

# MAINE STATE LEGISLATURE

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# MAINE DEVELOPMENT FOUNDATION

## **Program Evaluation Report to the Legislature's Joint Standing Committee on Business & Economic Development**

*MDF is a unique, non-profit corporation whose mission is to drive sustainable, long-term economic growth for Maine. MDF is a catalyst that moves **ideas** into **action**.*

**November 1, 2005**

# **MAINE DEVELOPMENT FOUNDATION**

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## **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 eight staff and makes extensive use of volunteers and consultants to keep its overhead low.

The Foundation does not receive a direct state appropriation.

### **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. This section of the report provides a description of all the Foundation's programs (past and present), special projects and reports. Many of the more recent reports mentioned can be found on our website at [www.mdf.org](http://www.mdf.org).

### **PROGRAM HISTORY**

The Foundation has gone through three major programmatic and organizational transitions in the last 27 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 sparsely populated rural state, the Foundation Board felt that the infrastructure supporting economic development in Maine 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*

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.

Three core strategies characterize our mission statement:

- Empower Leaders
- Strengthen Communities
- Guide Public Policy

During this period only one program was spun off and continues through the University of Maine: *Maine School Leadership Network*.

In addition, during this time period, the Foundation conducted numerous studies for the state, including the Blue Ribbon Commission on Health Care and Performance Benchmarks for Health Care entitled, "How Well Is It Working?"

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 35 - 45 senior managers in business, government, education, health care, and the nonprofit sector each year. 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.

### **A. Number/quality of applicants**

Over the past 12 years the number of qualified applicants has consistently 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. In the current class, 50% of the attendees are women, 13 of the state's 16 counties have representation, and 50% of the attendees are business people, with the balance representing various sectors of our economy. Approximately one-third of the attendees this year received some scholarship assistance in order to meet the diversity criteria.



*Members of the 2005-2006 Nu Class of Leadership Maine*

### **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.

### **C. Active alumni**

The Leadership Maine program is advised by a group of 20 alumni representing all sectors and regions of Maine. There are more than 480 alumni and all of the 12 classes

that have completed the program are engaged in recruitment efforts. Alumni are also engaged in each session of the program as presenters and sponsors. The synergy created from these efforts has contributed to a stronger program each year.

### **Five-year Goals**

- Six 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, and provides learning opportunities to enhance their skills and further their networking opportunities.
- Consistent high quality and numbers of applicants for the 45 slots.



*Opening Retreat 2005 at LL Bean Center, Newry*

### **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.

### **Maine Economic Growth Council**

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.

The Growth Council receives an annual state appropriation, which is provided by 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.

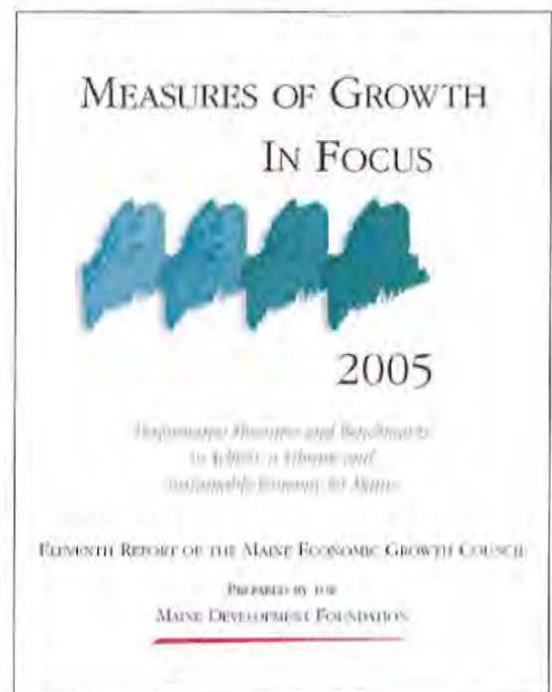
The Growth Council is comprised of 19 members who are appointed jointly by the Governor, Senate President, and House Speaker. Members serve for three-year terms. Membership includes labor leaders, business people, educators, government officials, and four legislators (one Democrat and one Republican from each Chamber). The DECD commissioner serves on the Growth Council by virtue of his position.

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 copies of the Growth Council report and interacting with them on the web site.

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 and is one of the most widely respected documents used by business, government, education, and nonprofit leaders across the state.

### **Performance Measures**

The Growth Council holds itself accountable for annually publishing a very high quality, objective report that benchmarks and tracks progress on the extent to which our state's economy is moving towards a vibrant and sustainable economy, vital communities and a healthy environment. The Growth Council has published eleven reports, the most recent of which is *Measures of Growth in Focus 2005*. These reports have had widespread distribution (3,000 – 5,000 copies sent throughout the state and a web page).





## **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. Launching an education/awareness campaign through a series of articles, web postings, and workshops with key stakeholders.
- B. 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**

- 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.
- The Growth Council's work will be regarded as the highest quality, objective, nonpartisan, very useful, and will be widely quoted or referenced in the press and in public hearings.
- The Growth Council will expand the depth and breadth of its analysis, perhaps through companion reports, providing decision makers with a more comprehensive assessment of economic, community and environmental health.
- The Growth Council will engage stakeholders across Maine in the development of a long-range economic development plan for Maine.

