

March 8, 2018

## **Labor committee votes to reduce extension of Pine Tree Zone from five to three years, will have another language review before bill reported out –**

The Joint Standing Committee on Labor, Commerce, Research and Economic Development (LCRED) voted 12-1 ought-to-pass Tuesday on **LD 1654, An Act to Protect Economic Competitiveness in Maine by Extending the End Date for Pine Tree Development Zone Benefits**, sponsored by Sen. Troy Jackson (D-Aroostook). As originally drafted, the bill proposed to extend the Pine Tree Development Zone Program (PTDZ) by five years as it is expiring at the end of December 2018. The committee voted 12-1 ought-to-pass as amended. The amended version will reduce the extension from five to three years. But that's not all.

The bill was amended to do several things. Performance measures that were added for the evaluation of the PTDZ program include, but are not limited to, change in number of jobs, amount of qualified investment, comparison of business tax burden in this state as compared to other states, measures of industry competitiveness for businesses receiving benefits, measures of fiscal impact and overall economic impact to the state, and an aggregate listing of the benefits received from other state incentive programs. OPEGA will have the authority to ask Maine businesses for not only this information but additional information which may be deemed confidential or proprietary by businesses. Beth Ashcroft, director of the Office of Program Evaluation and Government Accountability (OPEGA), told the LCRED committee that, when OPEGA conducts interviews with companies, it is *voluntary* not mandatory that companies release information to

OPEGA in its quest for data. The problem becomes when an unsuspecting business does not know this request is voluntary. In addition, if this process is voluntary as OPEGA claims, there is nothing that would alert businesses that this is so. Unsuspecting businesses might release proprietary information they may feel they have to release because this is a government entity.

The amended version also puts into law information already gathered from businesses participating in the PTDZ program by the Maine Department of Economic and Community Development (DECD). This information includes total number of Maine employees and payroll, number of new hires, incremental investments made at certified location, or qualified business activity, in aggregate the total value of PTDZ benefits received. The bill requires that the commissioner of DECD report to the Joint Standing Committees on Taxation and LCRED aggregate statistics on names of certified businesses (already public) aggregate amount of PTDZ benefits received by businesses, and aggregate statistics on average income, access to health insurance and retirement benefits, employment levels, and amount of investment. The PTDZ business must create at least one new job before they receive reimbursement for sales tax exemptions.

The committee will conduct a language review within the next week or so. If you have any questions, please contact Linda Caprara by calling (207) 623-4568, ext. 106, or by emailing lcaprara@mainechamber.org. □

## **Shipbuilding tax credit bill receives majority ought to pass vote —**

### **— Bill will help to sustain jobs and investment in Maine's shipbuilding industry**

On Tuesday, March 6, the Joint Standing Committee on Taxation held a work session on **LD 1781, An Act to Encourage New Major Investment in Shipbuilding Facilities and the Preservation of Jobs**, which was sponsored by Rep. Jennifer Deschant (D-Bath). The committee voted 8-2 ought-to-pass as amended. Of those present, Sen. Dana Dow, Sen. Andre Cushing, Rep. Ryan Tipping, Rep. Denise Teppler, Rep. Steve Stanley, Rep. Gary Hilliard, Rep. Maureen Terry, and Rep. Gay Grant voted for the bill. Rep. Justin Chenette and Rep. Janice Cooper voted against the bill. Sen. Karl Ward, Rep. Bruce Bickford, and Rep. Matt Pouliot were absent and have 48 hours to register their vote. More than 50 employees of Bath Iron Works were present to support of the bill and see the vote.

