

MAINE STATE LEGISLATURE

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(Emergency)
SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 2039

S.P. 782

In Senate, January 13, 1988

Reference to the Committee on Labor suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator COLLINS of Aroostook.

Cosponsored by Senator DUTREMBLE of York, Representative HEPBURN of Skowhegan, Representative TAMMARO of Baileyville.

STATE OF MAINE

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

1 **AN ACT to Establish the Strategic Training for**
2 **Accelerated Reemployment Program.**
3

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

7 Whereas, the Strategic Training for Accelerated
8 Reemployment Program is created to go into effect on

1 January 1, 1988, and begin training Maine residents on
2 July 1, 1988; and

3 Whereas, employers are notified in March of their
4 unemployment insurance contribution rate, amounts
5 which are due by April 30, 1988; and

6 Whereas, in the judgment of the Legislature, these
7 facts create an emergency within the meaning of the
8 Constitution of Maine and require the following
9 legislation as immediately necessary for the
10 preservation of the public peace, health and safety;
11 now, therefore,

12 Be it enacted by the People of the State of Maine as
13 follows:

14 Sec. 1. 26 MRSA §1043, sub-§§31 to 33 are
15 enacted to read:

16 31. STAR. "STAR" means Strategic Training for
17 Accelerated Reemployment.

18 32. STAR contributions. "STAR contributions"
19 means those money payments required pursuant to
20 section 1221, subsection 4, paragraphs A-1 and C-2 to
21 be made into the STAR Fund by any contributing
22 employer.

23 33. STAR program year. "STAR program year" shall
24 be the 12-month period commencing on July 1st of each
25 year.

26 Sec. 2. 26 MRSA §1166 is enacted to read:

27 §1166. STAR Fund

28 The STAR Fund shall be a special fund in the State
29 Treasury. All STAR contributions, as defined in
30 section 1043, subsection 32, shall be paid into this
31 fund. Income from investment of this fund shall be
32 deposited to the credit of the fund. All money in the
33 fund shall be deposited, administered and disbursed in
34 the same manner and under the same conditions and
35 requirements as are provided by law for other special

1 funds in the State Treasury.

2 The money in this fund shall be administered by
3 the commissioner exclusively for the purposes of
4 subchapter X and for the costs of administering
5 subchapter X, as well as for the costs of
6 administering the collection of STAR contributions and
7 other payments required under this subchapter. Any
8 balances in this fund shall not lapse but shall be
9 available for expenditure consistent with this chapter.

10 **Sec. 3. 26 MRSA §1192, sub-§6-C is enacted to**
11 **read:**

12 6-C. Prohibition against disqualification.
13 Prohibition against disqualification of individuals in
14 approved training under subchapter X. Notwithstanding
15 any provisions of this chapter, the acceptance of
16 training for such opportunities as are available
17 through subchapter X shall be deemed to be acceptance
18 of training with the approval of the State within the
19 meaning of any other provisions of federal or state
20 law relating to unemployment benefits.

21 **Sec. 4. 26 MRSA §1221, sub-§1, ¶A, as amended**
22 **by PL 1979, c. 651, §24, is further amended to read:**

23 A. Contributions shall accrue and become payable
24 by each employer subject to this chapter, other
25 than those liable for payments in lieu of
26 contributions, for each calendar year in which
27 he the employer is subject to this chapter, with
28 respect to wages for employment, as defined in
29 section 1043, subsection 11. Such These
30 contributions shall become due and be paid by each
31 employer to the bureau for the fund either the
32 Unemployment Compensation Fund or the STAR Fund,
33 as provided for in subsection 4, in accordance
34 with such regulations as the commission may
35 prescribe, and shall not be deducted, in whole or
36 in part, from the wages of individuals in his
37 employ employed by that employer.

