

February 6, 2020

## Supplemental budget proposal tackles bipartisan priorities: rebuilding state government, developing the workforce, and saving for a rainy day —————

— Governor Mills also proposes “connections” bond package to expand broadband and continue rebuilding roads and bridges



On Monday, February 3, Governor Janet Mills presented the Legislature with a supplemental budget proposal that invests in bipartisan priorities, including continuing to rebuild state government to protect the health, safety, and well-being of Maine people, enhancing workforce and economic development efforts in the face of a tight labor market, and increasing the State’s Budget Stabilization Fund.

“The economic forecast and revenue projections are generally positive, with more than half of the projected revenue being one-time funds,

permitting us to identify specific needs to present to the Legislature in the form of a supplemental budget. In preparing this proposal, we asked one question: what problems do we need to solve now to protect the safety and welfare of Maine people and the Maine economy?” said Governor Mills. “This supplemental budget reflects three bipartisan priorities: setting aside money in the State’s Rainy Day Fund to protect against an economic downturn; rebuilding and

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## IFS committee hears Governor Mill’s health care reform bill —

*Proposal focuses on lowering cost for small businesses*

The Joint Standing Committee on Health Coverage and Insurance and Financial Services (HCIFS) held a public hearing on Wednesday, February 5, 2020, on Governor Janet Mill’s signature bill – LD 2007, *The Made for Maine Health Coverage Act*. The legislation is designed to lower the cost of health insurance for Maine small businesses.

Sponsored by Speaker of the House Sara Gideon (D-Freeport) and co-sponsored by Senate President Troy Jackson (D-Aroostook), the bill received a long public hearing – with some proponents, very few opponents, and a predominant number of witnesses, including the Maine State Chamber of Commerce, who took a neutral position on the bill. While there may be merit in the Governor’s proposal, there remain far too many unknowns and unanswered questions before the employer community can get behind the proposed changes.

As drafted, the bill:

- ◆ Requires health plans to cover the first primary care visit and behavioral health visit each year for free – with no deductible and no out-of-pocket costs, making some of the

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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.

## **Supplemental Budget... (Continued from Page 1...)**

strengthening services that protect the health, safety and well-being of Maine families; and enhancing workforce and economic development to create a robust, skilled workforce that responds to the immediate needs of the educational and business community.”

Additionally, Governor Mills today proposed to the Legislature a “connections” bond package that includes \$15 million to expand access to high-speed internet for Maine people and businesses, a top economic development priority for the Administration, and \$100 million for transportation funding that the Maine Department of Transportation built into its recently-released workplan.

“This supplemental budget is balanced. It does not create new programs. It takes care that one-time monies are used to fulfill our obligation to fund schools, child welfare and public safety with existing programs, while leaving \$6 million in unallocated funds to be dealt with by the legislature,” continued Governor Mills. “As the Legislature puts their own fingerprints on this document, I ask that they do so with caution and care, balancing the health and safety of Maine families and our workforce needs with the long-term health of the state.”

The complete supplemental budget can be read online at [www.maine.gov/budget](http://www.maine.gov/budget). Highlights from the supplemental budget presented to the Legislature today include:

### **Saving for a Rainy Day...**

The supplemental budget proposes investing just over \$20 million in the Budget Stabilization Fund (BSF). If the increase is approved by the Legislature, the Budget Stabilization Fund will have grown by more than \$50 million since Governor Mills took office.

In addition to the increase in the BSF, the supplemental leaves \$6.0 million on the table for the Legislature to consider and direct as it sees fit.

### **Rebuilding State Government...**

The Mills Administration has made

rebuilding state government and enacting voter-approved laws a priority. This supplemental budget continues that work by calling for critical investments in vital state government infrastructure and personnel in order to protect the health, safety, and well-being of Maine people, including:

- ♦ \$1.5 million for 20 new positions within the Department of Health and Human Services to respond quickly and effectively to reports of child abuse or neglect. These new positions build on the 62 the Mills Administration and the Legislature have previously approved, including frontline caseworkers who have now all been hired.
- ♦ \$1.1 million to restore a forensic crisis team at the Department of Health and Human Services, scaled back by the previous administration, that will work in partnership with the Department of Public Safety to divert people with severe mental illness from jail and emergency rooms and transition those already in prison back into the community.
- ♦ \$2.6 million to eliminate the current Section 29 waitlist as the Department of Health and Human Services seeks to overhaul and improve the range and flexibility of services for adults in Maine with developmental disabilities, brain injury and autism.
- ♦ \$1.9 million for the Maine State Police to hire and deploy 10 new State Troopers and four Sergeants. Governor Mills requested this funding last year in her biennial budget, but it was rejected by the Legislature.
- ♦ \$4.5 million for wastewater treatment facility planning and construction grants, as well as small community grants, through the Department of Environmental Protection to upgrade and modernize failing infrastructure that threatens public health and water quality. Governor Mills had proposed this last year as part of her initial bond package.
- ♦ \$4.5 million for the Department of Environmental Protection to clean up sites polluted by abandoned hazardous substances and contaminants that threaten the environment and health of Maine people.
- ♦ \$910,000 for the Maine Center for Disease Control and Prevention’s

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## **Tax committee to hold work session on bill to increase in corporate income tax**

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On Tuesday, February 11, the Joint Standing Committee on Taxation will hold a work session on a carryover bill – **LD 903**, *An Act to Improve Corporate Tax Fairness by Amending the Rates Imposed on Corporate Income*. The Maine State Chamber testified in opposition to the bill at last session’s public hearing. Sponsored by Rep. Scott 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%.

According to the Tax Foundation, Maine would be one of only seven states in the nation to have corporate income tax rates 9% or above. Maine’s current top corporate income tax is already higher than the top rate in our neighboring New England states of Connecticut, New Hampshire, Vermont, Rhode Island, and Massachusetts.

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 that as well. 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 and less competitive and would also impact future investments. Paying higher taxes can impact the amount a 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.

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). □

## **Taxation committee approves commission to study impacts of state’s tax policy on small business and working families**

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### **Commission excludes medium- and large-sized businesses in Maine**

On Thursday, January 30, the Joint Standing Committee on Taxation voted 8-3 ought-to-pass-as-amended on **LD 1929**, *Resolve, Establishing the Commission to Study Fair, Equitable and Competitive Tax Policy for Maine’s Working Families and Small Businesses*, sponsored Rep. Ryan Fecteau (D-Augusta). The bill would establish an 11-member commission to study the impact of the state’s tax policy on working families and small businesses and develop recommendations designed to ensure the tax policy is fair and equitable while ensuring the state remains competitive.

The Maine State Chamber testified in opposition to the bill at its public hearing for several reasons. First, there were no requirements that an expert in tax policy serve on the commission. Secondly, as the Maine State Chamber testified, the focus on the report was only on one segment of the business community. The state’s tax policy impacts more than just small businesses. Large- and medium-sized businesses are as important and were not considered to serve on the commission.

The Taxation committee amended the bill to include a representative from Maine Municipal Association and a representative from Maine’s farming community, and to require that one commission member be an expert in tax policy.

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). □

## Supplemental Budget... (Continued from Page 2...)

Health and Environmental Testing Laboratory to support its capacity to test for and isolate biological, chemical, or radiological hazards, such as lead, radiation or rabies.

- ◆ \$4 million for the Department of Defense, Veterans and Emergency Management to restore and modernize Maine National Guard Armories in Westbrook, Augusta, and Lewiston so they can be mission-ready. Governor Mills had proposed this last year as part of her bond package.
- ◆ \$10 million for the Department of Transportation to repair the State's roads, bridges, and other transportation infrastructure to boost the economy and reduce greenhouse gas emissions. The General Fund appropriation comes as the Blue Ribbon Commission To Study and Recommend Funding Solutions for the State's Transportation Systems works to reach consensus on how to reform and adequately supple-

ment funding for the State's transportation infrastructure.

- ◆ \$6 million for the Department of Administrative and Financial Services to repair and maintain state-owned properties in severe disrepair.
- ◆ \$6.6 million for the Department of Administrative and Financial Services to enhance the State's aging IT data security to better safeguard critical data entrusted to the State by the public from the constant threat of cyber-attacks.
- ◆ \$1 million for the maintenance of structurally-deficient dams owned by the Department of Inland Fisheries and Wildlife.
- ◆ \$3.6 million for the Department of Agriculture, Conservation and Forestry to replace critical equipment, including a helicopter to fight forest fires, and to provide for new positions, such as a food inspectors and seasonal employees to help safely operate the state park system.

