

March 14, 2019

## Maine State Chamber President testifies before U.S House of Representatives' Small Business Committee

*Connors discusses significant economic impact and potential of improved digital technology in rural areas – more than \$550m annually and 3,000 new jobs in Maine*



On Wednesday, March 13, Maine State Chamber of Commerce President Dana Connors appeared before the U.S. House of Representatives Committee on Small Business at a hearing titled, “Flipping the Switch on Rural Digital Entrepreneurship.” Connors testify on the significant impact digital tools, technologies and high-speed internet can have on state and local economies and rural businesses, citing a U.S. Chamber of Commerce report, *Unlocking the Digital Potential of Rural America*, available online at <https://americaninnovators.com/rural-report>.

The report estimates that in Maine, unlocking the digital potential for rural small businesses could add \$315 million to the state GDP per year, grow rural small business sales by more than \$550 million annually, and add more than 3,000 jobs over the next three years.

“Digital tools and technology already are having a beneficial impact on Maine’s rural businesses and our state’s economy,” said Connors. “The potential that exists is extraordinary if we prioritize further investments to bridge the digital divide in rural Maine. The impact would be far-

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## Dana Connors presents testimony on Rural Digital Entrepreneurship to congressional small business committee

**EDITOR'S NOTE:** On Wed., March 13, Dana Connors, president of the Maine State Chamber of Commerce, testified before the U.S. House of Representatives' Committee on Small Business during a hearing entitled “Flipping the Switch on Rural Digital Entrepreneurship.” We have reprinted his testimony below for your consideration.

Chairwoman Velázquez, Ranking Member Chabot and fellow members of the Committee:

Thank you for inviting me to speak with you today about the impact of digital tools and technologies on rural small businesses.

My name is Dana Connors and I am the President of the Maine State Chamber of Commerce—an organization that promotes a positive business environment in the state of Maine. As the state’s premier business advocacy organization, we empower Maine’s business community to collaboratively advance a proactive agenda for economic growth and prosperity throughout the state.

Maine’s rich history, vibrant communities, and unparalleled work ethic make our state a fabulous place to work and live. As the voice of Maine Business, the Maine State Chamber of Commerce represents a network of 5,000 businesses of all sectors, sizes, and regions within our great state. We advocate on their behalf daily before the Legislature, state depart-

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**About the Maine State Chamber of Commerce:** Since 1889, the Maine State Chamber has been fighting to lower your cost of doing business. Through our Grassroots Action Network and OneVoice program, we work with a network of approximately 5,000 companies statewide who see the value in such a service and provide the financial support that keeps our access, advocacy, and assistance efforts going strong. As Maine's Chamber, we make sure that the business environment of the state continues to thrive. The Maine State Chamber of Commerce advocates on behalf of their interests before the legislature and regulatory agencies and through conferences, seminars, and affiliated programs.

## **Chamber testifies in opposition to increase in corporate income tax —**

On Wednesday, March 13, the Maine State Chamber testified in opposition to **LD 903, An Act to Improve Corporate Tax Fairness by Amending the Rates Imposed on Corporate Income**, sponsored by Rep. Cuddy, D-Winterport). The bill would establish two new tax brackets and three new rates for corporate income taxes. Corporate income between \$2 million and \$3 million would be taxed at 8.5% and income between \$3 million and \$3.5 million would be taxed at 8.75%. Currently any corporate income below \$3.5 million is taxed at 8.33%. In addition, the bill proposes to raise the top rate to 9% from 8.93%.

Maine would be one of only seven states in the nation to have corporate income tax rates 9% or above. According to the Tax Foundation, Maine's current top corporate income tax is already higher than the top rate in our neighboring states of CT, NH, VT, RI of MA.

During the past several years, the Maine Legislature took several steps to decrease the overall top income tax rates for individuals. Even though the top corporate income tax rate did not decrease, there were several attempts to do just that. The increases will very likely hit small businesses, as well as C-corps, which are often how small businesses operate.

The corporate income tax would no doubt make Maine less attractive, less competitive, and would impact future investments. Paying higher taxes can impact the amount the business owner chooses to reinvest in their businesses in terms of capital and personnel. Failure to reinvest can have a direct impact on growing the economy and job creation.

The work session on LD 903 is scheduled for Thursday, March 21. If you have any questions, please contact Linda Caprara by calling (207) 623-4568, ext. 106, or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). □

## **Rural Digital Entrepreneurship Hearing... (Continued from Page 1...)**

reaching and have an enormous and lasting impact on our people and our economy."

In his testimony, Connors highlighted Axiom Technologies in Machias, whose founder discovered more than a decade ago when she moved to Maine that access to high-speed broadband and the digital economy had not yet arrived in Washington County. Axiom now delivers high-speed internet access to one of the most rural counties in America, leading to economic investment in an area of Maine that for years saw the opposite.

More than 60% of the adult population in Maine lives in a rural area – the highest in the country. Most Maine businesses are small, with 75% employing fewer than 10 people. According to

*Unlocking the Digital Potential of Rural America*, rural small businesses are slowly adopting digital tools and technology, helping them boost revenues, reduce purchasing costs, and create jobs.

Connors endorsed key recommendations of the U.S. Chamber report, including increasing internet and mobile phone connectivity in rural areas, increasing the talent pipeline of candidates trained in digital skills, and increasing adoption of digital training and tools for rural small business so they can scale their operations.

See page 1 for Connors' full written testimony. For video of the hearing and Connors' testimony, please visit [www.youtube.com/watch?v=fEkzddA3EWE](http://www.youtube.com/watch?v=fEkzddA3EWE). □



# ACTION ALERT!

## Public hearing on minimum wage proposals for Monday, March 18

Beginning at 9:00 a.m. on Monday, March 18, the Joint Standing Committee on Labor and Housing will hold public hearings in Room 202 of the Cross Building on seven bills, each of which would in some way affect Maine's minimum wage.

The bills approach Maine's minimum wage problem in a variety of different ways. One bill would establish a differential between the minimum wage in the rural parts of the state versus the urban areas; others would, in some cases, freeze or roll back the current minimum wage; and, yet others would establish a youth "training wage" at below the current wage level. One proposal would increase the minimum wage for employers with more than 50 employees to \$15 an hour. The bills scheduled for public hearing on Monday are:

- ♦ **LD 425, *An Act To Strengthen Small Businesses in Rural Maine by Changing the Minimum Wage***, sponsored by Rep. White of Washburn, sets the minimum wage at \$10.00 per hour and removes the provision that requires the minimum wage to be increased annually by the increase, if any, in the cost of living.
- ♦ **LD 612, *An Act To Promote Youth Employment***, sponsored by Rep. Dick Bradstreet of Vassalboro, establishes a minimum hourly wage for persons who are 16 or 17 years of age that is \$1.00 per hour less than the regular minimum hourly wage, a minimum hourly wage for persons who are 15 years of age that is \$2.00 per hour less than the regular minimum hourly wage, and a minimum hourly wage for persons who are 14 years of age and under that is \$3.00

per hour less than the regular minimum hourly wage.

