



**Maine State Planning Office
2004 Strategic Plan**

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Executive Summary

Components of SPO's Strategic Plan

<p>What is our legislated mandate?</p>	<p>Enabling Legislation: Core Duties given to SPO by the Legislature:</p> <ol style="list-style-type: none"> 1. Assisting towns and regions 2. Assisting the Governor and Legislature by undertaking special studies, developing policy options, and conducting economic analyses including preparing economic forecasts 3. Coordinating the development of state policy that balances the growth of the State's economy with the conservation of its natural resources <p style="text-align: center;">↓</p> <p>Mission: To help build a sustainable future for Maine's businesses, residents, and communities, the State Planning Office: 1) advises the Governor on developing and implementing policy; 2) assists the Legislature with information and analyses; and 3) provides local and regional financial and technical assistance.</p> <p style="text-align: center;">↓</p>
<p>What is the environment in which we operate?</p>	<p>Issue Assessment: These issues affect SPO's ability to achieve its goal and objective:</p> <ul style="list-style-type: none"> • A loss of access to resources for traditional industries • A steady erosion of manufacturing jobs • An aging population/workforce • A deterioration of community character from development sprawl • A high tax burden <p style="text-align: center;">↓</p>
<p>What do we want to accomplish?</p>	<p>Goal: To be a catalyst for a resilient economy and a robust natural environment.</p> <p style="text-align: center;">↓</p> <p>Objective: Improve Mainers' economic well-being with no further deterioration in the State's natural resources. We will measure this by:</p> <ol style="list-style-type: none"> 1. Outcome: Maine's per capita income will grow at a rate at or above that of the average for the New England region. 2. Outcome: We will see a measurable improvement in: <ul style="list-style-type: none"> • Water Quality of Lakes • Water Quality of Marine Areas • Acres of Conservation Land <p style="text-align: center;">↓</p>
<p>How are we going to accomplish it?</p>	<p>Program Strategy: Provide decision-makers with the information and options they need to develop sound environmental, economic, and planning policies.</p> <p style="text-align: center;">↓</p>
<p>How do we know if we're successful?</p>	<p>Performance Measures:</p> <ol style="list-style-type: none"> 1. Project Economic Trends with Accuracy 2. Balance Conservation and Development 3. Conserve Special Lands 4. Assist the Governor and Legislature 5. Enhance Maine's Service Center Communities 6. Assist Communities and Regions 7. Strengthen Community Service

Our Plan

This plan was prepared in accordance with 5 MRSA § §1710-P, sub-section 11. All state agencies are required to update their strategic plans biennially in the even-numbered year.

A strategic plan is a long-range document that provides focus for future action. The plan not only guides us in addressing key issues facing the State, it helps us prioritize choices for allocation of our resources. It lays the foundation for our performance budget. A strategic plan contains a mission, outcome-based goals and measurable objectives, program strategies, and performance measures. Because SPO has only one legislatively-funded program, it has only a single goal, objective, and program strategy, supported by a series of performance measures.

Our Four Core Duties

The State Planning Office has four core duties assigned to us by statute (5 MRSA § 3305):

- coordinate the development of the State's economy and energy resources with the conservation of its natural resources;
- provide technical assistance to the Governor and Legislature by undertaking special studies and plans and preparing policy alternatives;
- conduct continuing economic analysis, including economic forecasting; and
- provide technical assistance to towns and regions.

Legislative Oversight

The State and Local Government Committee provides legislative oversight of the State Planning Office. That committee plays an important role in developing SPO's strategic plan by helping to set priorities, ensuring our goals and objectives are consistent with legislative mandates, and monitoring performance measures. In addition, in spring 2002, the State and Local Government Committee reviewed SPO's efficacy and performance under the state Government Evaluation Act. The committee found SPO to be operating within its statutory authority.

SPO also reports regularly to other committees of the Maine Legislature dealing with a variety of natural resource issues.

Our Mission

SPO was established in 1968 as an agency of the Executive Department. It is responsible to the Governor, but is routinely called upon to assist the Legislature and other state agencies and departments. SPO's mission is:

To help build a sustainable future for Maine's businesses, residents, and communities, the State Planning Office: 1) advises the Governor on developing and implementing policy; 2) assists the Legislature with information and analyses; and 3) provides local and regional financial and technical assistance.

Our Values

Our staff is our most important resource. We will succeed only through the efforts of our people. How well we perform individually and collectively is a function of the beliefs and values that motivate our conduct. Our values are:

- We are customer-oriented
- We are guided by the highest standards of honor, personal integrity, and fortitude in all our activities
- We work as a team and advocate teamwork
- We empower teams to make decisions
- We strive for excellence in all we do
- We focus on the results of our actions

Our Performance Management System

One of the tenets of public accountability is that government achieves its stated purposes.

While traditional management systems (budgeting, financial management, auditing, and human resources management) focus on accounting — that is on inputs, controls, and processes — a performance management system focuses on accountability. An *accounting* system holds organizations responsible for doing things in prescribed ways. An *accountability* system holds them responsible for producing results.

In 1996, the Legislature directed state agencies to develop strategic plans that would enhance accountability to policy-makers and citizens.

Strategic plans lay out goals and objectives consistent with statutorily-defined responsibilities and measure whether or not state policy outcomes are being achieved. Strategic plans also form the basis for a performance-based system of budgeting that formulates budget proposals to achieve desired outcomes. Finally, strategic plans help staff focus on the organization's mission and ensure they understand their role in helping achieve it.

Performance is the common link that ties our systems together. Measuring performance expands the concept of “success” from the mere accomplishments of activities to that of delivering desired outcomes for our customers. Consistent performance measures are used throughout our processes of planning, budget formulation, and evaluation.

Our Customers' Considerations

We will fulfill our mission through the delivery of high quality products and services to our customers. SPO has numerous customer groups that regularly use our services. These include the Governor and his staff, legislators, municipal officials, regional planning councils, other state agencies, businesses, educators, private sector planning consultants, nonprofit organizations, and citizens.

In 2004, SPO surveyed state decision-makers concerned with natural resource matters (legislators, the Governor and his policy staff, commissioners and deputy commissioners, and members of task forces that SPO staffed) to determine their satisfaction with SPO's natural resource information and staff support. Results include:

- ✓ 67% said they have the *information they need* to make decisions concerning the conservation and development of Maine's natural resources
- ✓ 46% of policy makers said that *information provided by SPO helped* them when faced with decisions concerning the conservation and development of Maine's natural resources
- ✓ 81% of task force members rating of *SPO's services with regard to the task force* in which they participated as very good or excellent

Our customers and stakeholders have a number of concerns:

- Expectations about SPO's policy role differ. On one hand, we are looked to to provide leadership on major policy issues on behalf of the Governor; on the other hand, legislators and task force members demand unbiased information and staff support unrelated to any specific Administration's agenda.
- While SPO is a nonregulatory agency, it still provides assistance to communities to comply with various state laws and requirements. For example, comprehensive planning is voluntary, but if a town chooses to develop a plan, it must meet the standards in the state Growth Management Act. As a result, SPO's role to advocate and facilitate the achievement of state goals is not always fully understood.
- A common theme articulated by our customers is that SPO does not sufficiently communicate its services, expertise, and accomplishments.

