

MAINE STATE LEGISLATURE

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2 Date: 6/8/07

L.D. 1884
(Filing No. H-503)

3 LABOR

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5 STATE OF MAINE
6 HOUSE OF REPRESENTATIVES
7 123RD LEGISLATURE
8 FIRST REGULAR SESSION

9 COMMITTEE AMENDMENT "A" to H.P. 1317, L.D. 1884, Bill, "An Act To
10 Create the Competitiveness Training Fund and Improve Maine Employment Security
11 Programs"

12 Amend the bill by striking out the title and substituting the following:

13 'An Act To Create the Competitive Skills Scholarship Fund and To Improve
14 Maine Employment Security Programs'

15 Amend the bill in Part A by striking out all of section 1 and inserting the following:

16 'Sec. A-1. 26 MRSA §1166 is enacted to read:

17 **§1166. Competitive Skills Scholarship Fund**

18 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
19 following terms have the following meanings.

20 A. "Competitive Skills Scholarship Fund contributions" means the money payments
21 required by this section to be made into the Competitive Skills Scholarship Fund by
22 an employer as a percentage of the employer's taxable payroll based on the
23 Competitive Skills Scholarship Fund predetermined yield in effect for that
24 Competitive Skills Scholarship Fund rate year.

25 B. "Competitive Skills Scholarship Fund planned yield" means the percentage of
26 wages, as defined in section 1043, subsection 19, equal to .02% of the contributions
27 of each contributing employer subject to this chapter.

28 C. "Competitive Skills Scholarship Fund predetermined yield" means the amount
29 determined by multiplying the ratio of total wages to taxable wages, as defined by
30 section 1221, subsection 6, paragraph L, by the Competitive Skills Scholarship Fund
31 planned yield. The Competitive Skills Scholarship Fund predetermined yield is
32 rounded to the nearest .01%.

COMMITTEE AMENDMENT

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- 1 D. "Competitive Skills Scholarship Fund rate year" has the same meaning as "rate
2 year" under section 1221, subsection 6, paragraph F.
- 3 2. Established. The Competitive Skills Scholarship Fund, referred to in this section
4 as "the fund," is established as a special fund in the State Treasury. All receipts, including
5 interest, fines and penalties collected from Competitive Skills Scholarship Fund
6 contributions, must be paid into the fund. Income from investment of the fund must be
7 deposited to the credit of the fund. All money in the fund must be deposited, administered
8 and disbursed in the same manner and under the same conditions and requirements as are
9 provided by law for other special funds.
- 10 The money in the fund must be administered by the commissioner exclusively for the
11 purposes of chapter 25, subchapter 5 and for the costs of administering the fund.
- 12 3. Unencumbered balances. Any unencumbered balance in the fund remaining at
13 the end of any fiscal year remains in the fund and may not be made available for
14 expenditure without specific legislative approval.
- 15 4. No supplantation. Allocations from the fund must be used to supplement, not
16 supplant, federal or state funds received by the Department of Labor, by a local board or
17 by organizations that deliver workforce investment services through the career center
18 provided by the department.
- 19 5. Employers liable for Competitive Skills Scholarship Fund contribution. Each
20 employer, as defined in section 1043, subsection 9, other than an employer liable for a
21 payment in lieu of a contribution, shall pay a Competitive Skills Scholarship Fund
22 contribution.
- 23 Beginning January 1, 2008, Competitive Skills Scholarship Fund contributions are
24 payable in the same manner as described under section 1221, subsection 1 and in
25 accordance with section 1221, subsection 4-A.
- 26 6. Receipts. All receipts collected from Competitive Skills Scholarship Fund
27 contributions, including interest, fines and penalties on contributions not paid when due,
28 must be paid into the fund.
- 29 7. Experience rating records. Competitive Skills Scholarship Fund contributions
30 may not be credited to an employer's experience rating record as described in section
31 1221, subsection 3.
- 32 8. Relationship to unemployment insurance contributions. Competitive Skills
33 Scholarship Fund contributions may not be considered as part of the employer's
34 unemployment insurance contribution rate pursuant to section 1221. Unemployment
35 insurance contributions for all employers subject to the contribution provisions of this
36 chapter must be reduced by a percentage equal to the total Competitive Skills Scholarship
37 Fund contribution assessment as in section 1221, subsection 4-A. Exceptions pertaining
38 to new employer rates and contribution rate category 20 are described in section 1221,
39 subsection 4-A, paragraphs A and B.
- 40 9. Other provisions of this chapter. All provisions of this chapter and rules
41 adopted under this chapter regarding payments, time limits, dates of payment, reports,
42 interest and penalties on amounts not paid by employers when due, fines, liens and

Notes

1 warrants that apply to the collection of contributions also apply to the collection of
2 Competitive Skills Scholarship Fund contributions.'