- ♦ **LD 670, *An Act To Increase the Minimum Wage for Large Employers***, sponsored by Rep. Benjamin Collings of Portland, increases the minimum wage of the employees of employers employing 50 or more full-time employees to \$13.00 on January 1, 2021, to \$14.00 on January 1, 2022 and to \$15.00 on January 1, 2023.
- ♦ **LD 739, *An Act To Help Small Businesses by Establishing an Alternate Minimum Wage***, sponsored by Rep. Shelley Rudnicki of Fairfield, creates an alternate minimum wage applicable to employees of a small employer, to the first 90 consecutive days of employment for employees who are under 20 years of age and to employees who are under 18 years of age. The wage is \$9.75 starting January 1, 2020 and will be increased by any increase in the cost of living starting January 1, 2021 and every subsequent January 1st.
- ♦ **LD 808, *An Act To Create a Youth Wage***, sponsored by Sen. Jeff Timberlake of Androscoggin, establishes a minimum hourly wage for a person who is under 18 years of age and is enrolled as a student in a school. The wage is 75% of the regular minimum hourly wage.
- ♦ **LD 830, *An Act To Balance Maine's Minimum Wage for Small and Large Employers***, sponsored by Rep. Joel Stetkis of Canaan, establishes a minimum hourly wage for small employers that is less than the minimum hourly wage for large employers.

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## Public PreK is an important tool to build and strengthen Maine's future workforce —

As members of the business organization ReadyNation and co-founders of the MaineSpark Coalition that is dedicating to achieving the state goal that 60 percent of Maine adults will hold a credential of value by 2025, the Maine State Chamber of Commerce testified in support of Governor Janet Mills' budget proposal to expand PreK funding. Public PreK is an important tool to build and strengthen Maine's future workforce.

Maine business leaders believe strongly that education is the single most important investment that can be made to ensure successful participation in the new, knowledge-based economy, earnings growth and improved health status. Post-secondary education and training are critical building block to ensure success in the work force. High-quality early education and K-12 are imperative building blocks to ensure post-secondary success. Moving each and every Mainer along the educational continuum to their highest educational potential is imperative. We have all seen the charts and know that there is a huge difference in lifetime earnings between a college graduate and someone who drops out of high school: \$1.5 million less per drop out. These staggering earning losses translate into less spending power, fewer contributions to the tax base, and less productivity.

Education is a critical investment in Maine people and in our economy and should be treated as such, through a coordinated approach starting with prekindergarten. Starting early with PreK, so all students arrive at Kindergarten ready to learn is an important first step and merits state investments. A 2017 research report by ReadyNation shows that children who participate in high-quality early learning programs have greater success and are:

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American Chemistry Council

## Congressional Committee... (Continued from Page 1...)

ments, and various levels of state government. We also offer many programs and partnerships to help companies do what they do best ... run their business.

Maine is a rural state. More than 60% of our adult population live in a rural area – the highest in the country. Maine is a small business state 75% employee less than ten people – we have over 35,000 businesses in Maine and using the federal definition of small business, only 64 businesses in Maine that have over 500 employees. As you can imagine, many of these small businesses in Maine are located in rural areas—and I hear from them regularly.

This report validates the need for digital tools and high-speed internet for the today's e-commerce. I would like to share with you how digital economy has helped rural Maine businesses grow and compete in the global economy but also that we still have a lot of work to do.

First is the story of a remarkable per-

son, who moved to Maine after a successful career in New York City. And she didn't move to Portland either, she moved to our most rural county – Washington County. Washington County is the home to lobsterman and blueberry fields that you would see on a postcard. But when she moved to Machias, Maine – access to high speed broadband and the digital economy had not yet arrived in Washington, Maine and this was only 10 years ago. She saw a great opportunity and started a company – Axiom – with one goal, delivering high speed internet access to one of the most rural counties in America. And she has done just that. It truly is a success story and one that has led to economic investment in an area of Maine that for years saw the opposite.

The second story is about a renowned artist who moved to Cranberry Isle, Maine. Maine is becoming a hub for artists and foodies from around the globe but the thing that makes this possible is a high-speed internet connection that allows the artist to connect to the global economy and sell the works of art online. Without the connection, Maine would be a great place to vacation to but not a place to live. The expansion to high speed internet access is allowing us to grow businesses in areas of our state that for years, has been an exodus to urban areas for work.

These are just a couple positive stories of how bridging the digital divide in rural Maine can have a lasting impact on our people and our economy but there is much work still to do. High speed broadband is essential for rural states like Maine and the report we present to you today, highlights the success we can have with continued investment.

I have spent the last 20 years advocating for Maine businesses, and in that time I have witnessed a remarkable transformation in the way Mainers run their business. I've seen firsthand how digital tools and technology allow rural small businesses owners in my state to start, scale, compete and succeed in a global economy—which is essential to a vibrant economy in a rural state.

### The Report...

My testimony today is focused on a report released by the U.S. Chamber Technology Engagement Center (C\_TEC), the tech policy hub of the U.S. Chamber of

Commerce, and generously underwritten by Amazon. C\_TEC was established to advance technology's role in the U.S. economy and to promote policies that foster innovation. C\_TEC supports research, like the report we are discussing today, to inform policymakers, regulators, and the public at large.

The report, *Unlocking the Digital Potential of Rural America*, focuses on how digital tools are driving the success of small businesses in rural America and the opportunity digital tools present for entrepreneurs living in rural America.

C\_TEC partnered with ndp | analytics to lead the research for the report. To complement official statistics throughout the report, C\_TEC also partnered with Ipsos, a global market research firm, to conduct a survey of 5,300 small business owners in rural America about the economic impact of online tools and technology on their businesses. Several key findings of the survey are as follows:

- **Digital technology boosts sales and reduces costs for rural small businesses:** Online tools and technology help rural small businesses expand their customer base in their own community, neighboring states, and, in some cases, outside of the country as well. Online tools boost sales for nearly 55% of rural small businesses across America. In addition, online tools reduce purchasing costs of products and materials for nearly 29% of rural small businesses.
- **Small businesses in rural areas are slowly adopting digital tools and technology:** Nearly 20% of rural small businesses in America generate the vast majority of their revenue (at least 80%) by selling their products and services online. A slightly larger share of rural small businesses, 22%, purchased at least 80% of their goods and services online.
- **Rural small businesses utilize digital tools and technology for sales, marketing, and operations:** About one-third of rural small businesses sell their products and services through their own websites and nearly 13% sell their products and services through third-party websites. Over 58% of rural small businesses have social media accounts and near-

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## **State budget investments in higher education would help to increase workers with degrees and credentials in the state's workforce**

The Maine State Chamber of Commerce testified in support of Governor Janet Mills proposed funding for Maine's public higher education institutions on Tuesday, March 12 before the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Education and Cultural Affairs.

Studies show that there is a drastic difference in lifetime earnings between a college graduate or a credentialed skilled worker and someone who drops out of high school: \$1.5 million less per drop out. These staggering earning losses translate into less spending power, fewer contributions to the tax base, and less productivity.

We have heard from employers throughout Maine that they have job openings but are struggling to find skilled-workers. For employers to grow their businesses, as well as Maine's economy and communities, they need more graduates with two-year degrees, four-year degrees and advanced degrees. Credentialed workers are also important to our state's economic growth; it isn't an either/or approach, it must be both.

The governor's budget includes a three-percent increase in the University's base funding. The increased State appropriation will allow the University of Maine System to continue to minimize tuition increases and affordability. Investing in our higher education institutions (University of Maine System and the Maine Community College System) is the best way to address student debt in addition to the \$3.1 million in the budget that would expand its Early College programs so more Maine high school students can get on a college and career pathway with less debt.

It is imperative to support the additional \$4.1 million that would support the adult degree completion initiatives, essential to upskilling our workforce and putting more Mainers and their families on the path to prosperity.

Maine's public higher education institutions are uniquely positioned to grow the size and skill of the state's workforce (see more on page 7). Increasing its appropriation as proposed in the governor's budget is a benefit to Maine students and the state's economy and communities.

As stated in our joint *Making Maine Work* report, "the great majority of Maine Community College System students end up working in a local community and *Making Maine Work: Growing Maine's Workforce* found that approximately 60% of University of Maine System graduates stay and work in Maine. As Maine's student-age population shrinks, the University System is attracting record numbers of out-of-state students."

