

MAINE STATE LEGISLATURE

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STATE OF MAINE
113TH LEGISLATURE
SECOND REGULAR SESSION

A STRATEGY TO ASSIST
REGIONAL ECONOMIES OF MAINE
DURING STRUCTURAL ECONOMIC
CHANGE AND GROWTH

January 1988

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JOINT STANDING COMMITTEE ON ECONOMIC DEVELOPMENT
REPORT ON ITS STUDY OF REGIONAL ECONOMIES OF MAINE

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A STRATEGY TO ASSIST
REGIONAL ECONOMIES OF MAINE DURING STRUCTURAL ECONOMIC
CHANGE AND GROWTH

Report of a Study by the
Joint Standing Committee on State Government
to the 113th Maine Legislature

I BACKGROUND

The Joint Standing Committee on Economic Development, created by the 113th Legislature, helped develop and recommend legislation creating the new Department of Economic and Community Development which was approved by the Legislature and became effective on October 1, 1987. Following the creation of the structure of the state's economic development program delivery system, the Committee realized that the state's several economic regions needed more indepth analysis to determine the type of interaction needed between the state and its regions and among localities within each region. It also became apparent that it was necessary to ascertain the specific economic needs and problems of each region in order for the state and its regions to better target resources to the different problems and needs in each region.

II STUDY PROCEDURE

The Joint Standing Committee on Economic Development adopted an approach consisting of the following:

1. The selection of 6 labor market area economies and a regional economy comprising 2 labor market areas, for in-depth analysis.

The Committee selected labor market areas as defined by the Maine Department of Labor in contrast to municipalities or counties because labor market areas tend to be more representative of regional economies than the former. Many of the 32 labor market area economies are larger than municipalities and smaller than counties. The labor market areas (LMA) selected by the Committee are ones for the most part, that the Legislature has not either previously toured as part of the Institute on the Maine Economy program or as part of other studies. These labor market area economies include:

- a. the Skowhegan-Waterville regional economy (combined 2 labor market areas into 1)
- b. the Belfast LMA economy
- c. the Rockland LMA economy

- d. the Sanford LMA economy,
 - e. the Dover-Foxcroft LMA economy, and.
 - f. the Caribou-Presque Isle LMA economy, and
 - g. the Houlton LMA economy
2. Comparison of economic and social data of the selected labor market areas with neighboring labor market areas.

The Department of Labor collects employment and wage data for each of the 32 labor market areas in Maine. Other economic and social measures including income, housing, level of education of the work force, etc., for labor market areas had to be extrapolated from U. S. Census statistics which are collected by county.

The data of each of the selected labor market areas was compared with data for the following neighboring labor market areas:

- a. Bangor-Brewer LMA
 - b. Biddeford LMA
 - c. Ellsworth LMA
 - d. Greenville LMA
 - e. Kittery-York LMA
 - f. Lincoln-Howland LMA
3. Four (4) public hearings were held in the labor market areas being studied by the Committee.

The public hearings were held in Skowhegan, Belfast, Sanford, and Dover-Foxcroft. Persons presenting testimony to the Committee at the public hearings were specifically requested to attend. These participants were selected to represent the perspectives of municipal officials, the private sector, human resource development agencies, economic development and regional planning agencies, newspaper editors, educators, etc.

The intent of requesting specific people to present information to the Committee was to ensure that the Committee would receive a comprehensive view of each labor market area economy.

4. Formulation of a questionnaire. A comprehensive questionnaire with detailed questions concerning the problems and needs of regional economies was prepared and sent to the participants. The participants in each public hearing used the same questionnaire in order that contrasts and comparisons could be made among the regions in the same manner that economic data of the different regions could be compared and contrasted.

5. Analysis of economic data and questionnaire responses.

Following the hearings, the Committee analyzed the data obtained from the hearings and from economic and social statistics for each region. The Committee compared and contrasted the information from each labor market area and found a number of problems and needs common to all areas. In addition, there are some unique features to each region.

III ECONOMIC GROWTH AND STRUCTURAL ECONOMIC CHANGE

The State of Maine has been experiencing significant economic growth and structural change which reflect, in part, growth and changes in the regional, national, and international economies. Maine has experienced an increase in population, a decline in the rate of unemployment, and an increase in average annual pay of the workforce which exceeds the national average.

In the last 2 years, Maine's economy has outpaced the national economy in some areas. Maine's unemployment rate of 4.1% in May, 1987, was better than the national rate of 6.1 percent. Maine's unemployment rate has dropped significantly more than the national average which was 8.0% in January, 1985, as compared to the Maine unemployment rate of 7.0% in the same month. Maine's 5.8% increase in average annual pay exceeds the national increase of 4.0% between 1985 and 1986. Nevertheless, the state's average per capita personal income is 87.8% of the U. S. figure.

A substantial proportion of the working population in both the United States and in Maine are employed in 4 economic sectors as shown in the chart below.

CHART I

EMPLOYMENT IN THE UNITED STATES
AND MAINE, 1950-1985, by SELECTED ECONOMIC SECTORS

<u>SECTOR</u>	<u>% of U..S. WORK FORCE</u>			<u>% OF MAINE WORK FORCE</u>		
	<u>1950</u>	<u>1975</u>	<u>1985</u>	<u>1950</u>	<u>1975</u>	<u>1985</u>
Manufacturing	33.7	21.3	18.0	38.6	29.4	23.1
Retail Trade	15.2	14.7	16.2	15.3	15.9	16.2
Services	11.9	16.1	20.5	9.2	15.7	20.5
Government	<u>13.3</u>	<u>17.1</u>	<u>15.3</u>	<u>13.4</u>	<u>21.0</u>	<u>18.7</u>
TOTAL	74.1	69.2	70.0	76.5	82.0	81.3

Chart I and Table I provide the following findings:

1. The United States economy is a more diversified economy than the Maine economy and less dependent upon the 4 primary employment sectors than is the Maine economy.
2. In both the U. S. and Maine economies there has been a very substantial decrease in the role of manufacturing employment. In 1987, the percentage of the Maine workforce engaged in manufacturing is exactly half of the manufacturing employment percentage for 1950.
3. The significant drop in the role of manufacturing employment nationally, has been primarily offset by a substantial increase in the employment role of the service sector, and by significant employment increases of nearly 100% since 1950 in the wholesale trade and construction sectors. The two latter sectors together, however, account for only 9.7% of total employment, nationally.
4. The significant drop in the role of manufacturing employment in the Maine economy has also been primarily offset by a substantial increase in the role of service sector employment. Unlike the national economy, however, employment increases in services outside the 4 primary employment sectors of the Maine economy have not increased at the same rate as those in the national economy.
5. Currently, a larger percentage of the workforce is employed in manufacturing in Maine compared to the U. S.
6. While manufacturing employment including durable and non-durable manufacturing has declined in the United States since 1980, employment in durable manufacturing has increased in Maine. Nevertheless, manufacturing employment in Maine has generally declined as a result of very substantial decreases in non-durable manufacturing employment that have significantly exceeded those on the national level.

TABLE I
A DESCRIPTION OF EMPLOYMENT AND EMPLOYMENT CHANGES
IN MAINE AND THE UNITED STATES, 1975-1985
BY ECONOMIC SECTOR

ECONOMIC SECTOR	1975		1980		% CHANGE 1975-1980	1985		% CHANGE 1980-1985	% CHANGE 1975-1985
	EMPLOYMENT (IN 000s)	% OF TOTAL EMPLOYMENT	EMPLOYMENT (IN 000s)	% OF TOTAL EMPLOYMENT		EMPLOYMENT (IN 000s)	% OF TOTAL EMPLOYMENT		
MANUFACTURING- U.S.	18,323	21.3	20,285	19.8	+ 10.7	19,314	18.0	- 4.8	+ 5.4
DURABLE	10,688	12.5	12,187	11.9	+ 14.0	11,516	10.7	- 5.5	+ 7.7
NON-DURABLE	7,635	8.8	8,098	7.9	+ 6.1	7,798	7.3	- 3.8	+ 2.1
MANUFACTURING-MAINE	105	29.4	113	27.0	+ 7.6	106	23.1	- 6.2	+ 0.9
DURABLE	31.6	8.9	41.8	10.0	+ 32.2	43.9	9.6	+ 5.0	+38.9
NON-DURABLE	64.6	18.1	71.4	17.0	+ 10.5	61.8	13.5	-13.5	- 4.4
WHOLESALE TRADE - U.S.	4,415	5.1	5,275	5.1	+ 19.5	5,740	5.3	+ 8.8	+30.0
WHOLESALE TRADE - MAINE	16.9	4.7	18.8	4.5	+ 11.2	21.8	4.7	+16.0	+29.0
RETAIL TRADE - U.S.	12,645	14.7	15,035	14.6	+ 15.5	17,360	16.2	+15.5	+37.3
RETAIL TRADE - MAINE	56.7	15.9	70.2	16.8	+ 23.8	86.1	18.8	+22.6	+51.9
SERVICES - U.S.	13,892	16.1	17,890	17.4	+ 28.8	21,974	20.5	+22.8	+58.2
SERVICES - MAINE	56	15.7	79	18.9	+ 41.1	95	20.7	+20.2	+69.6
TRANSPORTATION AND PUBLIC UTILITIES - U.S.	4,542	5.3	5,146	5.0	+ 13.3	5,242	4.9	+ 1.9	+15.4
TRANSPORTATION AND PUBLIC UTILITIES - MAINE	18	5.0	19	4.5	+ 5.5	19	4.1	0	+ 5.5
CONSTRUCTION - U.S.	3,525	4.1	4,346	4.2	+ 23.3	4,687	4.4	+ 7.8	+33.0
CONSTRUCTION - MAINE	19	5.3	20	4.8	+ 5.3	23	5.0	+15.0	+21.0

TABLE I
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BY ECONOMIC SECTOR

ECONOMIC SECTOR	1975		1980		% CHANGE 1975-1980	1985		% CHANGE 1980-1985	% CHANGE 1975-1985
	EMPLOYMENT (IN 000s)	% OF TOTAL EMPLOYMENT	EMPLOYMENT (IN 000s)	% OF TOTAL EMPLOYMENT		EMPLOYMENT (IN 000s)	% OF TOTAL EMPLOYMENT		
FINANCE, INSURANCE & REAL ESTATE									
UNITED STATES	4,165	4.9	5,160	5.0	+ 23.9	5,953	5.5	+15.4	+42.9
MAINE	14	3.9	17	4.1	+ 21.4	21	4.6	+23.5	+50.0
AGRICULTURE, FORESTRY & FISHERIES									
UNITED STATES	3,505	4.1	3,529	3.4	+ 0.7	3,179	3.0	-10.0	- 9.4
MAINE	1.8	0.5	4.4	1.0	+144.0	3.4	0.7	-22.7	+88.8
GOVERNMENT - U.S.	14,686	17.1	16,241	15.8	+ 10.6	16,415	15.3	+ 1.1	+11.8
GOVERNMENT - MAINE	75	21.0	83	19.8	+ 10.6	86	18.7	+ 3.6	+14.7
TOTAL EMPLOYMENT									
UNITED STATES	85,846		102,703		+ 19.6	107,150		+ 4.3	+24.8
MAINE	357		418		+ 17.1	459		+ 9.8	+28.6

SOURCES: United States Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, 1987, Section 13, "Labor Force, Employment & Earnings", Table 660, page 388; Table 672, pp 396-398; Table 671, Page 395. Statistical Abstract of the United States, 1981, Section 13, Table 668.

IV REGIONAL ECONOMIES OF MAINE

While the State has experienced economic growth, this growth has been uneven. Some areas, particularly northern Maine, have not experienced growth. Excluding southern Maine, many regions of the State have experienced economic growth only in the last 12 to 18 months.

Population and per capita income statistics for the early 1980's show population declines in the Caribou-Presque Isle, Houlton, and Bangor-Brewer labor market areas. The rates of increase in per capita income in the Caribou-Presque Isle and Houlton LMAs, however, were some of the highest in the state and were similar to the rates of per capita income increases in York County. Nevertheless, the average labor market wages for the two Aroostook County LMAs in 1986 were in the bottom 5 of the labor market areas with the lowest average LMA wages in the state.

CHART II

CHANGES IN POPULATION AND PER CAPITA INCOME IN VARIOUS LABOR MARKET AREAS IN MAINE IN THE EARLY 1980's

LABOR MARKET AREA	POPULATION 1980	POPULATION 1984	% CHANGE 1980-1984	PER CAPITA INCOME 1979	PER CAPITA INCOME 1983	% CHANGE 1979-1983
Bangor-Brewer	80,979	80,307	- 1.0	5,767	7,180	•24.5
Belfast	28,414	29,451	3.6	4,689	5,994	•27.8
Ellsworth	41,781	43,433	4.0	5,411	7,192	•32.9
Rockland	36,926	38,400	4.0	5,443	6,860	•26.0
Biddeford	47,673	50,455	5.8	6,267	8,509	•35.7
Kittery-York	35,292	38,540	9.2	7,091	9,855	•39.0
Sanford	30,691	32,951	•7.36	5,723	7,830	•36.8
Dover-Foxcroft	15,795	16,042	1.6	4,990	6,579	31.0
Greenville	1,839	1,956	6.3	5,664	7,228	•28.0
Lincoln-Howland	12,983	13,262	2.1	5,020	6,482	•29.1
Caribou- Presque Isle	51,322	50,136	- 2.3	4,541	6,247	•37.6
Houlton	12,836	12,627	- 1.6	4,367	5,974	•36.8

The unemployment rates in the various labor market areas for the past 5 years also describe economic growth among the LMAs.

