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SUPPLEMENTAL  
REPORT TO GOVERNOR JOHN BALDACCI

*from*

THE SUB-COMMITTEE OF THE WORKING GROUP  
TO INCREASE THE EFFICIENCY AND EFFECTIVENESS  
OF THE STATE ECONOMIC DEVELOPMENT DELIVERY SYSTEM

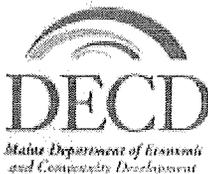
*January 16, 2009*

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FINAL DRAFT - NOT ADMINISTRATION POLICY

## **Executive Summary**

In the report of this working group delivered to the Governor in November, one task remained to be accomplished: to recommend how to structure the state's economic and community development efforts in order to achieve the goals that were outlined.

Addressing this final task required the working group to grapple with a fundamental challenge in Maine's economic and community development delivery system: the fragmented organizational structure. Over time, responsibility and authority for economic and community development has devolved to a relatively large number of organizations, both state agencies and nonprofit entities. Compared to other states, Maine's structure is more disjointed, and some essential functions are uniquely situated entirely outside of state government. The structure has two impacts: companies are unsure where to go for assistance, and managers lack the necessary scope of responsibility and authority to effectively and efficiently provide services.

We also learned that Maine is unique among the states studied in that its efforts to recruit companies to move to Maine are delegated to an organization outside of state government with no state funding. Since economic development is usually considered to have three components – attraction, retention and entrepreneurship – recruitment is essential to the economic development effort and is almost always located within the primary economic development organization and closely aligned with the Governor.

The recommendations from the first report are critical components to addressing the fragmentation. A single economic development strategy, a unified budget and single marketing message are all elements that will tie organizations involved in economic and community development together, especially when they are supported from the Governor's Office.

At the same time, the working group was cognizant of national trends towards regional economic development solutions which recognize the unique challenges and opportunities that regions within states have. With this in mind, the working group wanted to balance a centralized strategic focus with regional service delivery, enabling programs and solutions to be tailored for regional circumstances.

Another important national trend that the working group considered is the role of the private sector in state economic development efforts. Whether through public-private partnerships, or through extensive industry involvement in governance and advice to state agencies, almost all states have a way for the clients of economic and community development, industry, to keep programs and services grounded in actual business needs. In Maine, the working group noted the myriad of small trade associations, advisory boards, councils and commissions that dilute the effectiveness of businesses' voice.

In considering how best to organize the state's economic development effort, the working group looked first to understand what structures would best support the implementation of the recommendations, and then how regional service delivery would work. Third, the working group wanted to have a strong voice for industry, one that would focus the many existing vehicles.

In addition, the working group considered how best to involve other agencies and nonprofits to reduce the fragmentation. This was the most difficult part of the task, as all have their own constituencies, operational requirements and missions. Given this, the working group believed that the recommendation of a single strategy, budget and marketing message was quite bold in itself. This recommendation will require the buy-in of upwards of ten different organizations, and all will have to sacrifice some autonomy in order for the greater good to be realized. The only way that this will happen, we believe, is with leadership from the Governor's Office.

After analyzing a number of alternatives, the working group is recommending that the Governor consolidate a number of the existing councils, commissions and boards into a single Industry Commission modeled on Team Pennsylvania to create a single strategy, unified budget and single marketing message. The working group believes that a single strategy and unified budget will align all the various stakeholders, and that a strong Industry Commission will keep state government focused on serving its customers: companies and communities. Further, the working group recommends the Governor establish an Economic Development Subcabinet, chaired by the Commissioner of DECD, to align the various agencies around the single strategy. Finally, the working group recommends that the recruitment effort be brought into alignment by providing state funding to Maine and Company through DECD.

The Working Group believes that consolidation, most likely as a state agency given the considerations and experiences of other states, could be a viable next step. However, it is possible that the expense involved would outweigh the incremental improvements in operations and service delivery since most of the agencies involved have discrete missions. Therefore, the working group recommends that the Governor direct the various agencies involved in economic development to provide a detailed plan for consolidation for further consideration. The Working Group believes that it is extremely difficult to study the potential for additional benefits to consolidation without the involvement of all the stakeholders.

