

MAINE STATE LEGISLATURE

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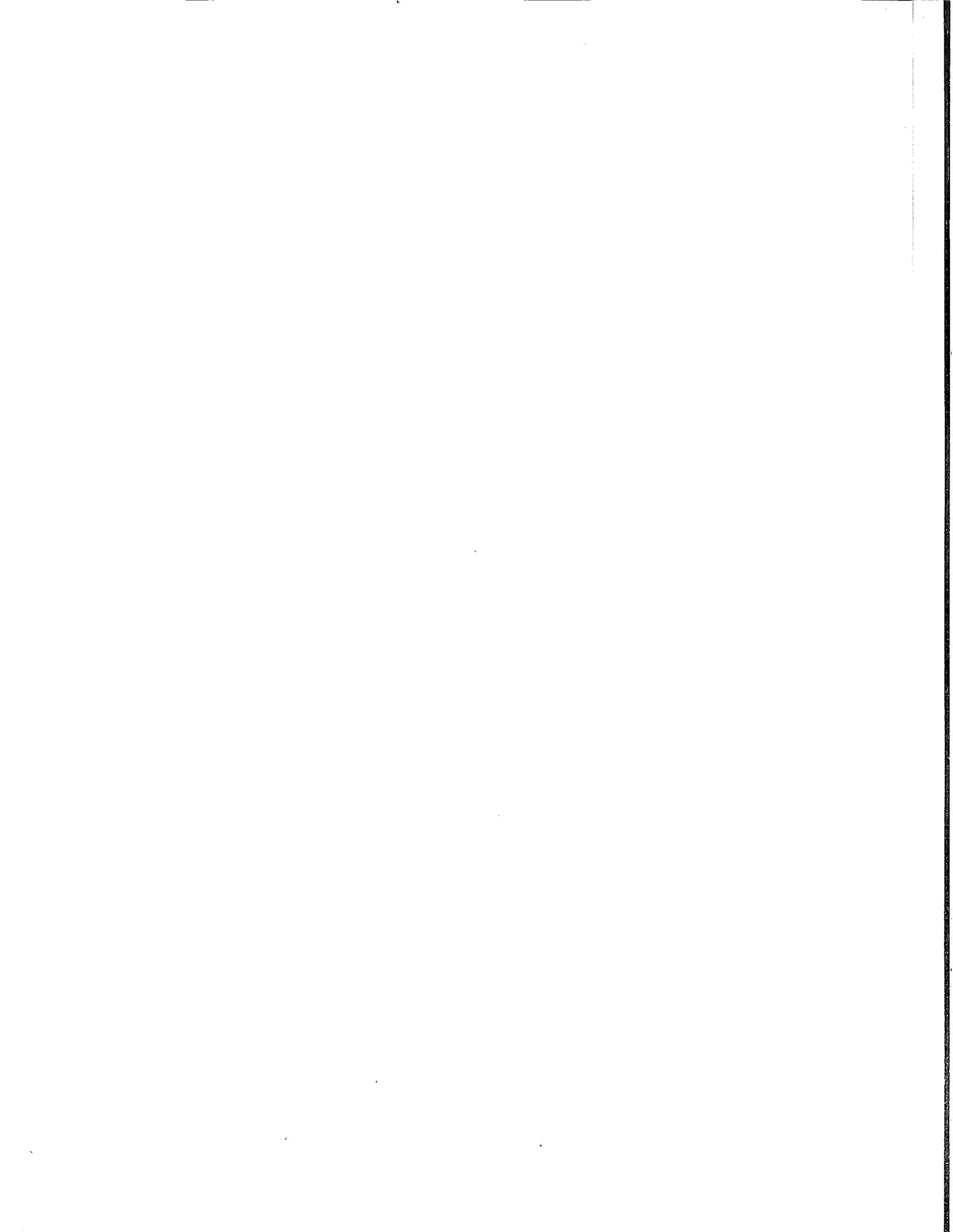


Review of

DEPARTMENT OF LABOR
MAINE LABOR RELATIONS BOARD

Joint Standing Committee on Audit and Program Review 1988-1989





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STATE OF MAINE
ONE HUNDRED AND FOURTEENTH LEGISLATURE
COMMITTEE ON AUDIT AND PROGRAM REVIEW

June 1989

Members of the Legislative Council,

We are pleased to transmit the Committee's 1988--1989 report to you in three volumes. To simplify our process and reduce costs, this year the Committee used draft reports to circulate its initial recommendations. These three volumes represent our final conclusions about the agencies under review. The report includes statutory and administrative recommendations and findings on the:

- Department of Administration;
- Department of Labor;
- Maine Labor Relations Board;
- Workers' Compensation Commission;
- Professional Regulatory Boards;
- Advisory Commission on Radioactive Waste;
- Department of Human Services;
- SCAN Team Language;
- Emergency Medical Services;
- State Civil Service Appeals Board;
- Educational Leave Advisory Board; and
- Maine State Retirement System

In addition to the diligent work of the Committee members, we would like to particularly thank the adjunct members who served on our subcommittees from other Joint Standing Committees; their expertise enriched and strengthened the review process.

The Committee's recommendations will serve to improve state agency performance and efficiency by increasing management and fiscal accountability, resolving complex issues, clarifying Legislative intent and increasing Legislative oversight. We invite questions, comments and input regarding any part of this report.

Sincerely,

Handwritten signature of Beverly M. Bustin in cursive.

Beverly M. Bustin
Senate Chair

Handwritten signature of Neil Rolde in cursive.

Neil Rolde
House Chair

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COMMITTEE ORGANIZATION

AUDIT & PROGRAM REVIEW SUBCOMMITTEE #2

Department of Labor;
• Maine Labor Relations
Board;
Workers' Compensation Commission;
Advisory Committee on Low-Level
Radioactive Waste;
State Board of Social Worker
Licensure;
Electricians' Examining Board;
State Board of Accountancy;
Department of Human Services,
SCAN;
Emergency Medical Services

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Representative Neil Rolde



THE COMMITTEE PROCESS

The Joint Standing Committee on Audit & Program Review was created in 1977 to administer Maine's Sunset Act which "requires the Legislature to evaluate the need for an performance of present and future departments and agencies on a periodic basis." (3 MRSA Ch. 23). To carry out its mandate, the overriding goal of the Audit Committee is to increase governmental efficiency by recommending improvements in agency management, organization, program delivery, and fiscal accountability.

The Committee process unfolds in five distinct phases, which can be briefly described follows:

PHASE ONE: RECEIPT OF PROGRAM REPORTS

The law requires that agencies due for review must submit a Program Report to the Committee. The Program, or Justification, Report prepared by the agency provides baseline data used to orient staff and Committee to the agency's programs and finances.

PHASE TWO: REVIEW BEGINS

At the start of each review, the Committee Chairs divide the full Committee into subcommittees, appoint subcommittee chairs and assign each subcommittee responsibility for a portion of the total review. Each subcommittee is augmented by at least one member from the committee of jurisdiction in the Legislature; i.e. the subcommittee reviewing the administration and management of the University of Maine System will include a member of the Education Committee.

PHASE THREE: SUBCOMMITTEE MEETINGS

The subcommittees created by the Committee meet frequently when the Legislature is in session and every three to four weeks between the sessions to discuss issues regarding the agency and make recommendations for change. Staff will prepare material for the subcommittee's deliberation and present it to the subcommittee in one of several forms; as an option paper, discussion paper, or information paper. The Committee has found that these formats facilitate its process by cogently and objectively describing the topic for discussion and the points necessary for expeditious decision-making. These subcommittee meetings are not formal hearings but are open to the public and are usually well attended by interested parties. The subcommittees conduct their business in an open manner, inviting comment and providing a forum for all views to be heard and aired.

PHASE FOUR: FULL COMMITTEE MEETINGS

The full Audit & Program Review Committee considers the recommendations made by each subcommittee. These meetings are another opportunity for the public to express its views.

PHASE FIVE: THE LEGISLATURE

Following the full Committee's acceptance of subcommittee recommendations, Committee staff prepare a text and draft a bill containing all the Committee's recommendations for change. The Committee introduces its bill into the Legislative session in progress and the bill is then referred to the Audit & Program Review Committee. As a final avenue for public comment prior to reaching the floor, the Committee holds public hearings and work sessions on all its recommendations. After the Committee concludes deliberations and amendments, the bill is amended and placed on the calendar for consideration by the entire Legislature.

SUMMARY OF RECOMMENDATIONS

The Committee categorizes its changes into statutory and administrative recommendations. The statutory recommendations constitute the Committee's bill. Administrative recommendations are implemented by the agencies under review without statutory changes. In some instances, the Committee includes a finding which requires no further action but which highlights a particular situation. Recommendations include, where possible, the proposed change and the reason for this change. For more specific detail, refer to the narrative of the recommendations.

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| STATUTORY | 1. | Reduce the number of statutorily required meetings of the State Advisory Council to the Department of Labor from 4 to 3, in order to reflect current practice and maintain a required level of participation in employment security issues before the Department and the Legislature. |
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| FINDING | 2. | The Committee finds that the statutes governing the Department of Labor, Title 26, are disorganized, difficult to reference, contain a significant amount of obsolete language, and should be recodified to provide clarity and accuracy. |
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| FINDING | 3. | The Committee finds that state administered job training programs appear to lack an emphasis on non-traditional job counselling and training. |
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ADMINISTRATIVE 4.

Distribute to all relevant job training counselors a procedural outline detailing the counselors' responsibilities to offer and encourage consideration of the widest possible range of job training choices, in order to increase the awareness of both counselors and clients of non-traditional job opportunities. Report to the Committee during the compliance review on the number of participants choosing non-traditional job training, relative to the number currently doing so.

ADMINISTRATIVE 5.

Provide a checklist to job training participants entering the system that shows available support services, allows the participant to express their need for the various services, indicates approval or denial of each needed service, and informs the participant about the appeal procedure, in order to assure that the rights of eligible applicants to receive support services are protected.

STATUTORY

6. Clarify that the intent of the Legislature, in providing for a checklist of potentially available support services for job training participants entering the system, is to ensure adequate information about and opportunity to express need for the services available under the Maine Training Initiative, and that approval or denial of each service for which a participant has expressed a need may be made during the formulation of the participant's employability development plan (EDP).
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FINDING

7. The Committee finds that the private industry councils should increase the percentage of federal job training funds allocated for support services to the full 15% allowable under federal law, in order to ensure the accessibility of the program to those whose need for support services might otherwise prevent their participation in job training.
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FINDING

8. Recognizing that Maine has over 5,000 women owned businesses, the Committee finds that local government business organizations should nominate, local elected officials should appoint, and the Governor should certify business women to the 12 County Private Industry Council, to achieve compliance with federal law mandating that members shall reasonably represent the industrial and demographic composition of the business community.
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ADMINISTRATIVE 9. Urge the Associate Director of the Displaced Homemakers Program to seek appointment to the Targeted Services standing committee of the Maine Human Resources Development Council, in order to strengthen the program's role in the Council's planning and coordination activities.

FINDING 10. The Committee finds that the allocation of Employment Security Administration funds by the U.S. Congress is insufficient and has forced the State to assume greater financial responsibility for the administration of employment security programs.

ADMINISTRATIVE 11. Direct the Department of Labor to seek a more permanent solution to the Bureau of Employment Security's funding problems, in order to reduce the Bureau's reliance on penalties and interest under the unemployment tax laws as a funding source to compensate for inadequate federal funding, which the Committee finds to be unsound in the long term.

ADMINISTRATIVE 12. Urge the director of the Bureau of Employment Security to re-evaluate the current allocation of staff and other resources, in order to address the shortage of job counselors available to Job Service clients.

ADMINISTRATIVE 13. Link local Job Service, job training and related service offices with the Department of Human Services' computerized resource directory and any other relevant information resources, in order to maximize the integration and efficacy of services to clients.

FINDING 14. The Committee acknowledges the value and importance of the Office of Automation Coordinator and the Data Processing Division efforts to establish comprehensive computer linkages between Department of Labor offices and programs, in order to provide the highest level of integration and coordination of services possible.

ADMINISTRATIVE 15. Proceed with the implementation of the automation proposal developed for the Bureau of Labor Standards by the Department's automation coordinator, in order to increase the efficiency of current staff and reduce the need for additional support staff.

STATUTORY 16. Amend the criteria governing loans from the Occupational Safety Loan Fund, in order to stimulate interest in the loan program within the business community.

ADMINISTRATIVE 17. Recommend that the Department fund expanded workplace safety activities with its existing dedicated funding source, before seeking additional dollars from the General Fund.

STATUTORY 18. Transfer fee setting authority, within statutorily mandated caps, to the Board of Boiler Rules and the Board of Elevator and Tramway Safety, in order to allow for a more prompt and knowledgeable response to the changing regulatory environment.

STATUTORY 19. Amend a technical provision of the statute relating to boilers, in order to ensure consistency with the national boiler code.

STATUTORY 20. Amend certain provisions of the law related to boiler, elevator, and tramway regulation, in order to make the provisions consistent with current practice.

STATUTORY 21. Make technical corrections in the laws relating to the regulation of boilers, elevators and tramways, in order to provide for clarity and accuracy in Maine law.

STATUTORY 22. Incorporate the goals and objectives of the law regarding apprenticeships for AFDC recipients into the previous subchapter governing apprenticeship generally, in order to strengthen and integrate the AFDC population as appropriate candidates for apprenticeship.

FINDING 23. The Committee finds that the apprenticeship program at the Kittery Naval Shipyard is relatively successful in recruiting and retaining women, due to the existence of program and service components aimed at overcoming many of the obstacles facing women in apprenticeship.

ADMINISTRATIVE 24. Pursue federal funds for affirmative action training for job training and Job Service caseworkers and supervisors, in order to increase the awareness and emphasize the seriousness of affirmative action.

ADMINISTRATIVE 25. Revise the Apprenticeship program brochure and stress the affirmative action goals of the program, in order to strengthen efforts to change the image of apprenticeship as a solely male activity.

ADMINISTRATIVE 26. Direct the Maine State Apprenticeship and Training Council to assess the implications of applying adopted affirmative action rules to apprenticeship programs involving 2 or more apprentices, in order to determine the most effective method of implementing the change.

STATUTORY 27. Increase the membership of the State Apprenticeship and Training Council from 11 to 12, requiring that 2 public members represent the interests of women, minorities, and AFDC recipients in apprenticeship.

STATUTORY 28. Require that the composition of each local, regional, or state joint apprenticeship committee include an even number of members with expertise in issues related to women, minorities and AFDC recipients in apprenticeship, one half to be chosen by the employer representatives and one half to be chosen by the employee representatives.

STATUTORY 29. Add the Director of Apprenticeship Training of the Maine Vocational Technical Institute system to the Maine State Apprenticeship and Training Council as an ex-officio member, in order to ensure adequate planning and coordination of related and supplemental training provided to apprentices by the vocational-technical institutes.

FINDING

30.

The Committee finds that the apprenticeship program for AFDC recipients and affirmative action rules issued by the Maine State Apprenticeship and Training Council to govern applicable apprenticeships have fallen short of their intended goals.

STATUTORY

31.

Require the Commissioner of Administration and the Commissioner of Labor to jointly submit a report to the Committee by January 1, 1990, detailing their cooperative plan to increase the number of apprenticeships sponsored by state government, in order to more effectively model the State's commitment to apprenticeship.

MAINE LABOR RELATIONS BOARD

STATUTORY

32.

Continue the Maine Labor Relations Board pursuant to Maine's Sunset Law.



DEPARTMENT OF LABOR

INTRODUCTION

The Department of Labor (DOL) is responsible for overseeing the state's labor forces. The Department provides consultation services to and regulates the State's employers for workplace safety, collects statistics on the State labor market, administers the state's unemployment insurance and employment service programs and facilitates education and job training services for the state's potential labor force. In fiscal year 1987, 98% of the Department of Labor's programs were funded with federal funds or dedicated revenues. In fiscal year 1988, the General Fund share increased from 2 to 4 percent.

PURPOSE

The Department of Labor's primary purpose has evolved from a labor statistics division into a human resource development agency. The Department's stated goal is to promote and provide programs and services to Maine workers and employers to ensure that Maine has a skilled workforce, able to meet its current and future needs. The Department of Labor facilitates this employment process by:

- providing job referral and job training services through a network of statewide local offices;
- producing research and analysis reports;
- providing career education and labor market information;
- collecting unemployment taxes and paying unemployment benefits; and
- enforcing state laws for the protection of the health and safety of workers and the general public, the payment of wages, and the employment of minors and adults, and furthering labor/management relations.

HISTORY

The following is a partial chronology of the evolution of the Department of Labor.

- 1873 The Legislature authorizes the Secretary of State to collect labor statistics and local land valuation statistics, resulting in a report, "The Wealth and Industry of Maine."
- 1887 The Department was first established as the Bureau of Industrial and Labor Statistics. The Bureau's basic function was statistical reporting. It was not responsible for addressing questions of labor strife, wages, etc..
- 1911 Renamed the Department of Labor and Industry.
- 1936 The state established a Bureau of Employment Security directed by a 3 person Employment Security Commission. This unit was independent of the Department of Labor and Industry.
- 1972 The Legislature reorganized state government, resulting in the Department of Manpower Affairs, which incorporated the Employment Security Commission and Bureau. The Chair of the Employment Security Commission became the Commissioner of the new Department. Added to the Department were the responsibilities for enforcing regulatory laws relating to the employment of children, minors and women; the physical protection of factory workers; oversight of wages; labor relations management; boiler and elevator safety and bedding and upholstery laws. The Public Employee Relations Board was established.
- 1973 The federal Community Employment and Training Act (CETA) job training program was established by executive order in accordance with federal requirements and placed within the Office of the Governor.
- 1975 The Public Employee Labor Relations Board was renamed the Maine Labor Relations Board and the administration of the State Employees Labor Relations Act and the Panel of Mediators was added to the Board's administrative responsibilities.
- 1978 CETA administration transferred to the Department of Labor.
- 1981 The Department of Manpower Affairs was renamed the Department of Labor.
- 1983 CETA was replaced by the Job Training Partnership Act program (JTPA) and the Bureau of Employment and Training Programs (BETP) was created to administer the program.

DEPARTMENT ORGANIZATION

The Department of Labor is comprised of three Bureaus, the Office of the Commissioner and several affiliated state boards. An organizational chart of the Department appears on page 6. These sub-divisions of the Department include the following:

- **Office of the Commissioner:** (33 employees) The Office of the Commissioner includes the Assistant to the Commissioner for Public Affairs, the Office of Administrative Services, the Automation Services division, the Affirmative Action Officer, and the Legal Services division;
- **Bureau of Employment and Training Programs (BETP):** (65 employees) BETP's function is to provide state planning and program monitoring of job training programs for the low and moderate income and recently unemployed populations. The Bureau administers the federal Job Training Partnership Act (JTPA), the Displaced Homemakers Program, the Maine Training Initiative, and newly created state STAR (Strategic Training for Accelerated Reemployment), ASPIRE (Additional Support for People In Retraining Education) programs, and HOT (Health Occupations Training);
- **Job Training Administrative Office (JTAO):** The Job Training Administrative Office is a state entity, chosen by the 12 county private industry council (PIC) to administer the job training programs in the 12 County Service Delivery Area (SDA). There are 3 service delivery areas in the State. The JTAO is independent of the Bureau of Employment and Training Programs;
- **Bureau of Labor Standards (BLS):** (56 employees) The Bureau of Labor Standards is responsible for collecting labor statistics for the US Bureau of Labor Statistics; administering several programs which complement federal initiatives, including apprenticeship training, minimum wage laws, labor statistics, and industrial safety; and administering state wage assurance funds, severance pay, bedding and stuffed toys and boiler, elevator and tramway safety programs. In addition, the Bureau collects and manages statistical data for the Workers' Compensation Commission, including data on occupational injuries and illness;

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- **Bureau of Employment Security (BES):** (350 employees) The Bureau of Employment Security manages the State's unemployment program, administering unemployment compensation, collecting the federally required statistics, administering the Veterans' Employment services and maintaining the state-wide federal job service referral offices.

The Department of Labor has numerous affiliated state boards and commissions including the following:

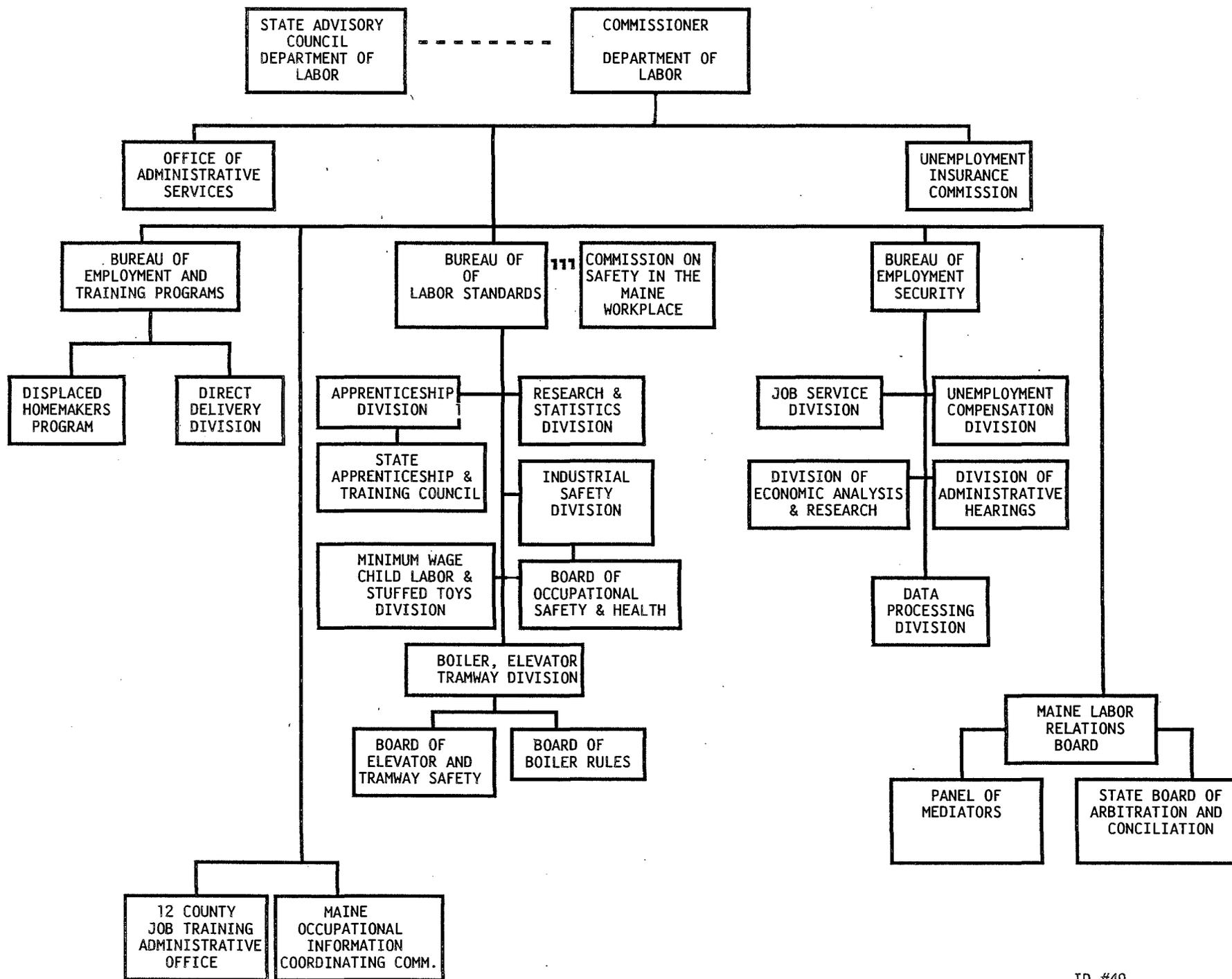
- **Maine Human Resource Development Council.** The Maine Human Resource Development Council is a multi-agency council which fulfills the role of the federally mandated state job training coordinating council. The Council is staffed by the Department of Labor Bureau directors and develops an annual strategic plan to assess and coordinate the development of the State's human resources. In preparation for these responsibilities, the Maine Human Resource Development Council has oversight responsibility to ensure implementation of the Governor's annual goals, which currently are to increase coordination between economic development entities and human resource development agencies; enhance employment and training services for groups not traditionally part of the economic mainstream; coordinate with the State's educational systems to improve the transition from school to work; and increase retraining and upgrading opportunities for the State's workers.
- **Maine Labor Relations Board.** The Maine Labor Relations Board is affiliated with the Department of Labor and is responsible for administering hearings and appeals of the various labor relations acts for public employees. The Maine Labor Relations Board also oversees the Panel of Mediators and the State Board of Arbitration and Conciliation.