As originally drafted, the bill would provide a 3% income tax credit for investments in shipbuilding facilities made after January 1, 2018, as long as certain employment levels are maintained. Dana Connors, president of the Maine State Chamber of Commerce, testified on January 30 in strong support of LD 1781, noting that this bill will ensure future jobs and investment in Maine's shipbuilding industry. BIW currently has

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## **Shipbuilding Tax Credit... (Continued from Page 1...)**

5,600 employees with an average salary of \$60,820. Maine's shipbuilding facilities credit expired in 2017. During the lifetime of that credit, the facility was only required to spend \$200 million, but instead spent more than two and a half times that amount (\$500 million) since receiving the credit in 1998.

The amended version would continue the 3% tax credit contingent on a minimum level of investment and on a sliding scale contingent upon the level of employment. The amendment would also insert the word "development" after training in the definition of "qualified investment," to ensure that the investment accomplishes both. In addition, it would require that any unused credit be carried forward rather than fully refundable.

The amendment would also add an annual reporting requirement that the

credit applicant report the following information to the State Tax Assessor: employment both at beginning and end of report year; number of employees covered by collective bargaining agreement; total employees hired since end of prior year; average salary and wages broken out by production and non-production jobs, and the total dollar figure spent on goods and services from businesses in state; and, the incremental level of qualified investment.

In addition, the amendment inserts a provision to include the credit in the tax expenditure review process by Office of Program Evaluation and Government Accountability (OPEGA). The amendment includes a requirement that the OPEGA provide the Taxation committee with a report evaluating this credit.

The committee will be bringing the bill back for a language review sometime in the near future. If you have any questions, please contact Linda Caprara by calling (207) 634-4568, ext. 106, or by emailing lcaprara@mainechamber.org. □

## **Vol. 52, No. 08 Impact (207) 623-4568**

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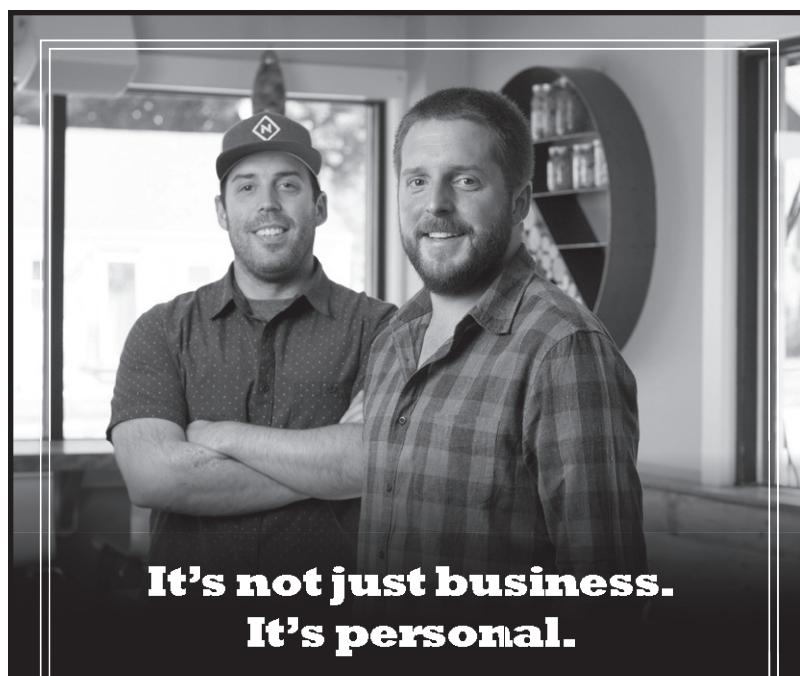
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Charles "Wick" Johnson

**President:** Dana F. Connors

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



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## Maine's LIFT Act would help low-income students succeed

On Tuesday, March 6, the Legislature's Health and Human Services (HHS) committee held a work session on **LD 1774, An Act To Reduce Child Poverty by Leveraging Investments in Families Tomorrow**. The bill, also known as the LIFT Act, is sponsored by the Speaker of the House, Rep. Sara Gideon (D-Freeport), and co-sponsored by Senate Assistant Majority Leader, Sen. Amy Volk (R-Cumberland), and other members from both parties and chambers. The bipartisan support of this bill acknowledges the critical importance of post-secondary education for Mainers.

