

# MAINE STATE LEGISLATURE

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GOVERNOR'S  
**ECONOMIC  
RECOVERY  
COMMITTEE**

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ECONOMIC SUPPORT AND  
STABILIZATION RECOMMENDATIONS  
JULY 15, 2020

[maine.gov/future/economicrecovery](https://maine.gov/future/economicrecovery)



## GOVERNOR'S ECONOMIC RECOVERY COMMITTEE

CO-CHAIRS: JOSHUA BRODER, LAURIE LACHANCE  
[MAINE.GOV/FUTURE/ECONOMICRECOVERY](http://MAINE.GOV/FUTURE/ECONOMICRECOVERY)

July 15, 2020

Dear Governor Mills,

As co-chairs of the Governor's Economic Recovery Committee (ERC), we are honored today to deliver our report of urgent stabilization and support measures for Maine's economy.

Since mid-May, hundreds of Maine people have shared knowledge and insight to help the ERC create this blueprint for decisive action to weather the economic storm caused by COVID-19. Our report identifies 11 sets of recommendations to support Maine people, stabilize Maine employers, and invest in Maine's infrastructure.

The economic damage COVID-19 has caused in Maine is widespread, and has pushed many otherwise healthy Maine businesses to the brink. With swift, significant financial support, we may prevent this year from being their last, and give them the chance to prosper in the future.

At the same time, a stable Maine economy means supporting Maine people. Many workers and families, especially those who struggled with inequity prior to COVID-19, now face immense challenges. This increases the economic and social importance of finding and funding safe pathways to support child care providers and resume classroom instruction in our schools this fall.

Available resources to fund these measures, however, are scarce. The \$1.25 billion from the federal CARES Act Coronavirus Relief Funds are insufficient to meet identified needs; expanded federal unemployment benefits may expire this month; gloomy state and local revenue forecasts offer few assurances. These factors make Maine's economic stability dependent on further federal action.

Then there is the pandemic, which remains the most serious and immediate threat to our economic stability. As other states are now experiencing, failing to limit COVID-19 has dire consequences. We know any plan for economic recovery in Maine will fail without robust, sustained public health measures to keep our state safe.

Despite these challenges, we are undaunted. For the past 200 years, our resiliency, pragmatism, and commitment to the common good have empowered Maine's progress. For the past four months, our public health response has limited COVID-19 better than most states in the nation. If we can stabilize our economy, we are confident in Maine's ability to focus on the hard work needed to recover and grow again.

This is where the ERC will turn its attention next. Later this month, we will start charting how Maine sustains and grows its economy in accordance with the State's 10-Year Economic Development Strategy released last year. We look forward to identifying bold strategies and targeted investments to accelerate Maine's recovery.

On behalf of the entire ERC, thank you for the opportunity to lead this important work.

Laurie Lachance, President, Thomas College  
Joshua Broder, CEO, Tilson  
Co-Chairs, Maine Economic Recovery Committee

# COMMITTEE MEMBERS

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## CO-CHAIRS:

**Joshua Broder:** A native of Cumberland, Maine, Josh Broder serves as CEO of Tilson, a leading information infrastructure development firm which under his leadership has grown from less than 10 employees to more than 500. Prior to joining Tilson, Josh served as an Army Signal Office on missions in Europe, the Middle East, and Central Asia where he was awarded a bronze star for his service.

**Laurie Lachance:** A native of Dover-Foxcroft, Maine, Laurie Lachance is Thomas College's 5th President and the first female and alumna to lead the College in its 126-year history. From 2004-2012, Laurie served as President and CEO of the Maine Development Foundation. Prior to MDF, Laurie served three governors as the Maine State Economist.

