Joint Select Committee on Maine’s Workforce and Economic Future

Recommendations/suggestions from Interim presenters

As of October 22, 2013

John Dorrer:
- Encourage economic homesteading idea
- Promote Maine as a place to live, even if a person’s job is somewhere else
- Become more aggressive about recruiting people to live here and commute or telecommute to job out of state
- Give favorable treatment through tax policies to attract people of homestead here
- Consider favorable tax treatment for young families
- Create policies that attract the “trailing” spouse
- Look at housing as an incentive
- Look at the telecommuting infrastructure gaps issue
- Look at South Dakota, Minnesota as places that have moved aggressively to bring young people back
- Consider tax write-off for the purchase and installation of high-end internet hardware in the houses of telecommuting recruits
- 800 units of housing at Brunswick: How do we make it attractive for people with STEM degrees to get into a unit that provides a subsidy?
- Consider having focus groups in Philadelphia, the South etc. to get information upon which to develop a strategy to attract economic homesteaders
- Look at what Germans have done to address the child care issue

Steve Levesque:
- Have to change our whole paradigm of how we support business growth
- Wholly endorse economic homesteading concept
- Develop some unique programs that provide Maine a leg up
- Governor’s Job Training Initiative was a great program; it was job and company specific
- Prospective companies’ key concern is the labor force: Do we have it? The work ethic and quality of the state’s workforce is one Maine’s positives
- Can’t compete with southern states re: business incentives; but Maine has some good, performance-based incentives like the ETIF; we should continue to create strategic incentive programs
- Consider putting an incentive package together to attract young families
- Days of the big job creators are probably over; if we support microbusinesses, one of them could be the next Tom’s of Maine

Jayne Crosby Giles, MaineStream Finance:
- Encourages legislative support of LD 1043, which is a $15 million bond that proposes to refund the REDRLP program
- Increase number of small business counselors in Maine to help startup and micro businesses
- Create a private fund through FAME that’s able to receive donations/investments that links private dollars with more small/micro entrepreneurs
- In light of aging of Baby Boom population, to create opportunities for the next generation of owners: examine tax policies related to sale; look at the credit availability needed to finance those opportunities; facilitate the sales process; and develop strategies to attract and retain new Maine owners
- Minimize tax and regulatory burdens

**Mark Delisle, SBDC**
- Microenterprise is the fabric of the State; backbone of creating jobs, taxes, economic activity
- #1 need they have is instruction/education in how to run a business; mentoring
- Most are looking for a small amount of money/capital
- Need some resources to get things going
- Infrastructure: need technology, for example, access to high speed internet, especially in more rural areas
- Don’t need another economic development program, but the current mix may be skewed; only a narrow slice of programs are about helping businesses grow
- One of challenges is how to create a framework of all the economic development programs available and then how to explain them clearly to entrepreneurs
- Whole state needs to be an incubator
- Committee should look at how the state can invest in the entrepreneurial network that exists
- State needs to have full spectrum of business and not skewed to one sector
- Our education system is still based on a model that is training students to become workers; it would help if the education system was addressing entrepreneurship in schools
- FAME knows how to score grants, but running a micro grant program for small businesses and startups doesn’t fit its mission as a guarantor; might need new agency to do it
- Lack of health insurance is a barrier to entrepreneurs taking the first step
- Maine Enterprise Options Program lost its funding
- Loans versus grants: Grant is not paid back but loan is; loans would have to be flexible and forgiving to work for entrepreneurs; build in a certain loss level

**John Karp, Maine Manufacturing Extension Partnership**

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Prepared by Office of Policy and Legal Analysis
• Do a promotion video to make outside world aware of Maine’s innovation economy as represented by UM labs, for example
• Top Gun one of the most powerful programs the state has ever fielded
• Blackstone will be gone soon; encourage MTI to keep its sponsorship
• Ongoing mentoring of entrepreneurs is something the state could use
• Energy costs are a big deal; our electric bill hurts us
• Logistics: Anything to make freight logistics easier would help
• Outside world’s vision of Maine is a problem
• Distinct organizations, but trying to work more closely with them

Susan MacKay, Cerahelix
• Glad to see Seed Capital Tax Credit program coming back
• Like programs that are not handing you the money, but they are helping you get the money you need to start your business
• SBIR match dollars help
• Don’t need nine incubators; just need them where the businesses are starting
• Look at what’s working and strengthen incubators in regions where there is a critical mass to take advantage of them
• Difficult to find business development people with the right experience
• Continue to support programs like Top Gun; make businesses aware of the resources available to them
• Useful to look at the other 49 states we Maine is competing with to see what they are doing
• Talking to other entrepreneurs who face the same challenges I do is incredibly beneficial
• Look at what’s next: how to help companies grow; infrastructure needs to be in place to enable companies to prosper
• Don’t see subsidies as anything that would specifically help my company today
• Moving into manufacturing stage, will need some serious investment that low-interest loans might help

Alan Caron, Envision Maine
• Develop a plan for Maine’s economy
• Three critical ingredients or assets Maine has: Place, Brand and People
• Brookings said decide what you’re going to do, commit to it and go do it
• We should make Maine an incubator state
• Need micro grants and micro loans
• We need to do more at the bottom level (T-Ball) to get businesses started
• Huge role for government in education, in helping to coordinate assistance programs, and in providing some startup investment
• Should be an R&D bond, but it should be renamed and should be more directed to “the little guy”
• The jobs that are not exportable are the ones closest to the ground – the entrepreneurs who have 5 or 10 employees