulp

Testimony in Support of LD 1222

“An Act to Expand Child Care Services Through an Employer-supported Tax Credit”

April 11, 2023

Krysta West, Deputy Director

Senator Grohoski, Representative Perry and members of the Committee on Taxation, my name is Krysta West, I am a resident of Readfield and am here today to present testimony on behalf of the Maine forest Products Council in support of LD 1222, “An Act to Expand Child Care Services Through an Employer-supported Tax Credit.”

Last fall, the Council did an informal poll of some of our members and quickly found that one of the greatest barriers to the forest products industry is the lack of available workforce/low workforce participation. This issue is particularly challenging for rural businesses where the services required to support a robust workforce are lacking.

One major gap in service is that of available and affordable child care. Without safe, local options, parents are faced with the tough choice of securing employment and picking up shifts or caring for children.

These challenges are not unique to our industry or state. According to [a recent report by Ready Nation](#), the child care shortage is costing the United States \$122 billion in lost earnings, productivity and revenue each year. The report also found that 85% of parents indicated that problems with child care hurt their work effort or their time availability for work. Twenty percent of those surveyed reported they had to exit the labor market due to child care challenges and more than 1/3 reported that inadequate child care capacity restricts their career options, causing them to turn down important opportunities such as job offers, education or work-related training.

Unfortunately, these challenges have only become tougher since the pandemic caused a significant number of childcare facilities to close and providers to permanently leave the industry.

Some larger employers within the forest industry are taking a proactive approach and are working to open new facilities in underserved communities or secure spaces with existing daycare providers. To support this trend, and hopefully enable more employers to address this pressing issue, the Council has joined a diverse coalition this session to

support this bill. You will hear from other coalition members today as well.

In addition to helping address the shortage of available child care, LD 1222 will also help child care become more affordable for working families. On average, child care in Maine costs between \$10,000-\$15,000 per child per year. The median household income in Maine is \$63,000. According to State DHHS guidelines, the threshold of affordability for child care is 10% of household income, so the average affordability rate is about \$6,300 per year, which is about half of the actual cost.

As drafted, LD 1222 would make child care more affordable for Maine families by providing a refundable tax credit to employers who provide or pay in-kind resources for the care of children of its employees. The annual credit would be 50% of the expended amount, with a cap of up to \$3,000 per child.

We feel that this reimbursement rate would be meaningful enough to encourage employers of all sizes to utilize this program, and that the \$3,000 cap would provide real relief to Maine families, allowing parents to remain (or hopefully rejoin) the workforce.

LD 1222 would forge a meaningful partnership between employers and the State to address one of the most significant employment barriers of the day. In order for our industry and all sectors of Maine's economy to thrive, we must collectively tackle the real issue of child care shortages head-on. For these reasons, please support LD 1222.

Thank you for your consideration. I would be happy to answer any questions the committee may have.