

## Comprehensive Evaluation of Maine's Research & Development and Economic Development Incentive and Investment Programs



Department of Economic & Community Development

Maine – January 2016

**DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

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## Executive Summary

While business location, investment, and hiring decisions are the direct purview of the private sector, the public sector can influence these decisions through the use of incentives, credits, technical assistance, and other programs aimed to enhance a community's business competitiveness. Such programs are a critical, active component of many economic development, innovation, and economic sustainability strategies. However, no such program can completely change the nature of a community's strengths and weaknesses, nor can such programs work effectively in the absence of a coordinating economic development strategy.

The State of Maine has developed a suite of organizations, policy and investment tools, and assistance programs aimed at attracting investment and at meeting the State's overall economic development goals. These tools vary in usefulness based on changing business requirements, as well as dynamic political and economic conditions. Economic conditions and business needs and targets change over time, and the toolset must be evaluated and updated accordingly.

Incentives and special economic zones are among the most visible economic development tools available to attract new companies. They allow existing businesses to expand and encourage other forms of inward domestic and foreign direct investment. Likewise, direct public investment in research and in developing businesses can help nourish innovation and entrepreneurship. A successful competitive business climate positively contributes to a state's domestic economic development goals through job creation, capital investment, knowledge, and R&D creation with spill-over effects to economic achievement and quality-of-life as a whole.

In order to examine how well its programs have been achieving these goals, the State of Maine has performed Biennial Progress Reports on all Economic Development and Research & Development (R&D) efforts. The next evaluation report will be due in 2018. Also due in 2018 is a Comprehensive Evaluation of Investments in Research and Development report covering six years.

Through 2014, the evaluation of Economic Development and R&D programs were reported on in two separate but significantly redundant documents. These reports have been combined – without redaction - as a result of recommendations from the 2014 and earlier reports. The present report contains all of the information and analyses previously contained in both the Economic Development and R&D reports.

## Methodology

The present report has been constructed to meet the Maine Legislature's requirement to examine the effectiveness of Economic Development and R&D programs on a biennial basis. This has been accomplished through performing the following analyses and actions:

- Reviews of the previous studies performed for the State of Maine on the use and effectiveness of its programs;

- Interviews with public sector entities and their partners responsible for the administration of the State's various economic development programs;
- Interviews with a sample of private sector companies who have received benefits and assistance from the State;
- Benchmarking the State of Maine's natural competitiveness against several of its peer states, both in terms of basic location fundamentals and of the incentive and credit tools available;
- Data collection through rigorous survey efforts collecting information on program usage, hiring trends, salary rates, and capital investment to allow for calculation of return on investment to the State (recipient lists provided by program administrators where those lists could be released under confidentiality agreement);
- Cost-benefit analysis of survey data for select programs; and
- Examination of annual reports (for those programs that generate annual reports and provided those reports along to the consultant team).

Note that the DECD survey referenced above (created for the 2014 reporting cycle) has provided a means for direct reporting on behalf of the private sector companies benefitting from the State's economic development and R&D programs. While the requirement to report is indicated in each of the State's current programs, a comprehensive means for reporting does not otherwise exist.

## Findings

While this report provides detailed findings for the entire suite of tools available to the state, the project team found broadly that:

- Companies reported that the current programs are generally effective in allowing them to grow faster than they otherwise would have and, in some cases, to sustain the company through difficult or changing business times.
- This finding is somewhat tempered by the frustration that companies and institutions alike expressed on the difficulty finding, understanding, applying for, and reporting on the State's programs. Many asked that program offerings be simplified so an incoming or growing company can better understand the benefits they may be eligible for.
- This confusion and lack of information was also cited as characteristic of doing business in the State of Maine. Companies and individuals expressed significant negative perception about doing business in the state of Maine because of lack of clarity and lack of incentive stability due to politics (discussed in greater detail below).
- Companies also expressed a great deal of concern about the stability of incentive programs as well as the overall operating and regulatory environment in the state. Companies rely on a degree of stability and predictability in regulation to be able to plan effectively. Several companies cited concerns about making business decisions because of the instability of the incentive programs and the current debates in the State Capitol. The situation in Augusta is

*"... MTI provides critical funding, but also advice, mentorship, and connections to other key resources enabling young companies to build their skills, find their market, and execute effectively..." Pika Energy*

seen to be extremely uncertain and there are concerns about making business decisions in such an environment.

- It is important to acknowledge and accept that companies regard any award made as a contract between the company and the state. Such awards need to be recognized as commitments between the two parties for as long as the company remains in compliance and for the length of the award. To rescind payments for reasons other than compliance – in other words, breaking the contract - would significantly damage the State’s reputation as a reliable partner that fulfills its own contractual obligations.
- Interviews, benchmarking, and other statistics strongly suggest that Maine should have a unifying vision for economic development and innovation that is shared by all state governing bodies. Interviewees in particular suggested that Maine would be well-served by putting forth a bold and assertive plan for growth and then executing on it effectively.
- The infrastructure for implementing such a strategy is at least partially in place. Institutions and companies did cite changes in philosophy subsequent to the 2014 program review suggesting that inter-organizational cooperation is providing for more comprehensive approaches to economic development and innovation assistance.
- The state has difficulty supporting and assisting companies in the 20-100 employee range as currently available support programs do not directly address the most critical needs of companies of this size. These companies have a great need for soft service assistance to fill certain administrative roles that larger companies fill with a dedicated employee or department. For example, one smaller manufacturing company cited a need for advice on how to best handle a worker’s compensation case in a situation where contacting the State workers compensation office did not yield any answers.
- There was a repeated suggestion that the state might wish to examine a shift in focus to emphasize and support the disproportionately large role that small and entrepreneurial business plays in the Maine economy.
- Many companies and institutions cited problems finding qualified workforce in the State. Companies expressed concerns about a lack of qualified workforce from manufacturing and operations personnel to high tech engineers to hotel staff. The state should work to develop workforce skills and provide better transferrable skills. Companies cited difficulty in attracting employees with high tech skills to Maine in part because of job security concerns and lack of alternative career opportunities.
- Other states’ economic development organizations commonly call Maine companies in attempt to recruit them to move. This is a generally accepted practice in business attraction around the globe. Maine DECD should consider countering these efforts by establishing a team to contact existing Maine companies to see how they are doing and to work towards company retention and growth. DECD staff does perform this role for company retention for Pine Tree Development Zone (PTDZ) recipients, but should broaden the scope of these efforts to include all companies participating in any Maine economic development and R&D programs as well as those outside the incentive programs.

- Institutions (universities and non-profits) and enterprises (such as R&D companies) supporting innovation, research, and development noted that while there is a growing desire to be more aggressive in support of Maine innovation, the state still does not have the embedded relationships between research, business, and finance inherent in innovation clusters/hubs like Route 128 Corridor in MA, the Research Triangle of NC, and Silicon Valley in CA. These relationships will need to be developed over time to ensure a long-term innovation advantage for the state.
- Several of the research institutions and start-up firms interviewed specifically noted that the metrics of R&D programs need to be held to a different timescale than that for other economic development programs. While the goal of any public investment in either research or private enterprise has at some point the goal of a return on investment, the state needs to understand that the timeline on which to realize this return on investment will be longer when research and pure science are involved. As an example, one of the bioscience interviewees noted that the process of moving pharmaceutical or biotech research into a commercial product can easily take 5-10 years or more.
- The DECD Portfolio Survey developed for the 2014 review was used again during this evaluation to obtain information from participating companies on doing business in the State of Maine as well as to collect input values for the Cost Benefit Models (CBM). With much hard work from both DECD and MTI staff, a completed response rate of over 70% was obtained for those included in the survey request.
- The CBM's were constructed for four programs. Business Equipment Tax Reimbursement (BETR), Finance Authority of Maine (FAME) and Maine Technology Institute (MTI) programs were evaluated using an unmodified internal rate of return (IRR) method. The IRR model for PTDZ was similar but included a sensitivity factor keyed to assumption that companies made their decision to locate in Maine based on the "but for" clause in the PTDZ legal agreement. In other words, that if not for the incentive, the project may not have proceeded in Maine. The results are as follows (Please note that the rate of return on a 10 year US Treasury Bond is 2.02% as of January 26, 2016):
  - BETR provides a positive IRR of 21.3%.
  - As noted above, PTDZ is a program designed to attract businesses and expansions that would not otherwise locate or expand in Maine. Assuming all projects would not have happened BUT FOR the PTDZ, the program shows a positive IRR of 122.5%.

*"The technology and expertise that will be housed in The Jackson Laboratory's Center for Biometric Analysis will assist researchers and medical professionals in their efforts to improve the prevention, treatment and cures of human disease. Access to competitively awarded, matching funds administered by the Maine Technology Institute, make critically important projects like the Center, possible in Maine."*

Quote from Edison Liu, President and CEO on JAX Center for Biometric Analysis – \$10m General Fund Bond Appropriation, administered by MTI

- FAME, which operates as a loan insurance program rather than as a credit or incentive, shows a positive IRR of 18.9% for CLI/ERLP. This is somewhat to be expected given the more commercial, fee- and interest-based design of the program.
- MTI, the state's marquee program for direct investment in innovation, shows a positive IRR of 7.2% for the development loan program.
- All in all, Maine's incentive productivity is similar to that of New Hampshire, Vermont, and Rhode Island.
  - Maine's number of incentive awards makes up 3% of all incentive awards in New England from 2010-2015. Maine's total value of awards represents 5.8% of the total amount awarded in New England. Likewise, Maine's total capital investment related to the incentive programs represents 4.1% of New England's overall incentivized capital investment. Maine's job creation related to incentive programs makes up 3.4% of New England's total creation affected by incentive programs.
  - Connecticut and Massachusetts gave a greater number of incentive awards with higher value of those awards, with resulting greater capital investment and higher job creation. However, Connecticut's programs appear less efficient, spending a higher dollar value in awards with less capital investment realized and fewer jobs created than Massachusetts.
  - These results further underline how programs can drive economic development results, but also accentuate the need to evaluate overall effectiveness and efficiency on a regular basis.
- Maine continues to trail most other US states in measures of incentives transparency. Maine's score puts the state on rank 44<sup>th</sup> out of 50<sup>th</sup>. The state has only slightly improved its ranking over the last two years, moving from 45<sup>th</sup> to the 44<sup>th</sup>. The change was due to improvements in information disclosed on the number of incentives awarded countered by less information released on capital investment.

