

# The Joint Select Committee on Future Maine Prosperity September 25, 2007 Meeting

## MEETING SUMMARY

**Members in attendance:** Sen. Damon, Sen. Courtney, Sen. Plowman, Rep. Piotti, Rep. Gould, Rep. Loring, Rep. Sutherland, Rep. Weaver, Rep. Rector, Rep. Simpson, Rep. Smith, Rep. Watson, Rep. Woodbury, Rep. Fitts, Rep. Hamper

**Members absent:** Sen. Bartlett

### 1. Welcome and Introductions

- Opening Remarks from co-chairs Senator Damon and Representative Piotti; charting the course for the Committee; review of the Joint Order; and duties of the Committee
- Discussion of expectations and goals of Committee members

### 2. Panel Discussion on Cultivating Sustainable and Long-Term Prosperity in Maine, Followed by Question & Answer Period with Committee

- Panelists: Laurie Lachance, President and CEO of the Maine Development Foundation and Peter Vigue, President Cianbro Corporation
- *Important Points Made by Presenters*
  - **QUALITY OF LIFE**
    - ❖ Maine's quality of life only applies to some Mainers; there is high underemployment and many people are working without any health insurance benefits. A strategic plan is needed to deliver a better quality of life to all Mainers.
  - **LONG-TERM VISION**
    - ❖ Need visionary leadership, a commitment to Maine, openness to collaborating to make new partnerships, as well as the presence of an engaged higher education facility to achieve future prosperity.
    - ❖ Long-term State planning is important –it must cross from one administration to another.
    - ❖ A comprehensive strategy for the next 20-25 years will be critical to achieving prosperity in Maine.
    - ❖ Collaboration between government, the education sector and business leaders will be critical to success and all parties must be focused on the same goal in order for us to achieve success.
    - ❖ Maine is unique in that our political, business and government leaders are very accessible and we need to nurture these relationships.
  - **EDUCATION**
    - ❖ Maine should focus on strategic investments to close the income gap. Investment in education is critical, not just within traditional university programs but also in schools that have programs that focus directly on meeting workforce development needs.
    - ❖ To change Maine and lift the population's wage earnings, we must look to those who are working now but need an opportunity to raise their own attainment. Research

shows that if employers invest in their employees by offering educational opportunities, a majority become very loyal to the business.

■ **LOCATION & BUILDING ON OUR ADVANTAGES:**

- ❖ Other states are economic leaders - Why not Maine? Maine has an advantageous climate compared to many of the climate struggles faced with on the south coast.
- ❖ Maine has a great quality workforce which is a great advantage to businesses nationwide.
- ❖ Need to focus on Maine's advantageous geographic location in the global economy vs. purely our location in the U.S.; focus more on markets to the north, east and west, and investments from these areas.

■ **CANADIAN INVESTMENT:**

- ❖ We should focus our efforts on attracting investment to Maine and looking at where we have succeeded over the past 10-15 years in attracting businesses to Maine. Much of this investment has come from Canada and Canadian markets/investments should be pursued since a majority of our investments come from this country. We should collaborate and build on this relationship for the future.
- ❖ Our banking laws are advantageous and should be promoted as such across the country. Also, our tax structure is advantageous to the Canadians.

■ **TRANSPORTATION:**

- ❖ Transportation is vital to developing this relationship with Canada and the rest of the country, and east-west routes are critical. The State has been working on an east-west highway for almost 40 years, but has not been able to accomplish it due to many challenges.
- ❖ There are severe economic challenges in the northern half of the State- how long will it be before the challenges in the north affect the entire State's economy? There is an opportunity to address the challenges with an east-west highway that could be accomplished by using a large amount of underutilized infrastructure in northern parts of the state and existing right of way systems that are privately owned – these local communities could be strengthened by the creation of an east-west highway and they should have that opportunity.
- ❖ A strong transportation infrastructure would allow us to get raw materials in and out of the State much faster- Build the infrastructure and they will come! We have 4 railway systems which are greatly underutilized and not being used to their potential, particularly with transporting goods to and from Canada and to other parts of the country.
- ❖ Transportation planning linked to land use planning and the protection of special/unique places will help keep the Maine "brand" strong.
- ❖ Some of these existing northern communities are starved for economic opportunities that an enhanced transportation infrastructure can help provide.

