

MAINE STATE LEGISLATURE

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No. 253

S.P. 90

January 18, 2007

**An Act To Implement the Recommendations of the Joint Select
Committee on Research, Economic Development and the Innovation
Economy**

Submitted by the Joint Select Committee on Research, Economic Development and the Innovation Economy pursuant to Joint Order 2006, S.P. 847.

Reported by Senator BROMLEY of Cumberland for the Joint Select Committee on Research, Economic Development and the Innovation Economy pursuant to Joint Order 2006, S.P. 847.

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed under Joint Rule 218.

A handwritten signature in black ink, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN
Secretary of the Senate

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §1664, sub-§3-A** is enacted to read:

3 **3-A. Funding for research and development.** Beginning in fiscal year 2008-09,
4 the Governor, when submitting the budget document to the Legislature pursuant to
5 section 1666, shall submit a funding level recommendation for research and development.
6 The recommendation must be transmitted to the Legislature within the time schedules set
7 forth in section 1666. The Governor shall submit legislation setting forth appropriations
8 for applied research and development that are the equivalent of not less than 1% of total
9 actual General Fund revenue of the previous fiscal year. For each successive year for the
10 next 10 fiscal years, the Governor shall increase the funding level recommendations by at
11 least 2/10 of 1%. By fiscal year 2018-19, the Governor shall submit legislation setting
12 forth appropriations for research and development that are the equivalent of not less than
13 3% of total actual General Fund revenue of the previous fiscal year. If the Governor's
14 budget sets forth recommendations for research and development that differ from the
15 levels described in this subsection, the Governor shall simultaneously submit a report to
16 the joint standing committees of the Legislature having jurisdiction over appropriations
17 and financial affairs and research and development matters explaining the funding
18 difference.

19 **Sec. 2. 5 MRSA §12004-I, sub-§6-G** is enacted to read:

20 **6-G.**

21 <u>Economic</u>	<u>Maine Innovation</u>	<u>Not Authorized</u>	<u>10 MRSA §949</u>
22 <u>Development</u>	<u>Economy</u>		
23	<u>Advisory Board</u>		

24 **Sec. 3. 5 MRSA §13106, sub-§1,** as enacted by PL 2003, c. 673, Pt. M, §8, is
25 amended to read:

26 **1. Action plan.** An action plan for the application of science and technology to
27 improve the State's position in the global economy. The action plan must be based on the
28 State's overall economic development strategy as determined by the commissioner. The
29 action plan must identify specific steps that public and private institutions must
30 implement to improve the State's science and technology infrastructure. The action plan
31 must also identify action steps that could be implemented immediately without new state
32 appropriations and resources and action steps that will require new state appropriations or
33 major reallocation of state appropriations and resources.

34 The action plan must include numerical objectives, costs and an evaluation protocol. The
35 action plan must also include a provision for assigning and ensuring accountability for
36 those who receive state research and development funds through the office. In the
37 preparation of this action plan, the office shall seek the advice of state agencies, the
38 Maine Economic Growth Council established in Title 10, section 929-A, the University
39 of Maine System and the business, education and research communities; ~~and~~.

40 This subsection is repealed January 1, 2008; and

1 **Sec. 4. 5 MRSA §13107**, as enacted by PL 2003, c. 673, Pt. M, §8, is amended to
2 read:

3 **§13107. Comprehensive research and development evaluation**

4 The office shall develop and submit to the Governor and the Legislature by July 1,
5 2006 and on July 1st every 5 years thereafter an evaluation of state investments in
6 research and development, as well as an annual progress report from the office and the
7 independent reviewers under subsection 2 beginning on February 1, 2008 and on
8 February 1st every year thereafter. The evaluation must:

9 **1. Outcome measures.** Establish outcome measures considered appropriate by
10 public and private practitioners inside and outside of the State in the fields of research
11 and development and economic development. Practitioners in this State must include, but
12 are not limited to, a representative from the University of Maine System, a representative
13 of the targeted technology sectors, a representative of the Executive Department, State
14 Planning Office and representatives of other state agencies having economic development
15 responsibility;

16 **2. Independent reviewers.** Utilize independent reviewers to assess the
17 competitiveness of technology sectors in this State and the impact of research and
18 development activities in this State on economic development in this State. The
19 independent reviewers must incorporate the goals and objectives described in the State's
20 innovation economy action plan, as described in Title 10, chapter 107-D, in their analysis
21 of the success of the State's investments in research and development; and

22 **3. Recommendations.** Include recommendations to the Legislature on existing and
23 proposed state-supported research and development programs and activities to affect
24 technology-based economic development in this State.