## **Other Economic Indicators Work**

Over the years, MDF has assisted communities and regions in preparing measurable performance standards and has conducted annual surveys to trace progress against benchmarks.

The Economic Indicators Program has also done specialized research and has published reports on topics of specific interest. Examples include:

- A statistical brief on the Education Achievement of Maine Citizens, prepared for the Task Force on Higher Education Achievement,
- Maine's Transportation System, Status and Trend Indicators of Economic Growth and Quality of Life, October 1999,
- How Well is it Working? A Vision, Goals and Performance Indicators for Maine's Health Care System, February 2003,
- Natural Resource-Based Industries 2004 Indicators of Health Report

## 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's curriculum development is guided by legislative leaders, University and Community College representatives, and employers. The financial support for the program is derived from private sector contributions to MDF. Legislators cover their direct expenses for participating.

The program conducts bi-annual economic tours of the state, visiting dozens of businesses to learn first-hand the opportunities for economic growth. The program also conducts forums on the basics of the economy and industry-specific briefings, to give legislators first-hand information on issues facing entrepreneurs, large businesses, nonprofits, health care providers, government, and education.



*Legislators' tour of Hancock Lumber, 2005*

### 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 both 2003 and 2005, over 100 legislators participated in Academy functions, and the function-specific evaluations were extremely positive.
- B. The extent to which the private sector supports the program and participates in the education experience for legislators.
- In 2003 employers hosted legislators at their facilities, briefed legislators at workshops, and shadowed legislators during the legislative sessions.
  - In 2005, employers in several regions of the state hosted legislators as they participated in two, 3-day economic tours.

### **Program Development**

The Academy is 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 are currently being considered, and include:

- A. Quarterly forums to address “hot topics” that legislators are being asked to consider.
- B. Economic tours themed around specific industry sectors or topics facing the Maine economy, e.g. natural resources, the knowledge economy, workforce development.
- C. Job Shadowing of Legislators and Maine CEOs.
- D. Mini economic bus tours for legislative committees.
- E. Informal breakfast issue discussions at the State House.



*Legislators tour BIW, 2005*

## Five-year Goals

To continue to provide the following:

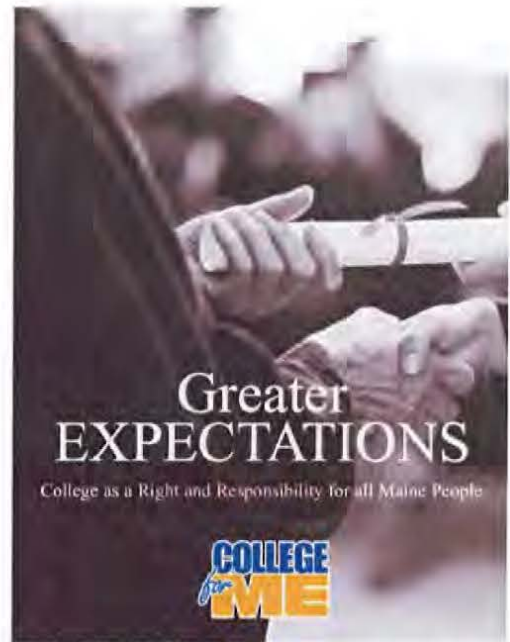
- Objective, non-partisan information about the economy to all legislators and their staff.
- Responsiveness to the demanding needs of legislators who work as citizen legislators in an increasingly complex economy.
- An experiential learning experience to assist them in understanding first hand the impact of their decisions and the consequences of alternative policy directions.
- A clear demonstration that the learnings inform and affect policy discussions.

## MAINE COMPACT FOR HIGHER EDUCATION

In August, 2002, the MDF, in partnership with the Maine Community Foundation (MCF) sponsored a Maine Higher Education Symposium to examine issues influencing higher education attainment. 130 of the state's education, business, government and community leaders discussed ways to increase higher education preparation, persistence and attainment. In their enthusiasm and commitment to action, the attendees urged the MCF and MDF to work jointly to create a coalition of some type to advance this agenda. In the next six months, MCF and MDF created the Maine Compact for Higher Education (Compact).

From April, 2003 to April, 2004, the Compact met eight times to prepare its higher education action plan entitled *Greater Expectations*. The Compact also organized a communications program, developed a brand (*CollegeforME*), and launched a web site. One year from the launch of the Compact, its report was presented to the Governor and legislative leaders.

From May, 2004 to September, 2005, the Compact moved from planning to implementation. The Compact recruited a new chair and twelve new members to fill anticipated vacancies, and engaged its first full time executive director. The MCF secured private sector commitments to implement four of the five strategies: the Campaign, College Transition, Employer Initiative and Early College. During this period, the Compact: helped Androscoggin County leaders organize a campaign to increase attainment; supported 15 education stakeholders to leverage their marketing efforts by agreeing on a consistent and compelling message; conducted a major statewide Higher Education Symposium; launched the Employer Initiative; and published the final draft of the Indicators Report.



Through December 2005, the Compact will transition from a program of MDF and MCF to an independent, non-profit corporation. It will streamline its decision-making with an executive committee, and elect fifteen new members to its board of directors. In addition the Compact will sharpen its focus on the campaign and public policy initiatives. Modest funding is committed from twelve foundations and businesses, through MCF, for the next thirty months to support a lean staff and consultants to coordinate and deliver the program.