38 **Sec. 5. 26 MRSA §1221, sub-§3, ¶A, as amended**
39 **by PL 1983, c. 650, §2, is further amended to read:**

1 A. At the time the status of an employing unit is
2 ascertained to be that of an employer, the
3 commissioner shall establish and thereafter
4 maintain until such employer status is terminated,
5 for each such employer an "experience rating
6 record," to which shall be credited all the
7 contributions which the employer thereafter pays
8 on his own behalf. Nothing in this chapter shall
9 be construed to grant any employer or individuals
10 in his service prior claims or rights to the
11 amounts paid by him into the fund. Benefits paid
12 to an eligible individual under the Maine
13 Employment Security Law shall be charged against
14 the "experience rating record" of the claimant's
15 most recent subject employer or to the General
16 Fund if the otherwise chargeable "experience
17 rating record" is that of an employer whose status
18 as such has been terminated; except that no charge
19 shall be made to an individual employer but shall
20 be made to the General Fund if the commission
21 finds that:

22 (1) Claimant's separation from his last
23 employer was for misconduct in connection
24 with his employment, or was voluntary without
25 good cause attributable to such employer;

26 (2) Claimant has refused to accept
27 reemployment in suitable work when offered by
28 a previous employer, without good cause
29 attributable to such employer;

30 (3) Benefits paid are not chargeable against
31 any employer's experience rating record in
32 accordance with section 1194, subsection 11,
33 paragraphs B and C;

34 (5) Reimbursements are made to a state, the
35 Virgin Islands or Canada for benefits paid to
36 a claimant under a reciprocal benefits
37 arrangement as authorized in section 1082,
38 subsection 12; provided that the wages of the
39 claimant transferred to such other state, the
40 Virgin Islands or Canada under such

1 arrangement are less than the amount of wages
2 for insured work required for benefit
3 purposes by section 1192, subsection 5; or

4 (6) Claimant was hired by his last employer
5 to fill a position left open by a Legislator
6 given a leave of absence under chapter 7,
7 subchapter V-A, and claimant's separation
8 from this employer was because the employer
9 restored the Legislator to the position after
10 his leave of absence as required by chapter
11 7, subchapter V-A; or

12 (7) Claimant is enrolled in the STAR program
13 as created in subchapter X.

14 Sec. 6. 26 MRSA §1221, sub-§3, ¶E is enacted to
15 read:

16 E. No STAR contributions may be credited to any
17 employer's experience rating record.

18 Sec. 7. 26 MRSA §1221, sub-§4, ¶A, as amended
19 by PL 1985, c. 348, §10, is further amended to read:

20 A. The standard rate of contributions shall be
21 5.4%. No contributing employer's rate may be
22 varied from the standard rate, unless and until
23 his the experience rating record has been
24 chargeable with benefits throughout the
25 24-consecutive-calendar-month period ending on the
26 computation date applicable to such year; each
27 contributing employer newly subject to this
28 chapter shall pay contributions at the average
29 contribution rate, rounded to the next higher 1/10
30 of 1%, on the taxable wages reported by
31 contributing employers for the 12-month period
32 immediately preceding the last computation date,
33 provided such rate may not exceed 3.0% nor be less
34 than 1%; provided that, with ~~repsect~~ respect to
35 the rate year beginning January 1, 1986, and each
36 rate year thereafter, the rate shall not exceed
37 4.0% nor be less than 1% and until such time as
38 his the experience rating record has been
39 chargeable with benefits throughout the

1 24-consecutive-calendar-month period ending on the
2 computation date applicable to such year, and for
3 rate years thereafter ~~his~~ the contribution rate
4 shall be determined in accordance with subsections
5 3 and 4. Each contributing employer newly subject
6 to this chapter is liable for the contributions
7 provided for in paragraph A-1.

8 **Sec. 8.** 26 MRSA §1221, sub-§4, ¶A-1 is enacted
9 to read:

10 A-1. Effective January 1, 1988, each contributing
11 employer newly subject to paragraph A shall be
12 liable for STAR contributions, if it is determined
13 by the reserve multiple, as defined in paragraph
14 C, that a schedule lower than "0" is to be in
15 effect for that rate year. STAR payments shall be
16 at the same rate that contributing employers are
17 liable for in STAR payments under paragraph C-2
18 for that rate year. These contributions shall be
19 deposited into the STAR Fund.

20 **Sec. 9.** 26 MRSA §1221, sub-§4, ¶¶C-1 and C-2
21 are enacted to read:

22 C-1. Notwithstanding paragraph C-2, STAR
23 contributions shall not be due for any rate year
24 when either schedule "0" or schedule "P" is to be
25 in effect.

26 C-2. Each employer subject to paragraph B shall
27 be liable for STAR contributions in the amount as
28 determined in subparagraphs (1) and (2). These
29 contributions shall be deposited into the STAR
30 Fund.

