

MAINE STATE LEGISLATURE

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MAINE DEVELOPMENT FOUNDATION

Program Evaluation Report

To the Legislature's Joint Standing Committee on
Business and Economic Development

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MAINE DEVELOPMENT FOUNDATION

PROGRAM EVALUATION REPORT

TO THE LEGISLATURE'S JOINT STANDING COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

SUMMARY

The Maine Development Foundation was created by the Governor and Legislature in 1977. Established as a private, nonprofit corporation with an IRS 501(c)(3) nonprofit status, the Foundation has a broad mandate from state government to promote economic development. The Foundation is the oldest and one of the most successful statewide public-private partnerships in the nation and has received many national awards for its accomplishments.

The Foundation's mission is to promote Maine's long-term economic growth by advocating new approaches to problems, building the state's leadership capacity, and providing a trusted, non-partisan common ground for public and private leaders.

The Foundation's Board of Directors is elected annually by its members. Half of the Board members are from the public sector and half from the private sector. The Foundation has ten staff and makes extensive use of volunteers and consultants to keep its overhead low.

The Foundation does not receive a state appropriation. Over 90% of its revenue is from private sector support in 1997.

A. ENABLING LEGISLATION

The Foundation was created under Maine statute (10 M.R.S.A. Sec. 915-928) which took effect in October, 1977. Highlights include:

- A broad mandate for economic development, enabling the Foundation to perform most of the functions of state and other nonprofit agencies in economic development.
- A new public-private partnership, originally conceived as an equal financial partnership between the state and private sectors (no longer the case).
- A board of directors that illustrates that public-private partnership by ensuring that seven members of the board are from the public sector and seven members are from the private sector.

B. PROGRAM REPORT

The Foundation has always believed that to have the most impact, it should try to deliver a small number of high quality programs in a focused manner, in cooperation with existing organizations. Appended is a list of all the Foundation's projects and reports, copies of which are available for the Committee to review.

Program History

The Foundation has gone through three major programmatic and organizational transitions in the last 20 years:

- A. From 1978-1983, the Foundation experimented with delivering several different types of programs. The Foundation loaned money to businesses through the SBA 504 loan program. The Foundation created the Potato Marketing Improvement Fund and later turned it over to FAME. The Foundation administered the Small Business Development Center program in southern Maine and counseled thousands of small businesses. The Foundation also conducted numerous studies of industry sectors and prepared an economic development strategy for the Governor and Legislature in the early 1980's.
- B. From 1984-1992, the Foundation narrowed its focus and tried to increase the economic development capacity of Maine. As a rural state, sparsely populated, the Foundation board felt that the infrastructure supporting economic development was weak. Unlike urban states in the south, Maine lacked the organizational capacity to promote economic growth.

During this period, the Foundation organized and spun off several important economic development programs:

- *Maine Capital Corporation*
- *Maine World Trade Association*
- *Maine Science and Technology Commission*
- *Maine Coalition for Excellence in Education*
- *Maine Aspirations Foundation (folded back into MDF in 1996 as a core program)*

Each of these organizations has effectively spun off from the Foundation and continues to deliver successful programs.

In addition, during that time period, the Foundation conducted numerous studies for the state, prepared an economic development strategy for the Governor in 1987, and took the lead in improving education quality through its

privately financed aspirations work in 30 school districts around the state.

- C. Since 1993, the Foundation refined its mission and focused on building its core competencies. The board of directors and members felt that, although the capacity-building work was successful, it was time for the Foundation to focus its energy on building core program capacity within the Foundation to achieve its mission of economic growth.

Four core competencies characterize our mission statement:

- Leadership development
- Economic goal-setting and accountability
- Aspirations of Maine youth and citizens
- Economic education

The balance of this section of the report documents the programs created since 1993 which are still in place today. These core programs, and other important initiatives of the Foundation, are providing a vitally important asset to the economic growth of our state.

Leadership Maine Program

Leadership Maine was created by the Foundation in 1993 to meet Maine's need for a broader pool of talented leaders with a statewide perspective able to meet the challenges facing the state in the future. The purpose of the program is to provide community leaders from all corners of the state with a broad understanding about the dynamics of Maine's changing economy, refined leadership skills, and a broad network of people committed to a healthy Maine future.

