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STATE OF MAINE
ONE HUNDRED AND THIRTIETH LEGISLATURE
COMMITTEE ON INNOVATION, DEVELOPMENT, ECONOMIC ADVANCEMENT AND BUSINESS

To: Senator Catherine Breen, Senate Chair
Representative Teresa Pierce, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

From: Senator Chip Curry, Senate Chair
Representative Tiffany Roberts, House Chair

Re: Innovation, Development, Economic Advancement and Business Committee Report on LD 42,
"An Act Making Supplemental Appropriations and Allocations for the Expenditures of State
Government, General Fund and Other Funds, and Changing Certain Provisions of the Law
Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30,
2021"

Date: February 9, 2021

As chairs of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, we write to convey to the Joint Standing Committee on Appropriations and Financial Affairs the recommendations of the Innovation, Development, Economic Advancement and Business Committee regarding items within its jurisdiction in the proposed supplemental budget, LD 42.

Please find attached the report forms with initiatives applicable to the IDEA Committee.

The committee voted "In" all initiatives with the following two exceptions:

1. Ref. # 164: This initiative reduces funding to the Maine Technology Institute by the Department of Economic and Community Development in the amount of \$336,515, via curtailment. Three committee members voted against the reduction. These members felt that reductions in funding for innovation were inappropriate at a time when the State should be encouraging such enterprises.
2. Ref. # 220: This initiative reduces funding provided through the Finance Authority of Maine to the Maine Venture Fund to invest in Maine companies in the amount of \$50,000, via curtailment. Nine committee members voted against the reduction. These members felt that the State should not be making reductions in business investment at a time when many businesses are struggling due to the COVID pandemic.

Thank you for your consideration of the recommendations of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business.

Sincerely,

Chip Curry

Sen. Chip Curry
Senate Chair

Tiffany Roberts

Rep. Tiffany Roberts
House Chair

Cc: Members, Joint Standing Committee on Appropriations and Financial Affairs
Members, Joint Standing Committee on Innovation, Development, Economic
Advancement and Business
Maureen Dawson, OFPR
Rachel Tremblay, OFPR
Commissioner Heather Johnson, DECD
William Norbert, FAME

Sec. A-11. Appropriations and allocations. The following appropriations and allocations are made.

ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

Administration - Economic and Community Development 0069

Initiative: Reduces funding to reflect projected actual expenses for contracted payments to the Maine Manufacturing Extension Partnership. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 148	One Time	Committee Vote: <u>12-0 (1 absent)</u>	AFA Vote: _____		
GENERAL FUND	Curry -y	Ducharme -y	2020-21	2021-22	2022-23
All Other	Roberts -y	Geiger -y	(\$50,000)	\$0	\$0
	Andrews -y	HasenFus -y			
GENERAL FUND TOTAL	Austin -y	Luchini -y	(\$50,000)	\$0	\$0
	Bailey -y	Pebworth -y			
	Bernard -y	Absent: Cyrway			
	Collamore -y				

Justification:

State funding is used to attract federal funds to enhance assistance. Federal match requirements have been reduced in fiscal year 2020-2021. No adverse impact is expected.

Administration - Economic and Community Development 0069

Initiative: Reduces funding to reflect projected actual expenses for staff travel and conference support. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 149	One Time	Committee Vote: <u>12-0 (1 absent)</u>	AFA Vote: _____		
GENERAL FUND	Curry -y	Ducharme -y	2020-21	2021-22	2022-23
All Other	Roberts -y	Geiger -y	(\$86,689)	\$0	\$0
	Andrews -y	HasenFus -y			
GENERAL FUND TOTAL	Austin -y	Luchini -y	(\$86,689)	\$0	\$0
	Bailey -y	Pebworth -y			
	Bernard -y	Absent: Cyrway			
	Collamore -y				

Justification:

Continued restrictions related to travel and in-person gatherings will create savings. No adverse impact is expected.

