

May 23, 2019

## **Labor committee divides along party lines on omnibus comp bill**

### **Majority report is nothing short of catastrophic for Maine businesses**

On Wednesday, May 22, after nearly five and a half months of public hearings, work sessions, and speculation, the Joint Standing Committee on Labor and Housing finally got down to taking a vote on what ultimately became an omnibus workers' compensation bill. And while there were alternatives on the table and discussed in "shuttle diplomacy" throughout the day, ultimately the committee could not come to agreement on a legitimate compromise, and members divided along party lines, each with their own report. For employers, the result is a disaster.

Supported by all eight Democrats in the committee, the majority report represents a huge step backwards in terms of the progress Maine has made in stabilizing our workers' comp system, reducing workplace injuries, making workplaces safer, and lowering costs. It also represents a step back in time, as it reinstates one of the costliest elements of pre-1992 law back into the workers' comp system.

The path of this outcome was a somewhat tortured one. Nearly a month ago, representatives of the business community, led by the Maine State Chamber, commercial insurers, and self-insured employers asked to sit down with a representative of labor interests to see if any consensus could be reached regarding the various benefit and systemic proposals before the labor committee. After several meetings and negotiating sessions, a framework of a consensus was reached and presented to

the Governor as a means to extend worker benefits in a limited way without undoing the workers' comp reforms that have served the state so well, with minimal cost implications to the system. Before this compromise framework could be rolled out in committee, different interested stakeholders – not part of the negotiating team – came forth and put forth their own demands, working with Republicans on the committee. This, in turn, created an opening for hardline labor groups to push for further benefit increases.

The result was a series of "shuttle diplomacy" between the two groups and the governor's office during the work session. In the end, Republicans rejected the business-labor compromise in favor of a different proposal. Labor, seeing no Republican support, also rejected the negotiated compromise and put forth their own bill. That bill became the majority report, and at this time, is headed to the full legislature for debate.

The majority report is complex, and exact language is not yet drafted, but as proposed, it would amend **LD 756, *An Act to Improve the Workers' Compensation Act of 1992***, sponsored by Rep. Mike Sylvester (D-Portland). The majority report proposes the following changes:

- 1 Compensation for Partial Incapacity (Section 213):**
  - ♦ Extend the cap on benefits from 520

*Continued on Page 4...*

## **Raising taxes on meals and lodging, Taxation committee reconsiders local option sales tax bill and votes its passage along party lines**

### **Chamber opposed all five bills**

On Tuesday, the Taxation committee voted to reconsider the Local Option Sales Tax issue and a bill that had been previously voted "ought not to pass." On Tuesday, the Joint Standing Committee on Taxation voted along party lines – all seven Democrats to all six Republicans – "ought to pass as amended" on **LD 1254, *An Act to Authorize a Local Option Sales Tax on Meals and Lodging and Provide Funding to Treat Opioid Use Disorder***, sponsored by Rep. Michael Sylvester (D-Portland).

As originally drafted, the bill would have allowed a municipality to impose a year-round or seasonal local option sales tax, if approved by referendum, of no more than 1% on prepared food and short-term lodging. A total of 85% of revenue generated would have been distributed back to the municipality and 15% would have been distributed to all other municipalities that have to use that money for preventing and treating opioid use. In a last-ditch effort to make the bill more politically palatable,

*Continued on Page 2...*

## Inside Impact...

<b>E2Tech Forum</b> .....	<b>p. 5</b>
<b>Internet Usage and Needs</b> ..	<b>p. 9</b>
<b>Invest in Tomorrow (LIFT)</b> ..	<b>p. 7</b>
<b>Food Packaging</b> .....	<b>p. 5</b>
<b>Local Option Sales Tax</b> ....	<b>p. 1</b>
<b>MEMIC</b> .....	<b>p. 4</b>
<b>New Legislation</b> .....	<b>p. 7</b>
<b>Strategic Plan</b> .....	<b>p. 3</b>
<b>UMaine Aid</b> .....	<b>p. 10</b>
<b>Water Tax</b> .....	<b>p. 3</b>
<b>Workplace Violence</b> .....	<b>p. 10</b>
<b>Workers' Comp</b> .....	<b>p. 1</b>

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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.

## **Local Option Sales Tax...** **(Continued from Page 1...)**

Rep. Sylvester came in with an amendment that changed the distribution formula to 75% back to the generating municipality and 25% to all other municipalities. The committee voted "ought not to pass" on the bill, but then Rep. Stanley came in this week with another amendment. The amendment would change the revenue reimbursement percentage to 75% to the generating municipality and 25% would be deposited in the Maine Rural Development Fund. The committee finally agreed with a 7-6 "ought to pass as amended" vote.

The committee earlier voted to carry-over **LD 609**, *An Act to Provide Municipalities Additional Sales Tax Revenue from Lodging Sales*, sponsored by Rep. Maureen Terry (D-Gorham). The bill would increase the lodging tax by 1% and incremental revenues generated, minus administrative costs for Maine Revenue Services, would be returned to the generating municipality. This bill will still be carried over.

Last month, the committee unanimously defeated three other bills:

- ♦ **LD 65**, *An Act to Allow Municipalities to Impose a Seasonal or Year-Round Local Option Sales Tax*, sponsored by Rep. Pinny Beebe-Center (D-Rockland), which would have allowed a municipality to impose a local option sales tax, if approved by referendum, on a seasonal or year-round basis with no limit on the rate that could be imposed;
- ♦ **LD 156**, *An Act to Allow Regional Service Center Municipalities to Assess an Additional One Percent Tax for Infrastructure Costs*, sponsored by Sen. David Miramant (D-Knox), which would have allowed municipalities to impose a local option sales tax of no more than 1%, if approved by referendum, for the purpose of funding infrastructure costs; and,
- ♦ **LD 1110**, *An Act to Establish a Local Option for Sales Tax*, sponsored Rep. Lori Gramlich (D-Old Orchard),

which would have allowed a municipality to impose a local option sales tax, if approved by referendum, on items that were subject to the sales tax, such as retail transactions, prepared foods, liquor, hotel rentals, and certain rentals of automobiles.

