



Maximize Your Investment in Employee Training Dirigo Business Incentive and Workforce Development Compact

Transcript

Heather Douglass ([00:00](#)):

Welcome everyone. My name is Heather Douglass and I'm the director of Workforce Marketing and communications for the Harold Alfond Center for the Advancement of Maine's Workforce. We are excited to share two powerful resources that are available to help Maine businesses to strengthen and grow your workforce. The first is the Dirigo Business Incentive from the Maine Department of Economic and Community Development, and the second is the Maine Workforce Development Compact from the Alond Center and the Maine Community College System. We're going to learn about how these two resources can work hand in hand to support employee training, upskilling, and professional development, and save your company money in the process. Joining me today are Shae McGhee, economic Development Incentives Manager for the Maine Department of Economic and Community Development, and Charlie Collins, executive Director for Workforce Training for the Harold Alfond Center for the Advancement of Maine's Workforce. With that, I'm going to turn it over to Shae.

Shae McGhee ([01:03](#)):

Thank you, Heather, for the introduction. I'm going to share my screen. I have the landing page for the Dirigo Business incentives pulled up so we can walk through this together. This is a new incentive for the state of Maine, and it's sector-specific and it's incentivizing significant capital investment as well as worker training. This is industry specific, and so you'll see the eligible sectors here, and these are defined further in chapter 300, which is linked at the bottom of this page, and it comes down to the NICS code of the business for eligibility. One thing before we dive into exactly what the application is, I want to flag that in order to be eligible, the business must submit an application before the investment begins. That's

important. So the benefits of this program are twofold. There's a capital investment credit that's 10% for most of the state, 5% for York, Cumberland and Sagadahoc Counties, the southern counties of the state. And this capital investment includes equipment, machinery and new building construction. The second benefit is a \$2,000 per worker provided a qualified training program, and we can get into these a little bit further as we scroll down to the page.

[\(02:52\)](#):

This credit is capped at \$2 million per business per year. The time period is five years, and there's a refundability component to this tax credit, which means depending on your tax liability, you may be able to receive a check post state income tax submission of up to \$500,000 per year for the credit earned. There is a minimum for capital eligible capital investment that the business must meet, so the business will earn credit after \$50,000 is spent in the tax year. When it comes to eligible business property, most tangible personal property is going to be eligible and new real property, so not existing buildings and not land.

[\(03:52\)](#):

Another thing to flag is things that are charged excise tax like vehicles, boats, those are not eligible, but machinery equipment for manufacturing, things like that all fit nicely into these eligibility requirements. So that's enough. On the capital side, the qualified employee training program comes into play, especially when we're talking about with the Maine Community College System with the types of qualified employee training programs. So there are four pathways that are qualified training programs. It's the main apprenticeship program on the job training contracts with the local workforce development Board, a training provided by or approved for funding from the Maine Community College system and education or training provided by any university or college that's accredited in the state of Maine. Now, the most flexible pathway is going to be with the Maine Workforce Development Compact that we'll talk about next, Charlie, we'll talk about next. And this provides an opportunity for more specialized training like machining specific training, manufacturer specific training.

[\(05:20\)](#):

So there's a lot more flexibility in that particular pathway. So we've found businesses have really appreciated that option to be able in pathway to be able to be qualified for the Drigo business tax credit. There are three things to keep in mind once you have the qualified employee training program. Three things to hit. The business needs to pay more than \$2,000 per participant in the tax year. The participant is required to have a minimum of 20 total training hours for each qualified employee, and the business needs to claim a minimum of three qualified employees in the tax year. So that's a minimum of a \$6,000 claim for this tax credit in the worker training, the application process is online. Again, just a reminder, be sure to submit this application before the investment begins. You need to have the letter of certification from the department before that investment begins, and the turnaround time, depending on the year at the time of year, is one to two weeks.

[\(06:43\)](#):

The application is linked right here. You'll create an account and then you'll be able to submit, and that application will come virtually through the online system to me, and if there are any issues, then we'll be able to work on those together to make sure that the eligible applicant would be able to receive the credit. I also have some links down here at the bottom if you're interested in looking at the statute, the chapter 300 rule. This one is focused on the application process and eligibility, and if you're interested in the tax credit and how the tax credit is awarded, then chapter 301 is where you'll find that information. So again, this is a new program to the state of Maine. It's replacing the Pine Tree Development Zone and

employment tax increment financing programs, and we're really excited. We've had a great uptick in applications this far and we're looking forward to getting more businesses in Maine certified.