CHART III

UNEMPLOYMENT RATES IN MAINE'S LABOR MARKET AREAS
1982 - 1987

Geographical Labor Market Area	Unemp. Rate 1982	Unemp. Rate 1984	Unemp. Rate 1986 1987	Unemp. Rate March 1987	Unemp. Rate June
Bangor-Brewer		5.4%	5.5%	5.4%	3.7%
Belfast		11.0%	9.2%	10.4%	5.1%
Ellsworth		7.6%	6.3%	9.1%	3.3%
Rockland		7.8%	5.5%	5.2%	2.8%
Biddeford		5.9%	5.1%	4.9%	3.2%
Kittery-York		2.4%	1.4%	1.9%	1.1%
Sanford		5.8%	5.6%	5.8%	2.9%
Dover-Foxcroft	8.9%		7.2%	6.6%	5.1%
Greenville	7.4%		8.7%	6.7%	6.1%
Lincoln-Howland	9.2%		7.4%	6.4%	5.5%
Caribou-	12.3%		8.4%	10.2%	9.9%
Presque Isle					
Houlton	11.2%		7.5%	6.6%	5.7%

The various regional economies of the State exhibit significant differences among themselves with respect to employment in the major economic sectors in each labor market area.

CHART IV

LEADING EMPLOYMENT SECTORS OF THE LABOR MARKET ECONOMIES IN THE COMMITTEE STUDY 1986

Labor Market Area (LMA)	Economic Sectors			
	Manufacturing	Retail Trade	Services	Government
	% of LMA Labor Force	% of LMA Labor Force	% of LMA Labor Force	% of LMA Labor Force
Bangor-Brewer	12.7	22.9	26.1	26.0
Belfast	16.1	11.1	10.3	10.0
Ellsworth	12.1	15.7	19.1	10.3
Rockland	17.8	17.5	20.2	12.4
Biddeford	21.0	18.0	18.5	7.4
Kittery-York	11.7	14.7	9.5	36.3
Sanford	24.0	11.3	12.3	9.0
Dover-Foxcroft	32.0	11.2	8.6	13.1
Greenville	29.1	13.4	18.1	8.7
Lincoln-Howland	30.2	13.6	7.6	13.6
Caribou-				
Presque Isle	16.9	13.7	15.5	21.1
Houlton	12.8	16.2	14.0	12.6

While the major differences between the United States and Maine with respect to structural economic change are primarily limited to the difference in the rate of structural change and the difference in the role of durable manufacturing in the two economies, there are very substantial differences among Maine's labor market areas with respect to structural economic change. These differences appear to be explained, in part, by the function and location of the various labor market areas as described below:

1. With the exception of the Kittery-York labor market area which is dependent upon the Portsmouth-Kittery naval shipyard, there appears to be a correlation between a high percentage of employment in manufacturing and labor market areas located within the southern growth zone (York and Cumberland counties) and in interior labor market areas in central and northwestern Maine, particularly those northwest of Bangor.
2. There appears to be a correlation between the growth of durable manufacturers and labor market areas located near Interstate 95 in the southern part of the state.

3. The increases in durable manufacturing employment in 7 of the labor market areas appear to be in the more technical fields including fabricated metal products, electric and electronic equipment, and machinery (except electrical).
 - a. Although lumber and wood production employment has increased in the Bangor-Brewer and Skowhegan labor market areas and has experienced substantial increases of 50% to nearly 100% in Aroostook County in the last 5 years, employment in this industry has decreased in the other labor market areas and in Maine, in general.
4. There appears to be a correlation between a high percentage of employment in the manufacturing sector and a comparatively low percentage of employment in the wholesale trade, retail trade, and service sectors in labor market areas located in interior and other areas close to the Bangor-Brewer LMA.
 - a. The Dover-Foxcroft, Lincoln-Howland, and Greenville labor market areas are much more dependent upon manufacturing than other labor market areas of the State. In addition, employment in the wholesale trade, retail trade, and service sectors in these labor market areas (except Greenville) and in the Belfast LMA is much less than the state average. The Bangor-Brewer LMA serves as a service and trade center for the region.
5. The greatest declines in manufacturing employment have occurred in non-durable manufacturing and in labor market areas in which traditional, mature industries have been the major employers.
 - a. The Dover-Foxcroft, Lincoln-Howland, and Greenville, and Skowhegan labor market areas have been and remain very dependent upon traditional and natural resource based industries. In Table III, the significant rates of decline in manufacturing employment in these areas reflect declines in lumber manufacturing, pulp and paper production, textile, leather, footwear or food production.
 - b. In the Biddeford, Sanford, and Kittery-York labor market areas, the substantial decline in manufacturing employment, has primarily been in non-durable manufacturing, particularly in textile, leather, and footwear production.

TABLE II
A COMPARISON OF EMPLOYMENT BY ECONOMIC SECTOR
AMONG THE UNITED STATES, MAINE, AND SELECTED
MAINE LABOR MARKET AREAS

ECONOMIC SECTOR	% OF TOTAL EM- PLOYMENT-1985		% OF TOTAL EMPLOYMENT OF EACH SELECTED LABOR MARKET AREA, 1986												% OF TOTAL EM- PLOYMENT, 1985
	U.S.	MAINE	BANGOR- BREWER	BELFAST	ELLSWORTH	ROCKLAND	BIDDEFORD	SANFORD	KITTERY- YORK	DOVER- FOXCROFT	LINCOLN- HOWLAND	GREEN- VILLE	CARIBOU PRESQUE ISLE	HOULTON	SKOWHEGAN- WATERTVILLE
MANUFACTURING	18.0	23.1	12.7	16.1	12.1	17.8	21.0	24.0	11.7	32.0	30.2	29.1	16.9	12.8	21.7
DURABLE	10.7	9.6	3.4	5.0	3.2	7.0	13.2	12.1	7.8	13.9	20.0	29.1	7.7	9.4	6.5
NON-DURABLE	7.3	13.5	9.3	11.1	8.9	10.7	7.8	11.8	3.9	18.0	10.2	.0	9.2	3.4	15.2
WHOLESALE TRADE	5.3	9.7	5.9	1.2	2.0	3.8	2.6	1.6	0.4	0.6	0.9		4.2	3.1	1.8
RETAIL TRADE	16.2	18.8	22.9	11.1	15.7	17.5	18.0	11.3	14.7	11.2	13.6	13.4	13.2	16.2	13.2
SERVICES	20.5	20.7	26.1	10.3	19.1	20.2	18.5	12.3	9.5	8.6	7.6	18.1	15.5	14.0	18.1
TRANSPORTATION AND PUBLIC UTILITIES	4.9	4.1	7.0	1.7	2.4	2.7	1.2	1.1	1.1	4.0	2.6	2.4	3.8	2.6	2.7
CONSTRUCTION	4.4	5.0	4.3	3.7	5.9	4.4	5.0	4.5	3.7	0.6	1.3	2.4	3.7	1.9	3.9
FINANCE, INSURANCE & REAL ESTATE	5.5	4.6	4.1	0.9	2.0	2.3	3.6	1.9	1.1	1.5	1.5	1.6	3.2	2.6	1.8
GOVERNMENT	15.3	18.7	26.0	10.0	10.3	12.4	7.4	9.0	36.3	13.1	13.6	8.7	21.1	12.6	8.7

TABLE III
A COMPARISON OF RATES OF CHANGE IN EMPLOYMENT BY ECONOMIC SECTOR
AMONG THE UNITED STATES, MAINE, AND SELECTED MAINE
LABOR MARKET AREAS

ECONOMIC SECTOR	% CHANGE IN EM- PLOYMENT-1985		% CHANGE IN EM- PLOYMENT, 1984-86		% CHANGE IN EM- PLOYMENT, 1982-86		% CHANGE IN EM- PLOYMENT-1985-86		% CHANGE IN EMPLOYMENT 1984-86			% CHANGE IN EMPLOYMENT 1982-86			% CHANGE 1981-85	
	U.S.	MAINE	BANGOR- BREWER	BELFAST	ELLSWORTH/ROCKLAND		CARIBOU- PRESQUE ISLE	HOULTON	BIDDEFORD/SANFORD/ KITTERY- YORK			DOVER- FOXCROFT/HOWLAND/ GREEN- VILLE			SKOWHEGAN- WATERTVILLE	
MANUFACTURING	- 4.8	- 6.2	-13.8	- 5.9	+ 9.8	- 6.8	+20.4	+29.3	-12.1	-32.0	- 0.7	-18.4	- 9.1	-26.0	- 2.3	
DURABLE	- 5.5	- 5.0	+14.3	+ 7.8	-24.1	- 3.4	+74.5	+25.0	-15.2	-14.6	+14.6	+13.8	- 7.0	-26.0	+12.8	
NON-DURABLE	- 3.8	-13.5	-20.9	-10.4	+ 5.3	-12.0	- 4.4	+53.8	-36.9	-18.8	-21.7	-34.4			- 7.8	
WHOLESALE TRADE	+ 8.8	+16.0	+11.2	+18.2	+17.9	+20.9	+ 5.6	-18.2	+51.2	+30.0	.0	+100.0	+16.7		+15.5	
RETAIL TRADE	+15.5	+22.6	+10.3	+14.2	+24.2	+27.8	+19.7	+26.7	+21.0	+19.0	+22.3	+32.7	+41.2	+70.0	+14.6	
SERVICES	+22.8	+20.0	+ 7.3	+ 9.9	+18.1	+31.3	+24.5	+ 1.2	+ 8.8	+18.0	+17.7	-18.8	-29.0	+ 4.5	+11.9	
TRANSPORTATION AND PUBLIC UTILITIES	+ 1.9	.0	- 4.1	- 6.5	-26.2	+ 9.3	+ 9.6	+50.0	- 6.3	+13.3	+10.7	-29.7	+16.7	-25.0	-16.6	
CONSTRUCTION	+ 7.8	+15.0	-13.1	+73.9	+36.4	+68.9	+41.1	+10.0	+60.0	+46.8	+41.1	.0	-40.0	+200.0	- 5.4	
FINANCE, INSURANCE & REAL ESTATE	+15.4	+23.5	+ 7.8	.0	+20.9	+ 2.6	+ 6.2	+ 7.1	+37.3	+11.5	+45.5	.0	-12.0	+100.0	+10.8	
GOVERNMENT	+ 1.1	+ 3.6	+ 1.1	+ 7.9	+18.6	+ 5.5	+ 7.4	+ 8.8	+11.2	+ 8.6	-2.8	+56.4	+ 5.9	+22.2	+ 5.7	
TOTAL EMPLOYMENT	+ 4.3	+ 9.8	- 1.7	- 2.6	+ 6.1	- 2.2	+ 3.5	+15.2	+ 0.8	- 0.6	+ 4.8	- 1.1	- 6.4	- 6.6	+ 4.8	

Similar to the State, the regional economies of Maine have witnessed the loss of manufacturing jobs, many of these jobs have been replaced with retail trade and service industry jobs. Many of the new jobs pay wages and salaries that are lower than the manufacturing jobs which have been lost.

CHART V

ECONOMIC SECTORS WITH AVERAGE INDUSTRIAL WAGES BELOW THE AVERAGE LABOR MARKET WAGE 1986

LABOR MARKET AREA	ECONOMIC SECTORS					
	% Difference between Average Industrial Wage & Average LMA Wage					
	FOOD MANUF.	WHOLESALE TRADE	RETAIL TRADE	SERVICES	CONSTRUC- TION	GOVERN- MENT
Bangor-Brewer	- 2.0		-36.0	-14.3		
Belfast	-15.5		-31.3	- 3.7		
Ellsworth	-10.0	-11.0	-29.0	-12.0		
Rockland	- 6.5	- 1.0	-30.5	- 8.2		
Biddeford			-31.3	-10.0		
Kittery-York			-37.3	-25.0		
Sanford			-41.0	-22.3		- 0.2
Dover-Foxcroft			-37.3	-14.0	-25.0	- 0.3
Greenville			-32.4	-28.3		- 3.3
Lincoln-Howland			-42.2	-36.0		-15.5
Caribou-	- 2.2		-33.1	-16.8		
Presque Isle						
Houlton			-29.0	-10.5		

Excluding Aroostook County, the fastest growing sectors of the various labor market areas are sectors that employ a small percentage of the work force in each labor market area or, as in the case of retail trade, pay average wages that are below the average labor market area wage. (See Tables)

Unlike the other labor market areas in the study, the Caribou-Presque Isle and Houlton labor market areas show that one of the fastest growing sectors, with respect to employment, is manufacturing, particularly durable manufacturing in the Caribou-Presque Isle LMA and non-durable manufacturing in the Houlton LMA.

While the service industry in most labor market areas has been one of the fastest growing economic sectors, this industry has declined substantially in the Dover-Foxcroft LMA and barely grown in the last 5 years in the Houlton LMA. The sluggishness and decline in the service sector in these two LMAs may be the result of the decline in the agricultural sector which creates demand for services.

