

MAINE STATE LEGISLATURE

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**Maine Community College System
Maine Quality Centers
2004 Economic Development Incentive Program Report
October 1, 2005**

Summary

The Maine Quality Centers (MQC) was created in 1994 by the Maine Legislature as an economic development program within the Maine Community College System. This Report is submitted to the 122nd Maine Legislature and its Joint Standing Committee on Business, Research and Economic Development in compliance with various reporting requirements. The Report is divided into two sections, including major program elements and a summary of projects active during calendar year 2004. Data regarding MQC projects active in 2004 includes their total dollar investment and projected job creation, as well as the actual numbers trained and hired, as of December 31, 2004. The Report's primary findings follow.

| | Project Activity |
|---|------------------|
| Active 2004 projects: | 34 |
| • 2004 MQC project expenditures: | \$787,923 |
| • Total MQC investment in active projects: | \$2,471,978 |
| • Total projected job creation: | 2,264 |
| • Total trained as of 12/31/04: | 1,531 |
| • Total hired as of 12/31/04: | 2,058 |
| • Average project wage: | \$12.31 |
| • Total estimate of related private investment: | \$155,776,780 |

The program

MQC's dual statutory mission is "...to meet the workforce education and training needs of new and expanding businesses in the State and provide new employment and career advancement opportunities for Maine people." The statute defines three primary purposes for the program; *job creation*, *workforce preparation* and *creating partnerships*. The program's public benefit is to serve the employer's need for additional skilled workers, give trainees portable work skills to compete in today's workforce and establish and maintain relationships that support regional economic growth.

The program is coordinated by a State Director, with individual project services delivered by the seven colleges of the Maine Community College System. Project funding supports customized training activities, as well as applicant recruitment and screening when appropriate. Most services are provided directly by a Community College, although the statute provides for coordination with other education and training providers if necessary. The program's FY 05 budget at the beginning of the fiscal year was \$762,055.

Interested businesses complete an application which is reviewed by the State Director for the number of net new jobs, skill level of new positions, wage and benefit levels, training required, rate of return on public investment and other pertinent labor market considerations. Once an application is initially approved, the business and the Community College develop a training plan that defines the customized services and training for the project. The parties sign a Memorandum of Agreement prior to the beginning of any training.

Individual projects vary in length, and training schedules frequently cross academic, fiscal and calendar years. Training may include academic credit, if appropriate, and may take place either before or after the business makes a hiring decision. A single project may include multiple cycles of training. Throughout the project, the Community College and the employer monitor the training activities and make adjustments as needed.

Program activities

During 2004 the MQC expended \$787,923 on thirty-four (34) separate projects, with at least one project at each of the State's seven Community Colleges. The range of project expenditures in 2004 was \$490 to \$90,357 with a median expenditure of \$17,329 and a mean expenditure of \$23,174. The range of total project grant award, over multiple years, was \$820 to \$226,200 with a median award of \$48,254 and a mean award of \$72,705. In their entirety the projects represent 2264 projected new jobs. As of December 31, 2004, 1531 people had been trained and 2058 hired. The average project wage was \$12.31. The total MQC investment in the thirty-nine (39) projects over multiple fiscal years is \$2,471,978. These projects represent a projected private capital and payroll investment of over \$155,776,780.

Individual businesses that received services greater than \$10,000 during calendar year 2004 were required to submit a report to the Department of Economic and Community Development. At the time of this report, all eligible businesses, but one, have complied.

The attached table summarizes all projects that were active in calendar year 2004. Consortium projects involved multiple employers. Each project is summarized in its entirety and includes the projected total number of new jobs and actual data reported through the end of the calendar year. Numbers of trainees and hires are project totals and may include numbers from previous years. The year listed reflects the date the project was approved and if another date appears, it represents a project amendment. Individual columns capture both the total value of the project, an expenditure that may be made over multiple fiscal years, and the actual expenditure level for calendar year 2004. Training and hiring activity may not yet be reportable for some newer projects. The chart also includes an employer estimate of the value of the planned workforce expansion's increase of annual payroll and capital investment.

Maine Quality Centers
Legislative Report for Economic Development Incentive Grants 2004

