

# MAINE STATE LEGISLATURE

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2017 Annual Report of the

# Competitive Skills Scholarship Program

Submitted by

John Butera, Commissioner

Maine Department of Labor



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**2017 Report**  
**of the**  
**Competitive Skills Scholarship Program**

Transmitted to:

Joint Standing Committee on Labor, Commerce, Research and Economic Development

by:

John Butera, Commissioner

Maine Department of Labor

As Required by 26 MRSA §2033(10)

# Executive Summary

The success of Maine's economy will ultimately be tied directly to the skill of our workforce. Maine's shrinking population and aging workforce combined with relatively low levels of educational attainment and a workforce lacking the skills/qualifications desired by Maine's employers presents a serious challenge for Maine's present and future economy. The Competitive Skills Scholarship Program (CSSP) is a successful State funded program that is helping to move our workforce and economy forward.

The CSSP is open to all qualified Maine residents and pays for education/training and necessary support services for high-wage jobs in-demand in Maine. Individuals who qualify for the program must have a family income of 200 percent of federal poverty level or less with the desire and ability to earn a marketable college degree or post-secondary occupational certificate that is considered to lead to high-wage and in-demand Maine occupations.

Following are some highlights of the CSSP program:

- **Improved financial security.** Successful CSSP completers earn more than unsuccessful trainees and significantly increase their opportunities for future advancement.
- **Increased wages.** The projected\* average starting wage of individuals who complete their CSSP training program with a college degree is \$21.18 per hour compared to their average wage of \$11.10 at entry to the program. It is expected that on average, successful completers of the program will more than double their earnings over time.
- **Low administrative cost.** In 2017, 74% of total CSSP expenditures were spent training and supporting enrollees, only 26% was spent on individual case management and administration of the program.
- **Relevant training for employers.** Healthcare is the largest employment sector in Maine and accounts for 45% of new jobs; 26 percent of CSSP trainees enter healthcare occupations at exit. CSSP is training individuals for in-demand jobs available in Maine.
- **Increased enrollment in 2017.** CSSP served 926 individuals during calendar year 2017, compared to serving 625 in 2016, a 26% increase.
- **Improved recession resiliency.** According to the U.S. Census Bureau, 84 percent of individuals with bachelor's degrees and 77 percent of individuals with associate's degrees in Maine are employed as compared to 70 percent of individuals with high school diplomas. College degrees help individuals find and retain employment; 60 percent of successful CSSP trainees exit the program with college degrees.
- **Increased business engagement.** Businesses are finding it increasingly difficult to attract, train and retain the skilled workforce they need to be competitive. The innovative CSSP Business Program assists businesses to recruit and train new employees or train their low wage and underemployed current workforce for high-wage, in-demand jobs that require the upskilling of the workforce.
- **High school students supported to pursue degree programs.** CSSP Bridge Year students can graduate from high school with up to eight college courses completed, and receive CSSP funding and CareerCenter consultants to support them as they pursue a CSSP supported college degree on the CSSP approved high-wage in-demand occupations list.

\*projected hourly wage presented is based on the assumption that individuals are working 40 hours per week, 52 weeks of the year

## Competitive Skills Scholarship Program Brief Overview

Program Start-Year	2007
Total Served	2,217
Total Served 2017	925
Median quarterly wage at Entrance	\$3,669
Median quarterly wage at Exit	\$6,147
Total Median Quarterly Earnings of Participants Prior to Enrollment	\$7,711,313
Total Median Quarterly Earnings of Exiting Participants	\$9,405,109

### Expense Summary 2017

Training	\$1,674,439
Support Services	\$657,651
Stipend	\$644,557
Administration	\$1,064,145
TOTAL Expenditure 2017	\$4,040,792

### Average Costs

Average Cost Training	\$1,810.00
Average Cost Support	\$ 711.00
Average Cost Stipend	\$ 697.00
Average Cost Administration	\$1,150.00
Average Cost Per Person	\$4,368.42

### Allocations and Revenue

Average Annual Allocation	\$3,586,624.45
Revenue Balance as of 12/31/17	\$3,824,017.28

### Demographics

Female/Male	60%/40%
Age Average	39 years
Age Median	38 years
Average Number of Family Members	2.49
Range of Number of Family Members	1 – 10 members
Food Stamp Recipients	38%
Income at or below Federal poverty line	73%

### Employment Status at Application

Employed	33%
Unemployed	63%
Employed But with Notice of Layoff	4%

# Looking Ahead

The Bureau of Employment Services continues to work toward the overarching CSSP goal of providing eligible individuals with access to postsecondary education, training for industry-recognized credentials, and support leading to skilled, well-compensated jobs with anticipated high employment demand.

Through the Maine Department of Labor's expanded outreach to individual businesses and industry sectors, the CSSP program and particularly the CSSP Business program are helping the State's workforce development system (WDS) to reach several strategic objectives: increasing the relevance of the WDS to employers and using aligned workforce funding to produce an educated and skilled workforce.

