



CONNECTING PEOPLE
& STRATEGIES TO DRIVE
MAINE'S ECONOMY

Testimony to the Joint Standing Committees on Appropriations & Financial Affairs and Innovation, Development,
Economic Development & Business

**In Support of Funding in L.D. 221: FY2022-2023 “Biennial Budget Bill”
for the Maine Development Foundation & Maine Economic Growth Council**

February 24, 2021

The Maine Development Foundation offers testimony in support of the proposed appropriation of \$58,444 annually to the Maine Development Foundation and \$55,395 annually to the Maine Economic Growth Council (served by DECD as fiscal agent).

MDF is a statewide non-profit, non-partisan membership organization uniquely established by the Legislature and the Governor in 1978 to work across the business, government, and education sectors to provide an objective, respected, long-range vision and strategies for growing Maine’s economy. We do this through our trusted economic research, leadership programs, and several signature public-private partnerships.

In support of funding the Maine Development Foundation at \$58,444 annually (page A-133)

The proposed budget supports two programs at MDF. *Please note that the narrative in the budget bill on “What the budget purchases” for this line item, due to technical error, refers only to the first program even though the statutory history is clear that the state funding for both programs was combined in one line item back in FY2012.*

Realize Maine Network:

First, the budget bill amount includes **\$33,444 annually for the Realize Maine Network**, as it has since FY2008. The Realize Maine Network is a coalition of locally-based organizations working together to retain and attract young people to Maine, empower them to reach their greatest career and civic potential, and create opportunities to keep them living, working, and thriving in our state. The driving force behind the Network is its affiliated regional groups, each of which is autonomous and unique to a different place in Maine. Groups work independently and collaboratively to create opportunities for young people to network, build their communities, and pursue their aspirations.

The generous support of the Maine Legislature funds two important activities. A portion of the money is used by MDF to provide organizational and technical support to the all-volunteer Network and its members throughout the year. Services include coordinating the Network steering committee, sharing best practices, fiscal management, and representation of the program inside and outside of Maine, to name just a few.

Money also funds a competitive grant program (administered by MDF) awarded directly to the regional groups to implement projects in their communities. Both MDF and the Network continue to use the State’s investment to leverage additional multiples of private and philanthropic funds to support these activities.

The Network is currently re-energized with a new steering committee chair, marketing chair & secretary. The group is focused this year on raising visibility/awareness of RMN, helping member groups market themselves

and their events, and recruiting new regional affiliate representation. (Skowhegan is testing the waters by engaging with KV Connect).

Although many regional events are networking and professional development – and therefore very disrupted by COVID -- most groups adapted and experienced positive successes:

- Uplift’s (Lewiston-Auburn) 40 Under 40 event made entirely virtual
- Groups established new, well-attended outdoor events, and switching to outdoor and/or virtual events has brought in fresh faces to the groups by offering new event types or allowing remote participation for those who would have had to secure childcare to attend in person.
- KV Connect saw the pandemic as an opportunity to support their community by delivering 1000+ meals to those in need and distributing 500+ books to local children.

RMN continues to devote some funds to scholarships for younger leaders to access MDF’s statewide leadership development opportunities such as Leadership Maine.

And, in 2017 and 2019 Bangor and L/A hosted Magnetize Maine, a statewide event bringing together members of all regional Realize Maine groups and other leaders to brainstorm solutions to Maine’s demographic and “brain draw” challenge. The 2020 event scheduled for Aroostook had to be deferred.

All the above types of activities are made possible in part by the funded sub-grant program. The grant program includes small regional planning grants designed to help groups explore the viability of a project idea; larger project grants up to \$5,000 designed to help groups start or significantly expand “best practice” events or programs that can be easily duplicated in any region; and seed funds to help approved and accepted new regional groups with start-up expenses so they can build their own sustainable funding base through partnerships, grants, sponsorships, small event fees, and/or membership fees.