The working group reiterates our recommendations from the previous report:

1. Link strategy to budget to implementation and evaluation. There should be a single economic development strategy in the State of Maine, implemented through all the agencies that have economic development programs, and represented by a unified budget. Further, all programs should be subject to the annual Comprehensive Evaluation.
2. Create a common protocol for business assistance that provides businesses with an easy to access and easy to understand way to work with economic development programs.
3. Market one brand for Maine, and name a state marketing director to accomplish this task.
4. Support Quality of Place investments consistent with the overall economic development strategy.
5. Implement a protocol for emergency situations and crisis management.

In order to implement these recommendations, we recommend that the delivery of economic development programs and services in the state of Maine be reconfigured in the following ways:

6. DECD should be the focal point for statewide economic development strategic planning, implementation and evaluation. A unified budget should be developed each biennium to implement the plan. Industry should be strongly involved with the development of the

economic development strategy through an entity like a commission or council, similar to the approach used by Team Pennsylvania.

7. The regional Economic Development Districts (EDDs) should be the primary delivery mechanism for economic development programs and services.
8. State government should further consider consolidating the organizational structure of those entities that play a role in economic development. These entities include: DECD, Maine Technology Institute, Maine International Trade Center, Finance Authority of Maine, Maine Housing, Maine & Company, Maine Development Foundation, State Planning Office, as well as all subsidiary boards, commissions, authorities, and councils. If it is determined that consolidation is warranted, the entities should consolidate with an effective date of July 1, 2010.

FINAL DRAFT - NOT ADMINISTRATION READY

## **1. Remaining Task from November 1, 2008 Report**

In the report of this working group delivered to the Governor in November, one task remained to be accomplished: how to structure economic development activities in order to accomplish the goals outlined. During the month of November, we have met several times to consider alternative approaches, from “privatizing” the state’s economic development agencies into a public-private agency, to creating business “ambassadors” to other states, to creating a kitchen cabinet for the Governor and Commissioner of Economic and Community Development.

A subcommittee of the working group considered evidence from seven other states, looked at resources and organizations within the state, and formulated a recommendation that is both effective in addressing the core issues, and feasible to implement. Specific steps to implementation are included in **Section 5**.

## **2. Criteria**

There were several criteria that the group used to reach their recommendation. They are:

1. Effectiveness in implementing a single economic development strategy, unified budget and evaluation
2. Regional delivery of services
3. Industry involvement
4. Increased involvement of other agencies and stakeholders
5. Dedicated resources to strategic planning, research and policy development
6. Cost impact
7. Political feasibility

The first and most important criterion was that the organizational structure chosen should enhance the state’s ability to reach the goals articulated in our November report: a single vision and strategy for economic development in Maine, articulated and supported at the highest level of state government; a unified budget for economic development that enables the strategy; a protocol that defines the working relationships among all the partners in economic development; and a single brand and marketing effort for Maine.

Another criterion that was important to us was that services be organized and delivered regionally. We have a large geographic area to cover and unique regional challenges, so regional delivery is the most efficient and effective means to accomplish the provision of services to Maine businesses.

A third criterion is the involvement of industry in the economic development system, especially as a source of new ideas and approaches to Maine’s challenges. Industry, as well as Maine citizens, is our customer, and they should be the central focus of all of our efforts in economic development.

Similarly, economic development in Maine is impacted by the actions of many agencies and organizations outside of the Department of Economic and Community Development. Therefore, an important criterion is how well a solution includes these other stakeholders.

In our discussions, several examples were raised which indicates that the current way we organize economic development and make investment decisions can appear disconnected to businesses seeking assistance. A criterion, therefore, is to have resources available to provide the data and analysis that allows decision-makers to be well informed about the impacts of policy alternatives and strategies.

