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**Testimony of Kim Moore, Director of the Bureau of Employment Services
Maine Department of Labor
In Support of LD 648: An Act To Improve the Lives of Maine Workers by Supporting
Apprenticeships That Lead to Good-paying Jobs**

**To the Joint Standing Committee on Labor and Housing
Public Hearing: March 22, 2021**

Greetings, Senator Hickman and Representative Sylvester, and members of the Joint Standing Committee on Labor and Housing:

I am Kim Moore, and I am the Director of the Bureau of Employment Services at the Maine Department of Labor (Department) and we are here today to support of LD 648: An Act To Improve the Lives of Maine Workers by Supporting Apprenticeships That Lead to Good-paying Jobs.

The Department has a long history of supporting apprenticeship in Maine. In the last two years, we have secured over 1 million dollars from the USDOL to expand quality apprenticeship for Maine workers. As I shared in my last testimony to this Committee, the Program has nearly doubled the number of apprentices served within the past year with a 198 employers who, in turn, employ 955 active apprentices. The demand from businesses interested in adopting registered apprenticeship to recruit, hire and train a skilled workforce continues to increase with an additional 60 new employers interested in becoming registered sponsors.

This bill requires the Maine Apprenticeship Program to apply at least 75% of program funding toward apprenticeship programs in which the apprentices earn at least 1.5 times the rate of the minimum wage upon completion of the apprenticeship agreement.

The MAP program benefits from the Governor-appointed Maine Apprenticeship Council, which advises the Program in meeting the demands of business for a highly skilled workforce by offering a flexible training solution aligned with national industry standards. Additionally, the Maine Apprenticeship Council is tasked with ensuring that upon completion of their program, trainees earn a competitive wage for the occupation based on local labor market information.

We fully support apprentices earning at least 1.5 times the rate of minimum wage. At today's minimum wage rate of \$12.15 per hour this would be \$18.23 per hour upon completion of the apprenticeship agreement. In 2020, the average starting wage for Maine's apprentices was \$18.31 and the successful completion average wage for the 334 exiting apprentices was \$24.79. We are happy to report that, during the past 3 calendar years, 91 percent of the MAP program funds used to reimburse sponsors and offset the cost of classroom training met this new requirement. We are confident this bill supports the

continued investment in high wage apprenticeship outcomes the Maine and National Apprenticeship Programs are recognized for.

With this support we offer the following considerations to the Committee pertaining to the section of the bill that requires the MAP apply at least 75% of program funding toward this wage rate.

While MAP has traditionally been funded by State General funds, MAP program staff and some sponsor reimbursements are currently funded by time-limited federal apprenticeship grants awarded in 2019 and 2020, allowing us to expand the Program by almost 550 apprentices. There are indications from USDOL that these grants may become annual allocations to states to support the expansion of apprenticeship as a workforce development resource to Maine businesses and workers.

It is unclear how this law might align with federal apprenticeship funding requirements. We can't predict the conditions USDOL allocations may place on states to receive future federal funds. As such, the 75% of program funding requirement in this bill could unintentionally limit Maine's ability to pursue and spend federal monies that could be used to advance apprenticeship and pre-apprenticeship strategies shown to be effective with youth, career changers and those with barriers to employment. With regard to current federal grants for apprenticeship, application of this standard may require us to modify current federal grants to meet this new requirement and could jeopardize our ability to meet current grant deliverables. To that end, we would suggest further definition in what is intended as program funds (we'd propose direct costs of training apprentices, such as tuition or related classroom instruction) and clarification of the new standard's application to State General Funds for apprenticeship.

The Maine Apprenticeship Program is a critical program in the state's employment strategy and is in more demand than ever as a way for employers to gain skilled workers who can earn a paycheck while learning both in the classroom and on the job. The program supports a fundamental Department goal to build and develop a productive and competitive workforce here in Maine. Thank you for your time and consideration. I would be happy to answer any questions now or at a future work session.

The Maine Department of Labor strives to ensure safe working conditions, protection against loss of income and enhanced opportunities for all people of Maine to improve their economic status.