



**STATE OF MAINE  
128th LEGISLATURE  
FIRST REGULAR SESSION**

**Task Force on Maine's 21st Century Economy and  
Workforce**

**December 2017**

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**Members:**

**Sen. Brian D. Langley, Senate Chair  
Rep. Erin D. Herbig, House Chair  
Sen. Dana L. Dow  
Sen. Nathan L. Libby  
Sen. Eloise A. Vitelli  
Rep. Matthea E.L. Daughtry  
Rep. Robert A. Foley  
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## Executive Summary

This is the final report of the Task Force on Maine's 21st Century Economy and Workforce. The Task Force was created in the First Regular Session of the 128th Legislature by a joint order, "Joint Order, Establishing the Task Force on Maine's 21st Century Economy and Workforce," S.P. 294, sponsored by Senator Nathan Libby. The Task Force consisted of 16 members appointed by the President of the Senate and the Speaker of the House. The Commissioner of Education and Commissioner of Labor were invited as ex-officio members but did not take part in making the Task Force's recommendations.

The Task Force was created as a vehicle for the Legislature to work with the State's businesses, education community and workforce and policy experts to develop and implement measures to strengthen the State's economy, bring back jobs and young people, expand the middle class, help meet the demand for skilled workers capable of succeeding in the modern economy and facilitate innovative investments to help Maine businesses grow and thrive. Over the course of six meetings, the Task Force developed the following list of recommendations.

- ❖ **Recommendation #1. Provide an additional \$650,000 in ongoing funding, and \$200,000 in one-time funding, in Fiscal Year 2018-2019 to the Maine Community College System to hire nursing faculty, expand nursing classes and establish a nursing simulator facility.**
- ❖ **Recommendation #2. Provide funding for the Nursing Education Loan Repayment Program in order to increase the number of nursing faculty in nursing education programs in the State and address Maine's critical nursing faculty shortage.**
- ❖ **Recommendation #3. Increase accessibility to the Competitive Skills Scholarship Program through collaboration between the Maine Community College System and the Maine Department of Labor to help facilitate the enrollment of eligible community college students into the program.**
- ❖ **Recommendation #4. Gather additional information from the Maine Department of Labor regarding how the Maine Apprenticeship Program may be better used to enhance workforce training for the healthcare sector and support LD 781, "An Act To Support the Trades through a Tax Credit for Apprenticeship Programs."**
- ❖ **Recommendation #5. Support LD 1492, "An Act To Attract, Educate and Retain New Mainers To Strengthen the Workforce" to facilitate integration of immigrants into the workforce.**
- ❖ **Recommendation #6. Accept funding available to Maine under the federal Workforce Innovation and Opportunity Act (WIOA).**
- ❖ **Recommendation #7. Extend the work of the Task Force through at least the end of 2018.**

## I. INTRODUCTION

This is the final report of the Task Force on Maine's 21st Century Economy and Workforce. The Task Force was created in the First Regular Session of the 128th Legislature by a joint order, "Joint Order, Establishing the Task Force on Maine's 21st Century Economy and Workforce," SP 294, sponsored by Senator Nathan Libby. The joint order was passed in the Senate on March 7, 2017 and passed in concurrence in the House on March 9, 2017.

Pursuant to the joint order, the Task Force consisted of 16 members appointed by the President of the Senate and the Speaker of the House. The official membership of the Task Force was as follows:

- Sen. Brian D. Langlely, Senate Chair
- Rep. Erin D. Herbig, House Chair
- Sen. Dana L. Dow
- Sen. Nathan L. Libby
- Sen. Eloise A. Vitelli
- Rep. Matthea E.L. Daughtry
- Rep. Robert A. Foley
- Rep. Stephanie Hawke
- Dana F. Connors, Maine State Chamber of Commerce
- William Grant, Lewiston and Auburn Adult Education
- Derek Langhauser, Maine Community College System
- Jennifer McKenna, Plumbers & Pipefitters UA Local 716
- Eric Meyer, Spurwink Services
- James H. Page, University of Maine System
- A. Clayton Spencer, Bates College
- Judith West, Maine Health/Maine Medical Center

The Commissioner of Education, or designee, and the Commissioner of Labor, or designee, were invited as ex-officio members of the Task Force. The Commissioners did not take part in making the Task Force's recommendations.

The following individuals sat on the Task Force at various times in proxy for members who were unable to attend.

- John Dorrer, Maine Community College System
- Dr. Robert Neely, University of Maine System
- Rosa Redonnett, University of Maine System

The Task Force Chairs were authorized in the joint order to appoint, as nonvoting members, "individuals who represent the interests of those sectors of industry that have experienced significant workforce shortages." Pursuant to this authority, the chairs appointed Ken Albert of Androscoggin Home Care & Hospice to sit as a nonvoting member of the Task Force. Mr. Albert participated in the Task Force's meeting on May 8th.

The chairs of Task Force were designated in the joint order as the first-named Senate member as the Senate chair and the first-named House of Representatives member as the House chair. As such, Senator Brian Langley served as the Senate chair and Representative Erin Herbig served as the House chair. A copy of the Task Force membership is attached as Appendix B.

## **II. TASK FORCE DUTIES**

The Task Force was created as a vehicle for the Legislature to work with the State's businesses, education community and workforce and policy experts to develop and implement measures to strengthen the State's economy, bring back jobs and young people, expand the middle class, help meet the demand for skilled workers capable of succeeding in the modern economy and facilitate innovative investments to help Maine businesses grow and thrive. The Task Force was established in the same spirit as the Joint Select Committee on Maine's Workforce and Economic Future in the 126th Legislature, to proceed in a bipartisan effort to develop legislative proposals and policy recommendations, with input from experts throughout the State, to help move Maine toward stronger economic growth and to better prepare Maine's workers and businesses to compete in the global marketplace.

The official duties of the Task Force were to:

- 1) Review ways to strengthen the State's economy, improve the State's business climate and facilitate economic growth in the State, including strategies to make targeted and strategic investments in the State's workforce and businesses;
- 2) Expand partnerships among the State's workers, educators and businesses to specifically address workforce needs and worker training;
- 3) Develop strategies for attracting, retaining and training Maine workers in sectors of industry most acutely affected by workforce shortage, as identified in priority order by the Maine Department of Labor, including health care, government, retail trade, professional and business services and the hospitality industry; and
- 4) Help improve the ability of small businesses to innovate and expand.

As a goal, the Task Force Chairs chose to focus the group's efforts on identifying a handful of attainable recommendations to target specific, critically important issues in the State's workforce.

## **III. TASK FORCE PROCESS**

The Task Force held a total of six meetings. These meetings were held on April 24th, May 8th, September 26th, October 31th, November 16th and December 4th. All meetings were open to the public and were broadcast by audio transmission over the internet. While some

materials are included in the report appendices, a complete collection of meeting materials is available online at: <http://www.maine.gov/legis/opla/economyandworkforce.htm>.

Staffing services for the first two meetings of the Task Force held during the First Regular Session of the 128th Legislature were provided on a contract basis by Lock Kiermaier of Kiermaier Consulting LLC, with staffing provided by the Legislature's Office of Policy and Legal Analysis after the First Regular Session. Although the group was not required to issue its final report until March of 2018, the Task Force decided to submit its final report just prior to the convening of the Second Regular Session of the 128th Legislature, in order to ensure a more ample timeframe within which policymakers may act on the recommendations found within this report.

The Task Force received a number of presentations during the course of its work this year, including a wide range of voices from government agencies, education and workforce training providers, private industry and the nonprofit sector. At its May 8th meeting, the Task Force heard a presentation from Glenn Mills, Chief Economist at the Center for Workforce Research within the Maine Department of Labor, about labor statistics and projections regarding the Maine workforce outlook from 2014 through 2024. Charles Lawton, Ph.D., a Consulting Economist, provided the group with a presentation on labor force changes in Maine. Also during this meeting, Lisa Harvey-McPherson RN, MBA, MPPM, Vice President Government Relations at Eastern Maine Health Systems gave a presentation on Maine's nursing workforce and the status of the State's nursing education programs.

At its September 26th meeting, the Task Force received a presentation from Bruce Wagner, CEO of the Finance Authority of Maine (FAME), on the workforce development efforts of FAME. This presentation was followed by a presentation from Karen O'Rourke, Director of the Maine Area Health Education Center Network and Assistant Professor of Public Health at the University of New England, on workforce development efforts targeted for the healthcare sector. Jeremy Anderson, President of the Education Commission of the States, gave the Task Force a presentation on examples from other states with targeted programs and career pathways within their workforce development policies and state-federal partnerships in postsecondary education.

On October 31st the Task Force received a presentation by the Maine Workforce and Education Coalition, a coalition newly branded as MaineSpark. The focus of the coalition is "60% by 2025," the goal of 60% of the Maine population holding a post-secondary credential by the year 2025. The coalition was represented by Yellow Light Breen, President and CEO of the Maine Development Foundation (MDF); joined by Lisa MacDonald Cooper, Program Director of Education & Workforce at MDF; Ed Cervone, the Executive Director of Educate Maine; and Nate Wildes, Engagement Director at Live and Work in Maine. Also presenting at that meeting was Christy Daggett, Senior Manager of Workforce Development at Aroostook County Action Program, who spoke with the group about ways to enhance the Competitive Skills Scholarship Program. John Dorrer, Chief Workforce Strategist for the Maine Community College System, gave a presentation on workforce demographics, skill demographics and Maine's hidden labor force. Sarah Gagne Holmes, Senior Program Associate at the John T. Gorman Foundation, gave a presentation on public-private collaboration and described her organization's success partnering with Adult Education and private construction employers to provide workforce

training in the construction industry in Lewiston through the Lewiston Construction Training Program.

At its November 16th meeting, the Task Force received a presentation on the integration of immigrants into Maine's workforce and LD 1492, "An Act To Attract, Educate and Retain New Mainers To Strengthen the Workforce." Presenting was Carla Dickstein, Senior Vice President of Coastal Enterprises Inc. (CEI); Task Force member Bill Grant, Director of Lewiston and Auburn Adult Education; Zane Clement, Director of Augusta Adult Education; and Sally Sutton, Program Coordinator for the New Mainers Resource Center within Portland Adult Education. Lisa Harvey-McPhersen of Eastern Maine Healthcare Systems appeared before the group again, joined by Dr. Robert Neely, Vice Chancellor for Academic Affairs at the University of Maine System, to present a summary and key takeaways from the Maine Nursing Summit held on October 27th. At this meeting the Task Force also received another presentation from John Dorrer of the Maine Community College System, this time regarding use of the Competitive Skills Scholarship Program in healthcare professions.

