

Maine Rising

Creating Jobs, Moving Maine Forward

by Rosa Scarcelli



Authorized by the Candidate and Paid for by Rosa for Maine

MAINE RISING CREATING JOBS, MOVING MAINE FORWARD

I'm Rosa Scarcelli and I'm running for Governor of Maine.

I'm a lifelong Mainer and true believer in this state. Times are tough right now, for lots of us. But we can fix that. We will move Maine forward if we change who we send to Augusta. As Einstein said, "Problems cannot be solved by the same level of thinking that created them." It's time for new ideas and a new perspective to put Maine back on course and start putting Maine people back to work.

Every gubernatorial candidate has the responsibility to share with the people of Maine her ideas and her planned course of action. This is mine: Maine Rising – Creating Jobs, Moving Maine Forward.

I already know what you're thinking. "Oh here it comes, another grandiose political plan full of empty promises from a candidate who just wants my vote."

Not this time. Because I'm different. I am not a lifelong political insider stationed at the Statehouse in Augusta. My experience comes from building and growing a successful business in Maine and making bold and decisive decisions when necessary. I care about and employ over 100 people and provide safe, quality housing for thousands of elderly, veterans, single moms and disabled individuals in over 35 communities across the state – from Madawaska to Old Orchard Beach. I know how to set clear expectations by defining desired outcomes.

I want Maine to be a place where our families work and live together – where chasing a brighter future doesn't mean leaving Maine to do it. I want my children and yours to be able to stay and find good homes and good work. I want to make sure our elderly family members and neighbors are taken care of with dignity and best of care.

Today Maine is not the way life should be. But it can be with bold, new ideas and new leadership.

I have learned that being a successful businesswoman in the 21st century demands proven fiscal management skills and the ability to bring diverse perspectives together. I firmly believe that reflective thought leads to constructive action and creative solutions – that working collaboratively across public, private and nonprofit lines with a shared commitment for advancing better policy is the best policy. Informed dialogue and determination to effect positive change will ultimately improve the lives of Maine people. Maine Rising – Creating Jobs and Moving Maine Forward is a bold and innovative course of action.

It's time. It's necessary. It's possible.

Before you turn the page, thank you. I look forward to meeting you over the next several months as I travel around the state on the campaign trail. And if I am fortunate to be elected the next and first female Governor of Maine, we will experience MAINE RISING together.

**TAKING THE LONG VIEW:
FIVE STEPS FOR CREATING 50,000 JOBS IN MAINE**

“As Governor, I will create a climate for businesses to grow and expand – and support the businesses that are the backbone of Maine.”

- Rosa Scarcelli

1. Articulate a clear vision for our future and take decisive action to spread prosperity throughout all of Maine.
2. Reduce the high cost of doing business in Maine and make our state more attractive to employers.
3. Implement a strategy based on Maine’s greatest assets – its people, traditions and natural resources – to preserve and enhance our opportunities for growth.
4. Prepare Maine’s workforce to compete for the jobs of the future through investments in higher education and focused workforce development programs.
5. Drive growth by fostering innovation, creativity and efficiency in every corner and every industry in Maine.

Maine needs jobs.

Most of the serious problems state government faces – with its budget, with education, with providing adequate services to the elderly and infirm – can be alleviated with more, good-paying jobs.

Good jobs provide security and stability for Maine families and Maine communities. Good jobs keep more young people here in Maine. Good jobs provide more tax revenue to the state to invest in transportation, education, job training, and to meet its commitments to critical services like health care and law enforcement.

Nobody running for governor will disagree with this.

But how will Maine grow the businesses that are already here and attract new ones? What industries will define Maine's future? Where should the state target its economic development efforts?

Where We've Been

At its industrial peak, our great state once hummed with hundreds of thriving enterprises that shipped goods across the country and the world, imbued with the spirit of hard work, ingenuity and craftsmanship still associated with the label "Made in Maine."

Today, the great log drives and woolen mills are a distant memory. Many of the old factories and mills, those that still stand, sit empty beside the great rivers that once gave them life. Growing up in Wilton where my dad taught college, I played with friends whose families worked at [G.H. Bass](#), the great shoe company that began as a tannery in town, and [Forster Manufacturing](#), which produced most of the nation's toothpicks. Those companies are gone now.

Once our natural resources, textile and shoe shops provided jobs for every one out of four Mainers. Today it's more like one out of 20.¹

In the 1930s, there were over 6,000 farmers raising potatoes in Aroostook County, which by itself produced more potatoes than any state in the nation right up until the late 1950s. But by 1997, the number of potato farmers had dwindled to fewer than 600.² (We once led in innovation, too. Frozen French fries were developed by a company in Hartland and first sold by the Birds Eye Company plant in Caribou.)³

Our chicken broiler industry, once the mainstay of many rural communities, disappeared not long after railroad deregulation made it too expensive to ship grain from the Midwest.