25 By February 1, 2008 and by February 1st every year thereafter, the office and the
26 independent reviewers under subsection 2 shall submit to the Governor and the
27 Legislature a progress report related to the 5-year evaluation required under this section.
28 The independent reviewers must incorporate the goals and objectives described in the
29 State's innovation economy action plan, as described in Title 10, chapter 107-D, in their
30 analysis of the success of the State's investments in research and development.

31 **Sec. 5. 10 MRSA §929-A, sub-§2**, as amended by PL 1995, c. 688, §9, is further
32 amended to read:

33 **2. Membership.** The council consists of 19 members. The Governor, President of
34 the Senate and Speaker of the House of Representatives shall jointly appoint the
35 following 18 members, 2 of whom shall serve as cochairs of the council:

36 A. ~~Fourteen~~ Thirteen members having a broad range of expertise in areas including
37 but not limited to: labor, environment, business, and education; ~~and~~

38 B. Four members of the Legislature with a demonstrated interest in economic
39 development; and

1 C. One member from the Maine Innovation Economy Advisory Board under section
2 949.

3 The Commissioner of Economic and Community Development or the commissioner's
4 designee is a member of the council.

5 **Sec. 6. 10 MRSA §929-C** is enacted to read:

6 **§929-C. Research and development budgetary recommendations**

7 The Maine Economic Growth Council, established in section 929-A, with input from
8 the Office of Innovation, established pursuant to Title 5, section 13105, and the Maine
9 Innovation Economy Advisory Board, under section 949, shall review the innovation
10 economy action plan, as described in Title 10, chapter 107-D, and develop specific annual
11 budgetary recommendations to support the plan's vision and goals. These
12 recommendations must include specific bonding and General Fund appropriations
13 investment levels. By June 1st of each year, the council shall submit its
14 recommendations, along with an annual accountability update that summarizes the State's
15 commitment to research and development investments in the prior year, to the Governor,
16 the Legislature and the joint standing committee of the Legislature having jurisdiction
17 over business, research and economic development issues.

18 **Sec. 7. 10 MRSA c. 107-D** is enacted to read:

19 **CHAPTER 107-D**

20 **MAINE INNOVATION ECONOMY ADVISORY BOARD**

21 **§949. Maine Innovation Economy Advisory Board**

22 **1. Establishment.** The Maine Innovation Economy Advisory Board, referred to in
23 this chapter as "the advisory board" and established by Title 5, section 12004-I,
24 subsection 6-G, is established to coordinate the State's research and development
25 activities and to foster collaboration among its higher education and nonprofit research
26 institutions and members of the business community.

27 **2. Appointment and composition.** The advisory board consists of 19 members.
28 The Governor, the President of the Senate and the Speaker of the House of
29 Representatives shall each appoint 5 members with demonstrated high-level expertise
30 from a broad cross section of industry and technology sectors representing the breadth of
31 research and development activities from basic research to commercialization of new
32 products and services. The advisory board also consists of 4 ex officio members,
33 including the cochairs of the Maine Economic Growth Council, established in section
34 929-A; the Director of the Maine Technology Institute, established in Title 5, section
35 12004-G, subsection 33-D; and the Director of the Office of Innovation, established
36 pursuant to Title 5, section 13105.

37 **3. Terms; vacancies; limits.** The term of office for appointed members of the
38 advisory board is 3 years. When a vacancy occurs, it must be filled by the same

1 appointing authority, and the new member shall serve for the remainder of the term.
2 Members who serve on the advisory board by virtue of their offices serve terms
3 coincident with their terms in office. Members may continue to serve until their
4 replacements are designated. A vacancy in a position held by an ex officio member,
5 except the cochairs of the Maine Economic Growth Council, that occurs other than by the
6 expiration of a term must be filled by a designee appointed by the Commissioner of
7 Economic and Community Development for the unexpired term.

8 **4. Chair; election of officers.** The members of the advisory board shall annually
9 elect one of the advisory board's members as chair and one of its members as vice-chair
10 to set the agenda and schedule meetings. The advisory board may elect other officers and
11 designate their duties.