Implicit in all discussions about the effectiveness of various alternatives is the element of cost – is the proposed alternative effective in reaching these goals given the cost of implementation. Therefore cost is a criterion to be considered.

Finally, given the circumstances that the state finds itself in at this time, the political feasibility of these alternatives must be considered as well.

### **3. Alternatives**

The working group considered a number of alternative organizational configurations in its deliberations. The basis for these alternatives was an analysis of the economic development organizational structures in seven other states: Michigan, Indiana, Florida, Virginia, Maryland, Pennsylvania and North Carolina. The detailed analysis is contained in **Appendix A**.

From this analysis, we learned that the states studied are equally divided between those who manage economic development through a state agency and those who rely upon non-profits or public-private partnerships. At one extreme is the Michigan Economic Development Corporation which contains all of the economic development functions within a single non-profit organization managed by a private sector board. At the other extreme is North Carolina with a unified Department of Commerce, a state agency headed by a Cabinet-level executive, the Secretary of Commerce. The other states have some mix of these, with Maine's organizational structure roughly in the middle.

We learned that Maine is unique among the states studied in that its efforts to recruit companies to move to Maine are delegated to an organization outside of state government with no state funding. In the other states studied, this activity is central to the economic development effort and is located within the primary economic development organization and closely aligned with the Governor.

We also learned that Maine's organizational landscape is more fragmented than the other states, with the economic development programs being managed in a variety of state agencies, and through a number of organizations outside DECD. In the states we studied, for instance, all have the financing organization, the equivalent of FAME, within the main economic development organization. Most of the organizations, public or private, incorporate workforce training, labor and financial assistance with economic development in a Commerce and Trade type model. Most organizations have Main Street programs linked with CBDG. (Our Main Street program is in the Maine Development Foundation, while CBDG is in DECD.) Many states have regulation and permitting of businesses in a consolidated Dept of Commerce and Trade, although this is not normally a part of a private-public partnership.

We did find evidence that Maine's economic development services are delivered by a relatively large number of organizations with separate boards, commissions, councils and other advisory functions.

We could not identify any studies or other data that suggest that any of these organizational structures is demonstrably better than any other. We weighed the pros and cons of the various structures and concluded that each has significant strengths and weaknesses. The pros and cons are also listed in Appendix A.

We also looked at best practices per the National Council of State Legislatures. They detailed the following trends in economic development:

- Integrated budgets that include direct appropriations as well as tax expenditures
- Structuring agencies to best leverage the strengths of the public and private sectors
- Performance measures for agencies
- Accountability measures for businesses receiving incentives
- Structure and targets of policies:
- Industrial cluster approach, offering assistance by sector, not type of program
- Regional development – a metro area or several counties

Most of the states we studied had relationships between the statewide organization and regional organizations. In these models, the regional organizations:

- Cover all the counties in the State
- Have state financing
- Are public-private partnerships
- Are the locations for most if not all locations for business-related state offices, e.g., regional economic development representatives (like our Office of Business Development regional offices), SBDC, MEP, career centers/workforce training, incubators, financing
- Provide strategic planning focus for the regions.

Based on this input, the working group formulated the following alternatives for discussion. They are:

1. Consolidate the various councils, commissions and boards into a single Industry Commission similar to Team Pennsylvania to produce a single strategy, unified budget and single marketing message. Use an Economic Development Subcabinet to pull together the various state agencies and organizations that work on economic and community development together under this strategy, budget and message. This alternative also envisions bringing the recruitment effort in Maine in closer alignment with the rest of the organizations in general and the Department of Economic and Community Development in particular.
2. Consolidate all agencies and nonprofits into a single Department of Commerce with an Industry Commission as an advisory board.
3. Consolidate all agencies and nonprofits into a single Economic Development Public-Private Partnership with significant industry representation on the board.