#### **IV. FINDINGS AND RECOMMENDATIONS**

As has now been well reported in the media and academia, Maine is on the verge of a workforce crisis. This crisis is due in large part to the age demographic of the current working population. According to statistics provided by the Maine Department of Labor, Maine is the oldest state in the union, with a median age of 44.5 years in 2015 – nearly seven years older than the national average. This together with a trending decrease in the State's birth rate has created a situation in which the numbers of young people entering the workforce will be inadequate to replace the workers that are aging out of the workforce and retiring. Given these projected trends in the age demographic, Maine's current rate of net migration of workers into the State will not be adequate to compensate for the projected reduction in the workforce due to retirement and natural reductions in population.

There are existing sources of prime, working-age adults that are not being fully deployed into the Maine workforce. For example, there has been a long-term decline in labor force participation among males in Maine aged 25-54. In 2015, there were approximately 13,000 Maine youth aged 18-24 that were not attending school, not working and with no credentials beyond a high school education. For adult learners that enter into education and training programs, a lack of social supports, such as for childcare and transportation issues, can lead to program noncompletion and nonattainment of credentials needed to secure optimal employment. Immigrants face additional challenges with integration into the State's workforce, due in part to language barriers, cultural issues, credential recognition issues and lack of prior U.S. work experience.

In addition to the demographic issues facing Maine's workforce, changes in the makeup of the economy and the types of jobs available also present a challenge. There has been a job trend away from industries that produce goods to those that provide services, and the Maine Department of Labor projects this trend to continue. The manufacturing sector is projected to have the largest loss of jobs in the next decade, most prominently in the paper, transportation

equipment, wood product and food manufacturing industries. In contrast, the healthcare sector is projected to be one of the most significant places for new job growth, particularly in ambulatory health care services, hospitals and nursing and residential care facilities.

Changes in employment and the redistribution of jobs among industries have led to a change in the skills demanded by Maine employers. The fastest rate of job growth is expected in occupations with the highest education requirements, and Maine currently has a post-secondary education attainment level below what is required to meet the requirements of these jobs of the future.

In its November 1st report, the Maine Consensus Economic Forecasting Commission has recently echoed concerns about the effect of Maine's workforce availability issues given current demographic trends. If all of these trends continue unabated, the resulting workforce shortages will lead to a decreased gross domestic product (GDP) and decreased rate of economic growth for the State.

The Task Force has taken a particular focus on the healthcare sector in its deliberations and recommendations. In addition to being a key sector slated for job growth, Maine is currently facing a shortage of nurses to fill existing needs. A surge in demand for healthcare services due to the State's aging population, coupled with the wave of pending retirements in the nursing workforce, are combining to particularly intensify the need for workers in this profession. The Maine Department of Labor projects that registered nurses will be the most in-demand, high-wage job through at least 2024. In 2015, the shortage of registered nurses in Maine was 600, and this number is projected to rise to a shortage of 3,200 registered nurses in 2025. As the potential impacts of these current and projected shortages are statewide, and directly concern the immediate health and well-being of Maine residents, addressing the challenges facing this sector are of particular importance.

**Recommendation #1. Provide an additional \$650,000 in ongoing funding, and \$200,000 in one-time funding, in Fiscal Year 2018-2019 to the Maine Community College System to hire nursing faculty, expand nursing classes and establish a nursing simulator facility.**

The Task Force recommends providing additional funding to the Maine Community College System to support its proposal to hire additional nursing faculty, create new summer nursing courses and partner with the University of Maine System to expand nursing education in partnership with University nursing programs at its Fort Kent and Presque Isle campuses to share nursing faculty and a nursing simulator to provide clinical training on the Maine Community College System's Presque Isle campus.

At the November 16th meeting, President Langhauser of the Maine Community College System (MCCS) was charged with coming back to the group with specific proposals for realistic and immediate expansion of nursing student cohorts. The MCCS funding proposal was discussed by the Task Force and ultimately adopted as a consensus recommendation.

Of the recommended ongoing funding, **\$200,000** would go towards hiring additional nursing faculty and acquiring equipment to create a summer cohort of nursing students at the Southern Maine Community College (SMCC). The addition of this summer cohort would allow students to attain their nursing credential in a shorter amount of time, thereby eventually increasing the annual rate of students completing their nursing degrees. An additional **\$200,000** of the recommended funding would go towards hiring additional nursing faculty to create a new cohort of nursing students at the Central Maine Community College (CMCC) in Auburn. These nursing students will receive clinical instruction in Auburn. CMCC also works with the LincolnHealth/MaineHealth hospital in Damariscotta to help provide a pipeline of new nurses to the Midcoast and Downeast regions, areas that are projected to suffer first from the drastic nurse shortages facing the State. This program alone would graduate an estimated additional 32 nurses per year. The third component of the Task Force's request for ongoing funding is an additional **\$250,000** to go towards adding nursing faculty, equipment and space to expand student capacity at the Eastern Maine Community College (EMCC) in Bangor.

In addition to the ongoing funding for expanded nursing education, the Task Force also recommends **\$200,000** in one-time funding to allow for the acquisition of a nursing simulator at the Northern Maine Community College (NMCC) in Presque Isle. According to the Maine Community College System, the total cost for the project is approximately \$850,000, almost all of which has been raised privately. This recommended one-time infusion of public funding would be sufficient to close the funding gap and allow the project to commence in relatively short order. Once completed, the University of Maine System and the Maine Community College System would partner to offer shared nursing faculty and a shared use of the nursing simulator to provide critical, clinical instruction to nursing students enrolled in degree programs with both institutions. Students from the University of Maine at Fort Kent, the University of Maine at Presque Isle and NMCC will all benefit from nursing instruction at this new facility.

The lower cost and relatively shorter time commitment required to attain an associate's degree in nursing is an attractive entry point for students into a nursing career. Additionally, the credits or credentials earned through community college can be easily transferred to the University of Maine System, leading to bachelor's, master's and doctorate level nursing degrees. Expanding the number of nursing students at the community college level therefore provides a supply chain of students for higher track education at the university level. This will result in not only a better-trained workforce of nurses in the State but will also provide a boost to the supply of critically needed nursing faculty.

Together these changes are projected to increase the availability of new license-ready nurses in the workforce by at least 50 per year, and likely more, depending on the success of the summer cohort at SMCC and the simulation center at NMCC in expediting degree attainment on those campuses. Maine currently graduates approximately 650 license-eligible nursing students per year total.

The Task Force is not specific in its recommendation regarding the source of these additional allocations to the Maine Community College System. It is, however, assured that these investments are vital in beginning to address Maine's nursing workforce crisis.

**Recommendation #2. Provide funding for the Nursing Education Loan Repayment Program in order to increase the number of nursing faculty in nursing education programs in the State and address Maine's critical nursing faculty shortage.**

The Task Force recommends funding the existing Nursing Education Loan Repayment Program at a level that would at least accommodate approximately 32 new graduates with nurse master's degrees to replace the 32 nursing faculty positions that are expected to be vacated over the next two years. In order to increase the number of nurse graduates, as will be desperately necessary in the near term, funding for this program will need to be increased further.

On October 27th, the University of Maine System, Maine Department of Health and Human Services and the Maine Nursing Action Coalition partnered to host a Statewide Nursing Workforce Summit. In attendance were over 100 leaders from the health care field, academic programs and healthcare policy. One of the major themes that emerged from this summit was that addressing Maine's nursing faculty shortage is a top priority. As discussed at the summit, and echoed in Task Force meetings by Lisa Harvey-McPherson of Eastern Maine Healthcare Systems and Task Force member Judith West of Maine Medical Center/MaineHealth, Maine is facing a shortage of 32 nurse faculty positions over the next two years. There is a desperate need to ensure that these positions are filled, just to keep the status quo rate of nurse graduates into the workforce. The status quo level, however, will be inadequate to address coming shortages. Currently, Maine graduates approximately 650 license-ready nurses annually, but that number must be increased by an additional 400 graduates per year to meet the projected shortfall of 3,200 nurses in 2025.

The Nursing Education Loan Repayment Program was created in statute, at 10 MRSA §1019 by the 122nd Legislature in 2005 for the purpose of increasing the number of nursing faculty in nursing education programs in the State (Appendix C). While the original bill had included ongoing appropriations of \$50,000 to fund the program and the administration of the program, this funding was removed in a Senate Amendment and the Legislature has yet to provide any funding for the program. The program is administered by the Finance Authority of Maine (FAME), though, in the absence of funding, FAME has not yet issued rules to govern the program. Under the program, FAME repays the loan of a successful applicant in the amount of up to \$4,500 for a master's degree and up to \$6,000 for a doctoral degree. In order to participate in the program, an applicant must: 1) be a nurse; 2) complete a master's or doctoral degree in nursing; 3) possess an outstanding education loan relating to the master's or doctoral nursing degree; and 4) sign a statement of intent to work as nursing faculty in a nursing education program in the State for a minimum of 3 years after acceptance into the nursing education loan repayment program.

Lisa Harvey-McPherson of Eastern Maine Healthcare in her presentation to the group regarding the nursing summit recommended amending the statute to raise the repayment caps from \$4,500 to \$30,000 for a master's degree and from \$6,000 to \$60,000 for a doctoral degree in order to better reflect the cost of this education and improve recruitment and retention of nursing faculty. The Task Force did not specifically adopt this recommendation. The dollar amount of \$1.5 million was discussed, but there was no specific consensus on the amount of

funding. Notwithstanding, the Task Force recommends providing additional funding through the program to cover loan repayment for 32 master's level nurses, at the very least, though the need is greater.