In 2017, the annual average unemployment rate in the United States was 4.4% while the estimated annual average unemployment rate in Maine during 2017 is 3.4%, and dropped as low as 3.0% in March and December. The extremely low unemployment rate means that very few people are currently looking for jobs and has employers scrambling to find and hire the skilled workforce they need to be competitive in today's global market. Maine employers typically know very little about how Maine's CareerCenters in conjunction with the CSSP Business Program can help them to recruit, hire, train and retain the skilled workforce they desperately seek. As the labor market has tightened up, CareerCenter staff have increased their focus on reaching out to employers to listen to their hiring and training needs and to let them know about our business programs and services. The focus by CareerCenter staff on employer outreach will continue in 2018 and through the foreseeable future.

Employers are more inclined to invest training funds in their current workforce. The CSSP Business Program can assist employers in upskilling their entry-level workforce to mid-level positions and backfill open entry-level positions with new-hires recruited through Maine's CareerCenters. The CSSP Business supported cohort training model has proven to be very successful in training new hires and upskilling existing staff in the healthcare and manufacturing sectors. We will work to replicate the cohort training model with more employers in multiple sectors. The shorter-term employer based training resulting in an industry recognized credential or certificate for entry level and/or new-hires is a win-win for both the employers and the trainees. Short term cohort training results in meeting employers needs for a skilled workforce in a shorter time period and trainees earning marketable skills and credential at less expense for the workforce development system which allows us to serve more people with the same amount of funds.

Though unemployment is low, many Maine people continue to struggle and need to work multiple low-wage part-time jobs, attempting to make ends meet. Earning a college degree and/or an employer recognized certification can be the key to earning a living wage. CSSP just concluded its tenth full year in operation since it was launched in the fall of 2007. By the end of 2018, it is expected the program will have enrolled close to 2,700 people who aspire to improve their work skills, competitive position in the Maine labor market, and financial stability due to improved earnings. The program is meeting an otherwise unmet need for skilled workers in high-wage, high-growth occupations, helping to fill a gap for Maine businesses.

# Conclusion

Our ongoing experience with CSSP has provided important information. We know from the large number of applications compared to the number of openings available, that it remains in high demand. The benefits of postsecondary education and training are both tangible and intangible. Employers who are hiring will be more inclined towards the more educated, better trained, and more experienced job seekers as they will have the skills and competencies necessary for personal and business success.

The *Education Indicators for Maine* report found that Maine students pay a higher proportion of their income for college than other students in New England, and have a higher per capita debt as a proportion to income for when they leave college compared to other students in New England. <sup>1</sup>Maine students who graduated from college in 2014 had on average \$31,000 in debt; the 6<sup>th</sup> highest of all states in the country.<sup>2</sup> While incurring little to no debt, individuals enrolled in CSSP can earn a skilled trade credential, an industry-recognized certificate or a college degree that connects them to a high-wage, in-demand job in Maine.

CSSP is one of the few remaining state-funded programs allowing flexibility to support our state's specific training that leads to post-secondary credentialing and toward meeting employer demand for skilled workers. Education better-protects workers from losing their jobs during recessions, as economic downturns have the greatest impact on workers with the least education. Currently, only 43% of Maine adults have a postsecondary credential of value.<sup>3</sup> According to *Maine Kids Count*, 14,000 Mainers ages 16-24 are not working and not in school (2015). This disengagement of youth is due in part to a lack of financial means and support. The program's benefits go beyond financial, making it possible for low-income adults to begin a journey on a career pathway leading to self-sufficiency for themselves and their families. CSSP is a successful workforce development program, helping to strengthen the Maine economy by helping businesses meet the demand for skilled workers while offering workers higher wages and better employment outcomes.

CSSP was designed by the Maine Legislature to help participants prepare for high-wage, skilled jobs that are in demand by our employers. Analysis of participants' training choices in light of projected job openings indicates the program is successfully connecting people with training for jobs that are in demand in Maine. Further, it is widely recognized that persons with more education and training increase their chances of employment in good paying jobs, and they possess the marketability to keep those jobs or advance in their professions. Finally, participants themselves have provided important insights into the critical role that CSSP is playing in helping them succeed.

CSSP is a successful, flexible workforce program, helping to strengthen the Maine economy by helping business meet the demand for skilled workers while offering workers higher wages and better employment outcomes. As the demands of business continue to evolve, CSSP programming will be adjusted to meet those demands.

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<sup>1</sup> page 21 of [http://educatemaine.org/docs/EDME\\_IndicatorsReport\\_2017-Web.pdf](http://educatemaine.org/docs/EDME_IndicatorsReport_2017-Web.pdf)

<sup>2</sup> the Institute for College Access and Success at <http://ticas.org/posd/map-state-data-2015>

<sup>3</sup> Education Indicators for Maine. (2017). Retrieved February 08, 2018, from [http://www.educatemaine.org/docs/EDME\\_IndicatorsReport\\_2017-Web.pdf](http://www.educatemaine.org/docs/EDME_IndicatorsReport_2017-Web.pdf)