



CONNECTING PEOPLE  
& STRATEGIES TO DRIVE  
MAINE'S ECONOMY

Testimony to the Joint Standing Committee on Innovation, Development, Economic Advancement & Business  
**In Support of LD 262**

January 16, 2024

The Maine Development Foundation offers testimony, via our CEO Yellow Light Breen of Holden, Maine, in support of L.D. 262.

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.

This Committee is hopefully familiar with some of our most valuable programming: the nonpartisan Measures of Growth annual scorecard on the Maine economy; our respected leadership development programs including the Policy Leaders Academy "bus tours" for the Legislature; and our cross-sector partnerships such as the Maine Downtown Center, Forest Opportunity Roadmap for Maine (FOR/Maine), SEAMaine, and our core partnership in MaineSpark particularly focused on adult learners and incumbent workers upskilling with credentials of value. *Every MDF program and project involves a major intersection with workforce development, directly or indirectly.*

Briefly, in regard to Board term limits, I can attest that having continuity as directors learn our multifaceted work, get to know each other and the management team, is super-helpful for strategic collaboration. At the same time, refreshing the voices at the Board table periodically is also valuable and we aim to strike a better balance there similar to some other boards and authorities, lengthening from five years to eight years.

Second, the provision to allow and encourage state agencies and UMaine System to work collaboratively with MDF without formal competitive RFPs – *entirely voluntarily, where a good mission fit, and where mutually valuable* – is inspired by (1) the language of MDF statute which already requires us to collaborate heavily with other agencies – and them with us; (2) a similar undertaking that exists between the State and UMS (since at least 1989); and (3) legislators who asked us whether there is work that the State undertakes and funds already that could benefit from and strengthen MDF's capabilities – this provides a way to enable that organically.

**Most importantly, this bill as amended by the sponsor would restore the matching appropriation of \$250,000 per annum to incent and amplify the like same amount of private sector donations to MDF.**

This provision honors the spirit of funding intent in 1977 and a commitment kept by the State for nearly 15 years until 1991. See founding language and legislative history of appropriations attached. Currently, MDF receives NO general operating support from the General Fund, and only small portions of dedicated funding for specific purposes and projects (including a contract for Measures of Growth) but the grand total is less than \$150,000 or less than 5% of MDF's budget and does not support the general mission or leverage private sector match as intended in 1977.

**What Additional Impact Can MDF Have with Additional Investment?**

Why not simply continue on with MDF's disproportionate but often successful reliance on competitive, episodic project grants from private and federal sources?

*Several important reasons: Grants typically require match and are on a discontinuous timeline. They often cannot be renewed. Many funders want to fund the startup phase but not the ongoing work. Most grants cannot be used to fund the grant-writing efforts for pursuit of complementary funds. Thus, matching funds, leverage funds, and continuity/bridge funding is vital to persistent meaningful impact in MDF projects and programs.*

With general program support, MDF can impact growth initiatives in critical industries, in distressed and redeveloping communities all around the state, and the associated workforce needs. And we can catalyze future high-leverage projects with similar impact to the work of today. Below are a few key **examples**.

#### **Match Funding for the Next Phase of Sector-Based Development Work – FOR/Maine & SEAMaine**

FOR (Forest Opportunity Roadmap): MDF and partners do seek to persist in the efforts by submitting competitive grant proposals, with a focus on (1) workforce development & recruiting; (2) investment attraction in bioproducts; (3) support for mill town recovery, including the immediate distress and comeback strategy for the Jay area. *Current funding is limited and fragmentary (DECD provided some critical bridge funding in 2023).*

SEA (Seafood Economic Accelerator): SEAMaine completes its roadmap for future opportunities in marine living economy (wild and cultivated) this winter; and is seeking federal and other implementation funding for 2024 and beyond. *There is no interim or matching funding currently provided to bridge into effective implementation.*

*With General Fund matching investment, such efforts can be more vigorous, persistent, and more impactful. Without this additional funding request, these projects are much more likely to be curtailed in scope and impact.*

#### **Catalytic & Match Funding for Maine Downtown Center**

The Maine Downtown Center is a highly successful program mandated in state statute since 1999 and located at MDF. Additional funding would continue to generate and match opportunities such as:

- More capacity for smaller and more rural communities – existing and new – to redevelop.
  - Current examples where the MDC has engaged with and would like to assist more in depth:  
**FOR/Maine communities** Ashland, Millinocket, E. Millinocket, Lincoln, Bucksport, Old Town, Jay;  
**additional communities** Berwick, S. Berwick, Sanford, Pittsfield, Van Buren, Farmington
- Entrepreneurship efforts such as the one piloted in 3 towns with private funding and expanded in 10 towns this year with congressional earmark funds.
- Recovery and resiliency efforts in response to floods and other climate disasters.

*Although the Center has ramped up its efforts to meet more needs, it cannot sustain this level of effort without additional public match.*

#### **Catalytic & Match Funding for Workforce & Education Initiatives**

A critical program area that is currently under-funded and requires stable core funding to continue to attract outside match, is MDF's work in workforce development and educational attainment. This includes Maine Adult Promise, which brings together the educational institutions and hundreds of community-based providers and Navigators who support adult learners and incumbent workers in pathways back to education and training and the supports needed to persist and succeed with degrees and other credentials of value.