## Recommendations

The following recommendations cover the state's programs overall. Additional detail on specific programs is contained in the body of this report.

Maine has a constellation of economic development and research & development (R&D) programs that developed organically over time. Each was a response to a perceived need or opportunity. The present analysis has begun the process of evaluating current effectiveness and providing a path forward to more efficient and impactful programs. As with the 2014 report, the recommendations below showcase both long-term strategic suggestions as well as more technical program by program recommendations.

The recommendations are presented below in five separate categories:

- Structure and targets of programs;
- Eligibility and benefits of programs;
- Monitoring and evaluation of incentive programs;
- Summary of Programs and Recommendations;

- General recommendations; and
- Implementation.

This is followed by a discussion of suggested next steps and implementation.

### Structure and Targets of Incentive Programs

Public and private sector interviews – coupled with location selection analysis – suggest several recommendations for the structure and targeting of economic development and R&D programs:

- A1. Program design should conform to the best practice principles of simplicity, clarity, certainty and objectivity.
- A2. The State of Maine should explicitly match performance measurements to the type of assistance provided. The ROI and breakeven point for a direct R&D investment in a university or small business setting will likely be very different to that for a tax credit for a large established company. The MIEAB (Maine Innovation Economy Advisory Board) has in past played a role in establishing and validating the State's R&D efforts. This role needs to be re-examined and perhaps reaffirmed.
- A3. The State should examine programs to determine which may be altered or augmented to meet the needs of post start-up companies (20-100 employees) who may still require assistance to best meet their potential.
- A4. A common framework could be developed within each program that is clear, transparent, and coherent for investors and recipients. This approach would facilitate coordination and harmonization where possible.
- A5. The best economic development programs build on existing strengths and expand these over time. Incentives, grants, and other programs can make this happen. Each must be monitored and evaluated to make sure goals are being met.
- A6. There is considerable confusion and probable misapplication of the PTDZ standards for how an employee or position is tracked. This language must be clarified. In addition, all institutions responsible for awarding and administering PTDZ must be given explicit training on the proper application.
- A7. Change the requirements for personal equipment tax exemptions in the PTDZ program such that equipment does not need to be operated by specified new employee so long as the equipment benefits the entire company.
- A8. Rather than focusing on the 7 specific sectors to grow Maine, it may be more advisable for the State to focus on growing all business sectors and supporting all successful businesses as a strategy for developing a more diversified, resilient economy. Focusing on one industry may not enhance economic sustainability and could instead mean that the state is not using the money for the greatest positive effect.

*"... When we began to work with MTI, they became part of our team. They are not just a resource for funding, they are a great group of smart people ... to build a strong innovation economy, Maine needs the whole startup eco system..." Rockstep*

## Eligibility and Benefits of Programs

- B1. Any investment incentive program succeeds best in achieving its goals when it is clear, simple and certain, and is performance-based against pre-determined criteria.
- B2. All administrative processes should be as simple and clear as possible. It is important to develop incentive frameworks that can be effectively administered and monitored. Simplicity and clarity make compliance possible.
- B3. This clarity and transparency should be further applied to description and details on incentive program websites.

## Monitoring and Evaluation of Incentive Programs

- C1. Economic development and R&D programs require easy to find documentation that includes a clear statement of goals and outcomes, as well as clear evaluation and monitoring procedures. Apart from assessing and measuring the investment incentive regimes, providing results and information also enhances transparency, credibility and public accountability.
- C2. Economic development and R&D program administrators (specifically MTI) should follow up with applicants to grant and credit programs when they either do not qualify or are not chosen to receive funding or credits. While not all companies will get accepted into all incentive program, the debrief will help ease any frustration and negativity that unsuccessful companies might otherwise associate with that loss.
- C3. The state should establish a standardized reporting tool for all economic development and R&D program recipients. Reporting requirements should be clear, coherent and transparent. These should be directly linked to the award and to the program's conditional criteria. Repercussions for non-compliance should be clearly spelled out in program legislation, along with the protocols for such sanctions.
- C4. The reporting tool should also provide a means for recipients to provide feedback to the state on their own experiences on the utility and efficacy of the programs. Such measures may include but not be limited to workforce readiness, program applicability and reporting, program utility, and suggestions for improvement.
- C5. Once a company receives an incentive award, it is very important that the state continue to honor the award until the award expires as stipulated in the program terms. Any award made is recognized as a contract between the company and the state and needs to be honored as such. Other states have experienced significant backlash and company outmigration in similar situations, such as was the case in New Jersey upon cancellation of payments for the Business Employment Incentive Program (BEIP)<sup>1</sup>.
- C6. Notwithstanding the statements above, the State should also consider revising the metrics it uses to evaluate the effectiveness of its research programs. Licenses, reputation, jobs, skills, patents, and wage levels may all be factors, but the matrix of measures should reflect the mix of investment desired and an appropriate understanding of their development and business cycle.

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<sup>1</sup> See for example <http://www.northjersey.com/news/after-companies-create-jobs-nj-cuts-funds-for-tax-breaks-1.1272924?page=all>

- C7. Institutional collaboration should be facilitated by an Incentive Working Group consisting of members of various government institutions as well as corporate representatives. The Working Group would advise legislators and staff on incentives, discuss specific incentive policies, and could act as ombudsmen addressing concerns of corporate investors in incentive application processes. This Working Group could serve as a coordination, consultation and knowledge center for the State and the stakeholders.
- C8. Holders of investment incentives should be held responsible to report within the standard fiscal reporting system, even where “tax holiday” incentives exist. The Maine Revenue Service and DECD must make an explicit effort to coordinate both the provision of incentives and the Monitoring and Evaluation (M&E) process.
- C9. A review of incentives and purge of non-compliant companies should take place every year with a full fiscal review completed by an independent non-bias third party on a biannual basis. The independent party should be selected through a bid process and only be open to entities independent of the state government with the resources to complete a truly neutral assessment of the programs.
- C10. Programs that require fund matching should present clear guidelines for the types of matches allowed and should be reasonably consistent with federal guidelines where possible.
- C11. The state should establish and ensure fixed program durations to allow for regular independent evaluation, assessing the program’s relevance and benefits. This requires the full authority and capacity of the DECD or administering agency to do this and should be implemented in its follow-up strategies.

*“Matching funds from the Maine Technology Asset Fund will enable the Laboratory to test and validate an innovative concept and state-of-the-art automation equipment at our new facility in Ellsworth. The new vivarium will create jobs in Maine and confirm JAX position as an industry leader for the foreseeable future.”*

- Quote from Executive Vice President and COO Charles E. Hewett, Ph.D. on JAX Ellsworth Vivarium Pilot Project - \$1.74m grant from MTAF and administered by MTI

The above recommendations provide a number of action items that can be implemented over time and provide a better incentive screening, data collection process as well as institutional collaboration among various government departments of the State of Maine.

### General Recommendations

In addition to the items above, the following general observations on the effective role for incentives, credits, and similar programs:

- D1. Continually Examine and Refine Economic Development and R&D Strategy:** It is important to have a coherent strategy for growth, with a clear role for how incentives and similar programs will emphasize comparative advantages of states or compensate for the lack of these comparative advantages. As a result, the strategy for credits, incentives, and R&D assistance

would be in effect an operational expression of the state's strategy for economic sustainability and innovation.

- D2. Continue to Support Large Non-Profit Laboratories:** Private, non-profit research institutions are marquee institutions bolstering Maine's reputation and also draw significant talent to the state. They are economic drivers and help set the tone for a successful R&D climate in the state. The institutions' presence also positively impacts the overall presence of angel, venture capital, and private equity involvement in the State.
- D3. Central Website and/or Guiding Organization:** The state should construct a website which allows the user to search by category and find the assistance programs for which the company is eligible. Once those programs are returned, the site should direct link to the incentive websites and provide full contact information for that group. In addition, an individual fluent with the incentive program should be available by phone to walk companies through this process or to do it for them should they request that level of service.
- D4. Improve Searchability for Information:** Make sure to refer to programs consistently by their correct name. In certain cases, the names for the same programs are similar but not identical. This can make finding the correct program information difficult, especially if the name has changed over time, which may confuse potential incentive applicants. Make sure all programs accurately use metadata keywords and not exclusively use abbreviations so internet search engines can effectively find the program information.
- D5. Improve Accuracy of Program Data Online:** Ensure that programs have clear evaluation criteria, clear program requirements, and clear purge requirements listed on the program administrator's website. This transparency of evaluation procedures was specifically noted as an issue of concern for MTI.
- D6. Develop Central Storage for Reporting Documentation:** To evaluate the incentive programs going forward, it is necessary for the evaluating party to obtain as many recipient lists and as many annual reports from as many incentive programs as possible. Legislative changes should be made to allow the analyst team designated by the State of Maine to have full access to program data as required.
- D7. Program Confidentiality:** Legislative changes should be made to provide for full access to - and evaluation of - program data as required, whether this is performed internally by a program administrator, by a designated state agency, or by an independent evaluator under a confidentiality agreement. There appears to be a particular challenge to obtaining data where MRS administers part of a program for another economic development or R&D program administrator. If this program data is made more directly available, the evaluator will be able to request a much smaller subset of data from companies and obtain more accurate and detailed information for analysis.
- D8. Work Collaboratively Across State Entities:** Organizations, economic development representatives, town and city leaders, and business leaders across Maine should work together for the betterment of the state. In addition to positive collaboration, parties should also avoid speaking negatively certain regions or organizations in conversations with outside companies, consultants, or new organizations. The state and all of its partners should positively showcase both its accomplishments and its forward efforts.

