Senators Carson, Representative Tucker, members of the Joint Standing Committee on Environment and Natural Resources: my name is Ben Gilman from Gorham and I represent the Maine State Chamber of Commerce, a statewide business organization made up of both large and small businesses, here to provide you with our testimony in opposition to LD 2104, An Act To Support and Increase the Recycling of Packaging.

When we survey our members – more than one thousand businesses participated in our Making Maine Work survey last year – we always find the number one thing our members value is Maine’s quality of place and the quality of our people. Our natural resources and our environment are our most precious commodities, and we support a regulatory regime that supports protecting our environment. That is why when Governor Mills asked us to participate in the Maine Climate Council, we gladly accepted. A regulatory environment that protects our environment and encourages our businesses to grow is one that we not only strive for, but we believe we have in Maine. LD 2104 takes us in the wrong direction – it is a first-in-the-nation regulatory scheme that would put Maine out of step with the rest of the nation and increase the cost of doing business in Maine. We have many businesses here in Maine who manufacture packaging material and operate not only in Maine but in the global economy.

The Maine State Chamber of Commerce supports a strong recycling program that protects our environment and is driven by data. LD 2104 puts the cart before the horse. It establishes a program and fee structure on manufacturers before examining the data and seeing what works. We would encourage the committee to bring all stakeholders to the table and work on a solution that is based in sound data. We all believe in the same goal, and we believe if we sat down and worked together that we could come up with a solution that we could all support and would be best for Maine.

In addition, LD 2104 would set up a stewardship program outside of state government through an RFP process from the Department of Environmental Protection. This new entity would then have the ability to assess fees on manufacturers for packaging material of products Mainers

Good morning, Sen. Chenette, Rep. Mastraccio, and members of the Government Oversight Committee (GOC): My name is Linda Caprara. I am a resident of Winthrop and represent the Maine State Chamber of Commerce. I am here to offer comments in opposition to the report on the Business Equipment Tax Reimbursement Program (BETR) and the Business Equipment Tax Exemption (BETE) programs by the Office of Program Evaluation and Government Accountability (OPEGA). I first would like to say that we think that the report does not accurately characterize the importance of the BETR and BETE programs to Maine.

Many behind me will testify to the importance of the BETR and BETE programs. I, however, would like to take this
For the most current information, visit www.mainechamber.org

Inside Impact...

2020 Business Impact Day ........ p. 7
2020 Legislative Social .......... p. 6
BETR/BETE ........................ p. 1
Capital Investment Credit .. p. 3
Higher Education ............... p. 4
Innovation Fellows .............. p. 6
Member Portal ..................... p. 3
New Legislation ................... p. 8
Packaging Recycling ............ p. 1
PreK and Early Childhood .... p. 5
Public Hearings .................. p. 8

Vol. 54, No. 08 Impact  
(207) 623-4568

Impact (ISSN 1055-3029) is published weekly January through June and monthly July through December by the Maine State Chamber of Commerce, 128 State Street, Suite 101, Augusta, Maine 04330-5630. Periodicals postage paid at Augusta, Maine, and additional mailing offices. Maine State Chamber member companies are assessed $75.00 yearly for each newsletter subscription (subscribers or out-of-dues assessment).

POSTMASTER: Please send any address changes to Impact, 128 State Street, Suite 101, Augusta, Maine 04350-5630.

Chairman of the Board of Directors: 
Larry Wold, TD Bank
President: Dana F. Connors

Information in this newsletter is intended to provide guidance, not legal advice. Since exact language and definitions of key terms are critical to understanding the requirements of legislation, rules or laws, we encourage you to read each carefully. Articles and information contained in this newsletter may be reprinted with attribution given to: Maine State Chamber of Commerce.

Please address comments to Melanie Baillargeon, director of communications. Information about the Maine State Chamber of Commerce may also be viewed on the Internet at: www.mainechamber.org. Her email address is melanieb@mainechamber.org.

