

**Testimony by John Burns
In Support of L.D. 691**

An Act to Authorize a General Fund Bond Issue for Further Investment in Maine-based Businesses

April 9, 2025

Joint Standing Committee on Appropriations and Financial Affairs

Senator Rotundo, Representative Gattine, and Distinguished Members of the Joint Standing Committee on Appropriations and Financial Affairs:

My name is John Burns. I served as the inaugural Managing Director of Maine Venture Fund from 2000-2021 and now serve as Director of Corporate Engagement for the University of Maine. I live in Blue Hill and Portland and am testifying ***in support*** of L.D. 691, An Act to Authorize a General Fund Bond Issue for Further Investment in Maine-based Businesses.

Maine Venture Fund (MVF) was created in an era when policymakers realized that the absence of dedicated investment in innovation and entrepreneurship was a key factor in making the state and its companies less and less competitive across the nation and beyond. The Small Enterprise Growth Fund (dba Maine Venture Fund) was created at that time along with the Maine Technology Institute, and these two entities, importantly separate and distinct, are at the core of driving innovation, capital allocation and attraction, and economic growth in the State. The need to explicitly address these issues remains a policy imperative. Even today, the annual Measures of Growth report from the Maine Economic Growth Council tells us that we are under investing in innovation and entrepreneurship, spending 1% of gross state product against the goal of 3%.

Maine Venture Fund remains the only venture fund that is focused 100% on Maine-based businesses. Innovative, entrepreneurial, high growth potential startups, and early-stage companies cannot attract bank financing. Capital for these companies comes from those willing to take high risk, such as high net worth individual investors, private equity investors, and venture capital funds. Attracting that class of investors to a rural State like Maine has always been and remains a significant challenge. Maine Venture Fund's sophisticated approach to direct investment and capital allocation has drawn the respect of the appropriate class of investors within the state and, most importantly, beyond, including venture capital firms throughout New England, and beyond. As an example of the multiplier, the Maine Angels, a vibrant and active group of high-net worth individual investors, was created in the early 2000's by a group of MVF Board Members and inspired by MVF's work.

The breadth and depth of the innovation and entrepreneurial ecosystem in Maine is accelerating in a positive direction. To take full advantage of the population and population demographics created in part by the pandemic and in part by highly skilled professionals

seeking to live in the beauty of Maine for other reasons, the time to double our efforts to attract and deploy capital and talent is upon us.

Having had the long view of Maine Venture Fund, I can state unequivocally the value that this organization brings to the state and its entrepreneurial, innovation, and early-stage company universe. I urge you to support the Maine Venture Fund Board's 10 years strategic plan, Managing Director Joe Powers and his team, and vote unanimously to approve this bill.