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State of Maine

ONE HUNDRED AND TWENTY-THIRD LEGISLATURE

COMMITTEE ON LABOR

MEMORANDUM

TO: Senator Margaret Rotundo, Senate Chair
Representative Jeremy Fischer, House Chair
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Ethan Strimling, Senate Chair *ES*
Representative John L. Tuttle, House Chair *J.L.T.*
Joint Standing Committee on Labor

DATE: March 12, 2008

RE: Budget Change Package & Sen. Nutting Proposal

The Joint Standing Committee on Labor supports two out of three of the proposed budgetary cuts from the General Fund in the Governor's Change Package.

- We support the two proposed reductions in funding for the Governor's Training Initiative Program for a total of \$260,372.
 - One is the reallocation of funding from the GTI Program, General Fund to the Employment Services Activity, Federal Expenditures Fund in the amount of \$45,270.
 - The other is a reduction for training to maintain costs within available resources in the amount of \$215,102.
- We support amending the criteria for GTI program funding by limiting the eligibility of employers, but we would suggest limiting eligibility to employers who employ 50 or fewer full-time employees rather than the 100 employee limit proposed in the Change Package. We agree that applicants should demonstrate that funds will be used to train newly hired employees.
- We do **not** support the proposed funding reduction to Maine Centers for Women, Work and Community. This is a statewide economic development and training program committed to improving the economic lives of Maine women and their families. Individuals are provided

LABOR, DEPARTMENT OF

Blind and Visually Impaired - Division for the 0126

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Reduces funding by eliminating the Maine Atrs program.

GENERAL FUND	2007-08	2008-09
All Other	\$0	(\$35,000)
GENERAL FUND TOTAL	\$0	(\$35,000)

Employment Services Activity 0852

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Transfers the headcount of one Clerk IV position from the General Fund to the Federal Expenditures Fund.

GENERAL FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)

FEDERAL EXPENDITURES FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	1,000	1,000

Employment Services Activity 0852

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Reduces funding as a result of restructuring Career Center service delivery.

GENERAL FUND	2007-08	2008-09
All Other	\$0	(\$62,383)
GENERAL FUND TOTAL	\$0	(\$62,383)

Employment Services Activity 0852

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Reduces funding to Career Center field services.

LABOR, DEPARTMENT OF

Blind and Visually Impaired - Division for the 0126

Policy Committee: OUT Vote: 13-0 AFA Committee: UNK Vote:

Initiative: Reduces funding by eliminating the Maine Atrs program.

GENERAL FUND	2007-08	2008-09
All Other	\$0	(\$35,000)
GENERAL FUND TOTAL	\$0	(\$35,000)

Employment Services Activity 0852

Policy Committee: ~~UNK~~ **IN** Vote: **13-0** AFA Committee: UNK Vote:

Initiative: Transfers the headcount of one Clerk IV position from the General Fund to the Federal Expenditures Fund.

GENERAL FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)

FEDERAL EXPENDITURES FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	1,000	1,000

Employment Services Activity 0852

Policy Committee: OUT Vote: 13-0 AFA Committee: UNK Vote:

Initiative: Reduces funding as a result of restructuring Career Center service delivery.

GENERAL FUND	2007-08	2008-09
All Other	\$0	(\$62,383)
GENERAL FUND TOTAL	\$0	(\$62,383)

Employment Services Activity 0852

Policy Committee: OUT Vote: 13-0 AFA Committee: UNK Vote:

Initiative: Reduces funding to Career Center field services.

GENERAL FUND	2007-08	2008-09
All Other	(\$20,000)	(\$40,000)
GENERAL FUND TOTAL	(\$20,000)	(\$40,000)

Employment Services Activity 0852

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Reallocates 50% of the cost of one Career Center Consultant position and 12% of the cost of one Program Manager, Employment and Training position from the Governor's Training Initiative Program, General Fund account to the Employee Services Activity program, Federal Expenditures Fund account and reduces All Other in the Federal Expenditures Fund.

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$37,200	\$39,220
All Other	(\$37,200)	(\$39,220)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

Employment Services Activity 0852

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Reallocates 50% of the cost of one Career Center Consultant position from the General Fund to the Federal Expenditures Fund and reduces All Other in the Federal Expenditures Fund. This initiative relates to the curtailments ordered in Financial Order 003806 F8.

GENERAL FUND	2007-08	2008-09
Personal Services	(\$31,078)	(\$25,544)
GENERAL FUND TOTAL	(\$31,078)	(\$25,544)

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$31,078	\$25,544
All Other	(\$31,078)	(\$25,544)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

Governor's Training Initiative Program 0842

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Reallocates 50% of the cost of one Career Center Consultant position and 12% of the cost of one Program Manager, Employment and Training position from the Governor's Training Initiative Program, General Fund account to the Employee Services Activity program, Federal Expenditures Fund account and reduces All Other in the Federal Expenditures Fund.