Heather Douglass(08:04):

Great, thank you, Shae. And quick question. So employers must submit an application before the training starts. Does the business just submit one application and then they're approved for any trainings they do, or does each individual training need to be applied for?

Shae McGhee (08:22):

So the certification will last for five years, and that covers any of the eligible criteria, any of the eligible credit earned in that time. So the business would want to be sure that they're going through the qualified employee training pathways, so either the Workforce Development Compact or one of the other pathways that we've talked about to make sure that they're on track to be receiving the credit, but their certification will last for five years.

Heather Douglass (08:54):

Perfect. Thank you and Charlie, we'll turn it over to you for the Maine workforce development compact.

Charlie Collins (09:04):

Well, thank you, Heather. Thank you for this opportunity to talk about the Workforce Development Compact in relation to our efforts to help improve and increase short-term workforce training through not only the Maine Community Colleges, but many, many other training providers and talk to you about how that all works. I'd like to start by sharing some slides. As part of the Maine Community College system, we have a central center known as the Harold Alfond Center for the Advancement of Maine's Workforce. This is, again, short-term training to help support Maine companies upskill their staff and employees throughout the state. There's really no cutout of types of training. It includes all kinds of professional development on the job training, as well as training that happens with other training providers, not only throughout the state of Maine, but really throughout the country. We have come to this with the idea of providing a model of support where the center puts the main employers at the first step and engaging with the Maine employers to join the compact.

(10:30):

This allows them to come in and access training funding with the idea that they're looking at their incumbent workers, their own employees, to upskill them with training that they select and they choose. They are certainly welcome to use the Maine Community Colleges to help support that training, but they may already have training providers. And so we encourage all companies in all industries to come forward to look at this compact and see how either the Maine Community Colleges or their own training providers can take advantage of it. We have staff available throughout the state, reaching everywhere from the northern parts of Arista County all the way to the southern towns and communities in York County and everything in between. And in addition to training funding, there is a pool of diversified funding that the community colleges and the Harold Alfond Center can help support with other training needs that may not specifically fit with the training funds.

(11:40):

It starts by becoming a compact member, and the way this works is once you've gone online, there's no becoming a compact member. You apply online, we accept you into the compact and opens the door for you to access up to \$1,200 match per frontline worker per year. And so this is a match. So when we say

we'll pay up to \$1,200 per frontline worker through the grant, that means you're bringing \$1,200 to the table. And as you heard Shea talk about with the Dirigo tax incentive, we'll be showing you a few examples or an example of how you work together with her program in this program to maximize your training resources that you have. There is a QR code here, and we'll be providing additional information for you to link directly to this site, which really starts you off on becoming a compact member, applying for the scholarships, and then engaging with one of the staff at the center to again, apply for funds, get approval, and receive those funds. With that, I will turn it back to Heather.

Heather Douglass ([13:05](#)):

Great, thank you. And you mentioned, Charlie, that this, there's no restrictions other than an organization needs to be based in Maine. Is that correct? For

Charlie Collins ([13:18](#)):

That is correct. It needs to be a Maine based company. The training funds should go to people who are residents live here in the state of Maine, and the only other criteria is they need to be 18 years or older, again, be a resident of the state of Maine and working at least part-time for you to have access to these funds.

Heather Douglass ([13:45](#)):

So my question is how can a business optimize these two programs together?

Charlie Collins ([13:52](#)):

Sure, Shae, I'll take a start at that to let folks know, first of all, we're familiar with the tax incentive program at the center as Shay is, and her staff are available for questions on where to connect you for the grant. And I think one of the best ways to understand the way they work together is knowing under the Harold Alfond Center's Workforce Development Compact, it's a 50% match, as I said, for frontline workers up to \$1,200 annually per worker. And with the Dirigo business incentive, there's a \$2,000 tax credit per employee per year. So one scenario might be if you're a business and you're looking to pay for up to \$12,000, say for three employees to complete a training program, \$4,000 each, and that totals more than 20 hours per employee per year. They would receive \$3,600 reimbursement from the half Workforce compact and up to 6,000 in Dirigo tax credits. And in that particular scenario, you can see that the business would have net costs of \$2,400 or 20% of the total training costs in some cases, and Shay may be able to have another example. You may find yourself not having any out-of-pocket expenses with that scenario. Is that accurate, Shae?

