



MAINE POLICY INSTITUTE'S RECOMMENDATIONS FOR REOPENING THE MAINE ECONOMY

After several weeks of public closures of schools and businesses due to the coronavirus pandemic, it is time for Maine's leaders to formulate a plan to reopen our state economy and put our people back on the path to prosperity. While public health should remain at the forefront of our decision making, we must also consider the social and economic costs of stay at home orders and other mandates that limit the free exercise of movement and commerce.

The economic reality is dire. Maine business owners and workers cannot afford to wait for a phased "reopening" in order to make ends meet. A survey conducted in early April of over 5,000 small businesses across the U.S. showed that millions are in danger of permanently closing if nothing is done to resume some form of commerce in the next few weeks. We must act quickly to ensure that the livelihoods of hundreds-of-thousands of Mainers are not lost.

After weeks of self-isolation or serving as essential workers on the front lines of the pandemic, Mainers are acutely aware of the risks involved with leaving their homes during this time. However, as free people, we must have the ability to go about our regular business, for the sake of our personal and economic health. Never can we separate risk from daily life, no matter how subdued or mundane.

This document outlines Maine Policy Institute's guidelines for reopening the economy, as well as specific actions the Mills administration can take to assist in the recovery. It is imperative that our state uses this opportunity to empower people and businesses - not government - to take control of their futures. Government action alone cannot solve this problem; we must also give the people of Maine the flexibility to use their creativity and ingenuity to rapidly respond to the crisis while keeping businesses open.

Our recommendations focus on two problems that need to be addressed by the administration: resuming and encouraging economic activity in a manner that is safe, and solving the impending budget shortfall caused by the public shutdown.

This process is an opportunity to empower businesses and entrepreneurs to lead the recovery. The private sector has already stepped up considerably. We have heard numerous stories of individuals and businesses across Maine contributing to the effort. Puritan Medical Products has become the worldwide leader in producing COVID-19 testing swabs; draft distillers like Boston Brands of Maine have redirected their production to making crucial hand sanitizer; and individuals are sewing face masks for essential workers. These solutions were not mandated by the government but were instead driven by private initiative.

People have begun to adapt to a new world defined by social distancing and sanitation guidelines, and they too should be on the front lines working to restore our economy as health care workers are protecting the health and safety of Maine's most vulnerable citizens. It's time to unleash the creativity and productivity of Maine people to serve each other during this difficult time. Allowing commerce to resume would help Maine families make ends meet while providing some stability for the unemployment system and overall state budget. This will help to refocus public resources on expanded testing and contact tracing through Maine CDC.

GENERAL PRINCIPLES ON REOPENING MAINE'S ECONOMY

Flexibility

Businesses, regardless of location, should have the ability to open their doors to the public provided they continue to follow CDC safety guidelines to protect health and safety of their customers and employees, and to reduce transmission of the virus (i.e. social distancing, protective barriers, signage, etc.). Allow individual businesses to regulate foot traffic based on maintaining safe social distancing guidelines.

Balance

Public health and economic vitality are intimately linked. Economic depressions have a severe effect on health. Policymakers must weigh the cost to Mainers' livelihoods brought on by the public shutdown against implementing appropriate public health measures. We can only hope to co-exist with this new virus.

Transparency

Government must be clear in communicating its criteria for reopening to individuals and businesses, and all relevant meetings and discussions with stakeholders should be open to the public.

Trust in People

Our economic recovery will be achieved by empowering individuals and businesses to meet the needs of their communities. Government cannot be the only force pulling our economy along; solving complex problems at scale is a job best accomplished by businesses and nonprofits. We must trust Mainers to serve their neighbors in the absence of orders handed down by government.

MAINE POLICY INSTITUTE'S IMMEDIATE RECOMMENDATIONS

Institute a state hiring freeze

Governor Mills should issue a state government hiring freeze for all non-essential government positions and positions not associated with the state's public health response to COVID-19.

Identify immediate spending cuts

Moody's Analytics in its latest stress-test report estimates that Maine state government is poised to experience a loss in revenue between \$756 million and \$985 million, or approximately 9 to 12 percent of the state's biennial budget. The Governor should direct department heads find at least five to ten percent worth of potential cuts in their budgets.

