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**Testimony of Dillon Murray, Legislative Liaison,
Maine Department of Labor
Neither for Nor Against
LD 1956, An Act to Amend the Law Governing the Competitive
Skills Scholarship Program and Establish the Community Workforce
Connections Program
To the Joint Standing Committee on Labor
Hearing, May 13, 2025**

Good afternoon Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor. My name is Dillon Murray and I am the Legislative Liaison at the Maine Department of Labor (Department). I am here today to speak on behalf of the Department Neither for Nor Against LD 1956, An Act to Amend the Law Governing the Competitive Skills Scholarship Program and Establish the Community Workforce Connections Program.

The Competitive Skills Scholarship Program (CSSP) was established by the Maine Legislature in 2007 as a strategic workforce development response to the increase of business closures, particularly mills, during that time. The mismatch between laid-off workers' skills and local labor market needs was stark, leading to prolonged periods of unemployment benefit receipt. CSSP was intentionally designed to help individuals gain education and training for high-demand, well-paying jobs, thereby improving both personal economic outcomes and the state's skilled labor force; and reducing cost to the Unemployment Insurance trust fund. Supported by both the business community and worker advocates, the program was unanimously passed as a strategic investment to meet employer and worker needs and boost Maine's economy.

In 2024, CSSP helped 586 individuals pursue high wage, in-demand (HWID) careers. These individuals included those with limited income, as well those with barriers to employment such as being underemployed, having low literacy, limited English proficiency, or a disability. Critical aspects of the program include wraparound support for childcare, transportation, books, supplies, and stipends that contribute to successful credential attainment and connection to good jobs. These wraparound services are critical to the program's success and help remove barriers that would otherwise prevent students from completing their education - the impact of which is reflected in the program's graduation rates, with 72% of CSSP participants who graduated in 2024 earning a HWID degree or credential. When compared to overall graduation

rates from Maine's 2- and 4-year public institutions (which average of 35% and 45%, respectively), the value of the program's one on one career guidance and support is clear. In addition, median wages for participants more than doubled within six months of program completion.

Legislation supported by this Committee and enacted in 2023 (PL 2023, c. 184) allowed the Department to strengthen those supports and make them more accessible to participants entering Registered Apprenticeship and certified pre-Apprenticeship programs. It additionally increased revenue coming into CSSP and offset the increased cost with a reduction in unemployment contributions. At the prior rate, the 2024 CSSP fund yield would have been \$5.475M. The new rate increased the annual yield by \$3.9M. With the increased funds made available by this prior legislation, we believe CSSP is positioned to responsibly expand access while maintaining program integrity and solvency.

If enacted, the proposed legislation will update income eligibility limits and allow access to CSSP for more Mainers. The impact would allow the Department to serve more individuals to help address the tight labor market and strengthen the pipeline of skilled workers in sectors such as healthcare, IT, transportation, and the trades. In the past year, approximately 14% of individuals who applied were found ineligible because they were over the current income threshold of 200% of the federal poverty line. For context, any individual earning more than \$15.05 an hour would not be eligible. Raising eligibility to 275% of the poverty line would expand access to high-wage, in-demand jobs for more Mainers who currently fall just outside the limit. Additionally, it further refines what is considered a marketable degree allowing for the program to be more responsive to the needs of the local labor market.

The bill also asks that the Department establish a cohort model. This model would allow for a more targeted approach—training participants in a group in key sectors like healthcare, education and construction. This would allow greater flexibility to address employer needs for sectors aligned with the governor's 10-year economic development plan. The Department supports the cohort model. Utilizing the cohort model is efficient, cost-effective and meets both employer needs and improves economic stability for Maine workers.

The bill replaces the Peer Workforce Navigator pilot with the Community Workforce Connections Program, which offers peer support and community-based job navigation to help unemployed and underemployed individuals overcome barriers to training, education and employment. This approach complements Maine's workforce system and is especially relevant given Maine's low unemployment rate and need to bring new populations into the labor force.

One technical change we ask this committee to consider is an adjustment to the proposed implementation date to allow time for a competitive procurement process and contract development. The Department agrees that developing trusting relationships with community members is valuable. Recognizing the importance of this service, we also hope the Committee appreciates the time it takes to go out to RFP, make an appropriate selection of provider, the

contracting process and other steps outlined in the proposal. We believe an extended timeline would help ensure thoughtful and effective implementation.