For the next two years, the Compact will be guided by the following vision, mission, goal and strategies:

- The Compact's vision is that a college education is a right and responsibility of all Maine people. Its mission is to champion higher education achievement by: providing a consistent and unified voice that promotes the vision; changing the attitudes and values of Maine people regarding higher education; implementing the action strategies; and promoting innovation, best practice, and accountability for results.
- The Compact's goal – how we will evaluate our progress -- is that Maine people will be among the best educated in America. Today, only 37% of Maine's working age adults have an associate's, bachelors, or graduate degree – compared with 45% for New England. Our aim is to match the New England percentage within 15 years – this will require an additional 40,000 new college degree holders above projections by 2020.
- The Compact's Strategies to achieve the goal are:
  1. **Maine's Promise Scholarship Program** to ensure that no Maine student is denied a college education for financial reasons.
  2. **Maine Early College Efforts** to encourage students to continue their education beyond high school.
  3. Maine College Transition program to help adults earn degrees.
  4. **College for ME Employer Program** to help employers support the education of their workforce.
  5. **College for ME Campaign** to change public beliefs and behaviors about higher education.

### MAINE DOWNTOWN CENTER

The Maine Downtown Center was created in 1999 by the Legislature (1999, c.776 § 3) to encourage downtown revitalization throughout the state. The purpose of the Center is to advocate for downtown revitalization, to promote awareness about the importance of vibrant downtowns, to serve as a clearinghouse for information related to downtown revitalization, and to provide technical assistance to communities that have demonstrated a willingness and ability to revitalize their downtown districts. The Center has been a core program of the Maine Development Foundation since its inception.

**Program Goals:**

- ❖ **To serve as a clearinghouse for information related to Downtown Revitalization;**
- ❖ **To provide technical assistance on downtown revitalization;**
- ❖ **To advocate and promote awareness for downtown revitalization.**

***Objective 1: Resource Library***

We maintain a Resource Library of publications, presentations, and other materials available to the general public. Information can be requested from the Program Director, or individuals can visit the library in person and search for information. We also provide an on-line resource directory, which includes links to organizations, state agencies, publications, and other resources related to downtown revitalization.



***Downtown Gardiner***

***Objective 2: Annual Conference***

Each year, the Maine Downtown Center hosts an annual conference which draws 200-300 people from around the state to learn about strategies and theories related to downtown revitalization. The conference is supported through sponsorships from private corporations and foundations, and through state agency support. As part of our conference, we present annual Downtown Achievement awards to recognize excellence in downtown revitalization across the state.



*Ave Vinick of Waterville,  
2005 Downtown Leadership Awardee*

***Objective 3: Main Street Maine Program***

In 2001, the Maine Downtown Center adopted the Main Street model for downtown revitalization. “Main Street” is an economic development model created specifically for traditional commercial downtown revitalization by the National Trust for Historic Preservation in 1980. This model is both comprehensive and incremental in approach, and stresses the creation of public/private partnerships to achieve long-term, meaningful changes in downtowns. Communities are selected for the program based on a competitive application process. In 2001 Saco, Bath, Gardiner and Waterville were selected; in 2002, Norway and Eastport; and in 2005, Skowhegan and Van Buren.

***Objective 4: Outreach***

The Program Director frequently gives presentations to communities across the state that are interested in downtown revitalization. Communities benefiting from this service include Biddeford, Saco, Naples, Norway, Bethel, Farmington, Gardiner, Waterville, Bath, Brunswick, Rockland, Belfast, Skowhegan, Van Buren, Caribou, Presque Isle, Waterville, Stonington, and Eastport.



*Downtown Farmington Business Group*

***Objective 5: Identify barriers to downtown revitalization and offer solutions***

In May 2003, Governor Baldacci issued Executive Order 16 FY04/05, requesting that the Maine Downtown Center and the Maine State Planning Office research and report on barriers to downtown revitalization in the state, and make recommendations as to what both the state and local municipalities can do to increase downtown investment. Taking the lead on this project, the Maine Downtown Center solicited input from the public via our website and our email contact list, as well as holding two public input sessions in Portland and Bangor. The resulting report, issued in the fall of 2004, will be used as both an advocacy and awareness tool as we work to address the issues that the report raised. This report, entitled “Revitalizing Maine’s Downtowns”, can be accessed through our website at [www.mdf.org/downtown](http://www.mdf.org/downtown) .



*Downtown Thomaston, Sidewalk Project*

***Objective 6: Strengthen local downtown revitalization programs***

With the growth of the Main Street Maine program, we saw a need for a forum that would not only provide local Main Street communities with a way to network and learn from each other, but also to identify and work on common issues. In the summer of 2005, we launched the Maine



Council of Main Streets initiative to promote this objective. Its initial work will focus on the effort to streamline the state building and fire codes.

