



Maximize Your Investment in Employee Training

Dirigo Business Incentive & Maine Workforce Development Compact

Frequently Asked Questions

Overview:

What are the two programs, and why pair them?

Maine employers can combine the Dirigo Business Incentives (DECD) with the Workforce Development Compact (Alfond Center) to reduce the cost of employee training and upskilling. The Compact provides a 50% match, up to \$1,200 per frontline worker per year, and Dirigo provides a \$2,000 per employee per year tax credit for qualified training – dramatically lowering out-of-pocket costs.

Eligibility & Scope:

Which industries are eligible for the Dirigo Business Incentives?

Sector-specific eligibility includes:

- Agriculture, fishing, and forestry
- Manufacturing
- Long-distance freight transportation
- Software publishing, data processing, and computer systems design
- Engineering, architecture, and scientific R&D services

Who can use the Compact?

Maine-based companies. Trainees must be Maine residents, 18+, working at least part-time. Funding is focused on frontline workers.

What kinds of training are eligible?

Nearly any training tied to job skills: training through Maine's community colleges, live, online, customized, in-house, or delivered by third-party providers. Exclusions include subscriptions and periodicals—the Compact funds instructional costs only, not wages.

For Dirigo, however, wages during training can count toward the \$2,000 employee minimum.

Qualified training for Dirigo includes any of the following:

- Maine Apprenticeship Program
- On-the-job training contracts via a local Workforce Development Board
- Training provided by or approved for funding under the Maine Workforce Development Compact
- Education and training by an accredited Maine college or university

The qualified trainings listed above must also meet the following criteria:

1. Business pays more than \$2,000 per participant.
2. Minimum of 20 total training hours for each qualified employee.
3. Business claims a minimum of 3 qualified employees in the tax year.

Stacking the Benefits:

How do the programs work together?

Use the Compact's 50% match (up to \$1,200 per frontline worker/year) on instructional costs, then claim Dirigo's \$2,000 per employee/year tax credit for qualified training. The combination can reduce employer costs substantially.

Can you show a sample savings scenario?

If a business invests \$12,000 for 3 employees (\$4,000 each)

- **Compact reimbursement:** \$3,600 (50% of eligible instructional costs = \$1,200 x 3 employees)
- **Dirigo tax credits:** \$6,000 (\$2,000 x 3 employees)
- **Net employer cost:** \$2,400 (20% of total)

Could our net cost be zero?

In some cases, yes, especially when eligible wages paid during training help meet Dirigo's \$2,000-per-employee minimum while the Compact supports instruction. Your actual result depends on your mix of costs.

Compact Details

What exactly does the Compact provide?

50% match for frontline training up to \$1,200 per employee/year

Access to custom training via Maine's community colleges or your preferred provider

Academic scholarships: 50% off two community college courses per semester toward a certificate or degree

Is there a cost to join the Compact?

No, membership is free for Maine employers.

What data do we need to provide to receive funds? Is there a catch?

As a grant-funded initiative, the Compact requires basic participant data for aggregate reporting (no personally identifiable data is published). Providing requested data is required to receive funds.

Dirigo Details**Does Dirigo cover capital investments too?**

Yes. Dirigo includes a 10% capital investment tax credit (5% in York, Cumberland, and Sagadahoc counties). The credit is capped at \$2M per business per year, with refundability up to \$500,000 per year, depending on tax liability. Minimum \$50,000 eligible capital spend per tax year applies. Property used for retail sales activities and vehicles, boats, or anything that is excise-taxed are not eligible. New real property and most tangible personal property qualify.

Application and Timing**When do we apply for Dirigo?**

Before you begin the qualified investment (training or capital), you must apply for and receive a letter of certification. The online application is brief; typical turnaround is 1-2 weeks.

How long does Dirigo certification last?

Five years. One certification covers all eligible activities during that period – just be sure each training follows a qualified pathway.

What's the basic process to use both programs?

1. Apply for [Dirigo certification](#) online
2. [Join the Compact](#) (no cost)
3. Submit a Compact funding request for approval
4. Implement training once you have Compact approval and Dirigo certification
5. Receive Compact reimbursement when the training concludes (50% up to \$1,200 per employee per year)
6. Claim Dirigo tax credits (\$2,000 per employee per year) on your annual Maine income tax filing

Practicalities and Common Questions**Do we have to use MCCS for training?**

Maine's community colleges, in-house training, and third-party providers are covered under the Compact. The Alford Center can also help you design and customize training.

What counts as a frontline employee for Compact funds?

Generally, anyone not in the C-suite. For very small businesses, the Center can flexibly include an owner in training alongside staff.

What kinds of training formats are okay?

Instructor-led, online, hybrid, customized in-house – whatever it is that the company decides is best to build job-related skills for its workforce.

What training is not covered?

The Compact will not fund periodical or subscription costs, trainees' wages, or travel expenses. For Dirigo, qualified employees must work primarily in the qualified business activity identified in the application (ex. manufacture of machinery).

Getting Help**Who do we contact with questions?**

For the Dirigo Business Incentives: Contact Shae McGehee, Economic Development Incentives Manager at shae.mcgehee@maine.gov

For the Workforce Development Compact: Contact the Workforce Development Coordinator in your region: <https://www.mccs.me.edu/workforce-training/alfond-center-contacts/>