CARES Act Funding Categories from Quick Starts

Education (adding childcare to this identified theme) - 5 “votes” (BB, CL, TA, BH, DS)

Enable an inclusive innovation space by allocating funds to support state-funded childcare for children whose parents cannot receive child care subsidy because of federal restriction on immigration status

Health and Safety - add childcare and small businesses to those receiving the needed financial support, education and guidelines from the State to ensure they have safe environments for children, teachers and workers (i.e. PPE, reconfiguring their buildings, etc...).

Direct Business Supports - 3 “votes” for variety of MTI/FAME/MVF combinations (BB,TA, DS); 2 additional “votes” for adding lens to recommendation for ensuring diversity and inclusion in decision-making bodies (CL, VW)

Launch a $20 million competitive MTAF financing round, with flexibility to 1) fund additional finalists from the current round and 2) add a “Beat COVID” category for Maine businesses starting up or pivoting to fight the COVID pandemic. Tap CARES Act funds as is allowable and seek to finance the remainder via a state bond.

Allocate CARES Act CRF Funds as grants to innovation sector businesses, with $30 million for FAME and $20 million for MTI for:

1. Rehiring employees to get back to employment level pre-Covid, with support for PPE expenses.
2. Rehiring expenses for businesses that are viable but were ineligible for or did not apply for CARES Act funding, including businesses operated by persons of color or immigrants.
3. Maine Technology Asset Fund (MTAF) funding for high-scoring businesses that have been adversely affected by Covid or for PPE expenses.

Provide bridge capital for high-growth businesses by allocating $15 million to the Maine Venture Fund for equity investments and modifying the Seed Capital Tax Credit program to leverage additional private investment. Provide bridge loans to steady-growth businesses by allocating $30 million to FAME for reserves and/or creating a guarantee pool, or both.

Create a target list of ME companies from MTI’s MTAF 2.5 and Village/Sorenson apps for financial and other support –companies that have products that can quickly start ME’s economy and/or assist with PPE and other COVID related solutions..

In our committee’s recommendation to increase funding to MTI, FAME or Maine Venture Fund to distribute CARES Act funds, include a recommendation regarding the structure of MTI’s, FAME’s and MVF’s Board of Directors that will increase representation of underserved communities in State investments in innovation.

In our committee’s to-be-determined recommendations to increase funding to MTI to distribute CARES Act funds, we should include a recommendation directing the governor’s office to request input from the Permanent Commission on the Status of Racial, Indigenous, and Maine
Tribal Populations regarding proposed changes to 5 MSRA §15302.3 regarding the structure of MTI’s Board of Directors that will increase representation of underserved communities in state investments in innovation.

Provide emergency funding to save the small businesses and entrepreneurs who make up our traditional key industries. ($300 million??). Set criteria to ensure diversity among grantees (i.e. broad representation across geography, race, gender, etc....)

Dedicate at least one-third of stabilization grants to small businesses that are 1) located in Maine’s low-income census tracts or 2) headed by entrepreneurs who are women, people of color, immigrants and refugees, Native Americans. Make stabilization and other support programs straightforward to apply for and translate the instructions into languages represented in Maine. Consider providing grants to organizations that have community connections, cultural and language competency and small business mentoring expertise to expand business advising to help these entrepreneurs secure resources and assist them to survive the changing business conditions.

Fund $2M grant program from CARES Act for adapting co-working spaces to comply with practices required to promote public health.

**Broadband - 2 votes as critical cross cutting issue (BB, TA)**

**Additional Areas for CARES Act Funding Consideration**

**Workforce (3 “votes” - BH, CL, VW)) -**

Collaborate with the workforce subcommittee on recommendation to allocate funds to support workforce development training in innovation sectors as outlined by the ERC mandate.

Address workforce constraints limiting the ability of Maine’s energy and construction sectors to drive economic development

Explicitly support, direct, and build educational and workforce capacity with focus on entrepreneurship, critical thinking, collaborative problem-solving, communication, and resiliency to meet current opportunities in life sciences and renewable energy development in alliance with State's ten-year goals for energy development and emissions reductions.

**Misc Other - one vote each**

Food system scaling, resilience, and innovation

Mentorship coordination and support

**Other Recommendations/non-CARES Act**
Use increased safety measures and expansion of remote working infrastructure to market Maine as a safe place to live, work, attend school, visit, and start a business.

Broaden and empower voices of entrepreneurs through MIEAB (2 “votes” TA, BH)

- Empower greater diversity and effectiveness in directing innovation economy by recruiting and appointing more diverse and experienced entrepreneurs to the Maine Innovation Economy Advisory Board and charging board to assess opportunities and recommend policy in support of the innovation goals in the state’s 10-year economic plan.

Analysis of regulatory barriers

Accelerate Venture Capital Investment: Maine Seed Capital Tax Credit Adjustment: Restore limits on eligible investment size from $2 million per year and $3.5 million lifetime to $3 million per year and $5 million lifetime and consider an annual program ceiling as recommended by FAME from $15 million to $30 million. Given reduced demand due to Covid, the fiscal impact in this biennium is likely to be less than anticipated prior to Covid

Bond and Comprehensive Capital Plan (2 “votes” TA, BH) - A Bridge to Recovery: A Bond Issue Initiative - commencement of a process to structure a bond issue for business loans, equity and flexible repayment structures, with a goal of a November 2020 vote. Uses would include:

1. $40 million for MTAF 3.0, and expanded use of funds criteria and ability to structure returns to MTI on successful for-profit projects
2. $40 million for FAME risk loan reserves and direct loan programs, of which $15 million would be distributed through the Regional Economic Development Revolving Loan Fund to regional entities.
3. $15 million to the Maine Venture Fund for the proposed Chamberlain Fund to attract $30 million in private capital to invest in Maine businesses, and $5 million for bridge loans.

Fast-track a comprehensive plan for capital

- Fast-track and enact a comprehensive plan for increased access to capital for infrastructure, R&D, and entrepreneurship via a November 2020 infrastructure bond, funding for FAME, MTI, MTAF, and tax credits supporting cooperative business purchases and development by employees and displaced workers.