Acknowledging potential challenges in identifying General Funds sufficient for such allocations, the Task Force recommends exploring the option of providing some of this funding through State General Obligation Bonds. Two potential existing vehicles identified by the Task Force that this proposal may be included with are LR 2481, "An Act To Authorize a General Fund Bond Issue To Fund a Program of Student Debt Consolidation and Repayment" sponsored by Rep. Fredette and currently tabled in the Legislative Council pending acceptance in the Second Regular Session of the 128th Legislature, and LD 1163, "An Act To Authorize a General Fund Bond Issue To Provide Funding for a Program of Student Debt Payment and To Provide for the Establishment of That Program," sponsored by the Task Force's own Senator Libby and which was carried over by the Joint Standing Committee on Appropriations and Financial Affairs to the Second Regular Session.

Additionally, the Task Force requests that FAME submit any ideas it may have for alternative sources of funding for the Nursing Education Loan Repayment Program to the Joint Standing Committee on Labor, Commerce, Research and Economic Development by January 15, 2018 (Appendix D).

**Recommendation #3. Increase accessibility to the Competitive Skills Scholarship Program through collaboration between the Maine Community College System and the Maine Department of Labor to help facilitate the enrollment of eligible community college students into the Competitive Skills Scholarship Program.**

The Task Force recommends that the Maine Community College System work together with the Maine Department of Labor to help facilitate the enrollment of eligible community college students into the Competitive Skills Scholarship Program. The Task Force also recommends that the Department of Labor improve accessibility to the program by leveraging its partnerships with Adult Education and workforce training partners through the CareerCenters to help in making the program more readily available to those that may need it.

The Competitive Skills Scholarship Program (CSSP) was established "to provide individuals with access to education, training and support leading to skilled, well-compensated jobs with anticipated high employment demand, to improve the economic well-being of the participants in the program and to provide employers with a skilled labor force" (26 MRSA §2033; Appendix E).

The Department of Labor maintains an updated list of high-wage, in-demand jobs for which participants may receive funding through the program to pursue education or training. Applicants must be Maine residents and have an income below 200% of the federal poverty line for the applicant's family size. CSSP supports attainment of varying levels of credential, from the certificate level, to associate's and bachelor's degrees. In addition to direct education and training costs, such as tuition and fees, funds from the program may also be used for necessary

support services, such as childcare, transportation and unanticipated needs. Several presenters and Task Force members stressed the importance of these types of support services in ensuring that individuals are able to successfully complete their credential or degree program.

The CSSP is funded by mandatory contributions from employers in the State to the Competitive Skills Scholarship Fund, which is collected as part of employer's unemployment tax payments (26 MRSA §1166; Appendix F). The employer's state unemployment tax contribution is in turn offset by the amount of the CSSP contribution, resulting in what can be described as essentially a tax neutral funding stream for the program. Recent figures received by the Task Force from the Legislature's Office of Fiscal and Program Review indicate that the Competitive Skills Scholarship Fund is currently carrying an unobligated cash balance of \$4.3 million (Appendix G).

**Recommendation #4. Gather additional information from the Department of Labor regarding how the Maine Apprenticeship Program may be better used to enhance workforce training for the healthcare sector and support LD 781, "An Act To Support the Trades through a Tax Credit for Apprenticeship Programs."**

The Task Force had some preliminary discussions about the Maine Apprenticeship Program and how it could be leveraged to address the nursing workforce issue. The group received some information to this point from the healthcare sector; however, the Task Force did not feel that it had sufficient information regarding the needs of the program and how critical providing additional support for the program was at this time. The Task Force is requesting more information from the Department of Labor regarding how the Maine Apprenticeship Program is currently operating to augment the supply of workers into the healthcare sector and how the Maine Apprenticeship Program can be used to enhance workforce training for this sector (Appendix H).

At the Task Force's November 16th meeting, it requested that Lisa Harvey-McPherson and Task Force staff work together, with input from the Department of Labor if possible, to determine what changes would be needed to the Maine Apprenticeship Program to better facilitate the recommendation from the nursing summit for a statewide expansion of the Maine Apprenticeship Program's nurse residency program. Currently, the Maine Apprenticeship Program supports a nurse residency program for new nurse graduates during the first year of employment by reimbursing hospitals \$1,200 per nurse per year to offset the cost of classroom training associated with the residency program. This program is only being implemented in four hospitals currently but has demonstrated a significant increase in nurse retention rates among nurses that have participated in the program.

Based on initial information provided to the Task Force, there are no structural changes to the Maine Apprenticeship necessary in order to expand the nurse residency program. What is needed to expand the nurse residency program is additional funding allocated to the program. In order to meet projected nursing demands, an additional 400 graduates per year must be added to the current 650 nurse graduates per year, for a prospective total of 1,050 nurse graduates per year. A dollar amount for funding could be determined by expending \$1,200 per year per some

proportion of the current or projected nurse graduates. The Task Force makes no specific recommendations in this regard at this time. As outlined above, the Task Force requests additional information from the Department of Labor be supplied to the Joint Standing Committee on Labor, Commerce, Research and Economic Development by February 1, 2018.

The Task Force also supports the concept of Task Force Chair Representative Erin Herbig's bill, LD 781, "An Act To Support the Trades through a Tax Credit for Apprenticeship Programs" as a possible route to incentivizing healthcare employers to partner with the Maine Apprenticeship Program to provide nurse residency programs or similar apprenticeship programs that may benefit the nursing workforce. This bill is currently in the possession of the Joint Standing Committee on Taxation and has been carried over from the First Regular Session of the 128th Legislature to the Second Regular Session.

**Recommendation #5. Support LD 1492, "An Act To Attract, Educate and Retain New Mainers To Strengthen the Workforce" to facilitate integration of immigrants into the workforce.**

The Task Force recommends support for the concept embodied by LD 1492, "An Act To Attract, Educate and Retain New Mainers To Strengthen the Workforce." LD 1492 was introduced to the First Regular Session of the 128th Legislature and referred to the Joint Standing Committee on Education and Cultural Affairs. As originally drafted, the bill would have created various programs to attract, educate and retain immigrant populations in the State's workforce. It would have created the Office of New Mainers and the Office of New Mainers Advisory Committee to coordinate among various departments by developing a comprehensive plan to educate and train immigrant populations to fill needed positions of employers throughout the State. It also would have established the Welcome Center Initiative to operate welcome centers in adult education programs to attract, educate and retain in employment foreign-trained workers in municipalities or regions of the State that have immigrant populations or that have industries that are experiencing a shortage of trained workers, patterned after the New Mainers Welcome Center operated by the City of Portland adult education program through a pilot program created by the 126th Legislature. Additionally, it would have established three grant programs to: 1) contract with service providers to provide English-language instruction, vocational training and placement of immigrants in the State with employers of the State; 2) assist counties, municipalities and school administrative units in managing new immigrant populations that have settled within the counties, municipalities and school administrative units or in attracting immigrant populations to address depopulation or workforce shortages within the counties, municipalities and school administrative units; and 3) award grants to adult education programs to increase English-language acquisition instruction in communities experiencing an increase in immigrant populations. Finally, the bill would have expanded the Welcome Center Initiative to the City of Lewiston's adult education program to attract, educate and retain in employment foreign-trained workers residing in Androscoggin County, patterned after the New Mainers Welcome Center in Portland. It would have provided State General Fund funding to support these initiatives in the amount of \$745,000 in Fiscal Year 2017-2018 and \$825,000 in Fiscal Year 2018-2019.

The bill was reported out of committee during the First Regular Session, with a divided report, with the majority supporting the committee amendment and a minority voting “Ought Not to Pass.” The committee amendment removed the Office of New Mainers and the Office of New Mainers Advisory Committee from the bill and removed all references to both offices, and it added proposed welcome centers to the purpose for which adult education program grants may be given. After being reported out, the bill was recommitted to the committee by the Senate and House of Representatives, and it is currently in the possession of the Education Committee in carryover status, to be taken up in the Second Regular Session.

Through its presentations, the Task Force learned of the good work that is already being done by Adult Education throughout the State in providing immigrants language skills, soft skills, cultural education, workforce training and helping facilitate the application of existing skills and foreign credentials into the Maine labor force. The Task Force also learned that demand for these programs is very strong, and expanding public investment in this area is important not only for this population but for the economy of the State at large.

The Task Force supports the concept of LD 1492 and anything in the bill that supports and attracts new people into the State. Maine does not have the population to meet its looming workforce challenges. One avenue to addressing this gap is to provide more opportunity to immigrants, also known as “New Mainers,” by improving training and more effective deployment of this population into the workforce. The Task Force leaves to the Education Committee the work of amending the bill as necessary to best gain the political support needed to advance this important goal.

**Recommendation #6. Accept funding available to Maine under the federal Workforce Innovation and Opportunity Act (WIOA).**

The Task Force is in support of an agreement reached between the State Workforce Board and the Local Workforce Investment Boards on December 1st, and is hopeful that this agreement may lead to resolution of the current dispute between the Governor and the Local Workforce Investment Boards regarding the distribution of federal funds available to the State through Title I of the Workforce Innovation and Opportunity Act (WIOA). The Task Force recommends acceptance of available WIOA funding and the dispersal of these workforce training dollars to the Local Workforce Investment Boards so that this funding may continue to be invested in the critically important work of training Maine’s workforce.

The Workforce Innovation and Opportunity Act (WIOA) is the key federal law governing the administration of the public workforce system and governing the federal funding mechanism for the workforce investment boards that implement workforce training programs. Maine has a central State Workforce Board, made up of Governor appointees, and three Local Workforce Investment Boards that administer workforce training programs and operate one-stop shop CareerCenters throughout their respective workforce regions in the State. Both the State Workforce Board and the local workforce boards have a majority of members that represent local private businesses. The local workforce boards work together with the Chief Elected Officials, who are county commissioners from each county within the local workforce development area,

to administer the workforce investment funds for the local area. Each local board designates an entity to conduct the day-to-day administration and oversight of the WIOA funding within the board's authority.

On July 11th, Governor Paul LePage wrote to the U.S. Secretary of Labor, R. Alexander Acosta, requesting that Maine be designated as a single local area covering the entire State, eliminating the current 4 local area structure. In his request, the Governor cited concern about the current configuration limiting the State's ability to target investment in the rural areas of the State and the desire to allow more funding to flow directly to citizens for workforce training by reducing the amount of funding needed for program administration. The U.S. Department of Labor responded that it was unable to comply with the Governor's request, as there are currently no statutory or regulatory procedures that permit such a redesignation. In a response dated September 7th, the Governor cited his disappointment with the decision and notified Secretary Acosta that Maine would no longer participate in the WIOA Title 1B program and requested that no additional funds be provided to the Maine Department of Labor (Appendix I).

