

MAINE STATE LEGISLATURE

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Maine Community College System

Maine Quality Centers 2005 Economic Development Incentive Program Report September 2006

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 2005. Data regarding MQC projects active in 2005 include their total dollar investment and projected job creation, as well as the actual numbers trained and hired, as of December 31, 2005. The Report's primary findings follow.

Project Activity

Active 2005 projects:	28
• 2005 MQC project expenditures:	\$608,800
• Total MQC investment in active projects:	\$2,135,683
• Total projected job creation:	2,315
• Total trained as of 12/31/05:	2,072
• Total hired as of 12/31/05:	1,913
• Average project wage:	\$13.42
• Total estimate of related private investment:	\$168,186,892

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 06 budget at the beginning of the fiscal year was \$776,826.

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 2005 the MQC expended \$608,800 on twenty-eight (28) separate projects, with at least one project at each of the State's seven Community Colleges. The range of project expenditures in 2005 was \$100 to \$85,062 with a median expenditure of \$12,908 and a mean expenditure of \$21,743. The range of total project grant award, over multiple years, was \$12,895 to \$271,159 with a median award of \$59,857 and a mean award of \$76,274. In their entirety the projects represent 2,315 projected new jobs. As of December 31, 2005, 2,072 people had been trained and 1,913 hired. The average project wage was \$13.42. The total MQC investment in the twenty-eight (28) projects over multiple fiscal years is \$2,135,683. These projects represent a projected private capital and payroll investment of \$168,186,892.

Individual businesses that received services greater than \$10,000 during calendar year 2005 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 2005. 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 2005. 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 2005

CALENDAR YEAR EXPENSES	PROJECTS	LOCATION	COLLEGE	START DATE	PROJECTED JOBS	# of APPLICANTS	# TRAINED	# HIRED	PROJECTED AVE. WAGE	MQC INVESTMENT	PRIVATE INVESTMENT
\$8,360	AETNA	Portland	SMCC	2004	100	116	116	116	\$17.54	\$35,944	\$3,648,320
\$2,211	ApplicatorsSales & Service (Paradigm)	Portland	SMCC	2003	150	257	101	95	\$10.91	\$51,187	\$5,000,000
\$100	Aroostook Starch	Fort Fairfield	NMCC	2002	43	33	33	33	\$10.67	\$48,662	\$9,269,000
\$66,397	ATX II LLC	Caribou	NMCC	2003	118	155	110	110	11.95	\$226,200	\$3,750,000
\$17,946	Circle of Learning II	Presque Isle	NMCC	2004	12	12	12	12	\$11.83	\$26,306	\$420,000
\$34,335	Community Corrections Alternatives	Farmington	KVCC	2004	60	26	28	60	\$11.00	\$78,120	\$1,372,800
\$22,212	DRMS (formerly CORE, Inc)	Portland	SMCC	2003	238	315	315	315	\$24.00	\$145,733	\$55,336,267
\$35,755	Employment Specialists	Augusta	KVCC	2004	68	181	176	73	\$12.00	\$55,387	\$14,851,200
\$12,908	Great Works Internet	Biddeford	YCCC	2005	15	15	15	15	\$11.00	\$51,217	\$15,000
\$85,062	IDEXX Laboratories, Inc.	Westbrook	SMCC	2005	55	55	40	55	\$15.00	\$99,999	\$2,025,000
\$55,401	Irving Woodlands	Ashland	NMCC	2004	12	13	11	11	\$11.00	\$80,000	\$1,475,000
\$14,503	The Jackson Laboratory	Bar Harbor	EMCC	2004	192	94	94	94	\$15.19	\$106,956	\$14,950,005
\$2,459	Key Collection Services	Fairfield	KVCC	2003	110	80	41	8	\$9.42	\$60,078	\$425,000
\$4,186	Lee Auto Mall	Westbrook	SMCC	2003	20	144	144	144	\$8.00	\$18,003	\$2,100,000
\$18,239	MHRT Consortium (1)	Various	KVCC	2003	45	48	48	43	\$14.03	\$74,160	\$1,275,300
\$52,008	MHRT Consortium (2)	Various	KVCC	2004	45	82	72	82	\$12.50	\$138,456	\$1,225,000
\$14,827	Moody's Collision Centers	Scarborough	SMCC	2005	35	47	35	47	\$17.50	\$22,545	\$152,500
\$10,250	Motivational Services	Augusta	KVCC	2004	15	15	15	15	\$12.00	\$33,708	\$374,400
\$1,000	Naturally Potatoes	Mars Hill	NMCC	2004	32	28	28	28	\$13.53	\$30,000	\$320,000
\$4,108	Pattison Sign Group	Limestone	NMCC	2003	90	144	76	65	\$8.69	\$47,250	\$1,500,000
\$12,083	Pratt & Whitney	North Berwick	YCCC	2005	60	0	0	0	\$16.00	\$59,857	\$8,315,100
\$25,769	Prudential Financial Services	Portland	SMCC	2005	65	65	53	65	\$21.63	\$64,509	\$2,385,000
\$7,326	Richardson Hollow	Auburn	KVCC	2000	102	109	109	102	\$11.50	\$103,000	\$200,000
\$8,532	Richardson Hollow 2006	Rockport	KVCC	2005	40	40	20	40	\$10.75	\$92,946	\$770,000
\$2,706	Seligman	So Portland	SMCC	2002	143	227	227	227	\$18.56	\$41,407	\$6,400,000
\$59,834	T-Mobile	Oakland	KVCC	2005	400	281	105	34	\$9.00	\$271,159	\$28,000,000
\$29,969	Worcester Energy/Biochips	Deblois	WCCC	2005	40	14	14	14	\$16.60	\$60,000	\$1,882,000
\$315	Worldwide Language	Rumford	CMCC	2004	10	34	34	10	\$14.00	\$12,895	\$750,000
\$608,800	TOTAL				2315	2630	2072	1913	\$13.42	\$2,135,683	\$168,186,892

*CONSORTIA

MHRT Consortium (1)	2 Companies	KVCC
MHRT Consortium (2)	3 Companies	KVCC