



JANET T. MILLS
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



HEATHER JOHNSON
COMMISSIONER

March 16, 2021
Testimony Of: Kate Foye
In support of LD 492
An Act To Create a Regional Grant Program To Help Rural Businesses Find Qualified Staff

Senator Curry, Representative Roberts and members of the IDEA Committee, my name is Kate Foye and I am the Legislative Liaison for the Department of Economic and Community Development. I am here today to testify in Support of LD 492 with the proposed changes.

The Department of Economic and Community Development supports actions and initiatives that align with the 10-Year Statewide Economic Development Strategy released in 2019. The Plan is built on the two pillars of talent and innovation and recognizes that talent is the new currency. For Maine's communities and regions to thrive, they must have the ability to recruit and retain newcomers to live and work in these communities.

LD492 recognizes that rural regions may need to take different approaches and attract different demographic and market segments that Maine's more urban areas. It recognizes that tactics and approaches that may work well for Portland or Bangor may not reach the most likely audiences as ones that are geared towards people who are looking for a more rural lifestyle.

LD492 also recognizes that workforce attraction is population attraction – that some of Maine's more rural areas that have seen population declines need to build out mechanisms and tactics to attract new people to live in our more rural areas of the State.

While we applaud the recognition of the problem and the potential solution proposed, DECD recommends a few changes to the approach to better align with the 10-Year Plan and to put the program design into the hands of those who will be most affected by the effort.

1. Expand the concept from workforce recruitment to workforce recruitment and retention – recognizing that the average cost to a company to make one hire using a recruiter is \$4,000 and that building in a retention aspect will be critical to the ROI for this program for both the State and the employer.
2. Limit the Rural Workforce Recruitment program to the following counties: Aroostook, Somerset, Piscataquis, and Washington



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3. Use local economic development initiatives and agencies as the distribution mechanism for any grants or funding, thus allowing local development of solutions that should work locally. The grants can still be competitive and managed by DECD but would go in “block grant” form to local economic development work.
4. Add a matching element that would encourage leveraging of any state investment – this gives the locality the opportunity to take advantage of the changes in the NBRC priorities to use NBRC or other dollars to match state investment.
5. Leave the use of funds flexible, rather than proscribing the use of recruiting firms. This allows local economic development initiatives and local businesses to determine what is the best mechanism for them to use to do recruitment and retention, rather than having it proscribed at the State level. It also allows local initiatives to pool funds if they prefer a more comprehensive approach – pooling funds for a marketing campaign, for example, rather than in small grants to individual companies. This flexibility allows for local solutions to emerge.
6. Lower cost and spread it across fiscal years at \$200K in year one and \$300K in year two. This allows for piloting of ideas and then a second year of funding to scale up successes. This funding, although less than the prosed legislation currently has, would be used to leverage other funding.

Thank you and I am happy to take any questions.