

**Testimony In Support of Funding in L.D. 258
FY2024-FY2025 "Biennial Budget Bill,"
for the Maine Development Foundation**

February 15, 2023

Honorable Chairs and Members of the Joint Standing Committees on Appropriations & Financial Affairs and Innovation, Development, Economic Advancement & Business,

My name is Joy Barresi Saucier of Mars Hill, Maine, and the current chair of the Board of Directors of the Maine Development Foundation, offering testimony on behalf of the Board in support of the proposed appropriation of \$58,444 annually to the Maine Development Foundation (page A-191).

MDF is a statewide non-profit, non-partisan membership organization uniquely established by the Legislature and the Governor in 1977 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. MDF's annual budget is around \$3 million, and state General Fund accounts for only about 5% of this total.

The proposed budget currently supports two important programs at MDF. First, the budget bill amount includes **\$33,444 annually for the Realize Maine Network**. 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. I hope the importance of this work – including Momentum Aroostook in my home region – is self-evident.

Second, the budget bill 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. The MDC'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 MDC 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. Dozens of Maine communities are involved, and the reinvestment statistics for the program are off the charts. And I've seen firsthand the renewed energy that MDC has aided in bringing over the years to communities such as Houlton, Presque Isle, and Madawaska.

We are very appreciative of your support to keep the "public" in this successful public-private partnership. The leverage obtained from this General Fund support (less than 5% of the MDC's total budget) is exponential. Over the past four years, MDC has been awarded \$2.25 million in competitive federal grants and earmarks, of which \$1.8 million has gone directly back out to numerous local communities alongside the technical assistance and know-how for stronger impact.

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Fulfilling Commitments, Leveraging Potential, Realizing Opportunities

We seek your support for the proposed appropriations and would be grateful for it. However, we also respectfully ask you to consider increasing the level of state General Fund investment in MDF overall to make up for years of inflation-eroded flat-funding; and to fulfill the original pledge to match MDF's private sector membership funding up to **\$250,000 per year** (Public Laws 1977 c. 548, sec. 3). The State kept its pledge for about a dozen years after 1977 but since the recession and cutbacks of 1990-91, has permanently shifted the burden for most of MDF's work over to the private sector or competitive grants MDF can win. Increasing state general operating support back to \$250,000 would provide significant matching opportunities for MDF fundraising and grant-writing. The state founded MDF to be an engine for innovative long-term economic growth strategies and bringing best practices here – that takes sustained and meaningful commitment.

We would also request that added funding be considered to expand the reach of the MDC specifically to better serve rural and smaller service centers; better leverage outside investments; and achieve parity with the \$200k total per year in Maine Community Development Block Grant (CDBG) funding received by the MDC. This would be an additional **\$175,000 per year** for MDC, for a grand total of an additional \$425,000 each year. We pledge we would match any state funding at least 1:1 with additional outside funding (and likely much more with competitive grants) -- even though currently MDF has already leveraged up state General Fund investments 20:1.

In addition to the work funded in the modest GF budget line item here, MDF is driving high-impact efforts for Maine leaders, communities, and economic sectors through its work – such as the Policy Leaders Academy for the Legislature; managing the FOR/Maine and SEAMaine efforts for growth strategies for Maine's innovating, evolving heritage forestry and fisheries industries; and workforce efforts through the MaineSpark collaborative, especially for adult learners who are going back to school and up-skilling. The efficacy of these efforts was well-described in the Government Evaluation Act report for 2021 presented to IDEAB last year. Most of these efforts are solely funded by private philanthropy or federal grants.

We appreciate your consideration and support for the proposed budget, and for additional investment that would augment and leverage the considerable private sector support MDF currently attracts to this powerful public-private partnership.

Sincerely,
Joy Barresi Saucier, Chair
Mars Hill
Joy.B.Saucier@aroostookaging.org

Attachment A: Maine Development Foundation

REVENUE	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Memberships	290,017	240,234	172,459	173,800	177,246	197,455	259,171	247,314	254,826	230,473
State Appropriation	0	0	0	43,221	150,730	166,463	259,170	247,314	254,826	230,473
Contracts	264,553	343,611	260,898	29,522	126,582	105,107	136,763	264,804	363,748	456,136
Grants	117,412	226,093	80,293	48,762	209,467	82,820	50,000	0	0	0
Fees	255,901	182,911	121,678	65,072	37,200	45,866	0	0	0	0
Aspirations/Ed.	0	0	360,079	357,523	230,000	224,950	312,141	370,113	18,021	0
Other	51,831	103,155	57,308	28,070	17,816	15,382	16,533	15,535	10,738	0
Total Revenue	979,714	1,096,004	1,052,715	745,970	949,041	838,043	1,033,778	1,145,080	902,159	917,082
EXPENSES										
Salaries/FB	607,483	544,115	561,308	519,974	431,012	426,063	407,842	394,830	354,826	397,307
Consultants	113,068	152,508	143,900	51,565	207,529	159,197	75,479	82,382	78,601	245,910
Program Costs	247,079	272,170	162,464	77,826	197,927	119,645	367,259	547,313	211,625	140,583
Other Expenses	175,526	167,040	164,942	109,629	130,528	124,425	128,710	128,452	236,851	126,144
Total Expenses	1,143,156	1,135,833	1,032,614	758,994	966,996	829,330	979,290	1,152,977	881,903	909,944

Notes

1. Information is for calendar year; taken from audited statements.
2. Administrative costs average 15-18%, well below the standard for this size organization.
3. Audits are not prepared by program category but by function.
4. Program costs are direct "out of pocket" expenses, and exclude personnel and consultant expenses, most of which are program-related.

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Yellow,

Thank you for contacting the Law and Legislative Reference Library, a non-partisan office of the Maine Legislature.

Unallocated language in [PL 1977, ch. 548](#) appears to answer your question:

Sec. 3. Appropriation.

There is appropriated from the General Fund the sum of \$250,000 for the fiscal years 1977-78 and 1978-79 to assist the foundation in its efforts to foster, support and assist economic growth and revitalization in the State. It is provided, however, that no amount of the appropriation shall be provided to the foundation unless the foundation can demonstrate a matching and equal fiscal support from its private and public corporators and members described in Title 10, chapter 107.

If you have further questions please feel free to contact us again.

Ryan Jones

Reference Librarian

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