Our Unique Role

The State's economy and resources — its land, water, and energy — cross political boundaries. Policies regarding them also cross bureaucratic boundaries; they are not the domain of any single agency or interest. Departments and agencies are focused (rightly so) on their statutorily-defined, often single-purpose duties. At times their interests conflict. At times the interests of one agency are not fully known to or appreciated by the other. Agencies tend to be program-driven and, in their commitment to fulfill their day-to-day responsibilities, they can be short-range in view, especially in periods of extreme budgetary limitations.

Recognition of the need for a coordinated, long-range view of state policies was one of the reasons SPO was established as an agency of the Executive Department, apart from mission-driven departments. The Legislature directs SPO to assist it, the Governor, and other state agencies with the development of economic, natural resource, energy, land use, and fiscal and regulatory policy; to identify issues and problems of long-term significance to the State; and to coordinate state policy

and its implementation on issues of interagency concern. More specifically, these policies are to integrate the development of the State's economy with the conservation of its natural resources.

Cross-cutting Issues

Coordination among multiple agencies, with at times conflicting statutory mandates, is a central feature of SPO's statutory duties. SPO provides the formal, legal structure to carry out many of the State's interagency efforts, including:

- ***Maine Coastal Program***: SPO administers this federally-funded partnership program that supports efforts to protect and manage Maine's coast and coastal resources, including initiatives such as monitoring swim beaches, supporting access to working waterfronts, restoring coastal habitats, and training volunteer shore stewards.
- ***Land and Water Resources Council***: SPO staffs this interagency, Cabinet-level council, comprised of the commissioners of the state economic development and natural resource departments, charged with advising the Governor, Legislature, and state agencies in the formulation of state policy regarding natural resources management.
- ***Energy Resources Council***: SPO staffs this interagency Cabinet-level council of eight state agencies established by the Maine Legislature to advise the Governor and Legislature in the formulation of energy policy.
- ***Revenue Forecasting Committee***: SPO is a member of and staff to this executive-legislative committee that projects state revenues for use by budgeters.
- ***Economic Forecasting Commission***: SPO staffs this independent commission that forecasts economic trends for use in making revenue forecasts.
- ***Maine Commission for Community Service***: SPO houses this federally-funded program that works to strengthen communities through volunteer efforts in areas such as environment, health care, education, and emergency response.
- ***Land for Maine's Future Program***: SPO staffs the board that administers the Land for Maine's Future program. LMF seeks to protect natural areas, recreational access, and working landscapes through land acquisition and other mechanisms.
- ***Governor's Steering Committee on Natural Resource-based Industries***: SPO staffs this public-private committee that oversees and monitors the implementation of the recommendations from the Blaine House Conference on Natural Resource-based Industries to strengthen Maine's resource-dependent industries.
- ***FERC hydropower coordination***: SPO coordinates state agencies' responses to the Federal Energy Regulatory Commission in hydropower licensing procedures.
- ***State comprehensive plan review***: SPO coordinates state agencies' review of local comprehensive plans to determine whether the local plans are consistent with the Growth Management Act. The growth management program touches on all aspects of state and local interest from social welfare issues, to environmental issues, to economic development issues, to transportation issues.

- ***Coordination of review of agency development projects in the floodplain.*** SPO reviews state and federally-funded projects and coordinates with other state agencies to reduce the potential impact of flooding on publicly-funded infrastructure.
- ***Coordination of state waste management policy:*** SPO periodically reviews state solid waste management policy (through a task force comprised of representatives interested in solid waste management policy) and reports its recommendations to the Governor and Legislature.
- ***Coordination of the development of the Governor’s bond packages:*** SPO coordinates submission of agency bond proposals, evaluates need, and make recommendations on proposals to be included in the Governor’s bond package.

Balancing Conservation and Development

Maine’s economic goal is to create more stable, well-paying jobs. Yet creating new jobs often requires infrastructure and development that affect the quality of our land, water, wildlife, and air. These natural resources are vital to many industries (e.g. tourism, fisheries) and our quality of life. Our challenge is to develop state policies that stimulate and absorb economic growth without losing the environment that is one of Maine’s chief attractions. A few examples in Maine include:

- the conflict over water between competing interests, but especially the one Downeast that pits sustaining wild Atlantic Salmon against safeguarding the richest blueberry terrain in the State –a driving force in the State’s economy;
- the relicensing of Maine’s dams for hydropower, which sets the need for indigenous renewable energy against demand for multiple use of our rivers;
- the growing aquaculture industry that, at times, conflicts with tourism and recreational uses of Maine’s bay waters;
- the pressure on the natural resources that visitors come to Maine to enjoy caused by too much tourism or tourism activities in areas that cannot support them;
- the conflicts caused by coastal development among the interests of seasonal homeowners, tourists, year-round residents, and commercial fishing and marine trades; and
- the need and desire to revitalize downtowns, many of which are located in floodprone areas.

Issues such as these are of paramount importance to promoting job growth while protecting the State’s healthy natural resources. SPO provides the neutral ground to help facilitate these issues to make recommendations to the Governor and Legislature.

Our Responsibilities

The State Planning Office was established in 1968 (5 MRSA § 3305) within the Executive Department. It reports to the Governor but is routinely called upon to assist the Legislature and other state departments and agencies.

SPO has three primary responsibilities:

1. Provides objective information and analyses to decision-makers; especially economic data
2. Advises on policy development and implementation, especially as it relates to balancing the development and conservation of natural resources
3. Administers local and regional financial and technical assistance programs

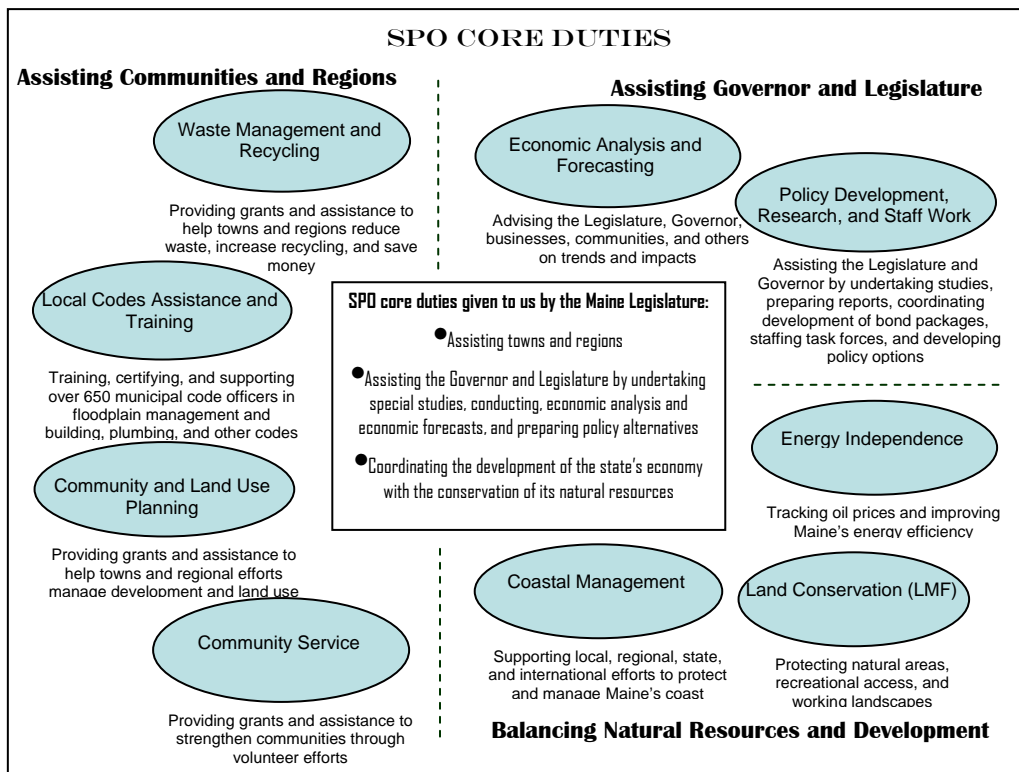


Figure 1: SPO Responsibilities

Policy Development

SPO strives to be forward-looking; to analyze trends that have policy implications for the State and to develop innovative options for consideration by Maine's policymakers. SPO provides policy recommendations regarding tax policy, economic investments, solid waste disposal capacity, natural resources, and land use and sprawl issues, among others.