Leadership Maine provides intensive training to 45 senior managers in business, government, education, health care, and the nonprofit sector. The curriculum is based upon the state's economy, as defined by the work of the Maine Economic Growth Council, and a broad definition of leadership which explores how different leadership skills are needed in various situations. From September to May, the participants learn about the state's natural resources, innovative businesses, workforce, infrastructure, communities, and government. The learning is delivered in a highly interactive, experiential manner aimed at meeting the learning needs of busy adults.

Performance Measures. The expected outcome for each Leadership Maine participant is that, as a result of their Leadership Maine experience, they will act upon what they have learned and use their new skills, networks, and knowledge to create economic growth in their neighborhood, community, region or state. An evaluation process is currently being designed by the alumni to assess the extent to which participants

achieve this outcome 3-5 years after graduation.

Leadership Maine Program (cont'd)

Other Performance Measures:

A. Number/quality of applicants

- In each of the last five years, the number of qualified applicants has exceeded the number of spaces available in the program. This year, the demand for Leadership Maine continues to grow, as evidenced by the largest and most competitive applicant pool yet. Each year, 50% of the attendees are women, at least 14 of the state's 16 counties have representation, and no more than 50% of the attendees are business people, with the balance representing various sectors of our economy. Approximately half of the attendees this year received some scholarship assistance in order to meet the diversity criteria.

B. Evaluation responses

- Fully committed to continually updating and improving the program's curriculum, Leadership Maine asks participants to complete evaluation surveys after each session and also at the conclusion of the program and incorporates new aspects to the program each year. Alumni of the program continue to state how valuable the program has been to them and wholly endorse the experience to others. Testimonials from the evaluations of the most recent participants are attached.

C. Active alumni

- This is measured, in part, by the number of alumni who participate each year in activities and the number of alumni who pay their annual dues of \$100 to be active in the Alumni Association (about 85%).

Program Development. In addition to delivering the core program of eleven training days over nine months, Leadership Maine has embarked on three major new initiatives this year all geared toward enabling alumni to be Maine leaders:

- A. A greatly expanded alumni program with regional briefings and workshops on a variety of topics for alumni.
- B. A Washington, D.C. educational program, enabling interested alumni to tour Washington in 1998 to learn the basics of how Congress and the Administration work together, and issues which will be impacting the state over the next decade.
- C. A statewide Leadership Summit will be conducted this September to bring together community leaders in Maine to enhance their skills, networking, and knowledge about the economy.

Leadership Maine Program (cont'd)

Five-year Goals.

- Five hundred Leadership Maine alumni who are actively engaged in leading economic growth in their neighborhoods, communities, regions, and the state.
- Alumni, who are proactive in their search for economic growth opportunities, are in a network in a statewide organization that keeps them current on issues affecting the economy, learning opportunities to enhance their skills, and further their networking opportunities.
- Consistently high quality and numbers of applicants for the 45 slots.

Economic Indicators Program

MDF has taken the lead, statewide, in setting outcome-based performance measures for Maine's economic growth, based on a bold vision for a high quality of life for all Maine residents.

Growth Council.

1. The cornerstone of this program is the Maine Economic Growth Council which was created by the Legislature in 1993 (10 M.R.S.A., Sec. 929A). The Growth Council's purpose is to prepare and maintain a long-range economic plan for the state including a vision, goals, performance measures, and alternative strategies. The Growth Council's legislation and work plan is modeled after the work of several other states.
2. The Growth Council receives an annual state appropriation, which is provided to the state Department of Economic and Community Development. DECD contracts with MDF to carry out the work of the Growth Council. The DECD contract with MDF is required by the legislation. MDF matches the state appropriation with private sector resources to perform the work.
3. The Growth Council is comprised of 19 members who are appointed jointly by the Governor, Senate President, and House Speaker. Members serve for three-year terms. Membership includes labor leaders, business people, educators, government officials, and four legislators. The DECD commissioner serves on the Growth Council by virtue of his position.
4. The Growth Council involved several hundred community and statewide leaders in establishing its vision, refining its goals, and identifying alternative benchmarks. Annually, the Growth Council and MDF communicate with over

5,000 residents, sending them copies of the Growth Council report and

Economic Indicators Program (cont'd)

interacting with them on the web site. Over 100 web site inquiries are made every week. In addition, 150 leaders subscribe to the weekly newsletter, which is also sent to every state legislator and other key government leaders.

5. The annual report of the Growth Council, which is presented to the Governor and Legislature in January of each year, has become a critically important tool for policymakers in assessing economic performance.