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- **Unemployment Insurance Commission.** The Unemployment Insurance Commission is responsible for hearing appeals of disputed claims for unemployment compensation benefits. The Commission has the authority to amend or rescind rules, require reports, make investigations, and take other actions, as required.
 - **State Advisory Council to the Department of Labor.** The Council advises the Department of Labor, its statutory charge to ensure "impartiality and freedom from political influence" in the administration of the Employment Security Law (26 MRSA §1082, sub-§5).
 - **Maine Occupational Information Coordinating Committee:** The Maine Occupational Information Coordinating Committee maintains and distributes a comprehensive information system on career, occupation and economic data.

In addition, the Department of Labor also staffs the following boards and commission:

1. State Apprenticeship and Training Council, which oversees the federally regulated Apprenticeship program;
2. Board of Boiler Rules, which regulates the safety of the state's boilers;
3. Board of Elevator and Tramway Safety, which regulates the safety of elevators and tramways operating in Maine;
4. Board of Occupational Safety and Health, which establishes rules for safe and healthy working conditions in the public sector;
5. Displaced Homemakers Advisory Council, which advises the commissioner on formulating policies related to the administration of the Displaced Homemakers Act, (26 MRSA Chapter 21); and
6. Commission on Safety in the Workplace, which oversees the Occupational Safety Loan Fund and reviews and promotes general safety in the workplace.

DEPARTMENT OF LABOR



FINANCIAL OVERVIEW

The Department of Labor budget totals over \$87 million dollars annually. Unemployment compensation benefits represent approximately 60% of the total.

The following table compares funding levels for fiscal years 1987 and 1988.

<u>TYPE OF FUND</u>	<u>PERCENT</u>		<u>AMOUNT</u>	
	<u>FY 87</u>	<u>FY 88</u>	<u>FY 87</u>	<u>FY 88</u>
GENERAL FUND	2%	4%	\$ 2,135,866	\$ 3,686,278
SPECIAL REVENUES	61%	61%	\$53,451,348	\$53,079,902
FEDERAL FUND	37%	35%	<u>\$32,171,102</u>	<u>\$30,474,777</u>
TOTAL			\$87,758,316	\$87,240,957

In fiscal year 1987, 37% of the Department of Labor's funds were derived from a federal source, 61% were dedicated revenues collected primarily from state employment taxes and 2% were General Fund dollars. In FY 1988, the General Fund share of Department of Labor programs increased to 4%, which represents a 73% increase in actual General Fund dollars over the previous year. Additional state dollars have been targeted primarily for expanded job training efforts.

STATUTORY

1. Reduce the number of statutorily required meetings of the State Advisory Council to the Department of Labor from 4 to 3, in order to reflect current practice and maintain a required level of participation in employment security issues before the Department and the Legislature.
-

The State Advisory Council to the Department of Labor is composed of an equal number of employer, employee, and general public representatives, appointed by the Commissioner. The Council was established in 1936 (1935, c. 192, §11e), its purpose to aid the Department "in formulating policies and discussing problems related to the administration of this chapter and in assuring impartiality and freedom from political influence in the solution of such problems." A 1965 amendment gave the Council the authority to "make recommendations to the Legislature for such changes in this chapter as in their opinion will aid in accomplishing the objectives of this chapter" (1965, c. 381, §7). Michael Hillard, the current chair of the Council, expressed his desire for the Council to serve as a study group on employment security issues, helping to keep the Commissioner up to date on national trends and emerging issues in the field.

Currently, Maine statute requires the State Advisory Council to meet not less than 4 times a year (5 MRSA §1082 sub-§5). In reality, the Council has met four or more times in only one year out of the last five (1985) and only five years out of the last fifteen. The Council was very active during the 1980-1983 period, holding a total of 24 meetings in those four years. However, the Council was virtually inactive in the five year period prior to 1980.

The current Advisory Council met in July of 1988, after a two year hiatus. Future meetings are scheduled for December 1988, and February and May of 1989.

The Committee finds the objectives of the Council to be important, and its continued input into the policy considerations of the Department of Labor valuable. The Committee finds also that the Council appears to achieve its statutory mandate without always requiring 4 meetings a year. The Committee notes that reducing the number of required meetings in no way prevents the Council from meeting as often as its members deem necessary and advisable, but reduces the likelihood that the Council will fail to meet the statutory requirement.

Therefore, the Committee recommends reducing the number of statutorily required meetings of the State Advisory Council to the Department of Labor from 4 to 3, in order to reflect current practice and maintain an adequate level of input into employment security issues before the Department and Legislature.

FINDING

2.

The Committee finds that the statutes governing the Department of Labor, Title 26, are disorganized, difficult to reference, contain a significant amount of obsolete language, and should be recodified to provide clarity and accuracy.

The Department of Labor has undergone several organizational changes since its inception in 1873. Department administered programs, the majority of which are initiated and funded at the federal level, have been established, modified, replaced, supplemented, and in some cases, terminated in the 116 year history of labor related activities in Maine.

Over the course of the review of the Department of Labor, several parties, including the Chair of the Unemployment Insurance Commission, the Assistants Attorney General assigned to the Department, several bureau and division directors, and a number of legislative staff have highlighted the nearly unworkable condition of the Title.

A simple review of the order of the title's contents demonstrates, to some degree, the need for its reorganization. The authorization and mandate for the Department itself begins at §1341, two thirds of the way through the title. Programs and regulations that are administered by the Bureau of Labor Standards are scattered throughout the title, as are the various labor relations laws and job training programs. There are several references to the Bureau of Labor, a holdover from an outdated organizational structure, and the need for gender neutral revision is everywhere apparent. The Committee finds that Title 26 is disheveled and contains a multitude of obsolete references.

Because the majority of recent changes and additions to any title generally are heard and considered by the committee of jurisdiction, and a recodification generates considerable interest in precise details of wording, interpretation, etc. on the part of all interested parties, the Committee finds that legislative oversight for the recodification could most appropriately be provided by, in this case, the Labor committee.

Communications with the Labor Committee have indicated a willingness on the part of that Committee to provide the necessary legislative oversight, and to accept the task of the recodification of Title 26 as an interim study.

The Committee finds that codified Maine law should be functionally arranged, readable, accurate and concise. To these ends, the Committee finds that the statute governing the Department of Labor, Title 26, should be recodified.

MAINE'S JOB TRAINING AND EMPLOYMENT SYSTEM

Overview

Maine has an extensive job training and employment system that spans two departments and several bureaus of state government to link job training and placement services with others serving those in need of improving their economic status.

Maine's system is funded largely by federal grants from the U.S. Department of Labor, although in recent years, the state has developed programs to complement and expand the existing federal job training system. In addition, the federal Department of Health and Human Services is also providing funds to assist low-income populations to access the Labor field employment services and thereby reduce the number of welfare clients.

The state has established a network of 22 offices that provide services to clients eligible to participate in the federal program established by the Job Training Partnership Act (JTPA) (USCS §1501 et seq.). These services include:

- pre-employment skill assessments, including career counseling, assessment of personal and vocational skills;
- educational training, including purchased slots at the vocational-technical institutes, University and other educational institutions; basic literacy and adult education programs;
- customized occupational training, apprenticeships, and on the job training; and
- job placement.

Federal Job Training Program

The Federal Job Training Partnership Act mandates an elaborate system of policy development and administrative coordination that includes the state as the recipient of federal program funds; private industry councils as the decision maker in each service delivery area regarding the use of these funds; and local employment and training offices to provide job training or placement services to qualifying participants.

State Job Training Initiatives

In addition to JTPA, Maine has established several other job training programs which expand the types of services provided or broaden the definition of clients eligible for public job training services. The programs are:

- **Maine Training Initiative (MTI):** (\$950,000) Established in 1987, the Maine Training Initiative complements the JTPA program by serving individuals whose income may exceed federal JTPA guidelines, or whose need for services exceeds the level normally provided under JTPA.
- **Strategic Training for Accelerated Reemployment (STAR):** (\$1,900,000) A new state program using the JTPA service delivery system to re-train dislocated workers and complement JTPA's Title III program;
- **Additional Support for People in Retraining and Education (ASPIRE):** (\$3,900,000/DHS) A new state program using the JTPA service system and DHS/WEET system to train AFDC recipients and provide extensive support services to this population. ASPIRE will complement DHS/WEET, DOL/JTPA and DOL/Displaced Homemakers Programs;
- **Health Occupations Training (HOT):** (\$100,000) A new state program using the JTPA service system to provide health care training to any client who qualifies for state assistance in employment and training. The Maine Human Resource Development Council and the state's 3 private industry councils have identified this field as an occupational shortage area;
- **Displaced Homemakers:** (\$364,989) An existing DOL program provided by non-Department of Labor offices to people who need training and support services due to having formerly worked in the home, former dependency, lack of experience or other barriers to employment;
- **Governor's Expanded Youth Program:** (\$34,500 est.) complements JTPA's summer youth program by raising private donations to increase the number of youth placed through this program;

-
- **Special Population Funds:** The Bureau of Employment and Training Programs has been charged with administering the following 3 funds to serve specific populations:

- **Emergency Dislocated Workers:** (\$175,000) Provided retraining services to employees of International Paper;
- **Health-Tex:** (\$0) Provided retraining services to former employees of Health-Tex. In FY 88, the State appropriated \$151,000 to this program.
- **Mental Health clients:** (\$0) Provided prevocational training services for state mental health clients. In FY 88, the State appropriated \$30,000 to pilot this program.

All of the aforementioned programs are operated through, or coordinated with, the job training offices of the Bureau of Employment and Training which were originally established to administer the JTPA program. In addition, the Department of Labor also administers two more employment assistance programs in the Bureau of Employment Security. One of these programs is the federal Trade Assistance program which provided funds to train unemployment clients who had been laid off due to the adverse impact of imports. Currently, the program has about 450 clients in training.

Federal Job Placement Services

Lastly, the state operates Job Service offices. The Job Service offices are federally funded local employment offices which are part of a national network. This service is associated with the Unemployment Insurance program and matches the local employment needs with local unemployment clients, thereby meeting the needs of both the employer and the prospective employees. These programs are administered by the Bureau of Employment Security.

FINANCIAL OVERVIEW

A financial overview of the Job Training and Employment System in FY 1989 is as follows:

A. Federal Revenues

	<u>FY 89</u>
1. JTPA II-A (Basic Services)	\$ 6,241,482
2. JTPA II-B (Summer Youth Employment)	2,628,037
3. JTPA III (Dislocated Workers)	452,320
4. ASPIRE - DHS*	<u>3,077,000</u>
TOTAL FEDERAL	\$12,398,839

B. State Revenues

1. STAR	\$1,900,000
2. ASPIRE - DHS	1,737,000
3. MTI	950,000
4. HOT	100,000
5. IP - Dislocated Workers	175,000
6. Displaced Homemakers	<u>364,989</u>
TOTAL STATE	\$5,226,989

C. Private Donations

1. Governor's Expanded Youth Program*	\$ <u>34,500</u>
TOTAL BETP SYSTEM	\$17,660,328

* estimates

The state's job training system was primarily funded through federal JTPA dollars until last year when the state began appropriating funds for special job training programs and populations. A five-year display of Maine's job training system funding appears on the following page.

DEPARTMENT OF LABOR JOB TRAINING AND EMPLOYMENT FUNDS

FEDERAL FUNDS

	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89*</u>
JTPA TITLE IIA	\$ 6,804,281.00	\$ 8,039,947.00	\$ 8,606,435.00	\$ 7,322,534.00	\$ 6,800,638.00	\$ 6,241,482.00
JTPA TITLE IIB	\$ 3,831,624.00	\$ 3,668,262.00	\$ 3,385,926.00	\$ 2,706,101.00	\$ 2,628,037.00	\$ 2,628,037.00
JTPA TITLE III	\$ 290,361.00					
JTPA TITLE III	\$ 69,300.00					
JTPA TITLE IIID		\$ 975,000.00	\$ 1,287,500.00			
JTPA TITLE IIIF	\$ 262,022.00	\$ 637,866.00	\$ 645,335.00	\$ 221,505.00	\$ 420,499.00	\$ 452,320.00
JTPA PIC	\$ 120,000.00					
JTPA TA	\$ 50,112.00					
TOTAL FED.	\$11,427,700.00	\$13,320,075.00	\$13,925,196.00	\$10,250,140.00	\$ 9,849,174.00	\$ 9,321,839.00

STATE FUNDS

	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89*</u>
DISPLACED HOMEMAKERS	\$ 94,624.00	\$ 118,676.00	\$ 196,206.00	\$ 221,706.00	\$ 327,342.00	\$ 364,989.00
MTI					\$ 884,000.00	\$ 950,000.00
STAR						
HOT						\$ 100,000.00
EMERGENCY DISLOCATED WORKERS					\$ 300,000.00	\$ 175,000.00
MENTAL HEALTH					\$ 30,000.00	
HEALTH-TEX					\$ 151,000.00	
GOV.'S EXPANDED YOUTH PROGRAM						
DONATIONS (EST.)					\$ 34,500.00	\$ 34,500.00
TOTAL STATE					\$ 1,726,842.00	\$ 3,524,489.00
TOTAL	\$11,522,324.00	\$13,438,751.00	\$14,121,402.00	\$10,471,846.00	\$11,576,016.00	\$12,846,328.00

* Not included are \$4,814,000 in ASPIRE funds for FY 1989 which have been appropriated to DHS.



THE BUREAU OF EMPLOYMENT AND TRAINING PROGRAMS

PURPOSE AND RESPONSIBILITIES

The Bureau of Employment and Training Programs (BETP) is responsible for administering federal and state employment and training funds. In addition to the federal programs, the State established a Displaced Homemakers program in 1979 and delegated the responsibility for administering this program to the Bureau upon its creation. More recently, the Bureau of Employment and Training Programs has been authorized to manage additional state funded employment and training programs, including the Strategic Training for Accelerated Reemployment (STAR), Health Occupations Training (HOT), and the job training component of the Additional Support for People in Retraining and Education (ASPIRE).

In addition to administering employment and training programs, the Director of this Bureau also serves as Executive Director to the interdepartmental Human Resource Development Council (MHRDC). The MHRDC serves as the state job training council, mandated by the JTPA, which is responsible for identifying, coordinating and planning federal, state and local employment and training and related programs.

The Apprenticeship program, the Job Service, and program decisions relating to the Trade Assistance Act are coordinated with BETP programs through the state planning effort but they are not under the Bureau's jurisdiction.

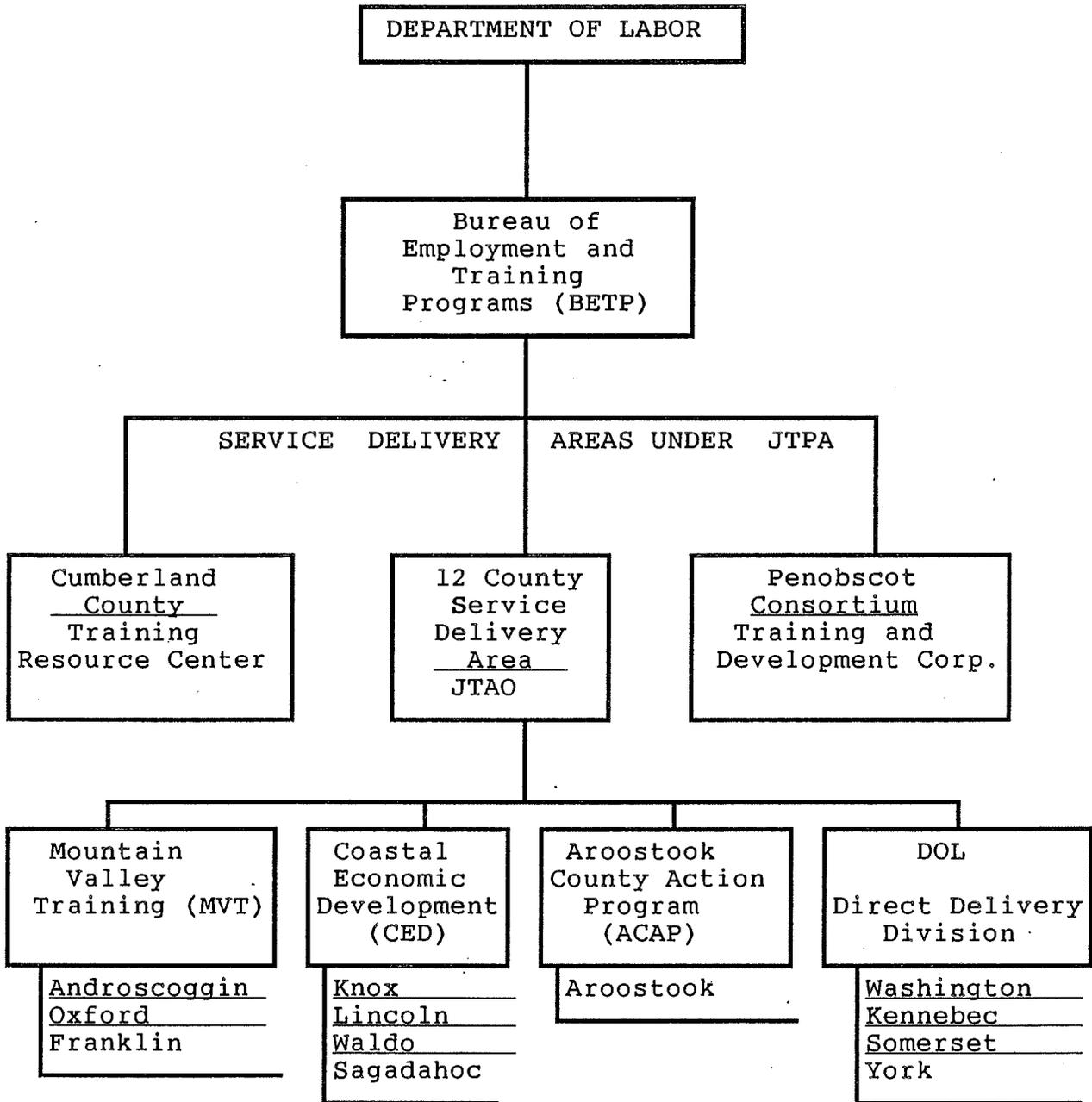
ORGANIZATION AND STAFFING

The Bureau of Employment and Training Programs is organized into the following 5 divisions:

- Executive
- Administration
- Planning
- Programs
- Direct Delivery

Ninety-seven federally funded positions have been allocated to the BETP, however several of these positions are currently vacant due to a trend of declining federal dollars over more than a decade. Historically, the Bureau of Employment and Training Programs has been funded 100% by federal funds. However, in FY 1989, federal revenues will be supplemented by state STAR, HOT, and ASPIRE funds, and the Bureau plans to allocate a percentage of personnel costs to MTI in the future. The Bureau anticipates filling approximately 16-18 positions utilizing these funds and, over time, transferring authorization for those positions from federal to state funding sources.

MAINE'S JOB TRAINING SERVICE DELIVERY SYSTEM



Executive Division

The Executive division directs the Bureau of Employment and Training Programs and has primary responsibility for staffing the Maine Human Resource Development Council (MHRDC).

Administration Division

The Administration division is responsible for collecting state-wide service data and financial management information to meet JTPA's federal reporting requirements. In addition, this information system is used to track clients served and the types of services provided under the state funded employment and training programs.

Planning Division

The Planning division is responsible for all state level planning for job training programs, as well as the activities of the Maine Human Resource Development Council.

Program Division

The Program division is responsible for providing state level design, development, and oversight for all state job training programs, including ensuring program compliance and providing technical assistance.

Direct Delivery Division

The Direct Delivery Division (DDD) is responsible for operating the JTPA and state funded employment and training programs in Kennebec, Somerset, York and Washington Counties. The division's responsibilities include client intake, assessment, employment competency training, work experience, educational training, on-the-job training and program management.

FUNDING AND EXPENDITURES

In the past, the Bureau's administrative and personnel costs have been funded entirely from JTPA administrative funds. However, new state programs are beginning to pick up a portion of these expenses. In fiscal year 1989 the Bureau received \$266,000 in administrative funds from the STAR program, \$40,000 from the ASPIRE program, and \$13,000 from the HOT program

JTPA funds are allocated to the State Department of Labor/Bureau of Employment and Training Programs based on a federal formula (29 USCS §1601). Using this same formula, the Bureau of Employment and Training Programs distributes most of the funds to the local private industry councils (PICs), retaining the allowable 5% for administrative functions. The PICs then distribute the funds to local program providers to purchase or provide support services, training, and employment services to state clients. State employment and training funds are distributed in the same manner.

There are 2 exceptions to this funding allocation system. The first exception is the Displaced Homemakers program. The state office of the Displaced Homemakers program receives funds directly from the DOL/BETP without involving the local private industry council in the distribution process. The Displaced Homemakers Program office then distributes the funds to local displaced homemakers offices for services which have been defined through an annual contract with the Department. The private industry council is not involved in the local funding or planning of these services.

