

**10 Year Statewide Strategic Plan  
Innovation Subcommittee Meeting  
August 5th from 2P – 3:15P  
Via Zoom Meeting**

**Meeting Objectives:**

- **Discuss Recently Enacted Maine Jobs & Recovery Plan and its Proposed Investments**
- **Review Strategic Plan Subcommittee Workflows & Progress**
- **Discussion of Other Federal Funding Opportunities (SSBCI, EDA, etc.)**
- **Maine Innovation Economy Advisory Board Update**

**Meeting Attendees:**

- Brian Whitney, MTI
- Wick Johnson, Kennebec Technologies
- Cem Giray, Kennebec River Bio
- Jennifer Sporzynski, CEI
- Renee Kelly, UMaine
- Shane Moeykens, UMaine EPSCoR
- Charlotte Mace, DECD
- Judy Sproule, MDIBL
- Joe Powers, MVF
- Liz Trice, MxG
- Margaret Angell, Roux Institute
- Martha Bentley, DECD
- Melissa Winne, GEO
- Wanda McNeil, MTI

**Item 1: Enacted Maine Jobs and Recovery Plan**

**Overview:**

- On July 19<sup>th</sup> the Maine Legislature passed the Maine Jobs & Recovery Plan (LD 1733), allocating more than \$1 billion in federal discretionary funds from the American Rescue Plan Act. It will take effect on October 18<sup>th</sup>.
- A chunk of that funding will flow to the Maine Department of Economic & Community Development (DECD) as well as through DECD to the Maine Technology Institute (MTI). The funds will go to a host of different initiatives, directly and tangentially related to the subcommittee's work.
- As part of the Jobs & Recovery Plan, approximately \$40 million will flow through DECD to MTI for innovation related efforts. Although it's not as much as initially proposed, it's still a significant amount of money and will be hugely impactful over the next couple of years.
  - \$25 million will be deployed this fiscal year.
  - \$15 million over the next fiscal year.
  - It's one-time funding.
- Funds have to be matched and will be awarded to Maine organizations through a competitive process.
- MTI will likely develop programs similar to its former bond-funded Maine Technology Asset Fund (MTAF) program(s) to deploy the funding.
- Given that this federal funding is not bond funding, it won't have the same restrictions/limitations as MTAF, which required that all projects be infrastructure-related. Much more flexibility with this funding.
- MTI is currently working on program design features, and has brought in some outside support (Krystal Williams) to provide a fresh perspective and to help the organization develop programs that incorporate diversity, equity, and inclusion strategies.
- Once MTI has the basic program design elements established, it will do a listening tour to solicit feedback from partners, businesses, and stakeholders to make sure it incorporates elements that are helpful to all constituencies.
- Additionally, another \$50 million will flow to natural resources-based initiatives.
  - MTI, Coastal Enterprises Inc. (CEI), and the Maine Department of Marine Resources (DMR) will deploy the funding for forest products (\$20M), agricultural (\$20M), and marine initiatives (\$10M).

- \$100 million will go to DECD for things like recovery loans, new businesses, underrepresented businesses, career exploration, remote workers, co-working spaces, DEI initiatives, electric grid upgrades, and a pilot program to attract military to the workforce.
- The Finance Authority of Maine (FAME) will also get a large chunk for loans and loan guarantees (\$48.4M) for Maine organizations, as well as funding (\$10M) to establish programs to assist employee stock ownership companies, B-corps, co-ops, and others.
- There will also be funding to help retain doctors in the state (\$2M).
- A total of well-over \$200 million will be flowing into the business community in Maine. Awesome!

