



JANET T. MILLS  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF LABOR  
54 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0054

LAURA A. FORTMAN  
COMMISSIONER

**Testimony of  
Laura Fortman, Commissioner  
Maine Department of Labor**

**Regarding L.D. 258  
"An Act Making Unified Appropriations and Allocations from the General Fund  
and Other Funds for the Expenditures of State Government and  
Changing Certain Provisions of the Law Necessary to the Proper Operations of  
State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025"**

**February 10, 2023**

---

Good afternoon, Senator Rotundo, Senator Tipping, Representative Sachs, Representative Roeder, and members of the Joint Standing Committees on Appropriations and Financial Affairs and Labor and Housing. I am Laura Fortman, the Commissioner of the Maine Department of Labor.

The biennial budget advances the Governor's guiding belief that to build a stronger, more prosperous state where opportunity is available to all, we must invest in the infrastructure that supports the people of Maine. They are our greatest asset.

That is why the budget proposal strengthens the very things that Maine people rely on every day to succeed. The budget builds on the strong success of the currently enacted budget and the work during the last legislative session to tackle Maine's greatest challenges.

We have governed cautiously and in a fiscally prudent way over the past four years. We've made sure that – even in the hardest of times during the pandemic – we lived within our means. This biennial budget proposal continues that practice.

Maine's economy has a place for everyone. The department's services are grounded in the principles of inclusion and accessibility. They are designed with the individual in mind. In an economy where there are two available jobs for every job seeker, it is even more critical to engage people who have been disconnected from Maine's workforce. People with disabilities, people of color, older workers, and justice-involved individuals are just some of the groups who have struggled to find consistent, family-supporting work. In 2022, the department's employment and vocational rehabilitation programs connected with more than 17,000 people. One success story involves "Jacob", a father who cares for his children and had recently experienced homelessness. After exploring his work history, we were able to connect Jacob with an employer-sponsored manufacturing course, after which he was subsequently hired. Within three months, he promoted to machinist. This Maine manufacturer now has a skilled and motivated worker. Jacob now has secured housing and reliable transportation. His self-esteem is higher, his outlook for the future has drastically improved, and he's able to financially support himself and his children.

Our efforts to support workers and businesses have been bolstered by the Maine Jobs and Recovery Plan, or MJRP. Maine has made an historic investment in workforce development. MJRP invests over \$300 million in our workforce, supporting childcare, transportation, and housing. For people who have been disconnected from the workforce, one or more of those issues are usually involved. For Department of Labor programs, this includes \$11.2 million for expansion of registered apprenticeship and certified pre-apprenticeship; \$10 million for worker training; and \$3.7 million for industry-lead workforce development projects.

The Department's biennial budget begins on page A-488. Here you'll see the total proposed appropriations and allocations for the Department of Labor. The Department's operating budget

totals \$120 million in fiscal year 2024 and \$122 million in fiscal year 2025. This number does not include the unemployment trust fund or one-time American Recovery Plan funding. As proposed, the General Fund would contribute about \$13.6 million each year. If you compare the General Fund budgets for fiscal years 2023 and 2025, the increase is \$882,445. The General Fund baseline is increased by \$543,385 for the changes in personnel costs. An additional \$339,060 is added through the included initiatives. The General Fund provides 11.2% of the Department's operations.

The first program is the **Administration – Bureau of Labor Standards**, which can be found on page A-489. This Program includes partial funding of approximately \$140,000 in the General Fund for the bureau leadership. In addition, there is a federal allocation of approximately \$200,000 for data analysis used to improve the health and safety of Maine workplaces. The Other Special Revenue Fund covers the Wage Assurance program. Wage Assurance provides up to two weeks' wages to workers whose employer has gone out of business and does not have the funds to pay the final wages owed. There are no new initiatives in this Program.

The next program is **Administration – Labor**, which provides funding for the administrative operations of the Department. Annual funding for this program is \$480,000 in the General Fund and \$4.2 million in the Other Special Revenue Fund. This covers the Commissioner's Office, the Operations Unit, and the Customer Service Unit. The Operations Unit is responsible for facilities management, cybersecurity and business continuity planning, and management of our publications, website and social media. Also included here are the finance and HR services provided by the Department of Administrative and Financial Services. The Customer Service Unit responds to our general information telephone line, as well as email. Staff also assist visitors to our administrative office.