■ **HEALTH CARE:**

- ❖ The health care industry is a strong industry in Maine and with the aging population it is expected to grow.
- ❖ The State could develop a strategy to become the healthiest state in the country by building on our outstanding medical facilities and using grants from the National Institute of Health – Maine could become a laboratory to employ new research and have the research applied across the country.
- ❖ Maine has the opportunity to become a health care center of excellence.

■ **INNOVATION & MAINE’S INDUSTRIES OF ADVANTAGE**

- ❖ Maine must differentiate itself from other states and become leaders, playing on our advantages- Create an *innovation environment*.
- ❖ Maine’s industries of advantage are in wood fiber/forest products, marine-based industries (such as fishing, aquaculture and ship building) and agriculture.
- ❖ The “Maine” brand is very valuable and efforts to strengthen and market it are desirable.

■ **DEMOGRAPHICS & OUR WORKFORCE**

- ❖ Being aware of the homogenous nature of Maine’s population is important in terms of demographics (low birth rates among Caucasians) and competing in a global economy.
- ❖ Maine has very slow population growth nationally and is one of the slowest growing states in the Northeast region. A shifting in budget priorities will be necessary to serve this aging population.
- ❖ Recognize the importance and value of cultural differences and diversity in our population, workforce and our communities.
- ❖ A heightened focus on these areas will help Maine adapt to a global economy and also help attract youth to Maine.
- ❖ Young people in the workforce often have different learning styles and are more technology-oriented - We should be using technology to attract young workers to Maine and build this strategy into our planning.
- ❖ The work ethic of younger generations strives for more balance in life- businesses need to adapt to this in order to maximize the potential of this labor force.
- ❖ Efforts such as **REALIZE!MAINE**, <http://realizemaine.org/index.php>, now under the auspices of the Maine Development Foundation, are working to reverse the historical trend of net out-migration in Maine.

■ **BUSINESS ENVIRONMENT**

- ❖ Companies that are privately held in Maine sometimes relocate after going public due to traditional business decision factors such as: workers compensation, health insurance costs, and changes in business regulation.
- ❖ A consistent business environment would encourage companies to come to and stay in Maine.
- ❖ Need to determine what factors affect capital investment in Maine. For instance, some parts of the tax structure – such as the recently eliminated personal property tax on business equipment and income taxes for highest income bracket— are more important than others for business decision purposes.

■ **CLOSING ROUNDTABLE: COMMENTS**

- ❖ Focus on a clear, transparent process;
- ❖ Use the “Measures of Growth In Focus” report for benchmarks of economic progress;
- ❖ Interest in learning more regarding dynamic fiscal notes;
- ❖ Focus on getting away from ‘silo’-type thinking in the legislative process;
- ❖ Focus on Maine’s heritage industries & developing one Maine brand;
- ❖ Making bold proposals; learning from other states to develop a critical path or model legislation;
- ❖ Relationship between building codes and preserving Maine’s Quality of Place;

- ❖ Long-term planning that remains consistent and focused –how to accomplish this; Relevance of the State’s unfunded liabilities; learn about the experiences in Ireland and North Carolina;
- ❖ Focus on Maine’s strengths; education programs that prepare workers; improving the marketing of Maine; engaging the philanthropic organizations as well as business, education and government; providing continuity in economic planning; find out what fosters stability and continuity in economic planning; vision for future of Maine; and the need for strategic investment over time.

### **3. Meeting Adjourned**

#### **Future Meeting Dates**

The Committee will hold its second meeting on **October 10th**. The next meeting dates are: **October 23<sup>rd</sup>, November 13<sup>th</sup> and December 11<sup>th</sup>**.