3 Amend the bill in Part A in section 2 in subsection 4-A in paragraph A in the 2nd
4 paragraph in the 2nd line (page 2, line 34 in L.D.) by striking out the following:
5 "Competitiveness Training" and inserting the following: 'Competitive Skills Scholarship'

6 Amend the bill in Part A in section 2 in subsection 4-A in paragraph B in
7 subparagraph (8) in the 2nd line (page 5, line 29 in L.D.) by striking out the following:
8 "Competitiveness Training" and inserting the following: 'Competitive Skills Scholarship'

9 Amend the bill in Part A in section 2 in subsection 4-A in paragraph D in the 2nd line
10 (page 6, line 22 in L.D.) by striking out the following: "Competitiveness Training" and
11 inserting the following: 'Competitive Skills Scholarship'

12 Amend the bill in Part A in section 3 in subchapter 5 in the headnote in the 2nd line
13 (page 6, line 27 in L.D.) by striking out the following: "COMPETITIVENESS
14 TRAINING" and inserting the following: 'COMPETITIVE SKILLS
15 SCHOLARSHIP'

16 Amend the bill in Part A in section 3 in subchapter 5 in §2033 in first line (page 6,
17 line 28 in L.D.) by striking out the following: "Competitiveness Training" and inserting
18 the following: 'Competitive Skills Scholarship'

19 Amend the bill in Part A in section 3 in subchapter 5 in §2033 in subsection 1 in
20 paragraph B in the first line (page 6, line 32 in L.D.) by striking out the following:
21 "Competitiveness Training" and inserting the following: 'Competitive Skills Scholarship'
22 and in the 3rd line (page 6, line 34 in L.D.) by striking out the following:
23 "Competitiveness Training" and inserting the following: 'Competitive Skills Scholarship'

24 Amend the bill in Part A in section 3 in subchapter 5 in §2033 in subsection 1 in
25 paragraph E in the first line (page 7, line 1 in L.D.) by striking out the following:
26 "Competitiveness Training" and inserting the following: 'Competitive Skills Scholarship'

27 Amend the bill in Part A in section 3 in subchapter 5 in §2033 in subsection 2 in the
28 2nd line (page 7, line 4 in L.D.) by striking out the following: "Competitiveness Training"
29 and inserting the following: 'Competitive Skills Scholarship'

30 Amend the bill in Part A in section 3 in subchapter 5 in §2033 in subsection 6 in
31 paragraph A in the 2nd line (page 8, line 9 in L.D.) by striking out the following: "those
32 supplies and services" and inserting the following: 'education, training and support'

33 Amend the bill in Part A in section 3 in subchapter 5 in §2033 in subsection 8 by
34 striking out all of paragraph A (page 8, lines 35 to 41 in L.D.) and inserting the following:

35 'A. When an individual's application for the program is approved, an individual
36 career plan must be developed by the program with the eligible individual consistent
37 with the provisions of this section and must reflect, to the maximum extent feasible,
38 the preferences of the participant, within the confines of the goals associated with this
39 subchapter. A plan may be modified when necessary to assist a participant to
40 participate successfully in the program. The plan must include the education or

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1 training program approved, the degree or credential expected at program completion
2 and the services and support to be provided under the plan.'