About the Maine State Chamber of Commerce: Since 1889, the Maine State Chamber has been fighting to lower your cost of doing business. Through our Grassroots Action Network and OneVoice program, we work with a network of approximately 5,000 companies statewide who see the value in such a service and provide the financial support that keeps us access, advocacy, and assistance efforts going strong. As Maine’s Chamber, we make sure that the business environment of the state continues to thrive. The Maine State Chamber of Commerce advocates on behalf of their interests before the legislature and regulatory agencies and through conferences, seminars, and affiliated programs.

BETR/BETE Programs...  
(Continued from Page 1...)  

opportunity to talk about the history of both of these programs and how we got to where we are today. I think it’s important that this committee understands why the Legislature did what it did to enact both these programs, which are perhaps two of the most significant public policy initiatives Maine has ever enacted to promote investment, job creation and retention position Maine to compete globally.

Prior to the enactment of BETR, the legislature had been talking about addressing the issue of personal property tax, and its effect on investment in this state and on Maine’s inability to compete for years. Most of the states in the northeastern United States that Maine competed with for investment did not tax personal property or had exemptions in place. In addition, there were several studies in the early 1990s, which concluded that personal property tax was a huge impediment to attracting business investment and proposed the elimination of the personal property tax on business equipment. In 1995, then-Governor Angus King made it a priority as governor to eliminate this tax. After lengthy discussions with business, legislative and municipal representatives, the Legislature finally enacted the BETR program in 1995.

BETR became an annual appropriation thereafter, and because of that, made it a target every year for groups that wanted it cut to fund other state programs. However, at the time, the legislature knew BETR was a temporary fix and that pursuing an exemption was the final goal.

In years following BETR, again, there were lengthy discussions involving the above parties on the final elimination and what that might look like. While an outright exemption was favored, there was concern over potential lost property tax revenues to the municipalities. Finally, during the Baldacci Administration, BETE was determined to be the best solution. BETR would be left in place for property placed in service after April 1, 1995; BETE would begin for property placed in service after April 1, 2007 – so as BETR would ramp down, BETE would ramp up. The thought behind BETE was that municipalities would be better off under BETE – because without BETE most of the significant investments would have most likely fallen under a TIF anyway. Most TIFs are 50% or above, leaving municipalities with less than 50% property tax revenues. BETE guaranteed the municipalities 50% reimbursement with additional funding for personal property value towns. All of the above interested parties were involved in the negotiations, and ultimately, agreed this was the best path forward.

Since the enactment of both programs, Maine has realized hundreds of millions of dollars of investment in this state, helped retain thousands of Maine jobs, and grow Maine’s economy through the direct and indirect benefits, resulting from both the BETR and BETE programs.

I hope this helps to understand the history of how these programs were enacted. In conclusion, I just want to say that the enactment of these programs did not happen overnight, and that all of the issues were thoroughly and thoughtfully vetted to arrive at the best solution for all.
Maine Capital Investment Credit encourages capital investment, especially helping small- and medium-sized businesses

Good morning, Sen. Chenette, Rep. Mastraccio and members of the Government Oversight Committee (GOC). My name is Linda Caprara. I am a resident of Winthrop, and I represent the Maine State Chamber of Commerce. I am here to testify in opposition to the report on Maine’s Capital Investment Credit (MCIC) by the Office of Program Evaluation and Government Accountability (OPEGA).

We feel that the findings in this report are flawed, and that the Maine Capital Investment Credit does what it was designed to do – that is to encourage capital investment, especially helping small- and medium-sized businesses. In 2011, the Legislature enacted Maine’s version of the Federal Bonus Depreciation Deduction to stimulate the Maine economy. The purpose of the credit was the same as it was at the federal level, that was to encourage companies to invest sooner by allowing them to take accelerated depreciation on equipment purchased in Maine. This was done to stimulate the economy by encouraging more investment. The Legislature also decided to offer Maine’s version as a credit instead of adopting the Federal Bonus Depreciation Deduction in full because of the potential cost. If Maine adopted the federal bonus depreciation deductions as is, Maine companies would have been allowed to take accelerated depreciation on investments made in other parts of the country. The Maine Investment Credit is limited to Maine investment only.

