



CONNECTING PEOPLE
& STRATEGIES TO DRIVE
MAINE'S ECONOMY

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

**In Support of Funding in L.D. 258: FY24-FY25 "Biennial Budget Bill"
for the Maine Development Foundation & Maine Economic Growth Council**

February 15, 2023

The Maine Development Foundation offers testimony, via our CEO Yellow Light Breen of Holden, Maine, in support of the proposed appropriation of \$58,444 annually to the Maine Development Foundation and \$90,395 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 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.

In support of funding the Maine Development Foundation at \$58,444 annually (page A-191)

The proposed budget currently supports two programs at MDF.

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 supported by a dedicated steering committee led by a chair, marketing chair, and secretary. The Network is currently re-energized with the recent addition of two new member groups (PROPEL in Portland and Live + Work in Maine which is statewide). The additions are a result of the steering committee's continued focus 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 Waterville-based KV Connect and now Biddeford is exploring formation of a group).

The member groups adapted extremely well to the limitations created by COVID in 2020, creatively offering outdoor events and virtual offerings. Some of these were so successful that the groups continue those offering even while returning mostly to in-person programming. Examples of group successes include:

- FUSION: Bangor held a day-long conference in September 2022 for a community discussion focused on social equity, including housing and robust downtowns.
- KV Connect routinely partners with community groups to provide volunteers for those groups' activities, as a way of raising the group's visibility and giving back.
- All of the groups partnered with Live + Work in Maine in 2021 and 2022 to host "Welcome Home" events, social gatherings that create a welcoming environment and networking for locals, Boomerangers, and those interested in making Maine home.

RMN continues to devote some funds to scholarships for younger leaders to access MDF's statewide leadership development opportunities such as Leadership Maine and the Institute for Civic Leadership.

And, in 2022 KV Connect hosted *Magnetize Maine*, a statewide event bringing together members of all regional Realize Maine Network groups and other leaders to tackle issues important to young professionals across the state. KV Connect offered workshops on personal brand, mentoring, how to be an effective manager, and other pertinent topics; each workshop was held at a different area restaurant which had the added benefit of spotlighting the Waterville Downtown's recent growth and revitalization and supporting local businesses. This year's *Magnetize* is scheduled for August 2023 in Aroostook County.

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 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. MDC serves as the state coordinator for the National Main Street Center, utilizing the 43-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

In 2022, Heart of Biddeford, one of Maine's nationally accredited Main Streets ,was named a ***Great American Main Street*** by Main Street America. This is the highest honor a Main Street can achieve, and it is Maine's second such awardee with Bath being the first (2012) and only the sixth ever awarded in all of New England.

MDC is a busy, efficient operation including two full-time Program Directors and one part-time Program Coordinator. In 2023, MDC will hold numerous trainings including two Maine Downtown Institutes; four webinars; ten Main Street Annual Accreditation Site Visits; and numerous site visits, public presentations, and individual community trainings.

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. In 2019 and 2021 MDC was awarded a total of \$1.5 million 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 amount in the country both years and was able to sub-grant to 10 projects in Augusta, Ellsworth, Norway, Eastport, Gardiner, Machias, Rumford, Skowhegan, Bath and Dover-Foxcroft. MDC was also awarded a \$747,000 in Congressionally Directed Spending ("earmark") to build strong entrepreneur ecosystems in rural Maine. In addition to extensive technical assistance, \$540,000 of the total will be passed through to 9 communities.

In additional support of 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; to *fulfill the original pledge* to match MDF's private sector membership funding up to \$250k per year (Public Laws 1977 c. 548, sec. 3); and to also expand the reach of the MDC specifically to better serve rural and smaller service centers; better leverage outside investments, with an additional \$175k per year achieving parity with the \$200k total per year in Maine CDBG funding received by the MDC. *This would total an additional \$425,000 each year.* We pledge we would match any additional funding at

least an additional 1:1 (and likely much more) even though currently MDF has already leveraged state General Fund investments 20:1. We can supply more details on impact at work session.

In support of funding the Maine Economic Growth Council at \$90,395 annually (page A-204)

MDF administers the work of 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. DECD is the Council's fiscal agent. 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 28th *Measures of Growth* report was released in November 2022.

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 presently assists DECD in tracking progress towards the plan's goals. In many ways the short-term disruptions of pandemic and recessions magnify the value of the long-term insights provided by the MOG – spotlighting the importance of Maine's workforce, innovation, and connectivity, and both our longstanding strengths and most notable challenges shape our resilience and our path forward.

Constant refinement occurs to better reflect current circumstances: since 2019 *Measures of Growth* has added four new measures: Racial/Ethnic Income Equity, Prekindergarten Education, Greenhouse Gas Emissions, and Mental & Behavioral Health. We have also adjusted the methodology to improve the utility of several metrics, including Broadband Connectivity to track access to high-speed service; Postsecondary Degrees & Credentials to now include valuable non-degree certifications; Entrepreneurship now measures how/if start-ups outpace closures; and Labor Force Participation better tracks in which industries and sectors Mainers are working in – or leaving. The MOG presentation was reorganized so that MOG can more readily be used to track the progress of the 10-Year Economic Development Strategy. Importantly, MOG has become a vastly improved tool for public usage and understanding with the addition of a mobile-optimized and enhanced digital presentation in 2021.