Realize Maine plays an important role in addressing Maine’s demographic challenges by actively engaging young people in leading solutions for their community and economy. Efforts like Live + Work in Maine build a funnel of talent and Realize Maine works to make the local connections sticky and lasting!

Maine Downtown Center:

Second, the MDF appropriation continues to include **\$25,000 annually to the Maine Downtown Center (MDC)**, as the Maine Legislature has provided since FY2012. The MDC was established in state law in 1999 as a public-private partnership based at MDF. MDC serves as the state coordinator for the National Main Street Center, utilizing the 41-year-old Main Street Four-Point Approach which has earned a reputation as one of the most powerful local economic development tools in the nation focusing on design, organization, economic vitality and promotions.

The Center’s mission is to advance preservation-based economic development in downtowns across Maine, resulting in business growth, job creation, building rehabilitation, cultural enhancement and organizational leadership. The Center and its 15 Member professional Advisory Council serves as a clearinghouse and technical assistance resource for all Maine communities interested in undertaking downtown revitalization projects. The

Center currently has 25 communities in its formal program -- 10 nationally accredited Main Street programs and 15 state designated Maine Downtown Affiliates -- and serves dozens more with programming and assistance.

Reinvestment statistics from 2002 to 2020 from our 10 Nationally designated Main Street Communities included:

- 444 net new businesses
- Nearly 2000 new jobs
- 1030 building rehabilitations
- 937 building rehabilitations
- A total reinvestment of \$272 million
- A reinvestment ratio of \$20.18 for every \$1 spent by the local community

In 2020-21 the MDC worked especially hard to help communities adapt to pandemic/recession pressures, supporting a number of the local programs with their small business survival efforts, including advising or hosting disaster recovery funds; peer best practices on virtualizing local activities, assistance, and promotions; optimizing downtown access to PPP; and informing state and federal policymakers on the unique downtown challenges for local programs, microbusinesses in retail and hospitality, and the arts.

MDC is a busy, efficient operation including one full-time Program Director and portions of two other staff members. We are very appreciative of your support to keep the “public” in this successful public-private partnership: the appropriation accounts for less than 10% of the core operating budget.

In 2021, MDC will hold numerous virtual trainings including two Maine Downtown Institutes, four webinars, ten Main Street Assessment Virtual Visits, numerous site visits, public presentations and individual community trainings. MDC generates tremendous leverage from the core funding and attracts many multiples of public and private funding to benefit communities:

- In 2019 MDC was awarded \$750,000 from the National Park Service through the Historic Preservation Fund for a bricks and mortar sub-grant program for historic downtown buildings that drive economic development. MDC was awarded the largest awards in the country and was able to sub-grant to 6 projects in Norway, Eastport, Gardiner, Skowhegan, Bath and Dover-Foxcroft.
- MDC is also in the middle of a 3-year project with the Maine Community Foundation and the National Main Street Center working in Lisbon, Monson and Skowhegan to build strong entrepreneur ecosystems for these communities to support, attract and retain entrepreneurs.
- Finally, we continually recognize the need for capacity at the local level for this type of community and economic development work. With that in mind MDC successfully applied to host 5 AmeriCorps Main Street Fellows in our downtowns. The project is exceeding our expectations and giving much needed capacity to our local organizations who are most often a staff of one.

In support of funding the Maine Economic Growth Council at \$55,395 annually (page A-144)

MDF administers the Maine Economic Growth Council, an independent body created in statute in 1993 to develop and assess our progress toward a long-term vision for Maine’s economic growth. Council members are jointly appointed by the Governor, Speaker of the House, and President of the Senate, and represent a broad

and diverse cross-section of leaders across Maine’s key constituencies, including the public, private, and non-profit sectors.

The Council’s annual *Measures of Growth* report (“MOG”) is an objective, data-driven, and trusted assessment of Maine’s progress toward the Council’s vision of “a high quality of life for all Maine people”. *Measures of Growth* includes key indicators and benchmarks that support a vibrant and sustainable economy, thriving communities, and a healthy environment. The 26th *Measures of Growth* report was released in December 2020.