Our fisheries struggle to survive and the families that have relied on them for generations struggle too. Lobsters, the state's number one product, are mostly shipped to Canada for processing and return to the US with a label that's an insult to every hard-working Maine lobstermen: "Product of Canada." While the worldwide market for shrimp continues to grow, the market for Maine shrimp continues to shrink, turning what could be a delicacy into a mere by-catch and forcing many Maine shrimpers to peddle their harvest on the side of the road.

For at least 150 years, Maine has seen the world change around it, and has attempted to adapt and keep pace with growing global competition. We've tried all kinds of things to attract new jobs. At one time, we thought call centers were the answer since they could be located almost anywhere and provide a decent job for unskilled workers. Microsoft's toll-free customer service line was once answered in Brunswick, but soon even that contract moved to India, which offered cheaper labor costs.

We've tried to lure companies to the state with tax breaks, TIFs and Pine Tree Zones. We've enacted dozens of economic development programs – grants, tax credits, loans, guarantees, etc. And while there have been some individual successes, as a state we continue to struggle. Annual job growth is under one percent, where it's been for the last seven years, and

¹ [A Brief History of Maine Rural Development Policy](#), Charles Colgan, Richard Barringer, 2007

² Tater Act, <http://www.tateract.org/economy.html>

³ [Olof P. Pierson, U.N. Consultant, Invented Frozen French Fries](#), Los Angeles Times, Nov. 12, 1993

unemployment is hovering close to double-digits – where it’s been for some time in places like Washington and Piscataquis Counties.

Yet despite all the doom and gloom and the clear challenges ahead, there is hope. The problems facing our state do not obscure its tremendous physical and human potential. We still have the natural beauty and renewable natural resources that drew us and our forebears here. We haven’t lost the distinct character of our people: our legendary work ethic, resourcefulness and determination. Everything we need to prosper, the basic ingredients, are already right here.

What’s lacking is a plan. What’s lacking is decisive leadership and bold action that will get our state back on track toward a new day, when Maine starts rising again.

Where I Come From

I’m a Democrat.

Call me old fashioned, but I believe government should care for people and make their lives better.

I’m not one of those who thinks government is the sole problem or that everything government does is evil. As Sen. Bill Cohen used to say, “Government is the enemy - until you need a friend.”

But neither do I think that government has all the answers, or that it always does everything right. Far from it.

Government’s major role is to protect the public and provide services for those unable to care for themselves. It also has a necessary role in strengthening our economy, but government can’t create jobs. It can only create the environment for jobs in the private sector to grow and prosper.

Government should be a partner with the private sector to foster job growth. I look at my own job as an example. As president of Stanford Management, I partner with the federal government to provide a needed service to Maine people – affordable housing – while also managing the company in an efficient way that provides a decent rate of return for the owners of the housing properties. In the process, I employ hundreds of workers who manage the properties on a day-to-day basis, and provide maintenance and upkeep.

None of this would be possible without the government’s help. But neither would it be possible without strong, capable management and oversight to make it work.

So can government be run like a business? Well, yes and no. It's doubtful you could calculate the ROI on running a prison.

But government services and programs should be managed effectively and efficiently so the taxpayers see a real return on their investment.

Unfortunately, when it comes to economic development and job creation, our efforts have not been well managed.

According to a review of 46 state economic development programs by the Office of Program Evaluation and Government Accountability (OPEGA),⁴ the state is investing in programs that are

While the state has churned out dozens of reports, studies, commissions and task forces, we've failed to do what's really needed: the development of a long-term vision for Maine's economic future.

ineffective or no longer necessary; spending too much on administrative overhead; and missing opportunities to provide incentives to businesses that need them while over-subsidizing others.

It gets worse. OPEGA found that the state doesn't even have a definition for what constitutes an economic development program. There are overlaps and redundancies. Some programs were started decades ago with no review or evaluation to determine if they are even needed anymore. Of the 46 programs reviewed – and OPEGA didn't even look at ALL of the state's economic development programs – only two of them are managed by the

Department of Economic and Community Development – the Department that is supposed to have the chief role of working to help create jobs in Maine.

The Maine Development Foundation came to a similar conclusion.⁵ There have been a lot of bold, innovative economic development ideas and initiatives over the years – many of them hurriedly advanced in response to a particular crisis – but implementation and follow-through have been weak and ineffective. Which programs are working and which aren't? Have all the tax credits, grants and giveaways really produced the jobs they were supposed to? Are there some areas that aren't being addressed? No one seems to know.