### **Assessment**

The Maine Downtown Center has met, and continues to meet, its stated goals and objectives. Additionally, our programming has resulted in significant economic gains for Maine's downtowns. Since 2001, our Main Street Maine communities have reported:

- ❖ Over \$19 million in new downtown investments;
- ❖ 223 net new downtown jobs
- ❖ 53 net new downtown businesses
- ❖ Over 57,000 volunteer hours

In 2005, we were able to expand our Main Street programming to two new communities, Skowhegan and Van Buren, through grants from the Betterment Fund and the USDA Rural Community Development Initiative program. We plan to name at least one more new community in 2006 through a competitive application process.

Our challenge continues to be raising money for the program, for both operations as well as direct technical support to communities requesting our services. We have begun seeking more private funds, both foundation and corporate, to support our programming.



*The Irish Ewe, Downtown Norway  
Opened 2005*

### **Structure**

The Maine Downtown Center is currently staffed by a part-time program director and part-time support person. A 20-member Advisory Board, representing a variety of sectors and geographical interests, provides program advice as well as technical assistance to our Main Street Maine communities.

## OTHER MDF PROGRAMS AND CONTRACTS

### Capital Riverfront Improvement District



The Capital Riverfront Improvement District (CRID) is a unique partnership between the city of Augusta and the state of Maine to revitalize Augusta's riverfront district. This partnership formed in 1999 after the removal of the Edwards Mill dam on the Kennebec River ushered in new opportunities for the redevelopment of Maine's capital city.

In February 2005, CRID contracted with MDF for staffing services. MDF provides part-time program and administrative support to the group. Currently, CRID is focused on two key projects: the development of the former Edwards Mill site as a public recreational facility, and the redevelopment of the historic Augusta Arsenal property, planned as a mixed-use facility with housing, retail, and office space.



*Downtown Augusta*

### Regionalization Services

The Foundation administers the Fund for the Efficient Delivery of Local and Regional Services, on behalf of the Department of Administrative and Financial Services. The Fund was created to encourage and support cooperation amongst municipalities and intergovernmental organizations. Projects funded by the state will need to demonstrate significant savings in the cost of delivering local and regional government services and to serve as models from which other Maine communities may learn and follow. Twenty-six grants, totaling \$1 million, were awarded in 2005.

### REALIZE!Maine

REALIZE!Maine is created by, for and of Mainers ages 20-34 to serve as a catalyst, a collaborative, and a convener of Maine's young people with a stake in our common future. REALIZE!Maine was launched by Governor John Baldacci and began with a statewide summit on youth migration issues held in June 2004 with over 200 Mainers under age 35. REALIZE!Maine became a program of the Maine Development Foundation in summer 2005.



*Young professionals socialize at networking event in Bangor*

The vision of this program is that Maine will be the best place in America for young people under the age of 35 to live, work, thrive, and prosper. The following are the goals of REALIZE!Maine:

- Maine will attract and retain a greater proportion of people under age 35.
- Maine's economy will be more prosperous.
- Maine's communities will be more vibrant.
- Maine's population will be more highly skilled and more diverse.

## Maine Workforce Development System Mapping Project

The Maine Workforce Development System Mapping Project was launched in 2005 by MDF at the behest of Governor Baldacci's Workforce Cabinet. Its goal is to provide policymakers and the public with a clear picture of where Maine's workforce development resources are being expended, and enable policymakers to make better decisions about issues related to the workforce system.

A workforce development system map is a visual explanation and analysis of the workforce development system in a given state or area. The Maine mapping project will delineate Maine's workforce development system in a clear, informative, and striking manner similar to Florida's map (shown below).



The final product is composed of two major pieces: a four page flow-chart 'map' and a four page written report, each of which serves a separate but complementary function.

The map is an information-packed image of the publicly funded workforce development system here in Maine. A very effective and easily understood piece, in a glance the reader sees what programs for workforce development are available in Maine, who's making them available and how, the amount of public funding agencies are receiving, and who the various programs and services are helping.

The written portion of the project is a non-partisan explanation of what the data means and is achieved by a combination of short written sections and visual pieces such as pie charts, which aid in the qualification of the data. The second major portion of the written piece consists of non-partisan policy recommendations for how to improve the workforce system to be more efficient and effective and to better serve the public.

The map will be disseminated to policymakers and the public in early 2006, following a public announcement on the project made by the Governor.

### **College for ME Employer Initiative**

The Employer Initiative is a joint program of MDF and the Maine Compact for Higher Education. Its purpose is to provide Maine's public and private employers with technical assistance, training and statewide recognition for forward-looking workforce education policies. Specifically, The Employer Initiative will encourage and support employers by:

- Disseminating information about best practices
- Providing training and technical assistance, such as:
  - Audits of existing practices
  - Setting five-year goals
  - Increasing participation in existing programs
- Advocating a state tax credit for 50% of tuition assistance costs

The Employer Initiative will be launched in late 2005 and is expected to be announced publicly in mid-2006.

### **C. ORGANIZATIONAL STRUCTURE**

The Maine Development Foundation delivers high quality programs. The Foundation employs a total of eight staff people – five program staff and three support staff. The Foundation engages the services of outside consultants as the need arises.

Every three to four 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, although our fringe benefits are not as robust.

The following is a list of MDF staff, their positions and responsibilities:

#### **President/CEO**

- The CEO is responsible to the MDF board of directors. This position includes design, implementation and evaluation of all MDF programs and finances, and management of all staff. It also includes wide interaction and relationship building with Foundation members and constituents.
- Laurie Lachance has been in this position since October of 2004. Prior to her appointment, She served as Maine's State Economist from 1993-2004 and Central Maine Power's Corporate Economist before that.