Secondly, under ASPIRE, the Department of Human Services and the Department of Labor will be jointly allocating program funds directly to the private industry councils. However, each council will submit their ASPIRE service plans to the Bureau of Employment and Training Programs. The Bureau will evaluate each plan and monitor the actual services provided, but will not oversee the distribution of ASPIRE funds.

REVENUES

The following displays BETP's FY 1988 and FY 1989 revenues:

FEDERAL FUNDS

	<u>FY 88</u>	<u>FY 89</u>
JTPA TITLE IIA	\$ 6,800,638	\$ 6,241,482
JTPA TITLE IIB	\$ 2,628,037	\$ 2,628,037
JTPA TITLE IIIIF	\$ 420,499	\$ 452,320
ASPIRE (DHS)	\$ <u>0</u>	\$ 3,077,000
TOTAL FEDERAL*	\$ 9,849,174	\$12,398,839

STATE FUNDS

	<u>FY 88</u>	<u>FY 89</u>
DISPLACED HOMEMAKERS	\$ 327,342	\$ 364,989
ASPIRE (DHS)	0	1,737,000
STAR	0	1,900,000
MTI	884,000	950,000
HOT	0	100,000
EMERGENCY DISLOCATED WORKERS	300,000	175,000
MENTAL HEALTH	30,000	0
HEALTH-TEX	151,000	
GOV. 'S. EXPANDED YOUTH PROGRAM (PRIVATE DONATIONS)	\$ <u>34,500</u>	\$ <u>34,500*</u>
TOTAL STATE	\$ 1,726,842	\$ 5,261,489
TOTAL	\$11,576,016	\$17,660,328

* estimate

FINDING

3. The Committee finds that state administered job training programs appear to lack an emphasis on non-traditional job counselling and training.
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ADMINISTRATIVE

4. Distribute to all relevant job training counselors a procedural outline detailing the counselors' responsibilities to offer and encourage consideration of the widest possible range of job training choices, in order to increase the awareness of both counselors and clients of non-traditional job opportunities. Report to the Committee during the compliance review on the number of participants choosing non-traditional job training, relative to the number currently doing so.
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As part of its review of the Bureau of Employment and Training Programs, the Committee conducted a survey of participants of Bureau administered job training programs. One of the 18 survey questions read as follows:

"A "non-traditional" job is one that has been most often done by a person of the opposite sex, for example, women as welders or carpenters and men as nurses or secretaries. Did your counselor ask you to consider training for a "non-traditional" job?"

Fifteen percent of the 253 respondents to the survey answered in the affirmative, while 78% answered "no" to this question. The Committee notes that 66% of respondents reported having a "definite idea" about what they wanted to be trained for prior to counselling and, additionally, that the gender distribution of those who did answer yes closely corresponded to that of the total return. However, through its comprehensive review of Department of Labor programs in this state, the Committee finds that:

- the state's labor market pressures require that non-traditional job counselling be a routine and consistent part of the decision making process for job training participants;
- sex stereotyping in employment is still prevalent in the attitudes of nearly all involved groups, including employers, current and potential employees, governmental agencies, and regulatory bodies;
- the State can and should strive to eliminate these attitudes through the opportunities to educate that activities such as job counseling provide;
- a healthy economy and citizenry depend on the equal access of both men and women to well paying, skilled jobs; and
- job training counselors should be aware of the ramifications of sex stereotyping in employment, in order to better understand the important role that non-traditional job counseling plays.

Therefore, the Committee recommends that the department develop and distribute to all relevant job training counselors, a procedural outline detailing the counselor's responsibilities to offer and encourage consideration of the widest possible range of job training choices, and report back to the Joint Standing Committee on Audit & Program Review during the compliance review on the relative number of participants choosing non-traditional job training.

ADMINISTRATIVE 5. Provide a checklist to job training participants entering the system that shows available support services, allows the participant to express their need for the various services, indicates approval or denial of each needed service, and informs the participant about the appeal procedure, in order to assure that the rights of eligible applicants to receive support services are protected.

STATUTORY 6. Clarify that the intent of the Legislature, in providing for a checklist of potentially available support services for job training participants entering the system, is to ensure adequate information about and opportunity to express need for the services available under the Maine Training Initiative, and that approval or denial of each service for which a participant has expressed a need may be made during the formulation of the participant's employability development plan (EDP).

Another group of survey questions related to the program's responsiveness to participants' needs for support services while enrolled in job training. The survey sample consisted solely of participants who were co-enrolled in the federal Job Training Partnership (JTPA) program and the state Maine Training Initiative (MTI). Co-enrollment in both programs maximized participants' chances of receiving the support services they needed, because MTI guarantees (as long as money is available) the services needed in order to participate in training.

The survey asked participants whether they received a list of support services available as required by departmental rule [Chapter 9 (3) (E) (2)]. Respondents also indicated whether they were told support services:

- might be available, if the respondent asked for them;
- were something the participant had a right to if s/he needed them;
- were not available;
- did not apply to the respondent.

Finally, participants were asked whether they received all, most, some, or none of the services they needed to participate in job training.

The results of these survey questions revealed:

- 43% said they did not receive a list of potentially available support services;
- 23% understood that they had a right to these services (21% answered "does not apply");
- 45% indicated receiving "all" or "most" of the services they needed (26% answered "does not apply");
- 8 respondents said they were told support services were not available, 3 said they were not told anything about support services.

The Committee found that, despite the department's rule, at least two local offices indicated that they did not provide a list of potentially available support services to job participants. The Committee found also that the policy of allowing each local office to determine what is a "reasonable" level of services allowed for wide variations in accessibility of services. (In Aroostook County, for example, a job participant has to live at least 10 miles from the training location to be eligible for transportation assistance).

Due to the survey results and Committee interest, the department has agreed to standardize statewide the form used to develop a program plan for each participant (the employability development or individual employability plan). Currently each local office develops their own form. The Committee supports this activity, finding that a standardized form will provide a more uniform and equitable way to deliver the services these programs are intended to provide.

In addition, the Committee directs the department to provide a checklist to Maine Training Initiative participants entering the system that shows available support services, allows the participant to express her or his need for the various services, indicates whether each needed service was or was not provided, and informs the participant about the appeal procedure, in order to ensure that the rights of eligible applicants to receive support services are protected. The Committee also clarifies, in law, its intent regarding this checklist.

A checklist that fulfills the intent of the Committee is shown below.

**MAINE TRAINING INITIATIVE
SUPPORTIVE SERVICES POLICY**

As a participant in the Job Training System Programs, you may be eligible to receive supportive services in order to successfully complete and/or participate in employment and training activities.

Support services may include, but are not limited to, the following:

DO YOU NEED:		SERVICE	SERVICE	
YES	NO		PROVIDED	NOT_PROVIDED
<input type="checkbox"/>	<input type="checkbox"/>	CHILD CARE, DEPENDENT CARE, SPECIAL NEEDS CARE	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION AND RELOCATION COSTS	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	HEALTH CARE NOT COVERED BY OTHER PLANS (MAY INCLUDE GLASSES AND LIMITED DENTAL)	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	EMERGENCY FOOD ITEMS NOT PROVIDED BY FOOD STAMPS OR LOCAL WELFARE	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	CLOTHING	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	COUNSELING	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	TRAINING COSTS SUCH AS BOOKS, UNIFORMS, TOOLS, TUITION, TRAINING MATERIALS/SUPPLIES	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	OTHER SERVICES NEEDED IN ORDER TO PARTICIPATE IN TRAINING	<input type="checkbox"/>	<input type="checkbox"/>

I have read/or had the supportive services list explained to me. I understand that if I am denied supportive services that I feel are necessary for me to complete my job training plan, that I have the legal right to file a grievance. I have been given a copy of the JTPA grievance procedure.

SERVICES APPLIED FOR: _____
Participant Signature Date Employment Counselor Signature Date

SERVICES PROVIDED/
NOT PROVIDED: _____
Participant Signature Date Employment Counselor Signature Date

FINDING

7.

The Committee finds that the private industry councils should increase the percentage of federal job training funds allocated for support services to the full 15% allowable under federal law, in order to ensure the accessibility of the program to those whose need for support services might otherwise prevent their participation in job training.

The state's service delivery areas (SDA's) have historically spent, on average, approximately one half of the JTPA II-A funds for support services to job training clients allowable by federal law. In addition to the previously discussed Committee survey of job training participants, which indicated a greater need for support services than was being met by the programs, the Committee also heard testimony from a local job training office manager indicating that support service funds allocated to that office had been exhausted several months before the end of the fiscal year.

The Committee heard testimony that the clients being served by the job training system now, in this period of low unemployment, are more likely to require a greater investment by the job training system in order to adequately benefit from the program. The Committee finds that the job training system is seeing clients who may need considerable remedial education prior to any job specific training, child care, transportation assistance, counselling other than job counselling, and other services.

In addition, the Committee recognizes that many of the openings in today's job market require a skill level that is simply unattainable in three to six months. The Committee finds that increased support service expenditures will be required in order to sustain participants through longer training periods.

The Committee notes that increasing the percentage of JTPA funds allocated for support services in local plans will simply allow, not require, additional funds to be expended in this manner. Therefore, the Committee finds that the private industry councils should increase the percentage of federal job training (JTPA II-A) funds allocated in their local plans for support services, to the full 15% allowable under federal law.

FINDING

8. Recognizing that Maine has over 5,000 women owned businesses, the Committee finds that local government business organizations should nominate, local elected officials should appoint, and the Governor should certify business women to the 12 County Private Industry Council, to achieve compliance with federal law mandating that members shall reasonably represent the industrial and demographic composition of the business community.
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Federal law mandates the establishment of private industry councils (PICs) to oversee and make local decisions for each service delivery area (SDA) under the Job Training Partnership Act (29 USCA §1512). According to the law, council members are to be nominated by local organizations, appointed by the chief local government official (in Maine, the county commissioner), and certified by the Governor.

Each Council size is determined initially by agreement of the chief elected official of the localities served by the SDA. Thereafter, the Council may determine its own size. Members serve fixed and staggered terms and may be removed for cause in accordance with Council procedures.

Maine has 3 private industry councils, one for each designated service delivery area. They are as follows:

- The 12 County PIC;
- The Cumberland County PIC;
- The Penobscot Consortium PIC.

Federal law defines the following activities as PIC responsibilities:

1. Provide policy guidance and program oversight for job training activities in its service delivery area, in partnership with the local units of government in the SDA.
2. Develop a job training and employment plan for the SDA.

-
3. Choose the local JTPA grant recipient to provide job training services in the SDA.
 4. Select the administrative entity to administer the JTPA program within the SDA.
 5. Submit the SDA's job training plan to the Governor.
 6. Prepare a budget for itself and hire staff as necessary.
 7. Review, evaluate and monitor the federal job training program in its service delivery area.

The 12 County PIC is the group who, in agreement with local elected officials, is responsible for JTPA decisions made in Aroostook, Sagadahoc, Lincoln, Knox, Waldo, Androscoggin, Oxford, Franklin, Kennebec, Somerset, York and Washington Counties. The PIC is staffed by the state Job Training Administrative Office. Funding for the PIC and the JTAO is provided by the 15% administrative allowance of JTPA funds.

Federal law requires each PIC to be comprised of the following types of members:

- representatives of the private sector, who shall constitute a majority of the membership of the council and who shall be owners of business concerns, chief executives or chief operating officers of non-governmental employers, or other private sector executives who have substantial management or policy responsibility; and
- representatives of educational agencies (representative of all educational agencies in the service delivery area), organized labor, rehabilitation agencies, community based organizations, economic development agencies, and the public employment service.

Federal law also specifies that "nominations, and the individuals selected from such nominations, shall reasonably represent the industrial and demographic composition of the business community. Wherever possible at least one-half of business and industry representatives shall be representatives of small business, including minority business" (29 USCS §1512). According to the Women's Business Development Corporation, there are over 5,000 women owned businesses in Maine. There are no women on the 12 county PIC who are representatives of the business community.

Therefore, the Committee finds that the officials responsible for appointments to the 12 County Private Industry Council should make every effort to appoint women representatives of the business community, in order to achieve compliance with federal requirements .

12 COUNTY PIC MEMBERS LISTED BY GROUP AND COUNTY

<u>MEMBER</u>	<u>GROUP</u>	<u>COUNTY</u>
Stephen R. Crockett	Private Sector	Kennebec County
Roland L. Sutton	Private Sector	Oxford County
Richard Armstrong	Private Sector	Franklin County
C.W. Hendershott	Private Sector	York County
William F. King, Jr.	Private Sector	Sagadahoc County
Patrick Labbe	Private Sector	Aroostook County
David MacMahon	Private Sector	Androscoggin County
Russell Pierce	Private Sector	Somerset County
John Purcell	Private Sector	Knox County
Robert Reny	Private Sector	Lincoln County
Bruce Starrett	Private Sector	Waldo
John Corşa	Economic Development	Kennebec County
Stanley Gates	Economic Development	Oxford County
Lee Richard	Education	Androscoggin County
Katheryn Lovell-Poulin	Education	York County
Helen Falandes	Rehabilitation	York County
Louise Sidelinger	Rehabilitation	Kennebec County
Arnold Paul	Labor	York County
Daniel Fongemie	Job Service	Aroostook County
Norman Fournier	Community Based Organization	Aroostook County

ASSOCIATE MEMBERS

Audni Miller-Beach	Education
John Binette	Education

ADMINISTRATIVE 9.

Urge the Associate Director of the Displaced Homemakers Program to seek appointment to the Targeted Services standing committee of the Maine Human Resources Development Council, in order to strengthen the program's role in the Council's planning and coordination activities.

At the time of the Committee's review, the current administration was engaged in efforts to define the role of the Displaced Homemakers Program (DHP) in the state employment and training system. The DHP sought the Committee's advice and assistance in determining the appropriate role for the program.

The Department of Labor is responsible for establishing a Displaced Homemakers program to provide job counselling, job training, job placement, and referral services to displaced homemakers in cooperation with existing Displaced Homemaker programs statewide (26 MRSA Ch. 21). The Commissioner of Labor is responsible for administering these programs, promulgating any regulations necessary to carry out the program, and submitting an annual report to the Legislature on the program's services. The Commissioner is further mandated to contract with existing Displaced Homemakers programs to provide these services, which occurs through the DOL's Bureau of Employment and Training Programs (BETP).

The law authorizes a 10 member advisory council to advise the Commissioner on policies relating to this program. The Displaced Homemakers Advisory Council is comprised of the Commissioner of Labor or the Commissioner's designee, and 9 people who have experience with displaced homemakers, career counselling, or adult vocational education.

The existing service providers are a statewide network of Displaced Homemakers offices associated with the University of Maine System. The main office is headquartered at the Augusta campus of the University of Maine and its 21 employees are University employees.

The administration of the Displaced Homemakers Program had previously involved participation in the following job training system activities:

1. In the development of the state's human resource development plan which integrates all training, education, human service and related services, the HRDC appointed the Displaced Homemakers program to be the lead agency in planning for this population, a responsibility that the DHP had requested.
2. In the past, the DHP had been awarded state grants based on the amount appropriated for this program. These grants had limited reporting requirements. The new administration requires the DHP to prepare a service plan as part of the contract to identify how the funds will be used in the coming year. This contract is submitted to the BETP and is not reviewed by the local private industry council, which reviews the distribution of all the other employment and training funds within a service delivery area.
3. The Displaced Homemaker program and the 12 county service delivery area have recently developed a proposal for federal Job Training Partnership Act funds which identifies their respective responsibilities as follows:

DHP:

- outreach and recruitment, including rural outreach capacity;
- individual needs assessment and intake process;
- a range of individual and group training. The DHP provides the following training: "Building Self-esteem", "Assertiveness Training", "Career/Life Planning" (intensive 90-120 hour training), "Balancing Work, School and Family", "Divorce Series", and "New Ventures" (self-employment training);
- program collaboration, planning and technical assistance with other organizations serving the displaced homemaker and single parent population.

12 County SDA:

- develop the capacity to link displaced homemakers with other employment and training providers, particularly those funded by the Job Training Partnership Act;
 - develop a better understanding of the nature and demands of the local economy and the needs of employers and apply this to the DHP;
 - develop management and organizational systems that will track displaced homemakers through and beyond the initial job/education/training placements.
4. Program planning has moved towards integration as representatives of the major funders of the Displaced Homemaker program serve on the Human Resource Development Council (University of Maine, Commissioner of Labor, Commissioner of Human Services). However, the DHP is not one of the employment and training services serving on the PICS or the HRDC and are therefore not involved in state planning discussions.

The Committee finds that a previous effort on the part of the Displaced Homemakers Program to be appointed to two standing committees of the Maine Human Resources Development Council through communication with the Governor's office was unsuccessful. The Committee finds also that the Displaced Homemakers Program effectively provides services essential to the State, and that the program's participation in the Maine Human Resources Development Council's planning and coordination activities would strengthen and further integrate job training opportunities and other services to displaced homemakers.

Therefore, the Committee urges a representative of the Displaced Homemakers Program to seek appointment, by letter to the MHRDC chair, to the Targeted Services standing committee of the Maine Human Resources Development Council, in order to strengthen the program's role in the Council's planning and coordination activities.

BUREAU OF EMPLOYMENT SECURITY

PURPOSE and RESPONSIBILITIES

The Bureau of Employment Security is the employment security administrative unit of the Maine Department of Labor. The Bureau's goal is to help prevent or reduce the adverse social and economic impacts of unemployment and underemployment by providing an effective link between employers and workers. The Bureau of Employment Security also develops, collects and disseminates labor market information, and is responsible for administering the state's unemployment compensation program and related federal unemployment programs.

HISTORY

The Bureau of Employment Security originates in the passage of the Maine Unemployment Compensation Law in December of 1936, (1935, c. 192, §10). The impetus for the Maine statute came primarily from two pieces of federal legislation: provisions of the Social Security Act of 1935 and the Wagner-Peyser Act of 1933. Affiliated with the United States Employment Service, the Bureau of Employment Security in 1937 opened offices throughout the state to provide local employment services and receive claims for unemployment compensation. On July 1, 1972, the Legislature initiated a reorganization of State Government. The Bureau was placed within the Department of Labor at that time.

In 1978, the three member Unemployment Insurance Commission (then called the Maine Employment Security Commission) was reorganized as a higher authority appeal tribunal. Primary administrative responsibilities for the unemployment insurance program were transferred to the Commissioner of the Department of Labor at that time (1977, c. 675). In March 1980, the Bureau of Employment Security was established as a separate entity within the Department of Labor (1979, c. 651, §4-5).

FUNDING & STAFFING

The Bureau of Employment Security, inclusive of unemployment compensation benefits, represents 83% of the entire DOL budget. The level of funding BES receives fluctuates annually according to the number of unemployment compensation claims filed and the appropriation of funds by Congress from the Employment Security Administration Account (ESAA). Funding for the administrative functions of the Bureau in FY 88 totalled \$13,418,854, with unemployment compensation benefits of \$55,248,199. In excess of \$50 million came from unemployment insurance taxes paid by employers. The Bureau also receives over \$600,000 annually from the U.S. Bureau of Labor Statistics. The Bureau receives no General Funds.

Of the 450 positions allocated to the bureau, 350 are currently filled. Vacant positions are due to decreased federal funding, reflective in part of the reduction in filings for unemployment compensation in the state and to a decreased federal commitment to the services provided. The Committee notes that the Bureau is anticipating a cut in funding in the current fiscal year in the unemployment compensation division. This is reflective of the decrease in the number of unemployment compensation claims anticipated by the federal government for the coming year. At this time, the bureau does not anticipate the need to close any local offices. Some layoffs may be necessary if sufficient attrition does not occur, although none are currently planned or anticipated..

ORGANIZATION

The Bureau of Employment Security is comprised of five divisions plus the Office of the Executive Director. The divisions are:

- Job Service
- Unemployment Compensation
- Data Processing
- Administrative Hearings
- Economic Analysis & Research

The Unemployment Insurance Commission, pursuant to its role as an appeal body, is a separate entity within the Department of Labor. The Bureau of Employment Security handles the administrative responsibilities necessitated by the Commission, but has no direct authority over it. The entire bureau is overseen and coordinated by an Executive Director's office, which consists of the Executive Director, and one administrative secretary.

Data Processing Division

The Data Processing Division provides comprehensive data processing services to other Bureau divisions, primarily Unemployment Compensation and Job Service. The functions of the Division are principally technical automation services. Decision making is restricted to technical considerations but is broad within that context. Services include large scale computer operation, telecommunications, systems programming, consulting, distributive data processing, data quality control, tape and disc libraries, computer assisted data entry and software support.

The Data Processing Division has a staff of 23. The Division is funded on a percent of use basis by the other divisions to which services are provided, as follows:

- 70% Unemployment Compensation Division (both benefits and taxes);
- 25% Job Service Division (labor exchange);
- 5% all other users (Economic Analysis & Research, JTPA, etc.)

The FY 1988 expenditures of the Data Processing Division were \$1,311,863, which are included in the budgets of the divisions it serves.

Division of Economic Analysis and Research

The Division of Economic Analysis and Research (DEAR) is responsible for developing and maintaining state and area labor market and occupational information programs, and providing the Bureau of Employment Security with economic, management, and actuarial analyses for overall program planning and delivery. Its data design, collection, management and analysis functions are required by the Wagner-Peyser Act of 1933 (29 USCS §49f, sub-§3).

The Division of Economic Analysis and Research consists of four distinct operational units, plus the Census Data Center Program, as described below.

Data Systems and Operations Review is the original research division unit, established in 1936. This unit counts and analyzes the data generated by the Job Service and Unemployment Compensation divisions, and provides actuarial analyses and management information for these programs.

Labor Market Evaluation and Planning was established after WWII by the U.S. Department of Labor, and is responsible for statewide labor market analysis and unemployment estimates. Program staff produce a monthly survey listing employment by industry, including the average hours worked and wages paid. Employers participate voluntarily through the use of computer assisted telephone interviewing.

Occupational Outlook and Job Information collects data on occupations, wages, and staffing.

Labor Market Information Field Services (LMI) performs local labor market analyses for Maine's 31 labor market areas. Labor Market Information Field Services assists employers with information on affirmative action, labor availability, wage settlements, federal procurement preference eligibility and business planning. Analyses highlighting industry trends and outlook are prepared for Maine's educational and employment and training communities.

LABORNET is the on-line data retrieval system that allows LMI to be accessed by public and private sector users. LABORNET users can access a wide array of socio-economic and labor market data, including over 100,000 census tables.