## MEMBERS AND SUBCOMMITTEES

### Education and Workforce

**Chair:** James Herbert, President of the University of New England

Aisha Woodward, U.S. Rep. Jared Golden Designee  
Dana Connors, President of the Maine Chamber of Commerce  
James Myall, Policy Analyst for the Maine Center for Economic Policy  
Representative Joshua Morris, R-Turner  
Angela Okafor, Councilor, City of Bangor  
Joe Cassidy, President of Southern Maine Community College

### Healthcare, Nonprofits, Child Care & Support Services

**Chair:** Bill Burke, Chair of the MaineHealth Board of Trustees and the Portland Sea Dogs

Tae Chong, Councilor, City of Portland, and Social Enterprise & Workforce Development Manager for Catholic Charities Maine  
Jennifer Hutchins, Executive Director of the Maine Association of Nonprofits  
Rebecca Wyke, President of the University of Maine at Augusta  
Barbara Crowley M.D., Executive Vice President, MaineGeneral Health  
Wick Johnson, President of Kennebec Technologies

### Hospitality, Tourism, and Retail

**Chair:** Bob Montgomery-Rice, President and CEO of Bangor Savings Bank

Luke Holden, Founder and CEO of Luke's Lobster  
Meredith Strang Burgess, President and CEO of Burgess Advertising and Marketing  
Curtis Picard, President and CEO of Retail Association of Maine  
Jean Ginn Marvin, Owner of Nonantum Resort, Board Chair, Maine Community College Board of Trustees  
Senator Michael Carpenter, D-Aroostook  
Adam Lee, Chairman, Lee Auto Malls

## **Infrastructure (Transportation, Construction, Broadband, and Banking)**

**Chair:** Susan Corbett, Founder and Director of the National Digital Equity Center

Carol Woodcock, U.S. Sen. Susan Collins Designee

Kevin Raye, Realtor and Former Senate President

Senator Lisa Keim, R-Oxford

Jessica Masse, Partner, Design Lab

Lee Umphrey, President & CEO of Eastern Maine Development Corporation

Lincoln Jeffers, Economic Development Director for the City of Lewiston

## **Innovation (Life sciences, Tech, Energy, Start-up Ecosystem)**

**Chair:** Betsy Biemann, CEO of Coastal Enterprises Inc.

Adam Lachman, U.S. Sen. Angus King Designee

Vaughan Woodruff, Owner of InSource Renewables

Deanna Sherman, President and CEO of Dead River Company

Representative Brian Hubbell, D-Bar Harbor

Ben Waxman, Co-Founder American Roots

Tim Agnew, Masthead Venture Partners

Chanel Lewis, Head of Global Diversity & Inclusion, IDEXX

## **Manufacturing and Natural Resource-Based Industries**

**Chair:** Larry Shaw, CEO of MMG Insurance

Jesse Connolly, U.S. Rep. Chellie Pingree Designee

Sam May, Maine Harvest Federal Credit Union Board Chair

Steve Schley, Board Chair, FOR Maine Initiative

Bob Dorko, Utilities & Recovery Manager at Sappi North America

Susan Hammond, Executive Director, Four Directions

Alan Perry, Owner, Farm Technologies Network

Matt Schlobohm, Executive Director of the Maine AFL-CIO

# OVERVIEW

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The recommendations of the Economic Recovery Committee are organized in three categories:

- **Supporting Maine People**
- **Stabilizing Maine Employers**
- **Investing in Maine's Infrastructure**

At the beginning of its work, the Committee understood economic recovery and protecting public health were interconnected. After hearing from public health experts, economists, and industry leaders from Maine and New England during the course of its work, the Committee realizes economic recovery and public health is more than connected -- recovery is predicated on robust and consistent measures to protect the health and safety of all Maine people.

To support Maine people, we must continue to invest in our public health infrastructure, in our education and child care institutions, and bolster support services for vulnerable populations. These measures are essential to the social and economic fabric of our society, to the safe and equitable care of children, and to ensure parents have the ability to work.