- D9. Understand Workforce Recruitment and Retention as an Economic Development Issue:** Retaining Maine’s talent and attracting new talent is as much as a factor in economic sustainability and innovation as is attracting and fostering businesses. The University of Maine’s recent efforts to recruit students from across New England is a useful first step. This should be augmented with other efforts to keep this talent in state.
- D10. Expand the Current Opportunity Maine Program:** Expanding the current Opportunity Maine program (at a lower credit rate) to include recruited employees with Associate’s and Bachelor’s degrees who move to the state of Maine, pay taxes in the State of Maine, and work in the State of Maine. As requested by the business community, consider expanding the program to certain Master’s and Doctorate degrees for attracted employees with critical skills needed by Maine businesses.
- D11. Help Maine Residents Identify Future and Ongoing Career Paths:** Students and older transitioning members of the labor force both benefit from better understanding the needs of the modern and emerging economy. Efforts may include working with schools to expose students to non-traditional career paths where there is a great need for trained talent. Likewise, it may be helpful to offer networking among industries with similar skill sets, so that both companies and employees may adapt to changing requirements.
- D12. Work with Businesses to Determine Greatest Educational Need:** Businesses understand where their greatest talent needs will be over the next few years. The state should work with the businesses to help residents understand where future opportunities will lie, recruit into appropriate education tracks, and train to the current and future employment needs in the State of Maine.
- D13. Business Retention:** Consider adding a business retention program which would be tasked with both ongoing relationships with Maine companies and immediate retention action when required. Note that this program does not need to reside within DECD and may operate well in a public private partnership setting.
- D14. Consolidate Programs as Suggested in the Program Specific Recommendations Section:** Consider consolidating like programs administered by the same entity into one larger program. As identified in the section above, many of the tax credit programs are very similar or identical but geared towards a different type of company. These should be consolidated to enhance applicability, impact, and efficiency.

## Implementation

As a means for implementing a general recalibration of the State’s economic development and research & development, we propose the following measures:

- E1. Develop a coordinating team of individuals to include members of the Executive branch, the Legislature, and selected stakeholders to facilitate conversation and action on economic development and research & development activities. The current project’s steering committee may act as the core for this team.
- E2. Confirm the State’s economic development goals and overall strategy, including a plan for coordinating business establishment, growth, retention, and attraction. This plan should

contain a firm understanding of the State's advantages and disadvantages, the profiles of business types that this naturally attracts, and the motivations behind their location decisions. It should also include an explicit identification of the organization which will act as the coordinating entity for economic development activities and investments.

- E3. Review the list of consolidation, expansion, reconfiguration, and elimination recommendations made above. Work with the State legislature to make appropriate program changes and also to implement new mechanism for reporting and for information sharing between and among responsible parties within the government of the State of Maine.
- E4. Develop (or alter) enabling legislation for the new (or repurposed) Centralized Coordinating Agency for economic development activities and investments. This may take the form of something similar to the model used by Enterprise Florida, or it may be an entirely new concept. It may be created out of an existing organization or it may be new. Regardless, such an organization is recommended.

These four measures should be taken alongside the State's continuing efforts to analyze the effectiveness of economic development and research & development programs in supporting Maine's continued economic sustainability and success. The current program – of which the current report is a component – provides an important periodic opportunity to evaluate results and change tactics based on data and on changing economic need.

responsible for awarding and administering PTDZ must be given explicit training on the proper application.

- A7. Change the requirements for personal equipment tax exemptions in the PTDZ program such that equipment does not need to be operated by specified new employee so long as the equipment benefits the entire company.
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## Repeat of info in Executive Summary

- such. Other states have experienced significant backlash and company outmigration in similar situations, such as was the case in New Jersey upon cancellation of payments for the Business Employment Incentive Program (BEIP)<sup>7</sup>.
- C6. Notwithstanding the statements above, the State should also consider revising the metrics it uses to evaluate the effectiveness of its research programs. Licenses, reputation, jobs, skills, patents, and wage levels may all be factors, but the matrix of measures should reflect the mix of investment desired and an appropriate understanding of their development and business cycle.
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The above recommendations provide a number of action items that can be implemented over time and provide a better incentive screening, data collection process as well as institutional collaboration among various government departments of the State of Maine.

### → Additional Recommendations Specific to Programs Summary of Programs and Recommendations

The following is a summary of current and recommended new programs which includes a review of general effectiveness and suggested changes. These are listed by the department or organization that administers each program.

<sup>7</sup> See for example <http://www.northjersey.com/news/after-companies-create-jobs-nj-cuts-funds-for-tax-breaks-1.1272924?page=all>

Note that the following programs do not have specific recommendations as they represent local implementation of Federal programs:

- EDA Economic Development Program;
- Community Enterprise Grant Program; and
- Downtown Revitalization Grant Program.

Likewise, the following programs included in the 2014 report have been removed from analysis as they are now inactive or have been de-established:

- Maine Micro-Enterprise Initiative Fund;
- North Star Alliance Cluster Award Matching Fund (MTI);
- Jobs and Investment Tax Credit; and
- High-Technology Investment Tax Credit.

#### Department of Economic and Community Development

Both the Loring Development Authority and the Brunswick Naval Air Station Job Tax Increment Financing programs are self contained and affect only the respective former military installations. While these programs should be retained in place, they should be removed from the 2018 evaluation process.

Program	Program Type	Recommendation
<b>Certified Media Production Tax Credit</b>	Economic Development	<ul style="list-style-type: none"> <li>• Retain in place</li> <li>• Develop thorough measures for program reporting including jobs creation and/or local impact (e.g. sales tax)</li> </ul>
<b>Maine Tourism Marketing Promotion Fund</b>	Economic Development	<ul style="list-style-type: none"> <li>• Retain in place</li> <li>• Develop thorough measures for program reporting including jobs creation and/or local impact (e.g. sales tax, lodging tax)</li> </ul>
<b>Maine Made - Maine Products Marketing Program</b>	Economic Development	<ul style="list-style-type: none"> <li>• Further build awareness</li> <li>• Consider incorporating a component of this program that encourages Maine companies to use other Maine companies for material, product, or input sourcing where a local option exists</li> <li>• Consider consolidation with Maine Tourism Marketing Fund</li> </ul>
<b>Maine International Trade Center</b>	Economic Development	<ul style="list-style-type: none"> <li>• Retain in place</li> <li>• Operated as a trade advisory program, and not as a grant or credit program</li> </ul>

Program	Program Type	Recommendation
Business Ombudsman	Economic Development	<ul style="list-style-type: none"> <li>Retain and enhance program to more fully coordinate <b>ALL</b> incentive program information, interaction and reporting</li> <li>Note that this program does not need to reside within DECD and may operate well in a public private partnership setting</li> <li>See recommendations in the General section below</li> </ul>
Communities for Maine's Future	Economic Development	<ul style="list-style-type: none"> <li>Relatively low funded program</li> <li>No economic development parameters, hence difficult to review</li> </ul>
Loring Development Authority	Economic Development	<ul style="list-style-type: none"> <li>Program in place to help the Loring Air Force Base Area with redevelopment</li> <li>Retain in place and remove from evaluation in 2018</li> </ul>
Maine Technology Centers	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Develop more thorough measures for program reporting, including jobs creation or local investment</li> </ul>
Brunswick Naval Air Station Job Tax Increment Financing	Economic Development	<ul style="list-style-type: none"> <li>Program in place to help the Brunswick Naval Air Station area with redevelopment</li> <li>Retain in place and remove from evaluation in 2018</li> </ul>
Municipal Tax Increment Financing	Economic Development	<ul style="list-style-type: none"> <li>All reporting is local and therefore out of the scope of the information available to this evaluation</li> </ul>
Development Loans (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Retain and enhance through consolidation of smaller programs</li> <li>Change the payback terms so the significant payback penalty will be encored 4 or 5 years after commercialization rather than year 2-3 after commercialization</li> </ul>
Seed Grant Program (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Retain and enhance through consolidation of smaller programs</li> </ul>
Equity Capital Fund (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Retain and enhance through consolidation of smaller programs</li> </ul>
TechStart Program (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Retain and enhance through consolidation of smaller programs</li> </ul>
Phase 0 and Phase II SBIR Application awards plus TAP support (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Retain and enhance through consolidation of smaller programs</li> </ul>
Cluster Initiative Program (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Very low funding</li> <li>Consolidate into Seed Grant, Equity Capital Fund, TechStart, and Phase 0 Programs</li> </ul>
Maine Technology Asset Fund (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Retain program</li> </ul>
Marine Research Fund (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Retain program</li> </ul>

Program	Program Type	Recommendation
Maine Biomedical Research Fund (MTI)	Research & Development	<ul style="list-style-type: none"> <li>Retain program</li> </ul>

Several common suggestions were received and should be considered regarding MTI programs. In particular, program recipients strongly suggested that MTI programs require improved transparency in the application process, additional follow up and suggestions for improvement to companies that did not receive awards, and to develop a more simple and equal project evaluation process.

Several companies also noted that while MTI is nominally tasked with the role of supporting innovation, there appears to be a subset of companies who have received multiple MTI awards over a number of years. Put another way, there are concerns about the concentration of MTI funding and about the fairness of the evaluation process. This is not a concern associated with one MTI director. Suggestions to change this include modifying the evaluation process for companies applying for MTI programs.

#### Department of Economic and Community Development/ Maine Revenue Services

Program	Program Type	Recommendation
ETIF	Economic Development	<ul style="list-style-type: none"> <li>Continue with non-compliance purging as begun in 2013-14</li> <li>Perform on a yearly basis around the start of the new financial year based on the previous year</li> <li>Modify program description on the website to note non-compliance purging</li> </ul>
Pine Tree Development Zones	Economic Development	<ul style="list-style-type: none"> <li>There is considerable confusion and probable misapplication of the standards for how an employee or position is tracked. This language must be clarified. In addition, all institutions responsible for awarding and administering PTDZ must be given explicit training on the proper application.</li> <li>Change the requirements for personal equipment tax exemptions such that equipment does not need to be operated by specified new employee so long as the equipment benefits the entire company</li> <li>Generally improve marketing and awareness of the program and the specific location of PTDZ areas</li> <li>Improve description of program on website for clarity and transparency purposes</li> <li>PTDZ is not helpful if you are an owner paying income tax in another state</li> </ul>

### Maine Revenue Services (MRS)

Due to MRS confidentiality requirements, there are transparency difficulties inherent in any program which includes a tax rebate component. This is further compounded by issues with responsiveness on MRS's part in responding to requests for data requested by program managers who should nominally be allowed access to aggregated data. Those program managers are then subject to transparency scrutiny for their inability to provide data they are unable to collect.