We are grateful to the Governor and Legislature for increasing funding to \$90k per year beginning in FY21-22, up from an unsustainable level of \$55k, and encourage you to support full funding for the Council. We 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 and seek your continued co-investment in MDF.

Respectfully submitted, Yellow Light Breen, President & CEO
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yellow@mdf.org

About the Realize Maine Network:

The Realize Maine Network (RMN) brings together regional group representation united in their work to attract and retain young people in Maine.

RMN strives to promote opportunities for young people to live, work and thrive in Maine communities. It 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 network led by regional group representatives, funded and guided by legislative support in partnership with Maine Development Foundation.

Together, RMN:

- 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 RMN include:

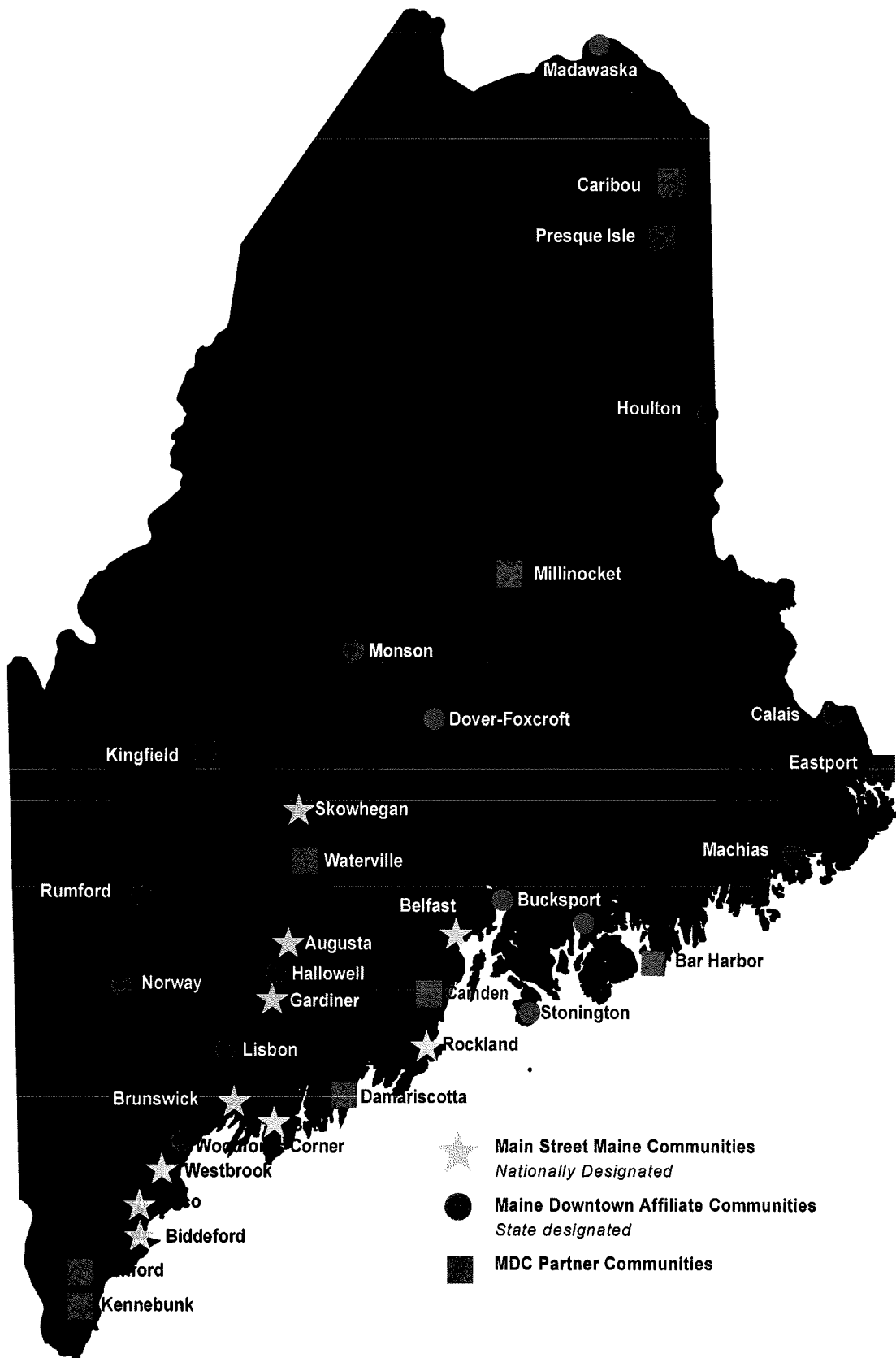
- **Statewide reach & expanded network relationships** – Membership in RMN provides regional groups with access to best practices and resources.
- **Grant funds** – A competitive, annual grants program provides funding for regional groups to assist with their projects and planning.
- **Leadership** – Each year RMN provides two full scholarships to members of regional groups for participation in leadership training programs.

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

Cynergy (Augusta area), **FUSION:Bangor** (Bangor area), **KV Connect** (Waterville area), **Live + Work in Maine** (Statewide), **Momentum Aroostook** (Aroostook County), **PROPEL** (Portland area), and **Uplift LA** (Lewiston-Auburn area).

For regional group contact information, go to:

<https://www.mdf.org/leadership-development/realize-maine-network/>.



Current as of January 2022

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

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
email: lawlib.reference@legislature.maine.gov
website: <http://www.legislature.maine.gov/lawlib>
phone: 207 287-1600



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.