After a breakdown in negotiations between the Governor and the organizations representing local workforce boards over contract terms for release of these federal funds withheld for a portion of in Program Year 2016 and for Program Year 2017, Coastal Counties Workforce, Inc., the entity that administers the work of the Local Workforce Investment Board for Area 4, filed suit against the Governor and Maine Commissioner of Labor John Butera in United States District Court on October 24th seeking an injunction to compel release of these funds and the issuance of contracts for Program Year 2017.

On November 6th, in response to this impasse between the Governor and the Local Workforce Investment Boards, a letter was sent on behalf of all of the legislative members of the Task Force to Commissioner of Labor John Butera urging prompt acceptance and distribution of all federal WIOA funding available to the State (Appendix J).

Christy Daggett of the Aroostook County Action Program provided the Task Force with a snapshot of the importance of these workforce training funds to Maine residents and the State economy with statistics based on her organization's experience with individuals who have received WIOA, Title I funded workforce training programs through the organization's Presque Isle office:

- 92% are dependent on public benefits;
- 23% are unemployed; 16 % have been unemployed for six months or more;
- 65% have no education beyond high school;
- 33% are parenting alone;
- 13% read or compute below the 8th-grade level;
- 15% have at least one disability;
- 6% are ex-criminal offenders; and
- 3% have exhausted Temporary Assistance for Needy Families (TANF) benefit eligibility.

At the December 1st meeting of the State Workforce Board, the State board voted to accept a proposal from Senator Amy Volk, agreed to by representatives from the three Local Workforce Investment Boards, to gradually increase the minimum training expenditures of the local boards, that is, to require an additional expenditure dedicated to training as opposed to administration of workforce training programs. Under this agreement, in Program Year 2018 (July 1, 2018 through June 30, 2019), the minimum training expenditure would be 45%, increasing in Program Year 2019 to 60%. However, up to 10% of local board funding for case management can be applied to meet this minimum training expenditure level. Additionally, a waiver system will be put in place to allow for extraordinary training placement numbers to offset lower expenditures (e.g., for cases in which outside funding is used to cover some administrative expenses). While at the time of this report there have still been no contracts with the local boards put into place for the current year, and no additional WIOA funds have been released, the Task Force is hopeful that this agreement may lead to the acceptance and distribution of these critical federal workforce training funds.

**Recommendation #7. Extend the work of the Task Force through at least the end of 2018.**

The Task Force recommends reauthorizing the group to continue its work at least through the end of 2018. The Task Force had a limited amount of time and meetings within which to do its work, and the Task Force believes that it can effectively continue its momentum in addressing the pressing issues of economic and workforce development facing the State. The focus of the Task Force's attention has been on the nursing workforce, which deservedly needs further attention, but there are other areas that warrant similar investigation and focus. Concern was raised by some members that the importance of business attraction and retention to the future prosperity of the State has been overlooked by the group. Attracting new businesses and retaining businesses looking to expand within the State through measures such as changes to the State's tax policy according to some members may be promising avenues for the creation of new jobs. Other members of the Task Force were of the view that focus on building the workforce would be the key inducement to attracting businesses, and that the group should take a harder look at new measures to retain workers in the State and attract workers from other states. Though there was some divergence on the most effective primary focus, the Task Force was unanimous in the belief that its continued work was clearly necessary.

## V. CONCLUSION

The Task Force made recommendations for targeted, focused investments in places where workforce barriers were identified. The goal was to have actionable recommendations amenable to implementation in the short term in order to help alleviate priority workforce shortages. During the course of its work, it became clear to the Task Force that the healthcare sector, and nursing in particular, was the best place to focus its efforts.

As charged in its official duties, the Task Force reviewed ways to strengthen the State's economy, improve the State's business climate and facilitate economic growth in the State through strategic and targeted investment in the State's workforce. It also has provided

recommendations to improve the attracting, retaining and training of Maine workers in an industry most acutely affected by workforce shortage as identified in priority order by the Maine Department of Labor – primarily here, nursing.

As discussed in Recommendation seven above, more work could be done on exploring ways to improve the State’s business climate in addition to strategic workforce development measures. Additionally, more work could be done with respect to expanding public-private partnerships, such as through the Maine Apprenticeship Program and the Competitive Skills Scholarship Program. While the healthcare sector in the State should be a critical focus for any workforce development efforts, there are other priority sectors in the State, such as hospitality, retail, professional services and government, that also warrant particular attention. The Task Force did not have adequate time to address its duty to help improve the ability of small businesses to innovate and expand.

The Task Force has been an incredible forum for bringing together government, education and training providers and private industry to discuss and formulate strategic targeted measures to improve the State’s economy and workforce and prepare Maine for the coming labor market challenges. The Task Force highly recommends that this work continue, either through an extension of this Task Force or through a similarly-themed successor.

**APPENDIX A**

**Authorizing Joint Order**

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## Joint Order, Establishing the Task Force on Maine's 21st Century Economy and Workforce

**WHEREAS**, historically, Maine has been world-renowned for its hard-working people, its enviable quality of life and its production of high-quality products; and

**WHEREAS**, for generations, citizens of the State had jobs in industries such as logging, shipbuilding, papermaking, textiles, manufacturing, farming and fishing that allowed workers to live and raise families in the State; and

**WHEREAS**, jobs that supported a thriving Maine economy were responsible for decades of growth in many of our communities in the State, but over the years, jobs that provided living wages, benefits and job security became harder and harder to find; and

**WHEREAS**, as the prospects for well-paying jobs diminished in the rapidly changing world economy, so too did Maine's ability to retain its young people, who increasingly sought opportunities elsewhere, contributing to Maine's looming demographic crisis; and

**WHEREAS**, a prosperous Maine economy will require skilled workers capable of succeeding in the modern economy as well as innovative investments that will help Maine businesses grow and thrive; and

**WHEREAS**, it is essential that the Legislature work with the State's businesses, education community and workforce, as well as with policy experts, to develop and implement measures to strengthen the State's economy, bring back jobs and young people and expand the middle class; and

**WHEREAS**, the members of the Joint Select Committee on Maine's Workforce and Economic Future in the 126th Legislature worked together in a bipartisan manner with input from experts throughout the State to unanimously support legislation to help move Maine toward stronger economic growth and to prepare Maine's workers and businesses to compete in the global marketplace; now, therefore, be it

**ORDERED**, the House concurring, that, notwithstanding Joint Rule 353, the Task Force on Maine's 21st Century Economy and Workforce, referred to in this order as "the task force," is established as follows.

**1. Appointments; composition.** The task force consists of members appointed as follows:

A. Four members of the Senate, appointed by the President of the Senate, including 2 members of the party holding the largest and 2 members of the party holding the 2nd largest number of seats in the Senate;

B. Four members of the House of Representatives, appointed by the Speaker of the House of Representatives, including 2 members of the party holding the largest and 2 members of the party holding the 2nd largest number of seats in the House of Representatives;

- C. One member representing the interests of the Maine Community College System, appointed by the President of the Senate;
- D. One member representing the interests of the University of Maine System, appointed by the Speaker of the House of Representatives;
- E. One member representing the interests of apprenticeship programs in the State, appointed by the Speaker of the House of Representatives;
- F. One member representing the interests of providers and teachers of adult education in the State, appointed by the President of the Senate;
- G. One member representing the interests of private colleges in the State, appointed by the Speaker of the House of Representatives;
- H. One member representing the statewide interests of the business community, appointed by the President of the Senate;
- I. One member representing the interests of a Maine business that employs more than 1,000 workers, appointed by the President of the Senate; and
- J. One member representing the interests of a Maine business that employs fewer than 1,000 workers, appointed by the Speaker of the House of Representatives.

The President of the Senate and the Speaker of the House of Representatives shall invite to participate as members of the task force the Commissioner of Education, or the commissioner's designee, and the Commissioner of Labor, or the commissioner's designee.

**2. Chairs.** The first-named Senator is the Senate chair of the task force and the first-named member of the House of Representatives is the House chair of the task force. Notwithstanding Joint Rule 353, the chairs may appoint, as nonvoting members, individuals who represent the interests of those sectors of industry that have experienced significant workforce shortages. Any additional members appointed pursuant to this section are not entitled to compensation or reimbursement under section 5.

**3. Appointments; convening.** All appointments must be made no later than 15 days following passage of this order. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been made. When the appointment of all members has been completed, the chairs of the task force shall call and convene the first meeting of the task force. If 15 days or more after the passage of this order a majority of but not all appointments have been made, the chairs may request authority and the Legislative Council may grant authority for the task force to meet and conduct its business.

**4. Duties.** The task force shall review ways to strengthen the State's economy, improve the State's business climate and facilitate economic growth in the State, including strategies to make targeted and strategic investments in the State's workforce and businesses; to expand partnerships among the State's workers, educators and businesses to specifically address workforce needs and worker training; to develop strategies for attracting, retaining and training Maine workers in sectors of industry most acutely affected by workforce shortage, as identified in priority order by the Maine Department of Labor, including health

care, government, retail trade, professional and business services and the hospitality industry; and to help improve the ability of small businesses to innovate and expand.

**5. Compensation.** The legislative members of the task force are entitled to receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, and reimbursement for travel and other necessary expenses related to their attendance at authorized meetings of the task force. Public members not otherwise compensated by their employers or other entities that they represent are entitled to receive reimbursement of necessary expenses and, upon a demonstration of financial hardship, a per diem equal to the legislative per diem for their attendance at authorized meetings of the task force.

**6. Quorum.** A quorum is a majority of the voting members of the task force, including those members invited to participate who have accepted the invitation to participate.

**7. Staffing.** The Legislative Council shall contract for necessary staff support for the task force during the legislative session and may contract for such staff support for a longer period to the extent needed and if sufficient funding is available. At the request of the task force, the Legislative Council may provide drafting assistance to the task force during the legislative session and other staffing support to the task force when the Legislature is not in session.

**8. Reports.** The task force may submit an initial report, including suggested legislation, prior to the adjournment of the First Regular Session of the 128th Legislature. No later than March 1, 2018, the task force shall submit a final report that includes its findings and recommendations, including suggested legislation, for introduction to the Second Regular Session of the 128th Legislature.