We have two additional clarifying points we'd like to discuss with the sponsor and stakeholders regarding the timing of planned yield calculations; as well as the appeal decision timeframe.

Employers and industry associations across Maine continue to highlight the challenges of our tight labor market. With record-low unemployment, it is essential to equip Maine workers with new skills to fill critical workforce gaps. Thanks to the increased resources provided by the Legislature last year, and with this bill's proposed expansion of income eligibility and the flexibility offered through a cohort model, we see this legislation as a way to both meet employer demand and strengthen economic stability for working families.

Thank you for your time and consideration. I am happy to answer any questions now or at a future work session.

The Maine Department of Labor is committed to serving Maine workers and businesses by helping employers recruit and train a talented workforce, providing workers with skills needed to compete in our economy, assisting individuals when jobs are lost, aiding people with disabilities reach career goals, ensuring safe and fair workplaces for people on the job and providing research and analysis of employment data to support job growth.

2024 Competitive Skills Scholarship

February 1, 2025

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Executive Summary

The Competitive Skills Scholarship Program (CSSP) has made significant strides in 2024, achieving substantial milestones, improving the lives of low-income Mainers, and helping to grow our state's talent pool as envisioned by Maine's 10-Year Economic Development Strategy. It has enhanced opportunities for participants across the state, providing critical resources to help them access education, training, and ultimately high-wage, in-demand (HWID) jobs.

In 2024, CSSP helped **586 individuals** pursue HWID careers essential to the growth of Maine's economy. These individuals included those with limited income, as well those with barriers to employment such as being underemployed, having low literacy, limited English proficiency, or a disability.

Critical aspects of the program include support for childcare, transportation, books, supplies, and stipends that contribute to successful credential attainment and connection to good jobs. Legislation enacted in 2023 (PL 2023, c. 184) allowed the Department to strengthen those supports and make them more accessible to participants entering **Registered Apprenticeship and certified pre-Apprenticeship programs**.

The program has shown remarkable success in improving graduation rates, with **72% of CSSP participants** who graduated in 2024 earning a HWID degree or credential. When compared to overall graduation rates from Maine's 2- and 4-year public institutions (average of 35% and 45%, respectively), the value of the program's 1:1 career guidance and support is clear. Additionally, median earnings in the six months after completion more than doubled relative to the six months prior to their enrollment, increasing from \$10,311 to \$22,189. CSSP's ability to positively impact wages and employment outcomes is further demonstrated by preliminary findings from an impact study by the Center for Workforce Research and Information (CWRI), which shows that completers since 2020 experienced a doubling of median earnings six months post-program and a significant increase in employment stability.

Partnerships with key programs, such as the Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T), the Higher Opportunity for Pathways to Employment (HOPE) program, apprenticeship and pre-apprenticeship programs, and the Peer Workforce Navigator Project have further strengthened CSSP's ability to meet the needs of participants and support their long-term success in Maine's workforce.

As CSSP looks ahead to 2025, funds newly provided by the legislature will further strengthen collaboration with Maine's education and training institutions to **build programming for cohort-based learning, providing a collaborative approach to learning for students to advance together toward a common goal, leading to sustainable employment**. We also plan to strengthen our strategic outreach efforts to populations with barriers through an improved application process and increase accessibility and streamline the participant experience to ensure an approach that meets the needs of Maine job seekers and employers.

Maine currently has a tight labor market, and CSSP is an asset that helps employers connect with workers who have the necessary skills. Through continued collaboration with training and workforce development initiatives, **CSSP will remain aligned with Maine's economic development goals**, supporting individuals as they pursue high-wage careers that meet the evolving needs of employers. Plans include improvements to the application process, strategic outreach efforts, and stronger connections with training programs.

Scott Flory

Scott left high school early and is navigating the path of recovery. After exploring sustainable career opportunities, he settled on attending Piscataquis Valley Adult Education Cooperative's Class A Commercial Driver's License program. Scott received a partial Maine Community Foundation Scholarship and was referred to CSSP for possible assistance with the remainder of tuition and other supports that would help complete the program. CSSP was able to assist by paying the balance of the tuition, mileage reimbursement, work clothing, auto repairs, and two months of stipend.