TABLE IV
LABOR MARKET AREA SECTORS WITH GREATEST RATES
OF CHANGE IN EMPLOYMENT

LABOR MARKET AREA	ECONOMIC SECTOR	RATE OF CHANGE	TIME PERIOD OF CHANGE	% OF LABOR FORCE OF EACH LABOR MARKET AREA - 1986
Bangor-Brewer	Construction	13.1%	1984-86	4.3
	Wholesale Trade	11.2%		5.9
	Retail Trade	10.3%		22.9
	Manufacturing	- 13.8%		12.7
Belfast	Construction	• 73.9%	1984-86	3.7
	Wholesale Trade	• 18.2%		1.2
	Retail Trade	• 14.2%		11.1
	Manufacturing	- 5.9%		16.1
Ellsworth	Construction	• 36.4%	1982-86	5.9
	Transportation & Utilities	• 26.2%		2.4
	Retail Trade	• 24.2%		15.7
	Finance, Insurance, Real Estate	• 20.9%		2.0
Rockland	Construction	• 68.9%	1982-86	4.4
	Wholesale Trade	• 20.9%		3.8
	Retail Trade	• 27.8%		17.5
	Services	• 31.3%		20.2
	Manufacturing	- 6.8%		17.8
Biddeford	Construction	60.0%	1984-86	5.0
	Wholesale Trade	51.2%		2.6
	Finance, Insurance, & Real Estate	37.3%		3.6
	Manufacturing	- 12.1%		21.0
	Non-Durable Goods	- 36.9%		7.8
Kittery-York	Construction	• 41.1%	1984-86	3.7
	Finance, Insurance, & Real Estate	• 45.5%		1.1
	Retail Trade	• 22.3%		14.7
Sanford	Construction	• 46.8%	1984-86	4.5
	Wholesale Trade	• 30.0%		1.6
	Retail Trade	• 19.0%		11.3
	Services	• 18.0%		12.3
	Manufacturing	- 32.0%		24.0
Dover-Foxcroft	Wholesale Trade	• 100.0%	1982-86	0.6
	Retail Trade	• 32.7%		11.2
	Services	- 18.8%		8.6
	Manufacturing	- 18.4%		32.0
	Government	• 56.4%		13.1
Greenville	Construction	• 200.0%	1982-86	2.4
	Finance, Insurance, & Real Estate	• 100.0%		1.6
	Retail Trade	• 70.0%		13.4
	Manufacturing	- 26.1%		29.1

TABLE IV (continued)
LABOR MARKET AREA SECTORS WITH GREATEST RATES
OF CHANGE IN EMPLOYMENT

LABOR MARKET AREA	ECONOMIC SECTOR	RATE OF CHANGE	TIME PERIOD OF CHANGE	% OF LABOR FORCE OF EACH LABOR MARKET AREA - 1986
Lincoln-Howland	Retail Trade	• 41.2%	1982-86	13.6
	Construction	• 40.0%		1.3
	Services	• 29.0%		7.6
	Wholesale Trade	- 16.7%		0.9
	Manufacturing	- 9.1%		30.2
Caribou- Presque Isle	Construction	• 41.1%	1982-86	3.7
	Services	• 24.5%		15.5
	Manufacturing	• 20.4%		16.9
	Retail Trade	• 19.7%		13.7
Houlton	Transportation & Utilities	• 50.0%	1982-86	2.6
	Manufacturing	• 29.3%		12.8
	Retail Trade	• 26.7%		16.2

With the exception of manufacturing, the sectors paying above the average labor market area (LMA) wage are sectors that employ only a small percentage of the labor force in each LMA. (Please refer to Tables IV and V)

TABLE V
LEADING WAGE RATE SECTORS OF VARIOUS
LABOR MARKET ECONOMIES IN MAINE
1986

LABOR MARKET AREA (LMA)	ECONOMIC SECTORS				
	% DIFFERENCE BETWEEN AVERAGE INDUSTRIAL WAGE & AVERAGE LMA WAGE				
	Government	Manufacturing	Transportation Utilities	Wholesale Trade	Finance Insurance & Real Estate
Bangor-Brewer		•25.3	•40.0	•19.0	•17.7
Belfast			•41.6	•21.8	•27.7
Ellsworth		•61.7			• 9.7
Rockland	•23.9	•21.3			•22.2
Biddeford		•22.0		•20.1	•31.7
Kittery-York		•56.8			•15.9
Sanford		•20.0		•38.9	
Dover-Foxcroft		•15.3	•20.8	• 5.1	• 5.2
Greenville		•37.5			• 4.2
Lincoln-Howland		•32.1	•29.1		
Caribou-	•18.4	• 7.2	•36.8	•19.4	•13.1
Presque Isle					
Houlton	•28.0	•16.5	•17.0	•21.4	•10.9

Structural economic change along with economic growth has increased demand for skilled and educated workers.

As the 1980's began, Maine appeared to be better prepared than the nation with respect to an educated working population meeting industry's demand for workers. In 1980, the percentage of the working population, age 25 or over, without a high school education nationwide (33.5%) was greater than the Maine average (31.4%). Of the 14 labor market areas analyzed by the committee, the percentage of the working population without a high school education in 6 of the labor market areas was less than the national average. In 5 of the labor market areas, the percentage of the working population without a high school education was less than the state average. The mid-coast labor market areas (excluding Belfast) and the Kittery-York LMA had much smaller percentages of the working population in these market areas who lacked a high school education.

By 1985, the nation's percentage rate of workers without a high school education had dropped to 16.1% while the percentage rate of workers with some college education increased to nearly 36%. Thus, there has been a significant improvement nationwide in the education of the workforce. Statistics are not available for Maine for 1985. While a slightly higher percentage of the workforce, nationally, had some college education or had completed college, compared to Maine, the difference was only 2.5% in 1980.

TABLE X
SUMMARY OF STATISTICS FROM TABLE
CONCERNING EDUCATIONAL LEVELS OF MAINE'S
WORKING POPULATION, AGE 25 OR OVER - 1980

Geographical Labor Market Area	% Without High School Education	% With Some College Education
United States	33.5	31.9
State	31.4	29.4
Skowhegan	36.2	21.6
Waterville	30.2	28.6
Bangor-Brewer	22.6	36.5
Belfast	33.2	26.7
Ellsworth	26.4	33.6
Rockland	28.6	31.3
Biddeford	36.3	28.1
Kittery-York	23.3	34.6
Sanford	39.1	24.7
Dover-Foxcroft	34.6	21.2
Greenville	35.1	27.0
Lincoln-Howland	39.2	16.4
Caribou-Presque Isle	35.0	27.6
Houlton	38.2	22.3

In 1980, as the rate of inflation began to drop, as interest rates declined, and as the economy began to "take-off, the potential of a housing crunch that could slow the rate of economic growth was greater in Maine than in the nation. In 1980, Maine's housing stock was significantly older than the nation's housing stock. While roughly 25% of the nation's housing stock was constructed before 1940, roughly 50% of Maine's housing stock was constructed before 1940. Between 1970 and 1980, however, the percentage of increase in housing units nationwide was only 3 percent greater than the increase in Maine housing.

The availability of housing to support economic growth and development in the various labor market areas differs significantly among these areas. Of the 14 labor market areas studied by the committee, only 4 LMAs in 1980 contained a percentage of housing constructed after 1940 that was higher than the state average. These LMAs, Caribou-Presque Isle, Kittery-York, Lincoln-Howland, and Sanford, also experienced rates of housing construction in the decade of the 1970s that exceeded the state average. With the exception of Lincoln-Howland, these LMAs, along with the Belfast LMA, experienced housing construction rates that far exceeded the national average and the rates in the other labor market areas.

TABLE XI

AGE OF MAINE HOUSING STOCK
BY GEOGRAPHICAL AREA
IN 1980

Geographic Labor Market Area	% of Units Built Before 1940	% of Units Built After 1940	# Built 1950-1969	% Built 1950-1969	# Built 1970-1980	% Built 1970-1980
State of Maine	47.4	52.6	91,176	21.2	99,233	23.1
Bangor- Brewer	49.7	50.3	7,387	24.3	6,207	20.4
Belfast	49.7	50.3	781	7.8	2,818	28.0
Ellsworth	51.8	48.2	2,914	17.1	4,309	25.2
Rockland	60.3	39.7	2,138	14.2	3,327	22.1
Biddeford	48.6	51.4	3,691	20.0	3,929	21.4
Kittery York	40.6	59.4	2,927	22.7	3,800	29.4
Sanford	43.1	56.9	2,156	18.9	3,422	30.0
Dover-Foxcroft	61.0	39.0	817	13.3	1,201	19.5
Greenville	47.6	52.4	188	19.5	242	25.1
Lincoln- Howland	39.0	61.0	1,158	22.7	1,253	24.5
Caribou- Presque Isle	40.8	59.2	5,483	29.7	5,437	29.5
Houlton	56.9	43.1	804	16.8	1,262	26.3

V FINDINGS

A. Exploitation of Economic Growth and Change

1. For the most part, the State of Maine is not prepared to exploit the forces of economic growth and change to the State's full advantage. In addition, the state is not prepared to deal with the problems generated by the forces of change including the lack of affordable housing, the displacement of good paying manufacturing jobs with lower paying service sector jobs, the lack of an available skilled labor supply, etc. To a certain extent, this lack of preparedness is the result of forces over which the state has little control, previously obscure limitations that have only recently been identified as significant factors in the economy, limited resources, and the lack of coordination among municipalities and between the state and its municipalities to address the problems and needs of economic development.

B. Data Collection

1. Many state agencies collect substantial amounts of data for their own use. With the exception of data that is tabulated by county, each agency has different geographically defined areas for which the data is collected. As a result, it is impossible to obtain comprehensive and significant data for any other geographically defined area that may be more meaningful than county designations of the various departmentally defined regions.

C. Impact of Economic Development Agencies and Programs

1. Many of the problems and needs of different labor market areas and regions persist despite the efforts of local, county, regional, and other economic development organizations to resolve those problems and needs.
2. Some of the problems and needs require resources beyond those available in municipalities and regions.
 - a. A highway bypass around Rockland to alleviate congestion on Route 1 or an access from I95 to Rockland, may be beyond Rockland's resources.
 - b. The stress on local infrastructure from economic growth and development requires increases in local property taxes to meet infrastructure needs. In some cases, these property tax increases force residents to sell their property at prices that contribute to the spiraling of property values and taxes.
 - c. The shrinking of railroad service in the state to providing service primarily to paper companies can only be addressed by the state or the federal government.
 - d. Planning, growth management, and economic development expertise for many of Maine's small municipalities may be too costly for municipalities to employ individually or in concert. The State may have to share in the cost of developing or providing this expertise to small communities on a regional basis.
3. Some of the problems and needs may require changes in state policies in order to satisfactorily address these problems.
 - a. For example, the decline in enrollment in secondary vocational centers may require reappraisal of state policies as well as changes in local policies.
 - b. The significant problem of illiteracy needs to be addressed by state policy.
 - c. The problem of low aspiration levels among students as well as among many persons in the work force cannot be resolved solely by municipalities, school districts, or employers and may require reappraisal of educational policies in the State.

- d. The lack of seed capital financing for new businesses requires state policies to address this need.
 - e. The problem of an inadequate supply of affordable housing for lower and middle income people statewide cannot be resolved by municipalities, alone, and requires a comprehensive analysis and a coordinated approach by the state, municipalities, and housing authorities.
 - f. The extremely limited supply of skilled labor, which is a problem statewide, and which has prevented some businesses from expanding or locating in Maine, can be resolved only through state policies and resources that are targeted to the people in need of training and the causes of the generation of unskilled and undereducated workers.
 - g. AFDC and general assistance recipients lose their medical insurance coverage when they participate in work training programs and when they enter the work force during their probationary period. As a result, many recipients of state assistance are unwilling to take job training or new jobs without medical insurance coverage for themselves and their families. This requires a change in state policy.
 - h. The inadequate supply of day care and dependent care facilities throughout the State further limits the availability of labor in the State and contributes to a growing class of working poor people. A state policy is needed to address this problem.
 - i. The need for a central clearinghouse of business information is strong. The current "Business Answers" program is inadequately funded to respond to the demand for this program or to market the program throughout the private sector.
4. Some of the problems and needs may be within the means, in whole or in part, of municipalities and regions to resolve.
- a. Managerial and technical assistance needs of business are currently provided by municipalities individually or in concert, regional certified economic development corporations, the new Department of Economic and Community Development, Small Business Development Centers and the private sector.
 - 1) This system may need more coordination and more exposure throughout the private sector.
 - b. The adoption of comprehensive plans that are based, in part, on economic growth and growth management can significantly help municipalities prepare for and manage problems associated with economic growth and the promotion of development.
 - c. While there is a great need for technical expertise in planning and growth management among the municipalities, this

expertise is currently available to municipalities in the form of regional planning commissions and regional councils of governments.