If Maine chooses not to continue this credit, Maine will be an outlier as (according to OPEGA) most states do adopt a version. This will undoubtedly place Maine companies at a competitive disadvantage with companies that operate in states that offer that accelerated depreciation and the competitive advantage it provides.

At the presentation of the report to the GOC last week, OPEGA staff indicated that, when compiling the MCIC report, no Maine companies, including ones that took the MCIC credit, were interviewed for the report. In fact, OPEGA indicated that their findings were based on reviews of “robust” literature at the Federal level only. OPEGA simply indicated to the GOC that the same findings outlined in these pieces of literature could be applied to Maine’s credit. We find it hard to understand how one could deduce that the credit does not help Maine businesses if Maine businesses were never asked.

Again, we feel that this report is flawed. I would be happy to answer any questions. Thank you.

For the most current information, visit www.mainechamber.org

Member portal provides you with increased access and information

The Maine State Chamber of Commerce is excited to announce its new member portal on the Maine State Chamber of Commerce website. Through the portal, members will be able to update their profile and contact information, register for Chamber events, read the latest news, and access the “Member’s Only” functions found throughout the Chamber’s website. Also, the main contact of each organization will be able to view and pay invoices using the member portal.

If you haven’t done so already, please set up your access to the Member Portal by following these five simple steps:

- Navigate to the Maine State Chamber’s website at www.mainechamber.org.
- Click on the MEMBER LOG IN option located on the right of the menu bar.
- From the Members Only screen, click on the “Click here for login information” option located to the right of the green LOG IN button.
- The next screen is titled “Reset your password.” Type in your email address and then click the “Request Password Reset Email” button.
- You will then receive an email with a link that, once you click on it, will take you through the password set up. If you do not receive this email message within a few minutes, please check your SPAM folder for the email.

If you experience problems using the member portal or if you have additional questions, please contact Mark Ellis by calling (207) 623-4568, ext. 109, or by emailing mellis@mainechamber.org.
Affordable higher education systems are key to encouraging innovation, keeping talent in Maine, and attracting new talent

Chairmen Breen, Millett, Gattine and Kornfield, distinguished members of the Education and Cultural Affairs Committee and the Appropriations and Financial Affairs Committee: I am Dana Connors, president of the Maine State Chamber of Commerce. The Maine State Chamber is a proud co-leader of the MaineSpark Coalition that is dedicating to achieving the state goal that 60 percent of Maine adults have a credential of value by 2025. I am pleased to be before you this afternoon to talk about the importance of the proposed funding in the Supplemental budget for Maine’s Higher Education systems, which will help build and strengthen Maine’s future workforce.

Maine business leaders believe strongly that education is the single most important investment that can be made to ensure successful participation in the new, knowledge-based economy, earnings growth and improved health status. Post-secondary education and training are critical building block to ensure success in the workforce. Moving each and every Mainor along the educational continuum to their highest educational potential is imperative. We have all seen the charts and know that there is a huge difference in lifetime earnings between a college graduate and someone who drops out of high school: $1.5 million less per drop out. These staggering earning losses translate into less spending power, fewer contributions to the tax base, and less productivity.

The three goals within the state’s Strategic Economic Plan are Innovation, Talent, and the Critical Supports needed to meet those goals. Keeping Maine’s Higher Education Systems affordable is a piece of the solution, to encourage innovation, to keep our homegrown talent in Maine, and to attract new talent to our state.

College affordability is about more than just tuition expenses. There is the cost of living, basic needs, books, and much more that college students face, and at times could lead them to drop out. For our Higher Education Systems to maintain their low-cost tuition, we must ensure that they have adequate funding. The best way to address college debt is college affordability.

Restoring the proposed increases in the supplemental budget is necessary following flat-funding of Maine’s public post-secondary institutions in the second year of the biennium. Maine has a shortage of skilled workers, putting us at a disadvantage for the state’s economic growth.

As stated in our joint Making Maine Work report, “The great majority of Maine Community College System students end up working in a local community, and Making Maine Work: Growing Maine’s Workforce found that approximately 60% of University of Maine System graduates stay and work in Maine. As Maine’s student-age population shrinks, the University System is attracting record numbers of out-of-state students.”