Examples of SPO's Policy Recommendations in 2004

- Proposals for reducing property taxes
- Incentives for regional delivery of local services
- Ways to enhance Maine's downtowns
- Strategies for addressing cross-cutting issues that impact Maine's traditional natural resource-based agencies
- Approaches to preserve farmlands and working waterfronts

Research and Analyses

The Governor and Legislature need objective data and a long-term view of state issues. SPO's role is to be sufficiently detached from any one program or set of programs so that it can be the source of objective, long-range analyses and information. In its impartial role, SPO:

- Forecasts economic trends
- Tracks oil prices
- Tracks poverty indicators
- Tracks the State's capacity to manage solid waste
- Prepares plans and reports
- Conducts research and analyzes data

Staff Work

SPO provides staff assistance to advance the Governor's initiatives and to respond to legislative needs. For example, SPO:

- Organizes Blaine House conferences
- Provides staff support to executive and legislative task forces
- Helps prepare the Governor's bond package

Financial and Technical Assistance Programs

While planning and policy development is integral to what we do, seventy percent of our staff time is spent training local officials and volunteers, administering grants to third-parties, answering public inquiries for data and other information, or providing some other direct service. The Legislature has assigned specific programs to SPO to administer, including:

- AmeriCorps and other state and national community service programs
- Maine Coastal Program
- Maine Census Data Program
- Code Enforcement Officer Training/Certification Program
- Community Planning/Investment Program
- Floodplain Management Program
- Land for Maine's Future Program
- Waste Management/Recycling Program

Examples of SPO's Research & Information, 2003-2004

- An assessment of the economic impact of Maine's dairy industry
- An analysis of youth migration patterns for the Governor's youth summit, *RealizeMaine!*
- An analysis of data for Maine & Company that T-Mobile used to make its location decision to Maine

Examples of SPO Staff Work, 2003-2004

- The Resolve 23 GIS Steering Committee
- Committee To Study Reimbursement Rates for Maine's Bottle Redemption Businesses
- Maine Millennium Commission on Hunger and Food Security
- Commission to Improve the Sentencing, Supervision, Management, and Incarceration of Prisoners
- Maine Building Rehabilitation Code Advisory Council
- Task Force on the Planning & Development of Marine Aquaculture in Maine

Grant Programs Administered by SPO

- *Community Planning* (\$150,000 year for 10-14 grants) to develop and update comprehensive plans and land use ordinances
- *Great American Neighborhood Partnerships* (\$5-10,000 for 2-5 grants) to develop traditional neighborhood designs
- *Household Hazardous Waste* (\$350,000 in bond funds remaining) to establish regional collection programs and (\$220,000 of a one-time appropriation) to reimburse towns for the operational costs of managing HHW
- *Recycling Capital Investment* (no bond funds remaining): to purchase buildings and equipment for recycling
- *Regional Challenge Grants* (\$50,000 for 3-4 grants): to support promising regional initiatives
- *Right-of-way Discovery* (\$10,000 for 10 grants): to research and reassert forgotten or overlooked public rights-of-way
- *Community Volunteer Service* (\$900,000 for 20 programs): to support volunteer organizations in youth services, emergency response and disaster preparedness, rural health care, environmental education, and community sustainability
- *Land for Maine's Future* (all bond funds have been committed): to acquire land or easements to protect natural areas, recreational access, and working landscapes
- *Regional Planning Councils* (\$325,000 for 11 RPCs) to provide planning technical assistance to towns and to foster regional planning efforts

Our Staff

As of January 2005, SPO had 55 positions organized as follows:

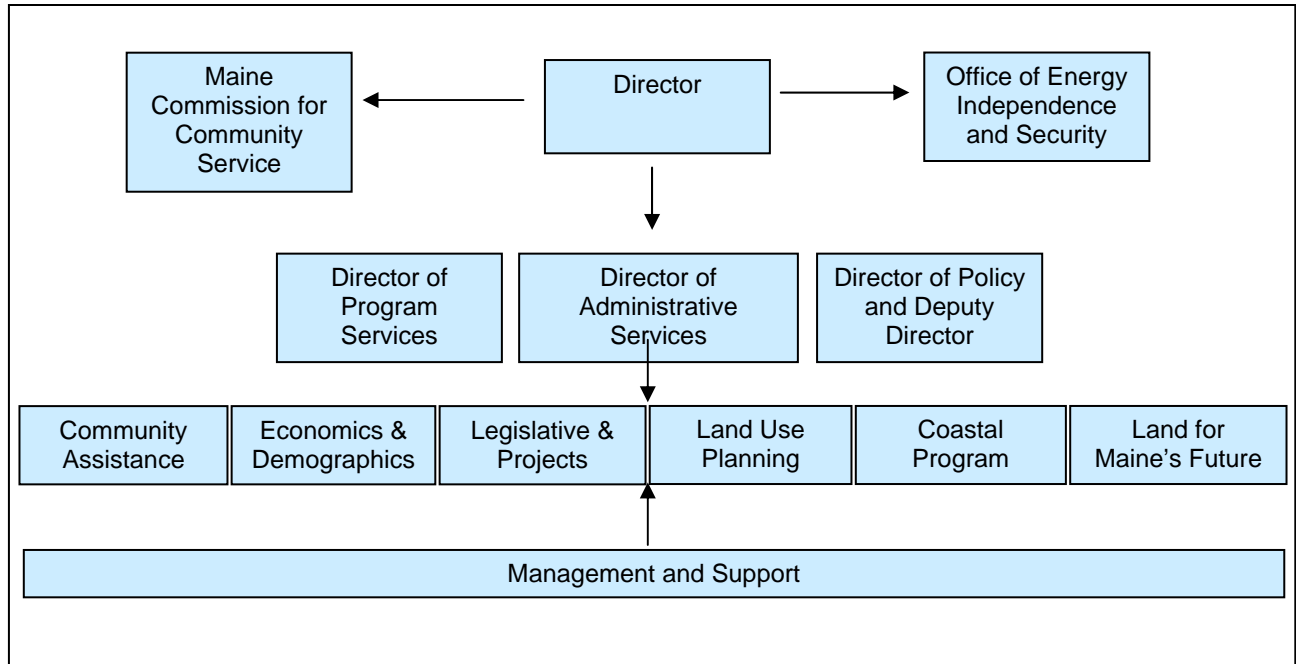


Figure 2: SPO Organization Chart

SPO relies on federal and dedicated revenue funds for nearly three-quarters of its staffing, as the following table shows:

Funding Source	Position Count	Percent of Total
General Fund	17	30%
Federal Funds (e.g. Coastal Zone Management, Corporation for National Service, EPA, FEMA)	27	48%
Special Revenues (e.g. waste management, plumbing fees)	12	22%
Total	56	100%

Figure 3: Breakdown of SPO Staff Positions by Funding Source

Our Funding

The State Planning Office has an annual General Fund budget of \$2.2 million which primarily funds SPO's policy and economics work and portions of our natural resources, land use, and management and support staff. The remainder of SPO's responsibilities is funded with federal or dedicated special revenues funds.