Other Economic Indicators Work.

6. MDF has assisted communities and regions in preparing measurable performance standards. MDF also conducts an annual survey to trace progress against benchmarks, and publishes a weekly newsletter providing more detail on each of the Growth Council's benchmarks.
7. The Economic Indicators Program also does specialized research and publishes reports on topics of specific interest. A recent example is a statistical brief on the Education Achievement of Maine Citizens prepared for the Task Force on Higher Education Achievement.

Performance Measures. The Growth Council holds itself accountable for achieving three measurable goals:

- A. Annually publishing a very high quality, objective report on the extent to which our state's economy is achieving the six goals and 57 benchmarks established in 1995.
 - The Growth Council has published three reports, the most recent of which is *Measures of Growth, 1997*. These reports have had widespread distribution (over 3,000 copies sent throughout the state, a web page, and weekly newspaper articles).
- B. The extent to which public and private agencies and organizations throughout the state actually use the goals and benchmarks to assess their performance and plan and implement new programs.
 - Twelve state agencies have already adopted, explicitly, appropriate benchmarks in the Growth Council report for their organization, and are using these outcome-based measures to guide their strategic planning and performance budgeting work.
 - Several local and regional organizations are beginning to use the benchmarks in setting priorities, ranging from the Lewiston Auburn

Economic Growth Council and the Town of Sanford to The Nature Conservancy.

Economic Indicators Program (cont'd)

- C. The extent to which the use of outcome-based performance measures becomes an integral component of economic development and strategic planning at the local, regional, and statewide level in both assessing program performance and guiding future program decisions.
 - The Foundation is assisting regions of the state to use outcome-based measures to guide long-range economic growth, including the Western Mountain region, the greater Portland area, and the greater Waterville area.

Program Development. Over the next year, the Growth Council will seek new ways to increase awareness of and commitment to the benchmarks. Ideas under consideration by the Growth Council include:

- A. Broadening the survey which is conducted each fall, to include several other agencies and organizations. Twelve organizations participated in 1996; we expect 15 to participate in 1997.
- B. Launching a new format for releasing and updating data on each of the goal areas. Under consideration is a series of bi-monthly meetings, with each meeting consisting of a half-day workshop where the goal area is discussed in detail with key stakeholders.
- C. Conducting a statewide workshop and/or regional sessions to provide county-specific analyses of the data for widespread review and adoption of the benchmarks by community leaders and regional officials.

Five-year Goals.

- A. The Growth Council's annual report will be used by every committee of the Legislature and every agency of state government to assess performance and guide future direction.
- B. Twenty-five local and regional organizations will have used the Growth Council's benchmarks to evaluate performance and guide local decisions.
- C. The Growth Council's work will be regarded as of the highest quality, objective, nonpartisan, and very useful.

Policy Leaders Academy Program

In 1996, MDF launched the Policy Leaders Academy. The purpose of the Academy is to educate state legislators about the dynamics of the Maine economy, how business investment decisions are made, and the impact of legislators' actions on economic growth.

The Academy is an outgrowth of an earlier program which the Foundation operated for ten years, the Institute on the Maine Economy. The Academy is an attempt to significantly upgrade and expand the quality and program offerings for legislators.

The Academy is guided by an advisory committee of legislative leaders and employers. The financial support for the program is derived from private sector contributions to MDF which are matched by legislators covering their direct expenses for participating.

Annually, the program conducts economic tours of the state, visiting dozens of businesses to learn first-hand the opportunities for economic growth. The program also conducts workshops in Augusta at the State House on the basics of the economy and industry-specific briefings, to give legislators first-hand information on issues facing entrepreneurs and CEOs.

One of the key results the program seeks to achieve is to build working relationships among legislators and employers.

Performance Measures. The Academy uses several performance measures to assess its effectiveness:

- A. The extent to which legislators, particularly newly elected legislators, participate in learning experiences, and find those learning experiences valuable.
 - In 1997, over 100 legislators participated in Academy functions, and the function-specific evaluations were extremely positive.
- B. The extent to which employers support the program and participate in the education experience for legislators.
 - In 1997, 72 employers hosted legislators at their facilities, briefed legislators at workshops, and partnered with legislators when they shadow them during the session.
 - Employers' evaluations are very positive and their financial commitment has been expressed over the next three years.