31 (1) If it is determined by the reserve
32 multiple that schedule "N" is to be in effect
33 for a given rate year, then STAR
34 contributions shall be at the rate resulting
35 from the difference between schedule "0" and
36 schedule "N" as shown on the line of the
37 table in paragraph B in column A where the
38 reserve ratio is indicated.

1 STAR shall be funded pursuant to section 1221,
2 subsection 4. Grant funds shall be distributed in the
3 following manner.

4 1. Grant administration. Up to 14% of the funds
5 may be used for grant administration.

6 2. Emergency programs. Five percent shall be
7 reserved by the Bureau of Employment and Training
8 Programs for emergency programs to deal with plant
9 closings or mass layoffs.

10 3. Annual allocation; county. Each county shall
11 receive an annual allocation based on the number of
12 individuals unemployed during the calendar year
13 preceding the program year.

14 4. Service delivery area. No service delivery
15 area may be allotted less than 90% of its allotment
16 percentage for the preceding program year.

17 §1275. Participant eligibility

18 To be eligible to participate in the STAR program
19 an individual must:

20 1. Unemployment. Be unemployed and receiving
21 unemployment compensation benefits at the time of
22 application and have registered for the STAR program
23 prior to the end of the 8th week of collecting
24 unemployment compensation benefits; or

25 2. Notice of pending job displacement. Have
26 received notice of pending job displacement due to
27 either a reduction in overall employment within a
28 business or a substantial change, due to technological
29 or other reasons, in the skills required of an ongoing
30 job.

31 An individual must not have received STAR services
32 during the preceding 24-month period.

33 §1276. Participant certification

34 1. Notification. Claimants shall be notified of

1 the STAR program at the time of application for
2 unemployment compensation benefits. Interested
3 individuals shall be referred to the Maine Job Service
4 for a determination of eligibility and referral to
5 testing and counseling centers.

6 2. Service providers. Service providers under
7 the United States Job Training Partnership Act, Public
8 Law 97-300, shall provide assessment services to
9 eligible STAR participants in accordance with annual
10 contracts negotiated between the service delivery
11 areas and the Bureau of Employment and Training
12 Programs. These services shall include a review of
13 previous employment, education and training. Academic
14 and vocational testing may be provided, as well as
15 occupational counseling. At the end of the assessment
16 process, each participant shall be provided with an
17 individualized employment plan which shall identify
18 which occupation or occupations are suitable and what
19 additional training or education is necessary.

20 3. STAR participant. A STAR participant, who has
21 been assessed and has received an individual
22 employment plan, may be provided with a training
23 voucher of up to \$3,000 pursuant to section 1278.
24 This voucher will enable STAR participants to enter
25 into training for occupations approved pursuant to
26 section 1279, subsection 1, to be conducted by
27 training agents certified pursuant to section 1279,
28 subsection 4. The STAR voucher shall be valid for 12
29 weeks in order for STAR participants to enter training
30 initially, unless an extension for cause is approved
31 by the United States Job Training Partnership Act
32 service providers.

33 §1277. Training opportunities

34 The following training options shall be available
35 to STAR participants:

36 1. General occupational training. Training in
37 skills found in a traditional occupation that is in
38 general demand throughout an area of industry. The
39 training shall be conducted in a classroom setting;

1 2. On-the-job training. Individualized skill
2 training for a person who is hired and trained by a
3 private or public employer. The employer provides the
4 training through a contractual arrangement which
5 specifies the length of training and skills to be
6 acquired. STAR shall reimburse the employer for up to
7 50% of the training costs incurred;

8 3. Customized occupational training. Customized
9 occupational training in skills specific to an
10 employer or group of employers. This training shall
11 be developed around employment opportunities for which
12 a demand is clearly demonstrated, for which
13 opportunities exist for promotion or for which skills
14 transferability is probable. Each participating
15 employer must supply a formal commitment to hire the
16 trained individuals upon completion of training. The
17 employer shall participate in the design of the
18 curriculum and in the selection of the training. The
19 employer shall pay 50% of the training costs and the
20 STAR program shall pay for the remaining 50%;