The LIFT Act has two primary components that would allow the state to use existing public benefit funding to support low-wage students' achievement of a degree or certificate. The LIFT Act recognizes the many challenges that low-income students face that can prevent them from completing post-secondary education.

Megan Sanborn, government relations specialist with the Maine State Chamber of Commerce, testified last month in support of the bill. Sanborn said that by 2025, Maine will need approximately 158,000 more workers with post-secondary degrees or credentials than exist here today. In addition, Sanborn said the Maine State Chamber believes that LIFT Act is a significant step in the right direction to address Maine's workforce challenge.

As drafted, LD 1774 is intended to help advance more low-skilled, low-wage adult workers in today's economy while using already existing funds. This bill recognizes that many individuals' barriers to employment are broader than simple skill deficiencies. It will help pave a path-

way from education to employment for these adults, while providing them with the support they need to succeed, resulting in real positive results. This legislation connects education and training, it will help increase wages and expand opportunities for better paying jobs.

An amended version of Speaker of the House Sara Gideon's LIFT legislation was presented to the Health and Human Services committee on Tuesday and won the unanimous support of the committee. Speaker Gideon worked on the amendment with HHS committee member, Rep. Deborah Sanderson (R-Chelsea), and garnered the support of the Office of Family Independence in the Maine Department of Health and Human Services.

The amended version of LD 1774 establishes the Higher Opportunity Pathways to Employment (HOPE) program, which would operate similar to the current Parents as Scholars program. HOPE will be available to families with incomes at or below 185% of the federal poverty level pursuing a post-secondary degree or credential that leads to an average job (average is identified by the Department of Labor). The program will be supported with existing Federal Temporary Assistance for Needy Families block grant funds.

This legislation is intended to help address the economic challenges facing businesses, individuals, and communities, and in building a skilled workforce to support sustainable economic growth will create more opportunities for workers and businesses to prosper.

For questions or additional information, please contact Megan Sanborn by calling (207) 623-4568, ext. 108, or by emailing [msanborn@mainechamber.org](mailto:msanborn@mainechamber.org). □

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## Public Hearings & Work Sessions

This schedule is subject to change. Questions may be directed to the Secretary of the Senate's Office at (207) 287-1540. For the most current schedule, please visit <http://legislature.maine.gov/llo/committee-membership/9089/> or contact the committee clerk.

**Tuesday, March 13, 2018**

**Appropriations and Financial Affairs**  
**1:00 p.m.; State House, Room 228**

**LD 1834**, An Act To Authorize a General Fund Bond Issue To Provide for Student Loan Debt Relief (Rep. Grohman of Biddeford)

**Insurance and Financial Services**  
**1:00 p.m.; Cross Building, Room 220**

**LD 696** (Work Session), An Act Regarding Insurance and Financial Services (Rep. Lawrence of Eliot)

**Taxation**  
**1:00 p.m.; State House, Room 127**

**LD 1655**, An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes (Sen. Dow of Lincoln)

**Wednesday, March 14, 2018**

**Education and Cultural Affairs**  
**1:00 p.m.; Cross Building, Room 202**

**LD 1843**, An Act To Amend Career and Technical Education Statutes (Sen. Langley of Hancock) □

## Workplace Marijuana Education Initiative

We are excited to announce a new free program that is being offered to Maine employers as they grapple with the challenge of marijuana use by their employees. The law firm, Brann & Isaacson, working in partnership with business groups, including the Maine State Chamber of Commerce and the Retail Association of Maine, will offer Maine employers guidance on managing marijuana in the workplace. Services include:

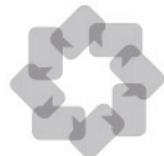
- Telephone consultations;
- Access to sample drug policies;
- Workshops across the state; and,
- Bulletins on new development.