In November 2024, Scott completed training, obtained his Class A Commercial Driver's License, and was hired as a CDL Driver making \$20.00 per hour.

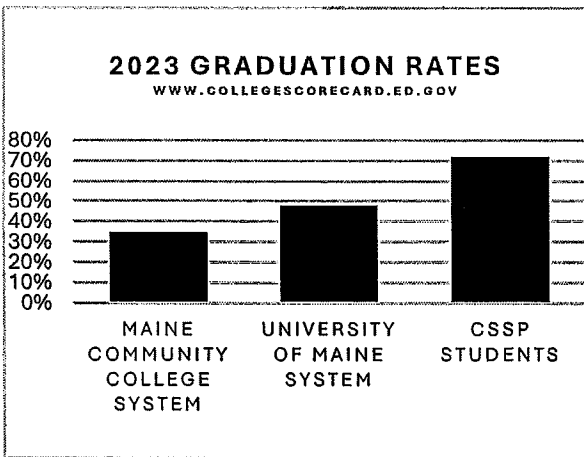
"CSSP has given me an opportunity to do things I wouldn't have been able to do, and to grow and meet people and give me something to do with my sobriety. It has made what I thought was impossible possible. I'm going to start working on emails and improve my computer skills and complete my Hi-Set. Six years ago, I was on the edge of being homeless, drinking and doing drugs. Then I started going to church and now I'm going to drive a tractor-trailer."



2024 Program Outcomes

CSSP served a total of 586 individuals in 2024. Of these individuals, 354 received a training stipend; 46 were students who participated in the High School Student Bridge program. CSSP enrolled 288 new individuals in 2024.

Improved Graduation Rates



When students receive support from the CSSP program, they are significantly more likely to graduate than their peers without similar support. As captured by www.collegescorecard.ed.gov, 35% of students enrolled in Maine's community colleges complete their degree within four years, and 48% of students in Maine's four-year public colleges and universities complete their degree within six years. In contrast, 72% of students enrolled in CSSP who graduated in 2024 successfully obtained a degree or credential in a high-wage, in-demand field. **This highlights the effectiveness of targeted supports, such as those provided by CSSP, in improving student outcomes and helping them succeed in their educational and career goals.**

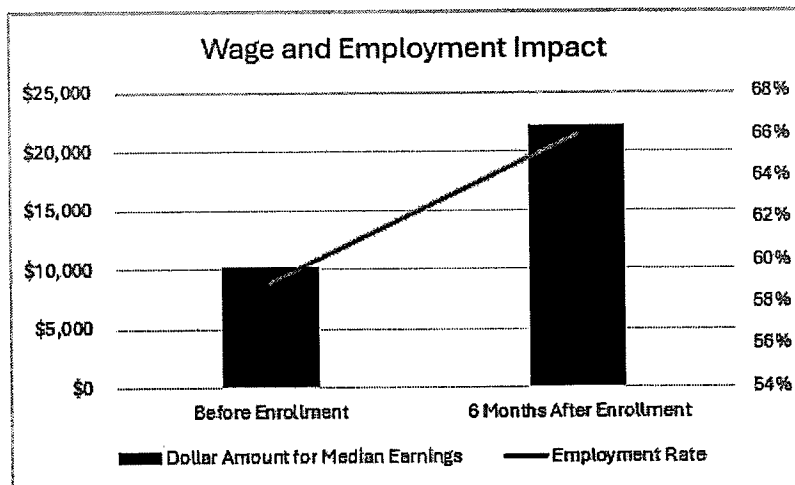
CSSP Impact Study

CSSP's participant outcomes being evaluated by the Center for Workforce Research and Information (CWRI), with the expectation that full results will be released in summer 2025.

Some of the programs take multiple years to complete. Preliminary outcomes show that since 2020, 585 participants have **completed** an intensive CSSP program where they earned either a certificate, 2-year degree, 4-year degree, or completed a skills training. Of those, 486 had enough time elapsed since completion to evaluate 6 months of earnings data. Initial analysis shows CSSP has a positive impact on the employment and earnings outcomes of program completers. Median earnings in the six months after completion more than doubled relative to the six months prior to their enrollment, increasing from \$10,311 to \$22,189. The share with any earnings in Maine increased from 59 percent to 66 percent and the share earning at least a full-time equivalent wage more than doubled from 24 percent to 55 percent.