Finally, as the Legislature considers legislation to advance attainment, affordability and decrease debt, we caution them against mandates that establish new or increased costs that are not built into the budget that would ultimately be shouldered by Maine students and their families.

For more information about education appropriations and related policy issues, please contact Megan Sanborn by calling (207) 623-4568, ext. 108, or by emailing [msanborn@mainechamber.org](mailto:msanborn@mainechamber.org). □

## **PreK in the Budget...** **(Continued from Page 3...)**

- ♦ 35% more likely to graduate from high school;
- ♦ Four times more likely to graduate from college; and,
- ♦ 42% likely to be employed consistently as adults.

These numbers translate into an unbeatable long-term rate of return – a net return of up to \$26,000 for every child served.

As stated in the joint report, *Making Maine Work* report "*Investment in Young Children = Real Economic Development*," from Maine State Chamber of Commerce and Maine Development Foundation, for Maine people to truly reach their potential, it all starts at birth. Waiting to invest in Maine's most precious assets, our children, until they enter our K-12 system is, for many, too late. To attain our vision of a high quality of life for all Maine people we must ensure that each and every Maine child has access to high quality care and education from birth. Investment in early education *IS* real economic development. It's not just a social and moral imperative; it is an economic imperative.

In recent years, Maine has made steady progress increasing voluntary Pre-K programming in various regions across our state, now serving about 47 percent of our four-year-olds. And, here in Maine, we know that the Maine Department of Education data show that at-risk four-year old who attended public PreK programs scored four to seven percentage points higher on reading and math assessments in the third and fourth grades when compared to their like peers who did not attend PreK.

We know that across our communities there are additional schools and community partnerships interested in adding public PreK programs, and the \$7 million proposed in the governor's budget is a first step towards achieving the goal of providing more of our youngest children high-quality early learning opportunities.

For additional information or questions, please contact Megan Sanborn by calling (207) 623-4568, ext. 108, or by emailing [msanborn@mainechamber.org](mailto:msanborn@mainechamber.org). □



## Congressional Committee... (Continued from Page 4...)

ly 36% use online advertising services. Rural small businesses also use online tools for operational tasks such as business banking, accounting, virtual meetings and conference calls, and cloud computing.

Combining the survey results and official statistics, the research team evaluated the economic impact of digital tools on rural small businesses across the country—assessing impact of GDP and job creation over the past three years, qualifying unrealized gains had the businesses had greater access to digital tools, and forecasting growth in GDP and job creation for the next three years. Several key findings are as follows:

- **Digital technology created opportunities for rural small businesses in the past three years:** Digital tools and technology boosted gross sales of rural small businesses by 17.2% during the past three years, the

equivalent of \$69.8 billion per year. The additional gross sales contributed \$38.7 billion to U.S. GDP per year and created 296,288 jobs (full-time equivalent) with \$12.1 billion in wages per year. The magnitude of the economic benefits is equivalent to the size of the economy of Vermont or Wyoming.

- **The economic benefits of digital technologies have not been fully realized in rural areas:** If rural small businesses had better adopted online tools and technology, their gross sales would have increased by an additional 18.3% in the past three years, the equivalent of \$74.4 billion per year. Consequently, rural small businesses would have added another \$41.3 billion to U.S. GDP per year and created an additional 316,605 jobs with \$13.0 billion wages per year. These unrealized economic benefits are equivalent to 0.2% of GDP and over 5% of the number of unemployed people in the U.S. labor force.
- **With greater adoption of digital tools and technology, the potential economic benefits in rural areas are far reaching:** If rural small businesses better adopt online tools and technology, their gross sales could increase by an additional 20.8% during the next three years, the equivalent of \$84.5 billion per year. This increase in sales could contribute an additional \$46.9 billion value added to U.S. GDP per year and create 360,054 jobs with \$14.8 billion wages per year. By unlocking the digital potential of rural small businesses, the U.S. GDP would gain an additional 0.2% per year and reduce the number of unemployed people by nearly 6%.

### Impact of Report Findings...

Digital technologies and the e-commerce ecosystem are transforming the way we live and do business. Thanks to the technological innovation during the past 20 years, online tools are widely available and more affordable among American households and businesses. With just one click, Americans can purchase virtually anything from anywhere at competitive prices.

The development of online tools and technology creates a unique opportunity

for rural small businesses. Greater internet connectivity will support the opportunity for greater innovation through access to digital tools like the cloud. Small businesses in rural areas will have access to the best tech in the world at a fraction of the cost. Digital technology helps these entrepreneurs run their business while maintaining their lifestyle in rural areas.

These gains underscore the economic potential of rural America, and it is important for the sustainability of the nation's economy that the progress continues. The report includes four recommendations that I wholeheartedly endorse:

- **Increase digital connectivity in rural areas.** Internet and mobile phone connectivity are crucial to selling online. The connection and speed at which a consumer and vendor transact matters. While over 92% of Americans have access to high-speed internet, about 27% of rural residents still do not have access to the FCC broadband standard. The private and public sectors should continue to identify opportunities to expand connectivity, including through deploying infrastructure and expanding wireless spectrum in order to add coverage and capacity in rural areas.
- **Increase the talent pipeline of candidates trained in digital skills (cloud, digital marketing).** Without a skilled workforce, small businesses cannot thrive. There is a shortage of skilled IT professionals in rural areas to assist small businesses. The private and public sectors should continue to identify opportunities to partner to ensure the skills businesses need in their workforce match the local curricula preparing the American workforce for the 21st century.
- **Increase adoption of digital training and digital tools by rural small businesses so they can scale their operations.** This study highlights two points: the positive benefits for rural small businesses effectively utilizing digital tools to sell online and the potential for businesses currently underutilizing those digital tools to grow. Showcasing existing programs offered by the Small Business Administration and affiliated Small Business Development Centers across the country is a cost-effective

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# Chancellor Page delivers fourth and final address on the state of Maine's public universities to the 129th Legislature

**EDITOR'S NOTE:** On Thursday, March 14, Chancellor James H. Page presented the state of Maine's public universities to the 129th Maine Legislature. With his permission, we are reprinting his speech here for your consideration.

President Jackson, Speaker Gideon, honorable members of the 129th Legislature, President Daigler, President Brennan, distinguished guests and friends: On behalf of the Board of Trustees, Boards of Visitors, Presidents, faculty, students, and staff of your public universities, I extend greetings and thank you for the opportunity to address you regarding the state of Maine's public universities. I have good news to report.

I would like to begin by introducing representatives of the Board of Trustees and Boards of Visitors who are attending today from throughout the State, as well as our campus Presidents, student and faculty representatives to the Board of Trustees, and members of my senior staff. Please welcome them.

I want to thank you for your strong policy and fiscal support. We know that trust and confidence is something continually earned, and we are committed to earning your confidence every day by focusing on accessible, affordable, and quality education for our students and transparent accountability with you and with all Maine people.

I want to thank you for authorizing the facilities and infrastructure bond that was approved by the voters this past November. Dozens - hundreds - of people worked tirelessly to help pass this bond, and of those visiting here today I want especially to acknowledge our Boards of Visitors, as well as Dana Connors of the Maine State Chamber, for their untiring advocacy on behalf of public education.

This is my fourth and final address to you as Chancellor. So in addition to reporting to you on our universities, I will offer, with a great deal of optimism, some thoughts about the role of education and Maine's future. The word you will hear throughout is "opportunity."

Two years ago in this forum, I spoke

to you of breaking down walls, building partnerships, and creating opportunities for Maine students and Maine people. Since then, we've made important progress. Working together, working with our businesses and communities across the state, and working closely with you here in the Statehouse, Maine's public universities have made higher education more affordable, more accessible, and more forward-looking.