The committee had originally tabled LD 609 and LD 1254 in effort to seek an opinion from the Attorney General as to whether permitting a local option sales tax was in fact constitutional. The Maine Constitution, under Article IX, Section 9, states: "the Legislature shall never, in any manner, suspend or surrender the power of taxation."

The constitutional issue was originally raised by Maine Revenue Services (MRS). Although Maine Revenue Services testified neither for nor against the local option tax bills, MRS outlined major concerns with the proposals. MRS concerns included the increased complexity for MRS, retailers and consumers due to the degree of municipal discretion in structuring the local option sales tax; the timing and cost of implementation; issues with the tracking and transfer of revenues; and, constitutional issues. MRS also stated concerns regarding the timing and cost of the implementation of a local options sales tax and that it could take up to two years to update accounting, noticing, and billing systems, tax returns, and tax guidance documents. Retailers would incur the cost of having to update of accounting and point of sales systems. The committee received the Attorney General's opinion, which concluded that enacting a local option sales tax was constitutional.

The Maine State Chamber has long-opposed local option sales taxes for a variety of reasons, including:

- ♦ **Enacting a local option sales tax increases the total tax burden in the state:** This bill would have added another layer of sales tax to items purchased in municipalities that enact it. Local option taxes are nothing more than another way to raise revenue for municipalities and would do nothing to reduce taxes at the local level. After

**Continued on Page 6...**

## **Governor Mills announces launch of strategic statewide economic development plan**

***Economic roadmap will seek to grow and diversify Maine's economy and build a skilled and robust workforce***



On Tuesday, May 21, Governor Janet Mills announced that her administration is launching an initiative to develop a 10-year strategic economic development plan for the State of Maine. The initiative, which will be led by the Maine Department of Economic and Community Development (DECD), in partnership with other government agencies, business leaders and private organizations, will focus on strategies to enhance economic growth, particularly in rural Maine, and address Maine's workforce challenges. The strategic plan will be the first of its kind in more than two decades.

"Strengthening our economy and tackling Maine's workforce challenges requires a multifaceted approach that addresses skills training, research and development, and increasing Maine's GDP and median wages," said Governor Mills. "To achieve these goals, state government must be a partner and not an impediment. That is why I am charging the Department of Economic and Community Development to work collaboratively with government agencies and private businesses to develop a long-term strategic plan that drives economic growth, addresses our work-

force challenges, and results in a strong, sustainable, and diversified economy."

"Governor Mills and I share the goal of building a stronger economy so that every person who wants to live and work in Maine has the opportunity to do so. I am proud to lead the administration's efforts to make that goal a reality and help chart a path forward for our state," said DECD Commissioner Heather Johnson. "This economic strategy will mobilize the private sector, nonprofits, and educational institutions to focus on the same goal of creating a diverse and sustainable economy and establishing a brighter future for our state."

"Our state's ability to support established employers and attract new businesses is dependent on maintaining a skilled workforce. At this moment—when unemployment is at historic lows across Maine—we need to increase opportunities for those currently on the margins of our economy including our young people, older adults, New Mainers, people with disabilities, and those who need additional skills to find good

***Continued on Page 6...***

## **Taxation committee votes 11-2 to defeat tax bill aimed at Poland Spring Water**

***Bill would cripple jobs and investment for Poland Spring Water***

On Tuesday May 21, the Joint Standing Committee on Taxation voted 11-2 to "ought not to pass" on **LD 1074**, *An Act to Establish a Tax on Water Extracted for Bottling in Order to Secure the Economic Future of Rural Maine*, sponsored by Rep. Lori Gramlich (D-Old Orchard). Committee members, Rep. Don Marean (I-Hollis), Sen. Matthew Pouliot (R-Kennebec), Rep. Steve Stanley (D-Medway), Rep. Bruce Bickford (R-Auburn), Rep. Ted Kryzak (R-Acton), Rep. Trey Stewart (R-Presque Isle), Rep. Ann Matlack (D-St. George), Sen. Heather Sanborn (D-Cumberland), Rep. Maureen Terry (D-Gorham), Rep. Kristen Cloutier (D-Lewiston), Rep. Diane Denk (D-Kennebunk), were on the ought-not-to-pass report. Sen. Ben Chipman (D-Cumberland) and Rep. Ryan Tipping (D-Orono) were on the "ought to pass as amended" report. The proposed amendment would put the issue out to referendum, place a 5-cent per gallon tax on water extracted, and use some of the money for the highway fund.

Back in March, Linda Caprara testified on behalf of the Maine State Chamber in strong opposition to the bill, which proposed to place a 12-cent per gallon tax on water extracted for commercial bottling purposes. The Maine State Chamber testified that LD 1074 was nothing more than a "jobs killer" bill. Caprara said that, given Maine's unlimited water resources, we should be encouraging its responsible use as a way to create jobs for Maine citizens and not discourage the industry by taxing the regulated use of a renewable resource.