3 Amend the bill in Part A in section 3 in subchapter 5 in §2033 in subsection 8 in
4 paragraph B by striking out all of subparagraph (1) (page 9, lines 2 to 5 in L.D.) and
5 inserting the following:

6 '(1) A description of the program, including a list of services and supports
7 available through the program and nontraditional employment opportunities, so
8 that the participant may identify a suitable employment goal and the services
9 needed to participate in the program;'

10 Amend the bill in Part A by inserting after section 3 the following:

11 'Sec. A-4. 36 MRSA §191, sub-§2, ¶V, as amended by PL 1999, c. 414, §11, is
12 further amended to read:

13 V. The disclosure by employees of the Bureau of Revenue Services, to designated
14 representatives of the Department of Labor, of all information required by the State
15 Tax Assessor and the Commissioner of Labor for the administration of the taxes
16 imposed by Part 8 and by Title 26, chapter 13 and the Competitive Skills Scholarship
17 Fund contribution imposed by Title 26, section 1166;'

18 Amend the bill in Part D by inserting after section 2 the following:

19 'Sec. D-3. Appropriations and allocations. The following appropriations and
20 allocations are made.

21 **LABOR, DEPARTMENT OF**

22 **Employment Security Services 0245**

23 Initiative: Allocates funds to reflect the transfer of Reed Act funds to make technological
24 upgrades and improvements to the unemployment insurance and employment services
25 computer systems and to the labor market information services computer systems.

26	FEDERAL EXPENDITURES FUND	2007-08	2008-09
27	All Other	\$5,200,000	\$0
28			
29	FEDERAL EXPENDITURES FUND TOTAL	\$5,200,000	\$0

30 **Employment Security Services 0245**

31 Initiative: Allocates funds for the additional costs of continuing to provide unemployment
32 benefits to persons who are not available for full-time work under certain circumstances.

33	EMPLOYMENT SECURITY TRUST FUND	2007-08	2008-09
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COMMITTEE AMENDMENT "A" to H.P. 1317, L.D. 1884

1	All Other	\$0	\$3,000,000
2			
3	EMPLOYMENT SECURITY TRUST FUND TOTAL	\$0	\$3,000,000

4 **Employment Security Services 0245**

5 Initiative: Allocates funds due to the elimination of the pension offset provision against
6 unemployment benefits for certain persons who receive social security or any other
7 pension.

8	EMPLOYMENT SECURITY TRUST FUND	2007-08	2008-09
9	All Other	\$3,500,000	\$5,000,000
10			
11	EMPLOYMENT SECURITY TRUST FUND TOTAL	\$3,500,000	\$5,000,000

12 **Employment Services Activity 0852**

13 Initiative: Allocates Personal Services and All Other funds associated with the
14 establishment of the Competitive Skills Scholarship Program to provide access to
15 education, training and support to customers of the Department of Labor's career centers
16 to prepare them for high-wage jobs in industries with significant demand for skilled labor.

17	COMPETITIVE SKILLS SCHOLARSHIP FUND	2007-08	2008-09
18	Personal Services	\$127,382	\$387,658
19	All Other	\$1,222,618	\$2,562,342
20			
21	COMPETITIVE SKILLS SCHOLARSHIP FUND	\$1,350,000	\$2,950,000
22	TOTAL		

23 **Employment Services Activity 0852**

24 Initiative: Reduces Personal Services allocations associated with the establishment of the
25 Competitive Skills Scholarship Program to provide access to education, training and
26 support to customers of the Department of Labor's career centers to prepare them for
27 high-wage jobs in industries with significant demand for skilled labor.

28	FEDERAL EXPENDITURES FUND	2007-08	2008-09
29	Personal Services	(\$127,382)	(\$387,658)
30			
31	FEDERAL EXPENDITURES FUND TOTAL	(\$127,382)	(\$387,658)

32 **LABOR, DEPARTMENT OF**

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to H.P. 1317, L.D. 1884

1	DEPARTMENT TOTALS	2007-08	2008-09
2			
3	FEDERAL EXPENDITURES FUND	\$5,072,618	(\$387,658)
4	EMPLOYMENT SECURITY TRUST FUND	\$3,500,000	\$8,000,000
5	COMPETITIVE SKILLS SCHOLARSHIP	\$1,350,000	\$2,950,000
6	FUND		
7			
8	DEPARTMENT TOTAL - ALL FUNDS	\$9,922,618	\$10,562,342
9			

