

MAINE STATE LEGISLATURE

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**Maine Community College System
Maine Quality Centers
2006 Economic Development Incentive Program Report
October, 2007**

Summary

The Maine Quality Centers (MQC) was created in 1994 by the Maine Legislature as an economic development program within the Maine Community College System. This Report is submitted to the 123rd Maine Legislature and its Joint Standing Committee on Business, Research and Economic Development in compliance with various reporting requirements. The Report is divided into two sections, including major program elements and a summary of projects active during calendar year 2006. Data regarding MQC projects active in 2006 include their total dollar investment and projected job creation, as well as the actual numbers trained and hired, as of December 31, 2006. The Report's primary findings follow.

	Project Activity
Active 2006 projects:	20
• 2006 MQC project expenditures:	\$403,932
• Total MQC investment in active projects:	\$1,148,686
• Total projected job creation:	1,272
• Total trained as of 12/31/06:	934
• Total hired as of 12/31/06:	662
• Average project wage:	\$12.50
• Total estimate of related private investment:	\$94,045,692

The Program

MQC's dual statutory mission is "...to meet the workforce education and training needs of new and expanding businesses in the State and provide new employment and career advancement opportunities for Maine people." The statute defines three primary purposes for the program; *job creation*, *workforce preparation* and *creating partnerships*. The program's public benefit is to serve the employer's need for additional skilled workers, give trainees portable work skills to compete in today's workforce and establish and maintain relationships that support regional economic growth.

The program is coordinated by a State Director, with individual project services delivered by the seven colleges of the Maine Community College System. Project funding supports customized training activities, as well as applicant recruitment and screening when appropriate. Most services are provided directly by a Community College, although the statute provides for coordination with other education and training providers if necessary. The program's budget for the fiscal year 2007 was \$798,234.

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 a designated Community College develop a training plan that defines the customized services and training for the project. The parties sign a Memorandum of Agreement prior to the beginning of any training.

Individual projects vary in length, and training schedules frequently cross academic, fiscal and calendar years. Training may include academic credit, if appropriate, and may take place either before or after the business makes a hiring decision. A single project may include multiple cycles of training. Throughout the project, the Community College and the employer monitor the training activities and make adjustments as needed.

Program activities

During 2006 the MQC expended \$403,932 on twenty (20) separate projects, with at least one project at six of the State's seven Community Colleges. The range of project expenditures in 2006 was \$615 to \$82,156 with a median expenditure of \$14,428 and a mean expenditure of \$20,197. The range of total project grant award, over multiple years, was \$3,174 to \$171,156 with a median award of \$45,723 and a mean award of \$57,434. In their entirety the projects represent 1,272 projected new jobs. As of December 31, 2006, 934 people had been trained and 662 hired. The average project wage was \$12.50. The total MQC investment in the twenty (20) projects over multiple fiscal years is expected to be \$1,148,686. These projects represent a projected private capital and payroll investment of \$94,045,692.

Individual businesses that received services greater than \$10,000 during calendar year 2006 are required to submit a report to the Department of Economic and Community Development. At the time of this report, all eligible businesses, but one, have complied.

The attached table summarizes all projects that were active in calendar year 2006. Consortium projects involved multiple employers. Each project is summarized in its entirety and includes the projected total number of new jobs and actual data reported through the end of the calendar year. Numbers of trainees and hires are project totals and may include numbers from previous years. The year listed reflects the date the project was approved and if another date appears, it represents a project amendment. Individual columns capture both the total value of the project, an expenditure that may be made over multiple fiscal years, and the actual expenditure level for calendar year 2006. Training and hiring activity may not yet be reportable for some newer projects. The chart also includes an employer estimate of the value of the planned workforce expansion's increase of annual payroll and capital investment.

Maine Quality Centers Legislative Report for Economic Development Incentive Grants 2006

CALENDAR YEAR EXPENSES	PROJECTS	LOCATION	COLLEGE	START DATE	PROJECTED JOBS	# of APPLICANTS	# TRAINED	# HIRED	PROJECTED AVG. WAGE	MQC INVESTMENT	PRIVATE INVESTMENT
\$615	Aroostook Starch	Fort Fairfield	NMCC	2006	26	26	0	0	\$12.88	\$33,600	\$5,565,000
\$9,573	Backyard Farms	Madison	KVCC	2006	62	62	25	62	\$8.25	\$48,120	\$22,100,000
\$8,359	Circle of Learning II	Presque Isle	NMCC	2004	12	12	12	12	\$11.83	\$26,306	\$420,000
\$15,917	DRMS, Inc.	Westbrook	SMCC	2006	70	50	50	50	\$14.93	\$31,843	\$2,515,772
\$5,462	Great Works Internet	Biddeford	YCCC	2005	15	15	15	15	\$11.00	\$51,106	\$353,200
\$12,939	MOCO - Motivational Svcs	Augusta	KVCC	2004	15	15	15	15	\$12.00	\$33,708	\$374,400
\$17,544	Mid-Coast Mental Health Center	Rockland	KVCC	2006	30	28	28	26	\$11.20	\$71,076	\$465,920
\$52,542	Mid-State Machine	Winslow	KVCC	2006	65	41	23	20	\$10.05	\$124,968	\$12,000,000
\$28,971	Pratt & Whitney	North Berwick	YCCC	2005	60	97	68	26	\$16.00	\$59,857	\$8,315,100
\$22,652	Rich Technology	Scarborough	SMCC	2006	24	55	12	12	\$10.00	\$43,326	\$3,575,000
\$33,659	Richardson Hollow	Rockport	KVCC	2005	40	40	43	40	\$10.75	\$92,946	\$770,000
\$82,156	T-Mobile	Oakland	KVCC	2005	400	297	152	54	\$9.00	\$171,156	\$28,000,000
\$4,137	Call Center Consortium*	Lewiston	CMCC	2006	30	48	11	6	\$10.15	\$4,137	\$2,505,000
\$22,619	Community Correction Alt	Farmington	KVCC	2004	60	63	60	60	\$10.00	\$73,817	\$1,372,800
\$20,665	Jackson Labs	Bar Harbor	EMCC	2004	192	94	194	87	\$11.70	\$98,496	n/a
\$11,625	Jotul, N.A.	Gorham	SMCC	2006	19	20	20	20	\$18.72	\$11,625	\$1,426,000
\$42,893	MHRT Consortium 2*	Various	KVCC	2004	45	45	45	45	\$12.50	\$120,398	\$1,225,000
\$2,793	Moody's Collision Centers	Scarborough	SMCC	2005	7	52	52	7	\$17.50	\$17,620	\$152,500
\$5,639	Prudential Financial Svcs	Portland	SMCC	2005	75	93	93	93	\$21.63	\$31,407	\$2,385,000
\$3,174	TD Banknorth	Lewiston	CMCC	2006	25	35	16	12	\$9.90	\$3,174	\$525,000
\$403,932	20				1272	1188	934	662	\$12.50	\$1,148,686	\$94,045,692

*CONSORTIA

Call Center Consortium	3 Companies	CMCC
MHRT Consortium 2	3 Companies	KVCC