Program	Program Type	Recommendation
Business Equipment Tax Reimbursement	Economic Development	<ul style="list-style-type: none"> <li>This program is no longer in effect for new property and equipment acquired, but there are ongoing participants.</li> <li>Program continues modified as BETE</li> </ul>
Business Equipment Tax Exemption	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Use the template of the information request to enhance their annual evaluation effort</li> <li>Using a uniform reporting standard improves the accountability and improves monitoring and adjustment</li> </ul>
Sales Tax Exemptions (Manufacturing Machinery , Equipment and Tangible Personal Property)	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Consolidate into one overall Sales Tax Exemptions Program</li> </ul>
Sales Tax Exemptions (Fuel and Electricity for Manufacturing)	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Consolidate into one overall Sales Tax Exemptions Program</li> </ul>
Sales Tax Exemptions (Products Used in Agricultural and Aquaculture Production, and Bait)	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Consolidate into one overall Sales Tax Exemptions Program</li> </ul>
Sales Tax Exemptions (Commercial Agriculture, Commercial Fishing, and Commercial Wood Harvesting Machinery and Equipment)	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Consolidate into one overall Sales Tax Exemptions Program</li> </ul>
Sales Tax Exemptions (Machinery and Equipment for Research)	Research & Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Consolidate into one overall Sales Tax Exemptions Program</li> </ul>
Shipbuilding Facility Credit	Economic Development	<ul style="list-style-type: none"> <li>Eliminate Program or significantly alter it so that it applies to a broad selection of Maine's shipbuilding community</li> <li>Credit only applies to very large shipbuilding facilities with more than 5,000 employees that do not qualify for BETE and make more than \$200,000,000 investment</li> <li>Consider modify BETE rules to include all shipbuilding companies under current BETE rules with current BETE caps</li> </ul>
Credit for Rehabilitation of Historic Properties	Economic Development	<ul style="list-style-type: none"> <li>Not strictly applicable for economic development purposes</li> </ul>

Program	Program Type	Recommendation
<b>Super Credit for Substantially Increased Research and Development</b>	Research & Development	<ul style="list-style-type: none"> <li>Combine with RETC</li> </ul>
<b>Research Expense Tax Credit (RETC)</b>	Research & Development	<ul style="list-style-type: none"> <li>Combine with Super Credit</li> </ul>

#### Finance Authority of Maine (FAME)

In general, FAME is a self sustaining organization with most of the funding coming from user's fees and interest rather than being wholly funded by the state. The programs are evaluated with clear end-of-year reporting statistics with an eye towards fiscal stability. While it is important to review FAME periodically, the programs are self sustaining and the internal annual evaluations are combined with readjustments as needed.

Program	Program Type	Recommendation
<b>Commercial Loan Insurance Program</b>	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> </ul>
<b>Economic Recovery Loan Program</b>	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> </ul>
<b>Maine Seed Capital Investment Tax Credit</b>	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> </ul>
<b>Regional Economic Development Revolving Loan Program</b>	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> </ul>
<b>Linked Investment Program for Commercial Enterprises</b>	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> </ul>
<b>Maine New Markets Capital Investment Program</b>	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> </ul>
<b>Linked Investment Program for Agriculture</b>	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> </ul>
<b>Maine Economic Development Venture Capital Revolving Investment Program (VCRIP)</b>	Research & Development	<ul style="list-style-type: none"> <li>Retain in place</li> </ul>

#### Department of Economic and Community Development/ U.S. Department of Labor

Program	Program Type	Recommendation
<b>Maine Manufacturing Extension Partnership (MEP)</b>	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Please note: operated as a trade advisory program, and not as a grant or credit program</li> </ul>

Small Business Administration/ Department of Economic & Community Development

Program	Program Type	Recommendation
Small Business Development Centers (SBDC)	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Please Note: operated as an advisory and incubator program and not as a grant or credit program</li> </ul>

Rural Development Authority

Rural Maine has several clearly identified problems including lack of access to reliable broadband, cell coverage, and natural gas. Addressing these core infrastructure needs addresses may more directly improve these economic opportunities.

Program	Program Type	Recommendation
Commercial Facilities Development Program	Economic Development	<ul style="list-style-type: none"> <li>Determine ways of consolidating funding and increasing flexibility to address core rural issues, including basic infrastructure</li> </ul>
Speculative Industrial Buildings Program	Economic Development	<ul style="list-style-type: none"> <li>Determine ways of consolidating funding and increasing flexibility to address core rural issues, including basic infrastructure</li> </ul>

Maine Community College System

Program	Program Type	Recommendation
Maine Quality Centers	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Operated as a trade advisory program, and not as a grant or credit program</li> <li>Ensure that workforce training and improvement is incorporated in comprehensive economic development efforts, not as stand alone</li> </ul>

Department of Defense

Program	Program Type	Recommendation
Maine Procurement Technical Assistance Center (PTAC)	Economic Development	<ul style="list-style-type: none"> <li>Retain in place</li> <li>Encourage PTAC to take a more active role on lobbying for transparency and improvements in the bid process for government and university system projects</li> <li>Operated as a trade advisory program, and not as a grant or credit program</li> </ul>

state. The institutions' presence also positively impacts the overall presence of angel, venture capital, and private equity involvement in the State.

- D3. **Central Website and/or Guiding Organization:** The state should construct a website which allows the user to search by category and find the assistance programs for which the company is eligible. Once those programs are returned, the site should direct link to the incentive websites and provide full contact information for that group. In addition, an individual fluent with the incentive program should be available by phone to walk companies through this process or to do it for them should they request that level of service.
- D4. **Improve Searchability for Information:** Make sure to refer to programs consistently by their correct name. In certain cases, the names for the same programs are similar but not identical. This can make finding the correct program information difficult, especially if the name has changed over time, which may confuse potential incentive applicants. Make sure all programs accurately use metadata keywords and not exclusively use abbreviations so internet search engines can effectively find the program information.
- D5. **Improve Accuracy of Program Data Online:** Ensure that programs have clear evaluation criteria, clear program requirements, and clear purge requirements listed on the program administrator's website. This transparency of evaluation procedures was specifically noted as an issue of concern for MTI.
- D6. **Develop Central Storage for Reporting Documentation:** To evaluate the incentive programs going forward, it is necessary for the evaluating party to obtain as many recipient lists and as many annual reports from as many incentive programs as possible. Legislative changes should be made to allow the analyst team designated by the State of Maine to have full access to program data as required.
- D7. **Program Confidentiality:** Legislative changes should be made to provide for full access to - and evaluation of - program data as required, whether this is performed internally by a program administrator, by a designated state agency, or by an independent evaluator under a confidentiality agreement. There appears to be a particular challenge to obtaining data where MRS administers part of a program for another economic development or R&D program administrator. If this program data is made more directly available, the evaluator will be able to request a much smaller subset of data from companies and obtain more accurate and detailed information for analysis.
- D8. **Work Collaboratively Across State Entities:** Organizations, economic development representatives, town and city leaders, and business leaders across Maine should work together for the betterment of the state. In addition to positive collaboration, parties should also avoid speaking negatively certain regions or organizations in conversations with outside companies, consultants, or new organizations. The state and all of its partners should positively showcase both its accomplishments and its forward efforts.
- D9. **Understand Workforce Recruitment and Retention as an Economic Development Issue:** Retaining Maine's talent and attracting new talent is as much as a factor in economic sustainability and innovation as is attracting and fostering businesses. The University of Maine's recent efforts to recruit students from across New England is a useful first step. This should be augmented with other efforts to keep this talent in state.

Center for Law and Innovation - University of Maine Law School

Program	Program Type	Recommendation
Maine Patent Program	Research & Development	<ul style="list-style-type: none"> <li>• Program has been largely dormant and should be revived</li> <li>• Previously operated as a trade advisory program, and not as a grant or credit program</li> <li>• Consider housing this program within another organization with complementary functionality such as MTI</li> </ul>

Department of Agriculture/ Administered by FAME

Program	Program Type	Recommendation
Agricultural Marketing Loan Fund	Economic Development	<ul style="list-style-type: none"> <li>• Determine ways of consolidating funding and increasing flexibility to address core agricultural issues, including basic infrastructure</li> </ul>
Maine Farms for the Future Grants	Economic Development	<ul style="list-style-type: none"> <li>• Determine ways of consolidating funding and increasing flexibility to address core agricultural issues, including basic infrastructure</li> </ul>
Potato Marketing Improvement Fund	Economic Development	<ul style="list-style-type: none"> <li>• Determine ways of consolidating funding and increasing flexibility to address core agricultural issues, including basic infrastructure</li> </ul>
Agricultural Development Grant Program	Economic Development	<ul style="list-style-type: none"> <li>• Determine ways of consolidating funding and increasing flexibility to address core agricultural issues, including basic infrastructure</li> </ul>

*Repeat of Info in Executive Summary*  
**General Recommendations**

In addition to the items above, the following general observations on the effective role for incentives, credits, and similar programs:

- D1. **Continually Examine and Refine Economic Development and R&D Strategy:** It is important to have a coherent strategy for growth, with a clear role for how incentives and similar programs will emphasize comparative advantages of states or compensate for the lack of these comparative advantages. As a result, the strategy for credits, incentives, and R&D assistance would be in effect an operational expression of the state's strategy for economic sustainability and innovation.
- D2. **Continue to Support Large Non-Profit Laboratories:** Private, non-profit research institutions are marquee institutions bolstering Maine's reputation and also draw significant talent to the state. They are economic drivers and help set the tone for a successful R&D climate in the