The proposed 12-cent per gallon tax would place Poland Spring at a huge competitive disadvantage with its competitors in other states by slapping Poland

***Continued on Page 8...***

## MEMIC's financial strength affirms "A" (excellent) rating from A.M. Best

A.M. Best, the premiere rating organization for the insurance industry in the United States, has affirmed its "A" (excellent) rating for workers' compensation specialist The MEMIC Group, which includes Maine Employers' Mutual Insurance Company, MEMIC Indemnity Company, and MEMIC Casualty Company.

A.M. Best acknowledged in its annual review The MEMIC Group's strong balance sheet, including risk-adjusted capitalization and favorable loss reserve development over the past 10 years. A.M. Best also noted the company's focus on workplace safety, history of policyholder dividends, dominant Maine market share, and its growing diversification across the Eastern Seaboard.

"A.M. Best's affirmation of our 'A' rating complements our 2018 designation as the 'top workers' compensation insurance company in the United States,' by another important insurance organization," said MEMIC President and CEO Michael P. Bourque. "We will continue to innovate and deliver the best workplace safety and injury management services in the industry. This rating is indicative of our employees' incredible efforts to reduce costs by reducing injuries, managing expenses, and dedicating themselves to serving customers.

In 2018, The MEMIC Group wrote more than \$400 million in premium for workers' compensation and employment practices liability insurance, an increase of more than 5.48% from 2017. That record year was immediately followed by a strong start to 2019 despite challenges presented by rate decreases in almost all states across the country.

According to Chief Financial Officer, Daniel J. McGarvey, "Barring any unforeseen changes in public policy or natural disasters, we will remain competitive in the states we serve but will be relentless in our underwriting discipline, conservative financial management and diligent practices to return injured workers to health and their jobs."

*Continued on Page 8...*

## Workers' Comp... (Continued from Page 1...)

- weeks (10 years) to 624 weeks (12 years); and,
- ♦ Reduce the specific level of permanent impairment from 18% to 12% in the provision allowing workers being paid under this section to receive benefits beyond cap.
- 2 Cost-of-living adjustment (COLA):**
- ♦ Establish an annual inflation adjustment for injured workers being paid benefits for *total incapacity* under Section 212, beginning upon receipt of 260 weeks of any type of benefits for the injury/injuries that contribute to the Sec. 212 status; and,
  - ♦ Establish an annual inflation adjustment for injured workers being paid benefits for permanent impairment of 12% or greater, beginning at 520 weeks. This would reinstate COLA's for partial incapacity – a benefit that was specifically removed in the Reforms of 1992 as being one of the leading cost drivers in Maine's broken workers' comp system.
- 3 Maximum benefit levels (Section 211):**
- ♦ Change the maximum benefit from 100% of the state average weekly wage to 125% of the state average weekly wage and allow the inclusion of the value of fringe benefits in the calculation of 125% of the average weekly wage.
- 4 Notice requirements:**
- ♦ Change the notice of injury requirement in Section 301 from 30 days to 90 days; and,
  - ♦ Allow an exception for "mistake of fact or act of god" to the requirement that payments must be made by employers within 14 days.
- 5 Death benefits:**
- ♦ Establish a new category of beneficiary for parents of a deceased worker if the worker has no dependents subject to cap in current law.
- 6 Fees:**
- ♦ Move to a flat 10% on settlements
  - ♦ Require review by an administrative law judge of settlements to include allocation of settlement funds to

retroactive and future benefits; retroactive benefits must not be for an amount greater than that is being claimed

### 7 Advocate study:

- ♦ Direct the Workers' Compensation Board to study the adequacy of pay for advocates and require report back to the Legislature

### 8 Work search/vocational rehabilitation:

- ♦ Establish a Working Group to evaluate work search requirements and vocational rehabilitation issues and require report back to the Legislature

### 9 Uninsured workers:

- ♦ Establish a Working Group to study issues related to injured workers whose employers have not secured workers' compensation insurance and require report back to the Legislature

Needless to say, costs will be driven through the roof by the combination of a lower partial incapacity threshold, longer duration, COLAs on partials and totals, and a very high maximum benefit level. In some cases, it has been (very preliminarily) estimated by experts at between 10 and 20 percent higher than existing costs. Such dramatic increases would be a shock to both Maine's comp system and the state's economy. It would certainly send the wrong signal to employers outside Maine looking to relocate or expand here, that Maine was once again headed toward having the worst workers' compensation system in the country.

It is expected that the committee will do its language review on Tuesday, May 28. On one hand, it is possible that the entire issue could be revisited, reconsidered, and re-voted. Conversely, the committee could move forward with its two competing proposals unchanged.

This is one of the single most important issues of this session for the business community. The stakes couldn't be higher. The majority report represents an undoing of some of the hard-fought reforms of 1992, and as indicated at the start of this article, would be catastrophic for Maine business.

The Maine State Chamber will be following this bill extremely closely through the remainder of the committee process and when the bill goes to the floor debate. For additional information or questions, please contact Peter Gore by calling (207) 623-4568, ext. 107, or by emailing [pgore@mainechamber.org](mailto:pgore@mainechamber.org). □

## Food packaging legislation is bad for business

**EDITOR'S NOTE:** The following guest opinion column to the Bangor Daily News was written by Ben Gilman, general counsel for the Maine State Chamber of Commerce, and published on Tuesday, May 21, 2019. It can be accessed online at <https://bangordailynews.com/2019/05/21/opinion/contributors/food-packaging-legislation-is-bad-for-business>. We have reprinted it here for your review.

Lawmakers in Augusta are threatening to put politics ahead of science, common sense, and your pocketbooks. Before the Environment and Natural Resources committee, Maine lawmakers are considering passing a state ban on chemical compounds that have been reviewed for safety by the U.S. Food and Drug Administration (FDA) and that are critical to food packaging you and your family rely on.