Our guiding principle is **One University**. As One University, we set our goals and align our resources in focused support of all Maine families, businesses and communities.

## National Leaders in Affordability...

Under One University, we have made our public institutions national leaders in affordability, ensuring a college degree is within reach of all Maine families.

- ♦ Tuition over the last 5 years has increased an average of just 1.2% per year. Adjusted for inflation it has declined 3% during that same period.
- ♦ Student debt is decreasing. Between 2013 and 2019 we increased institutional student financial aid 72% from \$54,000,000 to \$86,600,000. During that same period, our total student loans decreased 17.5%, with Pell-eligible students at four of our institutions attending free of tuition and mandatory fees. In 2016, the average University of Maine System graduate's debt was \$28,619 compared to an in-state average of \$31,364 and a national average of \$37,172. This is good, but it's not good enough. I'll return to this issue later.
- ♦ In addition to having previously reduced our annual operating budget by an historic \$80MM+, System operating costs have increased an



**Dr. James H. Page**  
Chancellor  
University of Maine System

## Congressional Committee... (Continued from Page 6...)

way for rural small business owners to increase their digital literacy. Further, as digital tools evolve, increased opportunities for private sector companies to train small business owners on new products will help them start, scale, and compete in a global economy.

By increasing the quality of connectivity, calibrating the skills required by businesses with how we prepare the American workforce, maximizing exposure to digital literacy programs for small business owners, and reducing the cost of competing in an e-commerce ecosystem, small businesses in rural America could realize benefits far greater than they have in the past. Based on the survey conducted for this report, rural small businesses could add over \$84 billion in sales in the next three years and could create another 360,000 jobs in rural areas, where 17.5 million adult residents are either unemployed or no longer actively looking for employment.

Simply, digital tools and technologies are critical to rural small businesses in Maine and across the country. Unlocking the digital potential in rural America is important for American small businesses and critical to future U.S. economic growth. □

*Continued on Page 8...*

## **Minimum Wage...** **(Continued from Page 3...)**

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Beginning October 1, 2019, for an employer with fewer than 50 full-time employees in Maine, the minimum hourly wage is established at \$10; the minimum hourly wage for an employer of at least 50 full-time employees in Maine remains at \$11 until January 1, 2021, when it increases to \$12. This bill also delays the indexing of the minimum hourly wage for cost-of-living adjustments by one year until 2022.

- ♦ **LD 1098, *An Act To Help Small Employers by Making the Minimum Wage Increase More Gradual in Nonurban Areas***, sponsored by Sen. Lisa Keim of Oxford, creates an alternative minimum hourly wage that applies to certain designated nonurban areas starting on January 1, 2020. Under this bill the minimum hourly wage rate for those areas is

\$11 per hour and increases by 50¢ each January 1st until it reaches \$12 per hour on January 1, 2022. The minimum hourly wage stays the same as in current law for Cumberland County, except for the towns of Baldwin, Bridgton, Harrison and Naples. LD 1098 also freezes any scheduled increase in the current minimum wage or the new alternative minimum wage if there is in effect an extended benefit period for unemployment compensation benefits, as determined by the Commissioner of Labor. The scheduled increase or increases will resume once there is no longer an extended benefit period in effect as of January 1st of a given year. It also delays the cost-of-living adjustment for the current minimum wage to January 1, 2024, changes the calculation to be the average cost-of-living increase over the prior 3 years and changes the timing of the cost-of-living adjustment to be every 3 years instead of every year. The bill also

requires the Department of Labor to submit an annual report analyzing job creation and job loss trends in urban and nonurban areas since the initiation of minimum wage increases established by Initiated Bill 2015, chapter 2, section 1.

The Maine State Chamber of Commerce will be present to testify on behalf of our members on these important bills. If you have concerns or you have been impacted by the minimum wage increases, we urge you to attend the public hearings and let legislators hear your story. While not all of these bills are likely to pass, there are a number of good ideas before the Labor and Housing committee, and there is still time to bring some relief to Maine's small businesses, particularly our rural small businesses.

For additional information or questions, please contact Peter Gore at the Maine State Chamber offices by calling (207) 623 4568, ext. 107, or by emailing [pgore@mainechamber.org](mailto:pgore@mainechamber.org). □

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## **Maine's Public Universities...** **(Continued from Page 7...)**

average of just 1% per year for the last 10 years, again before inflation.

These facts show: the University of Maine System puts student affordability front-and-center.

### **Increasing Educational Access...**

With One University, we are increasing educational access, and with access comes opportunity:

- ♦ As I've reported to you before, in concert with the Community College System we have instituted the first comprehensive credit transfer program.
- ♦ This past fall we enrolled 29,154 undergraduates, graduates and early college students, a 2.4% year-over-year increase. This is the largest increase of any public university system in New England.
- ♦ With your support, in the last 5 years early college enrollment has increased

158% so that we now have more than 3,500 participating students.

- ♦ Out-of-state enrollment has increased 44% over the last five years, a number that is especially important as we work to bring young people to Maine to live and build their careers

These facts show: the University of Maine System puts educational opportunity front-and-center.

### **Addressing Workforce Needs...**

As One University, we work with businesses and industries statewide to address workforce needs and to catalyze economic growth.

- ♦ Each year, Cooperative Extension serves more than 5000 businesses. This past year the University of Maine's Office of Innovation and Economic Development partnered with more than 250 Maine businesses, with a similar number engaged at the University of Southern Maine. We are committed to setting up active partnerships with every major

Maine industry and professional sector by 2020, as we have already done with nursing, engineering, the computer sciences, and other disciplines key to Maine's economic health.

- ♦ Last year businesses provided more than 1,350 paid internships for our students, including 187 placed with start-ups and other Maine companies innovating to bring new products to market through UMaine's Innovate for Maine program. We are committed to extending this opportunity so that every University of Maine System student has experiential work opportunities, as we know these opportunities provide successful career pathways.
- ♦ Last year, the University of Maine System leveraged more than \$4 for every \$1 dollar you invested in state-centered research through MEIF, developing new knowledge, technologies, and best practices for the benefit of Maine businesses and industries. Later this month, we will

***Continued on Page 9...***



## **Chamber testifies in support of R&D super credit**

On Wednesday, March 13, the Joint Standing Committee on Taxation held a public hearing on **LD 977, *An Act to Restore the Super Credit for Substantially Increased Research and Development***, sponsored by Rep. Hepler, D-Woolwich. Linda Caprara testified on behalf of the Chamber in support of LD 977.

The bill would reinstate the super credit for substantially increased research and development, which was eliminated in the state budget a few years ago. Caprara testified that research and development is extremely important to both existing companies and to start-ups in Maine. Examples of industries which utilize R&D are manufacturing, biotechnology, software development, engineering, and pharmaceutical, to name a few.

Because Maine businesses compete globally, Caprara said, competition is fierce. Caprara said technology changes continually, and it's absolutely necessary for companies to stay ahead of the competition at all times. Innovation and continued R&D investment helps to *ensure* a company will stay one step ahead of its competition.

The Maine State Chamber believes that the super tax credit encourages Maine companies to continually invest in R&D to improve their position in the global marketplace and to grow their businesses in Maine, creating direct and indirect jobs. The work session on LD 977 is scheduled for Thursday, March 21. If you have any questions, please contact Linda Caprara by calling (207) 623-4568, ext. 106, or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). □

## **Tax committee tables two estate tax bills**

The Joint Standing Committee on Taxation held a work session on two estate tax bills: **LD 420, *An Act to Amend the Maine Exclusion Amount in the Estate Tax***, sponsored by Rep. Collings, D-Portland, and **LD 518, *An Act Change the Exclusion Amount under the Estate Tax***, sponsored by Rep. Brooks, D-Lewiston. At the public hearing, the Maine State Chamber opposed both bills for the very same reasons – they lower the exclusion amount for estate tax purposes from \$5.6 million to \$2 million in LD 420 and \$1 million in LD 518.