21 4. Employment competency training. Employment
22 competency training in preemployment skills. This
23 component consists of structured activities designed
24 to assess basic employment competency and to provide
25 remedial training in such areas as job-seeking skills,
26 interviewing and resume writing. Employment
27 competency training may only be utilized if it leads
28 to vocational skills training;

29 5. Educational skills training. Training in
30 academic and learning skills. This component consists
31 of training aimed at correcting deficiencies in
32 language and in computational skills or providing
33 needed credentials that are recognized by employers
34 and the educational community. Educational training
35 shall be structured to provide the individual with the
36 prerequisite level of education of the occupation
37 identified on the individual's STAR certification.
38 The duration of educational training may not exceed 3
39 months; and

40 6. Enrollment. Enrollment in one or a
41 combination of training opportunities is limited to 52

1 weeks duration except under the following conditions:

2 A. An employer guarantees placement and
3 contributes a minimum of 50% of the training
4 costs; or

5 B. A participant contributes a minimum of 50% of
6 the training costs.

7 §1278. Training and supportive services

8 STAR participants are eligible to receive the
9 following training and supportive services:

10 1. Training voucher. A training voucher of up to
11 \$3,000 for the following activities:

12 A. Tuition for education and training;

13 B. Training materials or books necessary for
14 participation in the training;

15 C. Payment for up to 50% of child care costs; and

16 D. Travel payments according to the policies
17 established by the United States Job Training
18 Partnership Act service providers.

19 2. Continuation of benefits. The continuation of
20 unemployment compensation benefits while enrolled in
21 STAR training until such time as benefits are
22 exhausted under employment security law.

23 §1279. Employment and training review panel

24 Each private industry council established under
25 the United States Job Training Partnership Act shall
26 establish an employment and training review panel.
27 Each private industry council shall appoint a chairman
28 and membership to the panels which shall each consist
29 of 9 members, including 3 representatives of business,
30 3 representatives of labor, one representative of
31 economic development, one representative of
32 community-based organizations and one representative
33 of the general public. The panels shall:

1 1. Identify occupations. Annually identify
2 occupations in their areas which are stable or subject
3 to growth. Training provided under STAR must be for
4 such occupations;

5 2. Review curricula. Review the curricula for
6 classroom and customized vocational training in their
7 areas for consistency with employers' needs;

8 3. Set performance standards. Set performance
9 standards in their areas, including placement of
10 participants in jobs, wage levels at placement,
11 retention of employment and career ladder options; and

12 4. Annual certification. Annually certify the
13 demonstrated effectiveness of training agents in
14 delivering training in their areas according to the
15 performance standards established in this section. At
16 the completion of training, these agents shall be
17 responsible for providing placement services to the
18 STAR participants and shall report placement status
19 and the competency attained.

20 §1280. Monitoring, evaluation and annual report

21 1. Monitoring and evaluation. The Bureau of
22 Employment and Training Programs shall monitor and
23 evaluate the STAR program each year.

24 2. Report. The Bureau of Employment and Training
25 Programs shall prepare a report stating what training
26 was provided during the previous program year, the
27 outcomes of the training and what training will be
28 offered during the next program year based on
29 information supplied by the service delivery areas.

30 Sec. 11. Sunset. This Act is repealed 3 years
31 from its effective date.

32 Emergency clause. In view of the emergency
33 cited in the preamble, this Act shall take effect when
34 approved.

1

STATEMENT OF FACT

2 The State's economy is currently in a period of
3 growth and low unemployment. As businesses expand and
4 the nature of occupations changes, it is becoming
5 increasingly difficult for employers to obtain
6 available, skilled workers. The new jobs in the State
7 are going to require a higher level of education and
8 new, diverse skills. Statistics show that 44% of the
9 State's unemployment compensation exhaustees have had
10 less than a high school education and are lacking the
11 skills necessary to obtain stable employment.

12 The purpose of this bill is to provide workers who
13 experience job displacement with education and
14 training opportunities that lead to jobs in stable and
15 expanding industries. The program also provides
16 support services, such as continued unemployment
17 benefits, assistance with child care costs,
18 transportation and training materials to ensure that
19 the individual has the support necessary to take
20 advantage of these training and reemployment
21 opportunities.

22 The Strategic Training for Accelerated
23 Reemployment, STAR, Program will be operated by the
24 Department of Labor. Funding shall be derived from
25 employers in relation to contributions collected under
26 unemployment compensation programs.

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