COVID-19 is exacerbating inequality in our communities. In Maine, people of color are 33% of the positive cases in which race is known, despite being only 5.7% of Maine's population. This gives Maine the greatest disparity in COVID-19 infections for Black and African American people in the United States.<sup>1</sup>

The economic impact is just as disproportionate. Data provided to the Committee outlined how Mainers who are Black or of mixed races, young people, women, and households with children, all were more likely to have been impacted financially by the disruption of the pandemic.<sup>2</sup> The committee heard, and agrees, that a recovery plan that fails to address these inequities will only serve to weaken our long-term recovery.

Maine employers, both private and nonprofit, have faced steep revenue declines, unanticipated expenses, operating changes to protect public health, and an uncertain business environment due to the unprecedented response required by COVID-19.

A year-over-year comparison of Maine sales tax data from April 2020 demonstrates significant revenue decreases in lodging (80%), restaurants (58%), and retail merchandise (45%), amongst many others.<sup>3</sup> Few of Maine's small businesses were equipped to handle this economic shock to their systems, and stimulus programs from the federal government remain insufficient to secure economic viability as the effects of the pandemic continue.

The nonprofit sector employs one in six Maine workers (98,000).<sup>4</sup> Many of these organizations are at the forefront of the COVID-19 crisis, providing essential services to Maine citizens and residents. Right now, cities and states are relying on nonprofit partners as a buffer against the worst impacts of the outbreak, at a time when their viability is at stake.

The forcible adaptation to operating in a COVID-19 world means many employers in otherwise viable industries and organizations need immediate assistance. Quickly and efficiently administering aid will be crucial to Maine's recovery.

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<sup>1</sup> Kevin Miller, "Maine has nation's worst COVID-19 racial disparity" Portland Press Herald, 22 June 2020.

<sup>2</sup> U.S. Census Bureau's Household Pulse Survey, Week 8 (June 18-23) and Unemployment Insurance Program, "Characteristics of Continued Claimants Chart," CWRI, 16 June 20.

<sup>3</sup> Maine Revenue Services, Office of Tax Policy Research, Statistics for Taxable Sales, 12, July 2020.

<sup>4</sup> Maine Association of Nonprofits, "Adding Up Impact: Maine Nonprofits at Work 2019," January 2019.



The Committee also recommends certain public, timely infrastructure investments as economic support and stabilizing measures that will lay a foundation for future sustainability and growth. These investments will also improve the efficiency of Maine’s economy and be targeted to provide equitable access to important resources for all Mainers.

The pandemic has highlighted the critical importance of broadband internet access as Mainers adapted to remote working, education, medical services, and more. It also underscored the deficits that limit access to broadband in Maine, which ConnectME estimates would cost \$600 million to cross and deliver broadband service to 95% of Maine.<sup>5</sup>

Transportation investments provide jobs and economic stimulus in the short-term and provide opportunities for long-term growth. The subcommittee heard from the Department of Transportation that they face steep revenue declines over the next 18 months as a result of decreased receipts from fuel taxes and motor vehicle fees. Given historically low rates for borrowing, and the economic benefit of continuing infrastructure projects, the committee supports further bonding for infrastructure that could be approved as soon as November.

These recommendations represent the general consensus of the committee as urgent steps Maine must take in response to COVID-19 in the near term. Going forward, the committee plans to consider a range of ideas, including some considered but not included in this first report, as it works toward creating a plan for sustaining and growing Maine’s economy in accordance with the state’s 10-year Economic Development Strategy released last year.

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<sup>5</sup> “State of Maine Broadband Action Plan,” ConnectMaine, January 2020.

# **SUMMARY OF RECOMMENDED INVESTMENT**

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At the time of this report, the funding available for the Committee’s policy recommendations is a fraction of what the Committee was told is needed to stabilize and support Maine’s economy.

In addition to insufficiency, the Committee also acknowledges its recommendations still leave significant needs for Maine’s economy unmet, and reiterates the urgent need for further federal stimulus to support Maine’s long-term recovery.

The following summary reflects a deliberative process by the Committee to deliver an order of magnitude for its recommendations, based on assessments of impact and the available funds, to establish a framework for decisive action.