We are asking you to support the Governor’s proposed restoration of public higher education funding. Thank you.
Investment in early education is real economic development, and an economic imperative

EDITOR’S NOTE: The following testimony was delivered by Megan Diver on behalf of the Maine State Chamber of Commerce in support of PreK expansion in LR 3206, An Act Making Supplemental Appropriations And Allocations For The Expenditures Of State Government, General Fund And Other Funds, And Changing Certain Provisions Of The Law Necessary To The Proper Operations Of State Government For The Fiscal Years Ending June 30, 2020 And June 30, 2021, at a public hearing held on Wednesday, February 26, 2020, before the Joint Standing Committees on Education and Cultural Affairs and Appropriations and Financial Affairs. We have reprinted it here for your review.

Senator Breen, Senator Millett, Representative Gattine, and Representative Kornfield, distinguished members of the Education and Cultural Affairs Committee and the Appropriations and Financial Affairs Committee: I am Megan Diver, senior government relations specialist for the Maine State Chamber of Commerce and a member of the business organization ReadyNation. The Maine State Chamber of Commerce is also proud to be a co-leader of the MaineSpark Coalition that is dedicated to achieving the state’s education attainment goal that 60 percent of Maine adults have a credential of value by 2025.

I am pleased to offer the Maine State Chamber of Commerce’s continued support for the expansion of public PreK as a tool to build and strengthen Maine’s future workforce.

Maine business leaders believe strongly that education is the single most important investment that can be made to ensure successful participation in the new, knowledge-based economy, earnings growth and improved health status. Post-secondary education and training are critical building block to ensure success in the workforce. High-quality early education and K-12 are imperative building blocks to ensure post-secondary success. Moving each and every Mainers along the educational continuum to their highest educational potential is imperative. We have all seen the charts and know that there is a huge different in lifetime earnings between a college graduate and someone who drops out of high school: $2.1 million per drop out. These staggering earning losses translate into less spending power, fewer contributions to the tax base, and less productivity.

Education is a critical investment in Maine people and in our economy and should be treated as such, through a coordinated approach starting with prekindergarten. Starting early with PreK is an important first step, so all students arrive at Kindergarten ready to learn, and it merits state investments. A 2013 research report by ReadyNation shows that children who participate in high-quality early learning programs have greater success and are 44% more likely to graduate from high school, 74% more likely to hold a skilled job, and make 26% more in earnings as adults. These numbers translate into an unbeatable long-term rate of return – up to $13 for every $1 invested.

As stated in our joint Making Maine Work report “Investment in Young Children = Real Economic Development,” for Maine people to truly reach their potential, it all starts at birth. Waiting to invest in Maine’s most precious assets, our children, until they enter our K-12 system is, for many, too late. To attain our vision of a high quality of life for all Maine people we must ensure that each and every Maine child has access to high quality care and education from birth. Investment in early education is real economic development. It’s not just a social and moral imperative, it is an economic imperative.

In recent years Maine has made steady progress increasing voluntary Pre-K programming in various regions across our state in recent years, now serving just under 50 percent of our four-year-olds. And, here in Maine, we know that the Maine Department of Education data shows that at-risk four-year-olds who attended public PreK programs scored four to seven percentage points higher on reading and math assessments in the third and fourth grades when compared to their like peers who did not attend PreK.

We know that across our communities there are additional schools and community partnerships interested in adding public PreK programs, and the $1 million for start-up costs for new programs as proposed in the Governor’s supplement budget is a first step towards achieving the goal of providing more of our youngest children high-quality early learning opportunities.

We are asking you to support the Governor’s proposed PreK expansion funding to continue the successes in expanding more voluntary public PreK to additional Maine students. Thank you.

For the most current information, visit www.mainechamber.org
Innovate for Maine Fellows opens applications for students, companies

The University of Maine’s Foster Center for Student Innovation seeks Maine students and Maine companies to participate in the 2020 Innovate for Maine Fellows internship program.