Industry Commission and Economic Development Subcabinet: This alternative envisions the consolidation of a number of the existing commissions, councils and boards into a single entity that has a preponderance of members from the business community. This Commission would have responsibility for working with DECD to develop a unified strategy. In addition, this alternative suggests that we improve the coordination of economic and community development activities among the various agencies and organizations that report directly to the Governor by having an Economic Development Subcabinet. This concept is modeled upon the existing Workforce Subcabinet. This alternative also envisions tightening the relationship with organizations such as Maine and Company or otherwise bringing the attraction role within DECD since it is central to economic development.

Consolidated Department of Commerce: A consolidated department would include DECD, Maine and Company, FAME, Maine Development Foundation, and some functions of State Planning Office such as Quality of Place. This alternative suggests that we should model ourselves on the Department of Commerce in North Carolina, or the Department of Community and Economic Development in Pennsylvania. We include some entities outside of DECD in our list to reflect the consolidated nature of this model of organization. In North Carolina, financing, workforce and attraction are included in the Department along with the functions that currently exist within DECD like retention, expansion, tourism, community development, international trade and technology.

Consolidated Economic Development Public-Private Partnership: This alternative is a consolidated non-profit to include DECD, Maine and Company, FAME, Maine Development Foundation, and some functions of State Planning Office such as Quality of Place. This alternative is based on the Michigan Economic Development Corporation or the Indiana Economic Development Corporation. Both are 501(c)3 organizations with private boards appointed by the Governor. All of the functions associated with economic development including financing, training and workforce development are consolidated in the Michigan model. This alternative doesn't include the functions of Maine's Department of Labor, however.

#### 4. Discussion

In order to compare the alternatives against each other, we arrayed them on a matrix with the alternatives across the top and the criteria on the left-hand side. **Table 1** shows the matrix with explanatory comments; **Table 2** translates these into scores on a scale of 1-5 with 5 being the best.

As you can see from **Table 2**, the alternative of an economic development subcabinet and an industry commission scores the highest with a total of 24, followed closely by the other two alternatives with scores of 23. A close review of the scoring reveals that the consolidation proposals lost the most points because the working group felt that these alternatives were politically infeasible in this environment. However, all three alternatives score highly on the most important criteria – the ability to implement a single strategy, a unified budget and regional service delivery.

Table 1. Alternatives Matrix

Alternatives/Criteria	Industry Commission and Economic Development Cabinet	Consolidated Department of Commerce	Consolidated Economic Development Public-Private Partnership
Effective in meeting outcomes of statewide economic development plan, unified budget and regional protocol and alignment, branding	Improved ability to create statewide plan, unified budget, statewide branding	Statewide strategic planning easier to accomplish; unified budget easier to accomplish; higher ability to brand statewide	Statewide strategic planning easier to accomplish; unified budget easier to accomplish; higher ability to brand statewide
Industry involved	Industry could be at the table	Industry involved with some commissions	Industry could be at the table with Private Sector Board, potentially funding
EDDs empowered, local point of delivery	Can be accomplished	Can be accomplished	Can be accomplished
Increasing the involvement of other agencies, stakeholders	Increased over status quo	Higher level of control	Higher level of control
Dedicated resources to thought leadership and strategy	Same as status quo	Potentially higher	Potentially higher
Cost Impact	Nominal	Some upfront costs	Upfront set-up costs, potential for some private funding
Political Feasibility	Medium-High	Low	Low

**Table 2. Matrix with Scoring (Range: 1-5 with 5 being highest)**

Alternatives/Criteria	Industry Commission and Economic Development Cabinet	Consolidated Department of Commerce	Consolidated Economic Development Public-Private Partnership
Effective in meeting outcomes of statewide economic development plan, unified budget and regional protocol and alignment, branding	3	4	4
Industry involved	3	2	3
EDDs empowered, local point of delivery	5	5	5
Increasing the involvement of other agencies, stakeholders	2	4	4
Dedicated resources to thought leadership and strategy	2	3	3
Cost Impact	5	3	3
Political Feasibility	4	2	1
Total	24	23	23

Based on this analysis, the working group is recommending that the Governor implement an Economic and Community Development Subcabinet to facilitate cooperation among the various agencies and organizations. Secondly, the working group recommends consolidating some of the existing councils and commissions into a single Industry Commission to advise the Governor and Commissioner of DECD on economic and community development strategy and implementation. We also recommend that the attraction activities be more fully integrated with DECD either organizationally, or through a funding mechanism. Finally, the working group is recommending a more regional service delivery system, although one that is directed through the single strategy and budget. A detailed recommendation and implementation plan is discussed in the next section.