Wage and employment records come from Maine's unemployment insurance system and include a vast majority of employment within the state, but do not capture all jobs. It is possible some completers are working but are not included in this analysis because they are working in another state, working for the federal government, are self-employed, or are independent contractors. The full-time equivalent in this analysis was \$11,722 and is equal to Maine's hourly minimum wage in 2024 multiplied 32 hours by 26 weeks (six months). To enable valid wage comparisons over time, wages are adjusted for inflation to 2023 dollars using the Consumer Price Index (CPI-U).

Full evaluation results will be detailed in the 2026 CSSP program Annual Report.



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Full evaluation results will be detailed in the 2026 CSSP program Annual Report.

Jody Alexander



At the time Jody joined CSSP she was working part-time in the food industry earning \$15.00 per hour. As a single mom, there were times that it was difficult to juggle her responsibilities of attending training, working part-time, and caring for her daughter, but she was committed to successfully completing her program. Jody has now completed her program and obtained employment making \$60.00 per hour as a Massage Therapist.

"I want to express my gratitude for the support of this program and being able to go back to school. I can't wait to start this new career! It took me a long time to get here, but I have finally found a career that is sustainable with a manageable path to get to it. It's perfect for me. I have wanted to become financially independent for a long time and this is finally becoming a reality. I would not have been able to complete this without the support of the CSSP and other help I have received."

Program Background

Since 2007, CSSP has helped low-income Mainers attain the skills necessary to thrive in our state's economy and help meet employer demand for a trained workforce. CSSP provides post-secondary education; training for

degrees and industry-recognized credentials including those gained through Registered Apprenticeships; and other essential supports that support participants' entry into high-wage, in-demand jobs in Maine. The program increases an individual's ability to fully participate in Maine's workforce, to earn family-supporting wages, and to contribute more robustly to Maine's economy by encouraging lifelong learning and credential attainment. CSSP is funded through a small (.34%) assessment on Maine employers who contribute to the Unemployment Insurance Trust Fund. An employer's unemployment tax is reduced by the amount paid into CSSP, as required by Title 26 §1221 sub-§4-A of Maine statute. With Maine's tight labor market, we need everyone to have the opportunity to achieve their full potential – an economy where workers can have good jobs and employers can prosper. The investment in CSSP participants to gain the skills needed to obtain good-paying and sustainable jobs will help reduce recurring need for and dependency on unemployment compensation and similar benefit programs.

2024 Legislative Action & Rule Changes

In the 131st session, the legislature passed into public law (PL 2023, c. 184) LD 1394- an Act to Expand and Strengthen the Competitive Skills Scholarship Program. The legislation clarified CSSP's relationship with certified Pre-Apprenticeship, which is a newly developed pathway to Registered Apprenticeship. Additionally, the legislation required that CSSP support the on-the-job learning components of qualified Registered Apprentices, and required support of the costs for necessary educational transcripts or credential evaluation. It expanded the funding available to the program through an increase to the Competitive Skills Scholarship Fund planned yield from .02% to .034%.

Agency Rule Change

The previous version of the agency rules for CSSP had been in place since 2015 and changes were necessary to address technological advancements, rising costs, and demographic diversity in Maine. On December 20, 2022, a listening session was held, and written testimony was submitted by interested parties. The Bureau considered the written testimony as well as L.D. 1394, An Act to Expand and Strengthen the Competitive Skills Scholarship Program Legislation that was enacted in June of 2023 when drafting the amended rules.

On November 3, 2023, a public hearing on the proposed amended rules of CSSP was held and comments were accepted. The final rule edits were modified based on feedback from the public hearing.

The amended CSSP rules were adopted on March 16, 2024. The amended rule clarifies existing definitions and adds new definitions; clarifies the eligibility requirements; clarifies the documents needed to verify financial eligibility, identity, and Maine residence; clarifies the process for eligibility determination; clarifies the duration of the education or training; makes changes in accordance with P.L.2023, Ch. 184 for participants in registered apprenticeship and certified pre-apprenticeship programs and provides for cost of licensing or certification.

The changes included an increase in the yearly scholarship available for full-time and part-time students, an increase in weekly mileage reimbursement allowance, an increase in auto repair cap, changes to the maximum monthly household income limit and stipends, and support services being available to certified pre-apprentices and registered apprentices.

