

Maine Department of Labor
Briefing Before the Joint Standing Committee on Labor and Housing
The Maine Jobs & Recovery Plan and the Governor’s Change Package to LD 221
May 17, 2021

Keeping in mind the Administration’s strong priorities – education, public health, our local communities, climate, our economy and making good on the promises of state government – we have, over the last two weeks or so, carefully crafted three proposals, which, together, chart a path for robust and widespread economic recovery and growth:

First, the Governor unveiled her Maine Jobs & Recovery Plan, this Administration’s proposal to invest more than \$1 billion in discretionary Federal relief funds allocated to Maine under the American Rescue Plan Act, meant to make historic investments in unaddressed needs and longstanding challenges to achieve three goals: 1) immediate economic recovery from the pandemic; 2) long-term economic growth for Maine; and 3) infrastructure revitalization. The plan draws heavily on recommendations from the [Governor’s Economic Recovery Committee](#) and the [State’s 10-Year Economic Development Strategy](#), transforming these plans into real action to improve the lives of our people and to strengthen the economy. A summary of these investments is attached. We look forward to collaboration with the Legislature as we further refine the specifics of these initiatives to meet these goals.

We also presented a [bond proposal](#) aimed at rebuilding Maine’s transportation system and conserving lands and waters. The proposal dedicates \$100 million to maintain and upgrade Maine’s transportation system through the Maine Department of Transportation and also dedicates \$40 million over four years to conserve lands and waters for Maine people through the Land for Maine’s Future Program.

And, most recently, Governor Mills unveiled the “Part 2” budget for the FY22-23 biennium, thanks to Maine’s good financial position reflecting fiscally responsible moves by the Governor and legislature, a proposal that makes a historic investment in Maine public schools and meets the State’s obligation to pay 55 percent of the cost of K-12 education for the first time in Maine’s history. The proposal includes a host of additional bipartisan priorities, such as initiatives to improve the health of Maine people; relief for Maine people most adversely impacted by the pandemic or overburdened by rising property taxes; enhanced revenue sharing with municipalities;

PFAS remediation; and infrastructure upgrades; and adds money to the Budget Stabilization Fund. The proposal, which is balanced and does not raise taxes, also leaves approximately \$23 million in funding on the table for use at lawmakers' discretion.

I will now go into more details of the above that relate to the Department of Labor. In the Maine Jobs and Recovery Plan, the Department will contribute to the first two goals; investing in the immediate economic recovery and in long-term economic growth.

Minimizing tax increases has been an important part of the state's economic recovery. \$294 million in Coronavirus Relief Funds were transferred into the unemployment trust fund to minimize the tax increase in 2021. This year, Governor Mills plans to transfer \$80 million into the trust fund to minimize any tax increase that would happen in calendar year 2022. Without these funds, the current projection for 2022 would increase unemployment taxes by an estimated 60%.

Long-term economic growth will require investment in research and development, skills training, and new worker attraction. Investments will be made to grow the health care and clean energy workforce. The Department will lead the initiative to connect workers to job opportunities and will partner with other agencies and with higher education to increase the skills of Maine workers.

The Maine Jobs and Recovery Plan combined with the Part 2 budget change package provide an unparalleled investment in Maine's workforce. I am delighted that the change package to LD 221 includes a General Fund investment in the Department's CareerCenters that hasn't been seen in twenty years.

As you know, our CareerCenter staff work with people to develop an individualized employment plan. These plans match people's skills and interests with jobs and industries in their area. These plans also identify resources to help people who are struggling with barriers that prevent them from participating in the workforce.

To help meet the increased demand for employment assistance, the Department is adding 16 limited-period CareerCenter Consultant positions. These positions will be funded by the General Fund through June 2023. The initiative increases the Personal Services line by \$1.2 million in each fiscal year. The All Other line is increased by \$9,189 for technology and for the increased share of facilities costs. Unfortunately, this All Other

amount reflects the cost for only one position. The All Other portion should have totaled \$147,024.

LD 221 also contains other investments in Maine's workforce and completes the staffing changes needed for the Bureau of Unemployment Compensation. The Department's initiatives are on pages 153-160.

Within the Workforce Research program, two initiatives reverse earlier General Fund reductions. In addition, a third initiative shifts the funding of a senior research analyst to the General Fund. This position has been vacant because of the decline in federal funding. Increasing the General Fund appropriation for the Center for Workforce Research and Information will ensure that the Department can expand analysis specific to Maine's workforce. These initiatives are on pages 159-160.

Within the Regulation and Enforcement program, the Department is increasing its labor law enforcement capacity. Investigations and enforcement help to ensure that workers are paid appropriately for the time that they work, and to ensure that businesses compete on a level playing field. The initiative adds three Labor & Safety Inspectors and one Fraud Investigator. In addition, funding is included for additional staff support from the Office of the Attorney General. This initiative is on page 158.