### **SUPPORT MAINE PEOPLE**

<b>Public Health:</b>	<b>\$20 Million</b>
<b>Child Care:</b>	<b>\$45 Million</b>
<b>PreK-12:</b>	<b>\$300 Million</b>
<b>Higher Education:</b>	<b>\$75 Million</b>
<b>Housing:</b>	<b>\$50 Million</b>
<b>Immigrant Workers:</b>	<b>\$7 Million</b>
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<b>TOTAL:</b>	<b>\$497 Million</b>

### **STABILIZE MAINE EMPLOYERS**

<b>Employer Grants:</b>	<b>\$350 Million</b>
<b>Innovation Capital:</b>	<b>\$50 Million</b>
<b>Workforce Development:</b>	<b>\$30 Million</b>
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<b>TOTAL:</b>	<b>\$430 Million</b>

### **INVEST IN MAINE’S INFRASTRUCTURE**

<b>Broadband Planning and Buildout:</b>	<b>\$65 Million</b>
<b>Connections Bond:</b>	<b>\$100 Million</b>
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<b>TOTAL:</b>	<b>\$165 Million</b>

# **SUPPORT MAINE PEOPLE**

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## **PUBLIC HEALTH**

- Invest in and empower a true, robust public health system to keep our entire population informed and safe.**
- Use the buying power of the state to purchase and distribute necessary PPE, cleaning supplies, etc.**

### **RECOMMENDED INVESTMENT: \$20 MILLION**

The safe and stable return to economic activity is dependent on robust, sustainable public health measures. The consequences of insufficient measures are now firmly on display elsewhere in the country.

Local “coronavirus response committees” have worked to connect individuals, businesses, and others to information, needed supplies, food, and transportation. They are responding to both health impacts and to the social and economic needs of their communities. While much of this work is welcomed and appropriate, it has happened unevenly across our communities. With emerging data about the disproportionate impact of the pandemic, we must better align support for vulnerable populations and coordinate a stronger, overall public health structure to better protect the safety and the well-being of all our people.

## **CHILD CARE**

- Stabilize child care providers to operate safely to care for children of working parents.**
- Support schools, child care providers, afterschool programs, and other community partners to address potential gaps in child care for working parents as a result of part-time classroom instruction.**

### **RECOMMENDED INVESTMENT: \$45 MILLION**

- \$10 million in support recovery grants for re-opening and sustaining open programs.
- \$10 million for temporary stabilization funding for child care providers with reduced enrollment.
- \$25 million in funding to support schools and/or community programs to expand after school/ out of school time child care programming in districts where schools are unable to operate full-time in person classroom instruction for PK through 5th grade.

Child care is a critical economic component, especially for working parents, and programs run on razor-thin margins. According to the state Office of Child and Family Services, about half of Maine child care programs closed in April, while those that remained open operated with fewer children in their care and therefore less income. At the same time, providers needed to procure PPE and change practices to control potential infection. Child care programs are struggling to meet the demands of working families, offset revenue losses from decreased enrollment, and absorb increased costs to protect the health of children and staff. Financial assistance for child care programs will ensure the state has child care available for working parents.

As a result of the continuing pandemic, children in many schools may not return to in-person classroom instruction full-time. This part-time schedule is going to cause significant challenges for many working parents of school age children across the state. According to the Maine Children’s Alliance and the Maine Association of the Education of Young Children, after school programs and child care programs will need additional funding to build partnerships and infrastructure to fill these gaps.

## PREK-12

- **Prioritize support for the safe operation of in-person PreK-12 schools by allocating significant funds and sending a strong message that signals the safe resumption of schools as a top health, social, and economic recovery priority, so long as it is safe for students, teachers, and staff. Promote the clear, evidence-based reopening guidelines developed by the Maine CDC, Maine DOE, and education stakeholders.**

### RECOMMENDED INVESTMENT: \$300 MILLION

- PreK-12 needs PPE, engineered controls, cleaning and sanitation supplies, additional staffing, additional classroom spaces and transportation (additional buses and drivers), and programs to protect and support teachers and staff who are more vulnerable to COVID-19. Schools may also need to provide financially fair alternatives for at risk teachers.