Applied Technology Development Center System 0929

Initiative: Reduces funding by managing contract expenses within available resources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 162	One Time	Committee Vote: <u>12-0 (1 absent)</u>	AFA Vote: _____		
GENERAL FUND	Curry -y	Bernard -y	2020-21	2021-22	2022-23
All Other	Roberts -y	Collamore -y	(\$17,884)	\$0	\$0
	Andrews -y	Ducharme -y			
GENERAL FUND TOTAL	Austin -y	Geiger -y	(\$17,884)	\$0	\$0
	Bailey -y	HasenFus -y			
		Absent: Cyrway			

Justification:

Tech Centers provide early-stage development of technology-based businesses. No adverse impact is expected.

Business Development 0585

Initiative: Reduces funding to reflect projected actual expenses for consultation services for forest products. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 151 One Time Committee Vote: 12-0 (1 absent) AFA Vote: _____

GENERAL FUND	Curry -y	Collamore -y			
All Other	Roberts -y	Ducharme -y	2020-21	2021-22	2022-23
	Andrews -y	Geiger -y	(\$122,587)	\$0	\$0
GENERAL FUND TOTAL	Austin -y	Hasenfus -y	_____	_____	_____
	Bailey -y	Luchini -y	(\$122,587)	\$0	\$0
	Bernard -y	Rebworth -y			

Justification:

The work planned for this final year of a Forest Products Consultant contract will instead be distributed to existing department staff. No adverse impact is expected.

Business Development 0585

Initiative: Reduces funding by freezing one vacant Public Services Coordinator II position. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 152 One Time Committee Vote: 12-0 (1 absent) AFA Vote: _____

GENERAL FUND	Curry -y	Bernard -y	Luchini -y	2020-21	2021-22	2022-23
Personal Services	Roberts -y	Collamore -y	Rebworth -y	(\$131,876)	\$0	\$0
GENERAL FUND TOTAL	Andrews -y	Ducharme -y		_____	_____	_____
	Austin -y	Geiger -y		(\$131,876)	\$0	\$0
	Bailey -y	Hasenfus -y				

Justification:

Freezes one vacant Public Service Coordinator II Position. Work will be distributed to existing department staff to create necessary savings.

Community Development Block Grant Program 0587

Initiative: Reduces funding by freezing one vacant Planner II position. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 154 One Time Committee Vote: 12-0 (1 absent) AFA Vote: _____

GENERAL FUND	Curry -y	Bailey -y	Geiger -y	2020-21	2021-22	2022-23
Personal Services	Roberts -y	Bernard -y	Hasenfus -y	(\$22,346)	\$0	\$0
	Andrews -y	Collamore -y	Luchini -y			
	Austin -y	Ducharme -y	Rebworth -y			

GENERAL FUND TOTAL

(\$22,346)

\$0

\$0

Justification:

Freezes one vacant Planner II Position which is funded 25% General Fund and 75% Federal Funds. This position has been vacant and work will continue to be distributed among existing staff. Federal resources are currently not available to support this position.

International Commerce 0674

Initiative: Reduces funding by managing contract expenses within available resources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 156 One Time Committee Vote: 12-0 (1 absent) AFA Vote: _____

GENERAL FUND	Curry -y	Bernard -y	Luchini -y	2020-21	2021-22	2022-23
All Other	Roberts -y	Collamore -y	Peabworth -y	(\$116,820)	\$0	\$0
GENERAL FUND TOTAL	Andrews -y	Ducharme -y		(\$116,820)	\$0	\$0
	Austin -y	Geigel -y				
	Barley -y	Hosenfus -y	Absent: Cyrway			

Justification:

Reductions will be made to international business recruitment. No immediate adverse impact is expected.

Maine Economic Growth Council 0727

Initiative: Reduces funding by managing contract expenses within available resources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 160 One Time Committee Vote: 12-0 (1 absent) AFA Vote: _____

GENERAL FUND	Curry -y	Collamore -y		2020-21	2021-22	2022-23
All Other	Roberts -y	Ducharme -y		(\$5,540)	\$0	\$0
GENERAL FUND TOTAL	Andrews -y	Geigel -y		(\$5,540)	\$0	\$0
	Austin -y	Hosenfus -y				
	Barley -y	Luchini -y	Absent: Cyrway			
	Bernard -y	Peabworth -y				

Justification:

The Maine Development Foundation provides administrative services that support the Economic Growth Council. No adverse impact is expected.