The Census Data Center is a program that was initiated in 1978 by the United States Census Bureau to assist the dissemination of census data on a state-by-state basis. The objectives of the program are to expand access to and use of census and other statistics, to provide technical assistance and analytical support in the use of these statistics, and to provide training on how to use timely, census related topics.

The U.S. Bureau of the Census provides the Census Data Center with data on a wide range of economic and demographic topics, including agriculture, retail and wholesale trade, transportation, mineral and construction industries, various classes of population estimates and projections, and many others. These materials are distributed throughout the State through a network of 29 local affiliates including libraries, regional planning commissions, and councils of government. Public and private entities that do planning, including businesses, state agencies, hospitals, educational institutions and economic development agencies, all utilize the data made available through the program.

Division of Economic Analysis and Research staff numbers 39. In fiscal year 1988, expenditures of the Division totalled \$1,278,755. The Division is funded through the same Employment Security Administration allocation that funds the majority of Bureau of Employment Security activities, as well as funding from the U.S. Bureau of Labor Statistics.

Job Service Division

The primary responsibility of the Job Service is to locate suitable employment for job seekers and to provide qualified workers for employers' job openings. This "labor exchange" is a free service to both employers and prospective employees.

The functions of the Maine Job Service are required by the Wagner-Peyser Act of 1933 (29 USCS, §49 et seq.) and reaffirmed in Maine statute (26 MRSA §1083-1084). The Maine Job Service Division operates 19 offices statewide, which provide a broad range of employment services, categorized by an applicant services program, that includes work registration, job placement and job counseling; and an employer services program that includes employer outreach, establishment of exclusive referral agreements, recruitment services for new or expanding businesses, and employer advisory committees.

The Maine Job Service has a staff of 119. Expenditures for fiscal year 1988 totalled \$4,396,424. The Division is federally funded, through an allocation of the Employment Security Administration Account.

Unemployment Compensation Division

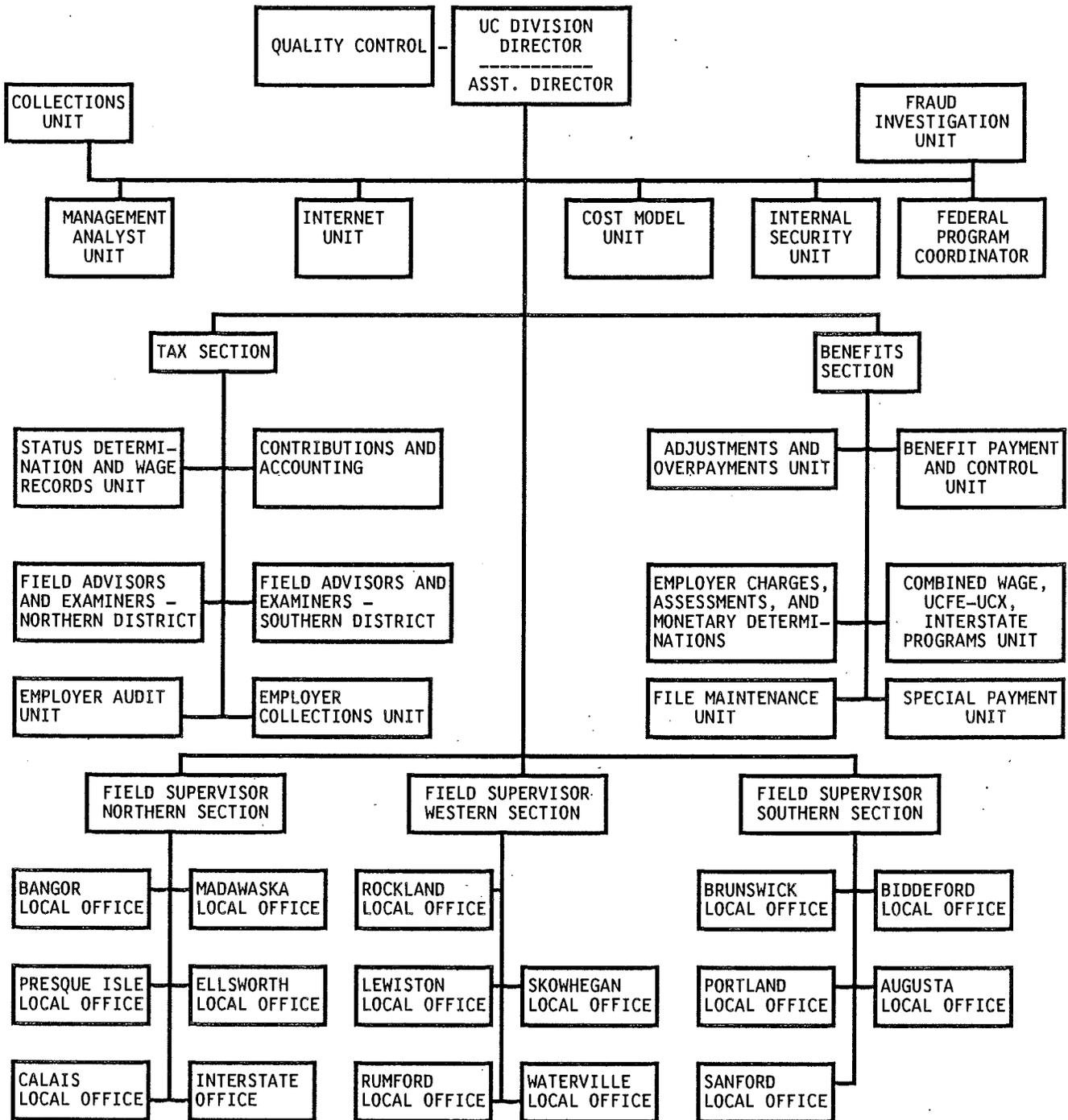
The Unemployment Compensation Division is responsible for the timely payment of unemployment insurance benefits to eligible claimants, collection of unemployment taxes from covered employers, and other activities related to these primary responsibilities. Unemployment Compensation is an insurance program that partially protects eligible workers from loss of wages during temporary periods of involuntary unemployment.

The Unemployment Compensation Division accomplishes the administration of its duties through the operation of 15 local unemployment offices, with administrative offices, an interstate claims office, and centralized data processing and storage functions located in Augusta. The division currently has 142 employees.

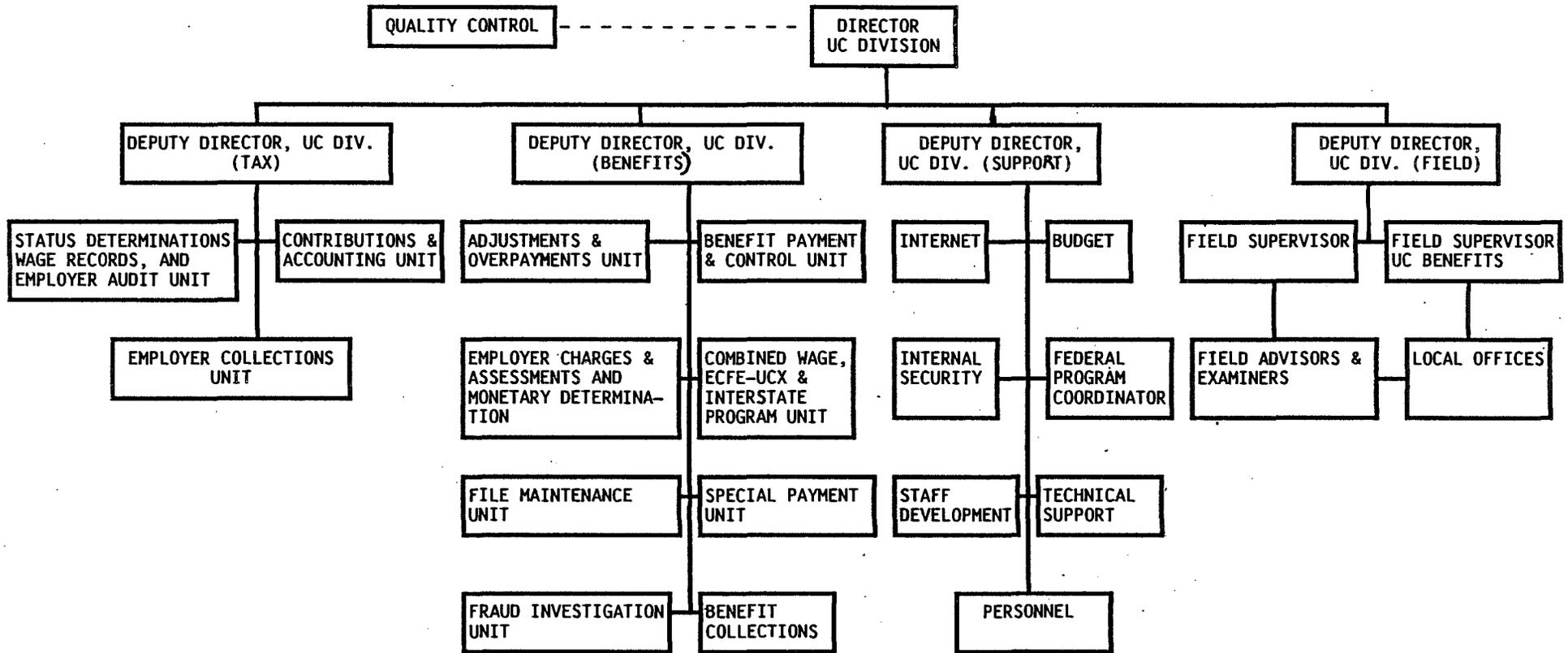
The Unemployment Compensation Division is currently undergoing reorganization, which establishes four new deputy director positions who will oversee the tax, benefits, support, and field operations of the division. Three current management positions (the current assistant director and the chiefs of tax and benefit sections) are being eliminated. The new structure is intended to clarify and ease the lines of communication by reducing the number of people who report directly to the division director from 12 to 4. Old and new organizational charts appear below.

The Unemployment Compensation Division is funded through a formula based on the state's anticipated unemployment rate for the following year. Unemployment Compensation benefits and administration are funded almost entirely by employer paid unemployment taxes, both federal and state.

UNEMPLOYMENT COMPENSATION DIVISION
Former Organization



REORGANIZED
UNEMPLOYMENT COMPENSATION DIVISION



The administrative functions of the Unemployment Compensation Division, \$5,846,328 in FY 88, are funded through the same Employment Security Administration Account that funds the Job Service. The source of these funds is the federal unemployment tax on employers (FUTA). FUTA taxes paid by Maine employers in calendar year 1987 are estimated at \$22,566,211. This exceeds by 68% the total expenditures of the Bureau of Employment Security (exclusive of unemployment insurance benefits) in FY 88.

The state unemployment tax funds the basic Unemployment Compensation benefits program. These monies also flow through Washington, but each state's taxes are maintained in a separate trust account and are only used to pay that state's unemployment benefits.

There are seven different unemployment insurance programs administered by the division. Unemployment benefits paid in fiscal year 1988 totalled \$53,923,229.

The Division is facing a reduction in federal funding in the current fiscal year (FY 89). In response to Committee inquiry, the Division director outlined several possible measures in response to the cuts. No closure of local offices is planned.

Division of Administrative Hearings

The purpose of the Division of Administrative Hearings is to hear and decide disputed claims under the unemployment insurance programs and complaints of violations of regulations dealing with Job Service, the Job Training Partnership Act and other job training programs.

Hearings are conducted according to provisions of the Administrative Procedures Act (5 MRSA §8001 et seq.). General policies and regulations are formulated by the director in coordination with the director of the Unemployment Compensation Division and the Attorney General's office.

Ninety six percent (96%) of the Division's cases are involved with unemployment compensation claims. The Division overturns the original decision in 32% of the appealed unemployment compensation cases brought before it, closely approximating the national average (31.4%).

The division hearing officers travel to 27 different locations throughout the state to conduct appeals hearings. All officers are based in Augusta.

The division's director is currently formulating a proposal to offer the Division's services to other state agencies that have administrative hearing responsibilities, in order to level the division's fluctuating workload.

Hearing facilities at district court buildings are used in about 50% of the municipalities where unemployment compensation appeals hearings are held. In the majority of other locations, a room in the local unemployment office is used. District court buildings are the preferred hearing sites, because they appear to "separate" the proceeding from the location of the original determination, thereby increasing confidence in the impartiality of the hearing.

The Administrative Hearings Division is responsible for deciding appeals of determinations made by other employees of the same Bureau (Employment Security) of which it is also a part. The Committee acknowledged that this organizational location has raised questions regarding due process issues. Legislation enacted last year added requirements that the chief administrative hearing officer (the Division director) and the chair of the Unemployment Insurance Commission be attorneys. Organizationally and financially, the Division remained within the Bureau of Employment Security of the Maine Department of Labor.

The Administrative Hearings Division is allocated 12 positions: 1 chief administrative hearing officer, who serves as director, 5 administrative hearing officers and 6 clericals. Division expenditures for fiscal year 1988 totalled \$329,001, and are included within the budget of the Bureau of Employment Security. The hearing officer positions have recently been reclassified, in order to better reflect the qualifications necessary for high quality performance of the job, and to make the classification consistent to that of similar positions in other departments.

MAINE UNEMPLOYMENT INSURANCE COMMISSION

The Maine Unemployment Insurance Commission is a three member body, with one representative each of employers, employees, and the general public. The general public member serves as chair of the Commission. All members are appointed by the Governor subject to review by the Labor committee and confirmation by the Senate, for a term of six years. There are currently three clerical personnel who handle many of the administrative functions, as well as two to three law students who write the Commission's decisions.

Although currently no member is required to be an attorney, legislation passed last year requires that, after the expiration of the current term, the Maine Unemployment Insurance Commission chair shall be an attorney. This action was requested by the current chair, who feels that legal expertise is increasingly essential as more and more parties before the commission are represented by counsel.

The primary function of the Maine Unemployment Insurance Commission is to conduct hearings and render decisions in the following types of cases: appeals of disputed unemployment compensation benefits and claims, waivers of overpayment, requests for training, appeals regarding employers' liability for unemployment taxes, requests for attorney fees, and tax offsets.

The Commission travels to 16 locations throughout the state to conduct hearings, using local Department of Labor offices for hearings in most cases.

The expenditures of the Maine Unemployment Insurance Commission totalled \$319,531 in FY 1988, and are included in the budget of the Bureau of Employment Security.

The Maine Unemployment Insurance Commission is a state entity, and, therefore, is legally represented by and receives legal advice from the Attorney General. However, the Commission is a quasi-judicial body - with the responsibility for hearing, rendering decisions and sometimes overturning decisions that are made by other state entities (Unemployment Compensation and Administrative Hearings divisions) who also receive legal advice from and are represented by the Attorney General. The Committee acknowledges that, on occasion, this situation creates conflicts that may prevent the most vigorous pursuit of all legal avenues available to the Commission. The Committee directed the chair of the Commission and the Attorney General to try to discover a mutually agreeable solution to this area of concern. (See Letters section).

FINDING

10. The Committee finds that the allocation of Employment Security Administration funds by the U.S. Congress is insufficient and has forced the State to assume greater financial responsibility for the administration of employment security programs.
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ADMINISTRATIVE

11. Direct the Department of Labor to seek a more permanent solution to the Bureau of Employment Security's funding problems, in order to reduce the Bureau's reliance on penalties and interest under the unemployment tax laws as a funding source to compensate for inadequate federal funding, which the Committee finds to be unsound in the long term.
-

Currently, the United States Congress allocates less money to the 50 states for the administration of employment security programs than is collected for this purpose through the federal unemployment tax (FUTA). Although the Employment Security Administration Account (ESAA) is a trust fund, which prevents funds from being used for any purpose other than that for which they are collected, the Committee finds that the unallocated balance (over a billion dollars) is being used as an accounting tool to offset a portion of the federal budget deficit. For many states, this "budget reduction" measure has translated into inadequate federal funding of employment security administration. Maine is one such state. The Committee transmitted its concerns on this matter to the relevant Congressional chairpersons, the Maine delegation, and Speaker John Martin in his role as Vice President of the National Conference of State Legislatures, in an effort to garner widespread support for addressing this nationwide problem. (See Letters section.)

In response to federal funding cutbacks (in constant dollars), Maine's Bureau of Employment Security has been dependent on the discretionary Special Administrative Expense Account, funded by penalties and interest under the state unemployment tax laws, to maintain current levels of service and prevent closure of local offices. State law provides that the penalty and interest account may be used "for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants..." (26 MRSA §1164).

While the Committee respects the department's decision to utilize this fund to respond to short term or unexpected shortfalls, the Committee finds that continued dependence on this account for maintenance of basic services is simply unsound fiscal policy.

In light of responses to the Committee's letters to several key members of Congress, as well as Maine's own delegation on the funding issue, it would not appear that any immediate relief is in sight from that quarter. Therefore, the Committee recommends that the Department of Labor seek a more permanent solution to the Bureau of Employment Security's funding problems, in order to reduce the Bureau's reliance on penalties and interest under the unemployment tax laws as a funding source to compensate for inadequate federal funding, which the Committee finds to be unsound in the long term.

ADMINISTRATIVE 12.

Urge the director of the Bureau of Employment Security to re-evaluate the current allocation of staff and other resources, in order to address the shortage of job counselors available to Job Service clients.

Currently, 7 job counselors provide in-depth assistance to job seekers in the state's 18 local Job Service offices. In testimony before the Joint Standing Committee on Economic Development last year, the shortage of job counselors was identified as a concern and source of dissatisfaction by both prospective employee applicants and the Maine Job Service. The Maine Job Service director has estimated that 11 additional job counselors, for a total of 18, are needed statewide to adequately provide the needed services to applicants.

As highlighted in other Committee findings, the Maine Job Service has been 100% federally funded through an allocation from the Employment Security Administration Account, the source of which is a federal unemployment tax on employers (FUTA). Lower unemployment rates and federal deficit reduction measures have served to reduce Maine's allocation, in constant dollars, in spite of a sizable surplus (over a billion dollars) in the federal trust account.

The responsibility for determining how statutorily mandated services will be provided with allocated funds lies jointly with the director of the Maine Job Service, the Director of the Bureau of Employment Security and the Commissioner of Labor. While the Committee recognizes the difficulties inherent in the allocation of insufficient resources, the Committee finds that the availability of job counselling services in Maine Job Service offices is essential if applicants are to be adequately served.

Responses to the Committee's letter to key members of Congress on the federal allocation levels promised little hope of reprieve through federal funding increases. Therefore, the Committee urges the director of the Bureau of Employment Security to re-evaluate the current allocation of staff and other resources, in an effort to address the shortage of job counselors available to Job Service clients.

ADMINISTRATIVE 13.

Link local Job Service, job training and related service offices with the Department of Human Services' computerized resource directory and any other relevant information resources, in order to maximize the integration and efficacy of services to clients.

Last session, the Department of Human Services received funding to develop an up-to-date, comprehensive, computerized social service directory, which has recently been completed and is in the final stages of computerization.

The benefits of a computerized directory include:

- easy to update and modify;
- no printing and distribution costs;
- statewide resources are listed;
- more comprehensive than the bound directory currently used;
- includes child care resources; and
- computer access to the directory appears feasible.

In the course of its review of the Department of Labor, the Committee found three factors that significantly impact several of the department's primary responsibilities. They are:

- the labor shortage in Maine;
- the changing economy, with the resultant incompatibility of available workers with available jobs; and
- the uneven distribution of employment opportunities across the State.

The Committee heard testimony from both the Bureau of Employment Security and the Bureau of Employment and Training Programs that indicated that many of the clients that contact the Maine Job Service and a majority of those who enter job training programs seeking employment are not job ready. While the job training system is equipped to fulfill many of the education and training needs of participants, and Job Service can provide some job counseling (but see related recommendation), the Committee finds that multiple barriers to employment exist for many of today's job seekers. The Committee also finds that the resources available to assist in eliminating these barriers are located throughout the State and in several different agencies of government. In order to adequately address the needs of these urgently needed workers, the Committee finds that the required approach should provide a comprehensive assessment of need and an integrated service delivery system. Comprehensive, up-to-date information is essential to this approach.

Therefore, the Committee recommends that the department explore options for linking local Job Service, job training and related service offices with the Department of Human Services's computerized electronic resource directory (ERD) and other relevant information resources, in order to maximize the integration and efficacy of services to clients.

FINDING

14.

The Committee acknowledges the value and importance of the Office of Automation Coordinator and the Data Processing Division efforts to establish comprehensive computer linkages between Department of Labor offices and programs, in order to provide the highest level of integration and coordination of services possible.

The Data Processing Division of the Bureau of Employment Security provides comprehensive data processing services to other Bureau divisions, primarily Unemployment Compensation and Job Service.

The functions of the Division are principally technical automation services. Decision making is restricted to technical considerations but is broad within that context. Specifically, the DPD handles all the accounting and statistical processing functions involved with:

- paying and tracking of unemployment compensation benefits, both interstate and, if a pending proposal is approved, between the U.S. and Canada, international (INTERNET);
- collecting of unemployment insurance taxes;
- managing the labor exchange function provided by Job Service; and
- performing other data processing jobs that may be required by the Bureau, as time allows.

The Office of Automation Coordinator (OAC) is responsible for coordinating the data processing activities in the department, approving all computer purchases, maintaining the department's computer network, and studying ways to improve the efficiency and effectiveness of the department's computer systems. The OAC oversees the purchasing and programming needs of DPD as well as the needs of the other department Bureaus.

For the past 5 years, the OAC has been engaged in the development of a compatible language system that would allow the linkage of all DOL computers, as well as working toward national and international language consistency. Such a system would ensure the compatibility and linkage of computer systems in the local unemployment and job service offices, as well as other local program offices, to enable tracking of clients through the system and the exchange of records. The proposed system would also allow the local bureau offices to exchange information between programs. For example, the job training programs in the BETP are not currently linked with the job service referral offices which are part of the Bureau of Employment Security. Efforts currently underway will serve to remedy this situation, as well as increase the integration and efficiency of all of the DOL's programs.

Therefore, the Committee acknowledges the value and importance of the efforts of the Office of Automation Coordinator and the Data Processing Division to establish comprehensive computer linkages between Department of Labor offices and programs, in the interest of providing the highest level of integration and coordination of services possible.

BUREAU OF LABOR STANDARDS

RESPONSIBILITIES

The Bureau of Labor Standards (BLS) is charged with ensuring the safety and health of the public sector workforce while on the job; providing safety consultation and training for private sector employers and employees; ensuring compliance with minimum wage laws; compiling statistics relating to labor organizations, industrial accidents and manufacturing; and enforcing state laws which regulate employment of minors. (26 MRSA §42).