Apprenticeship/Pre-Apprenticeship

Apprenticeship is a proven workforce development strategy, where apprentices work directly with their employer, learning the skills needed by that industry and workplace. Additionally, over 90% of apprentices are still working for the same employer at least a year after their training is complete, showing its effectiveness as a retainment tool. Apprenticeship does not usually have a training cost to the individual, but we know that there are other financial barriers to getting started in a new career. Through the rule change, anyone who applies may be eligible for the support services of CSSP. The introduction of certified pre-apprenticeship programs as a pathway to high-wage, in-demand training provides crucial support during a critical time when potential candidates are most likely to be

eligible. This approach not only enhances immediate training opportunities but also fosters long-term career success by incorporating built-in supports to help individuals throughout their professional journey.

Rapidly Connecting Skilled Workers to Maine's Workforce

In-migration, from both within and outside of the U.S., has been a key strategy to meeting workforce demands in Maine. When individuals move to Maine from other countries, their credentials sometimes require evaluation for compliance with state and U.S. requirements. CSSP rules now cover non-work-authorized individuals, and the team supports individuals so that they can join the workforce as soon as they are authorized. This includes supporting individuals with degrees attained outside of the U.S. to obtain credential evaluation, such as those with nursing degrees to obtain their license to become a nurse in the U.S.

Christel Toussaint

Christel Toussaint immigrated to Maine from the Congo and remembers doing homework and chores with candles and flashlights because there was no electricity in her city. With so much difficulty in areas of her former country to generate electricity she decided to become an electrical engineer. She began working toward her degree at Southern Maine Community College, then transferred to complete her bachelor's degree at the University of Southern Maine (USM). Christel was granted a scholarship from USM that helped pay part of her tuition. The Competitive Skills Scholarship Program and Workforce Solutions provided support throughout her training program.



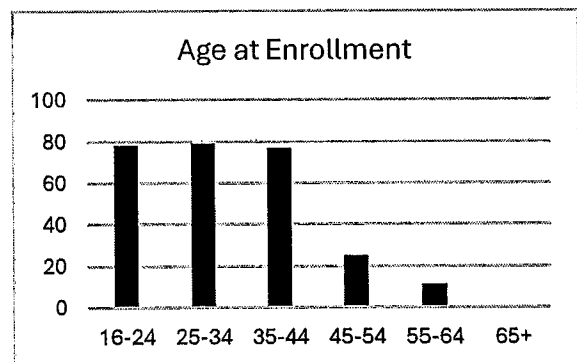
Christel obtained a Bachelor of Science in Electrical and Computer Engineering and is now employed at Avangrid/CMP, earning \$77,000 annually.

"I developed a deep curiosity: Why couldn't we have electricity in our homes consistently? What was it about power generation and consumption that made it a constant resource in one country but a rare privilege in another? I have been able to learn so much more about electricity while earning a good income to support my family and still find the time to give back to the community with what I have. I love my job as it is what I had always wanted to do since my young age and I get paid well enough to support my family and I also have time to give back to the community my talents."

Who We Serve

2024 participants in the CSSP program **reside in all 16 counties of Maine**. CSSP serves a wide range of participants, with a focus on helping individuals at various stages of their careers and educational journeys. The age distribution from 16-64 at enrollment shows a broad representation, particularly among adults in the workforce.

The program's age distribution demonstrates the need for CSSP to individuals across a wide age spectrum, offering career advancement and educational opportunities to those at various stages of life and professional development.

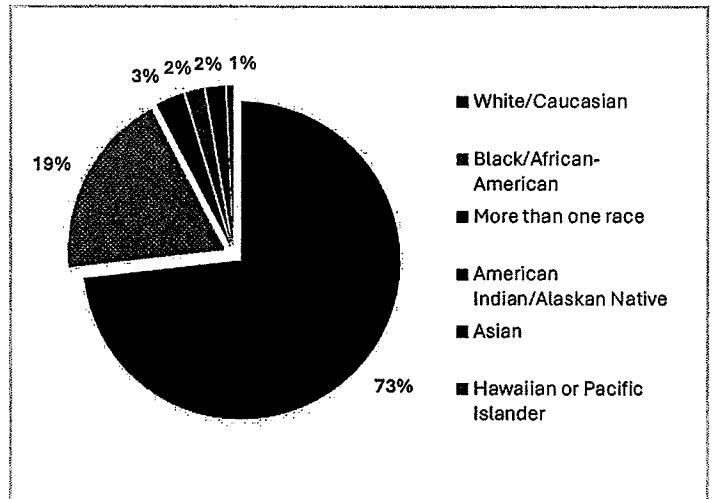


Those served by CSSP included:

- 73% white/Caucasian
- 19% Black/African American
- 5% Hispanic or Latino
- 58% female
- 41% male
- less than 1% non-binary

GENDER

58% of those served by CSSP identify as female. 41% identify as male. Less than 1% identify as non-binary.



Identified Barriers to Employment

Participants of CSSP face a range of challenges that reflect the varied and complex barriers to success they encounter. These challenges can significantly impact an individual's ability to access education, secure stable employment, and advance in their careers.

The following highlights some of the key barriers faced by CSSP participants:

- **78 individuals** report being "basic skills" deficient
- **71 individuals** identify as having a disability
- **68 individuals** have a criminal background
- **16 individuals** report experiencing homelessness
- **43 individuals** face limited English proficiency
- **150 individuals** report being long-term unemployed
- **68 individuals** have previously dropped out of high school
- **60 individuals** are single parents
- **78 individuals** report a history of substance abuse



Victoria Davenport

In August of 2023, Victoria Davenport was unemployed and on probation for a class D misdemeanor.

She enrolled at Eastern Maine Community College with a goal of an associate degree in Business Management, which she obtained in May of 2024. Victoria then applied for a position at Eastern Maine Community College, and, understanding that it was important to be open and honest about her criminal history, she shared her story and told the college about the positive changes she had made to her life.

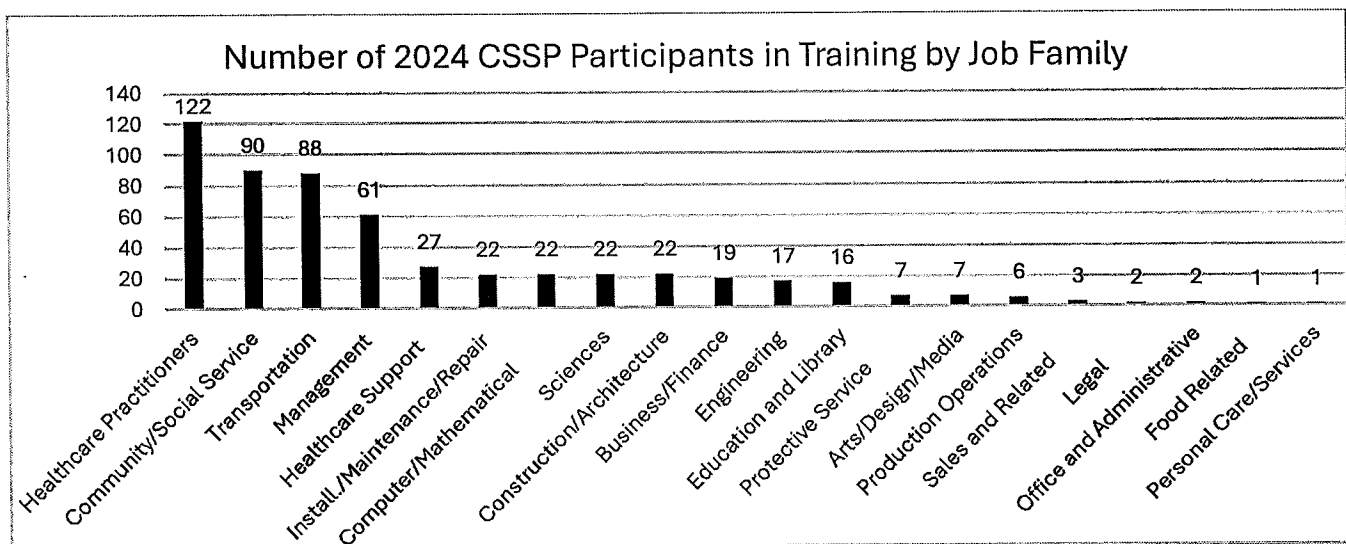
After two successful interviews, background and reference checks, she received an email from EMCC thanking her for her honesty and offering her the position.