Maine Small Business and Entrepreneurship Commission 0675

Initiative: Reduces funding by allocating contract expenses to other allowable funding sources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 158 One Time Committee Vote: 12-0 (1 absent) AFA Vote: _____

GENERAL FUND				2020-21	2021-22	2022-23
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	Curry - Y	Bernard - Y	Peabworth - Y			
All Other	Roberts - Y	Collamore - Y				
		Ducharme - Y			(\$68,368)	\$0
GENERAL FUND TOTAL	Andrews - Y	Geigel - Y			(\$68,368)	\$0
	Austin - Y	Hosenfus - Y				\$0
	Baley - Y	Lichini - Y		Absent: Cyrway		

Justification:

The Maine Small Business Development Center provides business support to Maine's small businesses. Increased CARES Act funding, as well as other department funding available for fiscal year 2020-2021, will alleviate any adverse impact by this reduction.

Maine Workforce Opportunities Marketing Fund Z178

Initiative: Reduces funding by managing contract expenses within available resources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 166	One Time	Committee Vote: 12-0 (1 absent)	AFA Vote: _____
GENERAL FUND	Curry - Y	Collamore - Y	
All Other	Roberts - Y	Ducharme - Y	
			2020-21 2021-22 2022-23
GENERAL FUND TOTAL	Andrews - Y	Geigel - Y	(\$5,000) \$0 \$0
	Austin - Y	Hosenfus - Y	
	Baley - Y	Lichini - Y	
	Bernard - Y	Peabworth - Y	
			Absent: Cyrway

Justification:

Workforce attraction efforts may be marginally impacted by this reduction. This program sunsets in March 2021.

Office of Innovation 0995

Initiative: Reduces funding by managing contract expenses within available resources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 164	One Time	Committee Vote: 9-3 (1 absent)	AFA Vote: _____
GENERAL FUND	Curry - Y	Collamore - N	
All Other	Roberts - Y	Ducharme - Y	
			2020-21 2021-22 2022-23
GENERAL FUND TOTAL	Andrews - Y	Geigel - N	(\$336,515) \$0 \$0
	Austin - N	Hosenfus - Y	
	Baley - Y	Lichini - Y	
	Bernard - Y	Peabworth - Y	
			Absent: Cyrway

Justification:

The Maine Technology Institute can contribute to the curtailment with minimal impact on programming in fiscal year 2020-2021.

ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

DEPARTMENT TOTALS	2020-21	2021-22	2022-23
GENERAL FUND	(\$963,625)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$963,625)	\$0	\$0

Sec. A-16. Appropriations and allocations.

The following appropriations and allocations are made.

FINANCE AUTHORITY OF MAINE

Small Enterprise Growth Fund Z235

Initiative: Reduces funding by-managing contract expenses within available resources. This initiative relates to the curtailments ordered in Financial Order 001152 F1.

Ref. #: 220

One Time

Committee Vote: 3-9 (1 absent) AFA Vote: _____

GENERAL FUND	Curry - -N	Bernard -N	Luchini	2020-21	2021-22	2022-23
All Other	Roberts -N	Collamore -N	Roberts	(\$50,000)	\$0	\$0
GENERAL FUND TOTAL	Andrews -Y	Ducharme -Y		<u>(\$50,000)</u>	<u>\$0</u>	<u>\$0</u>
	Austin -N	Gerger -N				
	Batey -N	Hasenfus -Y	Absent: Cyrway			

Justification:

Reduces the amount of investment dollars to support existing portfolio companies and to invest in new, scalable Maine companies.

FINANCE AUTHORITY OF MAINE

DEPARTMENT TOTALS	2020-21	2021-22	2022-23
GENERAL FUND	(\$50,000)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	<u>(\$50,000)</u>	<u>\$0</u>	<u>\$0</u>