**APPENDIX B**

**Membership list, Task Force on Maine's 21st Century Economy and Workforce**

**Task Force on Maine's 21<sup>st</sup> Century Economy and Workforce**  
**Membership List**  
**December 2017**

**Appointments by the President of the Senate**

**Sen. Brian D. Langley – Chair**  
11 South Street  
Ellsworth ME 04605

Two members from the party holding the largest number of seats and two members from the party holding the second largest number of seats

**Sen. Dana L. Dow**  
30 Kalers Pond Road  
Waldoboro, ME 04572

Two members from the party holding the largest number of seats and two members from the party holding the second largest number of seats

**Sen. Nathan L. Libby**  
44 Robinson Gardens  
Lewiston, ME 04240

Two members from the party holding the largest number of seats and two members from the party holding the second largest number of seats

**Sen. Eloise A. Vitelli**  
73 Newton Road  
Arrowsic, ME 04530

Two members from the party holding the largest number of seats and two members from the party holding the second largest number of seats

**Dana F. Connors**  
Maine State Chamber of Commerce  
35 Medical Center Drive  
Augusta, ME 04330

Representing Business Community – statewide interests

**William Grant**  
608 Route 133  
Winthrop, ME 04364

Representing providers and teachers of adult education in the state interests

**Derek Langhauser**  
323 State Street  
Augusta, ME 04330

Representing Maine Community College System Interests

**Judith West**  
Maine Health/Maine Medical Center  
22 Bramhall Street  
Portland, ME 04102

Representing Maine Employers with > 1000 workers

**Appointments by the Speaker of the House**

**Rep. Erin D. Herbig – Chair**  
P. O. Box 1015  
Belfast, ME 04915

Two members from the party holding the largest number of seats and two members from the party holding the second largest number of seats

**Rep. Matthea E.L. Daughtry**  
40 Federal Street  
Brunswick, ME 04011

Two members from the party holding the largest number of seats and two members from the party holding the second largest number of seats

**Task Force on Maine's 21<sup>st</sup> Century Economy and Workforce  
Membership List  
December 2017**

**Rep. Robert A. Foley**  
57 Shady Lane  
Wells, ME 04090

Two members from the party holding the largest number of seats and two members from the party holding the second largest number of seats

**Rep. Stephanie Hawke**  
76 Park Street  
Boothbay Harbor, ME 04769

Two members from the party holding the largest number of seats and two members from the party holding the second largest number of seats

**Jennifer McKenna**  
43 Heselton Street  
Gardiner, ME 04345

Representing Apprenticeship programs in the state interests

**Erik Meyer**  
154 South Hunts Meadow Road  
Whitefield, ME 04353

Representing Maine Employers with < 1000 workers

**James H. Page**  
University of Maine System  
15 Estabrooke Drive  
Orono, ME 04469

Representing the interests of the University of Maine System

**A. Clayton Spencer**  
Bates College  
2 Andrews Road  
Lewiston, ME 04240

Representing Private Colleges in the State interests

**Ex officio members**

**Robert G. Hasson, Jr., Commissioner**  
Department of Education  
23 State House Station  
Augusta ME 04333-0023

Commissioner of Department of Education or  
Commissioner's Designee

**John Butera, Commissioner**  
Department of Labor  
54 State House Station  
Augusta ME 0433-0054

Commissioner of Department of Labor or  
Commissioner's Designee

---

**Staff:**

Henry Fouts  
Legislative Analyst  
Officer of Policy and Legal Analysis

Phillip McCarthy  
Sr. Legislative Analyst  
Office of Policy and Legal Analysis

**APPENDIX C**

**Nursing Education Loan Repayment Program, 10 MRSA §1019**

**Maine Revised Statutes**  
**Title 10: COMMERCE AND TRADE**  
**Chapter 110: FINANCE AUTHORITY OF MAINE**

**§1019. NURSING EDUCATION LOAN REPAYMENT PROGRAM**

**1. Nursing education loan repayment program.** The nursing education loan repayment program is established for the purpose of increasing the number of nursing faculty in nursing education programs in the State.

[ 2005, c. 417, §1 (NEW) .]

**2. Criteria.** For an applicant to participate in the nursing education loan repayment program established under subsection 1, the applicant must:

A. Be a nurse; [2005, c. 417, §1 (NEW) .]

B. Complete a master's or doctoral degree in nursing; [2005, c. 417, §1 (NEW) .]

C. Possess an outstanding education loan relating to the master's or doctoral nursing degree; and [2005, c. 417, §1 (NEW) .]

D. Sign a statement of intent in a form acceptable to the authority to work as nursing faculty in a nursing education program in the State for a minimum of 3 years after acceptance into the nursing education loan repayment program. [2005, c. 417, §1 (NEW) .]

[ 2005, c. 417, §1 (NEW) .]

**3. Nursing education loan repayment fund.** The nursing education loan repayment fund, referred to in this section as "the fund," is created as a nonlapsing, interest-earning, revolving fund to carry out the purposes of this subchapter.

A. The authority may receive, invest and expend on behalf of the fund money from gifts, grants, bequests, loans and donations in addition to money appropriated or allocated by the State. Money received by the authority on behalf of the fund must be used for the purposes of this subchapter. The fund must be maintained and administered by the authority. Any unexpended balance in the fund carries forward for continued use under this subchapter. [2005, c. 417, §1 (NEW) .]

B. Costs and expenses of maintaining, servicing and administering the fund and of administering the nursing education loan repayment program may be paid out of amounts in the fund. [2005, c. 417, §1 (NEW) .]

[ 2005, c. 417, §1 (NEW) .]

**4. Administration.** The nursing education loan repayment program and the nursing education loan repayment fund are administered by the authority. The authority shall repay the loan of an applicant who meets the criteria in subsection 2 in the amount of up to \$4,500 for a master's degree and up to \$6,000 for a doctoral degree. The authority may adopt rules to carry out the purposes of this subchapter. Rules adopted pursuant to this subsection are major substantive rules pursuant to Title 5, chapter 375, subchapter 2-A.

[ 2005, c. 417, §1 (NEW) .]

**SECTION HISTORY**

2005, c. 417, §1 (NEW) .

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**APPENDIX D**

**Letter to the Finance Authority of Maine regarding funding for the  
Nursing Education Loan Repayment Program**

Sen. Brian D. Langley, Chair  
Sen. Dana Dow  
Sen. Nathan L. Libby  
Sen. Eloise A. Vitelli  
Dana F. Connors  
William Grant  
Derek Langhauser  
Judith West



Rep. Erin D. Herbig, Chair  
Rep. Matthea E.L. Daughtry  
Rep. Robert A. Foley  
Rep. Stephanie Hawke  
Jennifer McKenna  
Erik Meyer  
James H. Page  
A. Clayton Spencer

Staff:  
Henry Fouts, Esq.  
Phillip McCarthy, Ed.D.

STATE OF MAINE  
ONE HUNDRED AND TWENTY-EIGHTH LEGISLATURE

TASK FORCE ON MAINE'S 21<sup>ST</sup> CENTURY ECONOMY AND WORKFORCE

December 14, 2017

Bruce Wagner  
Chief Executive Officer  
Finance Authority of Maine  
5 Community Drive  
Augusta ME 04330

Dear Mr. Wagner:

The Task Force on Maine's 21<sup>st</sup> Century Economy and Workforce will soon release its final report, including a number of recommendations intended to bolster the State's education and workforce training, particularly in the healthcare sector. One of the Task Force's recommendations to the Legislature is to provide funding for the Nursing Education Loan Repayment Program, created in 10 MRSA §1019, in order to increase the number of nursing faculty in nursing education programs in the state and address Maine's critical nursing faculty shortage. To help facilitate this request and to assist the policy committee of the Legislature best suited to act upon this recommendation, and in recognition of the challenges associated with identifying new General Fund appropriations in the current political and fiscal climate, the Task Force respectfully requests that the Finance Authority of Maine submit any ideas it may have for alternative sources of funding for the Nursing Education Loan Repayment Program to the Joint Standing Committee on Labor, Commerce, Research and Economic Development by January 15, 2018.

We thank you for your prior assistance with the Task Force's work, and we thank you in advance for any assistance you may be able to lend regarding this request.

Sincerely,

Handwritten signature of Brian D. Langley.

Sen. Brian D. Langley  
Senate Chair

Handwritten signature of Erin D. Herbig.

Rep. Erin D. Herbig  
House Chair

**APPENDIX E**

**Competitive Skills Scholarship Program, 26 MRSA §2033**

**Maine Revised Statutes**  
**Title 26: LABOR AND INDUSTRY**  
**Chapter 25: WORKFORCE INVESTMENT**

**§2033. COMPETITIVE SKILLS SCHOLARSHIP PROGRAM**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Department" means the Department of Labor. [2007, c. 352, Pt. A, §3 (NEW) .]

B. "Fund" means the Competitive Skills Scholarship Fund established in accordance with section 1166. Money in the fund may be used to pay for the operation, services and assistance provided through the Competitive Skills Scholarship Program as well as certain costs associated with the administration of the program. [2007, c. 352, Pt. A, §3 (NEW) .]

C. "Participant" means an eligible individual enrolled in the program. [2007, c. 352, Pt. A, §3 (NEW) .]

D. "Plan" means the individual career plan that must be provided to each eligible participant in accordance with subsection 8. [2007, c. 352, Pt. A, §3 (NEW) .]

E. "Program" means the Competitive Skills Scholarship Program established in subsection 2. [2007, c. 352, Pt. A, §3 (NEW) .]

[ 2007, c. 352, Pt. A, §3 (NEW) .]

**2. Program established.** The department shall establish and administer an employment training program known as the Competitive Skills Scholarship Program. The purpose of the program is to provide individuals with access to education, training and support leading to skilled, well-compensated jobs with anticipated high employment demand, to improve the economic well-being of the participants in the program and to provide employers with a skilled labor force in accordance with the provisions of this section.

The commissioner may expend funds through the department's career centers from the fund for the costs of education, training and support in accordance with subsection 6, for career counseling and for the administration of the program. Career counseling must include developing a plan and assisting a participant in accessing the support necessary for the participant to participate in the plan. The commissioner shall establish a limit on or a formula that limits the proportion of program funds that are expended on career counseling and for administration.

