

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

Maine Quality Centers 2000 Program Report
October 1, 2001

Summary

The Maine Quality Centers (MQC) was created in 1994 by the Maine Legislature as an economic development program within the Maine Technical College System. This report is submitted to the 120th Maine Legislature and the Economic Development Incentive Commission in compliance with various reporting requirements. The report is divided into three sections including major program elements, a summary of projects active during calendar year 2000 and a summary of business responses to a Department of Economic and Community Development (DECD) survey. Data regarding MQC projects active in 2000 includes the total dollar investment, projected job creation as well as the actual numbers trained and hired as of December 31, 2000. The DECD survey was directed to businesses with 2000 MQC project expenditures greater than \$10,000. The report's primary findings follow.

Project Activity

Active 2000 projects:	43
• 2000 MQC project expenditures:	\$1,032,909
• Total MQC investment in active projects:	\$4,637,282
• Total projected job creation:	3,463
• Total trained as of 12/31/00:	3,993
• Total hired as of 12/31/00:	3,740
• Average project wage:	\$9.52
• Total estimate of related private investment:	\$1,100,017,221

2000 DECD Business Survey Results

Businesses with project expenditures greater than \$10,000:	27
• Businesses reporting:	24
• Businesses with ownership changes:	2
• Businesses not reporting:	1
• Reported 2000 full-time hires due to incentives:	955
• Reported 2000 net full-time employment increase:	1,514
• Reported 2000 business training investment:	\$6,190,171
• Reported 2000 business capital investment:	\$171,426,923

The program

The program'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 is designed 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 one of the seven colleges of the Maine Technical College System. Project funding supports customized training activities as well as applicant recruitment and screening when appropriate. Most services are provided directly by a technical college although the statute provides for coordination with other education and training providers if necessary. The program's FY01 budget was \$1,277,435.

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 technical 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, and frequently cross academic, fiscal, and calendar years. Training may include academic credit if appropriate and can occur either prior to or after the business makes a hiring decision. A single project may include multiple cycles of training. Throughout the training the technical college and the employer monitor the project and make adjustments as required.

Program activities

During 2000 the MQC expended \$1,032,909 on forty-three separate projects, with at least one project at each of the State's seven technical colleges. The range of project expenditures in 2000 was \$45 to \$187,157 with a median expenditure of \$13,567 and a mean expenditure of \$24,021. In their entirety the projects represent 3,463 projected new jobs. As of December 31, 2000, 3,993 people have been trained and 3,740 hired in these projects. The average project wage was \$9.52. The total MQC investment in the forty-three projects over multiple fiscal years is \$4,637,282. The projects represent a projected private capital and payroll investment of over \$1 billion.

The attached table summarizes all projects that were active in calendar year 2000. 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 2000. 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.

Projects requiring additional reporting

A statute adopted in 1998 requires businesses receiving certain economic development incentives, including MQC, with an annual value greater than \$10,000 to submit a report to the Commissioner of the Department of Economic and Community Development. Of the forty-three projects active in 2000, twenty-seven (63%) businesses had project expenditures above the reporting threshold. Twenty-four businesses filed the required report and a summary follows. Of the remaining three projects, one business closed, one was purchased and one had not reported as of September 21, 2001. The project for the non-reporting business is in the process of concluding. The failure to file a timely report will be a major review consideration should the business apply for Maine Quality Centers services in the future.

During 2000 the MQC expended \$986,817 on the twenty-seven projects. The range of project expenditures in 2000 that were greater than \$10,000 was \$10,814 to \$187,157 with a median expenditure of \$20,345 and a mean expenditure of \$36,549.

Nine (38%) of the twenty-four reporting businesses received no assistance from any of the other six statutorily defined economic development incentives. For the remaining fifteen projects, four (17%) reported utilizing one other incentive, seven (29%) reported utilizing two other incentives, three (13%) reported utilizing three additional incentives and one (4%) reported utilizing four additional incentives.

The fifteen projects utilizing additional incentives had 2000 MQC expenditures of \$699,605. For 2000, thirteen of the fifteen reported receiving \$11,331,289 in BETR benefits, ten reported receiving \$497,624 in GTI benefits, six reported receiving \$6,669,043 in TIF benefits and two reported receiving \$33,444 in ETIF benefits.

The twenty-four reporting businesses cited a total of 955 full-time employees hired due to the incentives and an overall net employment growth during 2000 of 1,514 full-time workers.

Businesses reported a company training investment of \$6,190,171 and capital investments of \$171,426,923 during 2000. Those stating a public purpose for utilizing MQC cited job creation, job retention and/or training investments, all of which are consistent with the program's statutory mission. Employer comments provided on the DECD survey form were complimentary of the program's impact, performance and return. A complete copy of employer comments is available from the program's State Director.