GENERAL FUND	2007-08	2008-09
All Other	(\$20,000)	(\$40,000)
GENERAL FUND TOTAL	(\$20,000)	(\$40,000)

Employment Services Activity 0852

Policy Committee: IN Vote: 13-0 AFA Committee: UNK Vote:

Initiative: Reallocates 50% of the cost of one Career Center Consultant position and 12% of the cost of one Program Manager, Employment and Training position from the Governor's Training Initiative Program, General Fund account to the Employee Services Activity program, Federal Expenditures Fund account and reduces All Other in the Federal Expenditures Fund.

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$37,200	\$39,220
All Other	(\$37,200)	(\$39,220)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

Employment Services Activity 0852

Policy Committee: OUT Vote: AFA Committee: UNK Vote:

Initiative: Reallocates 50% of the cost of one Career Center Consultant position from the General Fund to the Federal Expenditures Fund and reduces All Other in the Federal Expenditures Fund. This initiative relates to the curtailments ordered in Financial Order 003806 F8.

GENERAL FUND	2007-08	2008-09
Personal Services	(\$31,078)	(\$25,544)
GENERAL FUND TOTAL	(\$31,078)	(\$25,544)

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$31,078	\$25,544
All Other	(\$31,078)	(\$25,544)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

Governor's Training Initiative Program 0842

Policy Committee: IN Vote: 13-0 AFA Committee: IN Vote:

Initiative: Reallocates 50% of the cost of one Career Center Consultant position and 12% of the cost of one Program Manager, Employment and Training position from the Governor's Training Initiative Program, General Fund account to the Employee Services Activity program, Federal Expenditures Fund account and reduces All Other in the Federal Expenditures Fund.

GENERAL FUND	2007-08	2008-09
Personal Services	(\$37,200)	(\$39,220)
GENERAL FUND TOTAL	(\$37,200)	(\$39,220)

Regulation and Enforcement 0159

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Eliminates one vacant Office Associate II position. This initiative relates to the curtailments ordered in Financial Order 003806 F8.

GENERAL FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)
Personal Services	(\$50,052)	(\$53,129)
GENERAL FUND TOTAL	(\$50,052)	(\$53,129)

DEPARTMENT OF LABOR

DEPARTMENT TOTALS	2007-08	2008-09
General Fund Cost (Savings)	(\$138,330)	(\$255,276)
Federal Expenditures Fund Cost (Savings)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$138,330)	(\$255,276)

LABOR, DEPARTMENT OF

Employment Services Activity 0852

Policy Committee: Vote: AFA Committee: Vote:

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$0	\$0
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

Governor's Training Initiative Program 0842

Policy Committee: Vote: AFA Committee: Vote:

GENERAL FUND	2007-08	2008-09
Personal Services	(\$37,200)	(\$39,220)
GENERAL FUND TOTAL	(\$37,200)	(\$39,220)

Regulation and Enforcement 0159

Policy Committee: IN Vote: 13-0 AFA Committee: IN Vote:

Initiative: Eliminates one vacant Office Associate II position. This initiative relates to the curtailments ordered in Financial Order 003806 F8.

GENERAL FUND	2007-08	2008-09
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)
Personal Services	(\$50,052)	(\$53,129)
GENERAL FUND TOTAL	(\$50,052)	(\$53,129)

DEPARTMENT OF LABOR

DEPARTMENT TOTALS	2007-08	2008-09
General Fund Cost (Savings)	\$0	\$0
Federal Expenditures Fund Cost (Savings)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$0

LABOR, DEPARTMENT OF

Employment Services Activity 0852

Policy Committee: ~~UNK~~ IN Vote: 13-0 AFA Committee: UNK Vote:

Initiative: Reallocates 50% of one Program Manager Employment and Training position from the Governor's Training Initiative Program, General Fund to the Employment Services Activity, Federal Expenditures Fund to maintain costs within available resources.

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$0	\$45,270
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$45,270

Governor's Training Initiative Program 0842

Policy Committee: ~~UNK~~ IN Vote: 13-0 AFA Committee: UNK Vote:

Initiative: Reallocates 50% of one Program Manager Employment and Training position from the Governor's Training Initiative Program, General Fund to the Employment Services Activity, Federal Expenditures Fund to maintain costs within available resources.

