

**10 Year Statewide Strategic Plan
Innovation Subcommittee Meeting
May 6th from 2P – 3:45P
Via Zoom Meeting**

Meeting Objectives:

- **Discuss Maine Jobs & Recovery Plan and its Proposed Innovation Investment**
- **Maine Accelerates Growth Updates**
- **Identify Top Three Innovation Subcommittee Priorities**
- **Maine Innovation Economy Advisory Board Update**

Meeting Attendees:

- Brian Whitney
- Wick Johnson
- Cem Giray
- Jennifer Sporzynski
- Renee Kelly
- Shane Moeykens
- Charlotte Mace
- Judy Sproule
- John Burns
- Jake Ward
- Joe Powers
- Liz Trice
- Adam Lachman, Sen. King's Office
- Cassandra Thomas, FEMA
- Kelsey MacKinnon, DECD Staff

Notes:

Item 1: Governor's Maine Jobs and Recovery Plan – ARP Allocations

Overview:

- Over \$1B coming to the State through ARP. Governor issued plan on Tuesday breaking the funding into various buckets. Details can be found here: <https://www.maine.gov/covid19/maine-jobs-and-recovery-plan>
- Three major buckets:
 1. Immediate Economic Recovery from the Pandemic: \$260M
 2. Long-Term Economic Growth for Maine People: \$305M
 3. Infrastructure Revitalization: \$547M
- Several buckets relevant to the work of our group, including:
 - Invest in Heritage Industries: \$50M – MTI is called out to help administer \$30M of this for Forest Products & Manufacturing (\$20M) and Seafood Facilities & Processing (\$10M)
 - Sustain New Businesses and Entrepreneurs: \$8M
 - Encourage Business Diversity: \$3M
 - Jumpstart Innovation: \$80M – Some discussion that an MTAF-like program would be a good fit, but there's room for flexibility if we have other priorities in addition to an MTAF-like program. MTAF with this funding would also allow for more flexible use of funds than MTAF tied to bond funding, which required that the money only be used for infrastructure/equipment/technology upgrades.
 - Create Clean Energy Partnerships: \$8M
 - Establish a Domestic Trade Program: \$15M
 - Increase Licensing Efficiency: \$8M – Licensing can be challenging for businesses, especially new entrepreneurs.

- Establish the Maine Connectivity Authority to Achieve Universal Broadband: \$150M – Broadband is a big need for workers and businesses.
- Also several talent attraction and workforce development buckets.

Discussion:

- Proposals within the plan may need legislative approval, depending on whether the money flows into an existing statutory program or a new program has to be created. Any new programs should have the capacity to be self-sustaining beyond the 2-3 years of this capital.
- Could consider using some of the Jumpstart Innovation funding to replenish the Maine Rural Development Authority (MRDA).
- Can continue to put projects forward to the FEMA team to identify other federal funding sources.
- U.S. Treasury will establish guidelines around how ARP funds can be spent by May 10.

Item 2: FEMA Update on EDA Funding

- EDA's Philadelphia Office that oversees Maine is expecting influx of money.
- EDA released new investment priorities. As you put together applications for EDA funding, want to make sure your proposal aligns with at least one of these priorities – the more the better.
 - <https://www.eda.gov/about/investment-priorities/>
 - Equity – Looking for projects that benefit traditionally underserved populations or communities, including rural areas. Looking for metrics like persistently high unemployment, 60% or lower of average income, etc.
 - Recovery & Resilience
 - Workforce Development
 - Manufacturing
 - Technology-Based Economic Development
 - Environmentally-Sustainable Development
 - Exports & FDI
- Process to apply for EDA funding:
 - A good process is generally to prepare your one- to-two pager outlining the project, taking into account EDA's investment priorities and showing where job creation will come from. Then you can reach out to a member of the delegation, who can help connect you with Alan Brigham (Maine's EDA economic development representative).
 - Alan will likely have a replacement in the next month or so.
 - The Maine directory page has other helpful resources – you can also work with EDDs or go to a revolving loan fund if you have a very big project:
 - <https://www.eda.gov/resources/directory/states/me.htm>
- EDA won't make direct investments in for-profit companies – funding needs to go into nonprofits, governments, Tribes, etc.

Item 3: MxG Updates

Overview:

- MxG workgroups were asked to come up with 3-5 priorities for their work area and to develop the proposals for potential funding. Hope to have one-pagers for the proposals by MxG's June meeting.
- Want to figure out how to invest this one-time influx of money in a way that will generate returns for decades to come.
- Workgroup proposals fit into the following broad buckets:
 - Marketing around innovation – encouraging people to get involved, recruiting workforce, sharing good news of what's happening
 - Having a system to collect data and metrics so we can track if what we're doing is working
 - Better coordination between organizations in the ecosystem

- Using physical spaces in the state to increase collisions and connections between entrepreneurs and workforce
- Programming and education
- More investment for companies
- DEI – want to make sure everything we do includes reaches more people

Early Stage Workgroup (VIRAL Stage 0-3) Proposals:

- Central coordination of ecosystem-building staff – MTI has funds for ecosystem-building, but it's not highly coordinated; lots of part-time workers and no central data collection. Figure out how to bring the right partners together to use the same data collection and marketing strategies.
- Provide more direct supports to early stage entrepreneurs – Feeding the pipeline for MTI, Maine Angels, etc., who can only invest in companies that have reached a certain stage of development.
- Create a system to recruit and support ideas and innovators to solve Maine's greatest challenges – UMaine has a concept for Grand Challenges to address issues in health, rural areas, climate changes, etc.
- Create a network of innovation centers – Main Street Innovation Hubs for urban and rural places
- Programming to increase collisions for early stage entrepreneurs
 - Scholarship vouchers for underrepresented entrepreneurs
 - Shared workspaces
 - Shared software/data collection

Growth Stage Workgroup (VIRAL Stage 3-6) Proposals:

- Increasing equity and debt pools to get companies beyond VIRAL 3 – help them scale beyond Maine
- Trainings for boards of directions to support growth stage companies; fractional executive pools to provide additional support
- Increase funding for domestic trade program
- Increase quality and quantity of talent pool

Metrics Workgroup Proposals:

- Have a consistent report on startups and outcomes in Maine
- Evaluate progress in building and supporting a culture of innovation by measuring general perceptions of (1) the ability of Maine's ecosystem to support new startups and (2) social acceptability of innovation and entrepreneurship
- Track data on talent acquisition and retention
- Determine how to support MIEAB

Diversity & Equity Workgroup Proposals:

- Conduct DEI training for MxG members and organizations
- Partner with underrepresented-led organizations to develop proposals to be more inclusive
- Tracking the innovation branding campaign being led by someone involved in development of Rock Row project in Westbrook – want to make sure Maine is branded as a place to live, work, and innovate that is welcoming of new ideas and new people.

Communications Workgroup Proposals:

- Making sure we have a good structure that allows anyone to find the resources they need to start a business
- Shared marketing/storytelling of successes

Coworking Cohort Proposals:

- Lot of overlap with early stage workgroup proposals - grants for space improvements, utilize existing spaces as a network with consistent data collected and programming offered, making sure entrepreneurs are welcomed in coworking spaces, maybe provide stipends for entrepreneurs to work in spaces to ensure more cross-pollination. Also asking for fiber builds in coworking spaces to ensure high speed internet access.

Item 4: Discussion of near-term Priorities

Overview:

- We should aim to identify 2-3 projects as near-term priorities. Should also determine how we measure success in achieving those.
- Priorities from the Strategic Plan and ERC Report:
 - Increase R&D investment levels in Maine
 - ARP money is a tremendous infusion, but need to figure out how we can get sustained levels of investment – ERC calls for \$100M annually
 - Create a combination of public subsidies, tax incentives, and higher ed investments to lift R&D investment levels
 - Raise investment cap of the Maine Seed Capital Tax Credit program
 - Already passed by the legislature
 - Currently being reviewed by the Office of Program Evaluation and Government Accountability (OPEGA). Will be interested to see what changes or improvements OPEGA recommends.
 - Revitalize MIEAB with diverse entrepreneurs
 - In process. Presented Governor's team with a list of candidates; will meet with the team next week to identify top candidates for each seat so the Governor can make her decisions and nominations.
 - Once the board is stood up, we can start moving on the other pieces – putting together the state's 5-year innovation action plan, helping Shane with his EPSCoR state committee work, etc.
 - Promote exports
 - \$15M from the ARP funds are allocated to stand up a domestic exports program. Charlotte has done a lot of work putting together this program – probably a project achievable in the short-term
 - Cultivate an entrepreneurship ecosystem
 - Looking to fill gaps in the ecosystem and unlock entrepreneurial spirit
 - Advance initiatives that grow key innovation sectors
 - Identify opportunities for funding for food processing infrastructure and support for innovation
 - A lot of this work is being done by MxG

Discussion:

- Group can play a role in influencing the implementation process and metrics associated with the proposals in the ARP plan.
- R&D investment, entrepreneurship ecosystem support, and general promotion of Maine as a good place to live and work are important themes to prioritize.
- Want to ensure we have an entrepreneurship ecosystem that has the metrics and processes to ensure conversations and decisions around priorities are happening all the time.
- Should consider if there are proposals where scaling up current investment levels can demonstrate benefits like increased tax revenue streams.
- MIEAB candidates have been presented to Governor's team. Should ensure consideration is given for geographic and other forms of diversity in the board's ultimate configuration. Once board is reconfigured, should consider how to ensure synergies and coordination between MIEAB, MTI, and MxG.

Item 5: Next Step

- Small groups will work together between now and the next meeting to put together recommendations for the larger committee's feedback, and we'll identify priorities and outcome metrics from there. Priorities can then be put forth to Martha and the Strategic Plan Steering Committee.
 - MxG workgroups will formalize their recommendations around supporting the entrepreneurship ecosystem and will present them to the Innovation subcommittee for review and feedback at our next meeting.

- Brian will work with Charlotte to figure out what parts of the domestic trade program will need some implementation steps. Will work to decipher those and offer them as priorities.
- Brian, Jake, John, and Wick will discuss strategies to help sell the legislature and administration on the need for some sort of sustained funding for R&D investment and what that might look like.
- Small group can form to discuss how to give the reconfigured MIEAB the right kind of tools, funding, and support to make it a proactive, independent, mission-oriented group vs simply reactive.
- Small groups can share drafts of their recommendations to Cassandra for feedback via email, as well.