### **Senior Program Officer**

- This position is responsible for designing new initiatives and coordinating membership development for the Foundation. This position also includes the delivery of 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.
- This position currently also includes program direction for Leadership Maine and Policy Leaders Academy.
- Cheryl Miller has held this position since October 2004 and has been with the Foundation for five years.

### **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 three program directors:

- Henry Bourgeois directs the Maine Compact for Higher Education. Henry has been with the Foundation for 22 years.
- Lori Allen directs the Maine Downtown Center and the Capital Riverfront Improvement District program. Lori has been with the Foundation for one and a half years.
- Kevin Thurston directs the Economic Indicators Program, the Workforce Development System Mapping Project, REALIZE!Maine and the Employer Initiative for the Compact for Higher Education. Kevin joined the Foundation this summer.

### **Finance Manager**

- This administration position is responsible for internal operations and advises the CEO on financial status, generates financial reports, and oversees internal operations.
- Margo Beland has had this position for three years.

### **Program/Administrative Assistant**

- These support positions provide numerous administrative and program support functions including management of all web and database systems and interacting with program constituents and Foundation members.

The Foundation currently has two administrative assistants:

- Dianne Heino has been with the Foundation for seven years.
- Amanda Roggio has been with the Foundation for two years.

#### **Flow Chart/Lines of Responsibility**

The Foundation's organizational structure is "flat". The program staff works directly for the CEO. The support staff are assigned to program staff on a project-by-project basis. The finance manager reports to the CEO and is the coach for the 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 Baker Newman & Noyes. 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.

Some examples include:

Maine Downtown Center: Works regularly with the Department of Economic and Community Development, the State Planning Office, and the Department of Transportation.

Policy Leaders Academy: Done in partnership with the Muskie School of Public Service, the Margaret Chase Smith Policy Center, and the Legislative Council.

Leadership Maine: Works annually with the University System and the Community College System as well as with Legislative Leadership.

Compact for Higher Education: Partners with the Department of Education, the University System, the Community College System, the Mitchell Institute, and the Maine Coalition for Excellence in Education.

Maine Economic Growth Council: Meets with representatives from the Department of Economic and Community Development, the Department of Labor, the State Planning Office, the Department of Administrative and Financial Services, and the Maine State Housing Authority and seeks input from several other Departments including Environmental Protection, Transportation, and Conservation.

In virtually every program area, private companies and nonprofits are included in program planning and delivery.

## **H. CONSTITUENCIES SERVED**

The Maine Development Foundation was created in statute to serve as an economic development partner with the State of Maine, Executive and Legislative Branches, and to convene business, government, education, economic development, and nonprofit entities to develop long-term, sustainable economic development strategies and programs for Maine. Throughout its 27 year history, MDF has always sought to engage multi-stakeholder groups from across all sectors of the economy.

## **I. ALTERNATIVE DELIVERY SYSTEMS**

Does not apply to the Foundation.

## **J. EMERGING ISSUES**

### **Emerging issues facing MDF:**

As with any nonprofit, the major issue continues to be sustainable sources of funding. In our 27 year history, the numbers of nonprofit entities seeking funding has grown exponentially. In addition, while MDF was originally created in statute to serve as a partner with State Government and State appropriations were originally 50% of all revenues, pressures on the State have led to significant cuts in State support. The direct appropriation was eliminated over a decade ago. Recent pressures on State monies have resulted in a dwindling contribution towards



support of the Growth Council with an additional \$10,000 annual cut in the current biennium. This has limited the amount of research that can be done in developing new indicators of health and of education and outreach on these important trends. While private funding could be sought, we have been reluctant to do so as we would not want the objectivity of this widely-used report to be questioned. Downtown Center funding has also diminished through the years making it difficult to ensure that the appropriate level of technical expertise is available to support Maine communities as they work towards enhancing and re-developing their downtowns as a major economic development strategy. MDF is aggressively seeking foundation, fee for service and membership support to sustain these critically important programs.

Emerging Issues facing the state of Maine:

There are a number of economic and demographic changes that are placing pressure on Maine's institutions, systems, communities, environment and economy. In order to be an effective partner in long-term economic development, MDF must develop and maintain a core set of programs that enable Maine to fully capitalize on the opportunities that these changes present and to prepare and plan for the challenges that these forces bring. The major opportunities/challenges facing the state include:

- Increasing the level of post-secondary degree attainment in all working-age adults, lifting every workforce member to their greatest potential.
- Preparing our healthcare, transportation, housing, workforce, and fiscal systems for the aging of Maine's population. By 2025, one out of every five Mainers will be over the age of 65.
- Positioning Maine to fully participate in the global economy, focusing on increase trade, productivity and enhancing our competitive advantages.
- Fully investing in Maine's innovative capacity through interactive strategic R&D investment; networking key stakeholders; upgrading post-secondary, masters, and graduate opportunities; and building solid science and technology support.

**K. OTHER INFORMATION REQUESTED BY THE COMMITTEE**

The Maine Development Foundation would be happy to answer your information requests.