Food packaging plays an important role for households across our state, keeping our produce fresh, saving us money and preventing food waste, as well as protecting our public health by helping to prevent the spread of bacteria. In fact, in order for your food packaging to be marketed for use, it has to undergo rigorous review by the FDA to determine that it is safe for its intended use. FDA prescribes the safe conditions for the use of packaging components that come into contact with food and sets strict limits on their uses to protect the public. This includes review of the chemical composition of the food packaging and potential toxicity components of food packaging may present.

Through testing and data analysis, the public health experts at the FDA have reviewed and determined to be safe for their intended use certain chemicals (members of the chemical classes known as PFAS and Phthalates). But state lawmakers think they know better than the FDA experts and are attempting to jam through a bill to ban these substances just before their legislative session ends. For families and businesses across Maine, this is bad news.

According to the Maine Grocers and Food Producers Association, this proposal “undoubtedly will disrupt the flow of goods and increase the costs of food products being imported into Maine.” They have testified that this bill will “put our small, Maine processors at a disadvantage to their large, national counterparts who are forced to use alternatives and have the means to absorb the costs of doing so.”

The Maine Forest Products Council, which represents an industry with about 15,000 jobs in rural areas of Maine, has testified that this bill will likely create “great disruption in the supply chain and national sales to customers.”

Additionally, instead of listening to the experts here in Maine or at the FDA, the bill as written could tie the decision on what compounds can be used in food packaging to an analysis being done in Washington State, no matter the quality of the analysis. Why put the opinions of regulators on the other side of the country ahead of the experts at the FDA?

We support the regulation of the safe use of chemicals. However, this legislation would ban FDA-approved substances, and any potential replacements would still require FDA food contact approval and may be more expensive and may not perform as well.

This is misguided and puts politicians without the right expertise in charge of your food safety, costing Maine jobs and impacting family budgets at the grocery store. We urge the legislature to reconsider this bill and we urge families across our state to call their lawmakers in opposition. □

## Scientific forum on environmental chemical of concern, PFAS

**Panel will discuss regulatory, scientific matters related to “forever chemical”**

E2Tech, an environmental and energy networking organization based in Portland and Biddeford, will hold a forum on Thursday, May 30 about the emerging chemicals of concern, known as polyfluoroalkyl substances (PFAS). The PFAS panel will be held beginning at 8:00 a.m. at Jewish Community Alliance, located at 1342 Congress Street in Portland.

The panel will be moderated by Jeremy Fink, PE, of Hydro International, and will feature Elizabeth Denly, ASQ CMQ/OE, PFAS program director at TRC Companies; Andrew Smith, Maine State Toxicologist; and, Russ Abell, C.G., LSP, vice president of Sanborn | Head & Associates.

E2Tech executive director Marty Grohman encourages Maine employers to attend, “This is an important issue that has the potential to strongly affect Maine agriculture, water, and business. Members of the public, business community, and regulatory community are encouraged to attend.”

Registration is available online at [E2Tech.org](http://E2Tech.org). For additional questions, please contact Marty Grohman by calling (207) 423-8260 or by emailing [marty@e2tech.org](mailto:marty@e2tech.org). □

## Local Option Sales Tax... (Continued from Page 2...)

all, any time a municipality needs a new fire truck, a new school, or any new budget item, it could simply impose the tax. Municipalities need to focus on spending efficiencies, not just continually raising taxes on Maine businesses and Maine people.

- ◆ **Local option sales taxes hurt small brick and mortar businesses:** Many folks buy local to support small brick-and-mortar businesses in their municipalities. Local businesses located in one locale compete with local businesses in another. Businesses located in towns that enact a local option sales tax will be at a competitive disadvantage with businesses in municipalities that do not enact a local option sales tax. This will pit one community against another. *Local brick-and-mortar retail businesses will never be able to compete in that high-taxed environment.* The tax will hit their bottom line, and they may not be able to pass the expense on to the consumer. Ultimately, they will lose sales to neighboring towns that don't have local option sales tax.
- ◆ **Local option sales taxes impact local economic development efforts:** Municipalities around the state work hard to try to attract businesses to their locales; many hire economic development directors to do just that. This will do nothing to attract businesses, but instead, would discourage businesses from locating in towns that have additional taxes. This bill will make towns that impose sales taxes less attractive. Once local option taxes are in place, they would be virtually impossible to remove because that municipality would become dependent on the revenue.

LD 1254 will now be headed towards the floor for debate. If you have any questions, please contact Linda Caprara by calling (207) 623-4568, ext. 106 or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). □



## State Strategic Plan... (Continued from Page 3...)

jobs,” said Commissioner of the Department of Labor, Laura Fortman. “Connecting our economic development and workforce systems with educational strategies will produce opportunities needed for our workers and businesses. We look forward to collaborating on the strategic plan.”

The 10-year, non-partisan plan will serve as an economic roadmap for the state and offer strategic recommendations for how Maine can build a strong, diversified, and sustainable economy powered by a highly skilled, robust workforce. The plan’s guiding vision statement calls for Maine, by 2030, to be known as a national leader for its forward-looking work in creating a diverse and sustainable economy.

“We will empower innovators and entrepreneurs, attract young families and new businesses, and revitalize rural Maine so that every person will know unequivocally that living in Maine means not only an unmatched quality of life, but an unmatched opportunity for good-paying jobs in innovative industries across the entire state,” the vision statement reads.