- 1) Some municipalities, particularly those with very small populations may need some financial or other type of assistance, possibly on a matching basis, to enable them to make use of the planning expertise and capabilities available.
 - 2) Many municipalities do not participate in regional planning or economic development associations or organizations and lack the resources to employ a person to prepare comprehensive plans and economic development strategies. By sharing the costs of planning, growth management, and promotion of growth, these municipalities could obtain the expertise and technical assistance they require.
- d. Municipalities can contribute to cost reductions in the construction of single family and multifamily residences by:
- 1) changing zoning ordinance reductions to allow for denser residential population through zero lot line zoning and the relaxing of some other zoning restrictions that still maintain or create aesthetically pleasing residential sections.
5. Some of the problems and needs may be within the means of the private sector to resolve in whole or in part.
- a. Low wages in the service and retail trade sectors and the inadequate supply of labor to fill jobs in these sectors may be resolved by the payment of higher wages in these sectors.
 - b. The need for dependent care facilities may be resolved, in part, by resources provided by individual firms or by several firms acting in concert.
 - c. The inadequate supply of skilled labor may be increased, in part, by close cooperation and coordination among the private sector, the secondary vocational regional centers, and the vocational technical institutes.
- 1) The formation of this network may require leadership on the part of the State and the sharing of State resources.

VI RECOMMENDATIONS

The Joint Standing Committee on Economic Development proposes the following recommendations:

1. HOUSING

A. Implementation of an affordable Housing program to include the following:

1) Elimination of the 5% required downpayment for all Maine State Housing Authority loans currently required by statute. This would allow the Authority to address a problem that continues to get worse as home prices increase and closing costs also increase of people being able to make the monthly payment but not being able to come up with the \$8,000 or \$10,000 they need for a downpayment and closing costs.

2) Funding of the Maine State Housing Authority Mortgage Insurance Program.

a) Changes in national mortgage insurance programs have severely restricted the market to which the Maine State Housing Authority can make its monies available. For instance, until recently the Authority was able to accept gifts for downpayments, but now mortgage insurance companies generally will not allow the Authority to do that. Thus, the Authority is unable to make a loan to someone whose parents may wish to provide them with a gift to cover the downpayment costs of the new home. Several years ago Vermont created and originally provided a reserve fund with the general obligation bond sale for a state mortgage insurance program. That program, after many years of operation, has been singularly successful.

3) Clarification of any ambiguity in the Maine Housing Authorities Act about its ability to use Housing Opportunities for Maine Fund monies to third parties to provide reasonable administrative support and planning funds for the development or specific creation of new housing units or the rehabilitation of dilapidated or substandard existing housing units.

4) Deferment of downpayment and closing costs as a means of overcoming a major front cost hurdle of buying a first home.

5) Authorization of a community affordability housing program. This program is directed towards working with communities in the matching or leveraging of state and other resources with local resources directed specifically towards the creation of affordable housing units. This program also provides the information and education and technical assistance the communities need to look at themselves and determine if they are taking steps which might allow for affordable housing to be created within that community.

a) This program also includes land banking and affordable housing development incentives offered by both the state and municipal governments to private developers.

2. EDUCATION

A. Review of the Commissioner of Education's findings in regard to vocational training in secondary vocational regions and centers. The committee recommends that the Department monitor the actions and policies of each school administrative district and unit with respect to secondary vocational educations to determine whether these policies and actions in actuality encourage and promote vocational education or create disincentives for vocational training and education.

3. ENTREPRENEURSHIP

A. Additional funding of the "Business Answers" program of the Department of Economic and community Development. This program is a central clearing house of information for business in the state, and has been extremely popular with the business community. The popularity of the program has created demand that far exceeds the service that can be provided.

4. LABOR AND JOB TRAINING

A. Evaluation of the results of the implementation of LD 1275, "AN ACT to Enhance the Maine Job Training Partnership Program," by which an additional \$2,000,000 for the 1987-89 biennium has been appropriated for job training for persons who exceed JTPA income guidelines but who are still low income people. The money may be used to provide day care and public transportation services for low income persons who cannot participate in job training programs as a result of the need for these services.

5. HUMAN RESOURCES

A. Identification of persons who remain unemployed following termination of unemployment compensation insurance payments. The purpose of this recommendation is to determine who is "falling through the cracks of the system" and why these people are unable to obtain employment. Following the identification process, including the reasons for the failure of unemployed persons to obtain employment, programs can be targeted to eliminate the causes of this problem.

B. Continued funding of medical benefits for medicaid eligible persons in job training programs or those who are in jobs which do not provide medical benefits or do not provide these benefits for a probationary period. The state funded medical benefits will continue until the individual qualifies for medical benefits provided by the employer or is able to purchase group rate medical insurance benefits.

C. Creation of a group rate class of medical benefits for persons employed throughout the state in jobs for which medical benefits are

not provided. The Superintendent of Insurance will contract with an insurance company to offer the new group rate of benefits which will be purchased by those currently not insured or those employed people paying individual rates.

6. TRANSPORTATION

A. The inclusion of two additional variables, economic growth and development and growth management, in the criteria by which transportation facilities are planned. The criteria include an estimate of the impact of the planned facilities on municipalities.

B. A requirement that municipalities which obtain funds from the state through the Maine Department of Transportation prepare a comprehensive transportation plan that take into consideration economic growth and growth management. Municipalities may individually or in conjunction with other municipalities develop a municipal or regional plan.

7. REGIONAL STRATEGIES

A. A requirement that municipalities which obtain assistance through the Department of Economic and Community DEvelopment prepare municipal economic development and growth management strategies. Municipalities may individually or in conjunction with other municipalities develop a municipal or regional strategy. The strategy will include an assessment of the assets and the liabilities of the municipality or region.

Any municipality or group of municipalities that intends to develop an economic development strategy may obtain matching funds from the Department of Economic and Community Development to create a strategy.

B. The Commission on Land Conservation and Economic Development report to the Joint Standing Committee on Economic Development the proposals the commission recommends with respect to growth management.

1) The Committee on Economic Development, during the hearings held by the committee throughout the state, received considerable testimony concerning growth management. In particular, the committee heard the need for expertise to be made available to municipalities to evaluate development projects and to plan for orderly growth. Growth management is essential to economic development and receives planning for housing, infrastructure, transportation, etc.

8. DATA COLLECTION

A. The creation of an interagency State Data Coordinating Committee to develop a uniform format and geographical units by which the several agencies of State government will collect data important to economic development and planning. At a minimum, data will be collected by municipality and county. The Committee will report its findings, including costs, alternatives, and necessary implementing legislation to the Second Regular Session of the 114th Legislature.

9. WORKERS COMPENSATION

A. Workers' compensation, which many persons testified to be a major problem confronting businesses in Maine and thereby a liability with respect to economic development, has been addressed by the legislature. Nevertheless, the Governor and the Legislature must monitor the outcome of the legislation to determine whether the problem has been adequately addressed.

10. INTERNATIONAL TRADE

A. A closer analysis of Maine's participation in international trade and the effect of international trade on Maine's economy.

1) Maine's economic growth and development is affected by decisions of businesses and nations throughout the world. Maine businesses, however, participate little in international trade, and market primarily in the national market. The Committee on Economic Development proposes that the committee take a comprehensive look at the potential impact of international trade on the state's economy. This analysis shall include

- a) a review of the Maine World Trade Association and its efforts to promote Maine firms to export to international markets;
- b) a study of the policies and activities of other states with respect to international trade;
- c) a study of Maine's marketing and trade policies which are currently implemented by several state agencies;
- d) an examination of the obstacles that may impede or discourage Maine firms from engaging in the sale of goods and services in international markets;
- e) an examination of the U.S.-Canadian Trade Agreement and the impact of that agreement on Maine firms.

APPENDIX A

1. TABLE A - EMPLOYMENT AND WAGE DATA COMPARISONS AND CONTRASTS AMONG
LABOR MARKET AREAS

2. TABLE B - EMPLOYMENT DATA FOR SPECIFIC LABOR MARKET AREAS

TABLE A
EMPLOYMENT AND WAGE DATA
COMPARISONS AND CONTRASTS AMONG LABOR MARKET AREAS
IN 1986 (unless other years are specified)

Prepared by Ted Potter, Legislative Analyst

ITEM	BANGOR- BREWER	BELFAST	ELLSWORTH	ROCKLAND	BIDDEFORD	SANFORD	KITTERY- YORK	DOVER FOXCROFT	LINCOLN HOWLAND	GREENVILLE	CARIBOU- PRESQUE- ISLE	HOULTON	SKOWHEGAN- WATERVILLE (1985)
Size of Labor Force	40,300	10,870	22,230	17,040	25,330	15,420	27,970	6,540	5,290	1,270	21,280	5,850	44,650
Average Rate of Unemployment	5.5%	9.2%	6.3%	5.5%	5.1%	5.6%	1.4%	7.2%	7.4%	8.7%	8.4%	7.5%	6.7%
Average Wage in Labor Market Area	\$16,302	\$12,459	\$14,573	\$13,386	\$14,759	\$14,889	\$15,643	\$13,601	\$16,001	\$12,679	13,879	13,261	\$14,920
Per Capita Income — 1983	7,180	5,994	7,192	6,860	8,509	7,830	9,855	6,579	6,482	7,228	7,746	7,746	9,372=Skow 11,118=Wtv1
Average Wages by Sector in LMA													
Total Manufacturing	\$20,426	\$13,122	\$23,567	\$16,241	\$18,022	\$17,918	\$24,533	\$15,684	\$21,142	\$17,436	14,874	15,452	\$18,841
Durable goods	21,341	14,941	17,080	17,115	20,117	20,915	27,201	14,568	17,333	17,436	16,587	15,659	17,229
lumber and wood products	19,557	15,279	13,718	8,530	c	13,995	13,328	13,905	17,333	17,436	18,066	15,576	16,372
fabricated metal products	14,134	c	19,369	14,021	c	22,364	c	c	c	c			16,901
machinery; except electrical	c	c	c	c	23,383	c	c	c	c	c			23,403
transportation equipment	19,049	12,986	17,989	16,578	c	c	c	n/a	c	c			c
Nondurable goods	20,274	11,040	26,586	13,857	16,215	14,465	20,024	16,207	c	c	13,445	14,880	19,613
food and kindred products	16,000	10,529	13,102	12,523	c	14,608	c	c	c	c	13,588		14,025
textile mill products	c	13,616	c	15,576	c	c	c	c	c	c			15,665
apparel & other textile products	c	c	c	12,899	15,094	n/a	n/a	c	c	c			c
paper and allied products	c	n/a	c	n/a	c	c	n/a	c	c	c			29,763
printing and publishing	22,899	13,020	13,028	15,036	13,685	15,445	c	c	c	c			16,103
leather and leather products	11,093	c	c	c	c	c	c	c	c	c			11,891
footwear	11,093	c	c	c	c	c	c	c	c	c			10,818
Construction	19,132	13,305	13,861	14,047	16,689	16,483	16,930	10,190	17,781	12,423	16,146	12,309	19,043
Transportation and Public Utilities	22,831	17,647	14,218	14,904	16,572	15,289	15,011	16,436	20,659	12,038	18,990	15,514	19,488
Wholesale Trade	19,419	15,175	12,990	13,266	17,732	21,423	16,344	14,302	15,884	c	16,578	16,102	16,232
Retail Trade	10,489	8,561	10,353	9,305	10,145	9,103	9,808	8,525	8,603	8,580	9,286	9,418	9,535
Finance, Insurance, & Real Estate	19,183	15,912	15,982	16,356	19,438	16,450	18,132	14,307	14,013	13,213	15,702	14,707	14,370
Services	13,968	12,003	12,810	12,282	13,291	11,987	11,772	11,677	10,256	9,086	11,546	11,862	12,798
Government	17,773	14,226	14,884	16,585	15,729	15,399	16,940	13,566	13,532	12,262	16,433	16,974	14,929

c = data cannot be published without violation of Confidentiality of Information
n/a = not available

TABLE B
EMPLOYMENT DATA FOR SPECIFIC LABOR MARKET AREAS
IN 1986 (unless other years are specified)
Prepared by Ted Potter, Legislative Analyst