As well as a precondition to economic stability, the safe resumption of in-person instruction in Maine’s PreK-12 schools is foundational for the safety and wellbeing of all children in Maine, and an essential measure to allow families and employers to plan for the future. This is further magnified by feedback from communities that reveal inequities in the system are harming too many young students working in remote learning settings. A June 26 report by the American Academy of Pediatrics, [\*COVID-19 Planning Considerations: Guidance for School Re-entry\*](#), also strongly advocates for having students physically present in school, writing the “importance of in-person learning is well-documented, and there is already evidence of the negative impacts on children because of school closures in the spring of 2020.”<sup>6</sup>

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<sup>6</sup> American Academy of Pediatrics. “COVID-19 Planning Considerations: Guidance for School Re-entry.” 25 June 2020.

## HIGHER EDUCATION

- Encourage the Administration to publicly endorse the [guidelines](#) for the safe reopening of in-person instruction at Maine's Institutions of Higher Education (IHE).<sup>7</sup> Commit to working with IHE's to support safe in-person operation and allocate adequate funding.

### RECOMMENDED INVESTMENT: \$75 MILLION

- The collective, unanticipated costs to adapt to the pandemic for the State's public and private colleges and universities is estimated at \$75 million in this fiscal year alone.

The disruption to learning that postsecondary students face may have long-term impacts. Research is clear that having some college education raises lifetime earnings and lowers the likelihood of being unemployed. College is especially important for students from low-income families, who stand to benefit the most from the upward economic mobility that higher education can provide.<sup>8</sup> However, the current crisis has created new uncertainties for Maine students and its institutions of higher education. If Maine IHEs are not able to safely operate in the fall, their economic viability will be at stake, and with them our best tools to prepare Maine's workforce for a new economy.

## HOUSING

- Develop a robust, statewide housing assistance program that includes rental assistance, rapid re-housing, and eviction prevention.

### RECOMMENDED INVESTMENT: \$50 MILLION

- \$5 million for the rapid rehousing program for the homeless: Preble Street runs a successful rapid rehousing program for veterans at a cost of \$2.1 million per year. To expand this program to homeless individuals statewide through the end of 2020 would cost approximately \$5 million.
- \$45 million for the rental assistance program and the eviction prevention program: More than 12,000 households applied for assistance through MaineHousing rental relief program that provided a one-time \$500 rental payment. More assistance is needed.

Low income and Mainers of color have been disproportionately impacted by the COVID-19 pandemic and are in need of immediate support. Prior to the current public health emergency, there was already an affordable housing crisis in many parts of this state. Before the onset of the pandemic 25,472 very low-income households in the State of Maine experienced a severe rent cost burden with rents exceeding 50% of their income, leaving these households at risk of homelessness.<sup>9</sup> Today's high rates of unemployment have exacerbated this problem as more people struggle to make ends meet.

With funds for housing assistance expected to run out in July, the \$600 per week UI benefit slated to stop at the end of July, and the Governor's Executive Order preventing evictions scheduled to expire on August 3rd,

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<sup>7</sup> "Sustaining Higher Education and Sustaining Maine: A Framework for Reopening Maine's Colleges and Universities in Fall 2020," 2 June 2020.

<sup>8</sup> Anthony Carnavale "We Can't Let COVID-19 Derail College Dreams for Low-Income Students," Georgetown University Center on Education and the Workforce, 11 June 2020.

<sup>9</sup> National Low-Income Housing Coalition, Maine State Data Overview, July 12, 2020.

a housing assistance program will be essential to address the looming cliff for struggling Mainers across the state. According to the Maine Affordable Housing Coalition and Maine Equal Justice, this housing cliff will make low income Mainers, already largely working on the front lines of the pandemic, more vulnerable to COVID-19. We recommend a housing program that is responsive to the longer term nature of the pandemic by aligning the assistance with household needs and by addressing the challenges for those facing evictions.

