Maine Forest Products Council

The voice of Maine's forest economy

Testimony in Support of

LD 203 "An Act to Provide an Income Tax Credit for Employer-supported Child Care"
&
LD 1555 "An Act to Establish an Employer Tax Credit for Qualifying Child Care Costs
Joint Standing Committee on Taxation"

April 16, 2025
Krysta West, Deputy Director

Good afternoon, Senator Grohoski, Representative Cloutier and members of the Joint Standing Committee on Taxation. My name is Krysta West. I am a resident of Readfield and am here today to present testimony in support of LDs 203 and 1555 on behalf of the Maine Forest Products Council.

For 65 years, the Maine Forest Products Council has served as the voice of Maine's forest economy, representing more than 300 members from all facets of the forest products industry. Our members include pulp and paper mills, sawmills, secondary wood processors, foresters, loggers, and truckers. We also represent commercial landowners sustainably managing more than 8 million acres of forestland.

One of the greatest barriers to the forest products industry that we are hearing about from our members is the lack of available workforce and a low workforce participation. These factors are even more challenging for businesses operating in rural areas where services required to support a robust workforce are lacking.

One major gap in service is that of available and affordable childcare. Without safe local options, parents are faced with the difficult choice of securing employment and picking up shifts or caring for their children. These challenges have only become more dire in recent years with many childcare facilities closing and providers permanently leaving the profession.

Some employers within the forest products industry have taken a proactive approach and are working to open new facilities in underserved areas or secure spaces with existing daycare providers. One Maine company that has moved in this direction is Maine Woods Company.

Maine Woods Company is a hardwood sawmill that employs 36 full-time workers. It is affiliated, through common ownership, with Seven Islands Land Company, a timber and land management firm that oversees 820,000 acres of sustainably managed forestland in Maine. They have begun the process to establish the Little Saplings Childcare Center to address the lack of affordable, high-quality childcare in Aroostook County.

According to Scott Ferland, General Manager of Maine Woods Company and Board Secretary of Little Saplings Childcare Center, recruiting and retaining a workforce in Aroostook County has become increasingly difficult due to the severe lack of local childcare options.

He recently shared the following information with the Legislature's Children's Caucus:

- Since 2019, 81 licensed childcare providers in Aroostook have closed, while only 38 new providers have opened - resulting in a net loss of care for at least 516 children.
- There are only 84 licensed providers across Maine's largest county, clearly unable to meet the needs of working families.
- In March 2025, a large childcare center in Presque Isle - which served 71 children, including 20 infants—closed, with zero infant availability at any nearby provider.
- Many other existing providers are on the brink of closure, exacerbating the crisis.

Mr. Ferland stated that these statistics highlight the stark reality for families who are trying to work but cannot find reliable, affordable childcare. At Maine Woods Company's Portage sawmill, they have been unable to hire and retain skilled workers because there are no affordable childcare options within a reasonable distance to the mill. This example is not unique to Aroostook County; employers in all corners of Maine share similar stories.

Making visions such as Little Saplings become a reality requires a substantial investment. Although they have stepped up to invest in needed childcare, public-private partnerships and new policy solutions are desperately needed to ensure these ventures remain viable.

In addition to helping address the shortage of available childcare, LDs 203 and 1555 will also help childcare become more affordable for working families. On average, childcare in Maine costs upwards to $15,000 per child annually. With the median household income in Maine around $65,000, families are easily spending more than 20 percent of their household income on childcare, more than double the amount that DHHS deems affordable (10% of household income).

As drafted, LDs 203 and 1555 would make childcare more affordable for Maine families by providing a refundable tax credit for an employer that pays or provides in-kind resources for childcare for the children of its employees. The annual credit would be 50 percent of the amount expended or up to $3,000 per child (in LD 203) or $8,000 per child (in LD 1555).

We feel that this reimbursement rate would be meaningful enough to encourage employers of all sizes to utilize this program. These credits would provide real relief to Maine families, allowing parents to continue their employment or rejoin the workforce.

Initiatives such as these two bills would forge a meaningful partnership between employers and the State to address one of the most significant challenges businesses are currently facing. In order for the forest products industry and all sectors of Maine's economy to thrive, we must collaboratively tackle the real issue of childcare shortages head-on.

For these reasons, the Maine Forest Products Council urges the committee to vote in favor of LD 203 or LD 1555. Thank you for your consideration.