**L. RELATED FEDERAL LAWS AND REGULATIONS**

Does not apply to the Foundation.

**M. FAIR INFORMATION PRACTICE PRINCIPLES**

The Foundation's personnel policies include provisions for collecting, managing, and using personal information over the internet. An excerpt from the Foundation's personnel policy reads as follows, "Information and statements made via electronic communications systems should be

consistent with the Foundation's values, beliefs, mission, and/or programs. Employees should safeguard against any communication which may damage an individual's or the Foundation's reputation, or hold a person up to ridicule, scorn, or contempt. Every e-mail should be treated as though it was going to also be read by people other than the intended receiver". Copies of the Foundation's personnel policies are available to the committee.

An evaluation of the Foundation's adherence to the Fair Information Practice Principles has not been performed.

#### **N. FILING REQUIREMENTS WITH THE AGENCY BY THE PUBLIC**

Does not apply to the Foundation.

This report was prepared by:

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# Attachment A: Maine Development Foundation

## Title 10, Chapter 107: MAINE DEVELOPMENT FOUNDATION

### §915. Legislative findings and intent

The State of Maine has long had serious conditions of unemployment, underemployment, low per capital income and resource underutilization which cause substantial hardships to many individuals and families, impede the economic and physical development of various regions of the State, and adversely affect the general welfare and prosperity of the State.

There is a need to establish a new basis for a creative partnership of the private and public sectors for economic development, a partnership which can capitalize on the interests, resources and efforts of each sector, but which does not compromise the public interest or the profit motive. The state's solitary burden to provide for development should lessen through involving the private sector in a leadership role.

### §916. Establishment

The Maine Development Foundation is hereby established to foster, support and assist economic growth and revitalization in Maine. The foundation shall carry out its purposes in complement to and in coordination with the economic development activities of the private sector, community and regional agencies and State Government.

The foundation shall exist as a not-for-profit corporation with a public purpose, and the exercise by the foundation of the powers conferred by this chapter shall be deemed and held to be an essential governmental function.

### §917-A. Purpose

The Maine Development Foundation shall foster, assist and participate in efforts for economic growth and revitalization, in coordination with existing state, regional and local agencies, such efforts to include, but not be limited to, providing for or stimulating the following provisions.

**1. Public, private partnerships.** The Maine Development Foundation shall strive to:

- A. Bridge the gap in knowledge and communications between the public and private sectors;
- B. Build the leadership capacity of public and private sector persons and the institutional capacity of agencies to accomplish economic development; and
- C. Expand the traditional business and government partnership to include other significant sectors of the economy.

**2. Economic analysis.** The Maine Development Foundation may:

- A. Develop and propose new ideas and recommend changes to State Government and others for the growth and development of the State's economy, including development strategies and economic development programs to best meet the economic needs, problems and conditions of the State;
- B. Analyze opportunities to improve the marketing of Maine products and the development of new markets, especially foreign; and
- C. Analyze opportunities to promote business investment in the State.

**3. Economic education.** The Maine Development Foundation may provide Legislators, officials of State Government, business people, municipal officials, development professionals and others with an educational program on the Maine economy, including training, information and experiential learning on the Maine economy, business investment, government operations and the relationship between public policy decisions and business investment, with the goal of strengthening public and private partnership to accomplish economic development.

**4. Economic opportunities.** The Maine Development Foundation may:

- A. Identify and develop specific economic opportunities in the State; and
- B. Design, coordinate and implement, when necessary, development projects of a statewide or broad regional significance.

**5. Good climate for economic development.** The Maine Development Foundation shall strive to promote an improved climate for economic development in the State through judicious use of the public and private nature of the foundation to provide objective analysis and develop broad consensus on issues of significance to the economic health of the State, provided that the promotion does not require the foundation to register as a lobbyist employer pursuant to Title 3, chapter 15, and further provided that the foundation does not advocate to the general public a position on a question as defined in Title 21-A, section 1, subsection 35.

## §918. Corporators

Corporators, who shall elect members of the board of directors as provided in section 919, shall consist of individuals and organizations classified as private sector corporators, public sector corporators and ex officio corporators.

**1. Private sector corporators.** Private sector corporators are those individuals, partnerships, firms, corporations and other organizations providing support annually to the foundation at a level determined by the board of directors.

**2. Public sector corporators.** Public sector corporators are those agencies of government and other organizations providing support annually to the foundation, at a level determined by the board of directors. For the purposes of this chapter, public sector corporators include: municipal and county government; councils of government; local and area development corporations; regional planning commissions; development districts; state agencies; higher educational facilities, including the components of the state university system, the Maine Maritime Academy, private colleges and postsecondary schools, and community colleges; and such other public or quasi-public entities as may be approved by the directors of the foundation.

**3. Ex officio corporators.** Ex officio corporators consist of the heads of the major state departments and agencies and the Chancellor of the University of Maine System. State department and agency heads include the following:

Treasurer of State;

Director of the State Planning Office;

Commissioner of Economic and Community Development;

Commissioner of Agriculture, Food and Rural Resources;

Commissioner of Professional and Financial Regulation;

Commissioner of Conservation;

Commissioner of Education;

Commissioner of Environmental Protection;

Commissioner of Administrative and Financial Services;

Commissioner of Human Services;

Commissioner of Inland Fisheries and Wildlife;

Commissioner of Labor;

Commissioner of Marine Resources;

Commissioner of Behavioral and Departmental Services;

Commissioner of Transportation;

Chief Executive Officer of the Finance Authority of Maine;

Executive Director of the Maine Municipal Bond Bank; and

Executive Director of the Maine State Housing Authority.