An independent evaluation was conducted in 1997 which queried legislators and employers about the value of the program. The evaluation results are very positive and suggest some program refinements. A copy of the evaluation is available to the

committee.

Policy Leaders Academy Program (cont'd)

Program Development. The Academy is strongly supported by legislative leaders and employers in the state, and several ideas have been put forward for expanding the program within the next several years. These ideas will be considered by the advisory committee this fall, and include:

- A. Delivering the program regionally, by conducting county-wide workshops for local legislators, municipal officials, and employers, which focus more narrowly on the economics of the region within the context of the entire state.
- B. Conducting regional workshops around Maine for employers and others to familiarize them with the basics of the legislative process, and coupling this program with more shadowing opportunities of legislators during the session.
- C. More workshops and economic tours themed around specific industry sectors or topics facing the Maine economy, e.g. forest products, information technology, workforce development.

Five-year Goals. The advisory committee has yet to articulate explicit five-year goals for the program. Central, however, to this goal-setting is maintaining the characteristics of the program:

- Educational in nature, providing objective, non-partisan information about the economy.
- Responsive to the demanding needs of legislators who work as citizen legislators in an increasingly complex economy.
- Providing an experiential learning experience for adults so they understand first-hand the impact of their decisions and the consequences of alternative policy directions.

Aspirations Program: Focus on Higher Education Achievement

In 1989, MDF launched an ambitious program to increase the aspirations of Maine youth. Completely financed by the private sector, MDF worked within 30 school districts to test new approaches to help youth, including mentoring with youth, providing experiential learning opportunities for youth at risk, and building community-wide partnerships to increase aspirations and reform education at the K-12 level.

Aspirations Program (cont'd)

Independent evaluations of this program were very positive, and the results are beginning to appear in increased test scores throughout the state.

MDF prepared guide books on how to implement community aspirations programs, and lessons learned from the special project experiences in schools and districts around Maine. Several communities, on their own, have already begun to establish aspirations partnerships using the guide books and training opportunities as starting points.

MDF continues to support aspirations partnerships and special projects in numerous communities, in partnership with leading businesses. For example, MDF continues to assist the L.L. Bean-supported aspirations initiatives in Lewiston, Portland, Freeport, and Brunswick.

The MDF board decided to expand the program scope to deal with the aspirations of youth as they consider post-secondary careers, as well as the aspirations of individuals in our workforce in terms of post-secondary education achievement. Although Maine's high school graduation attainment levels are very high compared to other states, Maine ranks very low in terms of post-secondary achievement among its workforce and the number of high school students who go on to college and graduate from college.

Performance Measures. A Task Force on Higher Education Achievement has been created by MDF, comprised of education leaders and employers. The small task force will identify the specific benchmarks and outcome-based measures to be used to measure success in the future. Measures under consideration are:

- A. Increase the number of high school students who currently say they intend to go to college from the current level of 62% of graduating seniors to 80% by the year 2005.
- B. Increase the number of citizens in Maine with baccalaureate degrees from the current level of 20% of the population over age 25 years old to 25% by the year 2005.
- C. Increase the number of adults who participate in post-secondary education from the current rank of 48th in the country as a percentage of the population to a rank of 25 by the year 2005.

Program Development. The task force has yet to decide what the benchmarks and performance measures should be, or the mechanism for achieving them. It is becoming clear, however, that a statewide employer-education partnership will be necessary to

focus everyone's attention on a bold vision and benchmarks, and a set of focused actions to achieve them over the next several years.

Other MDF Programs

As a private, nonprofit organization, with a membership of over 300, the Foundation is committed to and has the ability to respond quickly to changes in the economy, and requests by the Governor, Legislature, and members for assistance. In addition to its core programs, the Foundation delivers services and programs which meet the specific needs of leaders in the economy. In 1997, these programs include the following:

1. **Blaine House Conference on Small Business.** At the request of the Governor, MDF launched the First Annual Blaine House Conference on Small Business in 1996, which attracted over 1,100 attendees. It was so successful that we followed up in the fall with eight regional conferences, which attracted an additional 1,600 small businesses (only 100 of whom attended the statewide program).

This year, again at the request of the Governor and the DECD commissioner, MDF will conduct the 2nd Annual Blaine House Conference on Small Business in September. We expect over 2,000 businesses and other leaders to attend this conference. Next spring, we will conduct another series of regional conferences for small business people.

