



Maine Quality Centers Program FY 2017 Annual Report

Submitted to the 128th Maine Legislature's
Joint Standing Committee on Labor, Commerce, Research and Economic Development

Summary

The Maine Quality Centers (MQC), a program of the Maine Community College System, was created in 1994 by the Maine Legislature to meet the workforce education and training needs of new and expanding businesses in the state and provide new employment and career advancement opportunities for Maine people. The program provides grants to Maine employers to fund customized new-hire or incumbent-worker training delivered by the Maine Community College System.

Since its inception, the program has served 237 new or expanding Maine businesses, 15,068 Maine people have been trained for new positions, and 1,356 incumbent workers across the state have upgraded their skills.

The program provided support to Maine employers, incumbent workers, and new hires through the following projects which were active between July 1, 2016 and June 30, 2017. Projects which continued from a prior year include projections and results for the entire project.

FY17 Project Activity

- Total active projects in FY17: 31
- MQC FY17 project expenditures: \$557,688
- Total projected MQC investment in these projects: \$1,586,476
- Total projected job creation: 901
- Total trained as of 06/30/17: 1,393
- Total hired as of 06/30/17: 602
- Average project wage: \$18.06
- Total estimate of related private investment \$266,992,720

Overview and Activities

MQC's statutory mission is "...to meet the workforce education and training needs of new and expanding businesses in the State and provide new employment and career advancement opportunities for Maine people." The statute defines three primary purposes for the program; *job creation*, *workforce preparation* and *creating partnerships*. The program's public benefit is to serve the employer's need for additional skilled workers, give trainees portable work skills to compete in today's workforce, and establish and maintain relationships that support regional economic growth.

The program is coordinated by a state director, with individual project services delivered by the system's seven colleges. Project funding supports customized training activities, as well as applicant recruitment and screening when appropriate. Most services are provided directly by a community college, although the statute provides for coordination with other education and training providers if necessary. The program's budget for FY 2017 was \$1,488,777, a figure that included \$500,000 for the Put ME to Work initiative.

The program utilizes four approaches to meeting the training needs of Maine's workforce:

- **New-hire training:** MQC provides grants to Maine employers to support customized training for new and prospective hires. Projects are selected for funding based on the number of net new jobs, the skill level of the positions, wage and benefit levels, training required, possible return on public investment and other pertinent labor market considerations.

During FY17, MQC, in partnership with the state's community colleges, provided customized workforce training to some of Maine's largest employers (Bath Iron Works, Pratt & Whitney), some of its fastest growing companies, and several new and promising start-ups.

Training was delivered across a wide array of industries and in a variety of "hard" and "soft" skills, among them: supervisory skills, leadership skills, MS Office, project management, time management, communication, business writing, lean manufacturing, welding, eldercare services, food science, ServSafe, safety, financial management, electricity, commercial sewing, marine design, high-pressure boiler, and first aid/CPR.

- **Incumbent-worker training:** Based on the need for greater incumbent-worker training options, as identified by the Maine Legislature's Joint Select Committee on Maine's Workforce and Economic Future, MQC began in FY14 to pilot training to employers' incumbent workers. Employers with over 100 employees pay 50% of the project costs, while employers with employment levels between 51 and 100 pay 25% of costs. No match is required of employers with 50 or fewer employees. Over the past four years, this offering has served 44 Maine businesses, updating the skills of 1,356 employees. The demand for incumbent-worker training has been great and this option will continue to be part of the MQC grant portfolio.

Of total MQC activity in FY17, incumbent-worker training accounted for the following:

Incumbent training projects:	20
MQC FY17 project expenditures:	\$172,082
Total projected MQC investment in active projects:	\$375,652
Number projected to be trained:	904
Number trained as of 6/30/17:	706
Average incumbent project wage:	\$19.91
Employer project match:	\$105,547
Estimate of other related private investment:	\$66,126,906

- College initiated projects:** Community colleges that have identified areas of in-demand training for unemployed or underemployed Maine residents in their localities may also submit applications directly to MQC. A current example of this type of project is York County Community College’s Future for ME project. To meet the demand from multiple employers for skilled machinists in York County, an MQC grant is funding the costs of instruction for two groups of 12 students each in a one-year certificate program in precision machining operations. One group has completed and another will begin this fall. The college partnered with another funder for recruitment and advising.
- Put ME to Work:** Created in the first session of the 127th Maine Legislature, the Put ME to Work Program is designed to address demonstrated training needs for occupations that offer competitive wages and benefits. Projects need to include strong partnerships between business, industry, and the community colleges and require a 50% cash and/or in-kind match by the employer or industry applicant. During FY17, the first project under this option began for the Professional Logging Contractors of Maine. It is expected to complete during FY18.

The attached tables provide an overview of all MQC projects that received funding in FY17. Incumbent projects are listed separately. Each project is summarized in its entirety and includes the projected total number of new jobs, projected incumbent worker trainees, and other data reported through the end of the fiscal year. Numbers of trainees and hires are project totals and may include numbers from previous years. The start date reflects the date the project was approved. Individual columns capture both the total value of the project, an expenditure that may be made over multiple fiscal years, and the actual expenditure level for the reporting period. Training and hiring activity may not yet be reportable for some newer projects. The charts also include employer estimates of their annual investments in increased payroll and capital.