### Enhancing Workforce and Economic Development...

With Maine in serious need of a more

robust, skilled workforce, the supplemental budget takes action to strengthen the State's workforce and economic development efforts by providing funding for critical needs identified in the State's new economic development plan, including:

- ◆ Raising the investment cap of the Maine Seed Capital Tax Credit from \$5 million to \$15 million at a cost of \$1.3 million next Fiscal Year.
- ◆ \$3 million to fund critical capital equipment for Career & Technical Education Centers (CTEs) across the state that train students in the trades. Governor Mills had proposed this funding as part of her initial bond package last year.
- ◆ \$5 million for critical workforce needs, including short-term training through Maine Quality Centers, at Maine's seven community colleges.
- ◆ \$1.3 million for the Department of Labor's Maine Apprenticeship Program, which works with employers to provide on-the-job training and classroom instruction to fill their workforce needs.
- ◆ \$2.4 million to enhance Adult Education programming through the

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## 2020 Business Day at the Statehouse

Thursday, March 12 | 8:00 am to Noon | Hall of Flags, Second Floor, Maine Statehouse, Augusta

### **Employers and employees welcome ... PLEASE JOIN US!**

You are invited to the Maine State Chamber of Commerce's annual Business Day at the Statehouse on Thursday, March 12, 2020, from 8:00 a.m. to 12:00 p.m. in the Hall of Flags (Statehouse, Second Floor).

Business Day at the Statehouse provides a prime opportunity for our members, and their employees, to discuss business issues and priorities with legislators and state government officials, as we work together to strengthen Maine's economy and keep Maine competitive. Participants have the unique opportunity to connect face-to-face with legislators. Employers often use this time to emphasize the importance of preserving and retaining existing jobs, strengthening Maine's economy through the creation of new opportunities, and keeping Maine businesses competitive in today's economy.

With your participation, the "Voice of Maine Business" will resonate throughout Augusta! We anticipate another great turnout this year! If you have additional questions, please register online at [www.mainechamber.org](http://www.mainechamber.org) or email [aarno@mainechamber.org](mailto:aarno@mainechamber.org). □



## Increased funding to CTE programs is crucial to helping Maine students acquire the skills needed to be successful in today's workplace —

## Chamber testifies in opposition to department bill that proposes new tax —

**EDITOR'S NOTE:** The following testimony was delivered by Megan Diver, senior government relations specialist for the Maine State Chamber of Commerce in support of **LD 1947, An Act To Fund Capital Improvements to Career and Technical Education Centers, and, LD 2022, An Act To Provide Funding for Capital Improvements and Equipment for Career and Technical Education Centers and Regions, at a public hearing held on Thursday, February 6, 2020, before the Joint Standing Committee on Education and Cultural Affairs. We have reprinted it here for your review.**

Senator Millett, Representative Kornfield, distinguished members of the Education and Cultural Affairs Committee: I am Megan Sanborn, senior government relations specialist at the Maine State Chamber of Commerce, a statewide business association representing both large and small businesses. The Maine State Chamber of Commerce is also proud to be a co-leader of the MaineSpark Coalition that is dedicated to achieving the state goal that 60 percent of Maine adults will hold a degree or a credential of value in demand by Maine employers by 2025.

With education-attainment levels rising and trade skills and technology constantly evolving in the modern economy, there is an increasing need for well-trained and well-educated employees. Therefore, the Chamber believes that education or training is needed beyond a high school diploma.

Maine is faced with a workforce shortage across all sectors and regions; by 2025 Maine will need approximately 158,000 more workers than exist here today. For a state facing an enormous workforce shortage, we need to establish alternative pathways for our future workforce that ultimately lead to an increase of workers into the workforce earning a paycheck and helping our local businesses thrive.

The Maine State Chamber strongly supports LD 1947 and LD 2022 that would help Maine students acquire the necessary skills to succeed in today's high-skilled workforce. These bills would benefit and advance career and technical education (CTE) programs in Maine and

increase student participation in work-based learning and foster industry-recognized and postsecondary credentials.