If you want more information about tricky topics such as drug-testing for marijuana, dealing with an impaired employee, understanding the differences between employee use of medical versus recreational marijuana, this initiative will offer you legal resources and education.

For information about this program, please contact Peter Lowe by calling (207) 786-3566 or by emailing [plowe@brannlaw.com](mailto:plowe@brannlaw.com). You may also want to visit Peter's webpage at [brannlaw.com](http://brannlaw.com). □

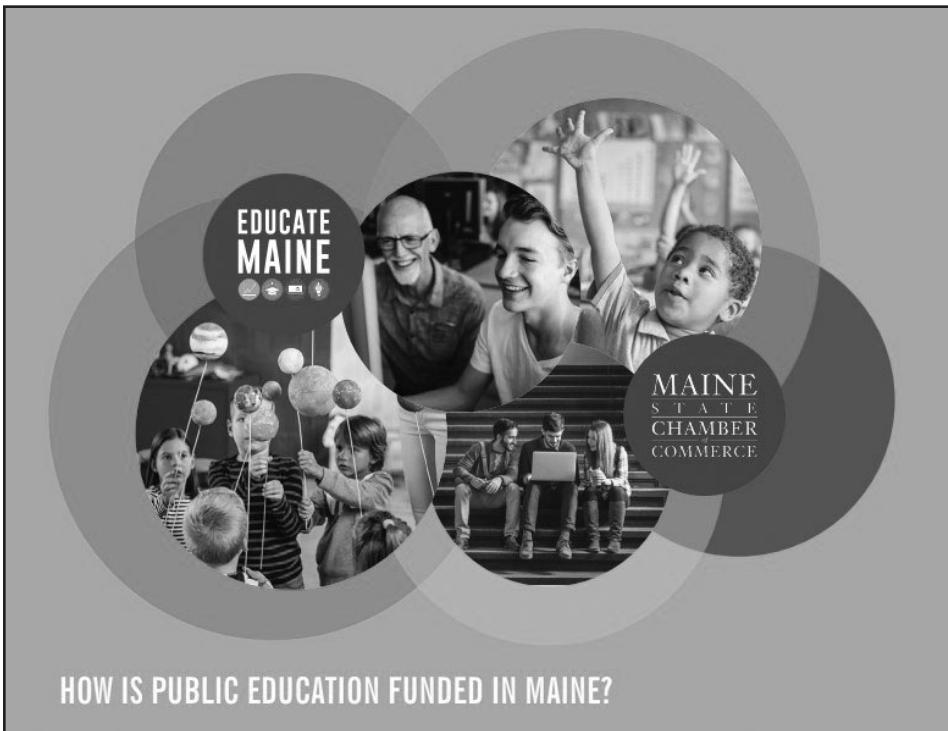
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## **How is public education funded in Maine?**



Together with Educate Maine, the Maine State Chamber of Commerce is excited to release its newest report: *How Is Public Education Funded in Maine?*

Of all Maine's economic development strategies, education has the greatest return on investment. Investment in education creates lifelong learners, opens pathways to promising careers, and grows the economy. It also produces civically-engaged citizens who build vibrant communities.

For the past four years, Educate Maine has published *Education Indicators for Maine*, a snapshot of Maine's education system presented through indicators that measure access, participation, and performance. This primer provides an overview of how public education is funded in Maine. Effective funding systems can promote student success, create greater equity of opportunity, and help to grow the economy. The challenge is that funding systems can also be so complicated that few people understand them.