**4. Voting rights.** Each corporator shall have a vote in such affairs of the foundation as may involve the corporators, provided that, in the case where the corporator is an organization and not an individual, the governing body of that organization shall designate the individual who is to exercise the voting right.

## §919. Board of directors; officers

The Board of Directors of the Maine Development Foundation, referred to in this chapter as the "board of directors," consists of a minimum of 15 directors elected or appointed to serve in that capacity in accordance with this section. The board of directors shall annually determine the number of directors for the succeeding year. The corporators shall elect 1/2 of the elected directors from among the private sector corporators and 1/2 of the elected directors from among the public sector corporators. The Governor shall appoint 2 directors from among the ex officio corporators. Except for the president of the Maine Development Foundation, a person may not serve as a director for more than 5 years in succession. The corporators shall elect a chair, a vice-chair and a treasurer from among the board of directors. The board of directors shall appoint a president of the Maine Development Foundation. The president may not be appointed from among the other directors. Upon appointment, the president becomes a director and the chief executive officer of the Maine Development Foundation.

## §920. General powers

The Maine Development Foundation is empowered to:

1. **Suit.** Sue or be sued in its own name;
2. **Application for and receipt of funds.** Apply for and receive funds from any private source or governmental entity, whether by way of grant, donation or loan or any other manner;
3. **Economic development services; fees.** Provide services to public or private entities to assist their efforts in economic development in Maine and to charge such fees for these services as it may deem appropriate;
4. **Real and personal property.** Purchase, receive, hold, lease or acquire by foreclosure, and operate, manage, license and sell, convey, transfer, grant or lease real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including, but not restricted to, any real or personal property acquired by the foundation from time to time in the satisfaction of debts or enforcement of obligations;
5. **Expenditures and obligations regarding real and personal property.** Make all expenditures and incur any obligations reasonably required in the exercise of sound business principles to secure possession of, preserve, maintain, insure and improve real and personal property or interests therein acquired by the foundation;
6. **Securities.** Acquire, subscribe for, own, hold, sell, assign, transfer, mortgage or pledge the stock, shares, bonds, debentures, notes or other securities and evidences of interest in or indebtedness of any person, firm, corporation, joint stock company, partnership, association or trust, and, while the owner or holder thereof, exercise all the rights, powers and privileges of ownership, including the right to vote thereon;
7. **Encumbrance of property.** Mortgage, pledge or otherwise encumber any property right or thing of value acquired pursuant to the powers contained in subsections 4, 5 or 6 as security for the payment of any part of the purchase price thereof;
8. **Equity investments and loans.** Make direct equity investments in or loans to local and regional economic development corporations and to small and medium size businesses;
9. **Contracts and liabilities.** Make contracts, including contracts for services and incur liabilities for any of the purposes authorized therein;
10. **Debt.** Borrow money for any of the purposes authorized herein; incur debt, including the power to issue therefor its bonds, debentures, notes or other evidences of indebtedness, whether secured or unsecured; and secure the same by mortgage, pledge, deed of trust or other lien on its property, rights and privileges of every kind and nature, or any part thereof, or interest therein;
11. **Cooperation with agencies and organizations.** Cooperate with and avail itself of the services of governmental agencies and the University of Maine System; and cooperate and assist and otherwise encourage organizations, local or regional, private or public, in the various communities of the State in the promotion, assistance and development of the business prosperity and economic welfare of such communities and the State; and
12. **Bylaws.** Adopt bylaws not inconsistent herewith for the governance of its affairs, to have the general powers accorded corporations under Title 13-C, section 302, and do all other things necessary or convenient to carry out the lawful purposes of the foundation.

## §921. Limitation of powers

The foundation, notwithstanding the foregoing, shall have no power or authority to enter into contracts, obligations or commitments of any kind on behalf of the State or any of its agencies, nor shall it have the power of eminent domain or any other power not provided to business corporations generally. Bonds, notes and other evidences of indebtedness of the foundation shall not in any way be a debt or liability of the State or constitute a pledge of the faith and credit of the State.

## §922. Liability of officers, directors

All officers, directors, employees and other agents of the foundation entrusted with the custody of the securities of or authorized to disburse the funds of the foundation shall be bonded, either by a blanket bond or by individual bonds, with a surety bond or bonds with a minimum limitation of \$100,000 coverage for each person covered thereby, conditioned upon the faithful performance of their duties, the premiums for which shall be paid out of the assets of the foundation.

## §923. Prohibited interests of officers, directors and employees

No officer, director or employee of the foundation or their spouses or dependent children shall receive any direct personal benefit from the activities of the foundation in assisting any private entity. This provision shall not prohibit corporations or other entities with which an officer or director is associated by reason of ownership or employment from participating in economic development activities

with the foundation, provided that such ownership or employment is made known to the board, and the officer or director abstains from voting on matters relating to such participation. This prohibition does not extend to incorporators who are not officers or directors of the foundation.