[ 2015, c. 402, §1 (AMD) .]

**3. Notice.** The department shall provide notice, including individual written notice, signs and other effective outreach methods, to inform people of the program and the education, training and support available from or through the program to individuals seeking work, education or training in the department's career centers.

[ 2007, c. 352, Pt. A, §3 (NEW) .]

**4. Criteria for education and training approved under the program.** Education or training for a participant must meet the criteria set out in this subsection.

A. The education or training provided through the program must be for employment in industries with significant demand for skilled labor that have been:

- (1) Identified by the Center for Workforce Research and Information as providing opportunity for employment in jobs with high compensation;
- (2) Recommended by the State Workforce Board; and
- (3) Approved by the Governor or the Governor's designee. [2017, c. 110, §22 (AMD) .]

B. Education or training approved under this section must result in a postsecondary certificate, degree or similar credential that is universally recognized and accepted by the trade or industry in which the participant intends to seek employment and that is likely to provide opportunity for employment in jobs that will provide substantial improvement in the participant's earnings and benefits. [2007, c. 352, Pt. A, §3 (NEW) .]

[ 2017, c. 110, §22 (AMD) .]

**5. Eligibility criteria.** Within the limits of available program resources, enrollment in the program must be granted if the individual applying for enrollment:

- A. Is at least 18 years old; [2007, c. 352, Pt. A, §3 (NEW) .]
- B. Does not have a marketable postsecondary degree; [2007, c. 352, Pt. A, §3 (NEW) .]
- C. Has income less than 200% of the federal poverty level for the family size involved; [2007, c. 352, Pt. A, §3 (NEW) .]
- D. Is applying for education or training for a job in an industry approved under subsection 4; and [2007, c. 352, Pt. A, §3 (NEW) .]
- E. Has the aptitude to undertake and complete education or training as determined by the institution providing the education or training. [2007, c. 352, Pt. A, §3 (NEW) .]

[ 2007, c. 352, Pt. A, §3 (NEW) .]

**5-A. (TEXT EFFECTIVE UNTIL 1/1/20) (TEXT REPEALED 1/1/20) Secondary student eligibility.** Notwithstanding subsection 5, paragraph A, before January 1, 2020, a full-time student at a public secondary school enrolled in a career and technical education program at a career and technical education center or a career and technical education region may be granted enrollment in the program if the student applies for enrollment and meets the requirements of subsection 5, paragraphs B, C, D and E. For the purpose of determining eligibility under subsection 5, paragraph C, "income" includes the income of the student's family as defined by department rule.

The commissioner may not expend, on an annualized basis, more than 15% of the annual revenue to the fund for tuition, other allowable costs and administration and case management for students enrolled in the program under this subsection and the costs for any of these students who continue to participate in the program after attaining 18 years of age.

This subsection is repealed January 1, 2020.

[ 2015, c. 257, §1 (NEW) .]

**6. Provision of education, training and support.** Payment for education, training and support included in a participant's plan must be furnished promptly to, or on behalf of, a participant.

A. The program must provide to a participant, in accordance with rules adopted by the department, when education, training and support are not reasonably available from another recognized program and are necessary to carry out that participant's plan:

- (1) Books, supplies, tools and equipment required by the participant's plan;
- (2) Child care, transportation and other necessary support as determined by the department; and

(3) Assistance needed to obtain remedial or prerequisite education necessary for the participant to participate successfully in the program.

Money for mandatory fees or tuition may not be provided unless the participant is not eligible for necessary funds from other public grants or scholarships reasonably available to the participant for this purpose. [2007, c. 352, Pt. A, §3 (NEW).]

B. The department shall establish by rule a maximum limit on the amount of assistance available to participants. This limit may be waived by the commissioner if the commissioner determines it is necessary, prudent and consistent with the goals of the program under the circumstances. [2007, c. 352, Pt. A, §3 (NEW).]

[ 2007, c. 352, Pt. A, §3 (NEW) .]

**7. Application; decision; appeal.** An individual must be given the opportunity to make a written application for education, training and support available from the program and be given a prompt written decision from the department specifically indicating the type and amount of services approved or denied. Any decision related to eligibility for, or the provision of, services under this section must provide notice that the decision may be appealed by the individual through a request for a hearing within 30 days of receipt of the decision in accordance with rules adopted by the department and consistent with Title 5, chapter 375, subchapter 4. The 30-day appeal period may be extended up to 15 additional days if the claimant can show good cause for failing to appeal within the initial 30-day period.

[ 2007, c. 352, Pt. A, §3 (NEW) .]

**8. Individual career plan.** This subsection governs the development of a plan for a participant.

A. When an individual's application for the program is approved, an individual career plan must be developed by the program with the eligible individual consistent with the provisions of this section and must reflect, to the maximum extent feasible, the preferences of the participant, within the confines of the goals associated with this subchapter. A plan may be modified when necessary to assist a participant to participate successfully in the program. The plan must include the education or training program approved, the degree or credential expected at program completion and the services and support to be provided under the plan. [2007, c. 352, Pt. A, §3 (NEW).]

B. Prior to the establishment of a plan, a participant must be given:

- (1) A description of the program, including a list of services and supports available through the program and nontraditional employment opportunities, so that the participant may identify a suitable employment goal and the services needed to participate in the program;
- (2) The opportunity to learn about and examine relevant labor market information related to identified industries and the participant's employment preference;
- (3) If the participant's employment goal is an occupation for which an apprenticeship may be available, information about the department's apprenticeship program under chapter 33; and
- (4) Information about and assistance in applying for other services that will assist the participant in succeeding in the plan and prevent any unnecessary expenditure of resources by the program, including federal financial aid provided under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28; the state and federal earned income tax credit; health care resources; unemployment compensation; dislocated worker benefits; trade adjustment assistance; and other services available from other departments of State Government including the Department of Health and Human Services. [2007, c. 352, Pt. A, §3 (NEW).]

[ 2007, c. 352, Pt. A, §3 (NEW) .]

**9. Rules.** The commissioner shall adopt rules to implement the program in a manner that maximizes successful education and training opportunities for participants and to provide for its fair and efficient administration in accordance with this section. Rules adopted under this subsection are routine technical rules and must be adopted in accordance with Title 5, chapter 375, subchapter 2-A.

[ 2007, c. 352, Pt. A, §3 (NEW) .]

**10. Monitoring, evaluation and annual report.** The department shall implement a comprehensive evaluation strategy that evaluates the fund, using both quantitative and qualitative data and including an analysis of the return on investment in the fund. The evaluation must consider, at a minimum, the following factors: the value of total compensation, including, but not limited to, health insurance and other benefits to those participating in training; the impact of the program on the Unemployment Compensation Fund; the impact on productivity and performance for employers; and the impact on meeting the demand for skilled workers in industries in this State. The evaluation must measure the impact of the program over time, including a longitudinal analysis that captures productivity and other outcomes related to the program. The department must submit a report to the joint standing committee of the Legislature having jurisdiction over labor matters by February 1st of each year on the status of the program and on the evaluation data collected and analyzed. The report also must include the formula or limit established by the commissioner pursuant to subsection 2 to limit the proportion of program funds expended on career counseling and administration and the amount of funds expended for these purposes.

[ 2015, c. 402, §2 (AMD) .]

**11. Enrollment of eligible supplemental nutrition assistance program participants.** The department shall enroll, to the maximum extent possible and when appropriate, participants in the federal supplemental nutrition assistance program administered by the State pursuant to Title 22, section 3104 who meet the eligibility criteria specified in subsection 5 and who are referred to the program pursuant to a memorandum of agreement entered into by the State with the Department of Health and Human Services as part of the individual's self-sufficiency plan under the federal supplemental nutrition assistance program administered by the State pursuant to Title 22, section 3104. Federal funds may not be used to supplant state funds used to provide education, training and support under this section to program participants enrolled pursuant to this subsection.

[ 2013, c. 422, §2 (NEW) .]

#### SECTION HISTORY

2007, c. 352, Pt. A, §3 (NEW). 2007, c. 506, §2 (AMD). 2011, c. 627, §4 (AMD). 2013, c. 422, §§1, 2 (AMD). 2013, c. 502, Pt. O, §1 (AMD). 2015, c. 257, §1 (AMD). 2015, c. 402, §§1, 2 (AMD). 2017, c. 110, §22 (AMD) .

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**APPENDIX F**

**Competitive Skills Scholarship Fund, 26 MRSA §1166**

**Maine Revised Statutes**  
**Title 26: LABOR AND INDUSTRY**  
**Chapter 13: UNEMPLOYMENT COMPENSATION**

**§1166. COMPETITIVE SKILLS SCHOLARSHIP FUND**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Competitive Skills Scholarship Fund contributions" means the money payments required by this section to be made into the Competitive Skills Scholarship Fund by an employer as a percentage of the employer's taxable payroll based on the Competitive Skills Scholarship Fund predetermined yield in effect for that Competitive Skills Scholarship Fund rate year. [2007, c. 352, Pt. A, §1 (NEW) .]
- B. "Competitive Skills Scholarship Fund planned yield" means the percentage of wages, as defined in section 1043, subsection 19, equal to .02% of the total wages for each contributing employer subject to this chapter. [2007, c. 506, §1 (AMD) .]
- C. "Competitive Skills Scholarship Fund predetermined yield" means the amount determined by multiplying the ratio of total wages to taxable wages, as defined by section 1221, subsection 6, paragraph L, by the Competitive Skills Scholarship Fund planned yield. The Competitive Skills Scholarship Fund predetermined yield is rounded to the nearest .01%. [2007, c. 352, Pt. A, §1 (NEW) .]
- D. "Competitive Skills Scholarship Fund rate year" has the same meaning as "rate year" under section 1221, subsection 6, paragraph F. [2007, c. 352, Pt. A, §1 (NEW) .]

[ 2007, c. 506, §1 (AMD) .]

**2. Established.** The Competitive Skills Scholarship Fund, referred to in this section as "the fund," is established as a special fund in the State Treasury. All receipts, including interest, fines and penalties collected from Competitive Skills Scholarship Fund contributions, must be paid into the fund. Income from investment of the fund must be deposited to the credit of the fund. All money in the fund must be deposited, administered and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds.