Unlike other briefs in this series, this primer contains no recommendations. Its

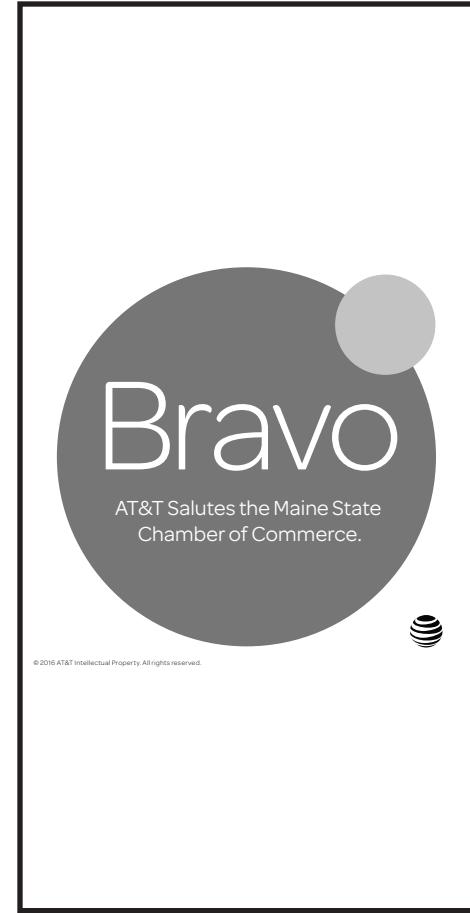
purpose is simply explanatory. It is designed particularly for key education decision makers (school board members, state legislators, etc.), but should also be of interest to all Maine people.

This is not an exhaustive review of the entire public education funding system. It covers major aspects of the system for the purpose of providing a simple tool to support better policy decision-making.

The policy brief series is brought to you through a partnership between Educate Maine and the Maine State Chamber of Commerce, and through the generous support of the John T. Gorman and Nellie Mae Education Foundations. The production of the report was made possible by the contributions of Lisa Plimpton (research), Frank O'Hara (writing), and Pica. For additional information or questions, please contact Megan Sanborn at the Maine State Chamber offices by calling (207) 623-4568, ext. 108, or by emailing [msanborn@mainechamber.org](mailto:msanborn@mainechamber.org).

You can read the full report at [www.educatemaine.org/docs/17-029\\_EDME-FundingPrimer-FNL-web.pdf](http://www.educatemaine.org/docs/17-029_EDME-FundingPrimer-FNL-web.pdf). □

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# **2018 Calendar of Events**

## **Washington, D.C., Fly-In**

Tues., April 10 – Thurs., April 12  
(Board event - space limited,  
by invitation only)

## **Business Day at the Statehouse**

Friday, April 13, 2018  
8:30 a.m. to 12:00 p.m.  
Hall of Flags, Augusta

## **Lewiston Area**

### **Regional Business Breakfast**

Tuesday, April 24, 2018  
7:30 a.m. to 9:00 a.m.

Fishbones American Grille, Lewiston

## **Presque Isle Area**

### **Regional Business Breakfast**

Wednesday, May 2, 2018  
7:30 a.m. to 9:00 a.m.  
UMPI, Presque Isle

## **Portland Area**

### **Regional Business Breakfast**

Tuesday, May 8, 2018  
7:30 a.m. to 9:00 a.m.  
Anthem Blue Cross & Blue Shield,  
South Portland

## **Internet Neutrality Forum**

Tuesday, May 22, 2018  
8:00 a.m. to 10:00 a.m.  
Bangor Savings Bank, Augusta

## **Bangor Area**

### **Regional Business Breakfast**

Wednesday, May 23, 2018  
7:30 a.m. to 9:00 a.m.  
Jeff's Catering, Brewer

## **Issues & Answers:**

### **Gubernatorial Candidate Forum**

Tuesday, June 26, 2018  
Times TBD  
Maple Hill Farm, Hallowell

## **23rd annual Scramble for Scholars Golf Tournament**

Friday, September 7, 2018  
Samoset Resort, Rockport

## **2018 Annual Dinner**

### **Televised Gubernatorial Debate**

Wednesday, October 17, 2018  
Augusta Civic Center  
with WCSH-6 and WLBZ-2

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# ***Business Day at the Statehouse***

***NEW DATE! Friday, April 13 • 8:00 a.m. to Noon  
Statehouse Hall of Flags***



The Maine State Chamber of Commerce is hosting its annual Business Day at the Statehouse on Friday, April 13, 2018, from 8:00 a.m. to 12:00 p.m. in the Hall of Flags (Statehouse, Second Floor).