Increased funding to CTE programs is crucial to helping Maine students acquire the skills needed to be successful in today's workplace. Because employers are reporting a shortage of skilled workers to fill in-demand positions, ensuring that secondary and post-secondary institutions offer modern, quality and relevant career and technical education (CTE) programs remains a priority so that we can develop and grow our state's workforce. As competition for high-skilled labor increases and as Maine's economy reaches full employment, every effort must be made to close the skills gaps that many industries face. CTE offers students opportunities for career awareness and preparation by providing them with the academic and technical knowledge and work-related skills.

Research shows that several states have benefitted from investments into CTE programs, such as Connecticut, Washington, and Tennessee. For example, Tennessee attributes \$13 million in annual tax revenues to CTE program graduates. The U.S. Department of Education data explores and highlights CTE access, participation, and educational and labor market outcomes. The data shows that participating in CTE can provide students with a strong foundation of technical knowledge and employability skills to complement their academic studies and prepare them for both college and career options.

Thank you for the opportunity to support LDs 1947 and 2022. □

On Thursday, February 6, Linda Caprara testified on behalf of the Maine State Chamber in opposition to **LD 2011, An Act to Update Certain Provisions in the Income Tax and Service Provider Tax Laws**, a department bill sponsored by Rep. Ryan Tipping (D-Orono).

Specifically, the Maine State Chamber opposed the proposed new section A-2, 36 MRSA, §2551, sub-B of the bill that would impose a new tax on users of streaming services transferred for less than permanent use. Currently, the State imposes a sales-and-use tax on products transferred electronically for permanent download. Services that are just streamed for temporary use are not currently subject to sale and use tax. This bill would codify different treatment for these two types of transactions: one would be subject to 5.5% sales tax; while the other subject to 6% service provider tax. In addition, the way it is drafted, it is not clear who that tax falls on.

The Maine State Chamber testified that, in the event the committee decides to go forward with the legislation, that section should be amended to provide a clear definition of the term "digital audio visual" and "digital audio services." By adding the definition, it would clarify that the tax applies only once to the "end user" not to additional service provider contractual relationships along the way.

For example, when XYZ cable service provider contracts with a company, such as Disney, for programming, they acquire a license to sell that product(s) for a period of time, it's not permanent. Programming purchases are a business input. The way this language in the bill is drafted, it is not clear if the tax would

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*"As a first-time attendee at the D.C. Fly-In, I was extremely impressed with the amount of access we were able to get with our Maine delegation and their staff.*

*The policy briefings from the experts at U.S. Chamber were also incredibly informative and pertinent, and I truly appreciate the work that the Maine State Chamber staff put into making this a well-coordinated and worthwhile event."*

*Judith Borelli, Director of Public Affairs,  
Texas Instruments, South Portland*

*"It is always reaffirming to meet our congressional delegation and to see first-hand their thoughtful approach to the issues impacting Maine.*

*The ability to speak with and listen to our delegation in such a small group setting is immensely beneficial, and I really appreciated the work that went into planning the trip and the time that our legislators spent with us."*

*Geoff Baur, Vice President, Finance,  
IDEXX*

**Register today to attend the Maine State Chamber's eighth annual**

## **Washington, D.C., Fly-In**

**Tuesday, April 28 through Thursday, April 30, 2020**

The Maine State Chamber of Commerce takes pride in putting together this unique opportunity for our members. As we continue to find ourselves in the middle of important issues in Washington that have a significant impact on our members, such as health care, energy, taxes, regulations, etc., the Washington, D.C., Fly-In has proven to be extremely beneficial to our member attendees as well as to our Congressional Delegates.

In order to touch on several critical federal issues that impact our member businesses, this year's trip will include a presentation by The National Association of Manufacturers and the U.S. Chamber of Commerce to provide a Joint Policy Briefing in advance of the Capitol Hill visits. Appointments have been confirmed with each of our U.S. Congressional Delegates and their key staffers-to provide you with an opportunity to share your business concerns, as well as discuss challenges and solutions.

The itinerary illustrates the value – the partnership with the National Association of Manufacturers and the U.S. Chamber, with individual meetings with our delegates and their staffs, access to a Joint Policy Briefing, dinner with our U.S. Congressional Delegates, and finally, an opportunity to schedule one-on-one visits to discuss policy issues specific to your industry.

Each year, we leave these meetings knowing we've been heard. And, knowing that Maine is fortunate to have congressional leaders who are caring, competent and accessible, we are certain that we have delivered an invaluable experience for our attendees. We do hope that you will join us!

