

## Testimony to the Joint Standing Committee on Housing &amp; Economic Development

**In Support of L.D. 629: An Act to Restore Matching Funding to the Maine Development Foundation**

March 6, 2025

Senator Curry, Representative Gere, and Honorable Members,

The Maine Development Foundation (MDF) offers testimony, via our CEO Yellow Light Breen of Holden, Maine, in support of the proposed legislation to restore \$500,000 in state matching funding to MDF. This provision honors an original commitment dating back to our founding in 1977, largely neglected since the early 1990s, and only partially updated for decades of inflation.

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, nonprofit, and education sectors on long-range 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 now familiar with some of our valuable programming: the nonpartisan *Measures of Growth* annual scorecard on the Maine economy; our 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), and SEAMaine.

**Restored match funding will not only Fulfill Commitments, but it will also Leverage Opportunities, Drive Impact, and Maintain Services in uncertain times.**

Investing \$500,000 each year would enable MDF's to maintain essential core activities in economic development, workforce development, and downtown revitalization and to continue to meet critical increased need, particularly for communities, industries, and individuals that are most-often underserved, economically distressed, both rural and urban. We would hope to leverage the State's investment 2X over the long term.

This would achieve in part **the long-neglected promise of the State dating back to 1977** to match the first \$250,000 of private sector contributions (in 1977 dollars -- let alone with decades of inflation, approximately \$1.3 million in today's dollars!). Currently, MDF receives 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. We have leveraged the State General Fund investment 20X over.

Without matching investment, MDF is heavily dependent on limited-period, limited-purpose competitive federal grants. Just last month, one already-awarded \$1.5 million federal grant to serve economically distressed areas of central and western Maine was arbitrarily terminated.

**What Can We Do with Your Investment – What Additional Impact Can MDF Have?**

Why not simply continue on with MDF's disproportionate but often successful reliance on competitive, episodic project grants from private and federal sources? *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. And, as we have learned – funders can change investment priorities quickly. Thus, matching funds.*

*leverage funds, and bridge funding are vital to persistent meaningful impact in MDF projects and programs.*

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

FOR (Forest Opportunity Roadmap): MDF and partners seek to persist in the efforts, 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. Watch our recently completed grant success case study:*

<https://www.youtube.com/watch?v=0hAEkbHIutM>

SEA (Seafood Economic Accelerator): SEAMaine completed its roadmap for future opportunities in marine living economy (wild and cultivated) in 2024 and is seeking implementation funding. *Federal funds support trade promotion and shared infrastructure for the supply chain (e.g., cold storage) but there are no funds for other priority strategies such as workforce development.*

*With General Fund matching investment, such efforts can be more vigorous, persistent, and more impactful. Without funding, 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 phenomenally successful program mandated in state statute since 1999, currently serving 28 communities in its formal program, and assisting an additional 30-60 communities each year. Reinvestment statistics from 2002 to 2023 from our 10 nationally designated Main Street Communities included: 667 net new businesses, over 2500 new jobs, and 1271 building rehabilitations. Total reinvestment attracted was \$498 million - a reinvestment ratio of **\$23.54 for every \$1 spent** by the local community.

We aim to sustain this level of support, and continue to generate and match opportunities such as:

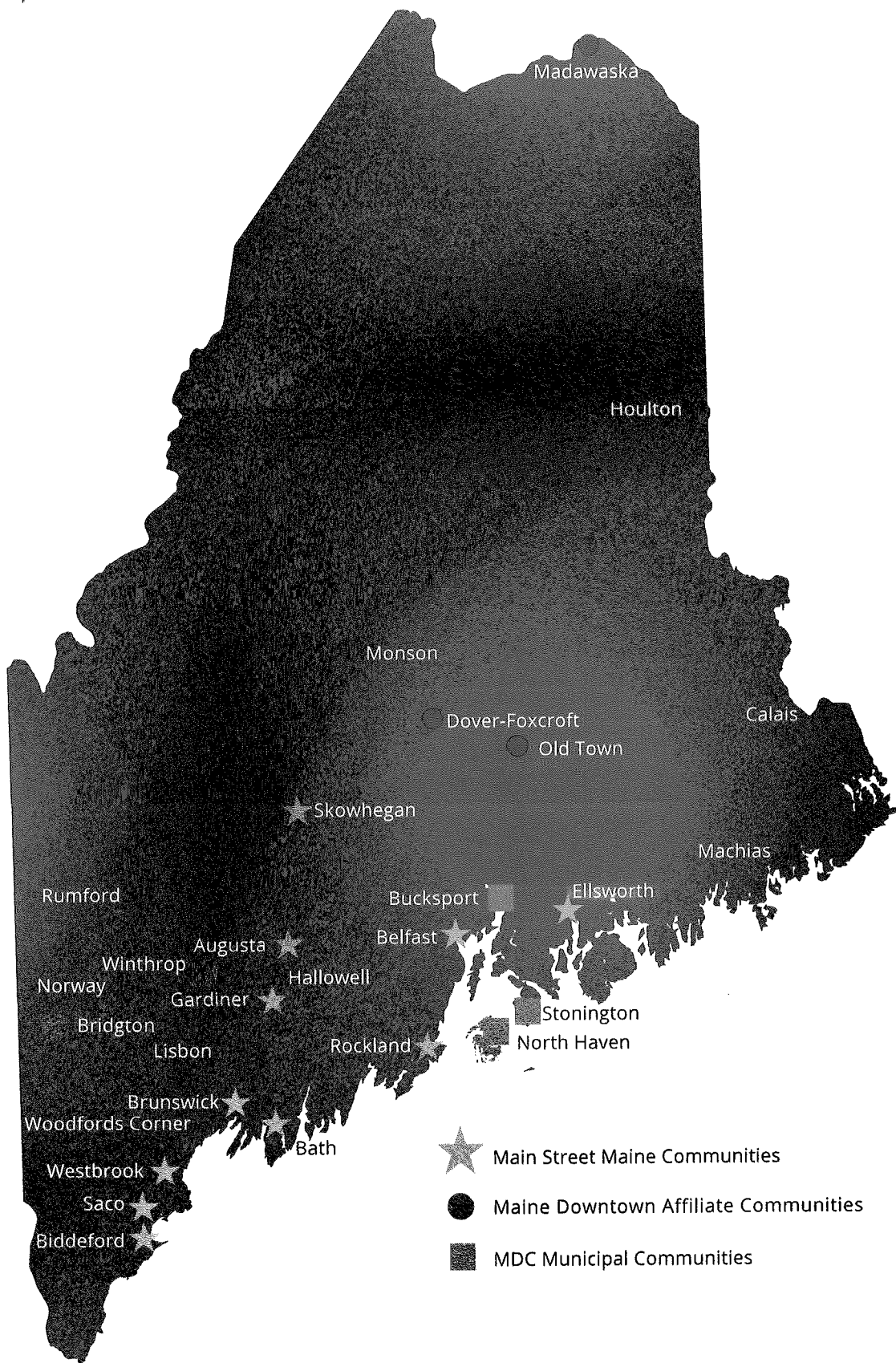
- More capacity for smaller and more rural communities – existing and new – to redevelop.
  - Current examples where the MDC has engaged with and would like to assist more in depth:  
**FOR/Maine communities** Ashland, Millinocket, E. Millinocket, Lincoln, Bucksport, Old Town, Jay; **additional communities** Berwick, S. Berwick, Sanford, Pittsfield, Van Buren, Farmington
- Entrepreneurship efforts such as those in 13 towns with philanthropic and congressional earmark funds.

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

A critical program area that is currently underfunded and requires stable core funding, 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 support needed to persist and succeed. This Navigator Network is a crucial asset to many workforce and educational initiatives – but is exceedingly difficult to sustain through episodic grant funding.

### ***Deeper Work on the Ramifications of the Measures of Growth & 10-Year Economic Development Plan***

Respectfully submitted, Yellow Light Breen, President & CEO ([yellow@mdf.org](mailto:yellow@mdf.org); 207.478.3633)



*Current as of January 2025*

**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  
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### 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.