A six-member steering committee, which will include officials from the Finance Authority of Maine, ConnectMe, the DECD, the Governor’s Office of Policy and Management, and the Maine State Economist will lead the development of the strategic plan. The plan will be crafted with the close help of economic development and business

organizations, like the Maine State Chamber of Commerce and the Maine Development Foundation, and will seek input from across all economic sectors, industries and regions in Maine. The DECD will convene meetings across the state in the coming months to obtain public input to help inform the plan, and the department will issue regular progress updates to the public and the business community.

“If we, as a state, expect to fulfill our economic promise, we need a pathway forward that plays to our strengths and sets priorities for economic growth,” said Dana Connors, president of the Maine State Chamber. “That is the purpose and value of a strategic plan, why we need one, and why we are excited to be a part of this impactful work.”

“MDF and the Maine Economic Growth Council are committed to partnering with the administration to help ensure that the statewide economic roadmap is well-grounded in good, nonpartisan data working with a broad cross-section of Maine people,” said Yellow Light Breen, president and CEO of Maine Development Foundation.

“Maine is at a unique juncture with regards to its standing in the global economy. Our innovative spirit, position to market and work ethic embody our longstanding commitment to excellence. I applaud Governor Mills for her foresight to create a strategic plan for the State and look forward to working with her to move it forward,” said Peter Vigue, chairman of Cianbro.

The strategic plan will be delivered to the Governor’s office on November 15, 2019, and will be available to all legislators prior to the start of second regular session of the 129th Legislature. □

# “LIFT” and “STEP” bills move families with children out of poverty while strengthening Maine’s workforce

## Mainers all have a stake in addressing child poverty

The *Invest in Tomorrow* initiative is driven by a broad network of organizations and individuals across the state who have come together to ensure all Maine families with children can meet their basic needs and have opportunities for good jobs and a brighter future.<sup>1</sup>

Today nearly one in eight Maine children is growing up poor.<sup>2</sup> One out of every five is food insecure, living in families that worry whether they will have enough to eat.<sup>3</sup> Child poverty weighs all of us down — it challenges our schools, our health care system, our communities, and our economy.

Mainers all have a stake in addressing child poverty. We all want to see Maine children thrive, and in doing so we can strengthen our families, our communities, and our workforce.

That’s why Invest in Tomorrow supports a bi-partisan bill package that takes meaningful steps to increase security and opportunity for Maine kids:

*An Act to Reduce Child Poverty by Leveraging Investments so Families can Thrive* (LIFT), sponsored by House Speaker Sara Gideon (D-Freeport) will:

- ♦ **Improve access to the Parents as Scholars (PaS) program** by allowing schools to enroll low-income parents so they can get a degree or industry-recognized credential, providing a

pathway out of poverty and helping to address Maine’s workforce shortage;

- ♦ **Eliminate the “gross income test”** in Temporary Assistance for Needy Families (TANF), which prevents families struggling with poverty from accessing temporary assistance. Right now, a family of three making over \$12,276/yr can’t get help from TANF even though they are living far below the poverty level of \$21,330/yr. When you lift the gross income test, a family of three making up to \$18,780/yr could access this critical support to help meet basic needs and get help finding a job, education, or training;
- ♦ **Establish a Working Group** to make improvements at DHHS to help make government accountable to all of us and ensure that programs are working to help LIFT families out of poverty;
- ♦ **Require DHHS to measure and track Maine’s progress** toward ensuring that families get the help they need by setting targets for improvement in anti-poverty programs and tracking progress for accountability;
- ♦ **Authorize DHHS to streamline eligibility for Transitional Medicaid** for working families leaving TANF

*Continued on Page 8...*

### Investing in Parents Transforms Families

Allina Diaz is working her way through college as a single mom with three kids in the Parents as Scholars program. Allina can see the change in her daughters as they witness her progress in school: “They are seeing it on a daily basis – that education is important, that loving yourself is important, that valuing yourself is important, having a purpose. That is my goal – to be able to stop that cycle and for them to experience life in a different way than I had to.”



## Digest of New Legislation

Maine Chamber staff have studied each of these recently printed bills to assess potential impact on business trends. If you have concerns regarding any bill, please communicate those concerns to a member of our governmental services staff at (207) 623-4568.

**A total of 337 business-related bills have been tracked to date since the session began on January 2, 2019!**

### EDUCATION

**LD 1760, An Act To Support Children’s Healthy Development and School Readiness.** (Senate President Jackson, D-Aroostook) *Joint Standing Committee on Education and Cultural Affairs.* This bill creates the First 4 ME Early Care and Education Program under the Department of Health and Human Services to provide comprehensive, high-quality early child care and education services for at-risk children under 6 years of age who have not entered kindergarten and the children’s parents by funding projects that integrate comprehensive resources and services with traditional center-based and family child care settings. The projects are sponsored by coalitions of stakeholders, providers and other community members within the communities that the projects serve. Each project is led and coordinated by a community contractor who staffs the project’s operations and contracts with community providers to provide health care, education or parenting services, which may include services provided in a licensed child care center or by a licensed family child care provider, in a home visit or by an individual providing services to a family member within the individual’s or family member’s residence. The community contractor employs or contracts with community coaches who train and provide support to community providers. This bill also directs the department to request proposals for up to 10 pilot projects to implement the program and to report to the Legislature on the progress of the pilot projects toward the

*Continued on Page 9...*

## Water Tax...

(Continued from Page 3...)

Spring with significant unnecessary costs that the employer will have to somehow absorb in its operations — costs that competitors don't have to pay. Caprara testified that Maine's groundwater sources are sustainable and renewable, and that Maine should be proud to have an entire industry based on such resources. The Poland Spring Water brand, she said, is known worldwide for its water quality, and if this bill passes, it will have a chilling effect on future investment in Maine — and no doubt, on jobs as well.