The money in the fund must be administered by the commissioner exclusively for the purposes of chapter 25, subchapter 5 and for the costs of administering the fund.

[ 2007, c. 352, Pt. A, §1 (NEW) .]

**3. Unencumbered balances.**

[ 2017, c. 284, Pt. BBBB, §1 (RP) .]

**4. No supplantation.** Allocations from the fund must be used to supplement, not supplant, federal or state funds received by the Department of Labor, by a local board or by organizations that deliver workforce investment services through the career center provided by the department.

[ 2007, c. 352, Pt. A, §1 (NEW) .]

**5. Employers liable for Competitive Skills Scholarship Fund contribution.** Each employer, as defined in section 1043, subsection 9, other than an employer liable for a payment in lieu of a contribution, shall pay a Competitive Skills Scholarship Fund contribution.

Beginning January 1, 2008, Competitive Skills Scholarship Fund contributions are payable in the same manner as described under section 1221, subsection 1 and in accordance with section 1221, subsection 4-A.

[ 2007, c. 352, Pt. A, §1 (NEW) .]

**6. Receipts.** All receipts collected from Competitive Skills Scholarship Fund contributions, including interest, fines and penalties on contributions not paid when due, must be paid into the fund.

[ 2007, c. 352, Pt. A, §1 (NEW) .]

**7. Experience rating records.** Competitive Skills Scholarship Fund contributions may not be credited to an employer's experience rating record as described in section 1221, subsection 3.

[ 2007, c. 352, Pt. A, §1 (NEW) .]

**8. Relationship to unemployment insurance contributions.** Competitive Skills Scholarship Fund contributions may not be considered as part of the employer's unemployment insurance contribution rate pursuant to section 1221. Unemployment insurance contributions for all employers subject to the contribution provisions of this chapter must be reduced by a percentage equal to the total Competitive Skills Scholarship Fund contribution assessment as in section 1221, subsection 4-A. Exceptions pertaining to new employer rates and contribution rate category 20 are described in section 1221, subsection 4-A, paragraphs A and B.

[ 2007, c. 352, Pt. A, §1 (NEW) .]

**9. Other provisions of this chapter.** All provisions of this chapter and rules adopted under this chapter regarding payments, time limits, dates of payment, reports, interest and penalties on amounts not paid by employers when due, fines, liens and warrants that apply to the collection of contributions also apply to the collection of Competitive Skills Scholarship Fund contributions.

[ 2007, c. 352, Pt. A, §1 (NEW) .]

#### SECTION HISTORY

2007, c. 352, Pt. A, §1 (NEW). 2007, c. 506, §1 (AMD). 2017, c. 284, Pt. BBBBB, §1 (AMD).

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**APPENDIX G**

**Competitive Skills Scholarship Fund balances**

Competitive Skills Scholarship Fund  
077-12A-0852-01

	Beginning Cash <u>Balance</u>	Actual <u>Receipts &amp; Transfer</u> <sup>2</sup>	Actual <u>Expenditures</u>	Unobligated <u>(Cash Bal)</u>
2008	\$ -	\$ 1,317,183	\$ 197,627	\$ 1,119,556
2009	\$ 1,119,556	\$ 2,777,025	\$ 2,293,609	\$ 1,602,972
2010	\$ 1,602,972	\$ 2,748,627	\$ 2,318,412	\$ 2,033,188
2011	\$ 2,033,188	\$ 3,180,121	\$ 2,123,933	\$ 3,089,376
2012	\$ 3,089,376	\$ 3,286,015	\$ 2,170,554	\$ 4,204,837
2013	\$ 4,204,837	\$ 3,293,714	\$ 2,447,567	\$ 5,050,985
2014	\$ 5,050,985	\$ (111,668)	\$ 1,708,833	\$ 3,230,483
2015	\$ 3,230,483	\$ 3,336,236	\$ 2,264,310	\$ 4,302,409
2016	\$ 4,302,409	\$ 3,491,726	\$ 3,366,462	\$ 4,427,673
2017	\$ 4,427,673	\$ 3,592,470	\$ 3,337,735	\$ 4,682,408
2018	\$ 4,682,408	\$ 1,274,616	\$ 1,645,999	\$ 4,311,026

Notes: <sup>1</sup> Public Law 2013, c. 368, Part QQQ requires the State Controller to transfer \$2.5 million from the CSSP Fund to the General Fund no later than June 30, 2014. PL 2013, c. 502, Part O increases that amount to \$3.45 million

<sup>2</sup> The Competitive Skills Scholarship Fund is funded through a percentage of an employer's taxable payroll based on the Competitive Skills Scholarship fund predetermined yield in effect for that Competitive Skills Scholarship

**APPENDIX H**

**Letter to Governor Paul LePage requesting information from the Department of Labor  
regarding the Maine Apprenticeship Program and the healthcare sector**

Sen. Brian D. Langley, Chair  
Sen. Dana Dow  
Sen. Nathan L. Libby  
Sen. Eloise A. Vitelli  
Dana F. Connors  
William Grant  
Derek Langhauser  
Judith West



Rep. Erin D. Herbig, Chair  
Rep. Mathea E.L. Daughtry  
Rep. Robert A. Foley  
Rep. Stephanie Hawke  
Jennifer McKenna  
Erik Meyer  
James H. Page  
A. Clayton Spencer

Staff:  
Henry Fouts, Esq.  
Phillip McCarthy, Ed.D.

STATE OF MAINE  
ONE HUNDRED AND TWENTY-EIGHTH LEGISLATURE  
TASK FORCE ON MAINE'S 21<sup>st</sup> CENTURY ECONOMY AND WORKFORCE

December 14, 2017

The Honorable Paul R. LePage  
State of Maine Governor  
1 State House Station  
Augusta, Maine 04333-0001

Dear Governor LePage:

In your letter dated September 14<sup>th</sup>, in response to the Task Force on Maine's 21<sup>st</sup> Century Economy and Workforce request for a presentation from Department of Labor employee Joan Dolan regarding the Maine Apprenticeship Program, you offered for the Department of Labor to offer additional information to specific questions the Task Force may have.

During the course of its formulation of final recommendations, the Task Force decided that further information would indeed be of value, to assist the Joint Standing Committee on Labor, Commerce, Research and Economic Development as it may determine whether legislation regarding the Maine Apprenticeship Program may be needed at this time to accelerate workforce development in the healthcare sector.

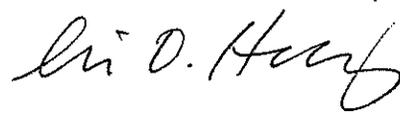
**To this end, the Task Force requests additional information from the Maine Department of Labor regarding: (1) how the Maine Apprenticeship Program is currently working to augment the supply of workers into the healthcare sector; and (2) how the Maine Apprenticeship Program may be better used to enhance workforce training for the healthcare sector, including any recommended statutory changes or funding requests.**

As the Task Force is set to expire under its current authority, the Task Force requests that the Department of Labor provide this information to the Joint Standing Committee on Labor, Commerce, Research and Economic Development, by February 1, 2018. We thank you in advance for your Administration's assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Brian D. Langley".

Sen. Brian D. Langley  
Senate Chair

A handwritten signature in cursive script, appearing to read "Erin D. Herbig".

Rep. Erin D. Herbig  
House Chair

**APPENDIX I**

**Correspondence between Governor Paul LePage and the U.S. Department of Labor  
regarding workforce investment funding under the federal Workforce  
Innovation and Opportunity Act (WIOA)**



STATE OF MAINE  
OFFICE OF THE GOVERNOR  
1 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0001

Paul R. LaPage  
GOVERNOR

July 11, 2017

The Honorable R. Alexander Acosta, Secretary of Labor  
U.S. Department Of Labor  
200 Constitution Ave. NW  
Washington DC 20210

Dear Secretary Acosta,

I am writing to request that, for the purposes of the Workforce Innovation & Opportunity Act program, Maine be granted single State local area designation.

The current configuration of Maine's workforce development system was established in 1998 under the Workforce Investment Act. With no experience administering or delivering this new program, Maine made decisions about local areas and boards that seemed correct at the time. In hindsight, we now realize we should have chosen differently and been designated as a single State local area, like the other states of similar population size.

Because the federal funding formula requires we allocate the funds by population, we hurt our ability to target investment in the rural areas that need help the most and have the least access to more diverse education and training programs as well as a strong technology infrastructure. There is currently a geographic mismatch: industries in decline are disproportionately in rural regions while industries that are growing are disproportionately in cities.

Adjusting the footprint of Maine's workforce development system to a single State local area will allow more funding to be utilized for skills training for citizens, versus being used for program administration by multiple pass-thru organizations.

Flexibility is needed to respond to our economic and workforce changes. The Workforce Innovation and Opportunity Act's grandfathering of antiquated structure has made it exceptionally difficult to respond to the specific needs of our state.



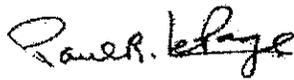
PRINTED ON RECYCLED PAPER

Upon approval of this request we will work to establish local volunteer workforce Boards around the state to provide local information and input regarding workforce needs in the area.

We are excited about the possibilities for a revitalized workforce development system given the flexibility to organize in a way that is most effective and efficient for Maine today, and not held hostage by decisions that were made almost twenty years ago. We will cut layers of administration and put more money where it matters, giving our citizens the skills they need to compete.

If you have any questions or would like to discuss this further, please contact me or my Commissioner of Labor, John Butera, at (207) 621-5095. We appreciate your consideration of this request and look forward to a positive response.

Sincerely,

A handwritten signature in cursive script that reads "Paul R. LePage".

Paul R. LePage  
Governor

Cc: Vice President Michael Pence  
John Butera, Commissioner of Labor



The Honorable Paul LePage  
Governor of Maine  
1 State House Station  
Augusta, Maine 04333

Dear Governor LePage:

Thank you for your July 11, 2017 (copy enclosed) letter in which you requested to merge Maine's existing local workforce development areas into a single-local area encompassing the entire State. This letter constitutes the Employment and Training Administration's (ETA) response to your request.