## 5. Recommendations and Implementation

We reiterate our recommendations from the previous report:

1. Link strategy to budget to implementation and evaluation. There should be a single economic development strategy in the State of Maine, implemented through all the agencies that have economic development programs, and represented by a unified budget. Further, all programs should be subject to the annual Comprehensive Evaluation.
2. Create a common protocol for business assistance that provides businesses with an easy, to access and easy to understand way to work with economic development programs.
3. Market one brand for Maine, and name a state marketing director to accomplish this task.
4. Support Quality of Place investments consistent with the overall economic development strategy.
5. Implement a protocol for emergency situations and crisis management.

In order to implement these recommendations, we recommend that the delivery of economic development programs and services in the state of Maine be reconfigured in the following ways:

6. DECD should be the focal point for statewide economic development strategic planning, implementation and evaluation. A unified budget should be developed each biennium to implement the plan.
  - a. Industry should be strongly involved with the development of the economic development strategy through an entity like a commission or council, similar to the Team Pennsylvania approach. We recommend that one or more existing entities be realigned and reconstituted to act as an industry advisory board to the Commissioner of DECD. This group should:
    - i. Report to the Commissioner of DECD.
    - ii. Have the Commissioner as Co-chair along with a co-chair elected by the members.
    - iii. Should represent all major sectors of the Maine economy including targeted sectors, and tourism and have a predominance of members from the private sector, but also include key stakeholders such as the University System and the Commissioners of Labor and DEP.
    - iv. Work with DECD, the Economic Development Sub-cabinet and the EDDs to write a strategic plan for economic development at least every five years, with annual progress reports and evaluation. The plan should be submitted to the legislative committee of oversight and the Governor's office for approval.
    - v. DECD should staff this group. We believe that consolidation of some existing organizations would reduce staff costs.
  - b. The DECD Commissioner should be the Chair of an Economic Development Subcabinet that would meet regularly to provide for cooperation and collaboration in the development and implementation of the plan and budget as well as deal with emergencies as they arise. *Implementation: Governor Executive Order*

- c. In addition the DECD Commissioner should convene at least monthly a meeting of his Office Directors (Office of Business Development, Community and Economic Development, Innovation and Tourism), representatives from the Economic Development Districts, the Small Business Administration, the Small Business Development Center (SBDC), the Manufacturing Extension Partnership (MEP), Procurement Technical Assistance Program (PTAC), Maine Housing, State Planning Office (SPO), Maine and Company, the Finance Authority of Maine (FAME), Maine Technology Institute, and the Maine International Trade Center to promote communications and coordination. *Implementation: Commissioner*
  - d. The DECD Commissioner should be responsible for the marketing of the State of Maine, and all external materials should be coordinated through a state Director of Marketing within the department. *Implementation: Legislation based on recommendation from the Natural Resources Task Force*
  - e. The Comprehensive Economic Development Evaluation should be managed by the Department and performed by independent, outside experts. The Evaluation results should be communicated to the Legislature and the Governor annually. *Implementation: Legislation pending*
  - f. Maine and Company should be reintegrated into the overall economic development system by providing state funding under contract from DECD. *Implementation: Governor, with Legislation*
7. The regional Economic Development Districts (EDDs) should be the primary delivery mechanism for economic development programs and services.
- a. The EDDs should be the focal point for regional strategy development including economic development, transportation, Quality of Place, and work with DECD to jointly develop statewide economic development plans and establish budget authority. *Implementation: Governor*
  - b. The EDDs should involve local and regional businesses in their governance structure to the maximum extent possible, recognizing the unique nature of each region. One model that may be appropriate is the Aroostook Partnership for Progress, although not all regions may be able to achieve this level of public-private partnership immediately. *Implementation: EDDs*
  - c. The Regional EDDs should be the coordinator for service delivery. DECD Office of Business Development Regional Specialists, SBDC, MEP, and PTAC staff should be co-located with EDDs and should be managed by both the EDDs and the “parent” organization. Ultimately, the DECD Specialists should transition to contractor positions within the EDDs with funding from DECD. *Implementation: Commissioner and EDDs*
  - d. The DECD Office of Business Development regional staff should be the initial point of contact for firms, and should direct clients to appropriate resources at SBDC (business assistance), MEP (manufacturing technical assistance), PTAC (federal and state government contracting assistance), as well as other resources such as FAME (financing), MTI (technology grants), and MITC (international trade assistance).