For more information or to RSVP, please contact Linda Caprara, director of grassroots advocacy, by calling (207) 623-4568, ext. 106, or by emailing lcaprara@mainechamber.org. With your participation, the "Voice of Maine Business" will resonate throughout Augusta!

### **Thank you to the sponsors of 2018 Business Day at the Statehouse:**

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# Maine Economic Research Institute set to inform voters

The Maine Economic Research Institute (MERI) is well-positioned in an important election year to continue its mission of holding legislators accountable on the key votes that impact the business community and our state's economy. This is a critical year, with the LePage administration nearing an end and more than 20 people already having announced their candidacy for the open seat. Many of these candidates are current or former legislators, and it makes MERI more crucial than ever as we look to electing a new Chief Executive. In addition to electing a new Governor in 2018, there are 186 legislative elections.

The Maine State Chamber plans to reinvigorate MERI and set the table for the new administration and a new body of legislators. For more than 20 years and still going strong, MERI has continued to be the only economic research organization with facts that enable Maine businesses to be informed on what is actually going on in Augusta, and not rely on what the politicians want us to believe. MERI's ratings are published after each legislative session in its *Roll Call* report and is the only objective-based rating system that determines how policy in Augusta impacts our economy. Once again, *Roll Call* is scheduled to be published by the end of May 2018, and we will be sure that MERI subscribers receive as many copies as they need.

MERI continues to be affiliated with 11 statewide business associations that help distribute the *Roll Call* publication. The larger the audience that receives our scores and our message, the bigger impact MERI has, and that is the goal of MERI. Ultimately, our influence comes

from our subscribers' support – that is where you come in.

If you aren't familiar with MERI, MERI is a non-partisan, not-for-profit, independent research and analysis organization developed to report on how state policies affect Maine's economy and the state's ability to grow and thrive. MERI works diligently to represent all Maine employers on key economic issues. The organization supports itself by subscribers to its data. Members of MERI's affiliate associations represent thousands of Maine businesses in every sector of Maine's economy.

A primary focus of MERI is providing information on how Maine's state legislators perform on key economic issues during each two-year legislative session. Bills considered in MERI's legislator ratings include critical economic issues, such as education initiatives, tax policies economic development, health care, workforce, transportation, and much more. Selected legislation is driven by what employers say is critical to their success, their ability to create jobs, and what is fundamental to growing Maine's economy. The legislation is tracked using voting information on the public record. MERI's premier publication, *Roll Call*, is distributed to all MERI subscribers, affiliate associations, and released to the media and legislators. MERI is committed to a healthy Maine economy and quality jobs.

For additional information and questions, or if you would like to become involved with MERI, please contact Megan Sanborn at the Maine State Chamber offices, by calling (207) 623-4568, ext. 108, or by emailing [msanborn@mainechamber.org](mailto:msanborn@mainechamber.org). □

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## **Regional Business Breakfasts**

from 7:30 a.m. to 9:00 a.m.

The Maine State Chamber works to bring together business leaders on a regional level through its Regional Business Breakfast Meetings. Local business leaders provide valuable insight that is instrumental to this open dialogue about business issues that affect your business, your community, and your state.

To register for this *FREE* event, please contact Kelsey Morrell by calling (207) 623-4568, ext. 104, or by emailing [kmorrell@mainechamber.org](mailto:kmorrell@mainechamber.org). To sponsor this event, please contact Melody Rousseau by calling (207) 623-4568, ext. 102, or by emailing [melodyr@mainechamber.org](mailto:melodyr@mainechamber.org).

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Tues., April 24  
Fishbones American  
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