This proposal will support landlords by helping tenants to pay their rent, keeping tens of thousands of people in Maine housed during this public emergency and support people experiencing homelessness to retain permanent housing, thus relieving pressures on our already stretched shelters. Further, renters staying in their homes is a key precondition for practicing social distancing during the ongoing pandemic.

## **IMMIGRANT WORKERS**

- Provide equal access for Maine's immigrant workers and families to be eligible for state funded TANF, SNAP, Medicaid, child care subsidies, or equivalent state support through another mechanism until 90 days after the expiration of the public health emergency.**

### **RECOMMENDED INVESTMENT: \$7 MILLION**

- The \$7 million is an annual cost estimate by DHHS for a similar proposal in the legislature. Additional work to finalize these estimates is ongoing.

Economists, business leaders, and experts in our workforce have repeatedly named immigrants as being essential to Maine's future and important contributors to a strong economy. According to Catholic Charities, many immigrants have been providing essential services during the pandemic but do not qualify for the same benefits that other Mainers are eligible for: health care, food security, or child care subsidies. For example, there are hundreds of newly arrived asylum seekers who are legally authorized to work and help generate revenue for Maine businesses and the economy, but who do not qualify for various forms of assistance in times of need – even though they pay taxes and often fill low-wage, frontline occupations referenced above.



# **STABILIZE MAINE EMPLOYERS**

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## EMPLOYER GRANTS

- **Plan, execute and monitor an economic relief grant program totaling \$300 million administered largely through Maine's Banks, Credit Unions, and Community Development Financial Institutions (CDFIs) for businesses. Maine DECD and the Finance Authority of Maine (FAME) should lead planning and implementation.**
- **Develop a nonprofit relief fund, administered through a partnership among state agencies, philanthropic foundations, and nonprofit entities.**

### **RECOMMENDED INVESTMENT: \$350 MILLION, DISTRIBUTED AS FOLLOWS:**

- Economic Relief Grant Program: \$300 million
- Nonprofit Relief Fund: \$50 million (\$45 million loss relief, \$5 million for UI fund relief parity).

The committee understands that the actual need of Maine employers far exceeds the \$350 million put forward in this proposal. For Maine employers unable to access current support programs, or whose needs are now greater than what they have received to date, a state-funded economic relief program is a matter of survival. This is especially true for sectors such as childcare, agriculture, tourism and hospitality, fisheries, forest products, others with factors that hinder access to traditional financing, and many more. Many of these organizations will be sustainable when the pandemic ends, if they survive until that point. We have heard persuasive arguments that offering additional debt support is not the right solution for these times, as this could impact an organization's existing bank covenants and reduce access to credit from financial institutions when they need it most.

The nonprofit sector employs one in six Maine workers.<sup>10</sup> Many of these organizations are at the forefront of the COVID crisis providing essential services to Maine citizens and residents and most have had an economic setback due to closures and/or lost revenues. Right now, cities and states are relying on nonprofit partners as a buffer against the worst impacts of the outbreak. However, nonprofits are facing costs and losses incurred as a direct result of COVID-19, and need additional resources to help them meet important health, economic, and social needs, particularly of those communities experiencing disproportionate impacts of the pandemic.

## INNOVATION CAPITAL

- **Offer grants to innovation sector enterprises to alleviate immediate access to capital issues.**

### **RECOMMENDED INVESTMENT: \$50 MILLION**

Innovation-driven businesses and the ecosystem that supports them have allocated all available funds to bottom-line survival during the pandemic. These companies need financial lifelines now to rehire employees and prioritize workplace safety as well as funding for innovation to meet new market demand created by the pandemic. The Committee recommends a \$30 million grant program through FAME, and \$20 million through the Maine Technology Institute.

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<sup>10</sup> Maine Association of Nonprofits, "Adding Up Impact: Maine Nonprofits at Work 2019," January 2019.