Maine Quality Centers Annual Report to the Legislature

July 1, 2016 – June 30, 2017

FY17 EXPENSES	NEW-HIRE PROJECTS	LOCATION	COLLEGE	START DATE	PROJ. JOBS	APPLI-CANTS	TRAINED ¹	HIRED	PROJ. AVG. WAGE	MQC INVESTMENT	PRIVATE INVESTMENT
\$15,527	American Roots Wear	Portland	SMCC	1/9/17	6	36	0	0	\$10.50	\$28,815	\$ 131,040
10,027	Bath Iron Works	Bath	SMCC	10/6/14	306	254	279	254	18.56	134,144	5,096,000
6,999	Central Maine Meats	Gardiner	KVCC	4/4/16	10	7	7	7	13.71	8,353	145,000
5,553	Jøtul North America	Gorham	SMCC	5/15/15	8	16	54	16	13.67	30,120	800,000
69,054	KVCC Respiratory Therapy	Fairfield	KVCC	9/1/15	25	44	25	19	21.58	138,511	0
25,900	North East Mobile Health Services	Scarborough	SMCC	1/17/17	18	15	6	0	10.50	25,900	357,600
78,905	OnProcess Technology	Belfast	EMCC	2/3/16	326	185	185	185	11.38	175,625	8,500,000
86,132	Pratt & Whitney	No. Berwick	YCCC	2/23/15	150	107	107	107	16.64	250,000	184,250,000
12,790	Professional Logging Contractors of Maine	Millinocket	NMCC	3/22/17	12	13	0	0	12.53	197,688	197,984
0	RF Chamberland	Presque Isle	NMCC	10/5/15	16	26	11	8	14.75	51,669	1,200,000
74,718	YCCC Future for ME	Wells/Sanford	YCCC	8/30/16	24	13	13	6	17.91	170,000	188,190
\$385,605	11 Projects				901	716	687	602	\$14.70	\$1,210,825	\$200,865,814

¹The number trained may be greater than the number of projected jobs and applications in projects that train existing workers and new hires.

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July 1, 2016 – June 30, 2017

FY17 EXPENSES	INCUMBENT PROJECTS	LOCATION	COLLEGE	START DATE	PROJ. TRAINED	TRAINED ¹	AVG. WAGE	MQC INVEST.	COMPANY MATCH	PRIVATE INVESTMENT
\$8,333	American Steel and Aluminum	So. Portland	SMCC	5/18/15	40	28	\$21.57	\$17,818	\$ -	\$0
4,711	Backyard Farms	Madison	KVCC	6/14/16	100	56	14.95	4,731	4,711	0
1,978	Black Dinah Chocolatiers	Westbrook	SMCC	9/27/16	6	6	13.25	1,978	0	0
17,041	Bristol Seafood	Portland	SMCC	10/21/16	40	41	14.33	23,149	7,716	300,000
7,030	Casco Systems	Cumberland	SMCC	2/3/14	24	15	43.12	25,266	-	475,000
8,777	Davis-Joncas (Welch Sign)	Scarborough	SMCC	4/18/17	33	31	17.55	42,000	-	0
3,106	Flowfold	Scarborough	SMCC	4/10/17	6	6	15.13	20,300	-	0
7,480	Hollywood Casino Hotel & Raceway	Bangor	EMCC	11/14/16	52	29	18.85	14,000	14,000	288,400
22,889	Jackson Laboratory (The)	Bar Harbor	EMCC	4/11/16	250	169	28.17	34,524	34,524	54,200,000
3,667	Maine Medical Partners	Scarborough	SMCC	7/1/16	30	29	13.98	3,667	3,667	0
10,467	Messer Truck Equipment	Westbrook	SMCC	11/18/16	35	18	16.20	20,000	-	105,000
1,995	Mölnlycke Health Care	Brunswick	SMCC	9/28/15	60	46	24.93	8,593	9,259	0
0	Nauset Assoc., Street & Co., Scales	Portland	SMCC	5/31/17	14	14	28.35	10,665	-	0
3,508	Panolam Industries International	Auburn	CMCC	5/18/17	26	14	20.89	8,000	8,000	9,600,000
5,780	Portland Mattress Makers	Portland	SMCC	11/18/16	9	7	13.60	12,352	-	0
5,756	Seabreeze Property Services	Portland	SMCC	3/7/16	70	96	11.93	27,625	9,208	650,000
7,430	St. Mary's Health System	Lewiston	CMCC	2/16/17	13	13	12.81	11,700	11,700	258,586
8,285	Stratton Lumber	Stratton	CMCC	3/9/17	8	6	22.57	8,285	2,762	49,920
37,743	TIS Brewer (Troy Industrial)	Brewer	EMCC	5/3/16	46	41	23.79	55,464	-	200,000
6,106	Tube Hollows International	Windham	SMCC	9/25/15	42	41	22.28	25,535	-	0
\$172,082	20 Projects				904	706	\$19.91	\$375,652	\$105,547	\$66,126,906

FY17 EXPENSES	ALL ACTIVE FY17 PROJECTS	TOTAL TRAINED	AVG WAGE	TOTAL MQC INVESTMENT	COMPANY MATCH	PRIVATE INVESTMENT
\$557,688	31 Projects	1,393	\$18.06	\$1,586,476	\$105,547	\$266,992,720

¹The number of incumbents trained may include some new-hires.