## Appendix A - Definitions

Item	Definition
Angel Investors	Individuals who back emerging entrepreneurial ventures, sometimes as a bridge to venture capital. Funding levels typically range from \$50,000 to \$2 million. Usually successful, sophisticated business people but the term can apply to all individual investors in a company regardless of business experience.
Applied research	Original investigations undertaken in order to acquire new knowledge but are directed primarily towards a specific, practical aim or commercial objective.
Basic Research	Experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying phenomena and observable facts, without any particular application or use in view.
Commercialization	Sequence of actions necessary to achieve market entry and general market competitiveness of new innovative technologies, processes, and products.
Entrepreneurship	The art or science of innovation and risk-taking for profit in business; the quality of being an entrepreneur.
EPSCoR	Experimental Program to Stimulate Competitive Research is a federal program to assist those states that have historically received lesser amounts of federal R&D spending and have demonstrated a commitment to develop their research bases and to improve the quality of science and engineering research conducted at their universities and colleges. Maine has been a member of EPSCoR since 1980.
Industry Cluster	Groups of competing, collaborating and interdependent businesses working in a common industry and concentrated in a geographic region. Clusters draw on shared infrastructure and a pool of skilled workers and represent the specialization and comparative advantage of the region.
Innovation	A new way of doing something. It may refer to incremental and emergent or radical and revolutionary changes in thinking, products, processes, or organizations. A distinction is typically made between invention, an idea made manifest, and innovation, ideas applied successfully.
Invention	The creation of a new technology, item, or process, as opposed to its application in widespread use.
License	A legal agreement where an owner of a technology allows another organization to use or develop that technology in return for consideration.
NAICS	Stands for North American Industry Classification System.
Open Innovation	A paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology.
Targeted Technologies	Established in statute - 5 MRSA Chapter 407 - biotechnology, aquaculture and marine technology, composite materials technology, environmental technology, advanced technologies for forestry and agriculture, information technology and precision manufacturing technology.
Technology Transfer	The transfer of the commercialization rights for a technology from the originator to another organization, typically private. Also involves the legal protection of intellectual property.

## Appendix B – List of Abbreviations

Acronyms and definitions used in this report

Acronym	Definition
ADM	Aerospace, Defense and Marine
CBA	Cost-Benefit Analysis
CEO	Chief Executive Officer
DC	District of Columbia
EDO	Economic Development Organization
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HQ	Headquarters
ICA	Investment Consulting Associates
ICT	Information and Communication Technology
IPA	Investment Promotion Agency
IRR	Internal Rate of Return
IT	Information Technology
ITT	Information Technology and Telecom
MNE	Multinational Enterprise
NAFTA	North American Free Trade Association
NPV	Net Present Value
R&D	Research and Development
RDD	Research, Design and Development
US	United States
USD	United States Dollar
VAT	Value Added Tax

Lead agency acronyms and full program names used in this report

Lead Agency Acronym	Full Program Name
DECD	Maine Department of Economic and Community Development
MTI	Maine Technology Institute
DOL	Department of Labor
FAME	Finance Authority of Maine
MRDA or RDA	Maine Rural Development Authority
MITC	Maine International Trade Center
MCED	Maine Center for Entrepreneurial Development
REDC	Regional Economic Development Corp
MPP	Maine Patent Program
MRS	Maine Revenue Services
CDBG	Community Development Block Grant program
LDA	Loring Development Authority program
MTC	Maine Technology Centers
SBIR	Small Business Innovation Research
STTR	Small Business Technology Transfer
SBA	Small Business Administration loan program
ETIF	Employment Tax Increment Financing
PTDZ	Pine Tree Development Zone

Lead Agency Acronym	Full Program Name
BETR	Business Equipment Tax Reimbursement
JITC	Jobs and Investment Tax Credit
VCRIP	Maine Economic Development Venture Capital Revolving Investment Program
MEP	Maine Manufacturing Extension Program
SBDC	Small Business Development Centers
MPTAC or PTAC	Maine Procurement Technical Assistance Center
AMLF	Agricultural Marketing Loan Fund
PMIF	Potato Marketing Improvement Fund

## Appendix C – Programs Identified for Evaluation

### Economic Development Programs

- Department of Economic and Community Development
  - Certified Media Production Tax Credit
  - Economic Development Program - FEDERAL
  - Maine Tourism Marketing Promotion Fund
  - Community Enterprise Grant Program - FEDERAL
  - Maine International Trade Center
  - Downtown Revitalization Grant Program - FEDERAL
  - Business Ombudsman
  - Communities for Maine's Future
  - Loring Development Authority
  - Maine Technology Centers
  - Brunswick Naval Air Station Job Tax Increment Financing
  - Maine Made - Maine Products Marketing Program
  - Municipal Tax Increment Financing
  - Maine Micro-Enterprise Initiative Fund – INACTIVE/CLOSED
- Department of Economic and Community Development/ Maine Revenue Services
  - ETIF
  - Pine Tree Development Zones
- Maine Revenue Service (MRS)
  - Business Equipment Tax Reimbursement
  - Sales Tax Exemptions (Manufacturing Machinery , Equipment and Tangible Personal Property)
  - Sales Tax Exemptions (Fuel and Electricity for Manufacturing)
  - Business Equipment Tax Exemption
  - Shipbuilding Facility Credit
  - Sales Tax Exemptions (Products Used in Agricultural and Aquaculture Production, and Bait)
  - Sales Tax Exemptions (Commercial Agriculture, Commercial Fishing, and Commercial Wood Harvesting Machinery and Equipment)
  - Jobs and Investment Tax Credit - INACTIVE/CLOSED
  - Credit for Rehabilitation of Historic Properties
- Finance Authority of Maine (FAME)
  - Commercial Loan Insurance Program
  - Economic Recovery Loan Program
  - Maine Seed Capital Investment Tax Credit
  - Regional Economic Development Revolving Loan Program
  - Linked Investment Program for Commercial Enterprises

- Maine New Markets Capital Investment Program
- Linked Investment Program for Agriculture
- Department of Economic and Community Development/ U.S. Department of Labor
  - Maine Manufacturing Extension Partnership (MEP)
- Small Business Administration/ Department of Economic And Community Development
  - Small Business Development Centers (SBDC)
- Rural Development Authority
  - Commercial Facilities Development Program
  - Speculative Industrial Buildings Program
- Maine Community College System
  - Maine Quality Centers
- Department of Defense
  - Maine Procurement Technical Assistance Center (PTAC)
- Department of Agriculture
  - Agricultural Marketing Loan Fund
  - Maine Farms for the Future Grants
  - Potato Marketing Improvement Fund
  - Agricultural Development Grant Program

### Research and Development Programs

- Department of Economic and Community Development
  - Cluster Initiative Program (MTI)
  - Development Loans (MTI)
  - Seed Grant Program (MTI)
  - Equity Capital Fund (MTI)
  - TechStart Program (MTI)
  - Phase 0 and Phase II SBIR Application awards plus TAP support (MTI)
  - North Star Alliance Cluster Award Matching Fund (MTI) – INACTIVE/CLOSED
  - Maine Technology Asset Fund (MTI)
  - Marine Research Fund (MTI)
  - Maine Biomedical Research Fund (MTI)
- Maine Revenue Service (MRS)
  - High-Technology Investment Tax Credit – INACTIVE/CLOSED
  - Sales Tax Exemptions (Machinery and Equipment for Research)
  - Super Credit for Substantially Increased Research and Development
  - Research Expense Tax Credit
- Finance Authority of Maine (FAME)
  - Maine Economic Development Venture Capital Revolving Investment Program (VCRIP)
- Center for Law and Innovation - University of Maine Law School
  - Maine Patent Program

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
<b>Certified Media Production Tax Credit</b>	Economic Development	A media production company engaged in a media production that is certified by the Department of Economic and Community Development is allowed a credit equal to the Maine income tax related to the income from the certified media production. The credit may not reduce the entity's tax liability below zero and unused credit amounts may not be carried over to prior or future years.	Encourage the creation of production related jobs in Maine, improve the general economy of the State, and attract visual media productions to the State	General Fund	Tax Reimbursement	Production companies and companies serving an ancillary function to production companies
<b>Economic Development Program - State-wide implementation of federal program</b>	Economic Development	The Economic Development Program provides gap funding in the form of grants and loans for communities to assist businesses in the creation/retention of quality jobs for low and moderate-income persons.	Create quality jobs for low and moderate-income persons	Federal Funds - CDBG Money	Grants and Loans	Communities receive funds and assist businesses
<b>Maine Tourism Marketing Promotion Fund</b>	Economic Development	To create and implement programs to stimulate and expand the travel industry within the tourism regions while strengthening the State's image by coordinating the promotional efforts of private industry and the Office of Tourism. To support development of special events that attracts visitors to Maine and provides impact on multiple regions.	Statutory-must be used for regional marketing promotion and regional special events promotion	Minimum of 10% of the Tourism Marketing Promotion Fund (sub-section 2 of section 13090-K)	Grant that requires specific level of matching funds	Eight official regional tourism marketing organizations and two special events groups each year
<b>Community Enterprise Grant Program - State-wide implementation of federal program</b>	Economic Development		Assist small and micro-businesses and revitalize downtown business districts	Federal Funds - CDBG Money	Grants	Communities and micro-enterprises
<b>Maine International Trade Center</b>	Economic Development	MITC offers global exposure to Maine's small and medium-sized businesses that want to succeed in international markets. MITC's staff helps businesses with a range of issues, provides technical trade assistance and trade education workshops, and organizes international trade show booths and trade missions to help SMEs develop export sales. MITC also runs the Invest in Maine and Study Maine international business attraction and student attraction programs.	Enhance the competitive advantage of state businesses desiring to compete in the international market and to attract new international businesses and international students to the state	State General Fund and private sector match	Technical Trade Assistance and International Business Attraction	Maine small and medium sized businesses engaged in international business
<b>Downtown Revitalization Grant Program - State-wide implementation of federal program</b>	Economic Development	The Downtown Revitalization Grant Program provides funds for communities to implement comprehensive, integrated and innovative solutions to identified problems facing their downtown districts. These downtown revitalization projects must be part of a strategy that targets downtown service and business districts and will lead to future public and private investment.	Encourage public and private investment in downtown services and business districts	Federal Funds - CDBG Money	Grants	Communities
<b>Business Ombudsman</b>	Economic Development	A program that provides quick access to information about local and state business assistance programs, Maine's regulatory requirements and a host of other business-related issues.	Assist new and existing businesses with start-up and expansion	State General Fund	Business Assistance	Businesses
<b>Communities for Maine's Future</b>	Economic Development	Establishes a dedicated, non-lapsing fund for the rehabilitation, revitalization and enhancement of downtowns, village centers, and main streets in the State.	Assist and encourage communities to revitalize and to promote community	State General Funds	Grants	Communities

