

MAINE STATE LEGISLATURE

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(EMERGENCY)

SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 2171

H.P. 1631

House of Representatives, March 2, 1984

Speaker laid before the House and on Motion of Representative Carter of Winslow, referred to the Committee on Appropriations and Financial Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Connolly of Portland.

Cosponsor: Senator Clark of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-FOUR

AN ACT to Create a State Funded
Jobs Program.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, unemployment is a serious and persistent problem in the state economy and is expected to average in excess of 9% for 1983; and

Whereas, significant structural changes are underway in the economy which will accelerate the displacement of workers and overturn traditional work patterns; and

Whereas, the problems of underemployment, part-time employment and inadequate wages are growing in this transitional economy; and

1 Whereas, unemployment and underemployment deprive
2 the State and its communities of the full supply of
3 goods and services, full utilization of labor and
4 capital resources and the related increases in eco-
5 nomic well-being; and

6 Whereas, workers are deprived of job security,
7 income, skill development and productivity necessary
8 to maintain and advance their standard of living; and

9 Whereas, business and industry are deprived of
10 the production, sales, capital flow and productivity
11 necessary to maintain adequate profits, undertake new
12 investment, create jobs and contribute to meeting
13 society's economic needs; and

14 Whereas, unemployment exposes many families to
15 social, psychological and physiological costs, in-
16 cluding disruption of family life, loss of individual
17 dignity and self-respect, and the aggravation of
18 physical and psychological illnesses, alcoholism and
19 drug abuse, crime and social conflicts; and

20 Whereas, the state and local governments are
21 undermined by deficits due to shortfalls in tax reve-
22 nues and increases in expenditures for unemployment
23 compensation, public assistance and other
24 recession-related services in the areas of criminal
25 justice, alcoholism and drug abuse, physical and men-
26 tal health; and

27 Whereas, in the judgment of the Legislature,
28 these facts create an emergency within the meaning of
29 the Constitution of Maine and require the following
30 legislation as immediately necessary for the preser-
31 vation of the public peace, health and safety; now,
32 therefore,

33 Be it enacted by the People of the State of Maine as
34 follows:

35 Sec. 1. 26 MRSA c. 23 is enacted to read:

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CHAPTER 23

ECONOMIC AND EMPLOYMENT SECURITY

SUBCHAPTER I

MAINE COMMISSION ON ECONOMIC SECURITY

§1750. Declaration of policy

It is declared to be the policy of the State to use all practicable means consistent with its needs and obligations and other essential state policies, and with the assistance and cooperation of both small and large business, agriculture, labor and local governments, to coordinate and utilize all its plans, functions and resources for the purpose of creating and maintaining conditions which promote useful employment at fair compensation for those able, willing and seeking to work. It is recognized that the State has and continues to suffer from substantial unemployment and underemployment imposing numerous social and economic costs which would not occur under conditions of genuine full employment.

§1751. Commission established

There is established a Special Select Commission on Employment to investigate the problems and consequences of unemployment and make recommendations for creating and maintaining useful employment at fair compensation for those able, willing and seeking to work and more effectively protect unemployed workers from the serious social and economic consequences of unemployment. The commission's inquiry shall include, but not be limited to, considerations of the state's investments, subsidies, guarantees and contracting and purchasing powers as a direct means of creating employment. Further inquiry shall be directed into public administration of the production of those socially necessary goods and services not adequately produced or provided by the private sector. It shall further determine geographic areas of the State and profiles of its residents who suffer most severely from unemployment.

1 The commission shall be appointed by the Presi-
2 dent of the Senate and Speaker of the House of Repre-
3 sentatives and shall include 15 members composed as
4 follows: Three representatives of organized labor; 3
5 representatives of business and industry; 3 Legisla-
6 tors; 2 representatives of consumers; one representa-
7 tive of state agriculture; the Commissioner of Labor;
8 the Director of the Finance Authority of Maine; and a
9 representative from the State Planning Office. The
10 commission shall be comprised equally of men and wom-
11 en.

12 §1752. Report to Legislature

13 The commission shall make recommendations to the
14 First Regular Session of the 112th Legislature.

15 SUBCHAPTER II

16 PUBLIC SERVICE EMPLOYMENT

17 §1755. Purpose

18 It is the purpose of this subchapter to provide
19 unemployed and underemployed persons eligible for
20 services under the Job Training Partnership Act with
21 transitional employment in jobs providing needed pub-
22 lic services which are otherwise unavailable and
23 wherever feasible related training and manpower ser-
24 vices to enable those persons to move into employment
25 or training not supported under this subchapter.