The Council and MDF make every effort to provide a product that helps policymakers focus their efforts and understand the connections between and among the major issues affecting the economy and the well-being of Maine people. The indicators included give context to Maine’s long-term performance by comparing to U.S., New England, and EPSCoR averages. The MOG helped provide the situational analysis for Maine’s 10-Year Economic Development Strategy (2019). And, the long-term insights provided by the MOG are still invaluable: the extreme short-term economic and public health impacts of the 2020 recession and pandemic magnify the importance Maine’s workforce, innovation, and connectivity and show the impacts of both our longstanding strengths and our most notable challenges on shaping the recession and our path forward. The 2020 MOG reinforces the priority placed on Talent, Innovation, and Infrastructure in the Governor’s Economic Recovery Committee’s newly released recommendations (Nov. 2020) and should inform recovery investments.

Constant refinement occurs to better reflect current circumstances: 2020 Measures of Growth has two new measures: Racial/Ethnic Income Equity and Prekindergarten Education. We have also adjusted the methodology of two metrics and reorganized the presentation so that MOG can more readily be used to track the progress of the 10-Year Economic Development Strategy.

Note that the current funding level, which has been unchanged since 2012-2013, is the bare minimum amount necessary to support these efforts, and in fact has been supplemented by MDF membership support and other funders in recent years. We encourage you to support full funding for the Maine Economic Growth Council in the current cycle, and look forward to continuing to work with the Council to provide a valuable and trusted perspective for Maine leaders.

Thank you for this opportunity to update you on our efforts.

Respectfully submitted,

Yellow Light Breen, President & CEO

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About the Realize Maine Network:

The Realize Maine Network brings together regional group representation united around the cause of attracting and retaining young people in Maine.

The Network strives to promote opportunities for young people to live, work and thrive in Maine communities and creates a forum for connecting regional groups to each other, sharing new ideas and lessons learned, and works to develop tangible solutions to attracting and retaining more young people throughout Maine.

First started as an outcome of Governor John Baldacci's Summit on Youth Migration in June 2004, today, the network is an autonomous and self-sustaining network led by regional group representatives in partnership with Maine Development Foundation.

Together, the Realize Maine Network:

- Creates opportunities for like-minded, Maine-based organizations to share best practices, share resources and collaborate.
- Celebrates the work and accomplishments of young people in Maine.
- Raises awareness about career, civic and social opportunities for young people in Maine.
- Adds value to other programs and initiatives that benefit young people in Maine.
- Informs policy makers about issues affecting young people in Maine.

Benefits of being a regional group member of the Realize Maine Network include:

- **Statewide reach & expanded network relationships** increase access to best practices and resources.
- **Grant funds** – The Realize Maine Network provides grant funding for regional groups to assist with local projects and planning.
- **Leadership** – The Realize Maine Network provides scholarship funds to members of regional groups for participation in leadership training programs.

Currently, the network is made up of the following regional groups:

BayPro (Belfast area), **Cynergy** (Augusta area), **Fusion:Bangor** (Bangor area),
KV Connect (Waterville area), **Momentum Aroostook** (Aroostook County), and
Uplift LA (Lewiston-Auburn area).

Note: RMN has helped sustain numerous other groups over the years, but due to heavy reliance on local volunteers and participation, affiliate groups' viability ebbs and flows. Recent former members of the Network include Midcoast Magnet (Rockland area), Midcoast Edge (Brunswick area), Synergize Sanford, and Spark (Lincoln County). Propel (Greater Portland) is another former member that RMN supported in its formative years, but is now independently active and self-sustaining.

For current regional group contact information, go to: <http://www.mdf.org/realizemaine>.