Unfortunately, this is not the first time a bill like this has been before the Legislature. LD 1074 will now go to the House of Representatives for debate. If you have any questions, please contact Linda Caprara by calling (207) 623-4568, ext. 106, or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). □

## MEMIC...

(Continued from Page 4...)

A.M. Best's rating release made special note of MEMIC's record of making "workplace safety one of its highest priorities with substantial resources dedicated to fostering a safer work environment." The report also noted the MEMIC Group maintains models to test and track economic surplus, cash flow, duration and leverage analysis, the foundation of an appropriate and formalized enterprise risk management process.

The MEMIC Group was named ACORD's 2018 "top workers' compensation insurance company in the U.S." as well as the Maine Insurance Agents Association Company of the Year. □

**About MEMIC:** As a super-regional workers' compensation specialty insurer, The MEMIC Group holds licenses to write workers' compensation across the country. The group insures more than 20,000 employers and their estimated 300,000 employees and holds more than \$1.4 billion in assets. The group maintains offices in New Hampshire, Connecticut, New York, New Jersey, Pennsylvania, Virginia, and Florida, in addition to its headquarters in Portland, Maine.

## Parents need a bridge to work, not a benefits "cliff"

Casey Henderson is a young mother who is working her way through college after recovery from addiction. She has faced the benefits "cliff" which can make it hard to transition from health care, housing, food or income supports to work because of the sudden loss of critical help.

"A few months ago, I had to work extra to pay rent, but if I work an extra 15 hours I am no longer eligible for [TANF]...There are supports that help me and so many others get a little bit ahead. But for so many of us there's no bridge, just a cliff."



## Invest in Tomorrow...

(Continued from Page 7...)

so more families have continuity of care — this would help address the cliff effect in TANF and Medicaid;

*An Act to Secure Transitions to Economic Prosperity for Maine Families and Children (STEP)*, sponsored by Assistant Minority Leader Trey Stewart (R-Presque Isle), will:

- ◆ **Invest in the "Whole Family Economic Security Initiatives"** approach to service delivery, which combines supports for post-secondary education and workforce development for parents with quality early care and education for children, all while ensuring that families can meet their basic needs.
- ◆ **Significantly reduce the "benefits cliff"** families face when they transition off TANF into employment. Benefits "cliffs" can occur when a family's increase in earnings results in a sudden loss of benefits.
- ◆ **Parents and caregivers could count GED coursework** and programs that assist people in earning a GED toward meeting eligibility requirements as part of the first 20 hours of their weekly work requirements in TANF. Prioritizing education helps move families toward greater economic opportunity.
- ◆ **Authorize DHHS to increase the amount of Transitional Food**

Assistance for working families who are transitioning from TANF to employment, to address high rates of hunger.

## Why Invest in Tomorrow Supports LIFT + STEP...

Invest in Tomorrow envisions a world in which families can meet their basic needs to thrive and find gainful, sustainable employment, lifting their families out of poverty and setting us all on a better path. To that end, we have identified promising policy solutions like LIFT and STEP that could increase the likelihood that every Maine child gets what they need to have a fair shot at a bright future.

The data dashboard and more is available at [investintomorrow.me](http://investintomorrow.me), or by contacting Invest in Tomorrow coordinator, Joby Thoyalil, by calling (207) 626-7058, ext. 207, or emailing [jthoyalil@mejp.org](mailto:jthoyalil@mejp.org). □

- 1 The Invest in Tomorrow Steering Committee includes Community Concepts, Maine Community Action Association, Maine Community Foundation, Maine Children's Alliance, Maine Equal Justice, Maine State Chamber of Commerce, Maine Women's Lobby, and Penquis.
- 2 The 2019 poverty level for a family of three is \$21,330, however, the mean income deficit for Maine families in poverty was \$9,011 in 2017, the year for which the most recent data is available. The mean income deficit is the difference in dollars between household income and a family's poverty threshold. By using the 2017 mean deficit as an approximation, we estimate that the average household income for a Maine family of three below the poverty level is approximately \$12,300. U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates
- 3 Good Shepherd Food Bank of Maine. (n.d.). Hunger | Ending Hunger in Maine. Retrieved November 19, 2018, from <https://www.gsfb.org/hunger-in-maine/>



## ***Chamber members invited to participate in a statewide survey to understand broadband internet usage and needs***

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The Telecommunications Association of Maine (TAM) has teamed up with Consolidated Communications and The Island Institute to conduct a statewide survey to understand broadband internet usage and needs. TAM, along with its rural telecommunications provider members, is dedicated to promoting affordable voice and Internet service in rural Maine. The survey is available online at [www.tamnet.org/broadband-survey](http://www.tamnet.org/broadband-survey) throughout May 2019.

The broadband survey asks residents and businesses from all regions of Maine about the importance of activities that are dependent upon reliable broadband, such as telecommuting, aging in place, pursuing professional development activities, telemedicine, and accessing a skilled workforce. TAM also seeks to understand the barriers (i.e., cost, lack of providers, lack of speed) for rural Mainers who are currently “underserved” and lack access to high-speed broadband Internet access.

According to Ben Sanborn, executive director of TAM, “As a statewide association focused on investing in a rural future and promoting reliable and affordable Internet access for all corners of our state, this survey is an important initiative. The findings will help us understand the current need for broadband and to identify any misconceptions about broadband access from all regions of the state. We are purposefully seeking the input of non-rural Mainers who we consider “served,” as well as the many “underserved” rural Mainers.”