12 **5. Voting rights.** Each member of the advisory board has a vote.

13 **6. Meetings.** The advisory board shall hold quarterly meetings each year.
14 Additional meetings may be held as necessary to conduct the business of the advisory
15 board.

16 **7. Compensation.** Members of the advisory board are not entitled to compensation.

17 **8. Adoption of bylaws.** The advisory board shall adopt bylaws consistent with this
18 section for the governance of its affairs and to address the resolution of conflicts of
19 interest that may arise.

20 **9. Quorum.** A majority of the members of the advisory board constitutes a quorum.

21 **10. Staff support.** The Office of Innovation shall provide staff support the advisory
22 board to carry out the purposes of this section.

23 **11. Powers and duties.** The powers and duties of the advisory board are as set out
24 in this subsection.

25 A. The advisory board shall develop an innovation economy action plan for the
26 application of science and technology to improve the State's position in the global
27 economy. The plan must identify specific steps that public and private research
28 institutions must implement to improve the State's science and technology
29 infrastructure, goals for encouraging collaborative initiatives among public and
30 private research institutions, steps that can be implemented immediately without new
31 state funding and resources and steps that will require new state appropriations or
32 major reallocation of state appropriations and resources. The plan must include
33 numerical objectives, costs and an evaluation protocol, as well as a provision for
34 assigning and ensuring accountability for those who receive state research and
35 development funds from the State.

36 B. The advisory board shall assist state and federal policy makers in advancing
37 research and development capacity initiatives in Maine and in developing
38 corresponding funding strategies; provide input on economic planning and the
39 commercial application of the State's research and development efforts; facilitate
40 research opportunities that create sustained, interinstitutional, collaborative,

1 multidisciplinary, centers-based research projects; advocate for the State's research
2 and development sector and interests; disseminate information about its work
3 throughout the State; and serve as the EPSCoR committee, as referred to in Title 5,
4 section 13110, for the State and evaluate proposals made to the EPSCoR and related
5 programs.

6 **12. Annual report.** The advisory board shall submit the annual innovation economy
7 action plan developed under subsection 11 to the Maine Economic Growth Council by
8 the first Wednesday in March of each year, beginning in 2008. The advisory board shall
9 also submit its innovation economy action plan to the joint standing committee of the
10 Legislature having jurisdiction over business, research and economic development and to
11 the Governor by the first Wednesday in March of each year, beginning in 2008.

12 **Sec. 8. Maine Innovation Economy Advisory Board; staggered terms for**
13 **initial appointees.** Notwithstanding the Maine Revised Statutes, Title 10, section 949,
14 subsection 3, the terms of the members initially appointed are staggered as follows: 5 are
15 one-year terms, 5 are 2-year terms and 5 are 3-year terms. The initial appointments must
16 be made as follows: of the 5 initial appointments made by the Governor, one is for a one-
17 year term, 3 are for 2-year terms and one is for a 3-year term; of the 5 initial
18 appointments made by the Speaker of the House of Representatives, 2 are for one-year
19 terms, one is for a 2-year term and 2 are for 3-year terms; and of the 5 initial
20 appointments made by the President of the Senate, 2 are for one-year terms, one is for a
21 2-year term and 2 are for 3-year terms.

22 **Sec. 9. Maine Revised Statutes headnote amended; revision clause.** In the
23 Maine Revised Statutes, Title 10, chapter 107, in the chapter headnote, the words "Maine
24 Development Foundation" are amended to read "Maine Development Foundation; Maine
25 Economic Growth Council," and the Revisor of Statutes shall implement this revision
26 when updating, publishing or republishing the statutes.

27 SUMMARY

28 This bill implements recommendations of the Joint Select Committee on Research,
29 Economic Development and the Innovation Economy. The bill establishes the Maine
30 Innovation Economy Advisory Board in statute. It amends the membership of the Maine
31 Economic Growth Council to add a member from the Maine Innovation Economy
32 Advisory Board. It requires the Maine Economic Growth Council to develop research
33 and development budgetary recommendations. It sets a minimum recommendation level
34 for research and development for the Governor's proposed budget to the Legislature. It
35 requires an annual progress report relating to the 5-year evaluation of state investments in
36 research and development.