**Registration for this event is required, and all information for that can be found at [www.mainechamber.org/washington-dc-fly-in](http://www.mainechamber.org/washington-dc-fly-in).**

### **Important Member Registration Information...**

- ◆ **Event Registration:** \$750 per attendee. Attendees are responsible for all travel arrangements. *(If you are an employer with 10 employees or less, please contact Megan Diver by emailing [mdiver@mainechamber.org](mailto:mdiver@mainechamber.org) for the small/individual business rate.)*
- ◆ **Please register by Friday, April 10,** by emailing [mdiver@mainechamber.org](mailto:mdiver@mainechamber.org).
- ◆ **Hotel reservations** must be made directly to the Willard Intercontinental Hotel by Monday, April 10, by calling 1-202-628-9100. To receive the group rate, please indicate you are a member of the Maine State Chamber of Commerce's group, or via this link: <https://www.mainechamber.org/washington-dc-fly-in>. The room rate is \$479 per night plus applicable taxes; room cancellations are the responsibility of the attendee and must be made directly with the hotel.



## Washington, DC, Fly-In...

(Continued from Page 6...)

- ◆ **Cancellations** for the event must be made by contacting Megan Diver at the Maine State Chamber by phone at (207) 623-4568, ext. 108.

### ***The Washington, D.C., Fly-In 2020 Agenda:***

#### **Tuesday, April 28, 2020:**

- ◆ Early Check-in Requested, The Willard Intercontinental, 1401 Pennsylvania Avenue NW, Washington, DC, 20004
- ◆ Late afternoon (3:30 p.m.) Joint Policy Briefing with the National Association of Manufacturers and the U.S. Chamber of Commerce, hosted at the U.S. Chamber of Commerce, 1615 H St NW, Washington, DC 20062
- ◆ Reception then dinner on your own

#### **Wednesday, April 29, 2020:**

- ◆ Maine Member Breakfast at the Occidental Grill & Seafood at The Willard Intercontinental, 1475 Pennsylvania Avenue NW, Washington, DC 20004
- ◆ Meeting with Maine's Members of the United States Senate, Capitol Hill Lunch and Briefing TBD
- ◆ Meetings with Maine's Members of the United States Congress, Capitol Hill
- ◆ Meeting with Maine's Members of the United States Senate, Capitol Hill
- ◆ Reception / Dinner with Maine's Congressional Delegates, Sazerac

#### **Thursday, April 30, 2020:**

- ◆ Additional Hill visits: Our staff will assist with requests for individual meetings. Please email [mdiver@mainechamber.org](mailto:mdiver@mainechamber.org) with your request, issue areas of interest, and with which of our U.S. congressional delegates' staffs or offices you would like to meet.

Any agenda revisions will be provided in advance of travel time. If you have additional questions, please contact Megan Diver by calling (207) 623-4568, ext. 108, or emailing [mdiver@mainechamber.org](mailto:mdiver@mainechamber.org). □

For the most current information, visit [www.mainechamber.org](http://www.mainechamber.org)

## **Supplemental Budget...** **(Continued from Page 4...)**

Department of Education.

- ◆ \$3 million split evenly among the Departments of Economic and Community Development, Labor, and Education for use in existing programs and collaboration to begin establishing the Maine Career Exploration Program outlined in the economic development plan.
- ◆ \$37 million for pre-K-12 education, raising the State's contribution by one percent from 50.78 to 51.78 percent, another step towards the 55 percent in state law. With this increase, the Mills Administration has moved two percentage points from 49.77 percent since taking office.
- ◆ \$6.8 million to restore the 3 percent increase proposed by Governor Mills last year, which was rejected by the Legislature, for the higher education systems to help stem tuition increases and invest in Maine students.

Fulfilling a promise from her State of the State Address, the supplemental budget also calls for a doubling from \$50,000 to \$100,000 of the State benefit provided to the families of fallen first responders.