TAM plans to use the findings of this research to develop new communications strategies that support its mission of promoting the use and development of telephone and communication services.

“Access to reliable, high-speed internet can provide significant benefits to rural Maine,” said Nick Battista, senior policy officer at the Island Institute. “Residents of island, coastal, and inland communities have the opportunity to inform the statewide broadband conversation. Filling out this survey helps you make your voice heard.” □

**About the Telecommunications Association of Maine:** *The Telecommunications Association of Maine is comprised of rural voice and broadband companies offering service throughout the State. The purpose of the Association is to promote the welfare of its members; to promote the use and development of telephone service and broadband services; and to promote uniform and efficient methods of accounting, engineering, construction management and operations among telephone utilities. Learn more at [tamnet.org](http://tamnet.org).*

**About the Island Institute:** *The Island Institute is a 35-year-old nonprofit organization based in Rockland, Maine that works to sustain Maine’s island and remote coastal communities by strengthening community economies, enhancing education and leadership, and sharing solutions. For more information, visit <http://www.islandinstitute.org/>.*

## **Legislative Week Ahead**

Check it out at [www.mainechamber.org/legweekahead.php](http://www.mainechamber.org/legweekahead.php)

A snapshot of the biggest legislative issues of the week, the Legislative Week Ahead, provides a weekly video forecast of the biggest issues facing lawmakers in Augusta during the upcoming week. The Maine State Chamber’s Advocacy team breaks down the issues and what each means to your business. New episodes are posted each Tuesday during the legislative session.

View the Legislative Week Ahead by visiting [www.mainechamber.org/legweekahead.php](http://www.mainechamber.org/legweekahead.php), or see past Legislative Week Ahead videos by visiting [www.mainechamber.org/legweekaheadarchive.php](http://www.mainechamber.org/legweekaheadarchive.php). □

## ***New Legislation... (Continued from Page 7...)***

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objectives, goals and intended outcomes of the projects in 2024.

**WORKFORCE DEVELOPMENT**  
**LD 1685, An Act To Facilitate Entry of Immigrants into the Workforce.** (Rep. Cloutier, D-Lewiston) *Joint Standing Committee on Innovation, Development, Economic Advancement and Commerce.* This bill establishes and provides funding for the Foreign Credentialing and Skills Recognition Revolving Loan Program to be administered by the Finance Authority of Maine. Under the program, the authority may provide interest-free loans to foreign-educated or foreign-trained, experienced immigrants who need assistance while awaiting federal employment authorization to pay the costs of certain actions and activities that will improve their work-readiness once they receive their work permits. □

## Board approves \$6.6 million increase in grant and scholarship aid

UMS Board of Trustees  
unanimously adopts  
FY20 Spending Plan including  
7.6% increase in gift aid  
and approves \$3.4 million  
space elimination investment  
to reduce operating costs

In May 2019, the University of Maine System's Board of Trustees approved an FY20 spending plan that increases gift aid available to meet the financial need of students by \$6.6 million, a 7.6% increase over the grant and scholarship funding available for students this year. Over the past five years the universities have increased gift aid to \$93.2 million, a \$26.6 million (40%) increase while holding the line on tuition.

In April, the University of Maine System announced that one-in-four Maine undergraduate students, 4,077 degree seeking students, were enrolled in the spring semester free of tuition and fee expense as a result of the grant and scholarship aid provided through financial aid awards.

"Our financial aid investments are lowering the cost of attendance for Maine students and their families," said Trevor Hustus of Hollis the Student Trustee to the University of Maine System Board. "Reducing the reliance on loans helps ensure that student debt does not prevent students from staying in Maine after graduation and starting a career in their hometown."

The FY20 budget includes a 2.5% inflation-based adjustment to instate tuition based on the consumer price index. In-state, undergraduate cost-per-credit hour will increase between \$6 and \$10 per credit hour at the campuses in the

*Continued on Page 11...*

## Free workplace violence prevention training for small business retail workforce through USM's Maine Small Business Development Centers



The University of Southern Maine, in collaboration with Maine Small Business Development Centers, has launched a free online program to train small business retail workers in preventing and responding to violence in the workplace. Two versions of the training, for employers and employees, are available now at [www.mainesbdctraining.org](http://www.mainesbdctraining.org). A trainer-led version will be available this summer.

All three versions of the training include information on the types of violent threats in retail workplaces, including robbery, shoplifting, unwelcome walk-ins, and threats from customers or employees. Employers and employees will learn how to respond to violence or the threat of violence by reading body language and using de-escalation techniques. Employers will learn how to establish a workplace violence prevention program. The trainer version will be designed for team-based learning, including activities to identify workplace risk factors and improve safety.

The training was developed to meet the needs of the busy retail workplace. The online program is free and accessible from any computer or mobile device. Participants may login when convenient and complete the training at their own pace. After successful completion, participants may download a certificate of completion.

Please visit [www.mainesbdctraining.org](http://www.mainesbdctraining.org) to access the training. □

## UMaine...

(Continued from Page 10...)

upcoming academic year.

### Early College and Adult Learner Expansions...

The FY20 budget projects an additional increase in early college credit hours of 12% over the upcoming year and 6,500 in additional credit hours production linked to soon-to-be-launched, fully-online nursing, education, business and adult completion programs. Marketing for these online programs will begin later this month.

Expanding access to Maine high school students and delivering academic programming that career-focused adults can balance with work and family commitments are strategic priorities for the System. Governor Mills proposed an additional \$3.1 million in state support for early college and \$4.1 million for adult degree completion initiatives in her biennial budget proposal.