ITEM	NUMBER OF EMPLOYEES AND PERCENTAGE OF LMA WORKFORCE BY LABOR MARKET AREA																										
	BANGOR- BREWER		BELFAST		ELLSWORTH		ROCKLAND		BIODEFORD		SANFORD		KITTERY- YORK		DOVER- FOXCROFT		LINCOLN HOWLAND		GREENVILLE		CARIBOU- PRESQUE- ISLE		HOULTON		SKOWHEGAN- WATERVILLE		
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	
Size of Labor Force	41,100	100	10,870	100	22,230	100	17,040	100	25,330	100	15,420	100	27,970	100	6,540	100	5,290	100	1,270	100	21,280	100	5,850	100		1985	CAL YR
Total Manufacturing	5,120	12.7	1,750	16.1	2,690	12.1	3,030	17.8	5,320	21.0	3,690	24.0	3,280	11.7	2,090	32.0	1,600	30.2	370	29.1	3,600	16.9	750	12.8	9,700	21.7	
Durable goods	1,360	3.4	550	5.0	720	3.2	1,200	7.0	3,340	13.2	1,870	12.1	2,200	7.8	910	13.9	1,060	20.0	370	29.1	1,640	7.7	550	9.4	2,910	6.5	
lumber and wood	270	0.7	310	2.8	140	0.6	30	0.9			50	0.3	70	0.2	330	5.0	1,040	19.7	370	29.1	1,230	5.8	510	8.7	2,010		
fabricated metal	50	0.1			70	0.3	130	0.7			90	0.6													120		
machinery; except									240	0.9															300		
electrical																											
transportation equip	100	0.2	40	0.4	340	1.5	180	1.0																			
Nondurable goods	3,760	9.3	1,210	11.1	1,970	8.9	1,830	10.7	1,980	7.8	1,820	11.8	1,080	3.9	1,180	18.0					1,960	9.2	200	3.4	6,780	15.2	
food and kindred	360	0.9	870	8.0	470	2.1	660	3.9													1,360	6.4			280	0.6	
textile mill			50	0.5			320	1.9			680	4.4													390	0.8	
apparel & other																											
textile products							250	1.4	660	2.6																	
paper and allied																					110	0.5			2,630	5.9	
printing and																											
publishing	470	1.2	140	1.3	170	0.8	270	1.6	190	0.8	100	0.6													270		
leather & leather																											
goods	990	2.4																								1,930	4.3
footwear	990	2.4																								1,360	3.0
Construction	1,730	4.3	400	3.7	1,310	5.9	760	4.4	1,280	5.0	690	4.5	1,030	3.7	40	0.6	70	1.3	30	2.4	790	3.7	110	1.9	1,760	3.9	
Transportation and																											
Public Utilities	2,820	7.0	290	1.7	530	2.4	470	2.7	300	1.2	170	1.1	310	1.1	260	4.0	140	2.6	30	2.4	800	3.8	150	2.6	1,210	2.7	
Wholesale Trade	2,380	5.9	130	1.2	460	2.0	520	3.8	650	2.6	260	1.6	120	0.4	40	0.6	50	0.9			900	4.2	180	3.1	820	1.8	
Retail Trade	9,220	22.9	1,210	11.1	3,490	15.7	2,990	17.5	4,550	18.0	1,750	11.3	4,120	14.7	730	11.2	720	13.6	170	13.4	2,920	13.7	950	16.2	5,890	13.2	
Finance, Insurance, & Real Estate	1,660	4.1	1,100	0.9	520	2.0	400	2.3	920	3.6	290	1.9	320	1.1	100	1.5	70	1.3	20	1.6	690	3.2	150	2.6	820	1.8	
Services	10,540	26.1	1,120	10.3	4,250	19.1	3,440	20.2	4,680	18.5	1,900	12.3	2,660	9.5	500	8.6	400	7.6	230	18.1	3,300	15.5	820	14.0	8,080	18.1	
Government	10,470	26.0	1,090	10.0	2,300	10.3	2,120	12.4	1,880	7.4	1,390	9.0	10,150	36.3	860	13.1	720	13.6	110	8.7	4,500	21.1	740	12.6	3,900	8.7	

Data cannot be published without violation of Confidentiality Provisions

APPENDIX B

ECONOMIC DEVELOPMENT ASSISTANCE IN VARIOUS
LABOR MARKET AREAS IN MAINE, 1982-1986;

PREPARED BY

Ted Potter, Legislative Analyst
Robert Dunn, Research Assistant

Office of Policy and Legal Analysis

ECONOMIC DEVELOPMENT ASSISTANCE IN VARIOUS LABOR MARKET AREAS IN MAINE, 1982-86:
DOLLAR AND ISSUES TOTALS BY LENDING MECHANISM

Labor Market Area	Sum of Loans	# of Loans	Sum of Industrial Development Bonds	# of Bonds	Sum of Grants	# of Grants	Sum of Guaranteed Loans	# of Guaranteed Loans
Bangor	\$10,197,750	58	\$ 6,966,500	8	\$ 19,033	2	\$ 3,018,600	9
Belfast	\$ 2,313,950	19	\$ 0	0	\$ 50,000	1	\$ 96,000	4
Ellsworth	\$ 6,213,460	43	\$ 68,125,000	3	\$ 0	0	\$ 556,500	12
Rockland	\$ 2,342,870	23	\$ 1,350,000	2	\$ 0	0	\$ 4,960,000	2
Waterville	\$ 3,263,045	28	\$ 1,270,000	2	\$ 0	0	\$ 238,000	4
Skowhegan	\$ 3,484,156	46	\$ 2,700,000	3	\$ 112,230	3	\$ 212,000	4
Sanford	\$ 1,090,000	12	\$ 14,950,000	8	\$ 0	0	\$ 85,000	1
Biddeford	\$ 5,428,760	39	\$137,387,802	10	\$ 0	0	\$ 60,000	0
Kittery-York	\$ 4,622,225	34	\$ 250,000	1	\$ 0	0	\$ 53,000	1
Dover-Foxcroft	\$ 1,252,733	9	\$ 0	0	\$ 254,000	1	\$ 120,000	2
Greenville	\$ 1,388,050	7	\$ 550,000	1	\$ 0	0	\$ 0	0
Lincoln- Howland	\$ 0	0	\$ 0	0	\$ 218,043	2	\$ 0	0
Caribou Presque Isle	\$ 7,005,114	61	\$ 5,714,000	2	\$ 230,567	2	\$ 4,600,000	12
Houlton	\$ 778,250	7	\$ 0	0	\$ 20,928	2	\$ 0	0

These figures represent SBA loans, FAME loans, COBG loans and grants, EDA loans, FAME Guaranteed Loans, and FAME industrial development bonds. These figures do not include FHA loans, HUD loans or grants, or other public and private loans.

1634m

APPENDIX C

SUMMARY OF ECONOMIC PROBLEMS AND NEEDS
OF LABOR MARKET AREAS

JOINT STANDING COMMITTEE ON ECONOMIC DEVELOPMENT
STUDY ON REGIONAL ECONOMIES OF MAINE
SUMMARY OF ECONOMIC PROBLEMS AND NEEDS OF VARIOUS REGIONS
BY CATEGORIES OF GROWTH

Prepared by: Ted Potter
Legislative Analyst
October 1987

<u>PROBLEMS & NEEDS OF AREAS WITH LOW RATES OF GROWTH</u>	<u>PROBLEMS & NEEDS OF AREAS WITH HIGH RATES OF GROWTH</u>
I LOW WAGES AND OUTMIGRATION OF PEOPLE TO AREAS OFFERING BETTER OPPORTUNITIES	I VERY SEVERE SHORTAGES IN SKILLED AND UNSKILLED LABOR
A. Some people remain as residents but work outside the area	A. Existing businesses have been forced to reconsider their current operations projected business expansions
II Inadequate supply of skilled labor	B. New business location decisions have been reconsidered
A. Intensified by location of Regional Vocational Centers and the VTI's	II INADEQUATE AVAILABILITY OF INDUSTRIAL SPACE AND FACILITIES AT REASONABLE COSTS TO SUPPORT INCREASED GROWTH
1. Many cannot participate in vocational education because it is not easily accessible	IV VERY SERIOUS SHORTAGE OF AFFORDABLE, DECENT HOUSING
III LOW ASPIRATION LEVELS AND LACK OF INTRINSIC MOTIVATION AMONG SOME UNSKILLED WORKERS	A. Many municipalities have passed ordinances against mobile homes and mobile home parks
A. Low self esteem	B. Land is extremely costly
B. Lack of basics to work in work place	V. VERY SEVERE PRESSURES ON MUNICIPALITIES, SOME OF WHICH DO NOT HAVE THE MEANS TO DEAL WITH GROWTH. CREATES PROBLEMS WITH RESPECT TO:
IV INADEQUATE SUPPLY OF ENTRE- PRENEURIAL TALENT	A. infrastructure
A. Many businesses are com- placent and do not show much initiative	B. planning
B. Many need entrepreneurial assistance	C. growth management
C. Many are unwilling to accept business advice	D. demand for services & pro- perty tax increases

PROBLEMS & NEEDS OF AREAS
WITH LOW RATES OF GROWTH

PROBLEMS & NEEDS OF AREAS
WITH HIGH RATES OF GROWTH

V DEPENDENCE ON TRADITIONAL INDUSTRIES, SOME OF WHICH ARE IN DECLINE ON THE NATIONAL LEVEL

VI INADEQUATE TRANSPORTATION SYSTEMS

A. No railroad service or inadequate railroad service to support traditional industry

1. In high growth areas, there is more economic diversification which includes high technology industries many of which do not require railroad service

B. Inadequate access to I-95 or the turnpike

VII LIMITED ABILITY OF MUNICIPALITIES TO DEAL WITH GROWTH AND DEVELOPMENT

A. Lack of expertise on planning board

B. No economic development strategies

C. Increased property tax expenditures spread over a small tax base

VIII INADEQUATE SUPPLY OF SEED CAPITAL FOR NEW SMALL BUSINESS

IX LOW ASPIRATION LEVELS OF STUDENTS

E. property valuation increases which:

1. considerably increase the cost of existing and new housing and industrial facilities
2. forces some people to sell or leave their residence for more affordable housing

VI CREATION OF A SIGNIFICANT NUMBER OF WORKING POOR

A. Cost of housing, low wages for unskilled workers, and lack of support services are creating class of working poor

1. insufficient availability of affordable, quality day care
2. lack of public transportation

JOINT STANDING COMMITTEE ON ECONOMIC DEVELOPMENT
STUDY ON REGIONAL ECONOMIES OF MAINE
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October 1987

PROBLEMS COMMON TO AREAS
WITH HIGH OR LOW GROWTH RATES

- | | |
|--|--|
| I INADEQUATE SUPPLY OF AFFORDABLE
DECENT HOUSING | V INADEQUATE SUPPORT SERVICES FOR
LABOR |
| II INADEQUATE SUPPLY OF SKILLED LABOR | A. Inadequate supply of afford-
able, quality day care |
| A. Decline in enrollments in voca-
tional regional centers occurring
at same time of economic growth | B. Very limited public trans-
portation services |
| III INADEQUATE ROADS AND INCREASING USE
OF HIGHWAY NETWORKS | C. Very limited resources to
assist the working poor |
| IV LOW WAGE RATES FOR UNSKILLED LABOR | 1. Job training program for
AFDC recipients (WEET
program) reaches 6.6% of
eligible participants |
| A. growth in numbers of working poor | 2. Other job training pro-
grams are not available
to working poor |
| B. Many of these jobs do not provide
fringe benefits including health
insurance | 3. Many need basic instruc-
tion including personal
hygiene, reading/
literacy, and personal
communication |
| | VI DECLINE IN TRADITIONAL MATURE
INDUSTRY, ESPECIALLY IN
MANUFACTURING |

JOINT STANDING COMMITTEE ON ECONOMIC DEVELOPMENT
STUDY ON REGIONAL ECONOMIES OF MAINE
SUMMARY OF ECONOMIC PROBLEMS AND NEEDS OF VARIOUS REGIONS
BY CATEGORIES OF GROWTH

Prepared by: Ted Potter
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October 1987

PERSISTENT PROBLEMS OR PROBLEMS
THAT MAY INTENSIFY WITH GROWTH

- | | |
|--|--|
| <p>I INADEQUATE SUPPLY OF AFFORDABLE, DECENT HOUSING</p> <p>A. New housing is targeted to higher income families</p> <p>1. rental units require 50% or more of monthly income for many families</p> <p>II INADEQUATE SUPPLY OF SKILLED AND TECHNICAL LABOR</p> <p>A. Singificant growth in highly specialized jobs</p> <p>III INADEQUATE SUPPORT SERVICES AND BENEFITS FOR LABOR</p> <p>A. Creates a significant number of working poor, aggravates unemployment rates, and intensifies labor shortage</p> <p>1. inadequate supply of affordable, quality day care facilities and inadequate public transportation services</p> <p>2. Many jobs provide no benefits - discourages AFDC and other recipients of assistance to work in the private sector</p> <p>3. Many low paying jobs that provide no or very limited benefits - working people remain in poverty</p> | <p>IV SUBSTANTIAL PRESSURE ON MUNICIPALITIES AND REGIONS THAT ARE NOT PREPARED TO EXPLOIT AND MANAGE GROWTH TO THEIR BEST ADVANTAGE</p> <p>A. Need for local and regional economic development strategies</p> <p>B. Need for better municipal evaluation of development projects</p> <p>C. Suburbanization & industrialization of rural areas</p> <p>V SUBSTANTIAL PRESSURE ON INFRASTRUCTURE, ESPECIALLY LOCAL INFRASTRUCTURE - INADEQUATE TO SUPPORT ECONOMIC GROWTH AND DEVELOPMENT</p> <p>A. Local roads and some state maintained highways are congested and inadequate</p> <p>B. Solid waste, sewage and water treatment facilities, industrial facilities are near or at capacity</p> <p>VI DECLINE OF TRADITIONAL, MATURE INDUSTRY, ESPECIALLY MANUFACTURING, & REPLACEMENT OF HIGHER PAYING MANUFACTURING JOBS WITH LOWER WAGE RETAIL TRADE AND SERVICE SECTOR JOBS</p> <p>A. Creates significant numbers of working poor</p> <p>1. Many do not qualify for federal training or social welfare assistance</p> <p>2. Need higher paying jobs</p> |
|--|--|

PERSISTENT PROBLEMS OR PROBLEMS
THAT MAY INTENSIFY WITH GROWTH

VII DEMAND ON THE EDUCATIONAL SYSTEM

- A. Reduce literacy
- B. Improve student aspiration levels
- C. Produce better educated students and more skilled students, especially in areas of vocational educational and technical knowledge

VIII INABILITY OF LOCAL AND REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS TO RESOLVE FUNDAMENTAL PROBLEMS

- A. Many of the problems require resources beyond local and even regional ability to provide
- B. Some of the problems are statewide policy issues

PROBLEMS AND NEEDS FOR WHICH LOCAL AND
REGIONAL RESOURCES MAY BE INADEQUATE, WHICH
MAY REQUIRE A STATE POLICY OR POLICY CHANGE,
OR WHICH LIE WITHIN THE DOMAIN OF THE PRIVATE SECTOR

- I INADEQUATE SUPPLY OF SKILLED LABOR
- II SHORTAGE OF AFFORDABLE, DECENT HOUSING
 - A. Municipalities have some means to address this problem
 - 1. manufactured housing
 - 2. population density requirements
 - 3. minimum lot sizes
- III SOME INFRASTRUCTURE DEFICIENCIES
 - A. For example, e.g., railroad transportation
- IV LACK OF SEED CAPITAL FOR NEW BUSINESSES
- V LOW WAGES/LACK OF BENEFITS FOR EMPLOYEES
- VI INADEQUATE SUPPORT SERVICES FOR LABOR
 - A. Day Care
- VII DECLINE OF SOME TRADITIONAL, MATURE INDUSTRIES AND
REPLACEMENT OF THESE JOBS WITH LOWER PAYING RETAIL TRADE
AND SERVICE SECTOR JOBS.
- VIII

TP/lk/2484*

APPENDIX D

QUESTIONNAIRE PROVIDED TO PARTICIPANTS
IN COMMITTEE HEARINGS

JOINT STANDING COMMITTEE ON STATE GOVERNMENT

A Study of the (Name of the LMA) Market Area

Questionnaire

Please carefully review the questions below relating to the (Name of LMA) labor market area. Please address your responses to the labor market area or areas with you are familiar.

