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2010 JAN 27 PM

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STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE

COMMITTEE ON BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT

TO: Senator Bill Diamond, Senate Chair  
Representative Emily Ann Cain, House Chair  
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Elizabeth M. Schneider, Senate Chair  
Nancy E. Smith, House Chair  
Members, Joint Standing Committee on Business, Research & Economic Development

DATE: January 27, 2010

SUBJ: Committee report on LD 1671 Supplemental Budget for FY 2010 and 2011

The Joint Standing Committee on Business, Research & Economic Development held two work sessions on the Governor's supplemental budget (LD 1671) and voted unanimously 12-0 to support the Part A savings identified in the supplemental budget that are within the jurisdiction of the committee, except the committee recommends striking Part EEE from the budget because the language is no longer necessary to achieve the savings under **Sec. A-17, BRED-4 (Ref #349)**.

The Committee recommends striking all of Part EEE from the budget because the Department of Economic and Community Development (DECD) presented to the Committee on January 26<sup>th</sup> their preliminary plan to achieve the savings identified in Part A of the budget through a reorganization of DECD that will produce net savings of \$21,925 in FY 10 and \$226,488 in FY 11, and a total savings in FY 2010 and 2011 of \$248,413 (please see the attached documents submitted to the Committee from DECD). The Committee recommends that the savings identified in Part A of the budget, **Sec. A-17, BRED-4 (Ref #349)** be amended to reflect the savings identified by DECD in the attached documents which total \$248,413.

Thank you for your consideration of our recommendations.

cc: Patrick Norton, Director, Office of Policy and Legal Analysis

## DECD reorganization

### FY10

- (\$ 82,088)
  - Total deficit for personnel/attrition
- \$ 116,738 (102,946 + 13,792)
  - KVCOG Business Development Specialist, central office Business Development Specialist, and Innovation's Policy & Program Coordinator vacant through FY 10
  - Misc costs (rent, travel, cell phone, etc)
- \$ 17,274 = \$ 12,281 (salary/benefits) + \$4,994 (overhead)
  - Southern Maine and Mid-Coast Business Development Specialist positions moved to contract positions effective 04/04/2010
  - Regional Coordinator maintains current position at AVCOG; covers KVCOG
  - Regional Coordinator maintains current position at EMDC; covers KVCOG
- ( \$ 30,000 )
  - 2 contract costs \$5,000/month X 3 months MCEDD, SMEDD
  
- Net savings \$ 21,925

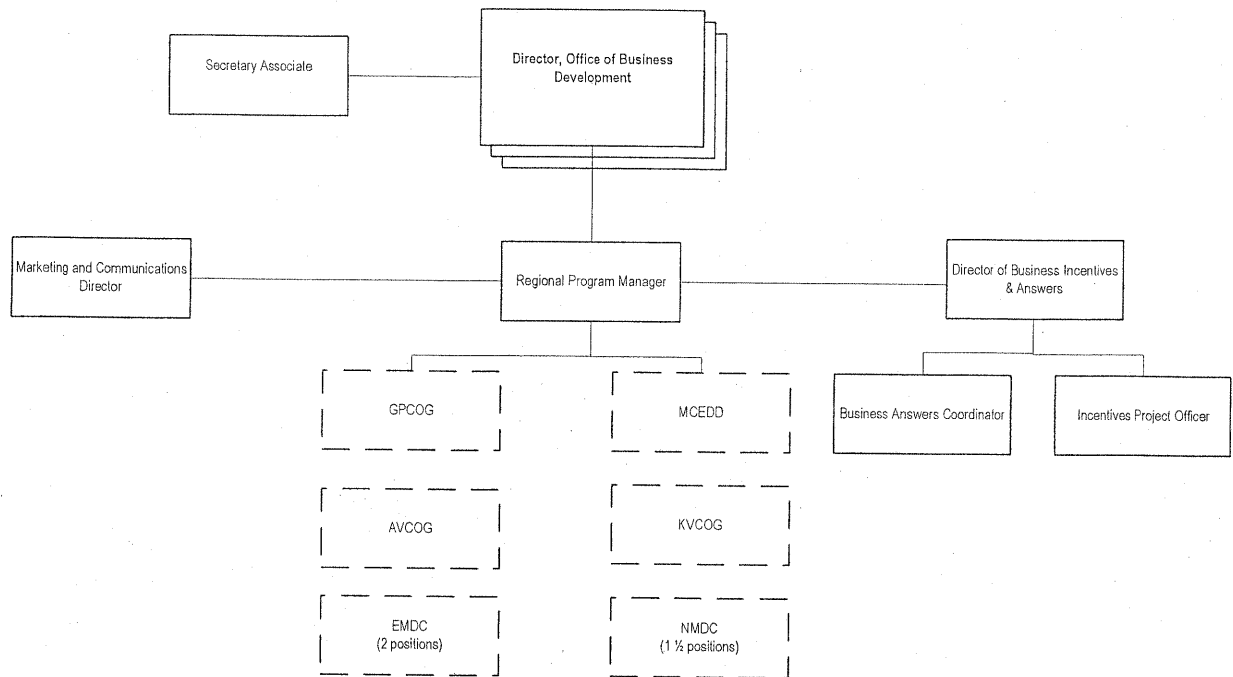
### FY11

- \$378,650 = \$349,643 (salary/benefits) + \$29,007 (overhead)
  - 4 Business Development Specialist positions moved to contract positions (SMEDD, MCEDD, KVCOG, AVCOG)
  - Regional Coordinator maintains current position at EMDC
  - Regional Coordinator moves to central office, duties restructured
- ( \$240,000 )
  - 4 contract costs \$5,000/month X 12 months
- \$ 87,838
  - Innovation's Policy & Program Coordinator position unfilled; special projects filled contractually using special revenue funds
- Net savings \$226,488

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**Total savings FY 10/11 = \$248,413**

01/26/2010



Embed OBD Specialists within each of EDD

Allow EDD flexibility to address unique regional needs

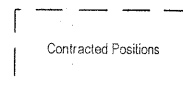
Create training program for OBD Specialists and regional EDD personnel

Intergrate the DECD internal BDTI (Business Development Tax Incentives) database into the regional EDDs

Structure an integrated, easy to understand website portal for DECD and clear links to our partners

Focus on robust Communications and outreach strategy

Increase visibility and effectiveness of Business Answers



**DRAFT**