

**Testimony by Joe Powers
Managing Director**

In Support of LD 416

**An Act to Authorize a General Fund Bond Issue for Research and Development and
Commercialization**

April 24, 2023

Joint Standing Committee on Appropriations and Financial Affairs

Senator Peggy Rotundo, Representative Sachs, and Distinguished Members of the Committee:

My name is Joe Powers. I am the Managing Director of the Small Enterprise Growth Fund, known as Maine Venture Fund, or “MVF”. I live in Portland and providing written testimony in support of the General Fund Bond Issue for R&D and Commercialization.

As many of you know, Maine Venture Fund is a state-sponsored fund that provides financial support to Maine-based companies that are seeking to grow aggressively in the state and provide wider public benefit to the people of Maine. A big part of our role as an organization is to identify those companies with the best chance of achieving this impact and help them navigate the many hazards along the path from pre-commercialization to scale-up.

To do this effectively, MVF has worked in close tandem over the past 25 years with our sister organization in the state, Maine Technology Institute (MTI), which has been a stalwart resource over that period primarily for the earliest stage companies – those benchtop projects for which R&D funding is critical to allow for company creation and foundational pre-commercialization activities. Without this R&D funding and the additional hands-on support that MTI provides, the number of companies “graduating” to commercialization would be significantly reduced. Said another way, MVF’s success in providing equity investments for scale-up rely on MTI’s foundational R&D resources.

We’ve applied this collaborative approach in tandem with MTI successfully with companies like Atlantic Sea Farms, Sea Bags, KinoTek, MedRhythms, Vetro and dozens of others who are now thriving in the state of Maine. This continuum of support is bolstered by many other “ecosystem partners” across the state, of course.

As you have no doubt heard from others and know from your own experience, the dividends that accrue from investment in early stage R&D, whether from the organizational, municipal, state, federal or super-federal level have empirically proven to result in outsized economic impact relative to other stages of investment. This is also why R&D spending is the primary common theme across the many deeply-researched reports issued by and for the state over recent years, including the Governor’s ten year economic development strategy, the report issued by the Governor’s Economic Recovery Committee, MIEAB’s forthcoming Maine

Innovation Economy Action Plan, and many others. It is for these reasons, and the many touch points that I have with Maine-based startups every day where I see the obvious need for further R&D investment, that I support this bill. Thank you.