#### **§924. Donations to the State**

The State of Maine, through the Governor, may accept donations, bequests, devises, grants or other interests of any nature on behalf of the foundation and transfer such funds, property or other interests to the foundation.

#### **§925. Annual report, audit**

The foundation shall provide an annual report and an independent audit of its activities to the Governor, the Legislature, its incorporators and members. The foundation shall be subject to such further audit and review as deemed necessary by the Governor or the Legislative Council at the expense of the State.

#### **§926. General conditions; dissolution**

The Maine Development Foundation shall operate as a not-for-profit organization consistent with its composition and broad public purposes. The following conditions shall apply to the operation or dissolution of the foundation.

**1. Net earnings of the foundation.** No part of the net earnings of the foundation shall inure to the benefit of any incorporator, officer, director or employee except that the foundation shall be authorized and empowered to pay reasonable compensation for services rendered, and otherwise hold, manage and dispose of its property in furtherance of the purposes of the foundation.

**2. Dissolution of foundation.** Upon dissolution of the foundation, the incorporators shall, after paying or making provision for the payment of all liabilities of the foundation, cause all of the remaining assets of the foundation to be transferred to the State.

#### **§927. Liberal construction**

This chapter shall be construed liberally to effect the interest and purposes of the foundation for an improved economic development effort in the State and shall be broadly interpreted to effect such intent and purposes and not as a limitation of powers.

#### **§928. Initial organization**

In order to provide for the initial organization of the foundation, the Governor shall appoint an organizing committee of 14 persons, 7 of whom shall be eligible to be private sector incorporators, 5 of whom shall be eligible to be public sector incorporators and 2 of whom shall be state department and agency heads from among the list set forth in section 918, subsection 3. The Governor shall designate the chairman of the committee. The organizing committee shall solicit individuals and corporations from the private and public sectors as described in this chapter to be incorporators of the Maine Development Foundation.

The committee shall call and hold an initial meeting of the incorporators no later than 6 months from the effective date of this Act. The initial meeting shall be for the election of directors and officers of the foundation. The committee shall prepare an agenda for and the chairman shall chair the initial meeting. The committee shall serve as the nominating committee for the initial election only, and may submit suggested bylaws and procedures for consideration by the incorporators.

After the initial meeting of the incorporators, the organizing committee shall be dissolved and its members shall serve the foundation only as they may be qualified as incorporators. The State Development Office and the State Planning Office may provide assistance to the organizing committee in the initial development of the foundation.

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10/1/2005

### Attachment B: Maine Development Foundation

<b>REVENUE</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>	<b>1994</b>
Memberships	167,530	192,656	265,230	329,939	363,434	321,393	339,849	346,212	290,017	240,234	172,459
Contracts	124,280	166,495	259,607	276,392	225,630	59,183	172,496	232,003	264,553	343,611	260,898
Grants	216,541	332,893	180,875	75,467	5,000	79,400	107,500	50,000	117,412	226,093	80,293
Fees	225,681	219,997	326,974	643,316	462,582	444,591	192,386	220,631	255,901	182,911	121,678
Aspirations/Ed.	-	-	-	-	-	-	-	-	-	-	360,079
Other	29,223	22,169	26,806	37,932	97,366	117,346	57,431	222,935	51,831	103,155	57,308
<b>Total Revenue</b>	<b>\$ 763,255</b>	<b>\$ 934,210</b>	<b>\$1,059,492</b>	<b>\$1,363,046</b>	<b>\$1,154,012</b>	<b>\$1,021,913</b>	<b>\$ 869,662</b>	<b>\$1,071,781</b>	<b>\$ 979,714</b>	<b>\$1,096,004</b>	<b>\$1,052,715</b>
<b>EXPENSES</b>											
Salaries/FB	393,590	452,131	635,675	623,383	510,787	435,290	429,576	442,889	607,483	544,115	561,308
Consultants	75,380	194,898	87,488	195,650	170,224	92,986	120,648	107,901	113,068	152,508	143,900
Program Costs	211,459	193,336	261,904	447,573	305,170	373,912	213,826	264,632	267,686	272,170	162,464
Other Expenses	92,607	119,382	125,326	136,490	143,832	157,434	152,633	153,287	155,919	167,040	164,942
<b>Total Expenses</b>	<b>\$ 773,036</b>	<b>\$ 959,747</b>	<b>\$1,110,393</b>	<b>\$1,403,096</b>	<b>\$1,130,013</b>	<b>\$1,059,622</b>	<b>\$ 916,683</b>	<b>\$ 968,709</b>	<b>\$1,144,156</b>	<b>\$1,135,833</b>	<b>\$1,032,614</b>
<b>Net Income (Deficit)</b>	<b>\$ (9,781)</b>	<b>\$ (25,537)</b>	<b>\$ (50,901)</b>	<b>\$ (40,050)</b>	<b>\$ 23,999</b>	<b>\$ (37,709)</b>	<b>\$ (47,021)</b>	<b>\$ 103,072</b>	<b>\$ (164,442)</b>	<b>\$ (39,829)</b>	<b>\$ 20,101</b>

Information is for calendar year; taken from audited statements.