ETA recognizes Maine's outreach to rural areas of the State as well as the challenges associated with serving rural communities. Unfortunately, we are unable to approve your request. WIOA Sec. 189(i)(3)(A)(i) explicitly prohibits the Secretary from waiving any statutory or regulatory requirements relating to the establishment and function of local areas and/or the allocation of funds to local areas. Additionally, 20 CFR 679.270(a) provides that only "[the] Governor of any State that was a single-State local area under the WIA as in effect on July 1, 2013 may designate the State as a single-State local area under WIOA." There are currently no statutory or regulatory procedures for a State with multiple local workforce development areas to become a single-area State.

If you have additional questions, please contact Holly O'Brien, Regional Administrator, at (617) 788-0170 or [OBrien.Holly@dol.gov](mailto:OBrien.Holly@dol.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Byron Zuidema".

Byron Zuidema  
Deputy Assistant Secretary

Enclosure

cc:

John Butera, Commissioner, Maine Department of Labor  
Holly O'Brien, Regional Administrator, ETA Boston Regional Office  
Jeremy Dondlinger, Federal Project Officer, ETA Boston Regional Office

839907



STATE OF MAINE  
OFFICE OF THE GOVERNOR  
1 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0001

September 7, 2017

The Honorable R. Alexander Acosta, Secretary of Labor  
U.S. Department of Labor  
200 Constitution Ave. NW  
Washington, DC 20210

RECEIVED  
2017 SEP -8 AM 8:03  
DIRECTOR SECRETARIAT  
DEPT. OF LABOR  
WASH. D.C. 20210

Dear Secretary Acosta,

I am in receipt of your Department's response to my July 11th letter requesting that Maine be granted a single State local area designation, as it pertains to the Workforce Innovation and Opportunity Act (WIOA). I am very disappointed that USDOL is unable to approve my request. The current system is fraught with redundancies and waste, and I have tried for nearly 7 years to reduce overhead and administrative costs so that more funds can go directly to the constituents we are trying to put back to work. I will not continue to participate in a system that wastes money.

This letter will serve to notify you that Maine is no longer participating in the WIOA Title IB program. We ask that no more of these funds be sent to the Maine Department of Labor. If you have any questions, please contact my Commissioner of Labor, John Butera at (207) 621-5095.

Sincerely,

Paul R. LePage  
Governor

Cc: Vice President Michael Pence  
John Butera, Commissioner, Maine Department of Labor  
Ondray Harris, Senior Advisor, US Department of Labor  
Byron Zuidema, Deputy Assistant Secretary, USDOL  
Holly O'Brien, Regional Administrator, ETA Boston Regional Office



**SECRETARY OF LABOR**  
**WASHINGTON, D.C. 20210**

SEP 20 2017

The Honorable Paul LePage  
Governor of Maine  
1 State House Station  
Augusta, ME 04333

Dear Governor LePage:

I received your letter dated September 7, 2017 (copy enclosed), in which you indicated that Maine no longer wishes to receive Workforce Innovation and Opportunity Act (WIOA) Title IB funding. Before I address the specifics of your letter, I want to point out that the Administration supports flexibility for governors.

The Department answered your direct question regarding waiver ability in a letter dated August 30, 2017; however, I wish to supplement that response with options that may be of further assistance to you in your pursuit of additional flexibility. My goal is to work with our partners in the states to maximize the effectiveness and efficiency of the Federal dollars delivered to states. Accordingly, the Department has identified two vehicles that could lead to greater flexibility.

One possibility is a reclassification within your state. As conveyed in the Department's letter, we do not currently have legal authority to approve Maine's request to eliminate the existing local workforce development area structure and allow Maine to become a single-area State. However, WIOA and its regulations do provide procedures for redesignation of local areas which you can carry out with the approval of local area officials.

Redesignation could include some consolidation of the existing areas (a minimum of two), or conversely, the expansion of the number of local areas. WIOA Section 106(b) and 20 CFR 679.230-240 outline the procedural and substantive requirements for designation of local areas that were not designated as such under the Workforce Investment Act of 1988. In short, under federal law, the State must consult with State and Local Boards and provide the opportunity for public comment, and proposed workforce areas must align with local labor and economic markets and have appropriate Federal and non-Federal resources to adequately deliver WIOA services. This course of action can be initiated and executed within the state of Maine and would move you closer to your stated goal, utilizing a local solution.

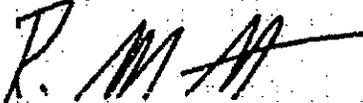
Another vehicle is congressional action. The Department of Labor has proposed additional flexibility in its Fiscal Year 2018 Budget relating to the designation of local areas. Should Congress pass legislation signed by the President with new legal authority, we could certainly revisit this matter. I offer to meet together with you and Maine's congressional delegation to discuss this potential. The Department stands ready to provide appropriate technical assistance to members of Congress, as well.

Exploring these options would help create an environment that would allow the Department of Labor to continue its support of Maine and the work done to serve upwards of 50,000 individuals through the WIOA adult, dislocated worker, and youth programs. These resources support Maine's development of a trained workforce, assisting job seekers with finding job openings, upgrading skills, earning industry-recognized credentials, and gaining access to family-sustaining employment. These funds also help employers to better access the skilled workers they need to remain competitive.

In addition, the WIOA Title I funding, along with funding from Wagner-Peyser and multiple other workforce system partners, supports the infrastructure that sustains the current American Job Centers (AJCs) and thus, the provision of workforce training and employment services to job seekers and employers. Without the Title I funding, the AJCs will face reduced ability to pay for physical space and other critical items, such as equipment. Depending on the infrastructure agreements in local workforce development areas, some AJCs may have to close.

If you should decide Maine would no longer like to participate in the WIOA Title I Subtitle B programs, Byron Zuidema, Deputy Assistant Secretary for Employment and Training, can deliver the details on that course of action. However, we hope to continue to work with you to ensure that Maine's workforce services meet employer and job seeker needs.

Sincerely,



R. ALEXANDER ACOSTA

Enclosure

cc:

Byron Zuidema, Deputy Assistant Secretary, Employment and Training Administration  
John Butera, Commissioner, Maine Department of Labor  
Holly O'Brien, Regional Administrator, ETA Boston Regional Office  
Jeremy Dondlinger, Federal Project Officer, ETA Boston Regional Office

**APPENDIX J**

**Letter to Commissioner of Labor John Butera regarding acceptance of  
available workforce investment funding under the federal Workforce  
Innovation and Opportunity Act (WIOA)**

Sen. Brian D. Langley, Chair  
Sen. Dana Dow  
Sen. Nathan L. Libby  
Sen. Eloise A. Vitelli  
Dana F. Connors  
William Grant  
Derek Langhauser  
Judith West



Rep. Erin D. Herbig, Chair  
Rep. Matthea E.L. Daughtry  
Rep. Robert A. Foley  
Rep. Stephanie Hawke  
Jennifer McKenna  
Erik Meyer  
James H. Page  
A. Clayton Spencer

Staff:  
Henry Fouts, Esq.  
Phillip McCarthy, Ed. D.

STATE OF MAINE  
ONE HUNDRED AND TWENTY-EIGHTH LEGISLATURE

TASK FORCE ON MAINE'S 21<sup>st</sup> CENTURY ECONOMY AND WORKFORCE

November 6, 2017

John Butera  
Commissioner of Labor  
Maine Department of Labor  
54 State House Station  
Augusta, Maine 04333

Dear Commissioner Butera,

We are writing as the legislative members of the Task Force on Maine's 21<sup>st</sup> Century Economy and Workforce, a group of which you are also an invited member, to urge the prompt acceptance of federal funds available to the State through Title I of the Workforce Innovation and Opportunity Act (WIOA) and the dispersal of those funds to the local workforce boards so that these funds may continue to be invested in the critically important work of training Maine's workforce.

We have become increasingly aware of the immediate and long-term workforce challenges facing the State's employers, and that, unabated, these workforce challenges will accelerate the disturbing trend of the out-migration of job opportunities from existing businesses within the State and will deter the location of new businesses into the State. In its November report, the Maine Consensus Economic Forecasting Commission has recently echoed similar concerns about Maine's looming issues of workforce availability given current demographic trends.

To put into perspective the importance of these workforce training funds to our residents and the State as a whole, we would like to share a snapshot of the individuals using WIOA, Title I funded programs in the Aroostook County Action Program's Presque Isle office:

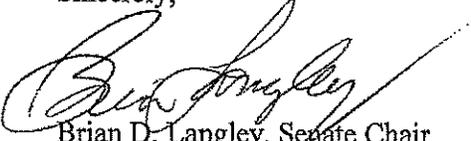
- 92 percent are dependent on public benefits
- 23 percent are unemployed; 16 percent have been unemployed for six months or more
- 65 percent have no education beyond high school
- 33 percent are parenting alone

- 13 percent read or compute below the 8th-grade level
- 15 percent have at least one disability
- 6 percent are ex-offenders
- 3 percent have exhausted Temporary Assistance for Needy Families (TANF) benefit eligibility

Again, we strongly encourage you to accept and distribute this WIOA, Title I funding that is so critical to the development of Maine's workforce and the continued vitality of our economy as soon as possible in order to mitigate the deleterious effects of delay to our residents and businesses that need this training. We thank you in advance for your attention to this important matter.

Thank you.

Sincerely,



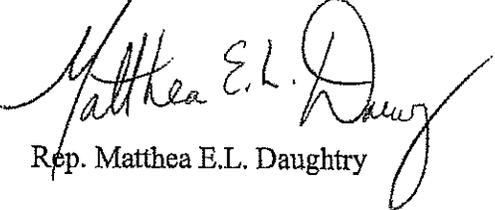
Brian D. Langley, Senate Chair



Erin D. Herbig, House Chair



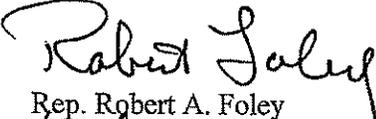
Sen. Dana Dow



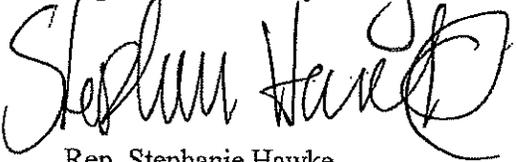
Rep. Matthea E.L. Daughtry



Sen. Nate Libby



Rep. Robert A. Foley



Rep. Stephanie Hawke



Sen. Eloise Vitelli

cc: Governor Paul R. LePage  
Madeline Malisa, Deputy Counsel and Senior Policy Advisor, Office of the Governor