Provide immediate flexibility and help to parents

During this academic year, students will spend almost one-third of school days at home. We concur with Commissioner Makin's recommendation that schools should continue remote learning through the remainder of the year, with the intention to begin in-person instruction again in September. To aid families who will be continuing to administer distance learning at home until then, the state should disburse 10% of state per-pupil funding, or about \$1,200 per student based on 2018-19 spending to those families.

Restore healthcare services

To ensure adequate hospital resource and staffing capacity, Maine's hospitals should return to allowing elective procedures.

Lift industry-specific restrictions

Allow the Governor's "Stay Healthy at Home Order" to lapse on April 30 and State of Civil Emergency declaration to lapse on May 15. No more "non-essential" service or business designations -- all jobs are essential to support families across the state.

Business owners understand that they have to show that they are taking recommended public health measures seriously in order to attract customers again. Government cannot become the sanitation police. The state using its limited resources to approve one-by-one which businesses are allowed to open would be a foolish and wasteful endeavor.

We strongly caution against a phased roll-out of certain industries/sectors at a time. Those most hit are hospitality-focused businesses, and they need enough time to adjust to updated safety guidelines. They must be able to serve people in a safe manner in order to stay afloat and make it to summer when many tourists plan to visit Maine. To this end, the state should recommend lodging and recreation businesses who rely on tourist revenue to begin planning for late-summer bookings.

Expand testing capacity

Expand the capability to test for COVID-19 in communities across the state, with a goal of testing 3-5% of the population by mid-May in order to acquire more detailed data of the virus spread. To date, almost 18,000 tests have been administered. Our goal should be to test 50,000 to 60,000 Mainers to understand the scope of infection and recovery. Widespread screening should be a priority for hospitalized patients, health care and essential workers, first responders (EMTs, etc.), close contacts of confirmed cases, and outpatients with symptoms. As testing becomes more available, the state should encourage those aged 60 and older and those with preexisting medical issues to be tested.

Tread carefully with broad behavioral recommendations

We also caution against one-size-fits-all public orders such as a mask-wearing mandate for those in public. A more effective and less costly regime would be to recommend continuing to limit public exposure for people with preexisting medical conditions and those living in locations such as nursing homes. Businesses and nonprofits must be able to serve the population as a whole while helping to contain spread of the virus within vulnerable populations.

Relaxing municipal rulemaking

Towns and cities should adjust local zoning rules to allow retail & customer-facing businesses to set up outside, on the sidewalk or street in front of their location in order to continue local commerce as the weather warms.

Childcare flexibility

Given the continuation of remote learning and a slow resumption of work for most adults, the state should relax regulations on child care, including staff-to-child ratios, issuing emergency licenses and increasing the threshold at which a provider is required to obtain licensure.

POST-CRISIS RECOMMENDATIONS

Special Session of the Legislature

Governor Janet Mills should call a Special Session of the 129th Maine Legislature to address the following issues in order to accelerate Maine's economic recovery and ensure adequate preparedness for the next crisis.

Freeze minimum wage increases

Maine should freeze its minimum wage at \$12 per hour, removing the planned CPI-chained increase to help businesses like those in the struggling hospitality and service industries maintain workforce levels during the summer months. This move would also speed rehiring efforts across the economy.

End Certificate of Need

The state's Certificate of Need law should be repealed to allow for immediate expansion of hospital beds and equipment as necessary during a pandemic. Red tape should never stand in the way of serving sick Mainers. While the COVID-19 pandemic has not tested our health care infrastructure to the extent originally anticipated, we must have the ability to rapidly respond to these crises in the event a pandemic does test our health care capacity and readiness.

Ease tax burden on Maine families

All stimulus payments should be exempted from state income tax and lawmakers should pass tax conformity so that the current emergency federal tax exemptions are protected from state taxes.

Make positive change permanent

Finally, Maine should make permanent the emergency rules it adopted during the pandemic. Maine has no legitimate or compelling interest in preventing out-of-state licensed health care professionals from practicing in Maine, nor in preventing a Maine citizen from receiving telehealth services from a provider in a different state. Our state should use this pandemic as an opportunity to review needless professional regulation that could hamper our ability to withstand or react to the next crisis. Any regulations waived in response to COVID-19 should be made permanent unless there is evidence that the waiver endangered public health and safety during the pandemic.