The OBD regional staff should also be responsible for assisting companies with access to business assistance programs such as Pine Tree Zones, tax incentives, training opportunities, and for coordinating responses to emergency situations with other agencies. *Implementation: Commissioner and EDDs*

- e. DECD should be responsible for developing a Memorandum of Understanding (MOU) between DECD, the EDDs and/or the Maine Economic Development District Association (MEDDA), SBDC, MEP, FAME, MTI, MITC, and organizations such as Maine and Company describing the protocols for working together and ensuring the best “No Wrong Door” approach for serving the companies in Maine and those looking to relocate here. *Implementation: Commissioner and partner organizations*

We believe that this structure builds the capacity to coordinate and collaborate among the state, the regions and the partners, while minimizing the costs of implementing a broad consolidation initiative. This allows us to focus on the most important objective – the development of a unified strategy and budget to move the state forward toward increased prosperity. *Implementation: Governor, with legislation*

8. State government should further consider consolidating its organizational structure of those entities that play a role in economic development. These include: DECD, Maine Technology Institute, Maine International Trade Center, Finance Authority of Maine, Maine Housing, Maine Development Foundation, State Planning Office, organizations such as Maine & Company, as consolidation is warranted, the entities should consolidate with an effective date of July 1, 2010. *Governor, with Legislation*

Appendix A

Analysis of Other State Economic Development Organizations

FINAL DRAFT - NOT ADMINISTRATION POLICY

## Continuum of State Economic Development Organizational Strategies

This chart shows the various economic development organizations in each state and arrays them by their organizational structure. Any non-profit or private-public partnership is shown under public-private, even if it is entirely state-funded. Only organizations with no state funding are listed as private.

	MICHIGAN	INDIANA	FLORIDA	VIRGINIA	MAINE	MARYLAND	PENNSYLVANIA	NORTH CAROLINA
<b>Private</b>					<i>Maine and Company: Attraction</i>			<i>Council for Entrepreneurial Development</i>
<b>Public- Private</b>	<i>Michigan Economic Development Corporation: attraction, business development, capital access (Fund of Funds), CBDG, training and workforce development, permitting, PTAC, labor, tourism, technology</i>	<i>Indiana Economic Development Corporation: attraction, retention, expansion, technology, financing, international trade – Gov is Chair</i>	<i>Enterprise Florida: business development, international trade, technology</i>  <i>Florida Commission on Tourism;</i>  <i>Workforce Florida</i>  <i>Eight regional ED organizations</i>	<i>Virginia Economic Development Partnership: attraction, expansion, international trade – reports through Department of Commerce and Trade</i>  <i>Regional economic development organizations used to have state funding</i>	<i>FAME</i>  <i>Maine Development Foundation</i>  <i>Maine Technology Institute;</i>  <i>Maine International Trade Center;</i>  <i>Seven regional economic development districts – connected to DECD</i>	<i>Maryland Technology Development Corporation;</i>  <i>County economic development organizations</i>	<i>Team Pennsylvania Foundation co-chaired by Gov.</i>  <i>Regional and county economic development organizations</i>	<i>Seven Regional economic development partnerships with state funding</i>