HISTORY

The Bureau of Labor Standards originated from a set of activities which, in 1873, were under the direction of the Secretary of State. These activities consisted of the collection and publication of statistics on manufacturing, mining, commercial and industrial interests, and the valuation and appropriations of municipalities. In 1887, the Legislature established the Bureau of Industrial and Labor Statistics as a separate department. The year 1911 saw the addition of duties to regulate employment of children and women, protect the physical safety of factory workers and enforce payment of wages, as well as a name change to the Department of Labor & Industry. Independent until 1972, the Department became a Bureau within the new Department of Manpower Affairs, as a result of state government reorganization in that year. The Bureau's name was changed to the Bureau of Labor Standards in 1981.

STAFFING AND EXPENDITURES

The Bureau of Labor Standards has 53 authorized positions supported by an annual budget totalling \$2,371,732 in FY 88. The majority of funding comes from the General Fund (56%) with federal funds constituting 15% and dedicated revenue, 27%. The dedicated revenue source is the Safety Education and Training Fund, which is funded through an assessment on workers' compensation insurers.

The percentage of Bureau funding provided by the dedicated source is increasing, as shown below:

Bureau of Labor Standards - Funding Sources

	FY 88	FY 89	FY 90*
General Fund	56%	53%	50%
Federal Fund	17%	15%	14%
Dedicated	27%	32%	36%

* Projected

This increase in the proportion of dedicated funding is expected to level off as the current expansion of workplace safety activities is completed.

ORGANIZATION

The Bureau of Labor Standards is divided into five divisions, with various advisory and regulatory boards coming under the jurisdiction of the relevant division. The director's office oversees the activities of the various divisions, which are:

- Apprenticeship;
- Maine State Apprenticeship and Training Council
- Research and Statistics;
- Minimum Wage, Child Labor and Stuffed Toys;
- Industrial Safety;
- Board of Occupational Health and Safety
- Boiler, Elevator & Tramway
- Board of Elevator and Tramway Safety
- Board of Boiler Rules

The Bureau also staffs the Commission on Safety in the Maine Workplace, which oversees the Occupational Safety Loan Fund and reviews and promotes general workplace safety.

Apprenticeship Division

The Apprenticeship Division serves as staff to the Maine State Apprenticeship and Training Council, the entity recognized by the U.S. Department of Labor as the registration agency for all apprenticeship programs. Division staff maintain up-to-date files on currently registered apprentices and programs, assists employers and local unions in establishing and maintaining apprenticeships, and conducts compliance reviews to ensure the continuing quality of training provided to the apprentices. The Division also has the responsibility for the development of apprenticeships exclusively for AFDC recipients, in accordance with subchapter II of the apprenticeship laws (26 MRSA §1010 et seq.).

The Apprenticeship and Training Council directs the activities of the division and is responsible for establishing standards for apprenticeships, issuing rules and regulations and acting as consultants on the settlement of disagreements arising from the apprenticeship agreement (26 MRSA §1003- §1004).

The Apprenticeship Division has a staff of 5: the division director, 2 field interviewers, and 2 clericals. Both field positions are designated to work exclusively on the development of apprenticeships for AFDC recipients (PL 1981, c. 512). Expenditures of the Division totalled \$149,404 in FY 1988.

The Maine State Apprenticeship and Training Council consists of 11 members: 4 labor representatives, 4 employer representatives and 3 public members, all appointed by the Governor. The Associate Commissioner of Vocational Education, the Director of the BLS, and the Commissioner of Labor serve as ex-officio, non-voting members. Expenses of the Council totalled approximately \$1,350 in FY 88. The Council meets every other month.

Division of Research and Statistics

The Research and Statistics Division carries out the Bureau's data collection and distribution responsibilities. The Division conducts 5 major programs annually and specific studies upon request. The programs are:

- Census of Maine Manufactures. This program involves the collection of data from all manufacturing firms in the state, value of products, capital expenditures, exports and imports, and workers covered by union contracts. As the original Bureau of Labor activity, the

Census began in 1873. Additional information covering employment and gross wages is supplied by the Bureau of Employment Security, Division of Economic Analysis and Research. The Census is published annually;

- Construction Wage Rates Survey. The annual survey of construction wages, the survey is used primarily for setting rates of pay on state funded construction projects. The published data lists the low, median, high and average wages paid to the various occupations involved in the construction trades;
- Labor Relations. The annual survey of local unions operating in the state is the survey is published in directory form. The division also maintains files on major contracts, National and Maine Labor Relations Board elections, and work stoppages;
- Occupational Injuries and Illness Survey. This survey is conducted in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, and involves the collection of data from federally required occupational injury and illness records from a sample of Maine employers. Results are published annually; and
- Supplementary Data Systems. This is the second federal/state cooperative program, which involves coding selected data from the Employer's First Report of Occupational Injury or Disease under the Workers' Compensation system. The division codes data on the type and cause of injury, the employer, industry, etc.

The division assists employers in complying with OSHA recordkeeping requirements, including distribution of recordkeeping supplies, consultation, and seminars.

The Division of Research and Statistics is also involved with special studies, both with other state government agencies and the U.S. Department of Labor. The Division is currently working with the U.S. Occupational Safety and Health Administration area office on identification and targeting of ergonomic injuries, in order to determine what steps OSHA and the Industrial Safety Division might take to prevent these injuries. In addition, the division is testing some new administrative and data collection initiatives on a trial basis for the U.S. Bureau of Labor Statistics.

The Division has cooperated with the Bureau of Health in the Department of Human Services on an occupational illness project funded through the National Center of Disease Control, and frequently works on statistical projects with the Workers' Compensation Commission.

The Division's director is the New England representative on the U.S. Task Force on Occupational Safety and Health Statistics, and the Division is recognized by the U.S. Bureau of Labor Statistics as one of the best in the country for producing prompt, quality results on statistical projects.

The Division of Research and Statistics has 12 positions: 1 director, 7 statistical positions and 4 clericals. Half the positions are funded by the General Fund and half through the Safety Education and Training Fund, established in 1985. Federal funds provide the All Other and Capital monies needed for the two federal/state cooperative programs. Funding for the positions associated with these programs, plus 2 new statistical positions appropriated during the Second Special Session of the 113th Legislature last year, was transferred to the dedicated Safety Education and Training Fund. The source of this Fund is an assessment on workers' compensation insurers in the state.

Division of Minimum Wage, Child Labor and Stuffed Toys

The responsibilities of the Division of Minimum Wage, Child Labor and Stuffed Toys cover a wide range of activities. The division is responsible for enforcing the state's wage and hour laws, child labor laws, and laws regulating the manufacturing, importation, and sale of bedding, upholstered furniture and stuffed toys.

The Minimum Wage division receives approximately 80-100 inquiries each day on topics related to Maine's employment practice laws, such as minimum wages, severance pay, overtime, plant relocation, harassment, etc. Each call requires response, analysis, or referral. An apparently valid legal complaint, submitted in writing, may be subject to an investigation. In addition, Division field inspectors inspect worksites and required employer records for violations of Maine's employment practice laws.

State law requires that all manufacturers or importers of bedding, upholstered furniture, cushions and stuffed toys that are to be sold in this state, be registered with the Bureau of Labor Standards. Persons registering with the bureau must present samples of the products to the bureau every three years for testing. The Division tests the products to ensure that stuffing

materials are either new or disinfected and do not contain unacceptable amounts of bacteria or oil, dirt, harmful chemicals, insects, etc. All items must be clearly tagged stating the kinds of materials contained in the filling.

The Minimum Wage, Child Labor and Stuffed Toys Division has 10 staff positions: one director, one supervisor of employment standards, 6 labor and safety inspectors and 2 clericals and help train inspectors in the field. Expenditures of the Division in fiscal year 1988 were \$315,882. The Division is funded by the General Fund.

All fees and penalties generated by the division are deposited into the General Fund. \$42,521 in revenues were generated in FY 88, by the registration of furniture and toy manufacturers and importers.

Industrial Safety Division

The Industrial Safety Division exists to enforce health and safety regulation in public sector employment and to promote recognition of and constructive response to occupational safety and health issues throughout the State's workplaces. Division staff work toward this goal through the administration of five programs.

The Enforcement Unit enforces national OSHA regulations of occupational safety and health in the public sector as soon as they are adopted by the Maine Board of Occupational Safety & Health. The unit's five staff are required to inspect most locations of public sector employment annually, including office buildings, schools, water and sewer district facilities, DOT facilities, municipal public works facilities, fire stations, etc. Employers are given a specified time period in which to correct the violation, after which a follow up inspection is conducted. The Enforcement Unit is funded through the General Fund.

The 7(C)(1) Consultation Program offers health and safety inspection consultation services and training to private sector employers. An employer voluntarily requests these confidential services from the programs. Citations are issued, and employers are advised on compliance with OSHA regulations and resources or relevant training, both through the DOL and private entities. Employers must provide written confirmation that violations have been addressed. The program is federally funded.

Mine Safety & Health provides training opportunities for employers and employees engaged in mining or sand and gravel operations. The program is staffed by one safety compliance officer, and is funded 80% by the federal government and 20% by the state.

The Occupational Safety Loan Program was established as part of the Workers' Compensation reform legislation of 1985 (P.L. 1985, c. 372, §A,7). Initial funding for this revolving loan fund was provided by a one-time assessment on the state's Workers' Compensation insurers which totaled nearly \$800,000. The purpose of the program is to provide a source of low interest loan funds to employers wishing to invest in equipment that would reduce hazards and improve the health and safety of their employees.

The Safety Education & Training Fund was established in 1985 to fund the statutory safety education and training functions of the Department of Labor. As stated in Title 26, Chapter 3, §42-A, those functions are:

- The development and application of a statewide safety education and training program to familiarize employers, supervisors, employees and union leaders with techniques of accident investigation and prevention, include education and training assistance under the chemical substance identification law. The development and utilization of consultative educational techniques to achieve long-range solutions to occupational safety and health problems;
- The acquisition, development and distribution of occupational safety and health pamphlets, booklets, brochures and other appropriate safety and health media;
- The development and administration of a program for employers, with special emphasis on small business employers, providing technical and educational assistance on matters of occupational safety and health;
- The development and implementation of a training and education program for department staff engaged in the administration and enforcement of health and safety regulations;
- The development and administration of programs to educate employers and employees regarding the Whistleblowers' Protection Act; and
- The conduct of other activities as necessary for the implementation of an effective safety education and training program.

Division activities in response to this mandate are several. A grant program provides funding to individuals and groups to develop and present training programs such as back schools, chemical handling, videotapes on logging and trenching hazards and asbestos management. Chemical Information and Training Assistance provides information and training assistance to employers and employees who work with hazardous chemicals. Program staff ensure that manufacturers, importers, suppliers, and distributors of hazardous chemicals in the State maintain the required material safety data sheets required by law and that the information and training provided to employers and the employees covers the relevant required topics. Division staff involved with the Occupational Safety & Health Training program teach classes at Central Maine Vocational Training Institute on safety and health topics, including electrical safety and ventilation, industrial noise, AIDS, hazard protection under the state chemical identification laws, respiratory protection, tool and machine guarding, industrial hygiene, fire protection and an introduction to OSHA requirements.

The Division recently developed a week long training seminar incorporating the same topics taught at CMVTI. Several of these seminars were planned for this spring as well as a training seminar for construction trades. Division staff also provide training visits to individual employers on request.

Staff positions involved with safety education and chemical identification programs number 13, as follows: 1 staff development coordinator, 1 assistant safety compliance officer, 2 occupational safety engineers, 4 occupational health specialists, 2 industrial hygienists, 1 mini computer operator, and 2 clerk typist IIs.

All positions are funded through the dedicated Safety Education & Training Fund.

The Industrial Safety Division's programs are funded through General, federal and dedicated sources.

FY 88 Expenditures were as follows:

General Fund	\$260,860	32%	7 positions
Federal Fund	\$180,231	22%	7 positions
Dedicated	<u>\$377,572</u>	<u>46%</u>	<u>13 positions</u>
Total	\$818,663	100%	27 positions

Although the Safety Education and Training Fund was established in 1985, legislation in 1987 (PL 1987, c. 559) increased the potential funding of the Fund by a factor of 4. Assessments on workers' compensation insurers brought approximately \$1 million in revenues to the Industrial Safety Division in 1988, with which to fund FY 89 programs. The hiring of personnel and the start up of programs has lagged several months behind the collection of assessments since the Fund's inception in late 1985, which has allowed a considerable cash balance to build. The Fund balance peaked in March of 1988 at \$1,030,074. As programs have been initiated and expanded, the "surplus" has decreased. In response to Committee inquiry, the division has agreed to, in the future, take into consideration the cash balance in the Fund when levying assessments for the following year. The Fund will continue to maintain a substantial "cushion" which will protect programs in the event of a less than prompt insurance carrier response or an obvious demand for the expansion of the safety programs.

The Industrial Safety has experienced chronic difficulty in filling and retaining certain positions, specifically its industrial hygienists and occupational health specialists. Bureau and Division directors cited salary levels \$10,000 to \$14,000 below levels for a comparably qualified person. The Committee referred the director to section 7065 of Title 5, which detail the criteria used by the Bureau of Human Resources when considering recruitment and retention adjustments. The director agreed to pursue that avenue of redress in his efforts to address this recurring problem.

Commission on Safety in the Maine Workplace

The Commission on Safety in the Maine Workplace was established as part of the workers compensation legislation enacted in November of 1987 (26 MRSA §51). The Commission is composed of up to 12 members, including 3 members with "expertise and professional qualifications in the field of occupational safety and health", 2 members representing workers, 2 members representing private employers and "other members the Governor considers necessary and appropriate". The Commissioner of Labor serves as vice-chair of the Commission.

As stated in Title 26, section 51, the duties of the Commission are to "conduct studies and hold public meetings as necessary to develop findings and recommendations respecting each of the following issues:

- A. Evaluation of the effectiveness of current worker safety efforts, practices and programs in the State and the attitudes of employers and workers toward safety;

B. Identification of the best practice safety programs in the State and elsewhere, whose wide-spread adoption would reduce the incidence, severity and cost of workplace accidents and illnesses;

C Identification of emerging occupational safety and health issues that will be of importance in the future and assessment of their policy implications, and

D. Determination of existing statistical information on accidents and illnesses and reliability and adequacy to monitor trends and to support effective safety rehabilitation and compensation programs."

The Commission has been engaged in developing a safety initiative for selected employers. Using statistics produced by the Research Division, the Commission has attempted to identify industries and employers with above average soft-tissue injury rates, so that they can be targeted for education and training activities. The Commission's focus is on voluntary compliance with safety recommendations.

The Commission has also made recommendations regarding better coordination of state services, development of the training institute by Safety Division staff which had its debut in Hallowell last week, a comprehensive resource library, including a videotape lending library and printed resource directory, the statutory changes governing the Occupational Safety Loan Fund, and steps state government can take to become a "model employer" in terms of occupational safety and health issues.

Commission expenditures totalled \$1,130 in FY 1988.

Boiler, Elevator and Tramway Division

The purpose of the Boiler, Elevator and Tramway Division is to protect the public from unnecessary hazards in the operation of boilers, elevators and tramways. The division seeks to ensure proper design and construction of equipment; the provision of accepted safety devices; well-trained and qualified personnel involved in installation, repair, inspection and operation; proper periodic maintenance and inspection; and compliance with state statute (Title 26, subchapters II and V-A) and board rules.

The Board of Boiler Rules formulates rules for the safe and proper construction, installation, repair, operation and use of boilers and pressure vessels in the state, in conformance with the boiler code of the American Society of Mechanical Engineers (ASME).

The Board of Elevator and Tramway Safety, performs the rule-making function in its relevant areas, in conformance with American National Standards Institute (ANSI) standards.

The Boiler, Elevator and Tramway Division has a staff of 8, consisting of 1 chief supervising inspector, who is the director, 1 assistant chief inspector, 3 deputy inspectors, and 3 clerical personnel. The assistant and deputy inspectors each have a territory in the state for which they provide all of the Division's services. Fiscal year 1988 expenditures of the Division totalled \$272,166. The Division is General funded.

Maine law requires that the Boiler, Elevator and Tramway Division charge set fees for a majority of their services, with the revenue going into the General Fund. Penalties for non-compliance with various requirements are also set by statute. Revenues from Division activities in FY 88 were \$144,805, which equalled 53% of the Division's total FY 88 budget.

ADMINISTRATIVE	15.	Proceed with the implementation of the automation proposal developed for the Bureau of Labor Standards by the Department's automation coordinator, in order to increase the efficiency of current staff and reduce the need for additional support staff.
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The Bureau of Labor Standards (BLS) is the least automated bureau of the Department of Labor, due primarily to its level of federal funding. Labor Standards receives a smaller proportion of its funding from federal sources than any other bureau of the Department.

The Committee finds that currently, only one division of the Bureau, the Division of Research and Statistics, is adequately computerized. The Division of Research and Statistics's responsibilities include data collection and analysis functions carried out under agreements with the federal Bureau of Labor Statistics, and federal funding has, therefore, been provided for the necessary computer equipment, software, and programming. Other divisions possess varying degrees of computer capability, The Boiler, Elevator & Tramway Division is the least automated, its operations being completely manual.

A proposal to automate the Bureau of Labor Standards was completed by the Department's automation coordinator in November of 1987, but has never been funded.

The Committee finds that the lack of computerization hampers the effective, efficient performance of several Bureau activities, and that automating the Bureau would:

- allow timely collection and reporting of results of boiler inspections to the national board;
- increase efficiency of operations, eliminating the need for additional support positions in some divisions;
- improve safety;
- create accurate and accessible information on boilers, elevators, and tramways, as well as the engineers, welders, inspectors, operators, and mechanics that design, build, inspect, run, and repair them;
- allow for the prompt posting of employment practice violations;
- allow automatic generation of monthly license renewal letters for stuffed toy manufacturers and importers; and
- streamline other Bureau functions currently performed manually.

Finally, the Committee notes that the proposed increases in fees related to boiler, elevator, and tramway regulation (see Recommendation #18) will generate sufficient revenue to cover the cost of automating the Bureau.

Therefore, the Committee recommends that the Department proceed with the implementation of the automation proposal developed for the Bureau of Labor Standards by the Department's automation coordinator, in order to increase the efficiency of current staff and reduce the need for additional support staff.

STATUTORY

16.

Amend the criteria governing loans from the Occupational Safety Loan Fund, in order to stimulate interest in the loan program within the business community.

The Occupational Safety Loan Fund was established in 1985 to provide a source of low interest loans to employers wishing to invest in "equipment which reduces hazards to and promotes the health and safety of workers" (26 MRSA §63 sub-§1.A.). Initial funds were provided through a one-time tax on the state's Workers' Compensation carriers equal to 1/2 of 1% of 1984 workers' compensation premiums, which resulted in nearly \$800,000 in start up funds for the loan program. The law currently limits each loan to a maximum of \$15,000 and provides for an interest rate not to exceed "a rate equal to 2 percentage points below the prime rate effective in the Boston metropolitan area" (26 MRSA §63 sub-§1.B). Loan applications must include:

- a detailed explanation of how loan proceeds will be used to improve a health or safety condition in the business;
- 3 years of financial statements;
- personal financial statements of each major partner or stockholder;
- summaries of any legal suits currently pending;
- cost estimates of fixtures, equipment, and installation that will be paid for with the loan proceeds;
- a pro forma statement for the first year of the loan;
- a certificate of project approval submitted by the Industrial Safety Division of the Bureau of Labor Standards, based on an on-site safety inspection;
- a complete resume of the borrower or principals;
and

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- a completed environmental questionnaire that details any past, current, or potential involvement with or liability for hazardous wastes, underground storage tanks, and other information about the nature of the business.

Since 1985, only one loan has been made from the fund, in spite of promotional efforts by DOL's Industrial Safety Division and by the Finance Authority of Maine. The Committee finds that the statutory criteria governing the loan program unnecessarily restrict the availability and attractiveness of these funds to the business community. Therefore, the Committee recommends raising the maximum amount of a loan to \$50,000, setting the interest rate at a straight 3%, and removing the \$350,000 per year cap on total loans, in order to stimulate interest in the loan program.

ADMINISTRATIVE 17.

Recommend that the Department fund expanded workplace safety activities with its existing dedicated funding source, before seeking additional dollars from the General Fund.

Currently, workplace safety programs are funded through a variety of sources: federal, general and dedicated. The dedicated source, the Safety Education and Training Fund, is fed through an assessment on the State's workers' compensation insurers, based on each insurer's percentage of total, non-medical benefits paid in the year prior to the assessment. The cap on this assessment was increased fourfold in November of 1987, from 0.25% to 1% of non-medical benefits paid. The current assessment, approximately \$1,000,000 a year, represents about 75% of the maximum assessment allowable by law. The Committee finds that the Safety Education and Training Fund was created and subsequently increased for the express purpose of funding workplace safety education and technical assistance programs in the State. The Committee finds also that this Fund will have an estimated unexpended balance of approximately \$350,000 at the end of FY 1989.

The Industrial Safety Division's 27 staff:

- conduct workplace safety inspections and provide consultation services to private sector employers;
- teach classes at Central Maine Vocational Technical Institute and elsewhere on safety and health topics;
- provide information and training assistance to employers and employees who work with hazardous chemicals;
- administer a grant program that provides funding to individuals and groups to develop and present training programs on specific topics such as back schools, logging and trenching hazards, and asbestos management;
- enforce national OSHA regulations in the public sector;
- provide training opportunities for employers and employees engaged in mining and sand and gravel operations; and
- other workplace safety related activities.

The Committee strongly supports the activities of the Industrial Safety division and, additionally, supports the effective expansion of those activities. In response to the Department's General Fund request for an additional \$250,000 per year to fund the expansion of workplace safety activities, however, the Committee finds that sufficient resources currently exist to fund this level of expansion, and that additional funds are available through the dedicated source. In addition, because details of the administration's proposal were unavailable at the time of the Committee's review, the Committee was unable to express its support of the workplace safety initiative specifically.

At such time that existing sources are inadequate to fund the necessary programs, the Committee would recommend reconsideration of additional General Fund dollars, possibly combined with the undedication of the Safety Education and Training Fund. At this time, however, while existing sources appear to be sufficient to fund a substantial expansion of these activities, the Committee recommends that the Department use its existing funding source to expand its workplace safety activities, before seeking additional dollars from the General Fund.

STATUTORY

18.

Transfer fee setting authority, within statutorily mandated caps, to the Board of Boiler Rules and the Board of Elevator and Tramway Safety, in order to allow for a more prompt and knowledgeable response to the changing regulatory environment.

The Board of Boiler Rules and the Board of Elevator and Tramway Safety are made up of representatives of owners, operators and inspectors of boilers and elevators and tramways. The Boards are responsible for formulating rules for the safe and proper construction, installation, alteration, repair, use, operation, and inspection of boilers and pressure vessels, and elevators and tramways. According to state law, boiler rules are to conform as closely as is practicable to the national boiler code of the American Society of Mechanical Engineers, and elevator and tramway rules to standards established by the American National Standards Institute (ANSI). In addition to rule-making, the Boards issue licenses for inspectors, operators, engineers, mechanics, and welders, and may, with cause, file a complaint to revoke such licenses. The Boards also issue inspection certificates for boilers, elevators, and tramways operating in the state.