### \$3.4 Million Approved For Space Reduction Investments...

The Board approved expending up to \$3.4 million from the Trustees Strategic Investment Fund over the next two fiscal years for reduction by demolition of University facility space statewide. Current planning has identified a group of 27 demolition projects totaling 181,000 gross square feet of underutilized space. Reducing occupied space produces an operational savings of \$7 per square foot.

“Reducing inefficient, underutilized space has a positive impact on our operating costs and advances the Board’s commitment to providing affordable access to public higher education,” said Ryan Low, Vice Chancellor of Finance and Administration. “We are on a path to decreasing the university footprint by approximately 350,000 square feet over ten years, reducing costs by nearly \$2.5 million for our students and taxpayers.”

Funding approved by the Board today will contribute to plans at the University of Southern Maine to demolish the Dickey Woods residence hall on

the Gorham campus. USM will be removing the vacant space as part a multi-year implementation of a master plan that will build a new career and student success center and student housing on the Portland campus.

USM also plans millions of dollars in investment at the Gorham campus with ongoing capital investments, proceeds from the University workforce bonds, and public private partnerships that will invest in dining hall facilities and energy inefficiencies.

### Page Scholarship Fund...

The Board announced a tribute gift program to establish a System-wide scholarship celebrating the leadership of outgoing University of Maine System Chancellor James H. Page. In December the System announced that Chancellor Page would be retiring at the end of the academic year.

Proceeds from the Page Scholarship Fund will prioritize awards for adult Maine learners in keeping with the advancements in access for career-focused students achieved as part of Chancellor’s One University initiative. Contributions to the fund can be made by visiting [our.umaine.edu/pagefund](http://our.umaine.edu/pagefund).

### Board Welcomes New Trustees...

Former Congressman Michael Michaud of East Millinocket and Sven Bartholomew of Brewer were nominated to the Board of Trustees by Maine Governor Janet Mills. The nominations were approved by the Legislature and the new members attended their first meeting of the Board today. Trustee Michaud will also be serving on the Maine Community College System Board.

### Advancement on Strategic Priorities...

The Board heard a number of reports originating from the Declaration of Strategic Priorities adopted in December to expedite and guide public higher education reform. Updates included reports on Maine Center Ventures, biomedical sciences student debt, the development of microcredentials, the academic program funding model, and a discussion the status and next steps on the One University initiative. □

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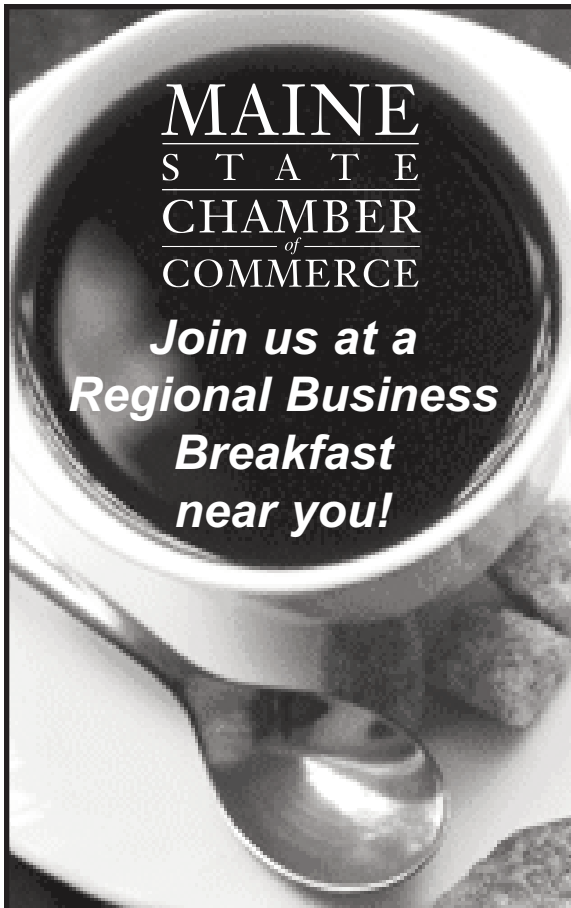
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As legislative adjournment nears, our staff routinely travels throughout the state during the spring and summer months to discuss legislative activity, as well as the critical role and valuable insight local business leaders contribute to the legislative process, which is instrumental to the open dialogue about business issues that affect your business, your community, and our state.

Tuesday, June 4

**Southern Maine Regional Breakfast Meeting**

Anthem Blue Cross and Blue Shield, 2 Gannett Drive, South Portland

Wednesday, June 26

**Maine Highlands Regional Breakfast Meeting**

Hilton Garden Inn, 250 Haskell Road, Bangor  
*In collaboration with Bangor Region Chamber of Commerce*

Thursday, June 27

**Northern Maine Regional Breakfast Meeting**

University of Maine at Presque Isle, St. John & Aroostook Rooms

June 28, 2019

**Kennebec Valley Regional Breakfast Meeting**

Bangor Savings Bank, Augusta  
*In collaboration with Kennebec Valley Chamber of Commerce*

Each Regional Business Breakfast runs from 7:30 a.m. to 9:00 a.m. To register for any of these FREE events, visit [www.mainechamber.org](http://www.mainechamber.org). If you have questions, please contact Angie Arno by calling (207) 623-4568, ext. 104, or by emailing [aarno@mainechamber.org](mailto:aarno@mainechamber.org). To sponsor one of these forums, please contact Melody Rousseau by calling (207) 623-4568, ext. 102, or by emailing [melodyr@mainechamber.org](mailto:melodyr@mainechamber.org).