Federal funds support the Maine Coastal Program which, in turn, funds or partially funds land use, code officer training, and natural resources positions. The Maine Commission for Community Service and Floodplain Management Program are entirely federally-funded (in part, matched with General Fund dollars). Federal matching grants also fund SPO's work in tracking oil prices and monitoring swim beach water quality.

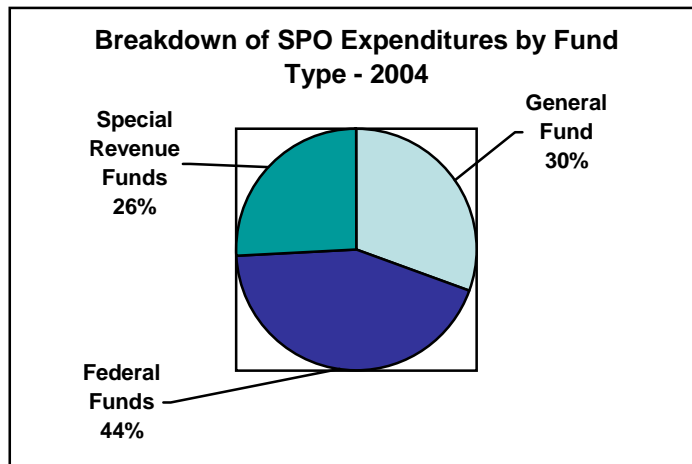


Figure 4: Breakdown of SPO Expenditures by Funding Source

Several programs are supported by dedicated revenues including: the Waste Management and Recycling Program, which is funded from the Maine Solid Waste Management Fund; the Code Officer Training and Certification Program, which is partially funded with state plumbing fees; habitat restoration, which is funded from a grant from the Gulf Maine Council; and energy policy and planning, which is funded with federal funds granted to us from the Public Utilities Commission.

Our Environment

The Responsibilities of Planning

The responsibilities of planning are changing. For many years, the duties of planning were strictly in the realm of *civic planning*, which is concerned with how we use the land and its resources and how we finance and build public facilities to meet public needs. During the last ten years, a new branch of planning has been introduced — *strategic planning* — which is concerned with identifying the priorities of government and how governing can be carried out efficiently and effectively.

Civic Planning

The planning profession was established in America just over 100 years ago. The industrialization of America's cities had triggered enormous urban growth. It also triggered enormous problems. City streets and waterways were open sewers. Workers were warehoused in tenements in the shadows of factories, often without sunlight or ventilation. Infectious disease ruled the day. By the late 19th

century, civic leaders were demanding decent housing, basic sanitation systems, healthy water supplies, safe ways to move people and goods, and public parks and open space.

It was into this civic realm that American planning was born. It fell to planners — along with the closely aligned professions of civil engineering and architecture — to plan and create systems that would allow towns and cities to function and grow with due regard to the public’s health, safety, and well-being. Some of the tools of planning —comprehensive or master plans, zoning, and capital investment programs — evolved during the first half of the 20th century and remain prominent today.

Civic planning evolved during the second half of this century due to other forces:

- ◆ concern about the environment and demands for the protection of land, air, and water;
- ◆ the explosion of the use of the automobile and, with it, the leapfrogging of urban and suburban development into rural lands — a phenomenon often referred to as “sprawl;”
- ◆ the decline of urban centers and of affordable housing;
- ◆ the decline of traditional industries and the rise of a global economy, and the need for economic redevelopment based on these new realities; and
- ◆ the rise of new electronic technologies that are reshaping how we communicate, where we live, how we obtain energy, and how we earn livings.

The Maine State Planning Office was created in 1968 in the midst of these growing concerns. The focus for its first 20-25 years was almost exclusively in the realm of civic planning. And many of the demands upon the State Planning Office today — restructuring of the electrical industry, for example, or investing in coastal communities, or building the local capacity to manage growth — remain in the realm of civic planning.

Strategic Planning

A severe economic crisis at the beginning of the 1990s — the most severe since the Great Depression —forced government to think “strategically.” By this is meant:

- identifying the most important roles and priorities of government;
- setting measurable, achievable objectives so that taxpayers can see the results of their spending;
- encouraging the creative decision-making and involvement of all workers in setting and meeting the objectives; and
- bringing sound information and fiscal judgment to the decisions of government.

Whereas *civic planning* is outward looking —how to plan for and influence the forces that shape the State’s growth — *strategic planning* is inward looking — how to organize state government itself to carry out its mission as effectively as possible. Strategic planning is a duty of all agencies of government. But SPO has primary responsibility for several overarching aspects, including the State’s economic forecasting and revenue forecasting commissions; preparing the Governor’s bond packages, and coordinating cross-cutting state policy and programs..

Today, SPO works to balance both of these planning responsibilities –civic and strategic.

A Sustainable Future for Maine

SPO's mission is to help build a sustainable future for Maine. Several trends will drive SPO's efforts over the next 3-5 years. Not only will our resources be directed to address these issues, but SPO will continue to provide information to inform the policy discussion on these issues and help the Governor to develop and implement strategies to enhance the State's economy and environment.

A Loss of Access to Resources for Traditional Industries^{1,2}

Maine's traditional natural resource-based industries are under enormous pressure from a loss of access to the resources they need. To survive and prosper, it is essential for them to have effective and continuing access to the resources they use – be it open land for farming, forests for harvesting wood, shore frontage and docking facilities for commercial fisheries and aquaculture, or Maine's lakes, rivers, mountains, ocean, and forests for tourism and outdoor recreation. Development patterns and changing land ownership however have fragmented the land base and driven up property valuations. Farmland and working waterfronts are being converted to residential and passive commercial uses. Changes in forestland ownership (in some cases, major land parcels have changed ownership two or three times) generate unease about the continued availability of these lands for forest management and recreation.

Maine's natural resource-based industries are under enormous pressure from a loss of access to the resources they need.

Governor Baldacci hosted a Blaine House Conference on Natural Resource-based Industries in the fall of 2003 and appointed a permanent steering committee to monitor and oversee the implementation of 75 strategies designed to take advantage of the common strengths of these industries and to put them on a path toward sustainability.

A Steady Erosion of Manufacturing Jobs³

As in the rest of the U.S., the loss of Maine's traditional manufacturing jobs has accelerated. While the loss of manufacturing jobs is an old problem, it has become more critical in recent years. The number of manufacturing jobs in the State peaked in 1968 at 118,000 and, except for a brief respite in the late 1970s, has trended downward ever since. In 2003, the annual average manufacturing job count was 63,900, a 46% decline over a 35-year span. Most recently, the largest job losses have been in leather, paper, and computer/electronics manufacturing. The major causes of the declines in Maine and the nation appear to be technological improvements, such as better machinery, computers and robots, and lower wage rates in lesser developed countries. For the state as a whole, these job losses have been exceeded by gains in other sectors of the economy. However, losses and gains have not always occurred in the same regions and some communities have been disproportionately hit.

In 2003, the annual average manufacturing job count was 63,900, a 46% decline over a 35-year span.

¹ State Planning Office, *Maine's Natural Resource-based Industries: Indicators of Health*, 2004.