The Fiscal Year 2020-2021 biennial budget, passed last year with two-thirds bipartisan support and signed into law by Governor Mills, set state appropriations at \$8.012 billion. This supplemental proposal, which takes into account budget balances from last year and projected revenue adds \$126.6 million or 1.6 percent in net appropriations for a total of \$8.138 billion. This proposal does not create any new programs, and of the net appropriations, 66 percent of the expenditures are one-time in nature and dedicated to existing programs, invested into the Budget Stabilization Fund, or contribute to the one percent increase in education funding. The Maine State Constitution requires that the State budget be balanced, as it is after this supplemental. Additionally, the Revenue Forecasting Commission projects that the revenues for Fiscal Year 22-23 will total \$8.45 billion.

With the submission of the supplemental today, the Legislature will now have a substantial role in hearing, amending, and approving the proposal. □

## Health Plan...

(Continued from Page 1...)

most common health care visits less costly. Additionally, under the bill, the second and third primary care and behavioral health visits could have a co-pay, but the deductibles would not apply;

- ♦ Proposes in a key section of the bill the merging of the small group and individual markets in Maine, creating a combined, larger pool of enrollees – one that supporters say will be more stable and therefore may help mitigate premium increases. Insurers would then be able to determine premiums based on this larger pool and offer the same plans to both individuals and small businesses, thereby helping small businesses to get a handle on health care costs;
- ♦ Extends reinsurance for the first time to small businesses, funded by the federal government and current fees in Maine Guaranteed Access Reinsurance Association (MGARA), the quasi-state agency which administers and funds the reinsurance program for the individual market and would also administer the extended reinsurance for the small group market once merged. In the bill's single cost control measure, it would allow insurance companies leverage to negotiate prices with health providers by limiting the amount the program pays for reinsurance for certain high-priced services to no more than twice what Medicare pays for certain high-priced services (200%);
- ♦ Creates a state-based Marketplace run by the State of Maine and starting in the fall of 2020, using the federal website, HealthCare.gov, and related services. Maine would conduct its own education, in-person consumer assistance, and outreach on coverage;

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## 2020 Human Resource Issues Update

Wednesday, February 26, 2020

8:30 Refreshments | Program 9:00 to 11:00 a.m.

Bangor Savings Bank Conference Facility

(5 Senator Way, Augusta)

As a small business owner and an employer, you may have legal responsibilities under the federal employment anti-discrimination laws enforced by the United States Equal Employment Opportunity Commission (EEOC) and Maine Human Rights Commission (MHRC). This workshop is designed with the intent to educate small businesses and help owners and managers focus on running a successful business by maintaining a strong EEO policy. Whether you are dealing with a complaint filed with the EEOC/MHRC or a lawsuit filed by the EEOC/MHRC, the results can be a drain to your mental and financial resources. Studies show that complaints of employment discrimination have been known to lead to moral issues at the workplace and negatively impact creativity and productivity. This workshop will cover relevant topics and business owners are encouraged to come with questions about their internal EEO policy. We are presenting this in three sections:

- Amy Sneirson of the Maine Human Rights Commission will lead off with a review of the changes in the Maine Human Rights Act that went into effect recently.
- Following that, Elizabeth Marcus of the U.S. Equal Employment Opportunity Commission will present on the EEOC's mediation program.
- Elizabeth will then be joined by Feng (Ken) An, also of the U.S. Equal Employment Opportunity Commission, to do an interactive presentation on retaliation issues.
- A question & answers session will round out our time together.

## Register today!

Online registration is available at <https://web.mainechamber.org/events/2020Human%20Resource%20Issues%20Update-427/details>. Questions can be directed to Angela Arno, director of programs and events by calling (207) 623-4568, ext. 104, or by emailing [aarno@mainechamber.org](mailto:aarno@mainechamber.org). □



## New Tax...

(Continued from Page 5...)

apply to both XYZ service provider who purchases the product and XYZ's customer who streams that movie. Without clarification, this would have a lack of transparency of the tax base and result in multiple layers of tax. Again, this amendment would clarify that the tax applies once and would prevent so-called double taxation of the same service.

Even though the Maine State Chamber opposes this new tax, there are issues of fairness and of providing a level

competitive playing field, so it's a double-edged sword. The same services are subject to the tax based upon the technology used for delivery and not the type of service provided. So currently, there is not tax parity between services.

The work session on LD 2011 will be held on Tuesday, February 18 at 1:00 p.m. in Room 127 of the Statehouse. 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). □

## Health Plan...

(Continued from Page 8...)