REALIZE MAINE NETWORK GRANT PROGRAM - HISTORY

Since 2008, the Realize Maine Network competitive grant program has provided \$167,500 in funding to regional affiliate groups. The funds have been distributed among 13 regional groups in support of 59 different projects. Grant funds are instrumental in supporting the efforts of the regional groups, who use the grant awards to leverage additional funds and in-kind support from a range of community partners. As an example, \$5,000 in grant funds awarded to Uplift LA (Lewiston-Auburn region) in 2019 leveraged another \$15,500 in sponsor funds to support their “40 Under 40 Showcase,” an event honoring emerging leaders committed to the betterment of their communities.

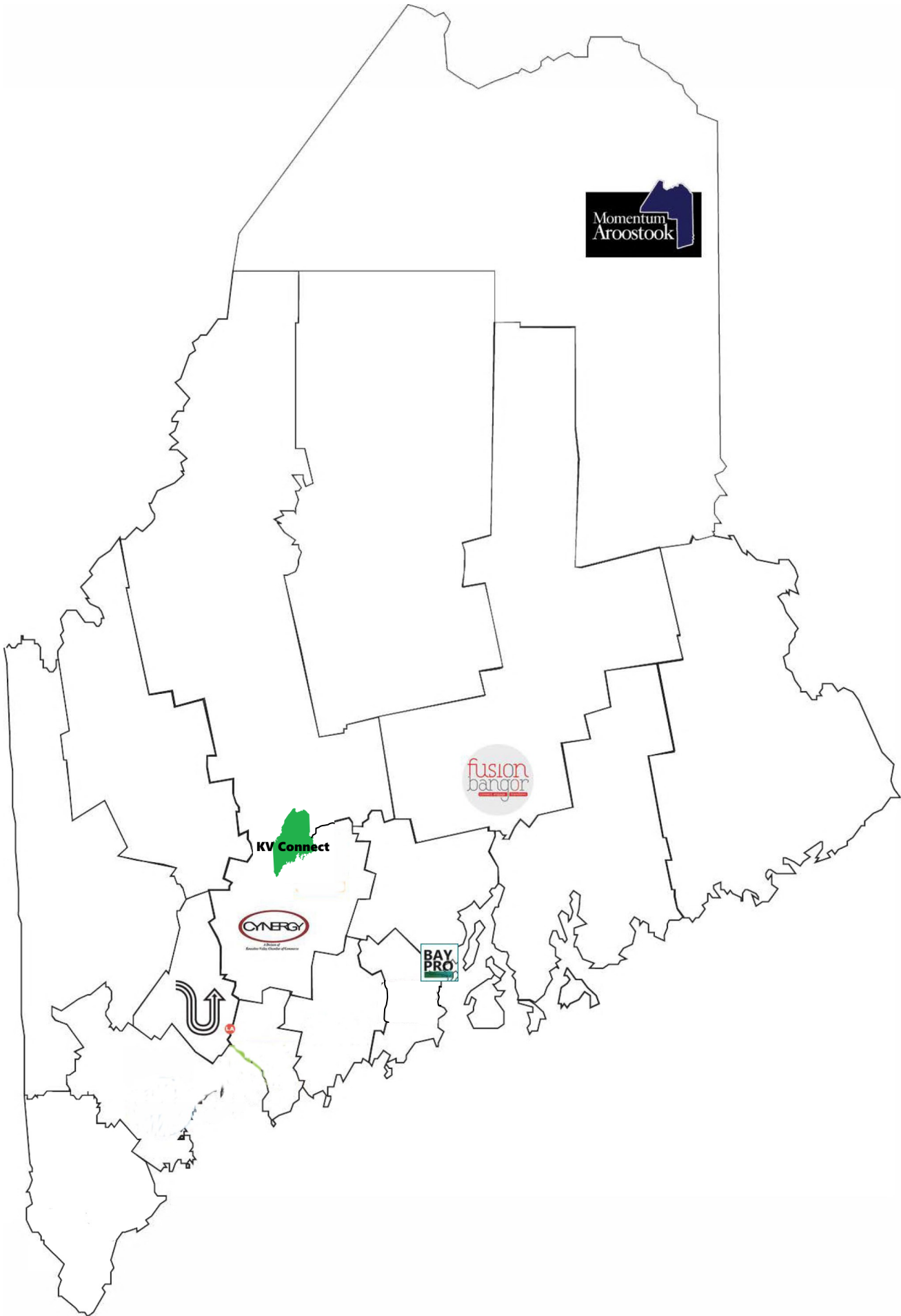
The grants have supported six general types of efforts:

- 20 have supported organizational development and expansion;
- 10 have supported community development and engagement;
- 6 have supported entrepreneurship;
- 10 have supported professional development;
- 8 have supported networking activities and connections (note: no grant funds may be used for alcohol for any reason); and
- 5 have supported recreational opportunities.

An additional total of \$15,200 has supported four Realize Maine members participating in MDF’s Leadership Maine program in 2015-2016, 2016-2017, and 2019-2020. We extend this scholarship opportunity each year to members interested in either our Leadership Maine or Institute for Civic Leadership (ICL) programs.

Of special note, seven grants have supported or catalyzed the creation of new regional groups.

By design, the funds provided by the legislature and distributed by MDF comprise a small portion of the operating funds for the Realize Maine Network regional affiliates. The funds help to leverage support from local community partners, on whom the regional entities rely for the majority of their financial support.



Momentum
Aroostook

fusion
bangor

KV Connect

CYNERGY

BAY
PRO

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Vibrant downtowns are at the core of a community.

MDF knows the critical importance of preserving Maine’s unique downtowns, enhancing their livability and connectivity, and giving local businesses the opportunity to grow. Through our Maine Downtown Center (MDC) we work to build stronger communities with a sense of place that help to strengthen Maine’s economy.

We partner formally with 25 communities implementing the National Main Street Center® four-point approach. We also serve as a statewide resource for anyone interested in revitalizing downtowns. Our programs include:

- Main Street Maine – professionally staffed and nationally designated programs
- Maine Downtown Affiliates – primarily all-volunteer organizations just beginning their revitalization programs
- Community Connections – technical assistance and community engagement

Our Work, by the Numbers:



Nearly **2,000** new jobs



444 new businesses



1,030 building rehabilitations



438 new housing units

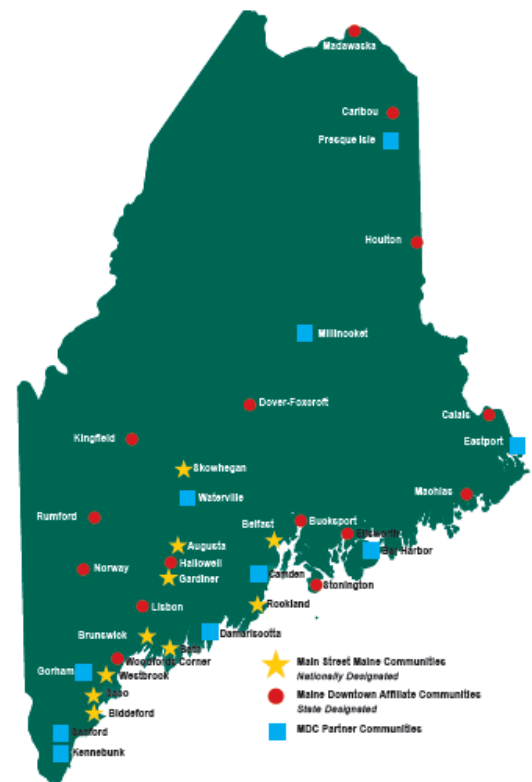


\$272m total reinvestment



Return on investment = **\$20.18 for every \$1**

**Source: cumulative data collected 2002-2019 by MDC*



MDF's Maine Downtown Center is a Main Street America™ Coordinating Program

For more information on Maine Downtown Center and our programs visit mdf.org or contact Anne Ball, Program Director aball@mdf.org

Yellow Breen
Maine Development Foundation

Note: agency presenter for Maine Development Foundation