² Lachance, Laurie. *Finding Common Solutions*. State Planning Office, Augusta, ME, October 2003.

³ State Planning Office, *The Maine Economy: Year-end Review and Outlook*, 2003.

This Administration's focus is on protecting our mature industries and supporting our emerging ones. Building on our competitive strengths such as our sustainable forest practices and a magnificent coastline that has fostered a renowned fishing and boat-building industry, we can sustain jobs that have supported Mainers for generations. At the same time, we are investing in research, technology, and entrepreneurship to support knowledge-based and creative economies for the future.

An Aging Population/Workforce

Between 1990 and 2000, there was a statewide decline of 22% among the population of 20-34 year olds – and in some towns that figure was 40%. If the current trend continues, in twenty years Maine will have more people over the age of 65 than under the age of 20.⁴

The State's population is aging for a number of reasons: baby boomers are reaching retirement age, young people are moving out of Maine, and we have been successful in promoting the State as a retirement destination. This problem is not unique to Maine, but it has an impact on Maine's economy. The cost and type of government and social services will shift and community life may change. With an aging population and workforce, we will need to think anew about the organization of and training for work and to develop strategies to retain and attract young adults.

In 20 years Maine will have more people over the age of 65 than under the age of 20.

Governor Baldacci is working to align the State's workforce development efforts with economic development strategies. Efforts such as the *Creative Economy* and *REALIZEMaine* are underway to harness the talents of our young people and to increase opportunities for them in Maine, as well as for attracting to Maine the additional young and skilled workers we will need for the future.

A Deterioration of Community Character to Development Sprawl⁵

Development in Maine is shifting to suburban and rural areas, impacting the vibrancy of downtowns, traditional neighborhoods, coastal areas, and working lands.

We are losing much of what is good about Maine to suburban sprawl. And not just in southern Maine – it is happening in central, western, and coastal Maine, too, and even in areas of northern Maine around established centers. Among the impacts of sprawl are:

We are losing what's good about Maine to suburban sprawl.

- The percent of Maine's population that lives in service center communities has declined to 44% of the State's population (down from 59% in 1960).
- Between 1970-1990, land development in Maine occurred at *four times the rate* that population increased.
- Between 1992-1997, Maine converted 33,500 rural acres *per year* to development; a rate four times that of the previous decade and greater than the cropland of nine Maine counties.

⁴ REALIZEMaine *Press Summary*, <http://www.realizemaine.org/>, 2004

⁵ State Planning Office, *We Have A Choice*, Report to the Joint Standing Committee on Natural Resources to Evaluate Maine's Growth Management Program, February 2003

- More than half of Mainers *never* walk to services or shops from their homes.
- Nearly one of every two Mainers lives near the coast, while over six million people visit each year impacting the quality of our coastal environment.

And the cost to service shifting populations with new roads, schools, and emergency services is enormous. In the state budget, *sprawl costs more than \$50 million per year* in duplicative services (school buses, new schools, roads) and it costs municipalities millions more.⁶

Maine is working hard to address the negative consequences of sprawl. Governor Baldacci’s sustainable development program includes downtown initiatives, efforts to protect working lands, incentives to foster efficient delivery of local and regional services, and strategies to guide growth towards areas where it is most suited.

A High Tax Burden⁷

All across Maine, citizens are concerned about taxes, especially local property taxes. In the past decade, property values have risen dramatically in many communities. The stock market boom in the late 1990s provided many buyers new resources with which to purchase properties and the stock market slump that began in 2001 led still others to turn to real estate as a safe investment option. Housing and prime properties, especially along the Maine coast, were viewed as undervalued and thus great investments. The strong demand drove up prices.

As towns revalue properties, using recent sales as their guide, valuations have increased for new and long-time owners alike. Some households have been adversely impacted by these increases.

In the past decade, property values have risen dramatically in many communities.

A plethora of ideas and citizen referenda have surfaced recently, including tax caps, current use valuation, land banks, and a mandated state payment of a higher portion of local education costs. A citizen’s referendum, passed in June 2003, requires the State to pay more of the cost of local school operations and, while voters rejected a tax cap referendum in November 2004, it was clear that they wanted reform.

In 2005, the Governor proposed and the Legislature enacted a tax relief package aimed at lowering Maine’s property tax burden, especially for those who need it most. It provides a solid blueprint for lowering property taxes with a goal of bringing Maine to the middle of national rankings of state and local tax burden by 2015.

⁶ State Planning Office, *Cost of Sprawl*, 1999

⁷ State Planning Office, *The Maine Economy: Year-end Review and Outlook*, 2003

Our Goal and Objective

The State Planning Office is directed by the Legislature to develop state policies that foster a balance between the development of our natural resources and our protection of them. SPO adopts a goal and objective consistent with our core statutory duties.

Goal: To be a catalyst for a resilient economy and a robust natural environment.

Objective: Improve Mainers' economic well-being with no deterioration in the State's natural resources.

Measuring Progress

Measuring progress toward achieving this goal and objective can be done in two ways: 1) outcome measures and 2) program-specific performance measures. One set of measures looks at SPO's work from a global perspective and the other is based on the performance of SPO's day-day activities. One has a long-term horizon that assesses the effect of state policy and programs over 5-10 years; the other is short-term and fits within the State's biennial budget cycle. For one, SPO efforts merely contribute to the outcome along with many other influences; for the other SPO has considerably more influence over achieving a specific target.

The outcome measures are most useful when examined over a long period of time and when considering the other factors that influence them. Nevertheless, they are important to understand the office's legislated public purpose and to know whether or not our activities are aligned with that purpose.

Our Outcome Measures

SPO has chosen two outcome measures for its objective: 1) per capita income as an indicator of economic well-being and 2) the health of our natural resources as measured by: quality of lakes, quality of marine areas, and acres of conservation lands. While factors beyond our control affect per capita income and natural resource quality, we believe our efforts contribute in an important way and that by tracking these measures, we will obtain information about the affects of state policy.

Mainers' Economic Well-being

To assess the State's economic health, SPO uses personal income and per capita income.

Personal Income is the income received by persons from all sources (wage and salary disbursements, employer contributions to pension funds, dividends, personal interest income, social security, medical insurance, unemployment payments, etc.), less personal contributions for social insurance. *Per Capita Income* is total personal income divided by the total population.

Maine's per capita income has grown steadily since 1990, but it also continued its decade-long trend of lagging behind other U.S. and New England states.

Maine’s per capita income has grown steadily since 1990, but it also continued its decade-long trend of lagging behind other U.S. and New England states. Maine’s per capita income presently stands at 76% of New England. We would like to see Maine’s per capita income will grow at a rate at or above that of the average for the New England region.