Innovate for Maine Fellows connects the best and brightest Maine college students with the state’s most exciting companies as a way to grow and create jobs in Maine through innovation and entrepreneurship. The program is looking for student fellows to join the 2020 cohort and a variety of for-profit companies with innovative products, services, or processes to host them.

Eligible students include those enrolled in undergraduate or graduate degree programs at any college or university in Maine, as well as Maine residents enrolled in degree programs at colleges or universities outside of the state.

Host companies can range in size from small startups to major corporations. Fellows can work full time or part time during the summer, with the possibility of continuing part time during the academic year.

Emphasizing innovation and entrepreneurship, the program prepares students to collaborate with companies on innovation projects that accelerate company growth and provide paid, meaningful, hands-on internship experience.

Innovation projects can include work on new products or services, process improvements, or efforts to scale company growth. Innovate for Maine Fellows are able to conduct market research, assist...
2020 Business Day at the Statehouse

Thursday, March 12 | 8:00 am to Noon  | Hall of Flags, Second Floor, Maine Statehouse, Augusta

Employers and employees welcome ... PLEASE JOIN US!

You are invited to the Maine State Chamber of Commerce’s annual Business Day at the Statehouse on Thursday, March 12, 2020, from 8:00 a.m. to 12:00 p.m. in the Hall of Flags (Statehouse, Second Floor).

Business Day at the Statehouse provides a prime opportunity for our members, and their employees, to discuss business issues and priorities with legislators and state government officials, as we work together to strengthen Maine’s economy and keep Maine competitive. Participants have the unique opportunity to connect face-to-face with legislators. Employers often use this time to emphasize the importance of preserving and retaining existing jobs, strengthening Maine’s economy through the creation of new opportunities, and keeping Maine businesses competitive in today’s economy.

With your participation, the “Voice of Maine Business” will resonate throughout Augusta! We anticipate another great turnout this year! If you have additional questions, please register online at www.mainechamber.org or email aarno@mainechamber.org.

Fellows Applications...
(Continued from Page 6...)

with marketing or technical work, and run “fail fast, fail cheap” experiments, including prototyping and sales forecasting.

“The goal of the Innovate for Maine Fellows program is to expose students to innovation and entrepreneurship while helping companies complete projects that will help them grow,” says Renee Kelly, assistant vice president for innovation and economic development. “Many of our students end up working at Maine companies after graduation, or even starting their own companies.”

Trained innovation experts guide and mentor both the fellow and the company for the duration of the project. The University of Maine can handle all recruiting, screening, matching, hiring and initial innovation and workplace training for companies that need assistance.

All fellows participate in a one-week innovation boot camp at the start of the program that allows them to bond with each other, network with business leaders and learn skills they’ll need to be successful in their internships. The boot camp brings together students from all majors and backgrounds to form a close-knit cohort that offers a support system for the duration of the program.

Since Innovate for Maine Fellows was established in 2012, student participants have gained exposure to innovative Maine companies and built strong networks that help them find opportunities to stay in Maine. A recent survey of Innovate for Maine Fellows alumni revealed that 70% of respondents were living in Maine and another 10% currently live outside of Maine but plan to return as their careers progress. Nearly 20% of program alumni have started their own companies.

To apply or to learn more about Innovate for Maine Fellows, visit https://umaine.edu/innovation/innovate-for-maine. The application deadline for both students and companies is March 13.

About the University of Maine: The University of Maine, founded in Orono in 1865, is the state’s land grant, sea grant and space grant university. As Maine’s flagship public university, UMaine has a statewide mission of teaching, research and economic development, and community service. UMaine is the state’s only public research university and among the most comprehensive higher education institutions in the Northeast. It attracts students from all 50 states and more than 70 countries. UMaine currently enrolls 11,561 undergraduate and graduate students who have opportunities to participate in groundbreaking research with world-class scholars. UMaine offers more than 100 degree programs through which students can earn master’s, doctoral or professional science master’s degrees, as well as graduate certificates. The university promotes environmental stewardship, with substantial efforts campuswide to conserve energy, recycle and adhere to green building standards in new construction. For more information about UMaine, visit umaine.edu.