In each case, these conferences are conducted in close partnership with numerous state and federal agencies including the Finance Authority of Maine, the Small Business Development Centers, the International Trade Center, the new USM Center for Entrepreneurship and Small Business, DECD, 11 industry associations, and a Small Business advisory committee which the Foundation helps staff.

As these programs receive increasing attention and support from small businesses, MDF will look for new ways to add value to this increasingly important area of Maine's economic future.

MDF raises private resources to pay for the entire cost of designing and conducting these conferences.

2. **Task Force on Intergovernmental Structure.** Again, at the request of the Governor and the State Planning Office director, the Foundation is helping facilitate a Task Force on Intergovernmental Structure which is chaired by the SPO director.

The task force purpose is to seek ways to increase the accountability and efficiency of the intergovernmental structure. A bold recommendation will be moving forward this fall to fundamentally restructure county government and the relationship of municipal, county, and state government.

Other MDF Programs (cont'd)

This task force work grew out of two years of earlier work performed by MDF staff and consultants. MDF's work on this task force is supported by a grant from a private foundation.

3. Manufacturers' Roundtable. The Foundation established the Manufacturers' Roundtable in 1995 to promote the importance of manufacturing to Maine's long-term economic health. The roundtable grew out of the concern that national predictions concerning decline in manufacturing employment might lead policy makers and educators to conclude that manufacturing was not important for Maine's economic future.

The roundtable steering committee is comprised of a group of educators, manufacturers, and policy leaders who are committed to the manufacturing sector's vital role in the Maine economy.

Numerous workshops and two statewide Blaine House Conferences on Manufacturing were conducted to promote the importance of manufacturing.

The roundtable will terminate its operation in 1997, and has shifted responsibility for three important functions to other organizations:

- The Maine Science and Technology Foundation's Manufacturing Extension Partnership will take responsibility for the public education component, including promotion of manufacturing statewide through Maine Manufacturing Week in the spring.
- The Center for Technology Transfer, UMS, MTCS, and other organizations will take responsibility for implementing an internship program, and expanding on the concept of an Academy in manufacturing sponsored by the Governor.
- MDF will continue to take the lead in preparing a directory, hard copy and web site, of school-to-work programs to increase the participation of Maine manufacturers and students in school-to-work initiatives.

The Roundtable is a good example of an initiative started by MDF which served a useful purpose during its two years of existence, but decided that it did not need to continue as a permanent entity because its vital work elements could be performed by existing organizations.

Other MDF Programs (cont'd)

4. **Connections 2000.** The Foundation is committed to accelerating the pace at which Maine businesses, educators, students, and government officials make intelligent use of information technology. To achieve this, the Foundation has conducted conferences and workshops in the past.

Connections 2000 is a long-term initiative to identify, document, celebrate, and transfer "best practices" in information technology in the state by working with associations such as the Maine Hospital Association and the Economic Development Council of Maine. Working through these organizations, MDF helps identify best practices and these individuals/organizations are given an award by the Governor to recognize and celebrate the success. Awardees accept responsibility to provide training and information to colleagues throughout the state over the next year to help transfer the learning and experience. The program is privately funded.

5. **Strategic Planning and Capacity-Building Initiatives.** The Foundation annually works in about a dozen communities, regions, and agencies around the state to build their capacity, and to help with strategic planning. In the last 12 months, these initiatives have included, but have not been limited to, the following:
 - A. Established a county-wide leadership institute in Washington County organized by MDF and led on a permanent basis by the University of Maine at Machias and the Sunrise County Economic Council.
 - B. Facilitated the implementation of economic benchmarks in the City of Sanford, including the involvement of a 50-member advisory committee, the local chamber, school department, and municipal officials.
 - C. Assisted four economic development organizations in the Waterville area set priorities for long-term economic growth.
 - D. Conducted retreats for the Governor's cabinet, chambers of commerce boards of directors, and other organizations.
 - E. Conducted a statewide conference for nonprofit organizations on managing change, in partnership with the Maine Community Foundation and the Maine Association of Nonprofits.

C. ORGANIZATIONAL STRUCTURE

The Maine Development Foundation staff is very small. The Foundation employs a total of 10 staff people -- six program staff and four support staff. The Foundation is able to deliver an extensive program through the use of outside consultants and volunteers/loaned executives.