26 §1756. Utilization of funds

27 Funds available under this subchapter shall be
28 administered by the Department of Labor, in accord-
29 ance with rules promulgated by the commissioner and
30 utilized to subsidize full-time employment for a pe-
31 riod not to exceed an average of 6 months in length
32 with any eligible public or private nonprofit employ-
33 er. Not less than 95% of funds appropriated pursuant
34 to this subchapter shall be expended only for wages
35 and employment benefits to persons employed in public
36 service jobs pursuant to this subchapter.

37 §1757. Assurances and labor standards

1 Any contract with an employer receiving an em-
2 ployment subsidy under this subchapter shall include
3 the following provisions:

4 1. Funds not to be used to fill openings created
5 by termination of employment. No funds received un-
6 der this subchapter may be used to hire any person to
7 fill a job opening created by the action of an em-
8 ployer in laying off or terminating the employment of
9 any regular employee not supported under this sub-
10 chapter in anticipation of filling the vacancy so
11 created by hiring an employee to be supported under
12 this subchapter;

13 2. Wages comparable to those paid for similar
14 occupations. The wages or salaries, benefits and
15 conditions of employment to be provided persons em-
16 ployed in public service jobs under this subchapter
17 shall be comparable to the wages paid for similar
18 public occupations by the same employer;

19 3. Infringed upon promotional opportunities.
20 The jobs in each job category in no way infringe upon
21 the promotional opportunities which would otherwise
22 be available to persons currently employed in public
23 service jobs not subsidized under this subchapter,
24 and assurances that no job will be filled in other
25 than an entry level position in each job category un-
26 til applicable personnel procedures and collective
27 bargaining agreements have been complied with; and

28 4. Funded jobs to be in addition to those funded
29 by employer. Jobs funded under this subchapter are
30 in addition to those that would be funded by the em-
31 ployer in the absence of assistance under this chap-
32 ter.

33 §1758. Enforcement

34 The Commissioner of Labor shall monitor and en-
35 force compliance with the requirements of this sub-
36 chapter, including all contracts executed thereunder,
37 and impose sanctions on any employer found to be in
38 noncompliance. Sanctions shall include, but not be
39 limited to, recovery of the value of subsidized em-
40 ployment provided to that employer.

1 Sec. 2. 36 MRSA §5200, as repealed and replaced
2 by PL 1983, c. 477, Pt. F, sub-pt. 3, §1, is repealed
3 and the following enacted in its place:

4 §5200. Corporate income tax

5 1. Imposition and rate of tax. A tax is imposed
6 upon the Maine net income of taxable corporations for
7 each taxable year at the following rates:

8 If the Maine net income is: The tax is:

9 Not over \$25,000 3.5% of Maine net income

10 \$25,000 but not over \$75,000 \$875 plus 7.93% of
11 excess over \$25,000

12 \$75,000 but not over \$250,000 \$4,840 plus 8.33% of
13 excess over \$75,000

14 \$250,000 or more \$19,417 plus 8.93% of
15 excess over \$250,000

16 2. Surtax. There is imposed a surtax of 8% on
17 the tax payable under subsection 1 for each taxable
18 year beginning with taxable year 1983 in which the
19 average rate of total unemployment, as computed by
20 the Department of Labor, for that year exceeds 8%.
21 Revenue received from this surtax shall be used, in
22 addition to funds appropriated from the General Fund,
23 to provide public service employment in accordance
24 with Title 26, chapter 23, subchapter II.

25 Sec. 3. 36 MRSA §5206, sub-§4 is enacted to
26 read:

27 4. Surtax. There is imposed a surtax of 8% on
28 the tax payable under this section for each taxable
29 year beginning with taxable year 1983 in which the
30 average rate of total unemployment, as computed by
31 the Department of Labor, for that year exceeds 8%.
32 Revenue received from this surtax shall be used, in
33 addition to funds appropriated from the General Fund,
34 to provide public service employment in accordance
35 with Title 26, chapter 23, subchapter II.

1 ployment to study the problem of unemployment and of-
2 fer recommendations to achieve the goal of greater
3 employment opportunity for citizens of the State;

4 2. Creates and appropriates funding for a
5 state-funded public service employment program to be
6 administered by the Department of Labor; and

7 3. Establishes a surtax on the corporate income
8 tax and franchise tax on banking and loan companies,
9 which triggers when unemployment exceeds 8%, to be
10 used to create public service employment.

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