The Maine State Chamber of Commerce has always been on record for increasing the estate tax exclusion amount or eliminating the estate tax altogether. The Maine State Chamber has argued that the estate tax hurts Maine businesses, particularly smaller businesses and farms, who work very hard to pass long assets to their children and grandchildren. Lowering the exclusion amount would take away that opportunity and instead slap them with a massive death tax. If beneficiaries couldn't pay the taxes due up front, they may be forced to deplete any capital they have in the business or need to sell it to pay the tax. Essentially, the estate tax results in double taxation, because you end up paying taxes on assets and property that has already been taxed. Ultimately, it punishes and penalizes success.

The Taxation committee tabled both bills and discussed taking them back up after the state budget has been reviewed. If you have any questions, please contact Linda Caprara by calling (207) 623-4568, ext. 106, or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). □

## **Maine's Public Universities...** *(Continued from Page 8...)*

publish a strategic vision for increasing Maine-centered research so that, together with our private and non-profit partners, Maine can achieve the 3% GDP benchmark that is the nationally-recognized standard for an innovative, growing economy. I look forward to sharing this report with you in the coming weeks.

These facts show: the University of Maine System puts economic opportunity front-and-center.

One University has set us on the right path. It has changed us from a fragmented, often isolated federation of institutions to a single system working in aligned service to our students and all Maine people. It has shown that **when we work together, we advance Maine.**

### **Education in the State's Economic Development Plan...**

Our state has many challenges that center on a declining demographic and an uncertain economy. Maine needs a bold, focused, comprehensive, bipartisan and long-term economic development plan with educational opportunity at its core. That is why I strongly support Governor Mills's priority emphasis on developing just that plan. It must be bold, because business as usual has not delivered enough opportunity. It must be comprehensive because the path forward in Portland will differ in detail from the paths forward in Poland or Presque Isle. It must be long-term because success takes more time than a legislative session or even an Administration's tenure, and for that reason alone it must be bipartisan.

I have spoken with Commissioner Johnson about how we can best assist in developing this plan. You can be sure that the full resources of the University of Maine System are ready and able to support your work in creating this roadmap for statewide success.

### **Attainment and Opportunity...**

Let me say more about why education must be at the heart of this plan.

***Continued on Page 10...***

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## Maine's Public Universities... (Continued from Page 9...)

Incorporating our research plan is one reason; R&D is a foundation of economic innovation and growth. But I'm going to focus here on people.

Education no longer starts at age six and ends 12 or 16 years later. It is now a life-long endeavor that starts with pre-school and never ends. The National Bureau of Labor Statistics tells us that someone entering the workforce today can expect to change employment 12 times before he or she retires. Even more to the point, everyone can expect to have to upgrade their skills on a regular basis, even to keep the same job.

Educational attainment is more than an individual opportunity, it must be a state priority. Right now just 42% of Maine people have a post-secondary degree or credential, a number far short of the 60% MaineSpark benchmark you have legislatively endorsed that is required to meet state workforce needs. Yet even if we were successful in getting 100% of our current K12 students a post-secondary credential we would only be halfway towards meeting this 60% target. We must close this gap, and doing so requires we provide more opportunities for all our people, especially working adults, than ever before. Those states that have been most successful in doing this - Tennessee, for example - have been successful because their political, business and educational leadership have made educational opportunities for adults a top state priority. We must do the same. **The 60% MaineSpark goal must be at the core of the State's development plan.**

The challenges here are real. A working parent in Rumford or Rome cannot move to a campus, is unlikely to be able to take classes on anything like a traditional schedule, and requires very different kinds of advising and support than a recent high school graduate does. We have to meet these folks where they are because when we do, they will succeed.

Let me tell you about UMA student Emily Christiansen. Emily is a Maine native and graduate of Hall-Dale High School in Farmingdale. Like so many of our young people, following 9/11 she

answered the call of duty and enlisted in the US Army, becoming a Blackhawk helicopter mechanic. Honorably discharged, Emily has worked in various law enforcement roles for the past 12 years, and is now a proud member of the Kennebec County Sheriff's Office. Emily understands how education creates opportunity. So, while meeting all her personal responsibilities as a wife and mother as well as her professional responsibilities to her employer, Emily enrolled as a UMA online student where she will graduate with her AA in justice studies this summer. Following graduation, she plans to go on to obtain her BA with the goal of attending the Maine Criminal Justice Academy. Emily has chosen a career dedicated to public service; she represents the best of Maine. Our priority must be that all the Emilys of Maine have the opportunity to realize their goals of building stronger Maine communities. Emily is with us today along with her boss and mentor, Sheriff Ken Mason. Please join me in welcoming Emily, congratulating her on her many accomplishments, and thanking her for her extraordinary commitment to serving our nation, state, and people.

One element in meeting working adults like Emily where they are is adequate broadband. I know this topic is under your active consideration. I'll add only this: broadband access - especially rural broadband access - is a matter of economic necessity and social equity.

Student success follows many paths. While adult learners need ready access to quality educational opportunities, they do not always need degrees. An accountant in Skowhegan may want to expand his financial skills to advance professionally, but he may not need a degree to do so. He does need confirmation of his expanded skills in a form that is meaningful to him, his employers, and his profession. The University System is therefore expanding how we validate educational attainment to include credentialing, badging, and other emerging methods in a way that is most responsive to working people and employers. Expect this to be an important way in which we work to close the attainment gap.

### **Breaking Down Barriers...**

We now have several years' good

***Continued on Page 11...***



# Public Hearings

Public hearings are open to everyone. This public hearing schedule is subject to change. Questions may be directed to the Secretary of the Senate's Office at (207) 287-1540. For the most current schedule, please visit <http://legislature.maine.gov/committee/#Committees> or contact the committee clerk.

## Monday, March 18, 2019

### **Labor and Housing**

#### **9:00 a.m.; Cross Building, Room 202**

**LD 425**, An Act To Strengthen Small Businesses in Rural Maine by Changing the Minimum Wage (Rep. White of Washburn)

**LD 612**, An Act To Promote Youth Employment (Rep. Bradstreet of Vassalboro)

**LD 670**, An Act To Increase the Minimum Wage for Large Employers (Rep. Collings of Portland)

**LD 739**, An Act To Help Small Businesses by Establishing an Alternate Minimum Wage (Rep. Rudnicki of Fairfield)

**LD 808**, An Act To Create a Youth Wage (Sen. Timberlake of Androscoggin)

**LD 830**, An Act To Balance Maine's Minimum Wage for Small and Large Employers (Rep. Stetkis of Canaan)

**LD 1098**, An Act To Help Small Employers by Making the Minimum Wage Increase More Gradual in Nonurban Areas (Sen. Keim of Oxford)

### **Appropriations and Financial Affairs**

#### **10:00 a.m.; State House, Room 228**

**LD 1001**, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021 (Rep. Gattine of Westbrook)

## Tuesday, March 19, 2019

### **Appropriations and Financial Affairs**

#### **1:00 p.m.; State House, Room 228**

**LD 1001**, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021 (Rep. Gattine of Westbrook)

### **Energy, Utilities, and Technology**

#### **1:30 p.m.; Cross Building, Room 211**

**LD 1027**, An Act To Eliminate the 100-megawatt Limit on Hydroelectric Generators under the Renewable Resources Laws (Rep. Hanley of Pittston)