	Personal Income		Per Capita Income		% of Per Capita Income	
	Total Personal Income (mil.\$)	Annual Growth	Per Capita Personal Income	Rank of 50 States	% of U.S.	% of New Engl.
1990	\$21,402.0	4.4%	\$17,376	33	89.2%	76.5%
1991	\$21,681.0	1.3%	\$17,526	34	88.1%	76.3%
1992	\$22,606.0	4.3%	\$18,253	35	87.5%	75.5%
1993	\$23,155.8	2.4%	\$18,639	35	87.3%	75.3%
1994	\$24,091.8	4.0%	\$19,387	36	87.4%	75.5%
1995	\$25,044.3	4.0%	\$20,140	35	87.3%	75.1%
1996	\$26,483.8	5.7%	\$21,203	36	87.7%	75.2%
1997	\$27,829.8	5.1%	\$22,179	35	87.5%	74.7%
1998	\$29,709.8	6.8%	\$23,596	35	87.8%	74.5%
1999	\$31,016.3	4.4%	\$24,484	35	87.6%	73.9%
2000	\$33,173.3	7.0%	\$25,972	35	87.0%	71.9%
2001	\$35,102.3	5.8%	\$27,324	33	89.4%	73.2%
2002	\$36,295.5	3.4%	\$28,030	31	91.0%	74.9%
2003	\$37,781.5	4.1%	\$28,935	30	92.0%	76.1%

Figure 5: Maine's ranking among states on per capita income
Source: U.S. DOC, Bureau of Economic Analysis

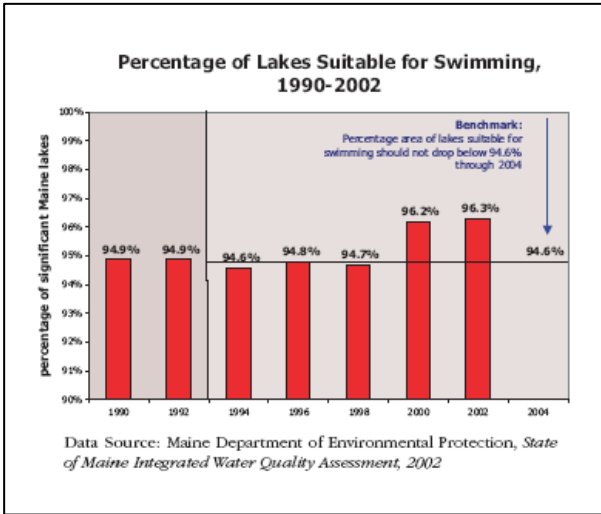
Healthy Natural Resources

At the same time that personal economic health improves, we do not want to see deterioration in the State’s natural resources. To track this, SPO relies on the Maine Economic Growth Council’s assessment of three specific resources:

- Water Quality of Lakes
- Water Quality of Marine Areas
- Acres of Conservation Land

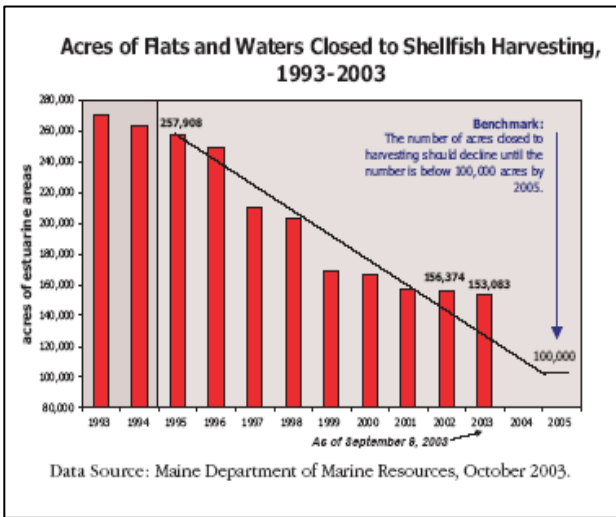
SPO chose these three indicators because much of our work to balance the protection and development of natural resources involves developing policies or implementing programs that affect these three specific resources.

According to the Maine Economic Growth Council’s *Measures of Growth 2004*, these resources continue to improve. We would like to see these resources remain stable or further improve.



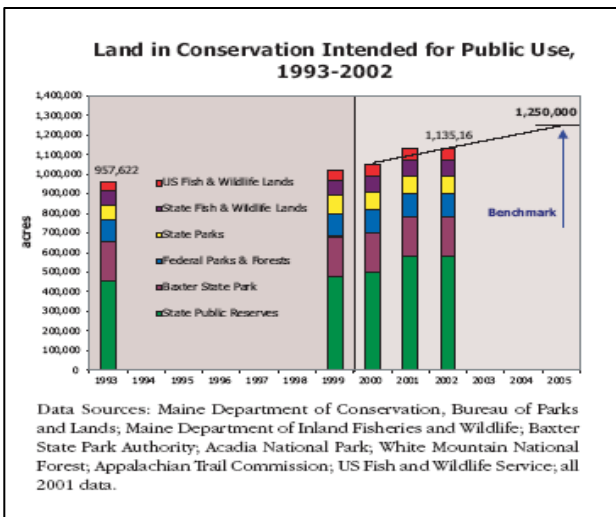
The water quality of lakes as measured by suitability for swimming is improving although mercury contamination is a concern.

Figure 6: Water Quality of Lakes



The water quality of marine areas as measured by the amount of area closed to shellfish harvesting continues to improve steadily.

Figure 7: Water Quality of Marine Areas



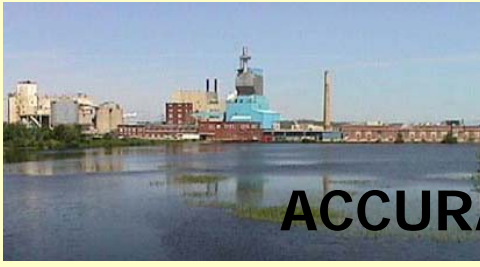
The acres of land conserved for public use showed a modest increase in the last few years, but continues an upwards trend

Figure 8: Acres of Conservation Land

Our Performance Measures

For management and budget purposes, SPO has developed a series of program-specific performance measures that reflect what we do on a short-term basis. These are related to our work in the following areas:

1. **Project Economic Trends with Accuracy:** This measures the accuracy of our economic projections.
2. **Balance Conservation and Development:** This measures our effectiveness in assisting policymakers who are dealing with the conservation and development of Maine's natural resources.
3. **Conserve Special Lands:** This measures the number of acres of lands conserved through the Land for Maine's Future Program and is a reflection of the effectiveness of that program.
4. **Assist the Governor and Legislature:** This measures the number of special projects assigned to us by the Governor and Legislature and is a reflection of the quality of our work.
5. **Enhance Maine's Service Center Communities:** This measures the population of Maine's service center communities as compared to the rest of the State and is a reflection of the vitality of those service centers.
6. **Assist Communities and Regions:** This is a measure of the effectiveness of our technical assistance programs to help towns increase recycling, protect against flooding, and provide effective codes administration.
7. **Strengthen Community Service:** This is a measure of the number of Maine citizens who volunteer community service time and is a reflection of the effectiveness of the Maine Commission for Community Service.



Project

ACCURATE ECONOMIC TRENDS

Significance

SPO forecasts three key economic indicators: population, personal income, and wage/salary employment. These are the major indicators of the state's economic health and are relied upon by the Governor and Legislature and many other public and private entities for budgeting and economic planning.

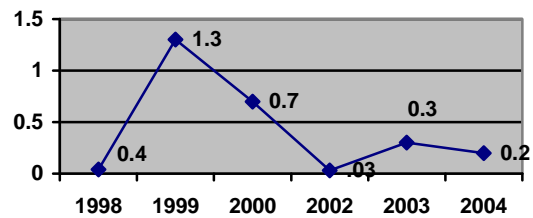
Methodology

SPO makes periodic projections in the growth rate for each of the three indicators. The federal government provides data on actual performance one year following the year being measured. For each indicator, we calculate a percentage point variance between projected and actual. The three variances are averaged to identify an average variance.