#### Discussion:

- **Melissa:** An additional \$8 million will go to the Governor's Energy Office to advance innovation for the clean energy sector.
- **Renee:** UMaine has \$35 million to support innovative industries. The concept is aligned with everything else we've been talking about, targeted toward infrastructure and internships for students to work in key industries.
- **Wick:** Will the all the funding be deployed at the same time?
- **Brian:** October 18<sup>th</sup> is the effective date, so between now and then programs will be developed. The funds need to be deployed over the next two years. The different agencies involved will be launching their own specific programs and soliciting proposals throughout the next 24 months - - some will likely have application deadlines and some may accept proposals at any time
- **Martha:** The legislation breaks things out by fiscal year. Another source of federal funding is the State Small Business Credit Initiative (SSBCI), which is in addition to this money. We are hoping for guidance any day now. Applications are due in December at the latest but will be accepted as soon as they put out rules and guidance.
- **Brian:** Maine received SSBCI funding about a decade ago (\$13-15M). This time we are expecting \$56 million or \$58 million. It's a huge opportunity. Currently we are waiting on treasury guidance from the feds. Once we have that, Martha is working with FAME to put a state application together for those funds.
- **Martha:** In terms of insights into DECD components, there are a couple of different levels.
  - DECD in charge of funding by itself and working on guidelines.
    - Similar process but also informed by the work of Maine Accelerates Growth (MxG), the Small Business Development Centers (SBDC), service provider networks, and input from trade associations.
  - The piece that's in process now is trying to get the whole to be bigger than the sum of the parts.
    - Common goal or strategy is actively being worked on.
- **Charlotte:** Kind of same thing with Domestic Trade funding (\$15M). I have some specific ideas how to implement the money such as subgrants to existing organizations.
  - Amplify efforts people are already doing. When the money comes in October, we will be ready to move.
  - Also, where state government can fill gaps - like innovative companies that need to go to a trade show and can't afford it, funding could be provided for their first time.
    - Stand up a program to help them go and help them get a booth, materials, and some marketing/social media support.
  - Activation energy needed to take them to the next level. Interested in filling gaps that exist.
  - It will be exciting when we get this money out into the economy.
- **Brian:** You've done a ton of work on Domestic Trade. Congrats!
- **Brian:** There is still a concern from employers around a worker shortage. How should we best coordinate all the funding programs with the support needed to connect potential workers with available opportunities?
- **Martha:** It's a work in progress. Strategic plan implementation teams have been working on six action items. Also, partnerships around best practices in terms of what other states are doing. It's not just Maine. It's happening across the country. It's an all-hands-on-deck effort at the state level.
  - The Back To Work initiative is an example of the collaborative work that's happening.
    - Career Technical Education (CTE) providers and the traditional educational system are building career pathways and crossovers of pathways, so we can build the talent pipeline.
    - A lot of work happening with it.