**LD 1048**, An Act To Encourage Conservation in Determining Natural Gas Rates (Sen. Sanborn of Cumberland)

**LD 1060**, An Act To Authorize Consumers Located Adjacent to Electric Power Generators To Obtain Power Directly (Rep. Campbell of Orrington)

### **Innovation, Development, Economic Advancement, and Business**

#### **1:00 p.m.; Cross Building, Room 202**

**LD 909**, Resolve, Directing the Commissioner of Economic and Community Development To Establish a Blockchain Technology Working Group (Rep. Wadsworth of Hiram)

### **Taxation**

#### **1:00 p.m.; State House, Room 127**

**LD 1074**, An Act To Establish a Tax on Water Extracted for Bottling in Order To Secure the Economic Future of Rural Maine (Rep. Gramlich of Old Orchard Beach)

## Wednesday, March 20, 2019

### **Appropriations and Financial Affairs**

#### **10:00 a.m.; State House, Room 228**

**LD 1001**, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021 (Rep. Gattine of Westbrook)

### **Environment and Natural Resources**

#### **1:00 p.m.; Cross Building, Room 216**

**LD 274**, An Act To Allow the Sale of Ethanol-free Gasoline Statewide (Sen. Miramant of Knox)

**LD 822**, An Act To Prohibit the Sale of Motor Fuel Containing More than 10% Ethanol (Rep. O'Connor of Berwick)

*Continued on Page 12...*

## **Maine's Public Universities...**

*(Continued from Page 10...)*

experience of increasingly close collaborations between Maine's three public higher educational institutions as evidenced by credit transfer, programmatic alignment, and other cooperative initiatives. Yet if public education is to be truly efficient and effective, we must break down that final bureaucratic barrier between secondary and post-secondary systems, a barrier that has long outlived its usefulness. Commissioner Makin and I have spoken about this and we are in strong agreement because there really is only one story to tell here: How education advances all Maine people, whatever their age and wherever they are.

Early college is one way that story is developing. Maine enjoys an enviable high school graduation rate but lags substantially in post-secondary attainment. One of our most effective programs to combat this trend is early college. I've already reviewed some of the numbers with you. We know that by giving Maine high school students the opportunity to do college-level work, more will pursue higher education, they will be better prepared academically, more confident in their own abilities, and more likely to complete their degrees and enter the workforce with less debt.

When I last addressed you, I said that with your support we would work to make early college opportunities available in every high school throughout the state with a next-stage goal of enrolling 20% of all high school juniors and seniors. I have very good news to report. This year, early college is available in 129 of 137 high schools (that's 94%), 3,527 students are taking courses, and we are on schedule to award 20,935 credit hours, a 19.1% increase over just the last academic year, all fully transferable into our institutions. If these credits all transferred into one of our universities, the savings to our students and their families would be more than \$5,000,000.

The four of us – Commissioner Makin, President Daigler, President Brennan, and I – believe that we best serve our students when we work togeth-

*Continued on Page 12...*



## Hearings...

(Continued from Page 11...)

LD 1080, Resolve, Regarding Biofuel in Number 2 Heating Oil (Rep. Riley of Jay)

### Thursday, March 21, 2019

#### **Appropriations and Financial Affairs 1:00 p.m.; State House, Room 228**

LD 1001, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021 (Rep. Gattine of Westbrook)

#### **Education and Cultural Affairs**

#### **1:00 p.m.; Cross Building, Room 208**

LD 979, An Act To Provide Consistent Data Regarding Education Funding (Rep. Stearns of Guilford)

### Monday, March 25, 2019

#### **Appropriations and Financial Affairs 10:00 a.m.; State House, Room 228**

LD 1001, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021 (Rep. Gattine of Westbrook)

#### **Labor and Housing**

#### **1:00 p.m.; Cross Building, Room 202**

LD 757, An Act To Improve Labor Laws for Maine Workers (Rep. Sylvester of Portland)

LD 1017, An Act Regarding the Elimination of Highly Toxic and Hazardous Chemicals in the Workplace (Sen. Carson of Cumberland)

LD 1058, An Act Concerning Liability for Direct Reimbursement of Unemployment Benefits (Rep. Bradstreet of Vassalboro)

### Tuesday, March 26, 2019

#### **Appropriations and Financial Affairs 1:00 p.m.; State House, Room 228**

LD 1001, An Act Making Unified  
*Continued on Page 15...*

## Maine's Public Universities...

(Continued from Page 11...)

er. Towards this end, we are forming a liaison team drawn from our senior leadership that will meet regularly to ensure we are actively creating a more integrated and seamless public educational system. We look forward to briefing the Education and Cultural Affairs Committee on concrete steps we are taking to achieve this strategic vision of a seamless approach to public education.

### Addressing Student Debt...

Throughout all these discussions looms the question of student debt. **Debt robs opportunity**, and despite our progress in this area, there is more that needs to be done.

I know this issue is important to all of you and to the Governor, as it is to us. Please remember that debt-reduction is not the same as debt-forgiveness. Both are important, but they serve different ends. Debt-forgiveness, typically worked through tax policy, is an important tool for workforce attraction and retention. But a student graduating with debt must go where the jobs are that can discharge that debt. So accruing debt in the first place puts our rural economies at particular risk.

The best way to control debt is never to take it on in the first place. Your public higher-ed institutions are good at controlling costs and reducing debt. We've shown that. Work closely with us; we are committed to working with you right now to find the right combinations of policies and practices that will best serve our students and our communities. Working together, Maine can be a national leader providing quality, accessible, relevant, and affordable education to all our people. It can be a centerpiece of our State plan. It can be a great attractor. The winners will be Maine people, Maine businesses, and Maine communities.

### Education in the State Budget...

Towards all these ends, I have three budgetary asks. First, the Governor's budget includes a 3% increase in Education & General funding for each of the two biennial years. E&G is by far the largest form of State support for our basic

operations including classroom instruction, scholarships, and general maintenance. The budgeted increase will enable us to keep pace with the State Economist's cost of living estimate and is consistent with our pledge not to burden Maine students and taxpayers with an unsustainable expenditure base.

The other two requests speak directly to the priorities I outlined earlier. I ask you to support the Governor's budget request of \$4.1MM over the biennium, identified to support adult educational attainment, along with a small appropriation of \$430,000 over the biennium to support New Ventures Maine in their highly successful outreach to adult learners and entrepreneurs. These investments will be used to develop enhanced navigator models specifically designed to assist place-bound adult learners and to advance new and updated degree and credentialed programs tailored to meet student and employer needs.

Third, I ask for your support for the Governor's budget request of \$3.1MM over the biennium to sustain our progress in early college.

These are all investments that repay Maine taxpayers with economic opportunity and stronger communities.

### In Closing...

I will be retiring this summer after the Legislative session has ended. I began seven years ago with the promise that we would be good stewards working on behalf of Maine families and Maine taxpayers, that we would expand opportunities, and that we would always put students and state first. We've made good progress, and you should be confident that the work we have started will grow stronger and be even more successful in the coming years; I'm leaving your universities on a good path and in great hands.

I have had no greater honor than the opportunity to serve Maine in this role. I want to thank you for everything you have done for our students and universities. It has been a great pleasure working with all of you. We share the deepest commitment to our people and our state. As I have said each time I've had the privilege of addressing you, our success will always be measured by the success of Maine people. It remains that simple. Thank you. □

# Digest of New Legislation

Maine Chamber staff have studied each of these recently printed bills to assess potential impact on business trends. If you have concerns regarding any bill, please communicate those concerns to a member of our governmental services staff at (207) 623-4568.

**A total of 244 business-related bills have been tracked to date  
since the session began on January 2, 2019!**

## **EDUCATION**

### **LD 1164, An Act To Improve the Educational Opportunity Tax Credit.**

(Sen. Pouliot, R-Kennebec) *Joint Standing Committee on Innovation, Development, Economic Advancement and Commerce.*

This bill makes the current income tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2020, and creates a new simplified tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2020.