The first two initiatives on page A-490 provide funding for three Office Associate II positions in the Customer Service Unit. The Unit had been understaffed pre-pandemic, consistently relying on temporary staffing contracts to cover the Department's front desk services. During the

pandemic, the unit was further augmented with borrowed staff from across state government. At one point during the pandemic, there were more than 20 people, albeit some part-time, assisting people who were contacting the Department. To ensure appropriate support for people who contact and visit the department, these two initiatives fully fund the three positions from the General Fund. One position is transferred from the Rehabilitation Services program, where it is no longer required. In round numbers, this initiative is for \$62,000 in the first year of the biennium, and \$66,000 in the second year. The other two positions are transferred from the Other Special Revenue Fund within this same program. This initiative is for \$138,000 in the first year and \$143,000 in the second year.

These position transfers are the first of 14 that impact the legislative headcount. A summary of all position transfers is included at the end of my testimony. The net impact is to shift 10 positions from the Federal Fund. Four positions move into the General Fund and six move into the Other Special Revenue Fund.

The next initiative transfers one Secretary Specialist Supervisor position into the Commissioner's Office from the Employment Services Activity program. The individual in this position provides administrative support to the Commissioner's Office and therefore should be budgeted here. The position will be transferred into the Other Special Revenue Fund. The costs of approximately \$110,000 will be funded through the Department's indirect cost plan.

Moving to page A-491, you'll see two initiatives that increase the Other Special Revenue allocation. These initiatives will allow for projected increases in the cost of services for IT, HR and finance provided by the Department of Administrative and Financial Services. These services are also funded through the Department's indirect cost plan. In round numbers, the first initiative for IT is an increase of \$275,000 in the first year of the biennium, and \$277,000 in the second year. The second initiative for HR and finance is \$222,000 in the first year and \$227,000 in the second year.

Moving to page A-492, you will find the budget for the **Blind and Visually Impaired Division**, or DBVI. DBVI provides vocational rehabilitation, education, and independent living services to people who have lost part or all their vision. This Program provides necessary supports, adaptive aids and devices, and specific blindness skills training to assist adults with obtaining their career goals. In addition, DBVI helps children to participate fully in the classroom. DBVI also assists older individuals with living independently and fully participating in their communities. The annual budget for DBVI is \$3.9 million in the General Fund, \$4.2 million in the Federal Fund, and \$340,000 in Other Special Revenue.

The first initiative transfers two positions and just over \$120,000 from the Other Special Revenue Fund to the Federal Expenditures Fund. The procurement position supports the entire division, and is more appropriately paid for with the federal grants. The Business Enterprise Program position is an allowable expense against the federal grants. By using the federal grants for staffing, we can dedicate the revenue coming into the Business Enterprise Program to supporting the blind and visually impaired business owners.

The next two initiatives increase the Federal allocation to fund two position reclassifications. These position changes were also included in the supplemental budget for the current fiscal year.

The first position reclassification changes a Rehabilitation Services Manager position to a Public Service Manager I. The federal account is increased by \$7,700 in each year for this reclassification.

The second position reclassification is on the next page. This initiative changes a vacant Procurement & Contracting Specialist position to a Contract/Grant Specialist position. The position is split funded between the two programs in the Bureau of Rehabilitation Services. The second part of this reclassification is on page A-502. This request for federal allocation is just over \$3,500 each year.

The next program on the agenda is **Employment Security Services**, which can be found starting on page A-494. This program is more commonly known as the unemployment program. The

unemployment program provides partial, temporary wage replacement to individuals who have lost their job through no fault of their own. The budget supports the review and processing of benefit claims, the collection of unemployment taxes, the hearing of appeals on benefits and tax assessments, as well as audit and quality assurance functions. There are no General Fund dollars in the unemployment program. The Federal Fund allocation is for \$33 million annually, and the Other Special Revenue Fund allocation is \$8.7 million annually. The unemployment trust fund allocation is \$250 million.

There are three initiatives in this program. The first initiative involves the Unemployment Insurance Commission. The Commission, although funded through the Department's budget, is a separate entity from the Department of Labor. The Commission is established in Maine statute, Title 26 §1081, to provide a second appeal level when an individual or business disagrees with earlier decisions regarding unemployment benefits. Businesses may also appeal to the Commission if they disagree with their unemployment tax assessment.

This initiative transfers the Commission's six positions and All Other funding from the Federal Fund to the Other Special Revenue Fund. USDOL's funding model for unemployment program administration is complex. By shifting these expenditures to a non-federal funding source, we will be better able to maximize the federal funding. The shift will have no impact on the operations of the Commission.