- ◆ Transitions from HealthCare.gov to a fully state-run system – operating our own website and call center – if an evaluation of benefits and feasibility of doing so show that this is the best path forward for Maine; and,
- ◆ Indicates that funding for the Marketplace would come from existing user fees on insurance companies, no higher than what the insurance companies pay now.

In testimony before the committee, Maine State Chamber's Executive Vice President, Peter Gore, indicated that the Chamber was appreciative of the Governor's attempt to address one of the longest-standing business challenges – the cost of health insurance – for any small employer operating in Maine. While Gore indicated that the Maine State Chamber was supportive of the change in the Marketplace moving to a state-based exchange, too much remained unknown at this point in the discussion to be able to support or oppose the rest of the bill.

While acknowledging that the intent of the bill was to lower costs, without actuarial information regarding the merging of the individual and small group markets, it is impossible to know whether the proposal would help or hurt small businesses at this point. Furthermore, Gore indicated that it was likely that there would be winners and losers should such a merging take place. Knowing how this played out in both markets would be critical before and final decisions should be made.

In addition, the keystone to the entire proposal – extending the scope of the existing reinsurance fund from the individual market to include the small group (business) market – is dependent on procuring what is known as “Section 1332 Waiver” monies from the federal government. This is extremely important – not only for the success of the proposal and the individuals

*Continued on Page 10...*



### Cybersecurity Safety at Home, Work, and Play

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**Thursday, March 12 - 1:00 - 5:00 p.m.**  
**Thomas College Spann Commons Summit Room**  
**FREE and open to the public. Space is limited.**

**Event Schedule:**

1:00 - 1:15 p.m.	Introductions and Videos from Senator Collins and Senator King
1:15 - 1:45 p.m.	Your Global Cyber Risk: A Vision from 2020 to 2025 Frank Appunn, PhD, Thomas College
1:45 - 2:15 p.m.	Hunter Quinlan '19, Maine Emergency Management Agency
2:15 - 3:05 p.m.	Michael W. Leonhirth, WEX - CISSP, CISM, CISA, CRISC
3:05 - 3:30 p.m.	Networking and Refreshments Break
3:30 - 4:00 p.m.	Ransomware: The Changing Risks and Increasing Losses Ron Bernier, Director of Tyler Detect, Tyler Technologies
4:00 - 4:50 p.m.	Panel and Q & A - Cybersecurity experts to discuss issues relative to Strategy, Federal policy and Privacy
4:50 - 5:00 p.m.	Closing Remarks
5:00 p.m.	Networking

**Featuring:**

 <p><b>Michael Leonhirth</b> Chief Information Security Officer WEX Inc.</p>	 <p><b>Ron Bernier</b> Director of Tyler Detect Tyler Technologies</p>	 <p><b>Frank Appunn</b> Professor of Information Technology Management Thomas College</p>	 <p><b>Hunter Quinlan '19</b> Senior Planner Cybersecurity Maine Emergency Management Agency</p>
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## Health Plan...

(Continued from Page 9...)

and employers affected by the fund, but also large employers who are not.

Currently, the MGARA is funded by an assessment of \$4 per member per month on all ratepayer premiums. So not only are individuals currently charged the assessment, but businesses in the small, large and self-insured groups (through their third-party administrators) are as well. The bill does not call for an extended assessment, but in his testimony, Gore expressed this concern for many large employers. What will be the result if the "1332 Waiver" monies come in at a lower-than-expected amount, or not at all, or if the reinsurance mechanism funding is overall inadequate to meet the needs of adding the small group market? As indicated, despite not being able to access or benefit from the MGARA reinsurance, larger employers are still required to pay the assessment to fund the program. This results in millions of dollars in cost in some cases. All while some of these larger employers are struggling to control and pay for their own higher health insurance.

Despite the fact that LD 2007 contains built-in triggers that would cause the bill to stop should costs *increase* as a result of its passage, or if the federal reinsurance monies do not materialize, there is concern among this section of the employer community that programmatically and politically it would be difficult to abandon the entire premise. Therefore, it could open those employers up to the possibility of an even higher assessment. The administration has indicated they would not support such an action; however, the possibility exists.