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
Loring Development Authority	Economic Development	The Loring Development Authority provides businesses with assistance needed to address concerns and meet the due diligence and business research, development and operation requirements.	development and enhance projects Support economic development at the former Loring Air Force Base	State General Fund	Business Assistance	Businesses investing in former Loring Air Force Base Property
Brunswick Naval Air Station Job Tax Increment Financing	Economic Development	The Brunswick Naval Air Station Job Tax Increment Financing program reimburses Midcoast Regional Redevelopment Authority and Southern Maine Community College 50% of the personal income tax withholdings of net new jobs created at the former Brunswick Naval Air Station. The program is in effect from 2011 to either 2030 or when 5,000 jobs have been created within the base area, whichever comes first.	Provide a funding source for the Midcoast Regional Redevelopment Authority and the Brunswick campus of Southern Maine Community College	State Income Tax Withholdings	Tax Reimbursement	Midcoast Regional Redevelopment Authority and the Brunswick campus of Southern Maine Community College
Maine Made - Maine Products Marketing Program	Economic Development	The Maine Products Marketing Program builds recognition for hundreds of Maine made products, their producers, and Maine's industries in general. MPMP also provides marketing assistance through the Business Ombudsman Program and works to expand market opportunities for Maine's producers.	Promote Maine products and Maine as an investment opportunity	State General Fund	Marketing Assistance	Qualified Maine producers
Municipal Tax Increment Financing	Economic Development	Tax Increment Financing is a flexible finance tool used by municipalities, towns, plantations, and the Unorganized Territory to leverage new property taxes generated by a specific project or projects within a defined geographic district. Any portion of the new taxes can be used to finance public or private projects for a defined period of time up to 30 years.	Provide new employment opportunities; improve and broaden the tax base; and improve the general economy of the State	Local Property Taxes	Project Financing	Municipalities are eligible entities and may negotiator/execute reimbursement agreements with companies or developers.
Maine Micro-Enterprise Initiative Fund - INACTIVE/CLOSED	Economic Development	The Maine Microenterprise Initiative Fund is established as a non-lapsing fund and consists of money appropriated to it by the Legislature from the General Fund and eligible investment earnings from fund assets to encourage micro-enterprise growth in Maine.	Provide grants to community-based organizations to aid them in providing technical assistance and training to microenterprises	State General Fund	Grants	Community based organizations providing technical and training assistance to small business
ETIF	Economic Development	For-profit, non-retail, non-utility businesses adding a minimum of five net new Maine jobs within a two-year period may be eligible for Maine's Employment Tax Increment Financing. Under the ETIF program, businesses are reimbursed from 30% to 80% of their new employees' Maine income tax withholdings for up to 10 years. To qualify, new employees must receive an annual income greater than the county's per-capita personal income, and be provided access to group health insurance and an Employee Retirement Income Security Act (ERISA)-qualified retirement program.	Encourage the creation of net new quality jobs in Maine, improve and broaden the tax base and improve the general economy of the State	State Income Tax Withholdings	Tax Reimbursement	Maine businesses

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
Pine Tree Development Zones	Economic Development	Works with and enhances existing programs for specific businesses meeting economic and geographic criteria. Benefits: Corporate Income Tax Credit of up to 100% for first 5 years and up to 50% for next 5 years; Insurance Premiums Tax Credits on the same schedule (financial services sector only); Personal Income Tax Reimbursement up to 80% for 10 years (ETIF); Sales and Use Tax Exemption up to 100% for 10 years on new personal property; Sales and Use Tax Reimbursement up to 100% for 10 years on new tangible property purchases to be permanently incorporated into existing real estate; and reduced Electricity Rates.	Provide new and improve existing employment opportunities; improve and broaden the tax base; and improve the general economy of the State	State General Fund	Tax Credits, Tax Reimbursements, and Rate Reductions	Maine manufacturers; financial services; biotechnology, aquaculture, composite engineering; marine, environmental, advanced forest and agricultural, information technology sectors
Business Equipment Tax Reimbursement	Economic Development	Qualified business equipment first subject to property tax assessment on or after April 1, 1996, the program reimburses local property taxes paid on qualified business property. To qualify, qualified business property must have been first placed in service in Maine after April 1, 1995.	To encourage capital investment by businesses in Maine and remove disincentives to growth.	State General Fund	Tax Reimbursement	Maine Business
Sales Tax Exemptions (Manufacturing Machinery, Equipment and Tangible Personal Property)	Economic Development	Sales of machinery and equipment used by the purchaser directly and primarily in the production of tangible personal property for later sale or lease and in the generation of radio and television broadcast signals by broadcast stations are eligible for a sales tax exemption. In addition items consumed or destroyed directly or primarily in production, and repair and replacement parts for qualified production equipment are exempt from sales tax.	Support manufacturing in Maine	State General Fund	Sales Tax Exemption	Maine Manufacturers
Sales Tax Exemptions (Fuel and Electricity for Manufacturing)	Economic Development	Manufacturers are exempt from paying 95% of the sales tax on fuel and/or electricity used in the manufacturing operation.	Support manufacturing facilities in Maine	State General Fund	Sales Tax Exemption	Maine manufacturers
Business Equipment Tax Exemption	Economic Development	Qualified business equipment first subject to property tax assessment on or after April 1, 2008 will be exempt from property taxes. The State is required to reimburse municipalities for property revenue loss according to the following schedule: 100% in 2008, 90% in 2009, 80% in 2010, 70% in 2011, 60% in 2012, and for 2013 and subsequent years, 50%. Alternative reimbursement may be chosen by municipalities with business property exceeding 5% of total taxable value.	Encourage capital investment by businesses in Maine and remove disincentives to growth	State General Fund	Tax Exemption	Maine Business
Shipbuilding Facility Credit	Economic Development	Tax credit for up to \$3 million annually in state income taxes deducted and withheld from employees of shipbuilding facilities with at least 5,000 employees. Beginning July 1, 1999, available credit increases with number of employees up to \$3.5 million and 7,000. Beginning July 1, 2003, decreasing credit is available down to \$2.625 for 3,500 to 4,000 employees.	Encourage major investments in shipbuilding facilities in Maine and the preservation of substantial numbers of jobs, preserve numerous opportunities for jobs for Maine people, to make Maine more competitive in the shipbuilding industry and thus	State General Fund	Income Tax Credit	Large-scale Maine shipbuilders with over 5,000 Employees

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
<b>Sales Tax Exemptions (Products Used in Agricultural and Aquaculture Production, and Bait)</b>	Economic Development	Sales tax exemption on sales of feed, hormones, pesticides, antibiotics and medicine for use in aquaculture production and sales of bait to commercial fishermen; sales of seed, fertilizers, defoliants and pesticides, including, but not limited to, rodenticides, insecticides, fungicides and weed killers, for use in commercial agricultural production; sales of breeding stock, semen, embryos, feed, hormones, antibiotics, medicine, pesticides and litter for use in animal agricultural production and sales of antiseptics and cleaning agents used in commercial animal agricultural production, including the raising and keeping of equines.	Provide funding to agricultural, aquaculture, and commercial fishing industries through a sales tax exemption.	State General Fund	Sales Tax Exemption	Qualifying Maine commercial agriculture and aquaculture businesses.
<b>Sales Tax Exemptions (Commercial Agriculture, Commercial Fishing, and Commercial Wood Harvesting Machinery and Equipment)</b>	Economic Development	Sales tax is refunded to any person, association of persons, firm or corporation that purchases electricity, or that purchases or leases depreciable machinery or equipment, for use in commercial agricultural production, commercial fishing, commercial wood harvesting or commercial aquaculture production.	Provide financial support to commercial agriculture, aquaculture, wood harvesting and fishing.	State General Fund	Sales Tax Exemption	Commercial fishermen, farmers, aquaculturalists, and wood harvesters
<b>Jobs and Investment Tax Credit - INACTIVE/CLOSED</b>	Economic Development	The Jobs and Investment Tax Credit (JITC) provides a credit of 10% of the investment of at least \$5,000,000 in personal property that creates at least 100 new jobs within 2 years of the investment. Retail facilities are excluded from taking the credit. The JITC used in any one year is limited to the lesser of \$500,000 or the tax liability of the taxpayer. Any unused credit may be carried forward for up to six years for a maximum credit claimed of \$3,500,000.	Encourage industry to make substantial capital investments in Maine and an increase of at least 100 new jobs following the investment	State General Fund	Income Tax Relief	Maine Businesses investing at least \$5 million in personal property and creating 100 new jobs over 2-year period
<b>Credit for Rehabilitation of Historic Properties</b>	Economic Development	This credit is available to taxpayers who qualify for the federal rehabilitation credit and those who would qualify for the credit if not for the "substantial rehabilitation" test. The credit is equal to 25% of qualified rehabilitation expenditures as defined by IRC Section 47. If an eligible rehabilitation project involves affordable housing, the developer may be eligible for a credit of 30% of qualified rehabilitation expenditures. The credit is limited to \$5,000,000 per project and is refundable.	Enlist private funds for the rehabilitation of historic properties	State General Fund	Tax Credit	Taxpayers rehabilitating historic Maine properties
<b>Commercial Loan Insurance Program</b>	Economic Development	The Loan Insurance Program insures a portion of a loan made to a business by a financial institution. The two types of loan insurance include: pro-rata which covers a certain percentage of lender's loss after a default and liquidation, up to 100%; and	Help Maine businesses access commercial credit. The program insures a portion of a loan made by a financial	No funding unless loss, then FAME's Loan Insurance Fund	Loan Insurance - dollars distributed	Maine businesses subject to some guidelines