I PROBLEMS, NEEDS, AND WEAKNESSES OF THE LABOR MARKET AREA ECONOMIES

A. LABOR

1. Is there a labor problem in the (Name of the LMA) labor market area? If there is, what is it?
 - a. a scarcity of labor
 - b. an inadequate supply of skilled labor
 - c. a relatively high rate of illiteracy
 - d. other, please specify
2. How can the labor problem be resolved? Please specify the means by which this problem could be remedied.
3. Are you aware of any remedial measures that are currently being applied to address the labor problem?
 - a. How effective are these remedial measures?

B. WAGES

1. Is there a wage problem (low wages) in the (Name of the LMA) labor market area? If there is a wage problem, how significant is it? Is the wage problem the result of:
 - a. the type of business in the labor market area that generally, across the nation, pays low or minimum wages
 - b. the size and age of businesses in the labor market area which may be small, fledgling operations

- c. severe competition from foreign low wage rate nations
 - d. severe competition from similar firms in other parts of the nation
 - e. other, please specify
2. How can the wage problem be resolved? Please specify the means by which this problem could be remedied (e.g., the attraction of higher wage paying firms to the area).
 3. Are you aware of any remedial measures that are currently being applied to remedy the wage problem? How effective are these remedial measures?

C. HOUSING

1. Is there a housing problem in the (Name of the LMA) labor market areas? How significant is the problem? Is the problem the result of:
 - a. an inadequate supply of decent housing
 - b. housing that is too expensive
 - c. an inadequate supply of upper income housing for management, etc.
2. How can the housing problem be resolved? Please specify the means by which this problem could be remedied.
3. Are you aware of any remedial measures that are currently being applied to address the housing problem?
 - a. How effective are these remedial measures?

D. TRANSPORTATION

1. Is there a transportation problem in the (Name of the LMA) labor market areas? If there is a transportation problem, is this problem the result of:
 - a. an inadequate road system - please explain
 - b. an inadequate rail system - please explain
 - c. inadequate air transportation - please explain

- d. inadequate port facilities - please explain
 - e. inadequate public transportation - including demand response transportation - please explain
 - f. other - please explain
2. How can the transportation problem be resolved? Please specify the means by which this problem could be remedied.
 3. Are you aware of any remedial measures that are currently being applied to address the transportation problem? How effective are these measures?

E. ENTREPRENEURSHIP

1. Is there an entrepreneurship problem in the (Name of the LMA) labor market areas? If there is an entrepreneurship problem, is it the result of:
 - a. an unwillingness of business owners or managers to change their approach to business and to adapt their businesses to changes in the economy?
 - b. the nature of business in the area which tends to be small business, the management of which is preoccupied with day-to-day operations of the business?
 - c. insufficient business assistance services by which entrepreneurs and managers could better operate their businesses?
 - d. an unwillingness of business owners and managers to accept business assistance advice?
 - e. an unwillingness of business owners to accept equity investments by outside or other investors?
 - f. resistance of the current business community to new businesses that may wish to develop in the area?
 - g. the location of the labor market area? - please explain
 - h. other, please explain
2. How can the entrepreneurship problem be resolved? Please specify the means by which this problem can be remedied.

3. Are you aware of any remedial measures that are currently being applied to address the entrepreneurship problem? How effective are these remedial measures?

F. FINANCE

1. Is there a business financing problem in the (Name of the LMA) labor market area? If there is a problem, what is it?
 - a. the attitude and demands of the financial sector toward business in the labor market areas?
 - b. an unwillingness of a number of businesses to borrow money?
 - c. a lack of knowledge on the part of a number of businesses with respect to applying for business loans?
 - d. a lack of knowledge of financial assistance programs available from the federal government (SBA) and the State (FAME)? Is the cost of the application process for assistance from these agencies a deterrent?
 - e. other, please explain
2. How can the business financing problem be resolved? Please specify the means by which this problem could be remedied.
3. Are you aware of any remedial measures that are currently being applied to address the business financing problem? How effective are these remedial measures?

G. LOCATION

1. Is the location of (Name of the LMA) a problem with respect to the growth of new business or expansion of existing business in these areas? If there is, is it the result of:
 - a. distance from the market
 - b. inadequate access to the (Name of the LMA) area?
 - c. inadequate support services for businesses in these areas
 - d. other, please explain

2. How can the location problem be resolved? Please specify the means by which this problem could be remedied.
3. Are you aware of any remedial measures that are currently being applied to address the location problem? How effective are these remedial measures?

H. INFRASTRUCTURE

1. Is there an infrastructure problem (lack of adequate facilities such as sewerage treatment, water, industrial parks waste disposal, etc.) in the (Name of the LMA) labor market area? If there is an infrastructure problem, please specify the problem and the cause or causes of this problem?
2. How can the infrastructure problem be resolved? Please specify the means by which this problem could be remedied.
3. Are you aware of any remedial measures that are currently being applied to address the infrastructure problem? How effective are these remedial measures?

I. COMMUNITY SUPPORT

1. Are the communities in the (Name of the LMA) labor market area supportive of business expansions or the location of new businesses in these areas?
 - a. If they are, please describe how these communities support and encourage business development?
 - b. If the communities are not supportive or do not encourage new businesses or business expansions, please describe how you draw this conclusion.
2. How can the community support problem be resolved? Please specify the means by which this problem could be remedied.
3. Are you aware of any remedial measures that are currently being applied to address the community problem? How effective are these remedial measures?

J. OTHER PROBLEMS

1. If there are other problems relating to the growth and development of the (Name of the LMA) labor market area, please describe the problems briefly and the means by which these problems could be overcome.

II GROWTH MANAGEMENT

1. Along with all the benefits that are derived from economic development, do you perceive any problems that have resulted from or could result from growth and development in the (Name of the LMA) labor market area? Please explain.
2. Has growth and development created problems that could hamper future growth and development (e.g., business interests and housing developers competing for land and infrastructure)?
3. In your opinion, is any type of growth management necessary or desirable? If your answer is "yes" please explain who should be involved in growth management, the type of growth management necessary, and how growth management should be implemented.
4. In your opinion, has federal or state regulation in any way impeded economic growth and development in the (Name of the LMA) labor market area?

TP/lk/3282m

APPENDIX E

LEGISLATION PROPOSED BY THE JOINT STANDING COMMITTEE
ON ECONOMIC DEVELOPMENT

2620*
2484*
c:3297*

Draft TP
12-23-87
2749*

SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN

AN ACT to Facilitate the Collection and Organization
of Data for Effective Use in State Government.

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

Sec. 1. 5 MRSA §12004, sub§ 13 ¶A, sub¶(4) is enacted to
read:

(4)	STATE DATA	NOT AUTHORIZED	5MRSA §13302
	COORDINATING		
	COMMITTEE		

Sec. 2. 5 MRSA c. 385 is enacted to read:

CHAPTER 385

DATA FOR ECONOMIC DEVELOPMENT AND PLANNING PURPOSES

§13301. Purpose

The Legislature finds that comprehensive statistical data essential to the evaluation, forecasting and monitoring of economic and social change and for economic and other types of planning is not currently collected in a manner by which the data can be used or shared effectively. State agencies, in many cases, collect similar data and organize the data to fit

the needs and interests of that agency. State agencies often cannot use significant data for their needs which has been collected by other state agencies.

The Legislature finds that the Department of Economic and Community Development and the State Planning Office require comprehensive and accurate data to carry out the purposes for which these agencies have been created. To meet this need, the State Data Coordinating Committee as herein established, shall serve to develop procedures for the tabulation of data and to coordinate the collection of statistical data among state agencies for the use of the Department of Economic and Community Development, the State Planning Office, other organizations assisting or working with these agencies, and the Legislature.

§13302. Committee established

The State Data Coordinating Committee is established to achieve the purpose as defined in this chapter. The committee is also established to work with municipalities and regional planning and economic development organizations to generate and share data for economic development and planning purposes.

The State Data Coordinating Committee shall work closely with the Information Services Policy Board to collect and generate data and coordinate data collection of state agencies that is important to the evaluation, monitoring, and forecasting of economic development, understanding economic and social change, and to planning.

§13303. Definitions

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings:

1. Committee. "Committee" means the State Data Coordinating Committee.

2. Designee. "Designee" means a person in a major policy-influencing position as defined in chapter 7.

§13304. Committee membership

The committee shall consist of 11 voting members.

1. Members. The board shall consist of the following members:

A. The Commissioner of Economic and Community Development or his designee;

B. The Commissioner of Education or his designee;

- C. The Commissioner of Human Services or his designee;
- D. The Commissioner of Labor or his designee;
- E. The Deputy Commissioner of Administration for Information Services;
- F. The Chairman of the Public Utilities Commission or his designee;
- G. The State Tax Assessor;
- H. The Director of the Maine State Housing Authority or his designee who shall be a managerial and policy development person;
- I. The Director of the State Planning Office or his designee;
- J. The chief-executive officer of the Finance Authority of Maine or his designee who shall be a managerial and policy development person; and
- K. The executive-director of the Maine Vocational Technical Institute System or his designee.

2. Chairman. The Director of the State Planning Office shall be the chairperson of the committee. The chairperson may designate a temporary chairperson to conduct the business of the committee during the absence of the chairperson.

3. Meetings. The committee shall meet at least 10 times a year.

4. Majority vote. Any policies recommended for adoption shall require the affirmative vote of a majority of the members of the committee.

§13305. Duties and responsibilities of the committee

The committee shall have the authority, responsibilities and duties as defined in this section.

1. Develop data collection process. The committee shall develop a data collection process which, at a minimum, shall collect and organize data by municipality.

2. Develop a uniform format for data collection and organization. The committee shall develop a uniform format for data collection and organization to be used by each agency in order that data may be easily compared and contrasted and used to produce a comprehensive picture of economic and social growth and change in specific geographical areas.

3. Type of data. The data to be collected and organized pursuant to this chapter shall be data important to the evaluation, monitoring, and forecasting of economic growth, the understanding of economic and social change, and to economic and other types of planning. At a minimum, this data shall include:

- A. Employment data, including employment by standard industrial classification code and by occupation;
- B. Wage data, by SIC Code and by occupation;
- C. Income data, including personal, and business income;
- D. Housing data.
- E. Levels of education of the work force;
- F. Enrollment in secondary vocational regional centers and the Vocational Technical Institute System;
- G. Enrollments of Maine residents in colleges and universities located inside and outside Maine;
- H. Job training including participants and types of programs;
- I. Business financing data;
- J. General assistance data, including state and municipal assistance;
- K. Business growth and change including business expansions, new businesses, and business closings;
- L. Changes in land use from an undeveloped status to a developed status;
- M. Investments in business in Maine which shall be differentiated in accordance with the SIC Code; and
- N. Business usage of electrical power, differentiated according to SIC Code standards.

4. Develop designated geographical units. The committee shall develop designated geographical units by which data shall be organized. At a minimum, the data shall be organized by municipalities and by counties.

5. Other organizational criteria. The committee may develop other criteria by which data may be organized.

6. Adopt rules. The committee shall adopt rules in accordance with the Maine Administrative Procedures Act, chapter 375, for the collection, organization, and transfer of data and for the determination and disposition of confidential data.

7. Confidentiality. The committee shall establish standards by which confidential data shall be determined. In the event that confidential data is required to evaluate any issue, conduct forecasting, or to undertake planning, the confidential data shall be provided in accordance with rules established pursuant to subsection 6. These rules shall not prohibit the transfer or provision of confidential data, the confidentiality of which shall be preserved by the user.

