

**Policy Options: 35 Labor Market Areas v. 31 Labor Market Areas
For EPS Regional Adjustment**

Policy Option	1. Keep 35 Labor Market Areas	2. Change to 31 Labor Market Areas
LMA Source	Prior Maine Department of Labor LMAs based on commuting patterns in 1990 US Census data	Current Maine and US Departments of Labor LMAs based on Metropolitan and Micropolitan Statistical Areas
Pros and Cons	<p>Pros:</p> <ul style="list-style-type: none"> • The EPS model currently contains 35 LMAs in its regional adjustment. <p>Cons:</p> <ul style="list-style-type: none"> • Older geographic data is not updated. 	<p>Pros:</p> <ul style="list-style-type: none"> • The Maine and US Departments of Labor currently use 31 Maine LMAs for statistical reporting. <p>Cons:</p> <ul style="list-style-type: none"> • Combining and changing areas causes increased adjustment value in some SAUs and decreased in others. • More salary variation occurs within larger LMAs (metropolitan and micropolitan areas), which means more SAU salaries will be farther from their LMA average. • There is a wider range of regional adjustments (0.79–1.20) among the 31 LMAs than among the 35 (0.77–1.13). • Some LMAs are partially within New Hampshire with only a small portion in Maine. • Some Towns between two Metropolitan or Micropolitan Statistical Areas are not in any LMA. (However, they may be treated as belonging to an adjacent one.)