- 1 A qualified individual must be a full-year Maine resident who has obtained an associate, bachelor's or graduate degree from an accredited Maine or non-Maine community college, college or university after 2007 and who works at least part time in Maine or on a vessel at sea or is deployed for military service in the United States Armed Forces during the taxable year.
- 2 Loans obtained from related persons, such as family members and certain businesses, trusts and exempt organizations, do not qualify for the credit.
- 3 The credit may not reduce the tax due to less than zero.
- 4 The credit for qualified individuals is the lesser of the amount paid on eligible education loans during the taxable year and 15% of the outstanding eligible education loan debt on the date the first education loan payment is made after a degree is earned.
- 5 The credit for employers is the lesser of the amount paid by an employer on behalf of a qualified employee during the taxable year during the term of employment and 20% of the outstanding eligible education loan debt on the date the first education loan payment is made after December 31, 2019.
- 6 The credit is available to the spouse of an individual eligible for a credit even if the spouse is not employed.

- 7 Income tax deductions are provided for student loan payments made directly to a lender by an employer on behalf of a qualified employee and payments made directly to a lender on behalf of a taxpayer by a student loan repayment program funded by a non-profit foundation and administered by the Finance Authority of Maine for residents of the State employed by a business located in the State.

- 8 The annual credit may include loan amounts paid in excess of the amount due during a taxable year. The amendment also provides that credits in excess of those that may be used during a taxable year may be carried over for the next succeeding 5 years

### **LD 1170, An Act To Raise the Floor of State Education Funding.**

(Sen. Lawrence, D-York) *Joint Standing Committee on An Act To Raise the Floor of State Education Funding.* This bill changes the formula for determining the minimum state allocation for a school administrative unit to be the unit's total cost of education, as adjusted, multiplied by 15% or the unit's special education costs, as adjusted, whichever is greater. This bill also guarantees a member municipality a minimum state contribution of 15% of the municipality's total cost of education, as adjusted, and requires the funds to be paid to the school administrative unit and deducted from the municipality's required contribution.

### **LD 1174, An Act To Facilitate Remote Learning during School Cancellations.**

(Sen. Miramant, D-Knox) *Joint Standing Committee on Education and Cultural Affairs.* This bill allows a school to receive credit for a school day that is cancelled due to weather or another emergency reason if the students of the school receive adequate online instruction or alternative method for students without the technical capability to participate in online instruction pursuant to a plan

agreed upon and adopted by the school board and the superintendent of the school administrative unit of the school. The school administrative unit is directed to forward the plan to the Department of Education, which may make recommendations on the plan. The school administrative unit is not required to implement a recommendation concerning the plan made by the department.

### **LD 1216, An Act To Support Community Schools.**

(Sen. Millett, D-Cumberland) *Joint Standing Committee on Education and Cultural Affairs.* This bill makes the Department of Education's community school pilot project permanent. The department is authorized to designate 5 community schools in the 2020-2021 school year and 10 additional schools biannually beginning in the 2021-2022 school year. The Commissioner of Education is required to apply for available federal funds in support of community school implementation and expansion.

## **HEALTH CARE**

### **LD 1243, An Act To Assist Small Businesses in Providing Health Care for Their Employees.**

(Rep. Morales, D-South Portland) *Joint Standing Committee on Health Coverage, Insurance and Financial Services.* This bill requires the Bureau of Insurance, Consumer Health Care Division to provide education and resources to employers with 50 or fewer employees to assist with making decisions related to health care coverage for their employees.

### **LD 1264, An Act Relating to Insurance Coverage for Screening Mammograms.**

(Sen. Breen, D-Cumberland) *Joint Standing Committee on Health Coverage, Insurance and Financial Services.* This bill amends the definition of "screening mammogram" to include 3-dimensional tomosynthesis for purposes of required health insurance coverage and reimbursement by individual plans,

***Continued on Page 14...***

## **New Legislation...** **(Continued from Page 13...)**

group plans, health maintenance organizations and nonprofit hospital and medical service organizations.

### **JUDICIARY**

**LD 1233, An Act Regarding Offers of Settlement.** (Rep. Bailey, D-Saco) *Joint Standing Committee on Judiciary.* This bill provides that prior to 28 days before trial, a party to a lawsuit may serve on the adverse party a written offer to stipulate to the entry of judgment for the whole or part of the claim. It sets forth how an offer or counteroffer may be accepted or rejected. It provides for the payment of costs if an offer is rejected. It provides that reasonable expert witness fees and expenses included as discretionary costs include fees associated with consulting, preparation and testifying at deposition or trial.

### **LABOR**

**LD 1245, An Act To Protect Victims of Domestic and Sexual Violence in Certain Provisions under the Maine Human Rights Act.** (Rep. Stover, D-Boothbay) *Joint Standing Committee on Judiciary.* This bill amends certain portions of the Maine Human Rights Act to provide employment protections to victims of domestic and sexual violence, as well as protected class status based on their status as a victim of domestic violence.

**LD 1251, An Act To Make Agricultural Workers and Other Workers Employees under the Wage and Hour Laws.** (Rep. Hartnett, D-Gardiner) *Joint Standing Committee on Labor and Housing.* This bill provides that agricultural employees and seasonal employees are subject to the laws that place limits on mandatory overtime. It also provides that agricultural employees are subject to the laws that set a minimum wage and overtime rate. It provides that the laws that set an overtime rate apply to certain activities related to agricultural produce, meat and fish products and perishable foods

### **REFERENDUM PROCESS REFORM**

**LD 58, RESOLUTION, Proposing an Amendment to the Constitution of Maine To Extend the Terms of Legislators to 4 Years.** (Rep. Nadeau, D-Winslow) *Joint*

*Standing Committee on State and Local Government.* This resolution proposes to amend the Constitution of Maine to increase the length of the terms of State Senators and members of the House of Representatives from 2 years to 4 years beginning in 2022.

**LD 252, Proposing an Amendment to the Constitution of Maine To Prohibit New or Increased Fees or Taxes by Means of Direct Initiatives of Legislation.** (Sen. Timberlake, R-Androscoggin) *Joint Standing Committee on Veterans and Legal Affairs.* This resolution proposes to amend the Constitution of Maine to prohibit the imposition of any new or increased taxes or fees through the direct initiative process.

**LD 255, Resolution, Proposing an Amendment to the Constitution of Maine To Require That Signatures on a Direct Initiative of Legislation Come from Each Congressional District.** (Sen. Farrin, R-Somerset) *Joint Standing Committee on Veterans and Legal Affairs.* This resolution proposes to amend the Constitution of Maine to require that the signatures on a petition to directly initiate legislation be of voters from each of the State's 2 congressional districts and that the number of signatures from each congressional district be not less than 10% of the total vote for Governor cast in that congressional district in the previous gubernatorial election. This resolution provides that, if the required votes are cast in favor of the proposed amendment to the Constitution, the proposed amendment becomes part of the Constitution on March 1, 2020 instead of on the date of the Governor's proclamation.

**LD 294, An Act To Require the Fiscal Impact Estimate of a Direct Initiative of Legislation To Be Included on the Ballot.** (Rep. Morris, R-Turner) *Joint Standing Committee on Veterans and Legal Affairs.* This bill provides that a ballot for a statewide vote on a direct initiative must include a summary of the fiscal impact estimate prepared by the Office of Fiscal and Program Review for that direct initiative.