Related Data

2004	SPO Forecast	Actual	Pct Pt Variance
Population	0.6%	0.8%	0.2
W&S Employment	0.0%	-0.1%	0.1
Personal Income	4.1%	3.7%	0.4
Total Variance			0.7
Avg Variance			0.2

Avg. Variance between projected and actual economic trends



Performance

This shows a consistently small average variance (less than 1 percentage point) between SPO's projections for specific economic trends and their actual performance.

Target

The average variance between SPO's projections and actual economic performance will be +/- 1 percentage point or less in three out of four years.

How we will Accomplish This

SPO will continue to advise the Legislature, Governor, businesses, communities, and others on economic trends and impacts. Efforts of SPO include:

- Track, interpret, and disseminate information about economic indicators and trends
- Analyze economic trends and report their implications
- Develop economic forecasts
- Prepare economic impact studies
- Assist the Revenue Forecasting Committee with projecting revenues for the state budget
- Assist the Economic Forecasting Commission with projecting economic trends for use by state budgeters
- Coordinate the state's census data center
- Prepare overviews of emerging industries to develop policy options for the Governor and Legislature



Balance

CONSERVATION & DEVELOPMENT

Significance

Maine needs stable, well-paying jobs. But economic growth puts development pressures on our air, water, and lands. One of the duties assigned to SPO by the Legislature is to facilitate competing state interests with an eye toward fostering development in a way that does not detract from our natural amenities.

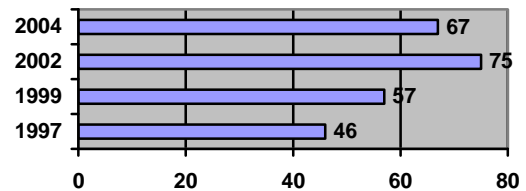
Methodology

SPO surveys decision-makers including legislators, the Governor's policy staff, commissioners and deputy commissioners, and task force members who deal with natural resource issues. We ask them if they have the information they need when faced with decisions concerning the development and conservation of natural resources.

Related Data

- The Maine Coastal Program surveyed its state partners. In 2000, 81% believed SPO did an effective job of coordinating the Maine Coastal Program.
- The number of monthly hits to the natural resource area of SPO's web site increased by 700% after information about the Governor's Natural Resource-based Industry initiative was posted.
- The state increased its purchase of biodiesel to heat state office buildings from 27,000 gallons in 2003 to 357,000 in 2004.

Percent of policymakers who have the natural resource information they need



Performance

This measure shows a relatively stable, improving level of performance.

Target

The percent of decision-makers who indicate they have the natural resource information they need will be 70% or more.

How we will accomplish this

SPO assists decision-makers with developing policy recommendations, coordinating interagency policy development, supplying data and information, writing statewide plans and reports, and providing staffing to task forces, boards, and committees, including:

- *Land and Water Resources* – SPO chairs and staffs the Land and Water Resources Council, a Cabinet-level, interagency council that makes policy recommendations to the Governor and Legislature regarding managing the state's land and water resources.
- *Coastal Resources* – The Maine Coastal Program is housed at SPO; a federal-state partnership that supports towns, conservation organizations, and economic development groups in their work to sustain coastal resources and enhance the state's marine economy.
- *Natural Resource-based Industries* – SPO assists the Governor to implement this initiative through research, policy development and planning, and staff work.
- *Community Assistance* – SPO's community assistance programs work to address local natural resource concerns including reducing the amount of solid waste needing disposal, preserving working landscapes through community planning, and reducing the impact of development on floodplains, wild lands, shoreland zones, and coastal areas.
- *Energy Resources* – The Governor's Office of Energy Independence and Security is housed at SPO. The office monitors oil prices and inventories, staffs the Energy Resources Councils, advises the Governor on energy policy, and promotes energy conservation.



Conserve SPECIAL LANDS

Significance

Maine is losing farm and forest lands and prime recreation lands to development. Loss of access to recreational waters is also a concern. The Land for Maine's Future program was created in 1987 to acquire for conservation and public use irreplaceable natural lands. According to the 2004 report, *Increasing the Return on a Sound Investment*, an evaluation of the LMF program, "Maine land conservation especially under LMF is rightly to be viewed as a basic infrastructure investment in the future of Maine's environment, economy, and cultural heritage."

Methodology

SPO tracks acres acquired through LMF. This is a measure of acres at the point when they are actually acquired, which could be a year or more after the funds are committed.

Related Data

LMF funds are matched with other public and private funds at an astonishing increasing rate:

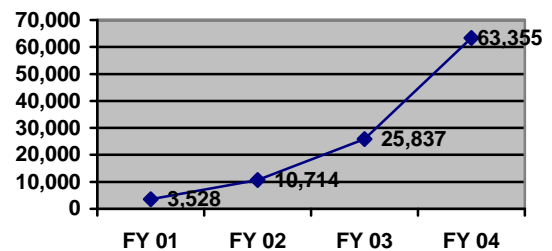
FY 01 - \$1,001,618

FY 02 - \$5,527,267

FY 03 - \$9,966,229

FY 04 - \$31,154,811

Acres of land protected by LMF



Performance

This measure shows a dramatic increase in the number of acres protected with the help of funds from the Land for Maine's Future program. This reflects the expenditure of a \$50 million bond approved by voters in 1999. As of this writing, all of those funds have been committed.

Target

Assuming additional bond funds are approved, SPO will protect an average of 15,000 acres per year.

How we will accomplish this

The Land for Maine's Future program is designed to protect the quality and availability of natural resources important to the interests of Maine people. It acquires land or easements on land to protect and preserve lands that have exceptional natural or recreational value.

SPO administers the Land for Maine's Future program. All LMF funds are allocated to a dedicated fund overseen by an 11-member board appointed by the Governor and approved by the Senate. The LMF program works successfully with a wide array of partners. Key funding partners include nonprofit organizations, foundations, cooperating landowners, and federal agencies. Anyone may submit a proposal for consideration. A proposal workbook outlines the application process and staff can assist applicants. Once the board commits funds to a project, SPO carries out the "due diligence"—title work, environmental impact assessments, historical and archeological surveys, etc.

In 1999, voters approved \$50 million for the Land for Maine's Future program. The board has currently committed all that funding and efforts are underway to replenish it.



Assist GOVERNOR AND LEGISLATURE

Significance

A measure of SPO's quality of work is the frequency we are asked to undertake special projects by the Governor or Legislature.

Methodology

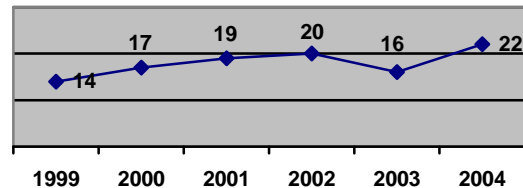
This measure attempts to capture projects or work that may be outside of our mission or our normal duties. We define a special project as one that: 1) has a fiscal note on a legislative bill, 2) receives a legislative mandate, 3) where SPO is designated lead by the Governor, 4) produces a report, plan, economic model, or other major product, 5) where SPO is given primary responsibility for leading a policy process such as chair or principle staff to a task force.

Related Data

Another measure of the quality of SPO's work is the satisfaction of our customers. In 2004, SPO surveyed legislators and task force members:

- ✓ 81% of task force members rated SPO's services with regard to the task force in which they participated as very good or excellent.
- ✓ 81% said if they were to participate in a task force in the future they would want SPO to staff it.

Number of special studies requested by Governor and Legislature



Performance

This measure shows that the number of requests to SPO for special projects by the Governor and Legislature is growing.

Target

SPO will conduct an average of 18 special studies or projects for the Governor or Legislature per year.