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
<b>Economic Recovery Loan Program</b>	Economic Development	leveraged which covers a certain percentage of lender's loss up to 25% of the loan amount at the time of default. This program provides subordinate (gap) financing to assist businesses in their efforts to remain viable and/or improve productivity. From time to time, FAME utilizes funds in this program to address specific business community needs. Maine-based businesses that exhibit a reasonable ability to repay the loan and demonstrate that other sources of capital have been exhausted are eligible for loans up to \$750,000. Loans up to \$1,000,000 may be available if substantial public benefit is demonstrated and sufficient funds available.	institute to the borrower Provide loans to businesses that do not have sufficient access to credit but demonstrate the ability to survive, preserve and create jobs, and repay the obligations	State Bonds	Loans	Businesses attempting to remain viable and/or improve productivity
<b>Maine Seed Capital Investment Tax Credit</b>	Economic Development	This program is designed to encourage equity and near equity investments in young business ventures, directly and through private venture capital funds. FAME may authorize State income tax credits to investors for up to 40%, or 60% in a high unemployment area, of the cash equity they provide to eligible Maine businesses. Investments may be used for fixed assets, research or working capital.	Encourage equity and near equity investments in young business ventures, directly and through private venture capital funds	State General Fund	Income Tax Credit	Investors owning less than 50% of a business located in Maine with annual gross sales of not more than \$3 million
<b>Regional Economic Development Revolving Loan Program</b>	Economic Development	This program is designed to make loans through Maine's regional economic development agencies for the purpose of creating or retaining jobs. FAME makes disbursements to regional economic development agencies and the agencies in turn make loans to eligible borrowers. Amount any corporation may receive is limited to \$3.5 million. Loans may not exceed \$250,000 to a borrower or \$100,000 for quality child care projects. Eligible businesses have sales under \$5,000,000 or employ 50 or fewer employees, conducting business in specific categories.	Provide financial assistance to businesses needing assistance in order to create or retain jobs.	State Bonds	Grants to regional agencies	Businesses that have sales under \$5,000,000 or employ 50 or fewer employees, conducting business in specific categories
<b>Linked Investment Program for Commercial Enterprises</b>	Economic Development	This program reduces a borrower's interest rate on a loan. Loans are approved and funded by lenders according to their own policies. The Maine State Treasurer makes a deposit at up to 2% below prevailing rate, provided similar discount is applied on the lender's loan to the business. Eligible entities are non-agriculture, for-profit Maine businesses with 20 or fewer employees and annual sales less than \$2.5 million. Must be a manufacturer or have 70% of sales outside Maine and 50% owned by Maine residents. Loan proceeds are for real property, fixed assets, research or working capital and must retain one job for each \$20,000 of deposited funds.	Reduce a borrower's interest rate on a loan.	Treasurer's Fund	Loan Interest Rate Reduction	Financial institutions receive money from the state to lower interest rates for non-agricultural, for-profit businesses located in Maine with 20 or fewer employees or annual sales of less than \$2,500,000
<b>Maine New Markets Capital Investment Program</b>	Economic Development	The Maine New Markets Capital Investment Program provides refundable state tax credits of up to 39% to investors in qualified community development entities (CDEs) that reinvest in certain businesses in eligible low-income communities in Maine. The program is modeled after the federal New Markets	Attract business investment in low-income Maine communities	General Fund	Tax credits	Community Development Entities

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
<b>Linked Investment Program for Agriculture</b>	Economic Development	Tax Credit Program, and is administered by the Finance Authority of Maine, in cooperation with Maine Revenue Services and the Maine Department of Economic and Community Development. This program reduces a borrower's interest rate. Loans are approved and funded by lenders according to their own policies. The Maine State Treasurer will make a deposit in the form of a Certificate of Deposit (CD) with the originating lender at up to 2% less than prevailing rate, provided similar discount is applied to the interest rate on the lender's loan to the business. An eligible business' principal source of income must derive from producing crops or raising livestock. Must be applied to an agricultural operating loan (for the purchase of seed, feed, fertilizer, chemicals, veterinary services, labor, production-related energy and/or other production), not loans for capital projects.	Make low-interest loans available to agricultural enterprises involved in cultivating soil, producing crops and raising livestock or their by-products. Loans are targeted to geographic areas of need	Treasurer's Fund	Loan Interest Rate Reduction	Maine Agricultural Businesses
<b>Maine Manufacturing Extension Partnership (MEP)</b>	Economic Development	The Maine MEP is a non-profit organization with a culture of innovation that leverages resources in the application of new ideas to clients, products and processes. The MEP is able to leverage a vast array of public and private resources and in makes these resources and services available to every manufacturing enterprise in the state. The Maine MEP is part of a nationwide network of technical, manufacturing, business specialists linked together by the US. Department of Commerce and the National Institute of Standards and Technology. The program is a resource for manufacturers to transform from a traditional to world-class organization. The program provides affordable, innovative solutions to problems facing today's manufacturing enterprises.	Guides manufacturers through enterprise-wide transformations, identifying product and process improvements, energy efficiencies, product innovations and new market opportunities that can improve the financial sustainability of Maine companies and promote the state's economic growth - This enables Maine manufacturers to expand their capacities and capabilities	State and Federal Funds; Fees for Service	Business services and workforce strategies tailored to small- to medium-size manufacturers	Maine manufacturers having less than 500 employees
<b>Small Business Development Centers (SBDC)</b>	Economic Development	The Maine Small Business Development Centers' mission is to engage it and others in development activities that contribute to the improvement of the economic climate for and the success of entrepreneurs and small businesses in the State of Maine. The Maine SBDC's focus is to assist in the creation, growth and the maintenance of viable small businesses and the jobs these businesses provide.	Assist in the creation of and the growth of viable small businesses and the jobs these businesses provide	Private, State and Federal Funds	Business Assistance	Maine entrepreneurs and small businesses
<b>Commercial Facilities Development Program</b>	Economic Development	The Commercial Facilities Development Program provides financial resources to assist in the development of new commercial facilities and the acquisition and redevelopment of nonproductive commercial facilities for subsequent return to productive use through sale or lease. The MRDA can serve as lender, principal developer, partner or investor in the acquisition of property and redevelopment of existing commercial properties. Investments for the program are	Restore or create job opportunities by serving as principal, partner, lender or investor: in the acquisition and redevelopment of nonproductive commercial facilities for return to productive use through sale or	Bond	Loans	Private or public entities developing new facilities or purchasing non-productive facilities

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
<b>Speculative Industrial Buildings Program</b>	Economic Development	available up to \$500,000. Municipalities or other local entities must provide 25% of the funding provided by the authority. The authority may waive this requirement given a lack of local resources. Undeveloped land or personal property may be financed only as part of the overall development or redevelopment project. The Speculative Buildings Program provides communities and their local development corporations with financial assistance in the form of loans for the construction and associated costs of speculative commercial and industrial buildings. Loans are available up to \$500,000.	lease; and in areas of economic need in the acquisition of property and development of commercial facilities for sale or lease into private productive use Create new employment opportunities; retain or improve existing employment; or improve the competitiveness of the occupant business	Bonds	Loans	Communities and Local Development Corporations
<b>Maine Quality Centers</b>	Economic Development	Maine's Community College System offers free training and education to qualified new and expanding businesses. Under this program, businesses – or consortia of small businesses – creating a minimum of eight new full-time jobs in Maine are eligible for customized recruitment and guaranteed fast-track training designed to employer specifications. An incumbent training offering is expected to be available in FY14	Encourage and facilitate the creation of new jobs in the State by offering customized education and training programs at community colleges free to businesses seeking to create new jobs in the State	State General Fund	Workforce Training	Small businesses and employees receive the training
<b>Maine Procurement Technical Assistance Center (PTAC)</b>	Economic Development	The Maine PTAC is part of a nationwide network of Procurement Technical Assistance Centers that helps Maine small businesses obtain government contracts with the Department of Defense, other federal agencies, state and local governments and federal prime contractors.	Provide specialized and professional assistance to individuals and businesses wanting to learn about or actively seeking contracting and subcontracting opportunities, and/or performing contracts and subcontracts with Department of Defense, other Federal Agencies, or State and Local governments	State General Fund and Federal Funds	Technical Assistance	Maine businesses with a product or service the government can buy
<b>Agricultural Marketing Loan Fund</b>	Economic Development	This loan program offers a loan for either 75% or 90% of the total cost of a capital improvement project for the business. At a 5% interest rate, it can help agricultural enterprises making improvements save money. This program provides assistance to the design, construction or improvement of commodity and storage buildings and packing and marketing facilities; the purchase, construction or renovation of buildings, equipment, docks, wharves, piers or vessels used in connection with a commercial agricultural enterprise; the purchase of land in connection with development of new cranberry acreage; the purchase of land for irrigation reservoirs or to provide direct access to water for irrigation; the purchase of land necessary for	Provide assistance to agricultural enterprises in Maine	Bonds	Loans	Parties engaged in agricultural enterprises

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
<b>Maine Farms for the Future Grants</b>	Economic Development	the start-up of a new agricultural enterprise; the expansion of an existing agricultural enterprise to comply with land use regulations; the development of a business plan; improvements to pastureland, including seeding and actions to promote rotational grazing; or as security for, payment due on any term loans insured by the Finance Authority of Maine to an eligible dairy farmer.	Provide selected farms with assistance in developing a detailed business plan that involves changes in the farm's operation to increase the vitality of the farm and investment money to help implement the plan	State General Fund, bonds, federal funds	Business Assistance and Grants	Farmer-landowners
<b>Potato Marketing Improvement Fund</b>	Economic Development	Funded through the Maine Department of Agriculture, Conservation and Forestry, this program provides low-interest financing to potato growers and packers to improve the quality and marketing of Maine potatoes. Funds may be used for new construction or improvements to storage and/or centralized packing facilities as well as for the acquisition of packing, sizing, washing and drying equipment. Funds may be used to fund programs and activities that improve the economic viability of the potato industry. Such improvements include irrigation equipment and water source development projects. The program also pays the administrative costs of processing, loan applications and servicing and administering the fund and loans and grants made therein, to the extent that the costs exceed the fee for administrative costs. Loans are limited to 45%-55% of total project costs.	Provide assistance to potato farmers farming-related expenses, expansion, equipment, and industry related activities	Bonds	Loans	Any person or business engaged in growing, processing or marketing potatoes in Maine
<b>Agricultural Development Grant Program</b>	Economic Development	The Agricultural Development Grants assists farmers in assessing market potential of new ideas, increasing market promotion of existing businesses, or improving the adoption of new technology on the farm. At least 25% of the total project cost must be funded by the applicant and at least 10% must be from nonpublic sources.	Accelerate new market development, adoption of advantageous technologies and promotion of state agricultural products by state producers	Agricultural Marketing Loan Fund Interest	Grants	Anyone supporting agricultural products