Supplemental Report: Working Group on State Economic Development Delivery System

	MICHIGAN	INDIANA	FLORIDA	VIRGINIA	MAINE	MARYLAND	PENNSYLVANIA	NORTH CAROLINA
<b>Public</b>		Office of Tourism Development;  Department of Workforce Development;  Office of Community and Rural Affairs (CBDG)	Department of Community Affairs, Division of Housing and Community Development	Department of Commerce and Trade: Existing business, workforce, financing, small business, housing and community development, labor and industry, regulation and permitting, tourism, tobacco commission	Department of Economic and Community Development: Expansion retention, technology, tourism, film, community development  Department of Labor  State Planning Office	Department of Business and Economic Development: biotechnology, attraction, retention, expansion, financial assistance, training, marketing, international trade, tourism, arts, film  MD Venture Fund  Department of Housing and Community Development	Department of Community and Economic Development: Attraction, expansion, retention, community development, technology, international, incentives, tourism  Governor's ED Cabinet  Department of Labor and Industry	Department of Commerce: attraction, existing business, retention expansion, tourism, CBDG, Main Street, workforce, financing, international trade, technology, research and policy;  NC Rural Economic Development Center: infrastructure, entrepreneurship

The next chart shows the various functions often undertaken in economic development and lists where the states have placed them organizationally.

Supplemental Report: Working Group on Maine Economic Development Delivery System

	Private	Public-Private	Public
Attraction	Maine	Michigan Indiana Florida Virginia	Pennsylvania North Carolina
Expansion		Michigan Indiana Florida Virginia	Virginia Maine Maryland Pennsylvania North Carolina
Retention		Michigan Indiana Florida	Virginia Maine Maryland Pennsylvania North Carolina
Financing		Michigan Indiana Maine	Virginia Maryland Pennsylvania North Carolina
Technology		Michigan Indiana Florida Virginia Maine Maryland	Maryland Pennsylvania North Carolina
International Trade		Michigan Indiana Florida Virginia Maine	Maryland Pennsylvania North Carolina
Tourism		Michigan Florida	Indiana Virginia Maine Maryland Pennsylvania North Carolina
Film			Maine Maryland
Community Development		Michigan	Indiana Florida Virginia Maine Maryland Pennsylvania North Carolina
Workforce Development		Michigan Florida	Indiana Virginia Maine Maryland Pennsylvania North Carolina
Regulation and Permitting		Michigan	Virginia Maine

Public-Private Partnership	State Agency
<p>Pros:</p> <ul style="list-style-type: none"> <li>• Involves the private sector</li> <li>• Outside of state personnel, purchasing, other laws, so can be more flexible and nimble</li> <li>• Can pay more competitive salaries and provide incentives for performance</li> <li>• Can have longer-term vision, not based on election cycles</li> <li>• Not subject to FOIA, other sunshine laws</li> </ul> <p>Cons:</p> <ul style="list-style-type: none"> <li>• Requires larger corporations to fund</li> <li>• Can be outside of state control, influence of Governor, legislature</li> <li>• Excesses in expenditures more possible</li> <li>• Pay scales can be much larger than public entities</li> <li>• Need to have administrative structures on their own, rather than share with state government, i.e. attorneys, accountants, MIS</li> </ul>	<p>Pros:</p> <ul style="list-style-type: none"> <li>• Top management appointed by Governor, confirmed by Legislature</li> <li>• Expenditures, salaries, etc., under purview of state personnel, purchasing, other controls</li> <li>• Responsive to Governor, Legislature</li> <li>• Institutional memory</li> <li>• Authority of the state</li> <li>• Transparent to citizens because of FOIA, other sunshine laws</li> </ul> <p>Cons:</p> <ul style="list-style-type: none"> <li>• Slow to change, adapt</li> <li>• Cannot have incentive-based compensation</li> <li>• Salaries typically lower than private sector making recruitment difficult for certain types of positions, e.g. recruiters, finance-types</li> <li>• High overhead related to personnel and purchasing rules and procedures</li> </ul>