Maine law requires that the Boiler, Elevator and Tramway Division charge set fees for a majority of their services, with the revenue going into the General Fund. Penalties for non-compliance with various requirements are also set by statute. Revenues from Division activities in FY 88 were \$144,805, equalling 53% of the Division's total FY 88 budget.

Current statutory fees are those that were either originally enacted in 1977 (in the case of tramways) or last revised between 1964 and 1981. In fact, the 1981 revisions reduced the licensing fees for boiler operators and engineers. As a result, the Committee finds that the fees are outdated and do not reflect the true costs of ensuring the safe operation of boilers, elevator, and tramways.

Upon further consideration the Committee finds that:

- authorizing the Boards to set fees within statutorily set limits is appropriate, and should fall within their jurisdiction;

- representatives of the regulated community and other affected parties on the Boards eliminates concern regarding potential excessive fee increases; and
- appropriate legislative oversight will be assured by retaining maximum fee levels in statute.

Accordingly, the Committee recommends the fee levels and statutory caps that appear in the table below. Current fees and projected revenue increases are also shown.

<u>BOILER FEES</u>					
<u>Statutory Authority</u>	<u>Item</u>	<u>Current fee</u>	<u>Proposed Fee</u>	<u>Proposed Cap</u>	<u>Estimated Revenue Increases</u>
26 MRSA					
§176	Boiler Inspectors Exam	\$10	\$50	\$100	\$ 400
§176	Boiler Inspectors Certificate	\$10/lifetime	\$60/3 year	\$150	\$ 1,000
§178	Boiler Engineers License	\$15/3 year	\$30/3 year	\$100	\$ 9,855
§178	Boiler Operators License	\$10/3 year	\$30/3 year	\$100	\$13,680
§178	Engineer & Operators Exam	\$5	\$10	\$50	\$ 3,360
§212	Welder Certificate	\$5	\$20	\$100	\$15,615
§244	Boiler Inspection Certificate	\$5	\$30	\$100	\$16,925
§245	Boiler Inspection Fee	varies \$35 maximum	formula set by Board	\$500	<u>\$ 6,800</u> \$67,635

<u>ELEVATOR & TRAMWAY FEES</u>					
<u>Statutory Authority</u>	<u>Item</u>	<u>Current fee</u>	<u>Proposed Fee</u>	<u>Proposed Cap</u>	<u>Estimated Revenue Increase</u>
§486	Elevator mechanic exam	\$10	\$30	\$100	\$ 360
§486	Elevator mechanic license	\$10/year	\$50	\$100	\$ 3,800
§474	Elev/Tram Variance	\$50	\$50	\$100	
§478	Elev/Tram Inspectors Exam	N/A			
§479	Tram Inspector License	None		\$150	
§490-A	Elevator certificate	\$5	\$20	\$100	\$30,690
§490-A	Tramway certificate	\$5	\$20	\$100	\$ 1,095
§490-D	New Elevator Plan Review	Min - \$10 Max - \$35	\$5 per thousand	\$35 - \$100	\$ 6,955
§490-D	New Tram Installation Plan Review	Min - \$10 Max - \$35	\$5 per thousand	\$35 - \$100	\$ 260
§490-E	Installation Inspection Fee:				
	Elevators	\$35 plus exp.		\$50 plus	\$100 plus
	\$ 1,605				
	Tramways	\$35 plus exp.		\$50 plus	\$100 plus
60 §490-E	Annual Inspection: Elevators	\$30/\$1 landing	\$50 plus 5	\$100 plus 10	\$64,320
	Tramways	See Appendix A	ESTABLISHED BY BOARD		?
			Elevator & Tramway Total		\$109,145
			DIVISION TOTAL (est.)		\$176,780

Finally, the Committee notes that by authorizing the Boards to set fees within statutory limits, the Boards are also authorized to set fees for activities for which no statutory fees currently exist, such as the 2 - 3 day shop inspections for boiler manufacturers conducted by the Division.

Therefore the Committee recommends transferring fee setting authority, within statutorily mandated caps, to the Board of Boiler Rules and the Board of Elevator and Tramway Safety, in order to allow for a more prompt and knowledgeable response to the changing regulatory environment.

STATUTORY 19. Amend a technical provision of the statute relating to boilers, in order to ensure consistency with the national boiler code.

The American Society of Mechanical Engineers Boiler and Pressure Vessel Code (Section VII, Div. 1, par U-1 (C) (6)) was recently amended to alter a technical requirement governing water-containing vessels under pressure.

Maine's statute regulating boilers and pressure vessels does not currently reflect the change in the national code. The Committee finds that making state law consistent with the national code is generally desirable and finds no reason to make an exception in this instance. Therefore, the Committee recommends amending a technical provision of the statute relating to boilers, in order to ensure consistency with the national boiler code.

STATUTORY 20. Amend certain provisions of the law related to boiler, elevator, and tramway regulation, in order to make the provisions consistent with current practice.

During its review of the Boiler, Elevator and Tramway Division, the Committee found several instances of current practice that were not in conformance with state law. Also, the term of one category of license was not consistent with the terms of other, similar licenses. These instances are as follows:

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- Division boiler inspectors are currently exempted from the licensure examination fee;
 - Boiler inspector exams are given more than twice, when necessary;
 - The Division charges an amount sufficient to cover the costs of printing & postage for copies of the boiler and elevator and tramway rules; and
 - The one year term for an elevator mechanic's license is inconsistent with the 3 year term of boiler operators' and engineers' licenses.

The Committee found current practices to be reasonable in each instance. Therefore, the Committee recommends amendment of certain provisions of the law related to boiler, elevator, and tramway regulation, in order to make them consistent with current practice.

STATUTORY

21.

Make technical corrections in the laws relating to the regulation of boilers, elevators and tramways, in order to provide for clarity and accuracy in Maine law.

While reviewing the laws regulating the activities of the Boiler, Elevator and Tramway Division, the Committee encountered several passages that were unclearly worded or contained obsolete language. The Committee recommends that these sections be amended to provide for clarity and accuracy in Maine law.

APPRENTICESHIP IN MAINE

Apprenticeships are long term, comprehensive, standardized job training programs resulting in well paid, certifiably skilled workers. Apprenticeships differ substantially from other job-training activities in duration, specificity of training requirements, pay level, funding source, and other factors which affect administrative and outreach activities. Some salient features of apprenticeships are:

- Apprentices are 100% employer paid;
- Apprenticeships are long term - 2 to 5 years;
- Apprenticeship is a voluntary program, with apprentices chosen at the employer's discretion;
- Apprenticeships must meet certain standards, as provided by the State Apprenticeship and Training Council;
- Apprenticeship includes a minimum of 144 hours of related and supplemental training per year, usually provided by the VTIs, generally in addition to a 40 hour work week; and
- Sponsors with 5 or more apprentices are subject to extensive affirmative action rules.

The Apprenticeship Division of the Bureau of Labor Standards serves as staff support to the Maine State Apprenticeship and Training Council, the entity recognized by the U.S. Department of Labor as the registration agency for all apprenticeship programs. Division staff maintain up-to-date files on currently registered apprentices and programs, assist employers and local unions in establishing and maintaining apprenticeships, and conduct compliance reviews to ensure the continuing quality of training provided to the apprentices.

The Division also has the responsibility for the development of apprenticeships exclusively for AFDC recipients, in accordance with subchapter II of the apprenticeship laws (26 MRSA §1010 et seq.).

The Apprenticeship Council directs the activities of the Division and is responsible for establishing standards for apprenticeships, issuing rules and regulations and acting as consultants on the settlement of disagreements arising from the apprenticeship agreement (26 MRSA §1003- §1004).

The Apprenticeship Division maintains monthly contact with job training, Job Service, and WEET offices. In this way, potential apprentices are informed of apprenticeship opportunities and the Division maintains awareness of the number of potential candidates and their skills and interests.

Below is a statistical summary of apprenticeship activity in FY 88.

New Registered Apprentices	240
Females	21
AFDC	5
Completed Apprenticeships	76
Uncompleted Terminations	78
Total Apprentices enrolled	1416
Total Registered Programs	346
New Programs Registered	9
Programs Cancelled	2
State Government Apprenticeships	*
Field Visits By Division	850
Ave. Length of New Apprenticeships	4 years

* The Division is currently working with the Department of Transportation to set up an apprenticeship for mechanics, and the apprenticeship program at Pineland has undergone a major restructuring and will have up to 60 slots available this year. There are no other current state government apprenticeships.

The Division director and his two field people continue to make new employer contacts, in order to expand the range and number of apprenticeships in the State. Many employers contact the program through the recommendation of other employers.

Employers pay 100% of an apprentice's wages, which by agreement, begin at 50% of the journeyperson's wage paid by the employer in the occupation involved, and increase by a minimum of 5% every 6 months. The average beginning wage for apprentices is currently \$5.76 per hour, and all apprentices must be covered by Workers' Compensation insurance.

The Division works closely with the Vocational-Technical Institute system, which provides the necessary related and supplemental instruction to apprentices. Apprentices are accorded first refusal on all VTI courses, and are notified of upcoming classes in advance so that they can register. The apprentice pays one dollar for each hour of instruction, which is matched by a second dollar from federal or state funds appropriated to the VTI system for this purpose. In many cases, the employer either pays for the related and supplemental training courses, or reimburses the student upon completion of the course.

The Apprenticeship Division has a staff of 5: the division director, 2 field interviewers, and 2 clericals. At the time of the Committee's review, one of the clerical positions was vacant and one of the field representatives was out on a workers' compensation claim. Pursuant to P.L. 1981, c. 512, sec. 20, both field positions are designated to work exclusively on the development of apprenticeships for AFDC recipients. Expenditures of the Division totalled \$149,404 in FY 1988.

The Bureau of Labor Standards, the Bureau of Employment and Training Programs, and the State Apprenticeship and Training Council are currently engaged in discussion about the possibility of transferring the Apprenticeship Division to the Bureau of Employment and Training Programs. Anticipated benefits of such a move are:

- the Apprenticeship Division would be more visible;
- the Division would be in a better position to participate more fully in planning and coordination of job training activities; and
- a closer link with job training offices who refer clients for apprenticeship would be forged.

However, the Council has also expressed concern about the program losing its autonomy, and the potential weakening of the Council's authority over apprenticeship standards. As mentioned earlier, apprenticeships differ from other job training endeavors in duration, specificity of training requirements, pay level, funding source, and other factors which affect administrative and outreach activities. The Council wants to ensure that its advisory and oversight responsibilities will continue.

The Committee finds that both Bureau Directors are committed to establishing and maintaining strong communication links to the Council and to proceeding openly with the discussion of a possible transfer in the hopes of reaching a decision that is supported by all involved parties.

APPRENTICESHIPS FOR AFDC RECIPIENTS

STATUTORY 22. Incorporate the goals and objectives of the law regarding apprenticeships for AFDC recipients into the previous subchapter governing apprenticeship generally, in order to strengthen and integrate the AFDC population as appropriate candidates for apprenticeship.

In 1981, the Legislature enacted a law (PL 1981, c. 512) that established a program "to develop apprenticeship agreements exclusively for the training and education of recipients of Aid to Families with Dependent Children" (26 MRSA §1010). Three positions (2 field and 1 clerical) were appropriated to the Apprenticeship Division for this purpose. Although 56 apprenticeship programs have been developed for this population, there are currently only 5 AFDC recipients in those programs.

The Division director expressed reluctance to establish and maintain a separate list of apprenticeships exclusively for AFDC recipients, as the statute requires, indicating that all apprenticeship programs should be accessible to all potential apprentices, not just apprenticeships appearing on a special, segregated list.

A primary factor contributing to the small number of AFDC apprentices, according to the Director of the Bureau of Labor Standards, is that the emphasis of the apprenticeship field workers is on registering apprenticeship programs, not placing people in those programs. In fact, it is the referral agencies --- Job Service, job training, WEET, ASPIRE & veterans vocational rehabilitation caseworkers --- that refer applicants to the apprenticeship sponsors.

Furthermore, the Committee received testimony that some degree of biased or gender-based screening may be taking place at the referral agency stage, not solely for AFDC recipients, but for women in general. This issue will be discussed further under the affirmative action section.

The Committee finds that one reason for the apparent ineffectiveness of the Apprenticeships for AFDC Recipients Program is the lack of coordinated pre-apprenticeship training. The Committee considered a number of remedial measures such as formalized coordination with ASPIRE and other job training personnel who work with employers to set up On-the-Job Training (OJT) opportunities. If an OJT slot was in an apprenticeable occupation, the Apprenticeship Division could then contact the employer about writing an apprenticeship contract that would follow the successful completion of the OJT. Because an employer is benefitting from the OJT arrangement (JTPA or other programs pays half the employee's wages), and they have the opportunity to "try out" the employee during on-the-job training, the employer may be quite willing to continue the training under an apprenticeship agreement.

Funding for the particular types of remedial education (math, science) frequently needed by AFDC recipients and other women considering training in an apprenticeable occupation is available through the ASPIRE program (Additional Support for People in Retraining and Education), the current administration's welfare employment program. ASPIRE program employees, the Displaced Homemakers Program, and members of the advisory committee to the AFDC Coordinating Committee all expressed support for preapprenticeship training and an OJT-apprenticeship continuum, and agreed to cooperate fully with the Bureau of Labor Standards to coordinate services to the AFDC population, and increase the accessibility of apprenticeship to women.

The Committee finds that an additional factor that may be discouraging for a single parent considering apprenticeship is the amount of related or supplemental training - a minimum of 144 hours per year in addition to the 40 hour work week - required of all apprentices. Some employers are attempting to make this training as convenient as possible for employees by, for example, holding classes at the worksite beginning immediately after the work shift. However the lack of supportive services (such as child care) and counselling in apprenticeship may create a singularly difficult situation for a single parent.

The Division director indicated that, in many cases, AFDC recipients have been reluctant to enter apprenticeships because of losing their Medicaid benefits. Statutory provisions in the ASPIRE legislation allow continued medical coverage for up to one year for AFDC recipients who enter job training programs. However a participant that earns more than 110% of the federal poverty standard must contribute to the cost of coverage.

The Committee finds that the Medicaid issue is mitigated, in part, by the fact that about 80% of the apprentices currently registered are covered by health insurance through their employer. Again, in many cases the apprentice must contribute to the cost of coverage, which varies by individual employer.

In light of the apparent ineffectiveness of maintaining a separate set of apprenticeship programs for AFDC recipients, the Committee finds that the goals and objectives of the law governing apprenticeships for AFDC recipients should be incorporated into the laws governing apprenticeships generally, in order to strengthen and coordinate this population as appropriate candidates for apprenticeships.

FINDING

23.

The Committee finds that the apprenticeship program at the Kittery Naval Shipyard is relatively successful in recruiting and retaining women, due to the existence of program and service components aimed at overcoming many of the obstacles facing women in apprenticeship.

The Committee finds the Kittery Naval Shipyard's apprenticeship program is more successful at recruiting and retaining women because it provides:

- on site child care;
- free counselling;
- related training included in the 8-hour work day;
- 5 months of math, science and other academics to begin the program; and
- information and training about discrimination and harassment, provided by the Equal Employment Opportunity office.

While the Committee understands that the shipyard is a federal government employer and that private employers may not be willing or able to provide all of the above services, the Committee is firmly in support of public/private sector cooperative efforts that will serve to ensure greater accessibility of apprenticeships to women.

AFFIRMATIVE ACTION

ADMINISTRATIVE 24. Pursue federal funds for affirmative action training for job training and Job Service caseworkers and supervisors, in order to increase the awareness and emphasize the seriousness of affirmative action.

ADMINISTRATIVE 25. Revise the Apprenticeship program brochure and stress the affirmative action goals of the program, in order to strengthen efforts to change the image of apprenticeship as a solely male activity.

Departmental rules relating to the Maine State Apprenticeship and Training Council consist of 28 pages of detailed requirements and procedures defining activities to be taken to provide equal opportunity for women and minorities in apprenticeship programs. These rules, promulgated in 1978, require sponsors of apprenticeship programs involving 5 or more apprentices to adopt affirmative action plans (sec. 2.5) and explicitly define what constitutes such a plan, as follows:

"B. Definition of Affirmative Action. Affirmative action is not mere passive nondiscrimination. It includes procedures, methods, and programs for the identification, positive recruitment, training, and motivation of present and potential minority and female (minority and nonminority) apprentices including the establishment of goals and timetables. It is action which will equalize opportunity in apprenticeship so as to allow full utilization of the work potential of minorities and women. The overall result to be sought is equal opportunity in apprenticeship for all individuals participating in or seeking entrance to the Nation's labor force."

The rules also specify what types of outreach the sponsor will do to promote the apprenticeships, and their affirmative action aspects. Over 80% of the apprentices registered in this State are in programs to which affirmative action plans apply. These rules have been in effect for over 10 years. Today, there are 169 women and 6 members of minorities in apprenticeships, (110 of the women are at the Kittery Shipyard) out of a total of 1,447 -- just over 12%. If federal apprenticeships are excluded, the percentage of female and minority apprentices drops to 8.6%.

According to the Division director, implementation of affirmative action plans is monitored by a federal apprenticeship specialist on a random sample basis each year. In addition, the Department of Labor's Affirmative Action officer has offered her expertise in an advisory capacity to the Apprenticeship division, in order to supplement the affirmative action monitoring activities carried out by the federal representative.

The Committee finds that the concern about potentially inappropriate screening at the referral agency stage seems to be apparent on the federal level as well (though not singularly related to apprenticeship). The federal Office of Civil Rights has developed an affirmative action monitoring tool for implementation this spring, that will record the case disposition of individual Job Service and unemployment compensation caseworkers. The records will be reviewed for indications of possible discrimination on the basis of race and ethnic background, and DOL's Affirmative Action officer intends to add gender to the analysis. It is currently anticipated that this monitoring tool will be adapted to and implemented in the JTPA program in the fall of 1989.

The JTPA program will be monitored by the Affirmative Action officer for compliance with affirmative action goals over the next few months. This review will consist of:

- interviews with county service delivery site office managers;
- interviews with staff employees;
- observation of service delivery; and
- review of the grievance procedure, contracts and applicant and participant files.

Lastly, the Committee finds that the brochure on apprenticeship developed and distributed by the Council displays a front page graphic of a middle-aged man gesturing with a wrench, and makes no mention of the affirmative action goals of the program.

Therefore, the Committee recommends that the Department check into the availability of JTPA Title IV funds for affirmative action training for job training supervisors and caseworkers, and that arrangements be made to provide affirmative action training for Apprenticeship Division staff.

Additionally, the Committee recommends that the Apprenticeship Council and its staff revise the Apprenticeship program brochure and stress the affirmative action goals of the program, in order to strengthen efforts to change the image of apprenticeship as a solely male activity.

ADMINISTRATIVE	26.	Direct the Maine State Apprenticeship and Training Council to assess the implications of applying adopted affirmative action rules to apprenticeship programs involving 2 or more apprentices, in order to determine the most effective method of implementing the change.
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Currently, departmental rules require that specific activities to promote affirmative action must be carried out for any apprenticeship program that employs 5 or more apprentices. During its review, the Committee considered testimony suggesting that the affirmative action rules should apply to all apprenticeship programs with 2 or more apprentices, thereby increasing women's access to non-union apprenticeships. The change could be accomplished by rule of the Maine State Apprenticeship and Training Council.

While the Committee finds that the above mentioned change may have merit, the Committee acknowledges that such a change could have far reaching implications for the future of apprenticeship. The Committee finds that the State Apprenticeship and Training Council, through their rulemaking and oversight functions, is the appropriate body to assess the implications of effecting this change. Therefore the Committee directs the Maine State Apprenticeship and Training Council to assess the implications of applying adopted affirmative action rules to apprenticeship programs involving 2 or more apprentices, in order to determine the most effective method of implementing the change.

STATE COUNCIL AND JOINT APPRENTICESHIP COMMITTEES

STATUTORY 27. Increase the membership of the State Apprenticeship and Training Council from 11 to 12, requiring that 2 public members represent the interests of women, minorities, and AFDC recipients in apprenticeship.

STATUTORY 28. Require that the composition of each local, regional, or state joint apprenticeship committee include an even number of members with expertise in issues related to women, minorities and AFDC recipients in apprenticeship, one half to be chosen by the employer representatives and one half to be chosen by the employee representatives.

The Maine State Apprenticeship and Training Council consists of 11 members: 4 labor representatives, 4 employer representatives and 3 public members, all appointed by the Governor. Federal regulation requires that public members may not outnumber either of the other two groups [CFR 29.12 (b)(2)]. The Associate Commissioner of Vocational Education, the Director of the Bureau of Labor Standards, and the Commissioner of Labor serve as ex-officio, non-voting members. Expenses of the Council totalled approximately \$1,350 in FY 88.

Currently, only one member of the Council is a woman - an employer representative from the Bath Iron Works.

The Bureau has cited problems with recruiting Council members because they are not paid for their time. A member earning an hourly wage could be in a position of having to give up several hours pay to attend meetings. Therefore, it is generally salaried union staff, for example, that seek appointment as employee representatives, and these people are predominantly men. Public members are either retired or self-employed, or have the flexibility to have Council meetings included as part of their job responsibilities. The Council meets every other month.

In addition to the State Council, Maine law provides for local, regional and state "joint apprenticeship committees" (26 MRSA §1006). These Committees interview and select apprentices, set standards for individual programs, judge the apprentices' performance, etc. In short, the local committees make the decisions that affect the majority of the apprenticeships in the State.

These committees are required to be composed of "an equal number of employer and employee representatives selected by the respective local or state employer and employer organizations in such trade or group of trades" and "such advisory members representing local boards or other agencies as may be deemed advisable" (26 MRSA §1006). They are, according to the statute, "approved" by the State Apprenticeship and Training Council and their activities subject to "review" by the Council. In practice, the Committee finds that these local committees were "approved" once when each was created, but no ongoing review or monitoring of the activities of the local committees takes place.

The Committee finds that the goal of increasing accessibility of apprenticeship to women, minorities and AFDC recipients is sufficiently compelling to require specific representation of these groups on the State Apprenticeship and Training Council and the joint apprenticeship committees. Therefore the Committee recommends:

- increasing the membership of the State Apprenticeship & Training Council from 11 to 12, requiring that 2 public members represent the interests of women, minorities, and AFDC recipients in apprenticeship; and
- requiring that the composition of each local, regional or state joint apprenticeship committee include an even number of members with expertise in issues related to women, minorities and AFDC recipients in apprenticeship, one half to be chosen by the employer representatives and one half to be chosen by the employee representatives.

