



Industry Interview – Mr. John Richardson, Commissioner of the State of Maine Department of Economic and Community Development



The mission of Maine's Department of Economic and Community Development (DECD) is to improve the quality of life for all Maine people through effective programs in business, tourism, and community development, and through policies that advance the state's position in the global economy.



1. Please provide a brief description of the Governor's Training Initiative (GTI) Program.

The GTI Program is a state-funded program that is a joint collaboration between the DECD and the Maine Department of Labor. The program provides financial training assistance for job creation, retention and competitive retooling by linking Maine's education and training providers to the needs of Maine employers. To be eligible, an employer must provide a starting wage equal to 85 percent of the average wage for that occupation in the given labor market area and contribute at least 50 percent of the premium cost of employee health insurance, although some small and new businesses may be exempt from the second requirement.

2. How long have you headed up the Governor's Training Initiative Program? What was your background leading up to this position?

The Governor's Training Initiative is jointly administered by the Maine Department of Labor (MDOL) and Maine Department of Economic and Community Development (DECD). MDOL has been the lead administrator and fiscal agent of the Governor's Training Initiative since the program began in 1996.

Prior to becoming commissioner of the DECD in 2007, I served four consecutive terms as a state representative in the Maine House of Representatives. As a legislator, I rose in the ranks to House Chair of the Joint Standing Committee on Business and Economic Development in the 120th Legislature; to House Majority Leader in the 121st Legislature and to Speaker of the House in the 122nd Legislature.

I was sworn in as the 97th Speaker of the Maine House of Representatives in December 2004. In my role as Speaker, I presided over all actions of the House, appointed members to committees, and managed the daily operation of the House. I also led efforts to create a fair and stable business

environment in the state and strenuously promoted investments in people and technologies, including bond investments for economic development projects.

My professional experience also includes a background in law as a partner in the Portland firm of Troubh, Heisler and Piampiano.

The MDOL is overseen by Commissioner Laura Fortman. Prior to becoming Commissioner of the Maine Department of Labor in 2003, Laura Fortman served as the Executive Director of the Maine Women's Lobby and the Maine Women's Policy Center. Her priorities at the Department of Labor have included ensuring safe and fair workplaces in Maine, and promoting workforce policies that are helping more adult workers access education and training.

3. How has the Governor's Training Initiative Program changed since you took over the program?

Since the start of Governor Baldacci's administration in 2003, GTI has seen an increase in the percentage of small businesses accessing training funds to train their workers. The program prioritizes awards based on selection criteria including size of business, quality of jobs, state-identified targeted sectors, high quality employment. Maine's work force is among the best in the world and by offering businesses a trained and talented work force, we are able to stay competitive in the global economy.

4. What is an ideal client for the Governor's Training Initiative Program service offering?

The ideal client for GTI services is a Maine business who is willing to invest in non-routine training for new and/or existing workers in order to increase the skill level of their workforce. GTI funds are intended to increase skills of Maine workers while maintaining or increasing business capacity to operate in Maine. To be eligible for the GTI Program, an employer must provide a starting wage equal to 85 percent of the average wage for that occupation in the given labor market area and contribute at least 50 percent of the premium cost of employee health insurance. Some small and new businesses are exempt from the second requirement.

5. Is Maine more aggressive and competitive today than five years ago in going after new companies?

Governor Baldacci's administration has been aggressively courting businesses to relocate and expand in Maine as part of his commitment to offer quality jobs to Maine people and strengthen the state's economy. The state offers numerous programs to support and strengthen Maine businesses as they compete in the global economy.

The Pine Tree Development Zone program was initiated in 2004 to offer qualified Maine businesses tax incentives and reduced utility rates. We also are focused on expanding Maine's research and development sector to an annual investment of \$1 billion by 2010.

Most recently, legislation was enacted to reform Maine's business equipment tax and exempt new equipment installed after April 1, 2007 from local personal property taxes.

6. Is the Governor's Training Initiative Program a major component of the incentive package to attract new companies?

The state offers numerous incentive packages for businesses expanding or relocating in Maine. The GTI Program is one of four work force training initiatives, along with the Maine Apprenticeship Program, the Maine Quality Centers Program and the Workplace Safety Education and Training Program. All of these programs strengthen the skills and knowledge of Maine's work force and help businesses succeed.

The Pine Tree Development Zone program is another component to keeping Maine competitive and attracting businesses. The program offers tax incentives and reduced utility rates. It is one of the state's eight programs that offer tax reimbursements, credits and exemptions to qualified businesses.

A dozen state and local financing programs, and technical assistance, outreach and business incubators for start-ups, are also available to qualified Maine businesses. More information for these programs can be found at www.businessinmaine.com.

7. What do you see as growth industries over the next five years?

Maine's economy is evolving from traditional industries to high-tech industries that rely on innovation, research and development, technology and ingenuity. The state is seeing a growth in fiberglass and wood-based composites, aquaculture and marine technology, high-tech forestry and agriculture, biotechnology, precision manufacturing and environmental technology.

8. Does Maine have a list of "target industries" it would like to see developed?

Our Pine Tree Development Zone program offers competitive tax incentives and reduced utility rates to qualified businesses in the following sectors:

- Advanced Technologies for Forestry and Agriculture
- Aquaculture and Marine Technology
- Biotechnology
- Composites
- Environmental Technology
- Financial Services
- Information Technology
- Manufacturing
- Precision Manufacturing

The \$15 million Workforce Innovation Regional Economic Development grant that the state received from the U.S. Department of Labor focuses on growing and strengthening Maine's composites, boat building, and marine-based industries through work force development, training and education.

The state is also working to create high-tech clusters through R&D support in order to expand our innovation economy.

9. Besides calling The IM Group, how would you recommend an employer reach out to the state?

One of the benefits of doing business in Maine is the accessibility of state government offices and officials. Employers have a variety of access points including CareerCenters (1-888-457-8883 or TTY: 1-800-794-1110 or www.mainecareercenter.com); the Maine Department of Labor (1-888-457-8883, or TTY: 1-800-794-1110, or www.maine.gov/labor); Department of Economic and Community Development (207-624-9800, or www.businessinmaine.com), or local economic development offices at www.mainebiz.com.

10. Training Funds:

a. What is the states current funding level for the Governor's Training Initiative Program?

\$1,473,318 for Fiscal Year 2007

b. Are there other training funds available through other programs (and how much)?

Maine Quality Centers (through the Maine Community College System);
Maine Apprenticeship Program (through the Maine Department of Labor):
Current year: \$588,982

c. How do the levels for the above funds compare to past years?

In the first year of the program (1996), \$3.2 million was allocated for program activities. Since that time, funding has fluctuated and several major cuts made to bring funding levels to the present level.

d. What are the impediments to achieving higher funding levels?

Allocation amounts are recommended to the Appropriations Committee by the Labor Committee. In an environment of constrained revenue, increases are difficult to attain.

2. Are there any future changes to the Governor's Training Initiative Program that are currently being discussed or considered?

The GTI budget has been reduced by \$81,000 for the next fiscal year.

f. What are some of the challenges that the program faces?

The major challenge the program faces is maintaining funding levels. The demand on the state's budget has resulted in decreased funding levels and less support for employer-driven training of Maine's workers.