Currently, the committee plans to work the proposal in the coming weeks. We will continue to follow this bill closely and keep members informed of its developments. For questions or additional information, please contact Peter Gore by calling (207) 623-4568, ext. 107, or by emailing [pgore@mainechamber.org](mailto:pgore@mainechamber.org). □

## 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, FEBRUARY 10, 2020

#### State and Local Government

##### 10:00 a.m.; Cross Building, Room 214

**LD 2055** (Work Session), An Act To Require State Agencies To Use Renewable and Sustainable Energy and Reduce Greenhouse Gas Emissions (Sen. Libby of Androscoggin)

#### Veterans and Legal Affairs

##### 10:00 a.m.; State House, Room 437

**LD 2091**, An Act To Amend the Marijuana Legalization Act and Make Other Implementing Changes (Sen. Luchini of Hancock)

### TUESDAY, FEBRUARY 11, 2020

#### Energy, Utilities and Technology

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

**LD 2017**, An Act To Promote Renewable Energy Resources by Establishing an Energy-to-Gas Pilot Project (Rep. Riley of Jay)

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

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

**LD 1342** (Work Session), An Act To Establish the Maine Workforce, Research, Development and Student Achievement Institute (Rep. Daughtry of Brunswick)

### WEDNESDAY, FEBRUARY 12, 2020

#### Education and Cultural Affairs

##### 10:00 a.m.; Cross Building, Room 208

**LD 1606** (Work Session), An Act To Increase Funding for Career and Technical Education Programs (Sen. Dill of Penobscot)

**LD 1947** (Work Session), An Act To Fund Capital Improvements to Career and Technical Education Centers (Rep. Fecteau of Biddeford)

**LD 1999** (Work Session), An Act To Amend the Maine Education Savings Program (Sen. Herbig of Waldo)

**LD 2022** (Work Session), An Act To Provide Funding for Capital Improvements and Equipment for Career and Technical Education Centers and Regions (Sen. Herbig of Waldo)

#### Education and Cultural Affairs

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

**LD 2014**, An Act To Amend the Laws Governing the Maine State Grant Program (Rep. Daughtry of Brunswick)

#### Labor and Housing

##### 10:00 a.m.; Cross Building, Room 202

**LD 402** (Work Session), An Act To Restore Overtime Protections for Maine Workers (Rep. Tipping of Orono)

*Continued on Page 11...*

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Airing live the second and fourth Thursday of each month at 10:00 a.m., “The Bottom Line” builds upon our previous television program with the same name. The Bottom Line features a variety of guests and highlights the various priority areas of the Chamber and issues of importance to Maine’s business community and economy.

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***Public Hearings...  
(Continued from Page 10...)***

**LD 1572** (Work Session), An Act To Enact the Maine Fair Chance Housing Act (Rep. Talbot Ross of Portland)

**LD 1639** (Work Session), An Act To Require Comprehensive Responsible Contracting Practices for Public Construction Projects (Pres. Jackson of Aroostook)

**THURSDAY, FEBRUARY 13, 2020**

**Health Coverage, Insurance  
and Financial Services**

**1:00 p.m.; Cross Building, Room 220**  
**LD 1613**, An Act Regarding Women’s Health and Economic Security (Speaker Gideon of Freeport)

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

**2:00 p.m.; Cross Building, Room 202**  
**LD 1977** (Work Session), An Act To Ensure a Consumer’s Right To Repair Certain Electronic Products (Sen. Carpenter of Aroostook)

**Taxation**

**1:00 p.m.; State House, Room 127**  
**LD 403**, An Act To Prevent Tax Haven Abuse (Rep. Tipping of Orono)  
**LD 989**, An Act To Improve Maine’s Tax Laws (Sen. Chipman of Cumberland)

**THURSDAY, FEBRUARY 18, 2020**

**Education and Cultural Affairs**

**1:00 p.m.; Cross Building, Room 208**  
**LD 1857**, An Act To Protect Teachers from Punitive or Retaliatory Transfers (Rep. McCrea of Fort Fairfield)

**WEDNESDAY, FEBRUARY 19, 2020**

**Labor and Housing**

**10:00 a.m.; Cross Building, Room 202**  
**LD 2087**, An Act Relating to Fair Chance in Employment (Rep. Talbot Ross of Portland) □

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◆ Light hors d'oeuvres and cash bar ◆  
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Questions? Please email [aarno@mainechamber.org](mailto:aarno@mainechamber.org).