§13306. Publication of data and catalogue of data sources

The Department of Economic and Community Development shall publish the data depicting economic growth and change at least annually. The department may charge fees to persons and organizations outside state government for these publications.

A. The department shall publish a catalogue of data sources to include private sector data sources and services.

§13307. Report

The committee shall determine the costs of alternatives to implement the provisions of this chapter. The committee shall report its findings and recommendations to the Governor and to the First Regular Session of the 114th Legislature no later than December 30, 1988.

§13308. Review of data

The committee, at least annually, shall review the data collected pursuant to this chapter, the organization of the data, and the process by which the data is collected and shared. The committee may propose changes to the Governor and the Legislature with respect to the collection, organization, and sharing of data. In the event that changes are made in the organization of data, no changes may be implemented that will prevent the comparison and contrast of data among the initially designated geographical units over time.

STATEMENT OF FACT

This bill is a product of the study of the Joint Standing Committee on Economic Development which analyzed 14 regional economies throughout the state. The committee found that data necessary for a comprehensive understanding of regional economies is collected by many different agencies, each of

which, collects data for different geographical units. As a result, it is extremely difficult, if not impossible in many cases, to compare data among selected or specified regions or geographical units.

This bill proposes to establish an interagency data coordinating committee to include the Deputy Commissioner of Administration for Information Services, the Director of the State Planning Office who will serve as chairperson, and 9 other directors or commissioners of state agencies. The purpose or mission for the coordinating committee to determine the means and the cost by which data collected by several different agencies and necessary for economic development and planning may be organized and easily adopted to any designated geographical units.

At a minimum, the data will be collected by municipalities and by counties. The coordinating committee is also required to develop a uniform format for the collection of the data.

The coordinating committee will report its findings and recommendations, including costs and implementing legislation to First Regular Session of the 114th Legislature.

TP/lk/2749*

Drafted by: Ted Potter, L.A.
Com. on Economic Development

SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN

AN ACT to Make Housing More Affordable
to Maine Citizens.

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

Sec. 1. 5 MRSA §1742, sub-§23, as enacted by PL 1987, c. 407, is amended by adding ¶D to read:

D. The department shall work closely with the Maine State Housing Authority to develop a procedure by which surplus state owned land and structures are held in trust for the purpose set forth in this section and 30 MRSA c. 329, sub-c. II, articles 3-A and 8.

Sec. 2. 30 MRSA §4602, sub-§2, ¶B, 1st sentence is amended to read:

B. The state authority, as authorized by Title 5, section 12004, shall have 7 commissioners, 5 of whom shall be appointed by the Governor, subject to review by the Joint Standing Committee on State Government having jurisdiction over economic development and to confirmation by the Legislature, and one of whom shall be the Treasurer of State or his designee, ex officio.

Sec. 3. 30 MRSA §4602, sub-§2, ¶B, 4th sentence is amended to read:

The director of the state authority shall be appointed by the Governor, subject to review by the Joint Standing Committee on State Government having jurisdiction over economic development and to confirmation by the Legislature.

Sec. 4. 30 MRSA Chapter 239, sub-c. II, Article 3-A is enacted to read:

ARTICLE 3-A

AFFORDABLE HOUSING PROGRAM

§4661. Purpose

The State of Maine is experiencing severe shortages of affordable housing in various parts of the state. The affordable housing shortage is also contributing to an increasing class of working poor people and creating severe hardships for a significant number of Maine citizens. Maine municipalities also feel the impact of the affordable housing shortage and find it difficult to deal with the problem with their inadequate resources. By working together sharing resources and using more comprehensive measure, the State and its municipalities can more effectively address the shortage of affordable housing and the many other problems stemming from this housing shortage.

§4662. Comprehensive Plans

Any municipality in which housing is constructed with any type of assistance provided by or through the Maine State Housing Authority or housing which is monitored by the Maine State Housing Authority shall develop a comprehensive plan for the development of affordable housing for low and middle income households. A municipality may cooperate with neighboring municipalities to develop a regional comprehensive plan in lieu of a municipal plan. Any comprehensive plan developed under this article shall include the means by which municipalities or regions can effectively reduce the cost of housing or provide for the construction of affordable housing including zoning measures, use of municipal owned land, and other similar measures.

1. Provide technical assistance and information. The Maine State Housing Authority and any municipal housing authority shall provide technical assistance and information to municipalities requesting assistance in the development of comprehensive plans and in the formulation of measures to effectively address the shortage of affordable housing for low and middle income households.

2. Municipality owned land and structures. Each municipality shall report to the Maine State Housing Authority any municipally owned land or structures suitable for the construction, reconstruction or rehabilitation of affordable housing for low and moderate income households.

A. A municipality may also include in the report any land or structures within the jurisdiction of any other political subdivision, including school administrative districts, which the municipal officers consider suitable for affordable housing for low and moderate income households.

§4663. Coordination of Resources and programs

Municipal housing authorities and municipalities shall cooperate with the Maine State Housing Authority in the coordination of resources and programs and the development of housing for low and moderate income households.

1. Matching of resources. The state housing authority may match the resources provided by municipalities according to ratios established by the state housing authority by rule in accordance with the Maine Administrative Procedure Act in Title 5, Chapter 379.

A. Municipal resources may consist of land, buildings, equipment, personnel, zoning provisions, money, and any other resources deemed by the State Housing Authority to effectively help to provide affordable housing to low and middle income households.

B. Any municipality and the State Housing Authority may use resources provided by the private sector, by any private, not-for-profit organization, or by any other public sector organization for the purpose established in this article.

§4664. Purchase and acquire property; construct housing.

The State Housing Authority or any municipal housing authority may purchase, or acquire property to preserve or provide affordable housing to low and moderate income people, and provide for the management and maintenance of this property.

1. Construction. the State Housing Authority or any municipal housing authority may construct or reconstruct housing for low and moderate income households.

2. Rehabilitation. The State Housing Authority or any municipal housing authority may rehabilitate buildings as a means of providing affordable housing to low and middle income households.

3. State owned property. The Authority may use surplus state owned property pursuant to 5 MRSA §1742, sub-§23 and 30 MRSA c. 239, sub-c. II, articles 3-A and 8, to achieve the purpose of this article.

4. Property. For the purpose of this article, property shall include land, buildings, structures, and equipment.

§4665. Provide financing

1. Contractors. The State Housing Authority or any municipal housing authority may provide low interest or no interest financing to any person, firm, or organization that agrees to construct, reconstruct, rehabilitate, or purchase and maintain property for housing for low and moderate income households.

2. Housing purchasers. The State Housing Authority or any municipal housing authority may provide financing assistance to any person eligible under this article to purchase housing. The State Authority and any municipal authority may defer down payment costs and may amortize down payment or closing costs over the life of the loans.

§4666. Provide property.

The Authority may provide surplus state property below market value pursuant to 5 MRSA §1742, sub-§23 and 30 MRSA c. 239, sub-c. II, articles 3-A and 8 to any person, firm or organization that agrees to construct, reconstruct or rehabilitate affordable housing for low and moderate income households and maintain this property for this purpose in a written contract with the Authority.

§4667. Rules

The Maine State Housing Authority shall adopt rules in accordance with the Maine Administrative Procedure Act, Title 5, Chapter 375, to implement the provisions of this article, including eligibility standards for financing under this article.

Sec. 5. 30 MRSA §4732, sub-§2, as enacted by PL 1981, c. 702, §w, is further amended to read:

§4732. Housing opportunities for Maine program

2. Use of moneys. Moneys in the Housing Opportunities for Maine Fund shall be applied:

A. to reduce the rate of interest on or the principal amount of such mortgage loans as the state authority shall determine, to reduce payments by persons of low income for rental of single family or multi-unit residential housing affordable by persons of low income; or

B. To fund reserve funds for, to pay capitalized interest on, to pay costs of issuance of, to purchase mortgage loans or otherwise to secure and to facilitate the sale of the state authority's bonds issued in accordance with this subchapter.

C. To third parties to provide reasonable administrative support and planning funds for the development or specific creation of new housing units or the rehabilitation of dilapidated or substandard existing housing units.

If any monies in the Housing Opportunities for Maine Fund are used in conjunction with or as part of the issuance of any mortgage purchase bonds and the proceeds of the bonds are allocated by the authority to assist in the acquisition of housing, the authority ~~shall~~ may require ~~that~~ the purchaser of the housing ~~shall~~ to make a down payment of ~~not-less-than-5%~~ based on a percentage of the price paid for the housing; except that ~~this~~ any down payment requirement shall not apply to mortgage loans insured or guaranteed by the United States Veterans Administration, the Federal Housing Administration or any other agency of the Federal Government that allows for a lesser down payment. The authority may not limit the maximum down payment that may be required.

Sec. 6. 30 MRSA §4787, sub-§1, as enacted by PL 1973, c. 618, §1, is amended to read:

1. Contracts. The Maine State Housing Authority is authorized to establish housing mortgage insurance contracts, to charge and collect premiums, to make appropriate payments and to do all other things necessary and proper to administer a State Housing Mortgage Insurance Program. The Housing Mortgage Insurance Program may be made available to persons who have not financed housing through a program of the Maine State Housing Authority.

A. Any revenues in excess of the money required to insure housing mortgages pursuant to this article shall first be used to pay back any loans from the General Fund which shall be amortized over a maximum period of 10 years.

B. Following repayment to the General Fund, any surplus money may be allocated to the Single Family Home Program.

Sec. 7. 30 MRSA c. 239, sub-c II, article 8, as enacted by PL 1987, c. 407, §4 is amended to read:

1. Study of the inventory of state-owned land. The Maine State Housing Authority, following completion of the inventory for state-owned land pursuant to Title 5, section 1742, subsection 23, shall determine sites that will be suitable for the construction of affordable housing to meet the needs of the State, particularly housing for low-income persons middle income households and

2. Develop plan. The authority shall develop a plan by which the purpose in subsection 1 can be met.

3. Report to Legislature. The authority shall report the results of its study and the plan, including any necessary implementing legislation, to the joint standing committee of the Legislature having jurisdiction over economic development by January 6, 1989.

§4792. Surplus land in trust

The Authority and the Department of Finance shall develop a procedure by which state-owned land and structures determined to be surplus and desirable or needed for affordable housing for low and moderate income households shall be held in trust for this purpose and may not be sold or used for other purposes except with the approval of the Commissioner of Finance and the Maine State Housing Authority Board.

1. Procedure. The procedure established pursuant to this section shall include provisions for the expeditious transfer of title to surplus land and structures to the Maine State Housing Authority to be used for affordable housing for low and moderate income households. Transfer of title to specific parcels of land and structures shall occur following the Authority's preparation of plans for housing projects for these specific parcels or structures.

STATEMENT OF FACT

This bill is designed to make housing more affordable and available to low and middle income households. To achieve this purpose, this bill

1. Proposes to create a partnership between the State Housing Authority, municipal housing authorities and municipalities which would:

A. develop comprehensive plans for municipalities or regions for developing affordable housing for low and moderate income households;

B. coordinate programs and resources of these organizations to more effectively address the problem of affordable housing, and

C. share resources to make affordable housing available to eligible Maine citizens.

2. Authorizes the Maine State Housing Authority and municipal housing authorities to offer low interest or no interest loans to contractors who agree to construct, reconstruct, rehabilitate, or purchase and maintain property for housing for low and moderate income households;

3. Authorizes the Maine State Housing and municipal housing Authorities to purchase land, buildings, and structures for affordable housing;

4. Authorize the Maine State Housing Authority to use surplus state property for affordable housing for low and moderate income households pursuant to PL 1987, c. 407 which provides for an inventory of surplus state property. The Housing Authority may provide this property at below market value or at no cost to any person, firm, or organization which, in contract with the Authority, agrees to construct or rehabilitate and maintain affordable housing for low and moderate income households.

5. Removes the current mandated 5% down payment for persons in the housing opportunities for Maine and allows the State Housing Authority to suspend any down payment requirement;

6. Provides that the Housing Mortgage Insurance Program may be used as a financing mechanism for housing; and

7. transfers review of Gubernatorial appointments to the State Housing Authority, including the director, to the Committee on Economic Development to which housing legislation is referred.

TP/lk/2964*

SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN

AN ACT to Promote Economic Development in the State by
Enhancing Employment Opportunities for Maine People.

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

Sec. 1. 5 MRSA §13056, sub-§8 is enacted to read:

8. The Department of Economic and Community Development, in close cooperation with the Department of Labor, shall work with and inform Maine business entities, job training organizations, and labor recruitment organizations about the employment benefit plans as defined in 22 MRSA §3173-D and 24-A MRSA §2804-A in order to enhance the exploitation of economic opportunities in Maine. The office, in close cooperation with the Department of Labor, shall also work closely with other state agencies to facilitate the implementation of these plans and to monitor the operation, costs and impact of these plans upon the State's growth and development, labor supply, and job opportunities.

1) The office shall report its findings with respect to the impact of these plans to the Joint Standing Committee of the Legislature having jurisdiction over economic development no later than February 1 of each year.