The next initiative provides one-time federal allocation for American Rescue Plan funds. The COVID-19 pandemic affected individuals who face persistent poverty and inequality to a greater extent than other populations. A national finding during the pandemic was that these individuals were also less likely to apply for unemployment benefits and re-employment opportunities for which they might be eligible. The U.S. Department of Labor provided funding for pilot unemployment navigator programs. This pilot program will help workers in these populations understand the process and ongoing eligibility requirements, including the need to be available to work and to actively seek work. The request is for an increase of \$808,000 in the Federal fund in the first year, and \$1,152,000 in the second year.

The third initiative for the unemployment program is at the top of the next page. This request is to continue 10 positions through June 2025. During the pandemic, the department was authorized for 152 limited-period positions to supplement the 162 legislative headcount. In addition to these state government positions, the department contracted for another 150 benefit agents and hearing officer positions. The contracts ended over a year ago. The majority of the 152 limited-period positions are vacant and will expire this June.

38 of the 152 positions were extended during the 130<sup>th</sup> Legislature to June 2025. We now have some positions that were not originally extended that are still needed. This request extends 3 Hearings Examiners, 1 Regional Manager, 1 Assistant Team Leader, and 5 Eligibility Agents to June 2025.

The **Employment Services Activity** program begins on page A-496. This program invests in services for people who need assistance while their employment goals. Staff in the CareerCenter and in our partner agencies help people identify and pursue their employment goals. This includes the development of training and job search plans and support to turn those plans into actions.

The path looks different for each individual. Some may find that an apprenticeship will work for them, while others may seek a certification or a degree. Others may find that they have the skills they need but are having trouble finding the right job. Sometimes they may need help with resume and interview preparation. Maine's CareerCenters and affiliated One-Stop Centers can help with each of these options.

The budget includes \$1.4 million in the General Fund and \$24 million in the Federal Fund.

The first initiative transfers a Secretary Specialist Supervisor to the Administration – Labor account. This is the second half of the transfer that I described earlier.

The second initiative reallocates the funding for 65 positions between the different funds and between the different grants within the Federal fund. This reallocation is made periodically as

the composition and level of funding shifts within the Employment Services programs. This change will help ensure that positions are charged to the appropriate funding source for the work performed and will not impact how services are delivered.

The next Program is the **Labor Relations Board**, the budget for which can be found on page A-498. The General Fund provides \$480,000, with another \$140,000 in the Other Special Revenue Fund. The Board, although funded through the Department's budget, is a separate entity from the Department of Labor. The Labor Relations Board works to foster the relationship between public employers and their employees. The Board protects the rights and enforces the responsibilities established in Maine statute for our public-sector employers. There is one initiative that increases the General Fund appropriation by \$22,789 in each fiscal year. These funds are provided for projected increases in court reporting services.

Moving to page A-499, you'll find the Permanent Commission on **Racial, Indigenous and Maine Tribal Populations**. The Commission was established in 2019 and at that time was funded through the department as well. Since then, the funding for the Permanent Commission was transferred to a stand-alone entity. There is one initiative in this program that removes the final \$500 allocation from the department's budget. This closes the account within the Department of Labor.

Moving to page A-500, you'll see the **Regulation and Enforcement** Program, which falls within the Bureau of Labor Standards. This Program provides funds to ensure that all Maine workers receive the wages they are owed and to secure the protections and benefits they are entitled to under the law. Consistent application of the law promotes a level playing field for all employers and protects those who play by the rules. The department also offers guidance to ensure that employers are aware of the legal requirements.



In this program, the General Fund appropriation of \$1.4 million provides for the enforcement of Maine's labor laws. These include minimum wage, overtime, prevailing wage, employment of minors, and public-sector safety and health. The Federal allocation adds another \$1.4 million for occupational safety and health consultations with private-sector employers.

The first initiative increases the General Fund All Other appropriation by just over \$27,000 in the first year and \$28,000 in the second year. These funds will support the additional services that the department receives from the Office of the Attorney General. In the previous budget cycle, the department received funding to support an additional Assistant Attorney General for wage and hour investigations. The work in the Attorney General's Office warranted additional administrative support.

The second initiative transfers one Labor and Safety Inspector. This position is currently split between this General Fund account and the Safety Education and Training Program – Other Special Revenue Fund. Labor and Safety Inspector positions are focused on ensuring compliance with labor laws, work that is not allowable with the Other Special Revenue funds. Transferring this position to the General Fund will appropriately budget the costs of ensuring compliance with Maine labor laws. The department is committed to outreach and education efforts and has sufficient staff remaining to perform this function.