For the most current information, visit www.mainechamber.org 02/27/2020 III Impact III 7
Digest of New Legislation

Maine Chamber staff has studied each of these recently printed bills to assess potential impact on business trends. If you have concerns regarding any bill, please communicate those concerns to a member of our advocacy department by calling (207) 623-4858 or visit www.mainechamber.org.

A total of 97 business-related bills have been tracked to date since the session began on January 8, 2020!

HEALTH CARE
LD 2110, An Act To Lower Health Care Costs. (President Jackson, D-Aroostook) Joint Standing Committee on Health Coverage, Insurance and Financial Services. This bill establishes the Maine Commission on Affordable Health Care to monitor health care spending growth in the State and also set health care quality benchmarks. The bill also requires the commission to establish health care spending targets for public payors, including separate targets for prescription drugs.

Public Hearings

Public hearings are open to everyone. This public hearing schedule is subject to change. Questions may be directed to the Secretary of the Senate’s Office at (207) 287-1540. For the most current schedule, please visit http://legislature.maine.gov/committee/#Committees or contact the committee clerk.

TUESDAY, MARCH 3, 2020

Health Coverage, Insurance and Financial Services
1:00 p.m.; Cross Building, Room 220
LD 2095, An Act To Require Appropriate Coverage of and Cost-sharing for Generic Drugs and Biosimilars (Pres. Jackson of Aroostook)
LD 2106, An Act Regarding Prior Authorizations for Prescription Drugs (Sen. Gratwick of Penobscot)

WEDNESDAY, MARCH 4, 2020

Education and Cultural Affairs
10:00 a.m.; Cross Building, Room 208
LD 1947 (Work Session), An Act To Fund Capital Improvements to Career and Technical Education Centers (Rep. Fecteau of Biddeford)

THURSDAY, MARCH 5, 2020

Innovation, Development, Economic Advancement and Business
1:00 p.m.; Cross Building, Room 202
LD 2092, Resolve, To Establish the Maine Spaceport Complex Leadership Council (Sen. Bellows of Kennebec)
LD 1342 (Work Session), An Act To Establish the Maine Workforce, Research, Development and Student Achievement Institute (Rep. Daughtry of Brunswick)

GENERAL INFORMATION ON DELIBERATIONS FOR THE SUPPLEMENTAL BUDGET (LD 2126)

Appropriations and Financial Affairs | Room 228 State House

Please check the weekly schedule or watch for updates sent to the “Interested Parties List” for schedules of in-person committee reports, AFA budget work sessions and expected receipt of written-only reports. The reports will be posted on the AFA Committee Materials Page at http://legislature.maine.gov/ofpr/129th-afa-committee-information/9599.

PLEASE NOTE: The Committee may break for caucus during, or in lieu of, scheduled budget work sessions

MONDAY, MARCH 2, 2020
10:00 a.m. Report on the March 2020 Revenue Forecast
2:00 p.m. Work Session, LD 2126 (The Supplemental Budget) – potential discussion and/or voting on selected initiatives under the policy jurisdiction of the following committees:
- Innovation, Development, Economic Advancement & Commerce
- Transportation
- Taxation
- Environment and Natural Resources

TUESDAY, MARCH 3, 2020
3:00 p.m. Work Session, LD 2126 (The Supplemental Budget) – Health and Human Services Committee Report

WEDNESDAY, MARCH 4, 2020
10:00 a.m. Work Session, LD 2126 (The Supplemental Budget) – Criminal Justice and Public Safety Report
2:00 p.m. Work Session, LD 2126 (The Supplemental Budget) – potential discussion and/or voting on selected initiatives under the policy jurisdiction of the following committees:
- Veterans and Legal Affairs
- Agriculture Conservation and Forestry
- Marine Resources
- Energy, Utilities and Technology
- Health Coverage, Insurance and Financial Services
- Any other committees from which a report-back has been received

THURSDAY, MARCH 5, 2020
1:00 p.m. Work Session, LD 2126 (The Supplemental Budget) – Education and Cultural Affairs Report

For the most current information, visit www.mainechamber.org