Sec. 2. 22 MRSA §3173-D, is enacted to read:

§3173-D. Extension of Medical Insurance Benefits for Specific Employment Purposes.

Any eligible medicaid recipient who participates in a job training program shall be eligible to continue to receive medical insurance benefits for himself and his dependents throughout the job training program as long as he would otherwise remain eligible for these benefits. In addition, any eligible medicaid recipient who is accepted for employment in a position for which there are no medical insurance benefits for a probationary or temporary period of time shall continue to receive medical insurance benefits for himself and his dependents throughout this probationary or temporary period of time.

1. Employment with no or limited medical insurance benefits. In the event that an eligible medicaid recipient is accepted for employment with an employer which provides no or limited medical insurance benefits to employees and the wages or salary offered by the employer are insufficient as determined by the commissioner to enable the employee to purchase medical insurance benefits for himself or his dependents, the employee shall continue to receive medical insurance benefits for himself and his dependents paid in whole or in part by the program in this chapter.

A. The Commissioner shall adopt rules in accordance with the Maine Administrative Procedure Act, 5 MRSA Chapter 375, that establish standards by which eligibility for the medical insurance benefits provided under this section.

B. The commissioner may require the recipient to contribute toward the payment of these medical insurance benefits as determined by the household income of the recipient and as determined according to standards established pursuant to paragraph A.

Sec. 2. 24-A MRSA §2804-A, is enacted to read:

§2804-A. Special Employee Group.

A group of individuals may be insured under a policy pursuant to a contract between the Superintendent of Insurance and an insurance company.

1. Eligibility. The group of individuals shall consist of employees working full-time or part-time for employers who do not provide medical or health insurance to employees or their dependents.

A. The dependents of eligible employees may also be insured under this policy.

2. Premiums. The premium for the policy shall be paid from funds contributed by the insured employees.

A. In the event that the employee is an eligible employee under 22 MRSA §3173-D, sub-§31, the funds necessary to provide insurance for the employee and his dependents shall be paid by the Department of Human Services.

3. Pre-existing conditions. In the event that an eligible employee is also an eligible medicaid recipient who is subject to requirements regarding pre-existing conditions with respect to medical insurance coverage, the medical coverage shall continue until the employee is fully eligible under the group insurance plan provided under this section. Any payments for treatments relating to pre-existing conditions of employees defined in this sub section shall be paid from funds pursuant to 22 MRSA chapter 855.

STATEMENT OF FACT

This bill is a product of a study conducted by the Joint Standing Committee on Economic Development with respect to 14 regional economies located throughout the State. The Committee received considerable testimony from many different people and organizations located across the State with respect to the inadequate supply of labor, both skilled and unskilled. In some areas, the shortage is so acute that business expansions and new businesses have been "put on hold."

The Committee found that many unemployed people who are general assistance recipients or recipients of other forms of state assistance want to work but are discouraged from accepting employment because they will not receive any medical insurance. Many companies either provide no medical insurance benefits or do not provide these benefits during a probationary period. As a result, the state's labor force is very adversely affected which also creates serious impacts on business growth and development.

The Committee also found that many hard working Maine citizens work for employers who do not provide medical insurance to their employees or their dependents. Many of these firms are very small with only a few employees. In many of these cases, employees cannot afford individual medical insurance policies and thereby are not insured. As medical and hospital bills force some of these employees into poverty and thereby into social-welfare programs, these employees are discouraged from entering into employment with firms providing no medical insurance to employees.

This bill proposes to allow eligible medicaid recipients to continue to receive medical insurance benefits under the medicaid programs while participating in job training programs and during probationary periods with employers. In addition, this bill proposes to establish a medical insurance group

composed of persons working full time or part time for employers who do not provide medical insurance coverage to employees or their dependents. The Superintendent of Insurance will negotiate with a private firm to provide a group plan, the premium of which will be paid from funds provided by employees purchasing this insurance.

By insuring Maine's work force, this bill will not only significantly reduce social-welfare costs to the State over the long-run, it will have a very positive impact upon the economy and the morale of its labor force.

The Office of Business Assistance of the Department of Economic and Community Development of Labor will inform businesses, labor recruitment organizations, and job training organizations about these programs. In addition, the Office of Business Assistance and the Department of Labor shall monitor the implementation of these programs to determine their impact upon the State's economy and labor supply. These agencies will report their findings annually before February 1 to the Committee on Economic Development.

TP/lk/3158*

Drafted by: Ted Potter
Com. on Economic Development

(EMERGENCY)

SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN

AN ACT to Determine the Extent and Impact
of Unemployed Persons No Longer Eligible
for Unemployment Insurance Upon the
State of Maine

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

Whereas, there are many persons who fail to find employment
following the termination of their unemployment compensation
insurance benefits; and

Whereas, many people face severe obstacles such as
illiteracy, the lack of skills, and other liabilities which
prevent them from obtaining employment; and

Whereas, there is inadequate information available to
identify the total number of unemployed persons ineligible for
unemployment compensation, the reason for their inability to
secure employment, and their current status; and

Whereas, the loss of these people from the workforce, especially at a time where there are severe labor shortages in many areas of the state, is a serious and costly liability to the State and its economy; and

Whereas, the tragedy of this situation has a severe and adverse impact upon the families and communities of these forgotten people; and

Whereas, this task needs to be undertaken immediately to effectively address the labor shortage in Maine and the adverse impacts upon the State; and

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

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

§1. 26 MRSA §2005, sub §5, as enacted by P.L. 1987, c. 471, §4 is amended by adding ¶ I to read:

I. Develop and implement a procedure to determine the extent and status of unemployed persons no longer eligible for unemployment compensation in Maine. In conducting this task, the councils shall

(1) determine the number and location of these unemployed persons who are no longer eligible to receive unemployment compensation insurance;

(2) the reasons for their inability to obtain employment;

(3) the number of these people who are receiving assistance from other state programs and the amount of assistance;

(4) the current means by which these people derive a livelihood, and;

(5) determine the means by which these people may be gainfully employed, to include specific policies and actions requiring legislation for implementation.

The Human Resources Development Council shall be assisted in this duty by the state agencies represented on the council and the Division of Community Services.

The Council report its findings and any necessary implementing legislation to the First Regular Session of the 114th Legislature no later than January 15, 1989.

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

STATEMENT OF FACT

This bill is a product of a study of 14 regional economies throughout the state which was conducted by the Joint Standing Committee on Economic Development. The committee found that unemployment statistics may not accurately reflect economic and social distress in a municipality or region because these figures do not include persons who no longer are eligible for unemployment insurance benefits and who failed to find employment. As a result of illiteracy, lack of skills, and other problems, many individuals are unable to find employment and may be "falling between the cracks of the system".

This bill proposes that the recently created Human Resources Development Council develop and implement a procedure to determine the extent and status of persons no longer eligible for unemployment compensation in Maine. In addition, the council will determine the location of these unemployed individuals, the reasons for their failure to obtain employment, and the means by which they could become gainfully employed.

The Council will report its findings to the First Regular Session of the 114th Legislature.

2955*

Comm. on Economic Development
Drafted by: Ted Potter, L.A.
January 11, 1988
Pursuant to study authorized
by Legislative Council
Doc. #3289*

SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. _____

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN

AN ACT to Enhance the Ability of the State to
Respond to the Information Needs of Maine Business.

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

Appropriation. The following funds are appropriated from
the General Fund to carry out the purposes of this Act.

1988-89

DEPARTMENT OF ECONOMIC AND
COMMUNITY DEVELOPMENT

Office of Business Assistance

Positions	(2)
Personal Services	\$57,940
All other	7,000
Capital Expenditures	1,000

TOTAL	\$65,940
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The money from this appropriation
shall be used to fund 2 new Business
Information Specialist positions
in the Business Assistance Referral

and Facilitation Program of the Office of Business Development. In addition, the money shall be used to advertise the program throughout the State in major newspapers of the State.

STATEMENT OF FACT

This bill is the product of a study conducted by the Joint Standing Committee on State and Local Government with respect to regional economies of the State. Testimony presented to the committee at hearings conducted throughout the State, indicated that resources available to the "Business Answers" Program are very inadequate.

As a result of the popularity of and demand for this program, the Department of Community and Economic Development has stopped advertising the program. Many businesses and economic development people are unaware of the central clearing house of information for businesses located in the department and these business people and economic development officials urged the Committee on Economic Development to provide more resources to this program.

This bill provides funds to support new positions in the "Business Answers" program, to pay for new toll free incoming wats lines, and to advertise this program in major newspapers throughout the State.

TP/lk/3289*

Drafted by: Ted Potter, L.A.
Com. on Economic Development

SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN

AN ACT to Provide Challenge Grants for the Development
of Municipal and Regional Economic Development Strategies.

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

Sec. 1. 5 MRSA §13072, subsection 3, as enacted by PL
1987, c. 534, §17, is amended by adding the following to read:

A. Any municipality, municipal development organization or regional economic development organization which seeks assistance from the department, shall be required to have a municipal or regional economic development strategy that is consistent with the provisions of the state strategy.

B. Any regional economic or community development strategy shall include policies to promote and facilitate the development of affordable housing for low and middle income persons, and policies to prudently manage growth.

C. Development grants shall be provided to municipalities and regional economic development organizations on a matching basis, the ratio to be determined by the commissioner according to standards established by rules in accordance with the Maine Administrative Procedure Act, chapter 375.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1987-88

DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT

Office of Community Development

All Other	\$ 500,000
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TOTAL	\$ 500,000
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The money appropriated to the Office of Community Development shall be used as development grants pursuant to 5 MRSA §13072, sub-§3. Grants provided from this appropriation shall not exceed \$25,000 per grant.

STATEMENT OF FACT

This bill is a product of a study conducted by the Joint Standing Committee on Economic Development with respect to 14 regional economies located throughout the State. The committee received considerable testimony from municipalities, economic development organizations, and individuals which emphasized the need for municipal and regional economic development strategies.

This bill proposes that any municipality, municipal development organization, or regional economic development organization which obtains any assistance from the Department of Economic and Community Development be required to develop a municipal or regional strategy. The strategy is required to include provisions to promote and facilitate the development of affordable housing for low and middle income households as well as policies to prudently manage growth.

This bill also proposes a \$500,000 appropriation to the Department of Economic and Community Development to be matched with local and regional resources for the creation of the strategies.

The purpose of the bill is to more precisely determine the assets and liabilities of a municipality or region and to more effectively target resources to exploit opportunities and resolve problems.

2912*

Drafted by: Ted Potter, L.A.
Com. on Economic Development

SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN

AN ACT to Incorporate Economic Growth and Development
and Growth Management in Transportation Planning.

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

Sec. 1. 23 MRSA §4206, sub-§1, ¶A, as enacted by PL 1971,
c. 593, §16 is amended to read:

A. To develop for the State comprehensive, balanced
transportation policy and planning that take into
consideration economic growth and development in the
several regions of the State, as that will meet the
present and future needs for adequate, safe and efficient
transportation facilities and services, and that will
facilitate economic growth and development as well as the
good management of growth and development throughout the
state.

(1) In considering economic growth and the management
of growth, the commissioner shall consider the impact
of existing and proposed transportation facilities
upon existing community businesses, land values,
growth and development patterns, and community
identity.

Sec. 2. 23 MRSA §4206, sub-§10 is enacted to read:

10. Require municipal transportation plans. The commissioner shall require any municipality that obtains any money from or through the department to develop a comprehensive transportation plan that takes economic growth and development and the prudent management of growth into consideration. Comprehensive plans shall be updated every 5 years.

A. In considering municipal economic growth and development and the prudent management of growth, the municipal officials shall consider the impact of existing and proposed transportation facilities upon existing community businesses, land value, growth and development patterns, and community identify.

B. The commission shall encourage neighboring municipalities to develop regional comprehensive transportation plans that take into consideration the factors defined in paragraph A.

(1) a regional comprehensive plan may be substituted for a municipal comprehensive plan..

Sec. 3. 23 MRSA §4504, sub-§2, as enacted by PL 1987, c. 484, §2 is amended by adding paragraph A to read:

A. Any transportation capital improvement plan prepared under this chapter or this title shall take into consideration economic growth and development in the several regions of the state. In addition, one of the goals f this plan shall be the facilitation and good management of economic growth and development through the prudent construction, reconstruction, and location of transportation facilities.

(1) In considering economic growth and development and the management of growth, the commission shall consider the impact upon existing community businesses, land values, growth and development patterns, and community identity.

STATEMENT OF FACT

This bill is a product of a study conducted by the Joint Standing Committee on Economic Development with respect to 14 regional economies located throughout the State. The committee received considerable testimony from persons and organizations with respect to the need for municipal and regional economic development and growth management plans or strategies.

One of the areas in which more comprehensive planning and analysis is needed is in transportation planning. Municipalities in particular, according to the testimony, do not adequately plan with respect to transportation facilities and systems. The Department of Transportation testified that economic development and growth management are not variables taken by the department into consideration with respect to transportation planning.

Transportation is a key to economic development and growth management. As a result, these factors are required by this bill to be considered by the State and its municipalities in developing transportation plans. In addition, any municipality receiving funds from the Department of Transportation are required to develop municipal comprehensive transportation plans. Municipalities, in lieu of a municipal plan, may join with other municipalities and develop a comprehensive regional transportation facilities plan.

2957*