Every 3-4 years, the Foundation hires an outside consultant to prepare job descriptions, analyze staff functions and classifications, and prepare a compensation survey. A copy of the consultant's report prepared four years ago is available to the committee. The salary ranges are very similar to those of state employees, and the fringe benefits paid MDF employees (about 21%) is substantially lower than those paid to state employees.

The following is a list of staff positions, a brief description of each position, and who holds each position.

1. President/CEO

- This position is responsible to the MDF board of directors for designing, delivering, and evaluating the entire MDF program, including engaging all staff, managing the finances of the Foundation, and delivering all Foundation programs and services.
- Henry Bourgeois has filled this position since 1983.

2. Director of Finance and Administration/Aspirations Program Director

- This position performs two functions. The administration responsibility is to oversee internal operations, supervise and coach the support staff including the bookkeeper, and advise the CEO on internal operations.
- The Aspirations responsibility is to oversee this core program of MDF including identifying new program opportunities, delivering Aspirations services to communities, and designing new initiatives.
- Leanne Greely Bond has been with the Foundation for 12 years, and has been responsible for delivering Aspirations partnerships in 30 school districts the last six years.

3. Director of Program Development

- This position is responsible for designing new initiatives and coordinating membership development for the Foundation.
- The position is currently vacant, but had been filled by Meredith Jones who had been with the Foundation for 16 years.

4. Program Director

- This position is responsible for delivering a major MDF program, including its design, delivery, evaluation, and related fundraising responsibilities. The position usually supervises support staff and others

in carrying out this function, and has wide interaction with program constituents and Foundation members.

- The Foundation has two program directors:
 - A. Kellie Guarino directs the Leadership Maine program; Kellie has been with the Foundation for five years.
 - B. Craig Freshley directs the Economic Indicators program and the Connections 2000 program; Craig has been with the Foundation for two years.

5. Program Officer and Program Associate positions

- These positions are entry- and mid-level program positions at MDF, and take responsibility for delivering special projects, conferences, and member relations.
- Laura Hudson is a program officer who directs the Policy Leaders Academy and the Blaine House Conference on Small Business programs; Laura has been with the Foundation for three years.

6. Program/Administrative Assistant

- These support positions provide numerous administrative and program support functions including interacting with program constituents and Foundation members.
- The Foundation currently has three administrative assistants:
 - A. Lynne Hayes is the bookkeeper / AA, and has been with the Foundation for six years.
 - B. Claire Breton has been with the Foundation for five years.
 - C. Jeanne Mathews has been with the Foundation for six months.
 - D. An AA position is currently vacant.

Flow Chart/Lines of Responsibility

The Foundation's organizational structure is "flat". The program staff work directly for the CEO. The support staff are assigned to program staff on a project-by-project basis. The director of administration supervises the bookkeeper and is the coach for all support staff.

**D. COMPLIANCE WITH FEDERAL AND STATE
SAFETY AND HEALTH LAWS, ADA, ETC.**

The Foundation complies with all federal and state laws, including Affirmative Action, Workers' Compensation, and the Americans with Disabilities Act.

E. FINANCIAL SUMMARY

The Foundation is a private, nonprofit corporation receiving revenue from numerous sources each year including over 300 members, state and private contracts, fees-for-service, and conference registration fees. The finances are audited annually by Schatz, Fletcher & Associates. Copies of these detailed audits are available to the committee.

Attached is a summary of revenues and expenditures for the last ten years taken from these audited statements. The Foundation's fiscal year ends December 31.

F. REGULATORY AGENDA

Does not apply to the Foundation.

G. AGENCY COORDINATION

A hallmark of the Foundation's work is its coordination with existing organizations. Dozens of government, education, and business organizations coordinate with the Foundation every year in delivering the Foundation's programs.

A good example is the upcoming Small Business conference to be held September 10-11 in Augusta. Nine businesses are providing financial support for the conference; 45 local, regional, and statewide development organizations are promoting the conference through articles in their newsletters and mailing out brochures; four small business assistance agencies are organizing and delivering the 14 workshops with ten private consultants; 12 business associations are delivering industry-specific workshops; and over 120 agencies and businesses will be exhibiting during the resource fair. All of the small business assistance organizations are donating their time to design the workshops, as are the 45 economic development organizations who are promoting the conference statewide.

Indeed, the Foundation goes beyond simply coordinating with other organizations, but makes an affirmative commitment to help build the capacity of these organizations through the delivery of retreats and strategy sessions for their boards of directors, promotion of their services through the annual economic development directory, and serving as an information clearinghouse for businesses who need assistance by directing them to other organizations.