## WORKFORCE DEVELOPMENT

- Invest in workforce retraining and targeted match-making programs through Maine's Community College System, Maine Quality Centers, other institutions of higher learning, the Maine Industry Workforce Partnership program and registered apprenticeship programs.

### RECOMMENDED INVESTMENT: \$30 MILLION

Nonfarm payroll jobs decreased 104,500 between February and April, before rebounding 14,300 in May.<sup>11</sup> Unemployment in Maine reached its highest rate on record in April (officially 10.4%), before subsiding slightly to 9.3% in May. However, this estimate is understated for two reasons: a sharp decline in labor force participation and misclassification of some temporarily unemployed persons. Correcting for these two issues would provide an unofficial alternative unemployment rate of 18% for Maine.<sup>12</sup>

Maine workers also have skills gaps that pre-existed the pandemic and are exacerbated by it. These skills gaps must be addressed through short-term training and displaced workers must be matched with new employers in high demand sectors.

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<sup>11</sup> Maine Center for Workforce Research and Information, "Press Release: Nonfarm Payroll Jobs Increased 14,300, Unemployment Rate Decreased to 9.3 Percent in May." June 19, 2020.

<sup>12</sup> McInerney, Mark, and Glenn Mills. "Understanding the Employment Situation in Maine." Maine Department of Labor, 19 June 2020.

# **INVEST IN MAINE'S INFRASTRUCTURE**

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## BROADBAND PLANNING AND BUILDOUT

- Task ConnectMaine with obtaining a detailed picture of Maine’s connectivity issues.**
- Bridge identified gaps for broadband support, with students as an urgent priority.**
- Use CARES Act funding to provide scalable high-performance broadband service through ConnectMaine grants.**

### RECOMMENDED INVESTMENT: \$65 MILLION

- \$60 million from CARES Act to connect unserved or underserved homes and businesses with broadband Internet access, as well as provide equipment and training.
- \$5 million for mapping, deployed \$1 million per year over five years.

Broadband internet was a cross-cutting topic among several subcommittees due to Maine’s reliance on virtual services (teleworking, telemedicine, distance learning, etc.) during the COVID-19 pandemic. To the extent that schools and higher education are not open for 100% in-person education in the fall, it is crucial that Maine make broadband and other technology and training investments to support partial remote education, telehealth, and remote work for flexibility to adapt for a rapidly changing pandemic.

An estimated \$600 million deficit in broadband internet investment provided by ConnectMaine underscored the urgent need to support research and funding to bridge current broadband gaps, and make access more widespread and affordable in unserved and underserved areas.<sup>13</sup> In addition, immediate investment will also help Maine to capitalize on its attractiveness as a remote work destination for talented workers and put Maine in a better position to receive federal matching dollars.

## CONNECTIONS BOND

- Develop a \$100 million general obligation bond to support statewide transportation projects (\$85 million) and further expand broadband access (\$15 million) to increase capacity for remote work, healthcare, education, and entrepreneurship.**
- Consider the bond in a Special Session of the 129th Maine Legislature this summer to present to voters in November 2020.**
- Launch a campaign to promote Maine as a place for remote work.**

### RECOMMENDED INVESTMENT: \$100 MILLION BOND

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<sup>13</sup> “State of Maine Broadband Action Plan,” ConnectMaine, January 2020.

In addition to funding for broadband, the recommendation for further transportation investment should provide short-term economic benefits through direct and indirect job creation, while also providing a foundation for longer-term economic growth.

Improving connections – both physical and virtual – will bolster Maine’s economy and workforce and include the potential to leverage federal, local, and private matching funds, which can create a multiplier effect worth tens of millions of dollars.

# **ABOUT THE ECONOMIC RECOVERY COMMITTEE**

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The Governor’s Economic Recovery Committee (ERC) was created by Gov. Janet T. Mills on May 6, 2020, to develop specific policy recommendations to stabilize the state’s economy and build a bridge to future prosperity in the wake of COVID-19.