10 SUMMARY

11 This amendment changes the name of the training fund to the Competitive Skills
12 Scholarship Fund and the name of the program to the Competitive Skills Scholarship
13 Program. The title of the bill is replaced to reflect these name changes. The amendment
14 provides that unencumbered balances in the Competitive Skills Scholarship Fund remain
15 in the fund and do not lapse to the General Fund. The amendment also provides that
16 Competitive Skills Scholarship Fund dollars must be used to supplement, and not
17 supplant, other state or local funds that are used to deliver workforce investment services
18 through Maine's CareerCenters. The amendment includes technical changes to make the
19 bill internally consistent and clarifies that an individual career plan is developed in
20 cooperation with the participant and that it must, to the maximum extent feasible, reflect
21 the preferences of the participant, provided that the individual career plan remains within
22 the confines of the goals of the program. The amendment also clarifies that participants
23 must be given a description of the program as well as a list of services and supports
24 available through the program. The amendment also permits the Department of
25 Administrative and Financial Services, Bureau of Revenue Services to disclose to
26 designated employees of the Department of Labor information necessary to administer
27 the contributions to the Competitive Skills Scholarship Fund. It also adds an
28 appropriations and allocations section.

29 FISCAL NOTE REQUIRED
30 (See attached)

COMMITTEE AMENDMENT



123rd MAINE LEGISLATURE

LD 1884

LR 2571(02)

An Act To Create the Competitiveness Training Fund and Improve Maine Employment Security Programs

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

Future biennium cost increase - All Funds

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Appropriations/Allocations				
Federal Expenditures Fund	\$5,072,618	(\$387,658)	(\$399,288)	(\$411,267)
Employment Security Trust Fund	\$3,500,000	\$8,000,000	\$9,000,000	\$9,300,000
Competitive Skills Scholarship Fund	\$1,350,000	\$2,950,000	\$3,200,000	\$3,300,000
Revenue				
Employment Security Trust Fund	(\$18,250,000)	(\$37,250,000)	(\$20,700,000)	(\$3,300,000)
Competitive Skills Scholarship Fund	\$1,350,000	\$2,950,000	\$3,200,000	\$3,300,000
Transfers				
Federal Expenditures Fund	\$5,200,000	\$0	\$0	\$0
Employment Security Trust Fund	(\$5,200,000)	\$0	\$0	\$0

Fiscal Detail and Notes

This legislation includes initiatives to improve the State's employment security programs.

First, the bill creates the Competitive Skills Scholarship Program to provide access to education, training and support to prepare career center clients for high-wage jobs in industries with significant demand for skilled labor. The program is funded by employer contributions based on a predetermined yield. The Department of Labor estimates total contributions to the Competitive Skills Scholarship Fund to be \$1.35 million in fiscal year 2007-08 and \$2.95 million in fiscal year 2008-09. Employer contributions to the Employment Security Trust Fund are reduced by the same amount so that the net impact of this initiative to employers is zero. This bill also allocates personal services and all other resources to the Competitive Skills Scholarship Program to reflect the services that will be provided by current employees within the Department of Labor.

This legislation also lowers the benefit reserve cap on the Unemployment Trust Fund from 21 months to 18 months which will reduce unemployment contributions for all employers by \$16.9 million in fiscal year 2007-08 and \$34.3 million in fiscal year 2008-09.

This bill includes Other Fund allocations of \$3,500,000 in fiscal year 2007-08 and \$5,000,000 in fiscal year 2008-09 to the Unemployment Compensation Benefit Account within the Department of Labor for the cost associated with eliminating the pension offset against unemployment benefits for persons who receive social security or any other pension provided the person contributed at least 50% of the contributions to that pension. The cost increase in this bill is not expected to impact the unemployment contributions schedule until after the 2011 rate year. The State and all other direct reimbursement employers will be required to repay the Unemployment Compensation Trust Fund for the additional benefit payments.

This legislation also includes Other Fund allocations of \$3,000,000 in fiscal year 2008-09 to the Unemployment Compensation Benefit Account for the costs associated with eliminating the September 30, 2008 sunset of the provision that allows a person to collect unemployment benefits if that person is able and available for part-time work. Eliminating the sunset will increase benefits paid from the Unemployment Compensation Trust Fund beginning in fiscal year 2008-09.

Finally, this bill authorizes the use of \$5.2 million of Reed Act funds to make certain technological upgrades and improvements to the unemployment insurance and employment services computer systems as well as improvements to the labor market information services computer systems as they relate to the analysis of unemployment and employment data. It provides that a portion of these funds will be used for the administrative costs associated with helping unemployment benefit recipients return to work more quickly.