STATUTORY

29.

Add the Director of Apprenticeship Training of the Maine Vocational Technical Institute system to the Maine State Apprenticeship and Training Council as an ex-officio member, in order to ensure adequate planning and coordination of related and supplemental training provided to apprentices by the vocational-technical institutes.

Currently, the Associate Commissioner of Vocational Education, the Director of the Bureau of Labor Standards and the Commissioner of Labor serve on the Maine State Apprenticeship and Training Council as ex-officio members.

Formerly, the Bureau of Vocational Education had primary responsibility for advising the Council in the development of related and supplemental training for apprentices. Currently, it is the Maine VTI system that provides the majority of this training, but the VTIs are not represented on the State Council. The Committee finds that the continued involvement of the Bureau of Secondary Vocational Education in Council activities is desirable, but that the presence and participation of a representative of the VTI system is additionally required.

Therefore, the Committee recommends the addition of the Director of Apprenticeship Training of the Maine Vocational Technical Institute system to the Maine State Apprenticeship and Training Council as an ex-officio member, in order to ensure the necessary planning and coordination of related and supplemental training provided to apprentices by the vocational-technical institutes.

BUREAU RESPONSE TO ADDITIONAL COMMITTEE RECOMMENDATIONS

FINDING 30. The Committee finds that the apprenticeship program for AFDC recipients and affirmative action rules issued by the Maine State Apprenticeship and Training Council to govern applicable apprenticeships have fallen short of their intended goals.

The Apprenticeships for Recipients of Aid to Families with Dependent Children Program has existed in state law for 8 years. There are 5 AFDC recipients in apprenticeship. Comprehensive affirmative action rules governing the majority of apprenticeships in the state were adopted nearly 11 years ago. Today, women and minorities comprise only 8.6% of the state's apprentices, 12% if federally sponsored apprentices are included. The Committee finds that the Apprenticeships for AFDC Recipients Program and the affirmative action rules promulgated to govern apprenticeships have fallen short of their intended goals.

To address the shortcomings revealed by the review, the Committee considered some 17 possible actions. Six of them appear at the beginning of the apprenticeship section of this report. Seven additional actions were referred to the Bureau of Labor Standards for the purpose of the Bureau developing a proposal for their implementation. These proposed actions were:

- Direct the Bureau of Employment and Training Programs, the Bureau of Employment Security, and the Department of Human Services to expand their efforts through the job training, Job Service and WEET offices to inform women, minorities and AFDC recipients of the benefits of apprenticeship relative to other jobs or job training opportunities;
- Direct the DOL to more fully integrate the Apprenticeship program into the Maine Human Resource Development planning and coordination activities;

-
- Find that the implementation of the affirmative action monitoring tool for Job Service, unemployment compensation and job training caseworkers developed by the U.S. Office of Civil Rights will be an important step in the more consistent application of the rules and laws governing affirmative action in employment related activities in the State of Maine;
 - Instruct the Apprenticeship Division to distribute the federal list of apprenticeable occupations and the division list of registered apprenticeship programs to all job training personnel who work with employers to set up On-the-Job Training slots for job training clients;
 - Require job training personnel to cross-reference the OJT occupation with the apprenticeable list and contact the Apprenticeship Division about setting up an apprenticeship with that employer;
 - Find that affirmative action training for Apprenticeship Division staff is an important factor in assuring non-discrimination in apprenticeship; and
 - Instruct Apprenticeship Division staff to work with the Department of Human Services and other governmental and advisory bodies to ensure that adequate information on child care, convenient options for fulfilling related and supplemental training requirements, and other services necessary to assist women in apprenticeship, is readily available to employers and potential apprentices.

The Bureau, in turn, responded affirmatively to the Committee's recommendations, pledging to:

- attend all planning meetings of the Maine Human Resource Development Council;
- embark on an outreach program directed toward relevant Bureau of Employment & Training Programs and Department of Human Services staff to adequately explain apprenticeship and its benefits, as well as to identify areas where increased coordination between agencies would be beneficial;

-
- establish a protocol with the job training service delivery areas (SDAs) to assure a stronger link between on-the-job training (OJT) and apprenticeship;
 - implement a pilot project that will demonstrate a model "integrated services" approach to meeting the needs of AFDC recipients and other women, single parents, or minorities in apprenticeship;
 - pursue affirmative action training for Apprenticeship Division staff;
 - develop a review process of newly registered programs for compliance with affirmative action rules;
 - consult with the Department's affirmative action officer to evaluate the division's field monitoring practices; and
 - in cooperation with the Dept. of Human Services or other governmental and advisory bodies, equip each apprenticeship specialist with all available information on child care, counseling, pre-apprenticeship training, options for fulfilling related and supplemental training requirements, and other services necessary to assist woman and single parents in apprenticeship.

The Committee finds that the implementation of the above measures will make a strong, positive contribution toward the recognized goals of:

- increasing awareness of the benefits of apprenticeship generally;
- increasing accessibility of apprenticeships to women;
- increasing cooperation among service providers, and
- promoting an integrated approach to the delivery of services.

Therefore the Committee endorses these efforts, and looks forward to revisiting apprenticeship next year, in order to evaluate the tangible results of the implementation of these measures.

STATUTORY

31.

Require the Commissioner of Administration and the Commissioner of Labor to jointly submit a report to the Committee by January 1, 1990, detailing their cooperative plan to increase the number of apprenticeships sponsored by state government, in order to more effectively model the State's commitment to apprenticeship.

Under the current State Civil Service System laws, the Director of the Bureau of Human Resources, with the assistance of the Bureau of Labor Standards, is responsible for "encouraging and assisting state agencies to utilize the benefits of apprenticeship programs or other training programs" (5 MRSA §7072). Other responsibilities include maintaining a current list of apprenticeable classifications in state government and including apprenticeship and training activities in the Bureau's annual report. In 1983, the Bureau informed state agencies about apprenticeship and included a partial listing of apprenticeable classifications. Interested state agencies were to respond if interested in an apprenticeship or to suggest additional classifications.

In reviewing apprenticeship generally, the Committee found that the mandate to promote state sponsored apprenticeships was not being vigorously pursued, primarily due to a lack of available staffing and a heavier reliance on other types of training programs.

Currently, there are 60 apprenticeship slots being reorganized at Pineland, and the Apprenticeship Division is working with the Department of Transportation to set up a truck mechanics program. Initial contact has also been made with the Bureau of Data Processing to discuss establishing a program for computer programmers. An estimated 230 apprenticeable occupations are utilized by Maine State Government. There are active state sponsored apprentices in one of these occupations.

The Committee repeatedly heard testimony during its review from organized labor and the private and public sectors, citing state government's lack of leadership in and enthusiasm for state sponsored apprenticeship programs. The Committee agrees that state government should, whenever possible, demonstrate by its own actions those which it would have modelled by private employers.

Therefore, the Committee instructs the Commissioner of Administration and the Commissioner of Labor to jointly submit a report to the Committee by January 1, 1990, detailing their cooperative plan to increase the number of apprenticeships sponsored by state government, in order to more effectively model the State's commitment to apprenticeship.

MAINE LABOR RELATIONS BOARD

STATUTORY	32.	Continue the Maine Labor Relations Board pursuant to Maine's Sunset Law.
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The Maine Labor Relations Board (MLRB) exists to further harmonious labor management relations in the public employment sector through the effective administration of various labor relations statutes. These laws are:

- Municipal Public Employees Labor Relations Act (PL 1969 c. 424);
- State Employees Labor Relations Act (PL 1974, c. 774);
- University of Maine Labor Relations Act (PL 1975, c. 603); and
- Judicial Employees Labor Relations Act (PL 1984, c. 702).

The Maine Labor Relations Board's primary responsibilities are:

- determination of appropriate bargaining units;
- conduction of employee representation elections;
- adjudication of unfair labor practice charges (prohibited acts) submitted to it by aggrieved parties; and
- administration of impasse resolution procedures (mediation, fact-finding, arbitration).

The Maine Board of Arbitration and Conciliation (BAC), has jurisdiction in both the public and private sectors to conciliate, arbitrate, or form a fact-finding panel.

The Executive Director of the Maine Labor Relations Board also serves as Executive Director of the Panel of Mediators, which provides mediation services to the public/private sectors, at the discretion of the Director. Populations served by these bodies are primarily the public sector labor relations communities of the State, the University of Maine, the Judicial Department, counties, VTI's, city and town governments, school boards, and sewer and water districts.

The Maine Labor Relations Board performs the administrative functions necessary for the Board of Arbitration and Conciliation (BAC). BAC services are requested through and scheduled by the MLRB staff, as are the services of the Panel of Mediators. Expenses of both the Board of Arbitration and Conciliation and the Panel of Mediators are included in the budget of the Maine Labor Relations Board.

The Maine Labor Relations Board was first established as the Public Employee Labor Relations Board in 1972. Prior to that time, the Municipal Public Employees Labor Relations Act (MPELRA) had been administered by the Commissioner of Labor and Industry. Coincident with departmental restructuring in 1975, the Board became the Maine Labor Relations Board with the responsibility for administering the State Employees Labor Relations Act (SELRA) and the Panel of Mediators. In addition to the municipal act, the University employees act (UMLRA) was added to the Board's responsibilities in 1976. Bargaining rights were extended to county employees in 1981, and judicial department employees (JELRA) in 1984.

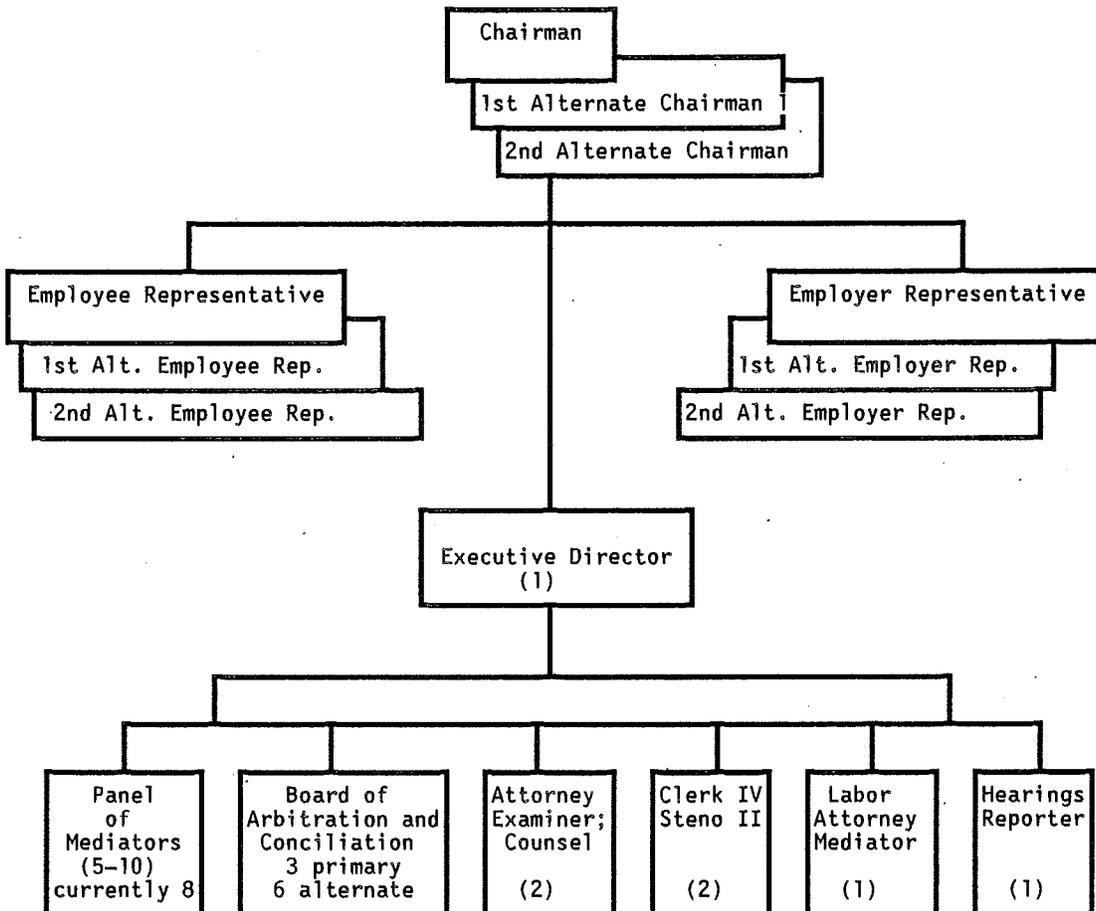
The Maine Labor Relations Board consists of 3 primary members, representing employers, employees, and the general public, and 6 alternate members, 2 in each of the above categories.

The Board of Arbitration and Conciliation has the same representational make up as the MLRB with 3 primary and 6 alternate members.

The Panel of Mediators, which statutorily may have 5 to 10 members, currently has 8. Since the function of mediation is to act as an intermediary between disputing parties, all members are, by definition, impartial. Mediation services of the panel are authorized by the Executive Director, who assigns, in most cases, one mediator to a dispute.

All members of the Maine Labor Relations Board, the BAC, and the Panel of Mediators are appointed by the Governor for varying terms. Alternate members are utilized in the absence, illness, or disqualification of a primary member or when scheduling needs require it. An organizational chart appears on the following page.

MAINE LABOR RELATIONS BOARD
ORGANIZATIONAL CHART



The MLRB has a staff of 7, consisting of 1 Executive Director, 2 attorneys, 2 clericals, 1 labor attorney mediator and 1 hearings reporter.

The activities of the Maine Labor Relations Board, the Board of Arbitration Conciliation and the Panel of Mediators and staff are funded by a General Fund appropriation. FY 88 expenditures were as follows:

Expenses for FY 88

MLRB - Board Members	\$ 6,180
Board of Arbitration & Conciliation	14,318
Panel of Mediators	21,469
Staff & Administrative Expenses	<u>288,598</u>
	\$330,565

The first Regular Session of the 113th Legislature appropriated an additional \$10,000 to the MLRB in FY 88 to produce an index of decisions of the Board cross-referenced with similar Board decisions, and make them available to public sector labor law practitioners. The appropriation stipulated that a fee sufficient to offset the cost of the index would be charged for it, with fees going into the General Fund.

Due to the transition of the directorship, and retirement of one of the professional staff members, the project was not completed in FY 88, allowing \$7,250 to lapse back to the General Fund. Work has resumed on the project which is tentatively scheduled for completion in July 1989.

Statistics provided by the MLRB for the last nine years indicate considerable fluctuation from year to year in requests for the services the Board provides. Figures for various services are shown below, with the last two columns showing the average for the years shown and the percentage of that average represented by the FY 88 data.

	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>Ave. for Date Shown</u>	<u>FY 88 % of Ave.</u>
Unit Determination/ Clarification Requests											
Number filed	54	28	43	74*	32	36	24	14	30	37	81%
Agreements on Bargaining Unit (MLRB Form #1)											
Number filed			34	25	10	29	9	19	24	21	114%
Voluntary Recognitions (MLRB Form #3)											
Number filed		16	7	9	7	7	4	4	9	8	113%
Bargaining Agent Election Requests											
Number filed	56	40	45	31	21	38	24	14	20	32	63%
Decertification Election Requests											
Number filed			14	24	18	13	19	15	9	16	56%
Mediation Requests											
Number filed	98	83	83	95	72	85	98	120	88	91	98%
Fact Finding Requests											
Number filed	38	49	30	28	16	11	19	18	15	25	60%
Prohibited Practice Complaints											
Number filed	55	60	35	30	31	20	25	22	17	33	52%
Arbitration Requests	36	46	39	41	52	35	52	75	67	49	137%

* The FY 1983 figure was swelled by the filing by the State of 34 separate Unit Clarification petitions.

While the Committee recognizes that factors such as the economic cycle and past levels of organizational and representational activity in the labor community may influence the statistics, the data show that a shift has recently taken place toward more arbitration and mediation requests, and less of the traditional services provided by the MLRB, such as adjudication of prohibited practice complaints. Although a few years' data may not represent a trend, a review of the first 4 1/2 months of statistics for the current fiscal year indicate that:

- requests for various services continue to fluctuate;
- decertification requests have already exceeded last year's total; and
- mediation requests will reach a record level this year.

The Committee notes that mediation appears to be increasingly successful in recent years, showing an 82% settlement rate and only 17% of mediated cases proceeding to fact-finding in FY 1988.

The Committee finds that the quality and value of the mediation and arbitration services provided by these three bodies are receiving a strong vote of confidence from the labor relations community, and that their services are an essential component of harmonious labor-management relations in the State. Therefore, the Committee recommends continuation of the Maine Labor Relations Board, under the provisions of the Maine Sunset Law.

LETTERS

JAMES E. TIERNEY
ATTORNEY GENERAL



STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
STATE HOUSE STATION 6
AUGUSTA, MAINE 04333

March 13, 1989

Gerard P. Conley, Chairman
Unemployment Insurance Commission
175 Lancaster Street, Room 220
Portland, Maine 04101

Dear Gerry:

This confirms our discussion last week concerning the representation of the Commission to be provided by this Department. Louise Smith will continue to represent the Commission on a full-time basis. In matters where the Department of Labor participates, represented by any of the attorneys normally assigned to them, all of whom are supervised by Deputy Attorney General Garrett, Louise will report to Deputy Attorney General Thomas Warren, Chief of our Litigation Section. She will be insulated from and will not discuss cases involving the Department of Labor before the Commission with either Pam Waite or Crombie Garrett. In the event that the Commission issues a decision upholding the Department of Labor, and that decision is challenged in court, we all agree that any one of the Labor attorneys, including Louise, can handle that case by Crombie Garrett and Pam Waite.

I enjoyed meeting with you and Commissioners Willey and Ewing and am very pleased that we have been able to resolve this issue to everyone's satisfaction. I propose sending a copy of this letter with a covering note to the Committee and will do so unless you prefer another method of informing them.

Best regards.

Very truly yours,

JAMES T. KILBRETH
Chief Deputy Attorney General

JTK/dab



John R. McKernan, Jr.
Governor

John Fitzsimmons
Commissioner

DEPARTMENT OF LABOR
Unemployment Insurance Commission

Gerard P. Conley, Chairman
Marvin W. Ewing
Labor Representative
~~Robert J. P. ...~~
Employer Representative
Ralph M. Willey

March 22, 1989

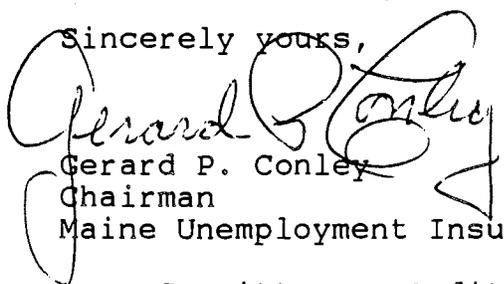
Jamie T. Kilbreth
Chief Deputy Attorney General
Attorney General's Office
State House Station No. 6
Augusta, Maine 04333

Dear Jamie:

Your recent letter of March 13, 1989 appears to resolve problems the Commission has experienced regarding legal representation by your office over the past several years. As you know, the Commission has long been concerned over what it deems the conflict of interest in some cases which result from Attorney General representation of the Bureau of Employment Security as well as the Unemployment Insurance Commission. Both you and I recognize it has been difficult for the Attorney General to assure all parties they will be represented in a fair and impartial manner.

The Commission sincerely appreciates your efforts in designing an alternative that now guarantees that legal counsel from the Attorney General's office to the Commission will be independent.

Sincerely yours,


Gerard P. Conley
Chairman
Maine Unemployment Insurance Commission

cc: Committee on Audit and Program Review

SENATE

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GEORGETTE B. BERUBE, DISTRICT 16
LINDA CURTIS BRAWN, DISTRICT 21

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OFFICE OF FISCAL AND PROGRAM REVIEW
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WESLEY FARNUM, SOUTH BERWICK

STATE OF MAINE
ONE HUNDRED AND FOURTEENTH LEGISLATURE
COMMITTEE ON AUDIT AND PROGRAM REVIEW

November 3, 1988

Dear ,

We are writing to ask for your assistance in appropriating additional funds from the Employment Security Administration Account to support essential employment services in Maine and throughout the country. Maine's particular need is for additional job counselors for the Maine Job Service.

As you know, Maine is experiencing a tight labor market. While this may seem to be an indication of a reduced need for employment services, in fact, our Job Service is encountering applicants who are much harder to serve. In Maine's current situation, fewer and fewer of those coming to the Maine Job Service for assistance are job-ready. Applicants need counselling, and many times referral to a training program or other social service.

In Maine's rapidly changing job market, many are finding it necessary to change occupations in mid-life. For the same reason, counselling is important for those trying to initially choose an occupation. Trained job counselors are most qualified to assess these applicants and make the necessary determination of their most immediate needs. Maine operates 19 local Job Service offices. Those offices employ only 7 job counselors.

As a result of our current review of Maine's Department of Labor, including employment security functions, the Committee has identified the shortage of job counselors as a concern recognized by both prospective employee applicants and the Maine Job Service. The Committee finds that 11 additional counselors, for a statewide total of 18, would be required to meet the current demand for these essential services.

The Committee has instructed the Commissioner of the Department of Labor and the director of the Bureau of Employment Security to re-evaluate current staffing patterns, making every effort to address the shortage of job counselors. All levels of management are aware of the problem and are doing everything possible to address it within existing resources. However, this effort is inadequate to fully address the problem. The underlying problem is, of course, that there are not enough resources to work with.

As you know, the Maine Job Service is 100% federally funded through Congress' appropriation each year from the Employment Security Administration Account. It is our understanding that this fund currently has an unappropriated balance of over a billion dollars - more than the FY 88 appropriation for employment services for the entire 50 states.

The recent National Governors' Association policy paper on this issue states:

"Resources appropriated to the employment security system currently are inadequate to fund essential services. Employers who finance this system through the Federal Unemployment Tax Act (FUTA) are putting enough money into the system to provide an adequate service. However, because of the way the collections are split among the Federal Unemployment Tax Act accounts and because the appropriations are below what is available, the funding has been inadequate."

The NGA paper goes on to support a mandated appropriation to the states of 90% of the collections to the ESAA.

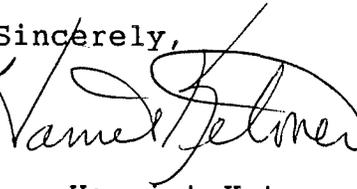
It is obvious that Maine's current situation is not unique.

We recognize that the ESAA balance is being used to offset the federal budget deficit. Meanwhile, however, the purpose for which this tax on employers is collected is being neglected.

Thus, we are asking for your assistance in addressing the employment security needs, both of Maine and the rest of the United States. Thank you for your attention to this matter.