Shae McGhee ([15:28](#)):

Yes, that's a possibility. I also want to add that for the \$2,000 cost payment that the business has to make, what is included in that? It could be the cost of the training or the regular wages paid to the employee for that training hours spent.

Charlie Collins ([15:53](#)):

Well, that's great that you mentioned that because one question we get from businesses, can I put in the cost of those persons wages while they're in training for our purposes in the compact? No, we don't pay for their wages while they're in training. What we pay for is the actual cost of instruction. So the fact of the matter is they can then turn around though and recognize those wages that they were paid while

they were in training. I think even helps with that scenario where there could be a totally cost-free to the company.

Heather Douglass ([16:32](#)):

That's incredible. What are some other frequently asked questions that either of you get about your programs?

Charlie Collins ([16:43](#)):

I'll jump in one more again here to just explain. Yeah. We will often say, what can we train in? And the answer is literally anything. Where we have guardrails around the program is we want the dollars going to your frontline employees. Now, a frontline employee can find is anybody not in the C-suite? So these dollars should be going to people who are not the presidents, the vice presidents, the managing directors, folks like that. In the case of a small business, we have a little bit more latitude, especially in companies, less than 10 people. Oftentimes that founder, CEO president of that small company needs to be in training with those employees. And we can certainly work with those companies and make that happen. But generally speaking, for companies that are over 10 employees or more, we'll have discussions on what the roles are in your company and where we want the dollars to go to the only other cutout. Sometimes we have companies say, Hey, my training every year is this periodical I buy. It's this annual subscription. We don't pay for periodical subscriptions. It has to be some form of training. The training can be online, it can be live. It can be an in-house training that you designed that we'll pay for. But we do have just those few cutouts that I mentioned.

Shae McGhee ([18:18](#)):

I often get questions about the application process for the Dirigo Tax Credit program. And so the application is online, it's relatively short, and it will ask general business information as well as what the planned investment and training investments are going to be over the five years of certification. And those are estimates which help us plan for the program usage utilization. And really the point of the application is to serve as an eligibility check to make sure that the business is eligible to receive the Dirigo Tax credit program. So it's not a competitive process. It is you submit an application, you meet the requirements, and then you'll be certified and then you can start making those investments to be claimed on a main revenue service form to be included with your annual state tax income filings.

Charlie Collins ([19:25](#)):

And Heather, one more. I'll just quickly say that. We often get people saying, gee, what's the catch? Is it really just free money? Well, I would say this for the purposes of the Harald Alfond Center, we have to collect some data back. Remember, this is grant funded dollars that require annual reports every year, and we never report very specific data on anybody. It's what we would call aggregate data where nobody specifically is identified, but we do need to find out and through the application process, you have to provide us names of employees and staff. You have to provide pieces of information that give us some demographics because grant funders want to know where their dollars are going, how they're being used. So yes, there's data collection, so when they ask what's the catch the catches, you have to provide us the data back in order to receive the funding.

Heather Douglass ([20:26](#)):

Great, thank you. We're putting together some resources on a landing page that will help support this, and I'll certainly include this information. If somebody has questions, explain what that support looks like from you or your team.

Shae McGhee ([20:45](#)):

For questions related to the Dirigo Business Incentives program, the business can reach out to me directly or through the general DECD tax incentives email that I will also have access to questions sent there as well. My contact information will be available on the webpage that Heather had just referenced.

Heather Douglass ([21:10](#)):

Perfect. Thank you. And Charlie?

Charlie Collins ([21:12](#)):

Yeah. And so for the Harold Alfond Center, you mentioned one of my top slides was the fact that we bring staff all over the state to people and the center itself, we'll have contact information if you want to meet live with somebody face to face. If you want a Zoom meeting, we can set those up to do those and explain this program in detail. So through our website, through that QR code that we'll have on the landing page, Heather people can get directly in touch with our staff to help walk the company through the program.

Heather Douglass ([21:49](#)):

Great. And with that, I'm going to share the link and QR code to the website. Thank you Shae and Charlie for walking us through how the Dirigo Business Incentive and the Workforce Development Compact can be used together to expand those training opportunities and most importantly, reduce costs for Maine employers. So if you'd like to learn more or apply, visit the links here to get started. And we're so proud to work together to help Maine businesses invest in their greatest asset, which is their people. As always, we're here to help answer questions, and you will find, as Charlie and Shae both alluded to, you will find their contact information on this page as well. Thank you so much for joining us.