Project Status as of 12/31/00

Projects	Location	College	Start Date	Projected jobs	# applicants	# Trained	# Hired	Projected Average Wage	Calendar 2000 expended	Total MQC investment	Projected Private Investment
Amato's Sandwich Shops	Portland	SMTC	2000	20	35	11	35	\$12.74	\$15,963	\$18,200	\$298,000
Andover Wood Products	Andover	CMTC	2000	28	12	12	12	\$8.96	\$42,841	\$46,500	\$4,150,000
ATX FORMS	Caribou	NMTC	99,00	15	39	39		\$8.00	\$8,461	\$22,500	\$390,000
Banknorth	Portland	SMTC	2000	10	15	15	15	\$10.00	\$5,911	\$12,000	\$335,500
Brewer Automotive Components Inc.	Brewer	EMTC	1996	67	1127	87	55	\$7.00	\$16,344	\$180,100	\$9,800,000
Brunswick Technologies Inc.	Brunswick	SMTC	98,99,00	25	72	48	48	\$8.50	\$4,613	\$35,730	\$70,720
Catholic Charities Maine	Augusta	KVTC	1998	24	135	49	39	\$10.17	\$1,967	\$54,000	\$500,000
Dingley Press	Lisbon	CMTC	1998	100	172	50	111	\$11.00	\$32,934	\$75,142	\$20,500,000
Dumont Group	Monmouth	CMTC	2000	32	21		21	\$11.81	\$10,859	\$66,779	\$2,000,000
Edwards Systems Technology	Pittsfield	KVTC	1999	90	142	70	110	\$9.00	\$1,609	\$139,500	\$4,000,000
Employment Specialists of ME	Augusta	KVTC	2000	36	78	41	55	\$8.25	\$19,359	\$20,050	\$100,000
EMS	Westbrook	SMTC	1997,98,99	145	145	190	96	\$7.53	\$10,814	\$115,917	\$4,464,200
EnvisioNet	Winth/Brun	KVTC	99,00	460	595	280	227	\$9.50	\$187,157	\$493,000	\$9,900,000
Hussey Seating	No. Berwick	YCTC	1999	35	49	16	16	\$9.85	\$24,255	\$90,000	\$717,080
ICT Group	Oxf,Wilt,Pitts	CMTC	98-99	225	1748	560	405	\$8.50	\$82,500	\$314,240	\$6,375,000
Jackson Laboratory	Bar Harbor	EMTC	97,98,00	330	222	226	299	\$9.00	\$18,417	\$399,918	\$9,762,760
Lemforder	Brewer	EMTC	96,99	175	857	89	103	\$7.50	\$13,973	\$177,347	\$25,780,000
Log On America	Kennebunk	YCTC	2000	30	33	9	9	\$9.50	\$41,102	\$65,000	\$975,000
Main Resources	S Portland	SMTC	2000	18	15	0	8	\$10.17	\$6,112	\$29,410	\$573,776
Maine Internet Works	Fairfield	KVTC	1999	15	24	14	12	\$8.50	\$20,072	\$23,000	\$95,000
Maine Woods Company, LLD	Portage Lake	NMTC	1999	36	66	66	66	\$8.30	\$42,662	\$70,000	\$15,000,000
McCain Foods USA, Inc.	Easton	NMTC	1999	72	133	0	133	\$9.35	\$112,570	\$175,000	\$71,988,000
Moose River Lumber	Jackman	KVTC	1999	30	33	33	29	\$8.54	\$1,312	\$34,750	\$1,550,000

Project Status as of 12/31/00

Projects	Location	College	Start Date	Projected jobs	# applicants	# Trained	# Hired	Projected Average Wage	Calendar 2000 expended	Total MQC investment	Projected Private Investment
Moss & Posies Consortium	Rockp& Belfast	EMTC	2000	25	22	5	1	\$8.00	\$1,522	\$5,202	\$770,000
Motivat. Serv., Inc.	Augusta	KVTC	97-98	43	130	36	32	\$8.00	\$3,584	\$59,278	\$166,400
National Semiconductor	South Portland	SMTC	1996	450	1374	846	792	\$14.00	\$44,109	\$893,454	\$800,000,000
Nautel Maine Inc.	Bangor	EMTC	1999	8	20	7	6	\$7.50	\$45	\$10,440	\$273,000
New Balance	Norway	CMTC	1998	255	506	542	326	\$8.50	\$53,470	\$244,111	\$4,500,000
NEWFAB, Inc.	Auburn	CMTC	1998	30	31	17	20	\$11.00	\$13,160	\$52,000	\$225,000
Olamon Industries	Old Town	EMTC	1998	29	28	10	15	\$8.64	\$16,354	\$50,700	\$1,010,948
Osram Sylvania	Bangor	EMTC	2000	8	24	0	0	\$11.30	\$27,981	\$28,000	\$49,878
Perrier Group	Hollis	SMTC	2000	120	59	59	59	\$13.82	\$54,562	\$175,000	\$76,000,000
Printlife.com	Saco	YCTC	2000	10	38	0	0	\$14.24	\$1,016	\$28,000	\$4,816,000
Rich Tool & Die	Scarborough	SMTC	1998	39	33	34	33	\$7.00	\$22,773	\$68,269	\$5,156,560
Richardson Hollow Associates	Auburn	KVTC	2000	20	37	0	37	\$11.50	\$12,334	\$18,270	\$200,000
Sitel	Limestone	NMTC	1999	100	367	367	367	\$7.25	\$11,706	\$90,000	\$1,664,000
Somatex, Inc.	Pittsfield	KVTC	1999	8	11	0	11	\$12.29	\$5,003	\$29,000	\$540,000
Spencer Press	Wells	YCTC	1998	52	30	15	15	\$7.82	\$456	\$56,085	\$1,140,000
Thomas & Betts, Inc.	Sanford	YCTC	1999	28	45	21	17	\$7.88	\$1,497	\$13,360	\$1,679,415
TriCounty Mental Health	Lewiston	CMTC	1999	30	60	63	17	\$10.45	\$349	\$52,500	\$200,000
Unicel	Bangor	EMTC	2000	15	6	6	6	\$10.33	\$2,635	\$18,450	\$395,000
Vishay-Sprague	Sanford	YCTC	1999	130	41	14		\$8.24	\$17,928	\$53,000	\$9,095,984
Washington Cty Psych. Assoc.	Calais	WCTC	2000	45	150	46	39	\$9.75	\$20,618	\$34,080	\$2,810,000
TOTALS - ACTIVE PROJECTS				3,463	8,780	3,993	3,697	\$9.52	\$1,032,909	\$4,637,282	\$1,100,017,221