For the Bureau of Unemployment Compensation, there are four initiatives. One corrects the headcount and allocation for six positions. Another removes the allocation for a position reclassification that was funded internally. The third adjusts the allocation for positions that were continued in the Part 1 budget but that were reclassified to a lower level classification. The final initiative continues three positions filled through June 2023. Each of these changes impacts the Federal fund only.

Moving back to page 157, the final initiative covers the Permanent Commission on Racial, Indigenous and Maine Tribal Populations. While the Commission is not a part of the Department, its budget has been included with the Department's. The initiative invests in the Commission's work to promote, implement, and coordinate programs that improve opportunities, and eliminate disparities for historically disadvantaged racial, indigenous, and tribal populations in the State.

I would be happy to address any questions you may have.

How Maine's Priorities Are Being Met: By Sector

Sectors	ARP: Earmarked	ARP: Unearmarked	Budget	Bond
Public Health, Health Care, & Human Services	COVID-19 Response; ACA Improvements; Behavioral Health	Small Business Insurance Premiums; Health Care Workforce	Public Health Infrastructure; MaineCare Rates, Reform & Dental; Health System Recovery; Intensive Outpatient Support; Portland Crisis Center; CHIP expansion; Licensing Staff; Improve Disability Services; Child Welfare Programs; Flavored Tobacco Sales Ban; Increase Medicaid Stabilization	
Climate Change & Environment	LIHEAP Weatherization; Transit Program Support	Clean Energy Jobs; Energy Efficiency; Efficient Housing; Broadband Resilience Infrastructure, Forest, Fishing, & Farming Sectors; EV charging Sewer & Water; Rural Transit	PFAS remediation; Outdoor Recreation; Forest Service; Marine Resources & Research; Dam Restoration: Culverts; Community Support for Resilience & Energy	Natural & Working Lands Conservation Bond
Jobs & Workforce	Unemployment Program Support	Historic CTE & Higher Education; Targeted workforce training sectors Housing; Unemployment Trust Fund	Nursing Facilities Workforce; Career Center Programs; Higher education Investments	
Economic Development	Business Recovery Programs; Capital Support	Historic Investments in Recovery & Growth; Innovation: Broadband; Heritage Industries and Outdoor Recreation; Licensing Reform	"Working Communities Challenge"; Wind and Aquaculture investments; Renewable Energy Facilities Tax Credit	
Education	Historic Investment in Education and School COVID Response	Pre-K Infrastructure Funding	Significant Education Funds; Higher Education; Significant School Renovation; Maine State Grant program	
Child Care	Historic Investment in Child Care	Childcare Infrastructure Funding	Medicaid/CHIP expansion; Funding for Children in Care; Children and Family Services Staffing Capacity; Child Welfare IT Reforms	
Housing	Homelessness Assistance Rental & Mortgage Relief	Significant Housing Development Investments and Weatherization and Efficiency Programs	Growth in HOME Funds	

How Maine People Will Benefit: By Group

Sectors	ARP: Earmarked	ARP: Unearmarked	Budget	Bond
Property Tax-Payers & Average Mainers	COVID-19 Response; Federal Stimulus Payments; Child Tax Credit; Funding for Maine Cities & Towns; Transportation Funding; Small Business Programs; Affordable Health Care Funding	Home Energy Programs Broadband Community Investments Education & Workforce Training Outdoor Recreation Investments in State Parks, Fishing and Wildlife Programs and Marine Sector; Small Business Support	Significant Increase in School Funding; Revenue Sharing for Communities; One-time Stimulus through Tax Programs and Conformity; Transportation Investments; Increased Property Tax Fairness Credit	Transportation Funding Natural & Working Lands for Recreation; Waterfront Access; Farms
Children & Youth	Historic Education Funding; Historic Child Care Funding; Women, Infants & Children Program	Childcare Infrastructure; Career & Technical Education, Higher Ed; Career Exploration; Maine State Grant Program	Significant Education Funding; Child Welfare Workers; Increased Funding for children in care; Expanded CHIP and dental care	
Older Mainers	Home-Delivered Meals; Home Care Reform	Broadband; Rural Transportation; Targeted Weatherization	Nursing Facility Workforce Support; One-time Stimulus through Tax Programs; Dental coverage; Property tax fairness credit increase	
Low-Income Mainers	Tax Credits; Significant Housing Supports; SNAP and TANF Supplement	Childcare Program Expansion; Workforce Development; Affordable Housing Investment; Rural Workforce Transportation; Targeted Weatherization	MaineCare Reforms; One-time Stimulus supports through Tax Programs; New Dental Care Coverage	
People of Color	Health Disparities Funding	Diversity, Equity and Inclusion Initiative; Targeted support for disadvantaged business	Funding for Health Equity; Funding for Permanent Commission	
People with Disabilities	Home-Care Reform Education Supports; Significant Support for Adults with Disabilities	Targeted Workforce Development	Develop a Lifespan Waiver; Fill Short-Term Gaps	