

MAINE STATE LEGISLATURE

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**To: Governor Janet T. Mills
Members, Committee on Innovation, Development, Economic Advancement, and Business**

From: Martha Bentley, Director of Economic Development Coordination

RE: (Small) Business Ombudsman Program 2020 Report to the Legislature

Summary of Statutory Charge of Small Business Ombudsman Program: “The program is established to: resolve problems encountered by businesses dealing with other state agencies; facilitate responsiveness of State Government to small business needs; report to the commissioner and the Legislature on breakdowns in the economic delivery system, including problems encountered by businesses dealing with state agencies; assist businesses by referring businesses and persons to resources that provide the business services or assistance requested; provide comprehensive permit information and assistance; and serve as a central clearinghouse of information with respect to business assistance programs and services available in the State.”

The Small Business Ombudsman role at DECD has been rolled into the position of Director, Economic Development Coordination as part of a role to provide “coordinated oversight for all aspects of economic, community and business development and job creation in the State of Maine as it relates to the Statewide strategic plan, Small Business Ombudsman and early-stage business supports.” The position works closely with DECD’s Office of Business Development as the Business Ombudsman Program statutory authority resides within the scope of this Office.

Statutorily, the ombudsman shall report to the Governor and the joint standing committee of the Legislature having jurisdiction over economic development matters about the program with any recommendations for changes in the statutes to improve the program and its delivery of services to businesses on an annual basis.

Overall recommendations: 2020 was an incredibly challenging year for all of Maine’s small businesses – both their owners and their employees. Much of this year, DECD’s ombudsman and Business Development team has been primarily focused on business supports and information connected to the pandemic. We do not have any specific **statutory** changes to recommend for this legislative session, as the DECD team, in partnership with the other appropriate State agencies, are still working to implement many of the elements of the ombudsman program that are outlined in statute, which are further supported by the Actions recommended in the [10-Year Economic Development Strategy](#) within Strategy Area F: Maintain Stable and Predictable Business Rules. As part of this work over the coming year, DECD and other partner agencies may come to the legislature with recommended statutory changes to better meet the needs of Maine’s small businesses.

February 11, 2021

DECD willingly stepped up to its role during the pandemic, including management of over \$235 million CRF-direct grants to Maine's small businesses, in addition to managing the communication with businesses around pandemic-related mandates and recommendations and coordinating the State's response to business non-compliance reports. Overall, the Office of Business Development fielded over 11,600 emails and 6,000 calls from March – December 2020. This shift in focus, although critical and filling a necessary role, did not necessarily improve DECD's [Net Promoter Score](#), as our team was often the bearer of bad news to companies who were (and are) increasingly desperate. While our team always provided as much and as current information and access to resources as we could, the pandemic continued to take its toll on the psyche of many small business owners.

At the same time, many of Maine's agencies that oversee licensing and permits had to move work remotely and online. In general, the ombudsman program did not receive many complaints about any additional inconveniences associated with this potential disruption. What we do continue to receive in terms of business voicing concerns around interactions with licensing and permitting agencies generally fall into a "cultural" category, namely that the State continues to move too slowly on decisions and that state employees do not always seem to be inclined to "help businesses get to a yes." Part of the work of Maine's 10-Year Economic Development Strategy is around promotion of innovation, so finding innovative solutions to allow State employees to work smarter, not harder, and doing some key work around culture and climate, will hopefully improve some of these interactions.

Finally, 2020 is a year that many became more clearly aware of the economic disparities experienced by Mainers from under-represented communities, including immigrants, black, indigenous, and people of color (BIPOC), and people from geographically dispersed and disconnected parts of the State. DECD's business ombudsman program is committed to focusing time and energy to reaching under-represented business owners in Maine with resources, support and information.