The committee’s work focuses on two strategies regarding Maine’s economy:

## **STABILIZE AND SUPPORT (JULY 15)**

This strategy considers what resources and strategies the different sectors of Maine’s economy will need to survive the COVID-19 crisis, how they can be well positioned to compete for federal stimulus, and what immediate challenges around workforce, regulation, infrastructure or other economic issues should be addressed.

## **SUSTAIN AND GROW (DECEMBER 1)**

This strategy will consider how to bridge the COVID-19 economic crisis to Maine’s 10-year Economic Development Strategy, prepare Maine’s economy to thrive, and evaluate what actions are needed to remove barriers and seize market and stimulus opportunities to grow the state’s workforce, improve its regulatory environment, and support key infrastructure and innovation initiatives.

Since first convening on May 15, the ERC has held eight full committee meetings and held more than 60 meetings of its six expert subcommittees on the following topics:

- Education and Workforce
- Healthcare, Nonprofits, Childcare and Support Services
- Hospitality, Retail and Tourism
- Innovation
- Infrastructure
- Manufacturing and Natural Resources

The recommendations included in this report emerged from the diligent, thoughtful, and transparent work of these subcommittees, and are in addition to a set of urgent “quick-start” recommendations the subcommittees identified on July 1 and delivered to Gov. Mills. Other recommendations from the subcommittee will be included in its work leading into its final report in December.

The ERC would like to thank every person who offered their knowledge and insight into the economic disruption caused by COVID-19, particularly those that presented to the committee to illustrate the crisis as it unfolded, and discuss the underlying data, gaps, cliffs, and economic context of COVID-19 to help to inform its recommendations.

These presenters included the Department of Economic and Community Development, the Center for Disease Control and Prevention, the Center for Workforce Research and Information, the Federal Reserve Bank of Boston, the Small Business Administration, the Department of Health and Human Services, and the Department of Administrative and Financial Services.

The complete recording of each full committee meeting and all presentation materials are included on the ERC’s website, [maine.gov/future/economicrecovery](https://maine.gov/future/economicrecovery).



The ERC also extends its appreciation to the committee staff from the Governor's Policy Office of Innovation and the Future, the Department of Economic and Community Development, and interns from University of Maine School of Law and the Margaret Chase Smith Summer Internship Program.

## **COMMITTEE STAFF:**

- Maria Millard Povec, Senior Policy Analyst, Governor's Office of Policy Innovation and the Future
- Anthony Ronzio, Deputy Director, Governor's Office of Policy Innovation and the Future
- Amanda Rector, Maine State Economist
- Jonathan Burk, Intern, University of Maine School of Law

A special thanks to David Plumb, Senior Mediator, Consensus Building Institute, for his facilitation support of the committee.

## **SUBCOMMITTEE STAFF**

### *Committee & Subcommittee Administration*

- Cheryl Miller, Secretary Specialist, Governor's Office of Policy Innovation and the Future

### *Education and Workforce*

- Ed Cervone, Executive Director CIE and VP of Innovative Partnerships, Thomas College

### *Healthcare, Nonprofits, Childcare and Support Services*

- Ana Hicks, Senior Policy Analyst, Governor's Office of Policy Innovation and the Future
- Molly Bogart, Director of Government Relations, Department of Health and Human Services
- River Lisius, Intern, Department of Health and Human Services

### *Hospitality, Retail and Tourism*

- Hannah Collins, Policy Development Specialist, Maine Office of Tourism, Maine Department of Economic and Community Development
- Liam Ginn, Intern, University of Maine School of Law

### *Innovation*

- Martha Bentley, Director of Economic Development Coordination, Maine Department of Economic and Community Development
- Taylor Cray, Intern, Margaret Chase Smith Summer Internship Program, UMaine

### *Infrastructure*

- Phoenix McLaughlin, Public Service Coordinator, Maine Department of Economic and Community Development

### *Manufacturing and Natural Resources*

- Mary Grace Schley, Large Business Development Manager, Office of Business Development, Maine Department of Economic and Community Development
- Richard L. Qualey, Intern, University of Maine School of Law

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