| CALENDAR YEAR EXPENSES | PROJECTS | LOCATION | COLLEGE | START DATE | PROJECTED JOBS | # of APPLICANTS | # TRAINED | # HIRED | PROJECTED AVE. WAGE | MQC INVESTMENT | PRIVATE INVESTMENT |
|------------------------|--------------------------------------|----------------|---------|------------|----------------|-----------------|-----------|---------|---------------------|----------------|--------------------|
| \$39,083 | AETNA | Portland | SMCC | 2004 | 100 | 39 | 39 | 39 | \$17.54 | \$45,023 | \$3,648,320 |
| \$48,807 | ApplicatorsSales& Service (Paradigm) | Portland | SMCC | 2003 | 155 | 112 | 52 | 48 | \$10.91 | \$95,000 | \$5,000,000 |
| \$29,579 | Aroostook Starch | Fort Fairfield | NMCC | 2002 | 45 | 31 | 0 | 33 | \$10.67 | \$56,628 | \$9,269,000 |
| \$88,494 | ATX II LLC | Caribou | NMCC | 2003 | 118 | 155 | 0 | 155 | \$11.95 | \$226,200 | \$3,750,000 |
| \$5,965 | CAD Consortium | Various | CMCC | 2002 | 18 | 18 | 16 | 17 | \$13.63 | \$58,318 | \$1,425,000 |
| \$3,585 | CCS Company | Oxford | CMCC | 2003 | 22 | 27 | 27 | 13 | \$11.20 | \$20,000 | \$670,000 |
| \$32,332 | Community Corrections Alternatives | Fairfield | KVCC | 2002/2004 | 173 | 193 | 135 | 110 | \$10.44 | \$161,920 | \$2,500,000 |
| \$49,768 | CORE, INC | Portland | SMCC | 2003 | 238 | 206 | 207 | 207 | \$24.00 | \$150,000 | \$55,336,267 |
| \$4,480 | Cousineau Lumber | No. Anson | KVCC | 2002 | 67 | 55 | 22 | 26 | \$8.49 | \$40,695 | \$1,800,000 |
| \$60,001 | Employ. Specialists of ME | Augusta | KVCC | 2000/2004 | 240 | 318 | 208 | 275 | \$10.00 | \$225,490 | \$19,315,400 |
| \$490 | Formed Fibre (Gates) | Auburn | CMCC | 2002 | 20 | 71 | 63 | 63 | \$10.05 | \$18,273 | \$3,050,000 |
| \$9,255 | Howard P Fairfield | Skowhegan | KVCC | 2002 | 8 | 8 | 8 | 8 | \$12.50 | \$30,238 | \$208,000 |
| \$23,812 | Irving Woodlands | Ashland | NMCC | 2004 | 12 | 13 | 11 | 11 | \$11.00 | \$80,000 | \$1,475,000 |
| \$90,357 | Jackson Labs@EMCC | Bar Harbor | EMCC | 2001/2003 | 180 | 185 | 133 | 215 | \$10.25 | \$206,210 | \$14,950,005 |
| \$9,648 | Jackson Labs@WCCC | Bar Harbor | WCCC | 2002 | 26 | 17 | 9 | 6 | \$10.25 | \$64,470 | \$213,200 |
| \$8,110 | K. V. Mental Health | Waterville | KVCC | 2002 | 10 | 16 | 0 | 16 | \$12.50 | \$37,322 | \$1,190,379 |
| \$1,137 | Keiser Building | So Paris | CMCC | 2002 | 40 | 34 | 59 | 72 | \$8.75 | \$34,882 | \$5,000,000 |
| \$11,196 | Key Collection Services | Fairfield | KVCC | 2003 | 110 | 165 | 10 | 6 | \$9.42 | \$174,190 | \$425,000 |
| \$18,003 | Lee Auto Mall | Westbrook | SMCC | 2003 | 20 | 33 | 25 | 32 | \$8.00 | \$19,125 | \$2,100,000 |
| \$12,596 | M. W. Sewall | Bath | SMCC | 2003 | 24 | 24 | 23 | 26 | \$10.37 | \$24,571 | \$2,044,000 |
| \$36,577 | MHRT Consortium (1) | Various | KVCC | 2003 | 45 | 79 | 0 | 54 | \$13.67 | \$74,160 | \$1,275,300 |

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| | | | | | | | | | | | |
|------------------|--------------------------|----------------|------|------|-------------|-------------|-------------|-------------|----------------|--------------------|----------------------|
| \$25,497 | MHRT Consortium (2) | Various | KVCC | 2004 | 45 | 0 | 62 | 45 | \$12.50 | \$138,456 | \$1,225,000 |
| \$28,999 | Naturally Potatoes | Mars Hill | NMCC | 2004 | 32 | 28 | 0 | 28 | \$13.53 | \$30,000 | \$320,000 |
| \$7,814 | N.E. Mobile Health Serv. | Brunswick | SMCC | 2003 | 20 | 6 | 6 | 6 | \$21.50 | \$47,050 | \$963,150 |
| \$1,283 | No. ME. Medical Center | Fort Kent | NMCC | 2002 | 17 | 18 | 18 | 18 | \$12.54 | \$48,254 | \$505,000 |
| \$17,329 | Pattison Sign Group | Limestone | NMCC | 2003 | 90 | 144 | 54 | 26 | \$8.69 | \$47,250 | \$1,500,000 |
| \$10,258 | Pleasant River Lumber | Dover-Foxcroft | EMCC | 2001 | 45 | 89 | 75 | 75 | \$11.15 | \$39,463 | \$8,285,347 |
| \$1,575 | Progress Center | Norway | CMCC | 2004 | 10 | 5 | 2 | 5 | \$10.00 | \$820 | \$213,500 |
| \$20,965 | Richardson Hollow | Auburn | KVCC | 2000 | 135 | 249 | 115 | 228 | \$11.50 | \$95,928 | \$200,000 |
| \$14,498 | Seligman | So Portland | SMCC | 2002 | 143 | 157 | 131 | 157 | \$18.56 | \$50,000 | \$6,400,000 |
| \$18,600 | Surgical Tech Consortium | Aroostook Cty | NMCC | 2003 | 8 | 36 | 9 | 9 | \$10.98 | \$46,000 | \$129,110 |
| \$46,000 | Surgical Tech Consortium | Penobscot Cty | EMCC | 2003 | 12 | 9 | 0 | 8 | \$13.05 | \$46,000 | \$278,952 |
| \$1,118 | TDC/Loring Job Corp | Limestone | NMCC | 2002 | 9 | 9 | 0 | 9 | \$14.85 | \$25,042 | \$361,850 |
| \$10,712 | Worldwide Language | Rumford | CMCC | 2004 | 27 | 12 | 12 | 12 | \$14.00 | \$15,000 | \$750,000 |
| \$787,923 | TOTAL | | | | 2264 | 2561 | 1531 | 2058 | \$12.31 | \$2,471,978 | \$155,776,780 |

*CONSORTIA

| | | |
|--------------------------|-------------|------|
| CAD Consortium | 4 Companies | CMCC |
| MHRT Consortium (1) | 2 Companies | KVCC |
| MHRT Consortium (2) | 3 Companies | KVCC |
| Surgical Tech Consortium | 4 Hospitals | NMCC |
| Surgical Tech Consortium | 5 Hospitals | EMCC |