The **Rehabilitation Services** Program is next on the agenda, and its budget can be found beginning on page A-502. This Program helps Maine people with physical, mental, and emotional disabilities obtain and maintain successful careers. It also partners with other agencies to provide services to those with more significant disabilities so that they can live more independently in their homes and communities. The Rehabilitation Services Program also contains the Division for the Deaf, Hard of Hearing and Late-Deafened. The Division provides information and referrals, and advocates for people who have hearing loss.

The General Fund appropriation is \$4.8 million and the Federal allocation is just over \$18 million.

The first initiative transfers one Office Associate II to the Administration – Labor program. This is the second half of the transfer I described earlier.

The next initiative is also the second half of an earlier initiative. The \$3,400 federal allocation in this program provides the remaining funding needed for the position reclassification from a Procurement and Contracting Specialist to a Contract/Grant Specialist.

At the bottom of the page is an adjustment to the federal allocation to fund the reorganization of two Office Assistant II positions to the Rehabilitation Counselor I classification. The All Other line category is reduced to offset the increase in Personal Services. The initiative transfers \$17,883 in fiscal year 2024 and \$21,243 in fiscal year 2025 between the two line categories. The Rehabilitation Counselor classification will allow for more direct services to people who have disabilities.

Moving to page A-504, you'll find the **Safety Education and Training Program**, which is part of the Bureau of Labor Standards. Through this Program, the Department helps to ensure Maine's workplaces are safe and healthy ones. Staff visits workplaces across the State, advising employers on ways to improve safety and protect the health of the people who work there. In addition, the Department operates a training lab in Augusta. Periodically, training is provided at other locations across the State. Online webinars and training are also available. Classes include the OSHA 10-hour course, Scaffolding and Fall Protection, Conducting a PPE Hazard Assessment, and Wage & Hour Compliance. The full class schedule can be found on the Department's website or by searching online for Maine SafetyWorks.

This program is supported entirely by assessments on Maine Workers' Compensation insurers and self-insurers. The annual budget for this program is \$2.5 million.

There are two initiatives in this program. Both are the second half of transfers of positions and funding to the Regulation and Enforcement program. The first part of the transfers are located on page A-500.

The **State Workforce Board** Program can be found on page A-505. The Board is responsible for advising the Governor regarding the duties and responsibilities identified in the federal Workforce Innovation and Opportunity Act, or WIOA. The members represent business, labor, education and training, and economic development, as well as the Legislature. By federal law, the Board must be comprised of at least 50% employers. The budget of approximately \$450,000 supports three positions and other expenses relating to Board business. Board members do not receive any allowances or stipends. There are no new initiatives in this program.

The final program is the **Workforce Research** Program, which begins on page A-506. The Center for Workforce Research and Information compiles and analyzes data affecting Maine's labor market. The Center provides information on high-wage high-demand jobs, income and wages, workforce demographics, and the unemployment rate. Information is used by state and local policymakers, employers, educators, trainers, and the public to make decisions that improve job and economic opportunities across the State. The annual budget includes just over \$500,000 in General Fund and \$2.6 million in federal funds. There are no new initiatives in this program.

This concludes my testimony for this afternoon's hearing. I would be happy to address any questions you may have.

### Summary of Department of Labor Position Headcount Changes

The net impact of all position changes moves 10 headcount from the Federal Expenditures Fund (Fed), and adds 4 to the General Fund (GF) and 6 to the Other Special Revenue (OSR) Fund.

Title	Page	Program	GF	Fed	OSR
BEP Assistant	A-492	Blind & Visually Impaired		1	-1
Chair, UIC	A-494	Employment Security		-1	1
Labor & Safety Inspector	A-500	Regulation & Enforcement	1		
Labor & Safety Inspector	A-504	Safety Education & Training			-1
Law Clerk	A-494	Employment Security		-1	1
Member, UIC	A-494	Employment Security		-2	2
Office Associate II	A-490	Administration - Labor	1		
Office Associate II	A-490	Administration - Labor	2		-2
Office Associate II	A-502	Rehabilitation Services		-1	
Procurement Spec.	A-492	Blind & Visually Impaired		1	-1
Secretary Legal	A-494	Employment Security		-2	2
Secretary Spec. Supv.	A-490	Administration - Labor			1
Secretary Spec. Supv.	A-496	Employment Services		-1	
Various	A-497	Employment Services		-4	4
All Positions			4	-10	6