



Testimony of Sarah Delmar
on behalf of FocusMaine

in Support of LD 788, An Act to Promote an Innovation-driven Economy by
Increasing Research and Development Spending
before the Committee on Housing and Economic Development
March 11, 2025

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Kristen Miale
Managing Director
Caswell Advisory Group, LLC

Amanda Rector Blazek
Maine State Economist

Patrick Woodcock
President & CEO
Maine State Chamber of Commerce

CONTACT

(207) 200-3813
Info@focusmaine.org
FocusMaine.org

Mailing Address
128 State Street #101
Augusta, ME 04330

Office Address
The Hús
68 Commercial St
Building C - Floor 2
Portland, ME 04101

Good afternoon Sen. Curry, Representative Gere and honorary members of the Committee on Housing and Economic Development. My name is Sarah Delmar, and I am the life sciences consultant for FocusMaine, a private sector-led economic development organization. After spending 14 years working to build innovation-based economies in other parts of the globe, I am here, back in my home state of Maine to express my strong support of L.D. 788. This bill seeks to establish the tracking of research and development (R&D) spending in Maine and set a goal to increase it to the national average by 2030. This is a crucial step toward strengthening Maine's economic future, fostering innovation, and positioning the state as a leader in key industries.

R&D spending is one of the most attractive and effective economic development tools for several reasons. First, it serves as a critical driver of high-wage job creation, attracting and retaining a skilled workforce in industries such as biotechnology, advanced manufacturing, and clean energy. Increasing Maine's R&D investment from 1% to 3% of GDP would align the state with national trends and significantly enhance its competitiveness in securing federal and private-sector funding.

Moreover, R&D spending fuels entrepreneurship and business formation by enabling startups and existing companies to innovate and commercialize new technologies. Research shows that all net new job creation comes from startups—defined as firms that are five years old or younger. If we want new job creation, we need to invest in startups. And if we want startups, we need robust R&D to be the engine of new ideas and breakthrough discoveries. States with strong R&D investment consistently see higher levels of business growth and economic diversification. Maine has immense potential in fields such as life sciences, marine-based innovation, and sustainable materials, but without targeted investment and tracking, we risk falling further behind peer states.

At the root of many new companies is an R&D breakthrough—a novel discovery or insight that can be commercialized into a new product. Two recent examples in Maine illustrate this connection. Salmonics, in Brunswick, is processing blood harvested from farmed fish to develop biomedical products, while another company Marin Skincare is upcycling lobster glycoproteins into a natural skincare ingredient. These discoveries have paved the way for businesses that are now generating jobs and economic growth in Maine, stemming from Maine's food economy.

At FocusMaine, we have seen firsthand the power of targeted investment to catalyze job creation and economic growth. In our efforts to grow entrepreneurship within Maine's food industry, we have observed compelling data: while overall job creation in Maine has grown at 1%, Maine food companies have grown at 3%, and food companies that participated in FocusMaine's targeted programs have grown at 6%. This is a clear demonstration that investment in business development and entrepreneurship support accelerates economic output. Applying this same strategic focus to R&D investment will help Maine create more high-growth companies across multiple industries, driving long-term prosperity.

New investments are contributing to a more robust R&D environment in Maine, including the development of the new Roux Institute campus, UMaine receiving the prestigious R1 research institution classification, and UNE's new investment in its Portland campus. In 2024 alone, three leading institutions – MDI Biological Laboratory, Bigelow Laboratory for Ocean Sciences, and the University of Maine's Maine-FOREST (Maine Forest-based Opportunities for Resilient Economy, Sustainability, and Technology) together have received over \$33 million in research funding. In 2025, the industry stands to benefit from the \$25 million R&D bond passed by the legislature. These investments demonstrate Maine's growing traction, but sustained tracking and targeted strategies are necessary to maximize impact.

By codifying R&D tracking into statute, Maine can ensure that policymakers, businesses, and economic development organizations have access to reliable data to measure progress and adjust strategies accordingly. This level of transparency and accountability is essential for making informed decisions that support long-term economic growth. In short, this law will elevate the focus on an essential driver to economic growth across the state.

For these reasons, I urge the Committee to support this bill and make R&D investment a top priority for Maine's economic development strategy. Thank you for your time and consideration. I welcome any questions.

Warm Regards,

A handwritten signature in black ink, appearing to read 'S. Delmar', with a long horizontal flourish extending to the right.

Sarah Delmar
Partner, Delmar Group
On behalf of FocusMaine