**LD 374, RESOLUTION, Proposing an Amendment to the Constitution of Maine To Require That Signatures on a Direct Initiative of Legislation Come from Each State Senatorial District.** (Rep. Stewart, R-Presque Isle) *Joint Standing Committee*

*on Veterans and Legal Affairs.* This resolution proposes to amend the Constitution of Maine to require that the signatures on a petition to directly initiate legislation be of voters from each of the State's senate districts and that the number of signatures from each senate district be not less than 10% of the total votes for Governor cast in that senate district in the previous gubernatorial election. The resolution provides that, if the required votes are cast in favor of the proposed amendment to the Constitution, the proposed amendment becomes part of the Constitution on March 1, 2020 instead of on the date of the Governor's proclamation.

**LD 499, An Act To Prohibit Payment per Signature on Petitions for Direct Initiatives and People's Veto Referendums.** (Sen. Guerin, R-Penobscot) *Joint Standing Committee on Veterans and Legal Affairs.* This bill prohibits the circulator or person who causes the circulation of an initiative or referendum petition or a petition organization from receiving payment for the collection of signatures based on the number of signatures collected. The bill clarifies that a salary or fee for the collection of signatures is not prohibited if it is not based on the number of signatures collected.

**LD 1209, An Act To Require Legislative Hearings on Citizen-initiated Legislation.** (Rep. Bradstreet, R-Vassalboro) *Joint Standing Committee on State and Local Government.* This bill requires a petition for the direct initiative of legislation, once it has been certified by the Secretary of State to be submitted to the Legislature for consideration by the Legislature to receive a public hearing before a joint standing committee of the Legislature or a special legislative committee established by the Legislative Council. The public hearing must be conducted in the same manner as other public hearings.

### **WORKERS' COMPENSATION**

**LD 1203, An Act To Clarify the Retirement Presumption under the Maine Workers' Compensation Act of 1992.** (Rep. Sylvester, D-Portland) *Joint Standing Committee on Labor and Housing.* Once an individual receiving workers' compensation benefits retires and is receiving retirement benefits, there is a presumption that the individual is no longer

**Continued on Page 15...**



## Hearings...

(Continued from Page 12...)

Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021 (Rep. Gattine of Westbrook)

### Innovation, Development, Economic Advancement, and Business

#### 1:00 p.m.; Cross Building, Room 202

**LD 1056**, An Act To Update and Amend the Finance Authority of Maine Act (Rep. Fecteau of Biddeford)

**LD 1087**, An Act To Keep Maine Businesses Competitive (Sen. Hamper of Oxford)

### Wednesday, March 27, 2019

### Appropriations and Financial Affairs

#### 10:00 a.m.; State House, Room 228

**LD 1001**, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021 (Rep. Gattine of Westbrook)

### Education and Cultural Affairs

#### 1:00 p.m.; Cross Building, Room 208

**LD 576**, Resolve, Directing the Department of Education To Develop and Implement an Online Learning Platform for Students and Educators (Rep. Brennan of Portland)

### Energy Utilities and Technology

#### 9:00 a.m.; Cross Building, Room 211

**LD 1063**, An Act To Support the Role of Municipalities in Expanding Broadband Infrastructure (Rep. McCreight of Harpswell)

#### 1:00 p.m.; Cross Building, Room 211

**LD 1127**, An Act To Expand Community-based Solar Energy in Maine (Sen. Sanborn of Cumberland)

### State and Local Government

#### 9:00 a.m.; Cross Building, Room 214

**LD 1209**, An Act To Require Legislative Hearings on Citizen-initiated Legislation (Rep. Bradstreet of Vassalboro)

### Taxation

#### 1:00 p.m.; State House, Room 127

**LD 65**, An Act To Allow Municipalities To Impose a Seasonal or Year-round Local Option Sales Tax (Rep. Beebe-Center of Rockland)

**LD 156**, An Act To Allow Regional Service Center Municipalities To Assess an Additional One Percent Sales Tax for Infrastructure Costs (Sen. Miramant of Knox)

**LD 609**, An Act To Provide Municipalities Additional Sales Tax Revenue from Lodging Sales (Rep. Terry of Gorham)

**LD 1110**, An Act To Establish a Local Option for Sales Tax (Rep. Gramlich of Old Orchard Beach)

### Thursday, March 28, 2019

### Appropriations and Financial Affairs

#### 1:00 p.m.; State House, Room 228

**LD 1001**, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2019, June 30, 2020 and June 30, 2021 (Rep. Gattine of Westbrook)

### Health Coverage, Insurance, and Financial Services

#### 1:00 p.m.; Cross Building, Room 220

**LD 1138**, An Act To Ensure Health Insurance Coverage for Treatment for Childhood Postinfectious Neuroimmune Disorders Including Pediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections and Pediatric Acute-onset Neuropsychiatric Syndrome (Rep. Bailey of Saco)

**LD 1155**, An Act To Protect Patients and the Prudent Layperson Standard (Speaker Gideon of Freeport)

### Taxation

#### 1:00 p.m.; State House, Room 127

**LD 1069**, An Act To Amend the Tax Expenditure Review Process (Rep. Tipping of Orono)

**LD 1122**, An Act To Expand Tax Increment Financing (Sen. Pouliot of Kennebec)

### Friday, March 29, 2019

### Environment and Natural Resources

#### 10:00 a.m.; Cross Building, Room 216

**LD 955**, An Act To Prohibit Offshore Oil and Natural Gas Drilling and Exploration (Rep. Devin of Newcastle) □

## New Legislation...

(Continued from Page 14...)

eligible for workers' compensation benefits related to loss of earnings or earning capacity. Under current law, this presumption may be rebutted by evidence that the individual is unable to perform suitable work because of the work-related disability. This bill lowers the evidentiary burden on the retired individual collecting workers' compensation benefits by providing that evidence that the individual's retirement was due at least in part to a work-related disability is sufficient to continue eligibility for workers' compensation benefits related to loss of earnings or earning capacity.

**LD 1204, An Act To Eliminate the Cap on Weekly Benefits in Workers' Compensation Cases.** (Rep. Sylvester, D-Portland) *Joint Standing Committee on Labor and Housing.* Current law caps the weekly benefit payable under the laws governing workers' compensation to a maximum amount set in statute or a percentage of the state average weekly wage, whichever is higher. This bill eliminates the cap on the weekly benefits.

**LD 1205, An Act To Allow Full Retirement Benefits under the Maine Workers' Compensation Act of 1992.** (Rep. Sylvester, D-Portland) *Joint Standing Committee on Labor and Housing.* This bill strikes the provisions of law that require an employer to offset an individual's workers' compensation benefits based on retirement or pension benefits being received by that individual. It also clarifies the law to avoid the interpretation of the Maine Supreme Court in *Urrutia v. Interstate Brands International*, 2018 ME 24, 179 A.3d 312, which allowed an employer to take a credit for past overpayments, due to the employer's failure to take an allowable offset of benefits, by reducing the employer's ongoing payments of workers' compensation benefits.

**LD 1253, An Act To Fairly Compensate for Fatal Accidents under the Maine Workers' Compensation Act of 1992.** (Rep. Sylvester, D-Portland) *Joint Standing Committee on Labor and Housing.* Current law limits to 500 weeks the duration of death benefits under the laws governing workers' compensation. This bill removes the 500-week cap. □

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# LEGISLATIVE STRICTLY SOCIAL



**Monday, March 25 ♦ 5:00 to 7:30 p.m.**  
**Senator Inn & Spa, Augusta**

*Presented by the Maine State Chamber of Commerce  
& the Kennebec Valley Chamber of Commerce*

♦ Light hors d'oeuvres and cash bar ♦

Please RSVP to [melodyr@mainechamber.org](mailto:melodyr@mainechamber.org) or [aarno@mainechamber.org](mailto:aarno@mainechamber.org)