Sincerely,


Sen. Beverly M. Bustin
Senate Chair


Rep. Harriet Ketover
Subcommittee Co-Chair


Rep. Neil Rolde
House Chair

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TELEPHONES:

MAJORITY—(202) 225-4527
MINORITY—(202) 225-3725

November 14, 1988

Committee on Audit and Program Review
State of Maine
State House Station 5
Augusta, Maine 04330

Dear Committee Members:

Thank you for your recent letter expressing concern over the funding level for the Employment Service. The appropriation of funds for the Employment Service is in the jurisdiction of the Labor, Health and Human Services, and Education Subcommittee of the House Appropriations Committee. You may wish to contact the Appropriations Subcommittee directly about the funding level for the Employment Service at the following address:

Subcommittee On Labor, Health and Human Services, Education
Chairman William Natcher
Room 2358 Rayburn House Office Building
Washington, D.C. 20515

Our Committee's Views and Estimates for the 100th Congress submitted to the House Budget Committee recommended funding of the Employment Service in FY '89 at the current services level. You can be assured of my continued support for increased funding for the Employment Service. I appreciate having the benefit of your views on this important issue. With best wishes, I am

Sincerely yours,

A handwritten signature in cursive script that reads "Augustus F. Hawkins".

Augustus F. Hawkins
Chairman

AFH/ckm

WILLIAM H. NATCHER
SECOND DISTRICT, KENTUCKY

WASHINGTON OFFICE:
2333 RAYBURN HOUSE OFFICE BUILDING

MEMBER:
COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:
LABOR—HHS—EDUCATION,
CHAIRMAN
AGRICULTURE AND RELATED AGENCIES
D.C. BUDGET

Congress of the United States
House of Representatives
Washington, DC 20515

November 14, 1988

The Honorable Beverly M. Bustin
Senate Chair
Committee on Audit and Program Review
State House Station 5
Augusta, Maine 04330

Dear Senator Bustin:

This is to acknowledge receipt of and to thank you for your letter of November 3, signed also by Representatives Ketover and Rolde, urging that additional funding be provided for Employment Services.

This is a difficult matter that our Subcommittee must face each year in making appropriations for the Department of Labor. As you know, outlays from the Unemployment Trust Fund are counted as part of the total Federal budget, in accordance with the basic law. Each year our Subcommittee receives, pursuant to the Congressional Budget Act, an outlay ceiling from the Congressional Budget Resolution. We must constrain ourselves in making recommendations for all programs within our jurisdiction, which includes the Department of Labor, Health and Human Services, and Education and certain related agencies, in order to remain within our ceiling.

This means that the Employment Service must compete for funding against many other important programs. This is so in spite of the fact that its funds are derived from a Trust Fund that is financed by a dedicated tax. In this respect, it is very similar to the administrative financing for the Social Security program.

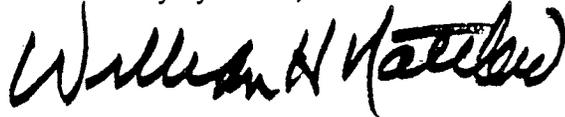
I agree with you that funding for the Employment Service has not been wholly adequate in recent years. However, because of limited total budgetary resources and the current laws under which we must operate, we

- page two -

are not able to consider Employment Service funding separate and apart from all of the other programs under our jurisdiction.

We will continue to do the very best that we can to provide the support that the Employment Service deserves. Again, I appreciate receiving your letter, and with kind personal regards, I am

Sincerely yours,

A handwritten signature in black ink, appearing to read "William H. Natcher". The signature is written in a cursive, somewhat stylized script.

William H. Natcher, M.C.

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HAYDEN G. BRYAN, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON LABOR AND
HUMAN RESOURCES

WASHINGTON, DC 20510-6300

November 18, 1988

Honorable Beverly M. Bustin
Honorable Harriet Ketover
Honorable Neil Rolde
Committee on Audit and Program Review
State of Maine
State House Station 5
Augusta, Maine 04330

Dear Friends:

Thank you for your letter regarding the need to increase the funding for the employment security programs around the Nation. I share your concern about the pockets of continued high unemployment despite optimistic reports of the decline of the national unemployment rate to 5.3% in October. Illinois is certainly one of the states, like Maine, which needs additional funds to support workers who find themselves in a temporary state of being without work.

As Chairman of the Subcommittee on Employment and Productivity, I intend to pursue an aggressive agenda during the 101st Congress on issues critical to educating, training, and finding employment opportunities for all Americans. I am anxious to have your input and support along the way and appreciate having your views on the need for new employment security funding.

My best wishes.

Cordially,



Paul Simon
Chairman
Subcommittee on Employment
and Productivity

PS:bb

JOSEPH E. BRENNAN
1ST DISTRICT, MAINE

COMMITTEES:
ARMED SERVICES
SUBCOMMITTEES:
RESEARCH AND DEVELOPMENT
SEAPOWER AND STRATEGIC
AND CRITICAL MATERIALS
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SUBCOMMITTEES:
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MAJORITY WHIP AT-LARGE
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Congress of the United States
House of Representatives
Washington, DC 20515

OFFICES:
WASHINGTON:
1428 LONGWORTH BUILDING
WASHINGTON, DC 20515
202-225-6116
PORTLAND:
177 COMMERCIAL STREET
PORTLAND, ME 04101
207-772-8240
207-780-3382
AUGUSTA:
128 STATE STREET
AUGUSTA, ME 04330
207-623-2883
TOLL FREE NUMBER:
1-800-445-4092

November 16, 1988

The Honorable Beverly Miner Bustin
Maine Senate
State House Station 3
Augusta, Maine 04333

Dear Bev:

Thank you for taking the time to write as Senate Chair of the Committee on Audit and Program Review regarding funding for the Maine Job Service. As you know, I share your strong support for the counseling and training provided by the Maine Job Service.

You may be sure that when the 101st Congress receives the President's budget proposal in January, I will focus particular attention on appropriations from the Employment Security Administration Account. Clearly, states should receive adequate funding for job training programs which help motivated individuals reenter the workforce.

Again, I appreciate your calling my attention to the shortage of funding for the Maine Job Service. Please do not hesitate to contact me whenever a matter of interest or concern to you arises.

Sincerely,


Joseph E. Brennan
Member of Congress

JEB:smw

cc: Representative Harriet Ketover
Representative Neil Rolde

COMMITTEES:

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JOINT ECONOMIC COMMITTEE

SELECT COMMITTEE
ON AGING

WASHINGTON OFFICE:

2464 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-1902
(202) 225-6306

OLYMPIA J. SNOWE
2D DISTRICT, MAINE

Congress of the United States
House of Representatives

Washington, DC 20515
November 21, 1988

DISTRICT OFFICES

MARGARET CHASE SMITH
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202 HARLOW STREET, ROOM 209
BANGOR, ME 04401-4960
(207) 945-0432

TWO GREAT FALLS PLAZA
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(207) 786-2451

197 STATE STREET
POST OFFICE Box 722
PRESQUE ISLE, ME 04769-0722
(207) 764-5124

Honorable Beverly M. Bustin
State Senator
Senate Chair
Committee on Audit and Program Review
State House Station 5
Augusta, Maine 04330

Dear Beverly:

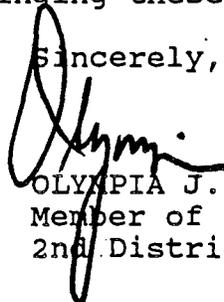
Thank you for writing to me regarding your concerns over the funding for the Employment Security Administration.

I share your belief that the Job Service in Maine will continue to be an important resource, even as unemployment falls. As you point out, fewer of those using the Job Service are job-ready, and the role of the Service becomes even more important in these cases.

I have asked the Department of Labor to look into this matter, in order to get a clearer understanding of the funding problem with the Federal Unemployment Tax Act (FUTA). I will be back in touch with you, once I receive their response.

Again, thank you for bringing these concerns to my attention.

Sincerely,



OLYMPIA J. SNOWE
Member of Congress
2nd District, Maine

OJS:jc

United States Senate

WASHINGTON, DC 20510

November 23, 1988

The Honorable Beverly M. Bustin
The Honorable Harriet Ketover
The Honorable Neil Rolde
Committee on Audit and Program Review
State House Station 5
Augusta, Maine 04330

Dear Friends:

Thank you for your recent letter concerning additional funding for Employment Service operations.

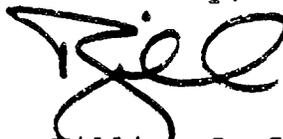
I appreciate your advising me of the situation within the Maine Job Service and the need for additional job counselors. I certainly share your desire to insure that Maine workers receive the necessary assistance and services that will enable them to find productive employment in a rapidly changing job market.

As you may know, the Senate-passed fiscal year 1989 appropriations bill for the Department of Labor would have provided \$829 million for the Employment Service, an increase of \$49.5 million from fiscal year 1988. However, the funding level was scaled back to \$814.5 million in the conference committee report.

Consideration of any increase in funding for the Employment Service cannot begin, of course, until the new Congress convenes in January. I appreciate your alerting me to the Committee's concerns, and you may be assured that I will keep them in mind as the Senate debates budget and appropriations issues next year.

With best wishes, I am

Sincerely,



William S. Cohen
United States Senator

GEORGE J. MITCHELL
MAINE

United States Senate

WASHINGTON, DC 20510

December 8, 1988

The Honorable Beverly Bustin
The Honorable Harriet Ketover
The Honorable Neil Rolde
Committee on Audit and Program Review
State House Station 5
Augusta, Maine 04333

Dear Beverly, Harriet and Neil:

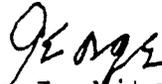
Thank you for contacting me regarding the increased funding for the Employment Security Administration Account. I am particularly glad to have the benefit of your views as a member of the Legislature's Committee on Audit and Program Review.

As you have mentioned, it is crucial that the Maine Job Service have the necessary resources to meet the changing needs of Maine's labor market.

As soon as the next Congress convenes, I shall contact the appropriate Congressional committees, to convey your request for an increase in the Employment Security Administration Account.

Thank you again for sharing with me your concerns. Please do not hesitate to let me know if I may be of further assistance.

Sincerely,


George J. Mitchell
United States Senator

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FOREIGN AFFAIRS
JOINT ECONOMIC COMMITTEE
SELECT COMMITTEE
ON AGING

WASHINGTON OFFICE:
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WASHINGTON, DC 20515-1902
(202) 225-6306

OLYMPIA J. SNOWE
2D DISTRICT, MAINE

Congress of the United States
House of Representatives
Washington, DC 20515

DISTRICT OFFICES
●
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●
197 STATE STREET
POST OFFICE BOX 722
PRESQUE ISLE, ME 04769-0722
(207) 764-5124

December 19, 1988

Honorable Beverly M. Bustin
State Senator
Senate Chair
Committee on Audit and Program Review
State House Station 5
Augusta, Maine 04330

Dear Beverly:

Enclosed please find a copy of the letter I received from the Department of Labor regarding the Employment Security Administration.

I hope that you will find the information contained in this letter to be helpful in explaining the funding reserve in the Employment Security Administration Account.

The Job Service is a very important program and I was pleased that Congress was able to increase funding for the program for this fiscal year to \$814 million. If Congress should consider lowering the reserve fund in order to increase the funds available for this program, I will keep your support for such an effort in mind.

With best wishes, I remain

Sincerely,



OLYMPIA J. SNOWE
Member of Congress
2nd District, Maine

OJS:jcl
Enclosure

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



DEC 9 1973

DEC 10 1973

The Honorable Olympia J. Snowe
House of Representatives
Washington, D.C. 20515

Dear Congresswoman Snowe:

Thank you for your letter of November 21, in which you enclosed comments from the State of Maine Committee on Audit and Program Review. Their concerns relate to Maine's rapidly changing job market and the need for additional funding from the Employment Security Administration Account.

I understand and empathize with the Committee's views that Maine is facing a tight labor market in which job applicants need more counseling and possibly referral to job training programs and social services. As a matter of policy, the Department of Labor has been encouraging Governors and the training and employment community at the State and local levels to review the programs that they administer to ensure they are meeting present and emerging needs of the work force.

Rather than increasing the appropriation, which the Department believes is adequate, States are encouraged to integrate existing programs and resources to achieve common goals in a more efficient and cost-effective manner. Effective planning that involves both the public and private sectors is also essential.

Although the Department expects that Federal Unemployment Tax Act (FUTA) receipts may build to a \$1.0 billion reserve in the Employment Security Administration Account (ESAA) this year due to the general economic recovery, this has not always been the case. This reserve is established by statute and is held to cover increased costs that may result from a future downturn in the economy. In no case, however, will surplus funds in the ESAA be permitted to exceed statutory limitations. The National Governors Association position paper, which supports annual appropriations equalling 90 percent of FUTA collections, would require a statutory change that must be considered by Congress.

Please do not hesitate to contact me if I may be of further assistance in this matter.

Sincerely,

CAROLYN M. GOLDING
Deputy Assistant Secretary of Labor

SENATE

BEVERLY MINER BUSTIN, DISTRICT 19, CHAIR
GEORGETTE B. BERUBE, DISTRICT 16
LINDA CURTIS BRAWN, DISTRICT 21

STAFF

OFFICE OF FISCAL AND PROGRAM REVIEW
CHERYL RING, PRINCIPAL ANALYST
LOCK KIERMAIER, ANALYST
KATHRYN VAN NOTE, ANALYST



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STATE OF MAINE
ONE HUNDRED AND FOURTEENTH LEGISLATURE
COMMITTEE ON AUDIT AND PROGRAM REVIEW

March 1989

Honorable John Martin
Speaker of the House
State of Maine
State House Station #2
Augusta, Maine 04333

Dear Speaker Martin,

We are writing to request your support and assistance, in your role as Vice President of the National Conference of State Legislatures, in highlighting and remedying the inadequate funding of employment services, both in Maine and nationwide. We have attached the communication that have sent to Maine's Congressional delegation, as well as to the chairs of each relevant United States House and Senate committee and subcommittee, for your information.

Although inadequate funding causes a range of problems nationwide, Maine's particular problem is a serious shortage of job counselors in our Job Service offices. With the low unemployment in our state, more of the applicants using Job Service are needing more in-depth services and job counselors are necessary to provide those services. Maine's 19 Job Service offices employ only 7 job counsellors. The Bureau of Employment Security has stated that a total of 18 counselors statewide would be necessary to provide the currently needed services, an increase of 11.

As you may know, employers are taxed to provide these services through the Federal Unemployment Tax Act (FUTA). Through this tax, sufficient revenue has been collected to address Maine's need for more job counselors, as well as the many other employment service needs being experienced by other states. We understand, however, that approximately \$1 billion remain unappropriated in this account, the Employment Security Administration Account, ostensibly to offset the federal budget deficit.

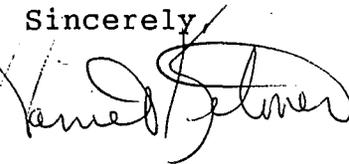
Though we can empathize with Congress' need to reduce the deficit, this account is a trust fund much like Social Security, and cannot be used for any purpose other than that for which it is collected. Therefore, as a budget balancing measure, we believe this practice to be illusory. Meanwhile, we are concerned that genuine employment security needs are going unmet.

The National Governors Association has recently issued a policy statement on this issue, which we have enclosed for your review. We feel that your leadership could play an essential role, if the National Conference of State Legislatures should choose to represent the interests of the states, in providing essential employment services to this nation's currently unemployed population.

Sincerely,



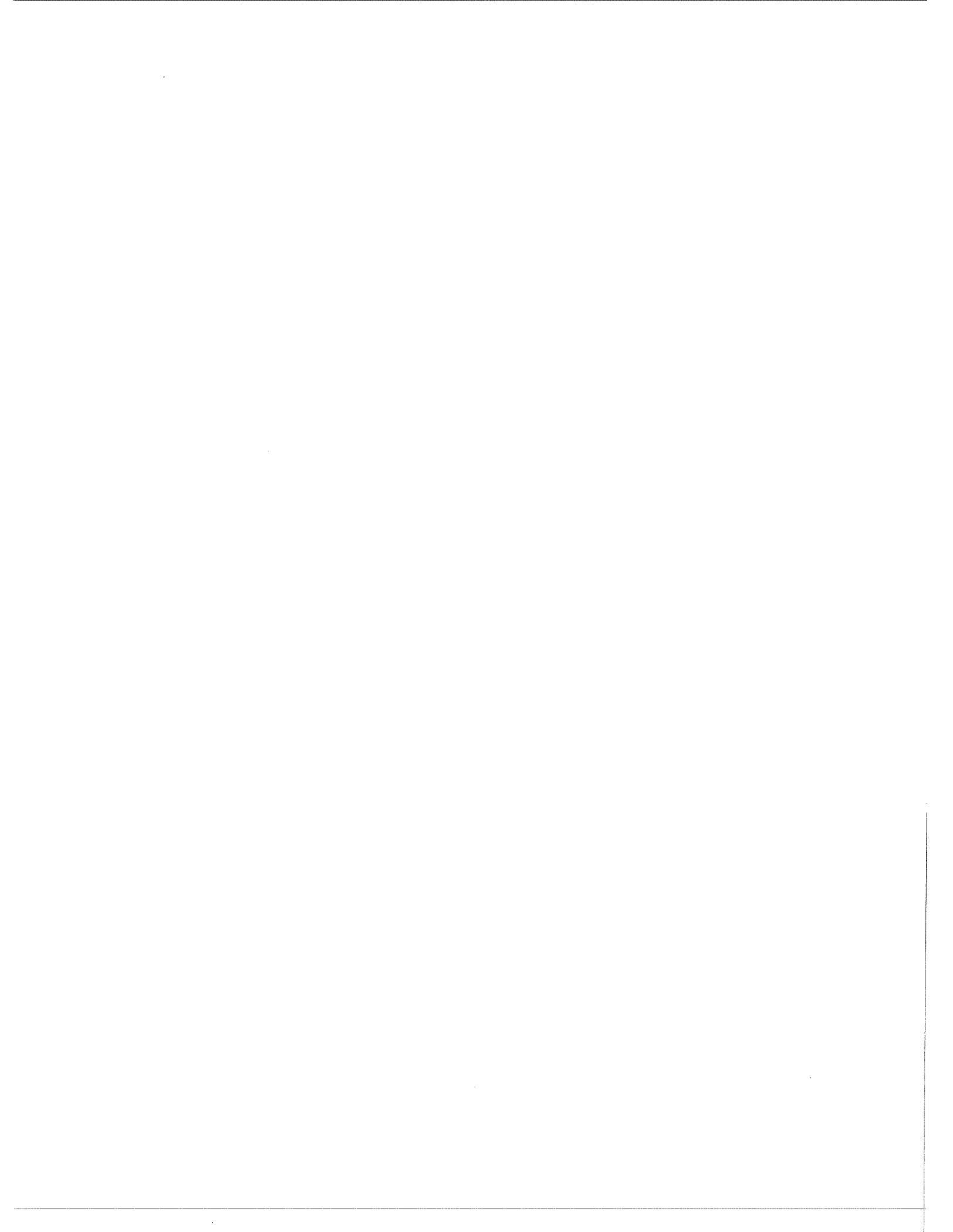
Sen. Beverly M. Bustin
Senate Chair



Rep. Harriet Ketover
Subcommittee Co-Chair



Rep. Neil Rolde
House Chair





STATE OF MAINE
HOUSE OF REPRESENTATIVES
SPEAKER'S OFFICE
AUGUSTA, MAINE 04333

JOHN L. MARTIN
SPEAKER

April 11, 1989

The Honorable Beverly M. Bustin
The Honorable Neil Rolde
The Honorable Harriet Ketover
Committee on Audit and Program Review
State House Station #5
Augusta, Maine 04333

Dear Beverly, Neil and Harriet:

Thank you for your letter requesting my support and assistance in remedying the inadequate funding of employment services throughout the United States. I appreciate your bringing this matter to my attention.

Enclosed please find a copy of my letter to the National Conference of State Legislatures requesting that the NCSL's Commerce, Labor and Regulation Committee review this matter and consider taking action similar to that taken by the National Governors Association. I am hopeful that a resolution can be passed at the 1989 Annual Conference of the NCSL.

Again, thank you for bringing this matter to my attention. Please do not hesitate to contact my office if I can be of any further assistance.

Sincerely,


John L. Martin
Vice-President
National Conference of
State Legislatures

enclosure

JLM/rc/4898b



STATE OF MAINE
HOUSE OF REPRESENTATIVES
SPEAKER'S OFFICE
AUGUSTA, MAINE 04333

JOHN L. MARTIN
SPEAKER

April 11, 1989

Mr. Bill Warren
Commerce, Labor and Regulation Committee
National Conference of State Legislatures
444 North Capitol Street, N.W.
Suite 500
Washington, D.C. 20001

Dear Mr. *Warren*:

I am writing to request your assistance in bringing to the attention of NCSL's Commerce, Labor and Regulation Committee, the issue of inadequate funding of the Employment Security Administration Account (ESAA) to support employment services throughout the United States.

The Maine Legislature's Committee on Audit and Program Review, during its review of the Maine Department of Labor, brought to my attention the shortage of job counselors at the Maine Job Service. Maine Job Service employs seven job counselors for the 19 local Job Service offices. Although it is not necessary to elaborate on the specific problems in the state of Maine, I can assure you that Maine is not the only state receiving inadequate funds from this account.

As you may be aware, the federal government is responsible for 100 percent funding of the Job Service through funds collected from the Federal Unemployment Tax Act (FUTA). This tax is paid by employers and is to be used for employment related services. At the present time, approximately \$1 billion remains unappropriated in this account, the Employment Security Administration Account, in order to offset the federal budget deficit.

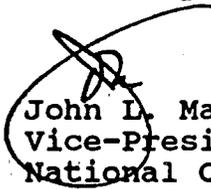
Although I firmly believe the National Conference of State Legislatures should be ever careful when opposing any federal deficit reduction efforts, this particular means of attempting to reduce the budget through the use of a trust fund explicitly established to assist unemployed men and women is, in my opinion, inappropriate.

Page 2
Letter to Warren
April 11, 1989

I would like to point out that the National Governors Association recently issued a policy statement on this issue. In the policy statement the NGA states, "Resources appropriated to the employment security system currently are inadequate to fund essential services. Employers who finance this system through the Federal Unemployment Tax Act are putting enough money into the system to provide adequate service. However, because of the way the collections are split among the Federal Unemployment Tax Act accounts and because the appropriations are below what is available, the funding has been inadequate." The NGA supports a mandated appropriation to the states of 90% of the collections to the ESAA.

I look forward to hearing from the Committee on this matter. If I can be of any assistance please do not hesitate to contact my office.

Sincerely,



John L. Martin
Vice-President
National Conference of
State Legislatures

cc: Delegate Mary Boergers, Maryland
Chair; Commerce, Labor and Regulation Committee