### Detailed R&D Program Descriptions

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
<b>Cluster Initiative Program (MTI)</b>	Research and Development	MTI's Cluster Initiative Program makes competitive awards up to \$50,000 for feasibility and planning on a rolling basis and up to \$500,000 semi-annually for collaborative initiatives that boost the strength and scale of Maine's high-potential technology intensive clusters.	Stimulate the growth of technology businesses and infrastructure in Maine	Appropriation from State General Fund	Grants	Collaborative projects led by non- or for-profit groups
<b>Development Loans (MTI)</b>	Research and Development	Up to \$500,000 per project to support research and development of new products and services that lead to market, including prototype development and testing, patent applications, small scale manufacturing and scale up for manufacturing with limited production. Awarded three times per year. Match required. All projects must fall under one of Maine's seven technology clusters.	Support development of new technology products and services for commercialization in seven targeted technology sectors	State General Fund	Awards that require payback to MTI when technology is commercially successful.	Maine Businesses
<b>Seed Grant Program (MTI)</b>	Research and Development	MTI Seed Grants of up to \$25,000 are offered three times a year to support early-stage research and development activities for new products and services that lead to the market. Funded activities may include activities such as proof of concept work, prototype development, field trials, prototype testing, pilot studies, or technology transfer activities.	Support early product development, commercialization, and business planning	State General Fund	Grants	Maine Businesses
<b>Equity Capital Fund (MTI)</b>	Research and Development	Investments in MTI-funded companies. Available with companies who have successfully commercialized their venture and who were previous recipients of MTI Development Loans or SBIR/STTR funding.	Help bridge the gap for companies seeking to raise equity capital needed to bring new products and services to market - intended to help ventures secure additional private equity capital	State General Fund	Co-investments with individual and/or institutional investors.	Maine businesses
<b>Maine Technology Centers</b>	Research and Development	Each of Maine's seven targeted technology sectors has its own incubation center. The incubation centers provide critical early-stage technical, business, administrative and financial resources and training for participating firms.	Permit early-stage development of technology-based businesses while minimizing or eliminating debilitating overhead expense	State General Fund	Technical Assistance	Businesses in one of Maine's seven targeted industries
<b>TechStart Program (MTI)</b>	Research and Development	This is offered to individuals and companies across Maine looking to develop their new ideas and products. Grants are awarded up to twelve times each year, for up to \$5,000 per project. Funds must not be readily available from another service provider. Grants may support specific activities such as business plan development, intellectual property filings, market analysis, or planning and preparation activities related to Federal SBIR/STTR Phase I grants or Federal Broad Agency Announcement for technology development. Projects must have defined outcomes and endpoints for the specifically funded scope of work not to exceed six months. Requires a 1:1 cash or approved in-kind match.	Support early product development, commercialization, and business planning	Appropriation from State General Fund	Grants	Maine Businesses
<b>Phase 0 and Phase II SBIR Application awards plus TAP</b>	Research and Development	Up to \$5,000 to support competitive federal Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) proposal submissions from Maine applicants.	Help prepare proposals for SBIR/STTR awards	State General Fund	Grants	Maine businesses

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
support (MTI)		Match required. Proposals accepted and reviewed on a rolling basis.				
North Star Alliance Cluster Award Matching Fund (MTI) - INACTIVE/CLOSED	Research and Development	This Fund is available to eligible companies and non-profit organizations in Maine's boatbuilding, composite materials and related marine trade industries that win MTI seed grants, development awards and cluster enhancement awards. Resources can be used for a co-investment of up to 75% of an eligible MTI awardees' seed grant, development award, or cluster enhancement award. Program is closed.	Further the development and commercialization of new technologies in these industries (boatbuilding, composite materials, marine trade industries), thus boosting the competitiveness and growth of Maine companies in these sectors and creating quality jobs for Maine people.	Federal WIRED Grant	Grants	Businesses in select industries on coastal Maine
Maine Technology Asset Fund (MTI)	Research and Development	The Maine Technology Asset Fund was a competitive award program funded by Maine State bond proceeds. The awards must be used to fund capital and related expenditures supporting research, development and commercialization projects that will lead to significant economic benefits for Maine. The program is no longer accepting applications.	Fund capital and related expenditures to support research, development and commercialization projects that will lead to significant economic benefits to Maine	State Bond Funds	Awards. Some may require repayment.	Maine private and public universities, non-profit organizations and private organizations and in seven targeted state technology sectors
Marine Research Fund (MTI)	Research and Development	Awards from \$25,000 up to \$500,000 to conduct high-quality, scientifically rigorous marine research programs that will have positive economic impact on the state of Maine. Private Maine companies may collaborate with these institutions as partners in proposed projects. Fund is now closed as all funds have been awarded. MTI awarded approximately \$6 million of state bond funds since 2002.	Support research and development in Maine	State Bond Funds	Grants	Non-profits, laboratories, and academic organizations conducting marine research; private businesses in partnership
Maine Biomedical Research Fund (MTI)	Research and Development	Grants available to eligible Maine institutions that conduct competitive, scientific biomedical research related to the biology, causes, diagnosis, treatment, control and prevention of physical and mental diseases or impairments afflicting humans. Program is closed.	Promote economic development and job growth and support non-profit laboratories in Maine that perform peer reviewed biomedical research	State General and Bond Funds	Grants	Non-profits, laboratories, and academic organizations conducting marine research; private businesses in partnership
Sales Tax Exemptions (Machinery and Equipment for Research)	Research and Development	Sales of machinery and equipment used by the purchaser directly and exclusively in research and development are eligible for a sales tax exemption including the application of technologies such as recombinant DNA techniques, biochemistry, molecular and cellular biology, immunology, genetics and genetic engineering, biological cell fusion techniques and new bioprocesses using living organisms or	Support research and development in biotechnology applications	State General Fund	Sales Tax Exemption	R&D and Biotechnology Companies

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target recipients
<b>Super Credit for Substantially Increased Research and Development</b>	Research and Development	parts of organisms to produce or modify products, improve plants or animals, develop microorganisms for specific uses, identify targets for small-molecule pharmaceutical development, transform biological systems and useful processes and products or to develop microorganisms for specific uses. The credit is available for taxpayers who qualify for the research expense tax credit and is based on qualified research payments exceeding 150% of the average for the three taxable years immediately preceding June 12, 1987. The credit is limited to 50% of the tax otherwise due after all other credits. Further, the credit cannot reduce tax liability below the amount due the previous year after credits. The credit cannot be carried back, but can be carried forward for up to five years.	Provide incentive for businesses to substantially increase investment in research and development in Maine	State General Fund	Income Tax Credit	Qualified Maine businesses making research investments in Maine
<b>High-Tech Investment Tax Credit- INACTIVE/CLOSED</b>	Research and Development	The credit is based on the adjusted basis of eligible equipment. Limitations: the credit is limited to high-tech equipment purchased (or leased) by businesses engaged primarily in high-tech activities. The credit cannot reduce tax to an amount below the previous year's tax after credits. The credit cannot be carried back, but can be carried forward for up to five years.	Provide an incentive for businesses to invest in equipment that is used in high-technology business activity	State General Fund	Income Tax Credit	Manufacturers of computer equipment, accessories, and components and providers of internet service and advanced telecommunications
<b>Research Expense Tax Credit</b>	Research and Development	The credit is based on a percentage of the federal credit for increasing research activities. The credit is equal to 5% of the excess qualified research expenses over the previous three-year average plus 7.5% of the basic research payments under IRC § 41(e)(1)(A). For corporate taxpayers, the credit is further limited to 100% of the first \$25,000 in tax liability plus 75% of the tax liability in excess of \$25,000. For taxpayers other than corporations, the credit is limited to the taxpayer's liability. The credit cannot be carried back, but can be carried forward for up to 15 years.	Encourage Maine businesses to invest in research and development in Maine	State General Fund	Income Tax Credit	Qualified Maine businesses making research investments in Maine
<b>Maine Economic Development Venture Capital Revolving Investment Program (VCRIP)</b>	Research and Development	Designed to allow the State to invest as an equal partner with others in eligible private venture capital funds to support emerging and early-growth businesses in Maine. It is intended to utilize professional fund managers to increase the probability of successful investments in recipient companies. It is available only to established venture capital funds with a strategy for the creation and retention of jobs in Maine through investments in Maine high-growth businesses; a marketing and technical assistance plan; appropriate monitoring of its investment; a technical assistance program to assist the businesses in which it invests; a process for complying with proposed measurement and goals.	Provide venture capital to businesses needing assistance to create or retain jobs	FAME Economic Revolving Loan	Venture Capital	Established venture capital funds with a strategy for the creation and retention of jobs in Maine

PROGRAM	Type of Program	Description	Purpose	Funding Source	Type of Assistance	Target Recipients
<b>Maine Patent Program</b>	Research and Design	Helping Maine inventors and small businesses understand how to identify and protect their intellectual property. A resource for information and education on the patent process and other means of intellectual property protection. Inform what needs to be done to obtain and maintain legal rights in ideas, if possible, and to provide assistance with the patent process to those who qualify. Maine Patent Fund is established as a revolving, non-lapsing fund.	Support the commercialization and manufacturing of innovations in the State by providing education and assistance with the patent process of the United States Patent and Trademark Office to companies, inventors and entrepreneurs in the State	State Funds	Technical Assistance	Maine inventors and small businesses