- Coordinating across state agencies and communities.
  - Attracting and retaining new people is a critical piece.
  - Recognizing people have barriers to working full time, part time and seasonally. It's an important piece of the puzzle.
- **Martha:** Anything that you see within industries that makes sense to think about more broadly and scale-up of industries would be helpful.
  - The Maine Department of Health & Human Services (DHHS) recognized we had a health care worker crisis pre-pandemic, and it has been exacerbated.
  - Anything we can learn from this targeted effort will be helpful.
- **Brian:** Remote workers will obviously be a big part of the solution.
  - The Maine Connectivity Authority was recently created by the Legislature, and they are working on standing up a new entity to put broadband to work across the state.
    - They are working on next steps to starting an organization from scratch – leaders and staff.
    - \$300 million is likely to flow through that entity which should help solve a lot of connectivity problems in our state.
- **Charlotte:** Add to that, we finished voting yesterday on the Northern Border Grant Awards and there was a reduction in broadband funding. All other projects that were previously competing against broadband now have a better chance of getting funded. Other areas – workforce training, development, innovation - have a better shot now. Things are shifting.
- **Charlotte:** Anyone looking for funding, I would encourage you to be ready with your executive summary. Write it up and be ready with your project. Having it thought through now will prepare you when the money comes out.
- **Charlotte:** \$4.8 million this year for the Northern Border Regional Commission (NBRC). We also have a regional program specific to the forest industry which is another pot of money which will be available. NBRC funding includes renewable energy. We would love to see some of those proposals.
- **Jennifer:** Is childcare funding separate from the other money coming in? Is this above and beyond childcare grants?
- **Martha:** The money in this is around the infrastructure piece and is separate from the childcare grants.
- **Martha:** A part of the strategic plan was around the K-12 level revamping digital curriculum. The DOE has been working on that piece and it will be rolling it out fairly soon.
- **Margaret:** How can we be most helpful in terms of making the most of this for the state? How can we maximize the impact?
- **Brian:** With respect to the MTI buckets, we'll be putting together guidelines and concepts in the next week and will take it on the road to solicit feedback. We want to get your take on opportunities we missed and will incorporate them into the final guidelines. After the listening tour we can convene this group to talk about it specifically, if that's of interest. Also, you can email me if you want to talk about it - I'm accessible.
- **Wick:** Who is responsible for assessment?
  - This is money beyond our wildest dreams, and it behooves us to be able to tell the story about how well it was spent.
  - Hold people accountable regarding the outcomes.
  - We'll get hammered if it wasn't spent or spent well.
- **Brian:** Commissioner Johnson has highlighted making the most of this opportunity. Account for it in a way that will engender goodwill – faithful stewards – executed well.
- **Martha:** There are a couple of assessment and accountability levels.
  - Accountability to feds - meeting requirements and rules, making sure people spent the money the way they said they would. Level of impact of the money.
  - Also, how does this connect to goals and vision of the economic strategy?
    - Marrying of the strategic plan metrics with the American Rescue Plan Act (ARPA) piece.
    - Making sure we have the accountability piece.
      - Laser focused on being accountable and effective.
  - There is danger of giving everyone money and calling it good.
    - Laying a foundation or scaffolding that's sustainable going forward.

- **Charlotte:** If we give out subgrants to already established groups, they will need to describe how the money will be sustainable.
  - DECD will be responsible for deploying money.
  - Bolster local and regional capacity and show how the money can be spent to ensure sustainability.
- **Brian:** This is one-time money, but we want to make sure it has a tail so it will last a while.
  - MTI is talking about debt vehicles to deploy the money.
  - Also talking about a forgiveness component – maybe half of debt and the other half in an evergreen piece.
  - Longer lasting impacts than just over the next two years.
- **Joe:** Has MTI thought about equity investments in addition to grants and loans?
- **Brian:** Our preliminary concepts are around grants and loans with the Jobs & Recovery Plan money. Not so much equity.
- **Brian:** Stay tuned. There is a lot more to come on that front.

## Item 2: Strategic Plan Workflows Update

- Increase R&D investment levels in Maine.
  - This strategic area is obviously getting a huge lift with the Jobs & Recovery Plan money.
  - The state’s early adopter program is also a wonderful new initiative.
    - Exciting the state will be a customer for these startups and initiatives.
- Raise the investment cap of the Maine Seed Capital Tax Credit Program.
  - The cap has been raised per legislation in 2020.
  - The Office of Program Evaluation & Government Accountability (OPEGA) just completed a study of the program. It released recommendations related to improved reporting and impacts.
  - For any program, tracking impact and reporting is important.
- Revitalize the Maine Innovation Economy Advisory Board (MIEAB).
  - The Governor’s Office Department of Boards and Commissions was focused on confirmable appointments while the Legislature was in session (They adjourned in late July).
  - Since MIEAB appointments do not require legislative confirmation, the Governor’s Office hopes to turn its attention to it in late August or early September.
  - Look for more to come there.
- Promote the Domestic Exports Program.
  - DECD is working diligently to stand that program up in the coming months.
  - Innovation Dashboard – operationalized with the assistance of the University of Southern Maine (USM).
  - Partnering with MxG – tackling issues facing companies within Maine’s innovation ecosystem to address challenges.
    - MxG workgroups did great job and came up with helpful recommendations which we hope to incorporate.