GENERAL FUND	2007-08	2008-09
Personal Services	\$0	\$0
GENERAL FUND TOTAL	\$0	\$0

Governor's Training Initiative Program 0842

Policy Committee: Vote: AFA Committee: Vote:

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$0
GENERAL FUND TOTAL	\$0	\$0

Maine Centers for Women, Work and Community 0132

Policy Committee: Vote: AFA Committee: Vote:

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$0
GENERAL FUND TOTAL	\$0	\$0

DEPARTMENT OF LABOR

DEPARTMENT TOTALS	2007-08	2008-09
General Fund Cost (Savings)	\$0	\$0
Federal Expenditures Fund Cost (Savings)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$0

WORKERS' COMPENSATION BOARD

Administration - Workers' Compensation Board 0183

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Provides funding for contracted services and information technology expenditures.

GENERAL FUND	2007-08	2008-09
Personal Services	\$0	(\$45,270)
GENERAL FUND TOTAL	\$0	(\$45,270)

Governor's Training Initiative Program 0842

Policy Committee: ~~UNK~~ **IN** Vote: **13-0** AFA Committee: UNK Vote:

Initiative: Reduces funding for training through the Governor's Training Initiative Program to maintain costs within available resources.

GENERAL FUND	2007-08	2008-09
All Other	\$0	(\$215,102)
GENERAL FUND TOTAL	\$0	(\$215,102)

Maine Centers for Women, Work and Community 0132

Policy Committee: ~~UNK~~ **OUT** Vote: **13-0** AFA Committee: UNK Vote:

Initiative: Reduces funding for the Maine Centers for Women, Work and Community to maintain costs within available resources.

GENERAL FUND	2007-08	2008-09
All Other	\$0	(\$35,000)
GENERAL FUND TOTAL	\$0	(\$35,000)

DEPARTMENT OF LABOR

DEPARTMENT TOTALS	2007-08	2008-09
General Fund Cost (Savings)	(\$138,330)	(\$550,648)
Federal Expenditures Fund Cost (Savings)	\$0	\$45,270
DEPARTMENT TOTAL - ALL FUNDS	(\$138,330)	(\$505,378)

WORKERS' COMPENSATION BOARD

Administration - Workers' Compensation Board 0183

Policy Committee: ~~UNK~~ **IN** Vote: **13-0** AFA Committee: UNK Vote:

Initiative: Provides funding for contracted services and information technology expenditures.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	\$205,527	\$156,792
OTHER SPECIAL REVENUE FUNDS TOTAL	\$205,527	\$156,792

LABOR, DEPARTMENT OF

Employment Security Services 0245

Policy Committee: UNK Vote: AFA Committee: UNK Vote:
 Initiative: RECLASSIFICATIONS

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$33,689	\$21,650
All Other	\$2,700	\$2,700
FEDERAL EXPENDITURES FUND TOTAL	\$36,389	\$24,350

Employment Services Activity 0852

Policy Committee: UNK Vote: AFA Committee: UNK Vote:
 Initiative: RECLASSIFICATIONS

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$9,178	\$5,783
All Other	\$772	\$772
FEDERAL EXPENDITURES FUND TOTAL	\$9,950	\$6,555

Rehabilitation Services 0799

Policy Committee: UNK Vote: AFA Committee: UNK Vote:
 Initiative: RECLASSIFICATIONS

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$14,664	\$16,090
FEDERAL EXPENDITURES FUND TOTAL	\$14,664	\$16,090

Safety Education and Training Programs 0161

Policy Committee: UNK Vote: AFA Committee: UNK Vote:
 Initiative: RECLASSIFICATIONS

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	\$205,527	\$156,792
OTHER SPECIAL REVENUE FUNDS TOTAL	\$205,527	\$156,792

LABOR, DEPARTMENT OF

Employment Security Services 0245

Policy Committee: ~~UNK~~ IN Vote: 13-0 AFA Committee: UNK Vote: ✓

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$33,689	\$21,650
All Other	\$2,700	\$2,700
FEDERAL EXPENDITURES FUND TOTAL	\$36,389	\$24,350

Employment Services Activity 0852

Policy Committee: ~~UNK~~ IN Vote: 13-0 AFA Committee: UNK Vote: ✓

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$9,178	\$5,783
All Other	\$772	\$772
FEDERAL EXPENDITURES FUND TOTAL	\$9,950	\$6,555

Rehabilitation Services 0799

Policy Committee: ~~UNK~~ IN Vote: 13-0 AFA Committee: UNK Vote: ✓

FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$14,664	\$16,090
FEDERAL EXPENDITURES FUND TOTAL	\$14,664	\$16,090

Safety Education and Training Programs 0161

Policy Committee: ~~UNK~~ IN Vote: 13-0 AFA Committee: UNK Vote: ✓

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$13,911	\$12,284
OTHER SPECIAL REVENUE FUNDS TOTAL	\$13,911	\$12,284