<https://mainespark.me/adult-promise/> This Navigator Network is a crucial asset to many workforce and educational initiatives – but is very difficult to sustain solely through episodic grant funding. *Without requested funding to complement private philanthropy, this valuable program may be significantly limited.*

Respectfully submitted, Yellow Light Breen, President & CEO, [yellow@mdf.org](mailto:yellow@mdf.org)  
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**Attachments:** Funding History; MDF Program list; Downtown ROI and Map

## 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              |
| <b>Total Revenue</b>  | <b>979,714</b>   | <b>1,096,004</b> | <b>1,052,715</b> | <b>745,970</b> | <b>949,041</b> | <b>838,043</b> | <b>1,033,778</b> | <b>1,145,080</b> | <b>902,159</b> | <b>917,082</b> |
| <b>EXPENSES</b>       |                  |                  |                  |                |                |                |                  |                  |                |                |
| 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        |
| <b>Total Expenses</b> | <b>1,143,156</b> | <b>1,135,833</b> | <b>1,032,614</b> | <b>758,994</b> | <b>966,996</b> | <b>829,330</b> | <b>979,290</b>   | <b>1,152,977</b> | <b>881,903</b> | <b>909,944</b> |

### 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.

**From:** [Reference\\_Lawlib](#)  
**To:** [Yellow Breen](#)  
**Subject:** Reference request  
**Date:** Tuesday, January 24, 2023 4:35:19 PM  
**Attachments:** [image001.png](#)

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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

Maine State Law and Legislative Reference Library

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## Economic Policy & Research

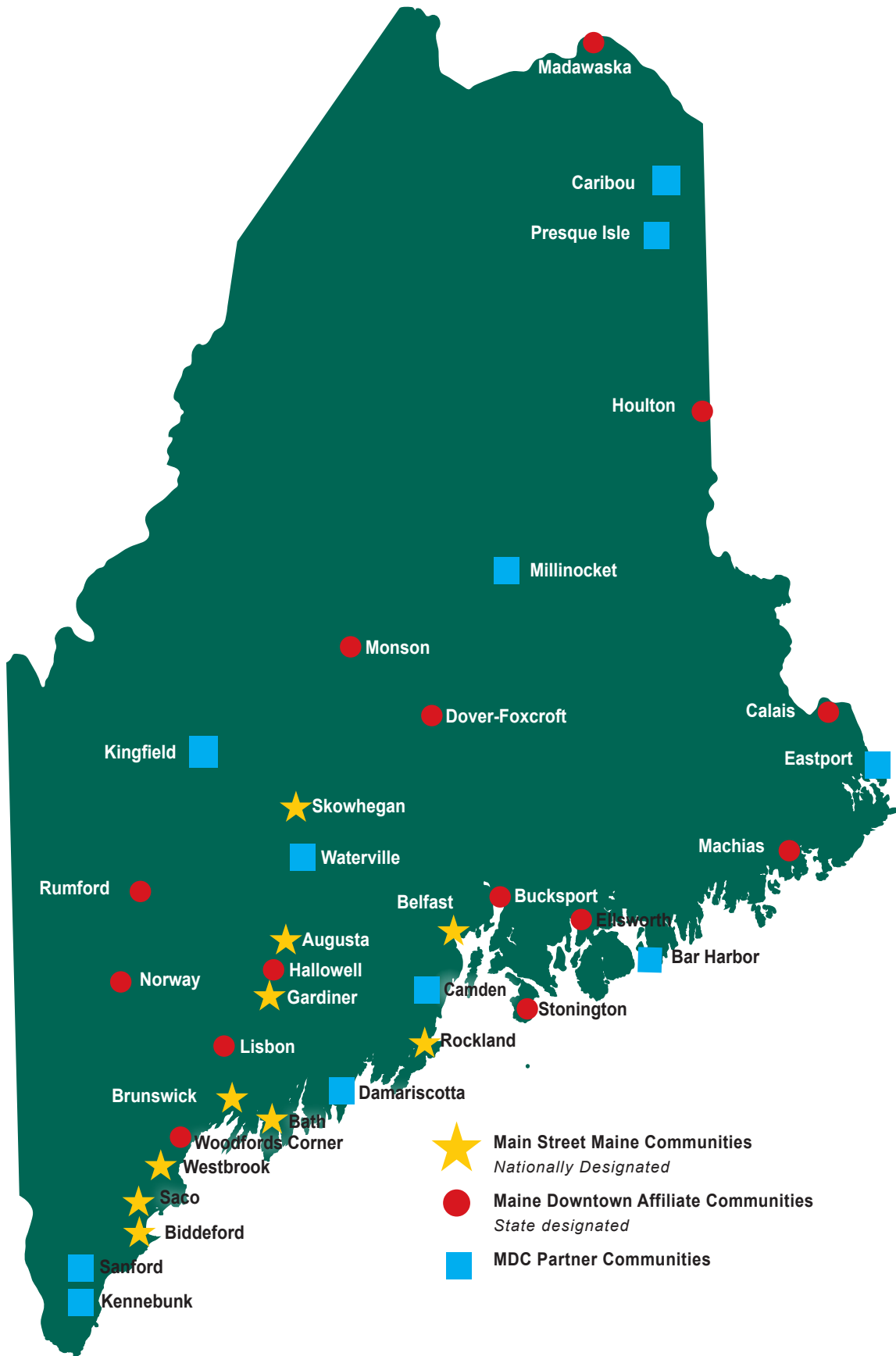


## Leadership Development



## Programs & Partnerships





Current as of January 2022



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### **Maine Downtown Center:**

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 44-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 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. The Center currently has 24 communities in its formal program -- 10 nationally accredited Main Street programs and 14 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