H. CONSTITUENCIES SERVED BY THE

MAINE DEVELOPMENT FOUNDATION

The Foundation is not a business advocacy organization, but rather advocates for economic growth. The Foundation believes that the stakeholders who influence and benefit from economic growth should be actively engaged in promoting and guiding that growth. The primary constituents of the Foundation are state and local governments, businesses, educators, and nonprofit organizations.

The Foundation measures and evaluates the success of its events, for example, not by the total number of people who attend, but rather by the diversity of the attendance.

The Foundation's core constituencies -- those individuals who most directly influence the economy and are deeply engaged in Foundation activities, are:

- A. The Governor, state agencies and their top staff, and Maine's 186 legislators.
- B. The Foundation's 300 members who collectively employ 25% of Maine's workers.
- C. Educational administrators, policymakers, and teachers in Maine's 750 schools, and 31 post-secondary educational institutions.
- D. Elected and appointed leadership of Maine municipalities and the nonprofit organizations who have the most impact on economic growth.

I. ALTERNATIVE DELIVERY SYSTEMS

As a catalyst for economic growth, the Foundation constantly seeks new approaches to delivering its services and achieving its mission. We have received national recognition in the last ten years from the Ford Foundation, Harvard University, Jobs For the Future, and the Aspen Institute for innovative approaches that get results. The Foundation's programs and techniques are emulated around the country.

Recently, the approach that has received the most attention is the Economic Growth Council which has been characterized as one of the finest statewide efforts to measure economic progress in the country. The Policy Leaders Academy, which provides experiential learning opportunities to busy legislators, has also received widespread recognition.

I. EMERGING ISSUES

There are numerous, significant issues facing the long-term growth of our state's economy. Two of the issues which the Foundation is paying close attention to are:

A. The increasing disparity of economic opportunity among different regions of our state, among men and women, and children and the elderly.

- This is not a "north-south" issue, but an issue which manifests itself within a county (e.g. Kennebunk and Sanford), within a city, as well as between rural and urban parts of our state.

B. The low post-secondary education attainment level of Maine workers will become an increasing impediment to economic growth as businesses require a workforce that is well-educated, adaptive, and highly skilled.

- This does not necessarily mean that every Maine worker needs a bachelor's degree. It does mean that every Maine worker should be involved in continuous learning to upgrade his/her skills, and that a significant number of Maine workers should be constantly striving to achieve higher levels of education attainment to ensure their marketability and the competitiveness of the economy within which they reside.

This report was prepared by:

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Attachment A: Maine Development Foundation

REVENUE	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Memberships	290,017	240,234	172,459	173,800	177,246	197,455	259,171	247,314	254,826	230,473
State Appropriation	0	0	0	43,221	150,730	166,463	259,170	247,314	254,826	230,473
Contracts	264,553	343,611	260,898	29,522	126,582	105,107	136,763	264,804	363,748	456,136
Grants	117,412	226,093	80,293	48,762	209,467	82,820	50,000	0	0	0
Fees	255,901	182,911	121,678	65,072	37,200	45,866	0	0	0	0
Aspirations/Ed.	0	0	360,079	357,523	230,000	224,950	312,141	370,113	18,021	0
Other	51,831	103,155	57,308	28,070	17,816	15,382	16,533	15,535	10,738	0
Total Revenue	979,714	1,096,004	1,052,715	745,970	949,041	838,043	1,033,778	1,145,080	902,159	917,082
EXPENSES										
Salaries/FB	607,483	544,115	561,308	519,974	431,012	426,063	407,842	394,830	354,826	397,307
Consultants	113,068	152,508	143,900	51,565	207,529	159,197	75,479	82,382	78,601	245,910
Program Costs	247,079	272,170	162,464	77,826	197,927	119,645	367,259	547,313	211,625	140,583
Other Expenses	175,526	167,040	164,942	109,629	130,528	124,425	128,710	128,452	236,851	126,144
Total Expenses	1,143,156	1,135,833	1,032,614	758,994	966,996	829,330	979,290	1,152,977	881,903	909,944

Notes

1. Information is for calendar year; taken from audited statements.
2. Administrative costs average 15-18%, well below the standard for this size organization.
3. Audits are not prepared by program category but by function.
4. Program costs are direct "out of pocket" expenses, and exclude personnel and consultant expenses, most of which are program-related.