How we will accomplish this

SPO will continue to assist the Governor and Legislature when called upon by: undertaking studies, preparing reports, coordinating development of bond packages, staffing task forces, and developing policy options.

Examples of special projects in 2003-004:

- Staff the Commission to Improve the Sentencing, Supervision, Management, and Incarceration of Prisoners
- Help coordinate the Blaine House Conference on Natural Resource-based Industries and the *RealizeMaine!* youth summit
- Conduct a pilot to make municipal budgets web accessible
- Coordinate volunteer efforts for *Operation Keep ME Warm*
- Acquire the West Old Town Landfill to provide disposal capacity for solid waste generated in Maine
- Staff the Maine Model Building Code working group



Enhance SERVICE CENTERS

Significance

Service centers are where the bulk of the state's employment and commerce occur. Healthy service centers are important because they provide for efficient location of infrastructure and compact, and therefore more affordable, housing. When populations shift to rural areas and small towns, costs increase, community character changes, and working lands are lost.

Methodology

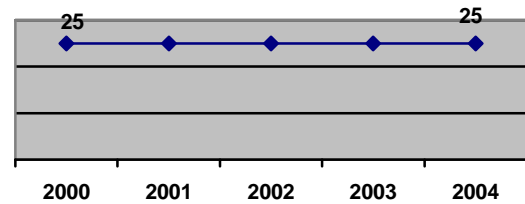
Using decennial census data, we measure the percent of service communities whose population rate grew over the past 10 years. We compare this to the average rate of population growth of all communities.

Related Data

Communities designate where they want growth to occur through land use plans:

- 298 Maine communities have adopted comprehensive plans
- 80% of Maine population lives in a community with a comprehensive plan
- SPO has found 223 of these plans consistent with the Growth Management Act.
- SPO has had no late reviews of local comprehensive plans since February 2003.

Percent of service center communities with growing populations



Performance

This measure shows no change over time, but this is due to a lack of reliable, annual data. We believe however that population continues to shift from service centers to suburban and rural areas.

Target

Population decline in Maine's service centers will slow, and then hold steady by 2010.

How we will accomplish this

SPO administers the Planning and Land Use Regulation Act (also known as the Growth Management Act) to support communities with land use management. Good local land use management will lower costs, protect traditional working lands and natural resource areas from development, and allow communities to guide growth to where they want it to occur.

- *Grants:* SPO provides an average \$150,000 per year to 10-14 municipalities to: 1) develop comprehensive plans, 2) develop land use ordinances, 3) update comprehensive plans, and 4) support regional initiatives.
- *Regional Planning:* SPO funds 11 regional planning agencies to assist towns with comprehensive planning and other land use planning issues, including fostering regional efforts.
- *Technical Assistance:* SPO provides technical assistance and educational materials to towns such as: a "how to" manual for comprehensive planning, model ordinances, and other manuals, guides, and handbooks. SPO also provides data for towns' comprehensive plans.
- *Consistency:* SPO reviews comprehensive plans for consistency with the state's goals.
- *Community Preservation Advisory Committee:* SPO is a member of and provides staff support to CPAC.



Assist COMMUNITIES & REGIONS

Significance

SPO is charged by statute to assist municipalities and regions in three areas: code enforcement training and certification, floodplain management, and waste management and recycling. These programs help local governments to reduce costs and to protect the health and safety of residents. This measure is an indicator of our effectiveness in administering these programs.

Methodology

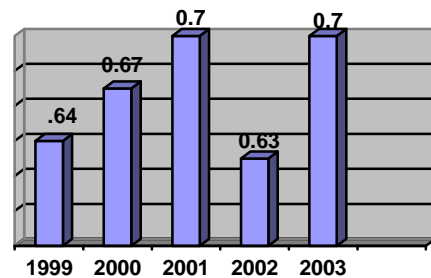
SPO measures the number of municipalities that attain each program's standards: 1) maintaining a floodplain ordinance that meets state standards; 2) recycling at a rate of 35% or more annually; 3) and maintaining a certified code officer. We then create an index of the combined performance of the three programs.

Related Data

The individual performance of the three programs in 2003 was:

- 93% of municipalities had a certified code officer
- 70% of communities had a current floodplain ordinance
- 48% of local and regional recycling programs were recycling at a rate of 35% or greater

Index of municipal attainment



Performance

This measure shows a fairly steady trend over time. In recent years, there has been a drop in local recycling rates, not because towns are recycling less, but because waste generation has increased.

Target

The index will grow each year by .02 points.

How we will accomplish this

The *Code Enforcement Officer Training and Certification Program* trains, certifies, and supports municipal code enforcement officers at no cost in building, plumbing, and other codes administration and in floodplain management. Certified code officers that have the training and skills to enforce land use laws and other codes reduce costs for communities and ensure health and safety codes are met.

The *Floodplain Management Program* provides training and technical assistance to communities and other professionals in flood areas. It also serves as the state coordinating agency for the National Flood Insurance Program. Municipalities with ordinances that restrict building in the floodplain and that require building standards to help withstand flood waters will have a lower risk of property loss and personal injury from flooding.

The *Waste Management and Recycling Program* provides grants and assistance to help towns and regions reduce waste and increase recycling. A reduction in the amount of waste disposed at the local level will improve air and water quality and reduce solid waste tipping fees, saving money for the towns.



Strengthen COMMUNITY SERVICE

Significance

In 1995, the Legislature established the Maine Commission for Community Service to encourage community service and volunteerism, as a means of meeting critical human, environmental, educational, and public safety needs throughout the state. The Maine Economic Growth Council's 2002 *Measures of Growth* report states, "[Participation in community activities] is a fundamental indicator of community vitality and it bodes well for supporting a sustainable and vibrant economy."

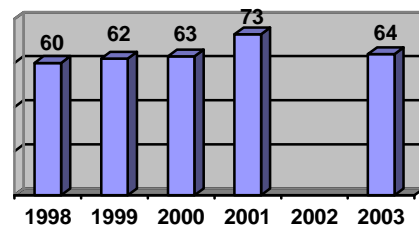
Methodology

We use the Maine Economic Growth Council's *Measures of Growth* that measures citizen participation in community activities. Citizens are asked if they helped out in public schools, community organizations, organizations which help the needy or the elderly, or environmental organizations. To this SPO adds an additional category of service—municipal service on local councils, boards of selectmen, planning boards, or other civic boards.

Related Data

Youth service is a good indicator of their future participation in civic activities. *MaineMarks* tracks the number of high school-aged youth engaged in community service. In 2002, 44% of youth

Percent of Maine adults who volunteer in their community



Performance

This measure shows a slow, steady increase over time with a spike in 2001, following the 911 terrorist attacks.

Target

Through 2005, no less than 70% of Maine adults will devote time outside of regular family and work responsibilities to community service or civic activities.

How we will accomplish this

The federally-funded Maine Commission for Community Service fosters the state's ethic of community service. It is the state's coordinating body for national and community service and volunteer activities. The commission strives to enhance community service through the following activities:

- Advances the state vision for volunteer service
- Develops and implements a 3-year strategic plan that advances the vision of community service among citizens
- Serves as a clearinghouse for people interested in service and for agencies recruiting volunteers
- Prepares state applications for federal funds; selects Maine programs to be funded; and administers those funds through subgrants
- Provides training and technical assistance to national service programs in Maine
- Raises funds to supplement federal funding for volunteer service
- Administers the Maine AmeriCorps program