## Item 3: Federal Funding Opportunities

### Overview:

- SSBCI -- Treasury guidance will come out this month.
  - Anticipate that the Maine Venture Fund (MVF), FAME, and the seven economic development districts (EDDs), in addition to MTI, may be conduits for deploying the funding.
  - A big opportunity (\$58M).
- Economic Development Administration (EDA) -- \$3 billion to deploy nationwide as part of ARPA.
  - They will be awash in funds and looking to identify good projects in Maine.
  - Opportunity for Maine to address infrastructure deficits like lab and science space, incubator space, and that kind of infrastructure.
  - Now is the time to be creative and strategic about going after this kind of money.
  - Time is of the essence between now end of the year to come up with projects that can benefit all of us.

- Connect with Alan Brigham, our regional Economic Development Director for the EDA.

## Discussion:

- **Renee:** EDA is looking to the state for coordination of submissions of these programs. I would encourage folks who are collaborating to reach out.
- **Charlotte:** Still in process. Lots of conversations about it. It needs to be done quickly and at the same time as the other funds. A lot of work to do. Reach out if you have interest.
- **Margaret:** We have a lot of ideas and have been in conversations with Alan for over a year.
  - Our proposal is an intersection of entrepreneurship and incubation.
  - On board with developing an exciting big proposal for the state.
- **Brian:** This group, along with MIEAB can really have some influence. Instead of going after small pots of funding, we can take some big swings here.
- **Brian:** Given the large pot of funding available, I wonder if EDA will express more flexibility on match? It's been a limiting factor in the past.
- **Renee:** Not as flexible as hoped.
- **Margaret:** Can in-kind be part of it? How do you bring creativity to it? Ongoing discussions.
- **Brian:** MTI has invested in a number of accelerators and incubators in the past with EDA co-investment. This opportunity is too good to let pass. We need to put our wish list together for things that are sorely needed and put a competitive proposal with relevant match together.
- **Margaret:** I plan to spend a lot of time on this over the next couple of weeks.
- **Liz:** We have this group, and everyone has individual relationships. If we were to make a list and work together on putting a package together, how will that be coordinated? Where does that happen? Curious how we can get more into a workgroup format and who the key players would be. Willing to help but not sure how to.
- **Brian:** Probably this is a better group for oversight and advice. We probably need a smaller workgroup. Open to suggestions. Maybe one of the MxG workgroups would be a good vehicle. A good complement to the EDA funding. Happy to work with anyone who wants to discuss. MTI will be playing a role in match, etc.
- **Renee:** The Build Back Better regional challenge focused on sector-based partnerships. Quite sure people involved with SEAMaine or life sciences want to find out what the EDA defines as "regional." It could mean multi-state in cases of big pots of money.
  - Will share with this group once I find out more.
  - Not personally aware of anyone thinking about it.
  - There's a travel - tourism piece as well.
- **Brian:** Maybe I should reach out to Alan to have him attend our next meeting so we can pick his brain and he can share some thoughts with us.
- **Brian:** Some EDA webinars are coming up which I will probably check out.
  - They hold regular webinars, and I would encourage you to check them out at [EDA.gov](https://www.eda.gov).
- **Judy:** Watched the first webinar and didn't pick up on the regional portion. What does the data say about what other states or key industries have done? We should find out what the holes are. What historically has been proven to succeed to propel into the future. There must be a better way to go about it.
- **Brian:** Alan would be a good resource.
- **Renee:** There are also economic adjustment and indigenous people focused opportunities.
- **Brian:** Lots of exciting things going on.

## Item 4: MxG Updates

### Overview

Liz noted the MxG workgroups hadn't met since the end of June, and she was waiting to see what programs were available and how to marry the two. She pointed out the plan had been received and incorporated, and she was ready to jump in to help when the time was right.