She started her new job as an Administrative Specialist II in the Admissions office working 40 hours a week, earning \$18.03/hour with benefits including fully paid health insurance with a pathway for much more now that she has earned her degree.

"I am so grateful to CSSP for providing me with an opportunity to further my education and working with me post-graduation to help me find employment. I was eligible for a monthly stipend through CSSP allowing me to focus entirely on my schoolwork while also being able to pay for groceries, gas, and other necessary life expenses. The guidance, support and quick responses from CSSP motivated me to stay on track and helped me with not giving up when finding employment took longer than I wanted. CSSP is a wonderful program that I encourage others to apply for. I will always be grateful for the opportunity CSSP provided me with and the impact it had on my success."

Pursuit of High Wage, In Demand Careers

As shown in the chart below, the 2024 participants are working toward careers as Registered Nurses, Counselors and Social Workers, and Teachers. The program also reflects significant interest from aspiring Engineers, Accountants, Biologists, IT Specialists, Managers, Electricians, Chefs, and CDL Drivers.



Partnerships

CSSP is committed to fostering strong partnerships both internally and externally to enhance the support provided to our participants. Notably, CSSP collaborates with the following key programs to ensure that customers receive comprehensive and effective assistance:

Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Program

The SNAP E&T program in Maine helps recipients of SNAP benefits secure and maintain employment through job training, education, and support services. In the past year, 53 individuals were co-enrolled in both the SNAP E&T program and CSSP to better address their specific training and employment needs. Notably, the Department of Health and Human Services Office of Family Independence reimburses the Department of Labor's Bureau of Employment Services (BES) for 50% of eligible expenses incurred by BES Case Managers while delivering services under a Memorandum of Understanding. This includes funding for a 0.75 FTE Case Manager position with benefits.

Higher Opportunity for Pathways to Employment (HOPE) Program

The HOPE program provides financial assistance to parents and families in Maine, helping them access education and training beyond high school. Administered by the Maine Department of Health and Human Services (DHHS), 52 individuals were co-enrolled in both the HOPE program and CSSP, ensuring they received the support needed to achieve their career goals.

Peer Workforce Navigator Project

The Peer Workforce Navigator Project helps to recruit new participants through community-based organizations. In collaboration with the Peer Workforce Navigator Project, CSSP has worked to identify potential candidates, uncover barriers in the application process, and explore opportunities for program improvement. This partnership enhances CSSP's ability to serve participants effectively and address challenges in workforce development.

Financials

CSSP expenditures in calendar year 2024 were just over \$3,087,862. Over the past few years, with many college and training programs available at no cost with Maine Jobs and Recovery Plan funds, CSSP was able to leverage training costs from other sources in 2024. Because of this cost-sharing, the ratio of case management, which is crucial to participant success and retention, was higher from prior years. Information on how much the other programs contributed is not available, as not all are administered by the Department.

Average Annual Cost Per CSSP Participant

Category	ALL CSSP
Number of Trainees Served in 2024	586
Training Expenses (tuition/books/fees/equipment)	\$ 964,958
Stipends and Supports (mileage, repairs, childcare, etc.)	\$ 918,773
Participant case management, career planning, payment processing, etc.	\$837,058
Administration and Management	\$367,074
TOTAL 2024 Expenses	\$ 3,087,863
Average Annual Cost Per Person	\$5,306

Plans for the Future

In 2025, the CSSP team is committed to rolling out a series of significant system improvements and fostering new partnerships aimed at enhancing the overall experience for applicants, training providers, and employers. A key focus will be on developing a better application process that is more streamlined, user-friendly, and efficient. By incorporating plain language and simplifying the steps, the team seeks to make the application experience less daunting and more accessible for a diverse range of individuals. The new application process will leverage the existing case management system, Maine JobLink, to limit processing delays and duplicative data entry for the benefit of the applicants.

Alongside this, CSSP will continue to strengthen its connection with training programs connected to high wage-in demand jobs and enhance the referral process. Through this alignment, the team hopes to attract a greater number of eligible applicants who are well-prepared and motivated to engage with CSSP's offerings. Furthermore, outreach efforts will be more strategic and intentional, targeting locations where qualified individuals are located. These combined efforts are designed to ensure that the CSSP program is more efficient, accessible to all, and a continued benefit to Maine's workers and employers.