DEPARTMENT OF LABOR		
DEPARTMENT TOTALS	2007-08	2008-09
Federal Expenditures Fund Cost (Savings)	\$61,983	\$46,995
Other Special Revenue Funds Cost (Savings)	\$13,911	\$12,284
DEPARTMENT TOTAL - ALL FUNDS	\$74,914	\$59,279

WORKERS' COMPENSATION BOARD

Administration - Workers' Compensation Board 0183

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: RECLASSIFICATIONS

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$53,128	\$32,540
OTHER SPECIAL REVENUE FUNDS TOTAL	\$53,128	\$32,540

WORKERS' COMPENSATION BOARD		
DEPARTMENT TOTALS	2007-08	2008-09
Other Special Revenue Funds Cost (Savings)	\$53,128	\$32,540
DEPARTMENT TOTAL - ALL FUNDS	\$53,128	\$32,540

LABOR, DEPARTMENT OF

Employment Services Activity 0852

Policy Committee: UNK Vote: AFA Committee: UNK Vote:

Initiative: Reduces funding as a result of restructuring Career Center service delivery and reallocates 14 Career Center Consultant positions from 50% to 38.85% General Fund and 42.85% to 54% Federal Expenditures Fund and for one Employment and Training Specialist III position from 50% to 38.85% General Fund and 50% to 61.15% Federal Expenditures Fund in order to streamline State Government in accordance with Public Law 2007, chapter 240, Part QQQ.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$13,911	\$12,284
OTHER SPECIAL REVENUE FUNDS TOTAL	\$13,911	\$12,284

DEPARTMENT OF LABOR		
DEPARTMENT TOTALS	2007-08	2008-09
Federal Expenditures Fund Cost (Savings)	\$61,003	\$46,995
Other Special Revenue Funds Cost (Savings)	\$13,911	\$12,284
DEPARTMENT TOTAL - ALL FUNDS	\$74,914	\$59,279

WORKERS' COMPENSATION BOARD

Administration - Workers' Compensation Board 0183

Policy Committee: ~~UNK~~ IN Vote: 13-0 AFA Committee: UNK Vote:

Initiative: RECLASSIFICATIONS

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
Personal Services	\$53,128	\$32,540
OTHER SPECIAL REVENUE FUNDS TOTAL	\$53,128	\$32,540

WORKERS' COMPENSATION BOARD		
DEPARTMENT TOTALS	2007-08	2008-09
Other Special Revenue Funds Cost (Savings)	\$53,128	\$32,540
DEPARTMENT TOTAL - ALL FUNDS	\$53,128	\$32,540

LABOR, DEPARTMENT OF

Employment Services Activity 0852

Policy Committee: OUT Vote: 13-0 AFA Committee: UNK Vote:

Initiative: Reduces funding as a result of restructuring Career Center service delivery and reallocates 14 Career Center Consultant positions from 50% to 38.85% General Fund and 42.85% to 54% Federal Expenditures Fund and for one Employment and Training Specialist III position from 50% to 38.85% General Fund and 50% to 61.15% Federal Expenditures Fund in order to streamline State Government in accordance with Public Law 2007, chapter 240, Part QQQ.

GENERAL FUND	2007-08	2008-09
Personal Services	\$0	(\$106,867)
GENERAL FUND TOTAL	\$0	(\$106,867)
FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$0	\$106,867
All Other	\$0	(\$106,867)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

GENERAL FUND	2007-08	2008-09
Personal Services	\$0	(\$106,867)
GENERAL FUND TOTAL	\$0	(\$106,867)
FEDERAL EXPENDITURES FUND	2007-08	2008-09
Personal Services	\$0	\$106,867
All Other	\$0	(\$106,867)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

**LABOR COMMITTEE
PROPOSED AMENDMENT
TO LD 2173 (Supp. Budget bill)**

**This has been designated as
Part RRR in the Governor's
Change Package**

Insert in the appropriate location the following new Part

PART ____

Sec. ____ . 26 MRSA §2031, sub§4 is amended to read:

4. Criteria for program funding. The following criteria must be demonstrated to the committee by an applicant at the time of application. An applicant shall:

A. Work with the Department of Labor to analyze the occupational skills of the unemployed work force in the designated labor market;

B. Provide a statement of commitment to long-term operation in this State; ~~and~~

C. Comply with any other criteria that has been adopted by the Commissioner of Labor in accordance with the Maine Administrative Procedure Act; ;

D. Demonstrate that it employs 50 or fewer full-time employees. All employees, including those of parent or subsidiary companies must be included in this calculation; and

E. Demonstrate that funds received will be utilized to train new employees.

Sec. ____ . Effective date. This Part takes effect on July 1, 2008.

SUMMARY

Part ____ amends, beginning on July 1, 2008, the criteria that applicants must meet to receive funding under the Governor's Training Initiative. It requires that the applicant have 50 or fewer employees and that it use the funds it receives from the program train new employees.