It's not like we haven't asked the right questions. Over the 30 years from 1978 to 2008, Maine

⁴ *Economic Development Programs in Maine: EDPs Still Lack Elements Critical for Performance Evaluation and Program Accountability*, A Report to the Government Oversight Committee from the Office of Program Evaluation and Government Accountability, Dec. 2006

⁵ *In Search of Silver Buckshot: 30 Years of Economic Development in Maine*, Maine Development Foundation, June 2009

produced no fewer than 146 economic development studies and reports, nearly five per year⁶. These and countless other commissions and task forces have looked at everything from our overall economy, to youth migration, to a strategic plan for the lobster industry. According to the MDF, the state has conducted more than 50 studies of tax reform, more than eight studies of the state's business climate, a dozen or more studies of regional disparities in Maine, and more than six studies of the proposed East/West Highway, an idea that was first broached in a 1937 study by the federal Works Progress Administration (WPA). And it's *still* undergoing review!

Many of these plans and reports contain excellent recommendations; few were ever implemented. At tremendous cost to Maine taxpayers, many still sit on shelves in State House offices collecting dust.

And while the state has churned out all of these reports, studies, commissions and task forces, we've failed to do what's really needed: the development of a long-term vision for Maine's economic future.

Meanwhile, some of the real problems that are inhibiting jobs and business growth – like rising health care and energy costs – are virtually ignored.

We've studied the problems long enough. There's no reason to continue reinventing the wheel. The answers to our problems are all right there, piled up and gathering dust in the numerous studies and reports on Maine's economy.

It's time for action.

⁶ Bob Michaud, "Maine Economic Development and Policy: Studies and Reports 1929 – 2008," Compiled for the Maine State Law and Legislative Library, Updated March, 2009.

THE FIVE STEPS FOR CREATING 50,000 JOBS IN MAINE

1. Establish a Clear Vision of Maine's Future, and Take Action

A plan is only as good as the action it generates.

The next Governor of Maine will have a tremendous challenge before her balancing an unprecedented shortfall in our state budget, the legacy that decades of short-term thinking and poor planning has left behind. But we can no longer afford to put off our long-term goals while we fix short-term problems. We *must* do both, and to do that we will stay focused on a clear vision of the destination we're all trying to reach. This vision will serve as a framework to make some of the toughest decisions that lie along the road ahead.

Maine Rising is a just small part of that vision. While it's based on my experience as a business leader and countless conversations with folks I've met in my travels across Maine, I welcome other ideas from Maine people. I will actively work to include in our vision voices from all across the state. It is vital to our success that our programs and policies be based on broad consensus among public, private and business interests.

With the release of this first chapter of *Maine Rising*, I am announcing an initiative called **Ideas for ME**, an open request for input and ideas from across the state on possible solutions for Maine's economic recovery and renewal. For more information on the program and to submit your ideas, go to my campaign website at www.RosaForMaine.com.

In addition to this initiative, I will continue reaching out to Mainers in all corners of the state, and work to build consensus on the nature of the challenges we face together and the steps we will take to deal with them. As Governor, I will take action by issuing an executive order creating the "Capitol for a Day" program. This program will take my entire cabinet and me to every one of Maine's sixteen counties over the course of each year. Maine's citizens deserve the chance to hear directly from us, and more important, know that we have heard from them. The outcome of this step will:

- *Be an Enduring Vision:* Our goals for Maine's future will be designed to last well beyond the next administration and to transcend political ideology.
- *Be built for Action:* We will include wherever appropriate measurable outcomes, with a time frame and assigned responsibility for getting things done.
- *Become the Change:* Having lived in Maine my whole life I know that after generations of decline it's sometimes hard for Mainers to believe it's possible

that we can prosper again. Yet I also know from experience Mainers' legendary work ethic, ingenuity and resilience in the face of tough times. Without losing these great qualities, we will work to redefine what it means to be a 'Mainer', to include a shared optimism, common belief in a brighter future, and those who share a deep love for all that the Great State of Maine is and can become.

Maine *can* be great again and I believe with the right leadership it will be. All the basic ingredients we need for success are already here. But we can't try to be all things to all people. As Governor, I will lead the state in taking decisive action to help us formulate a clear, shared vision for *all* of Maine, and move us closer to the prosperity we all want.

2. Reduce the High Cost of Doing Business in Maine

Since the start of the recession, Maine has lost at least 24,000 jobs, 20,000 of those in the 12 months leading up to June 2009. Unemployment in Maine is at its highest in over 18 years⁷. We hear it over and over from outside and within: Maine is unwelcoming to business.

Two-thirds of business leaders agreed in a recent poll that Maine's government has a negative attitude toward business growth and investment. And *less than one in ten* expressed any confidence in the state Legislature's ability to grow business in Maine⁸. We can change that by electing someone with a strong business background as the next chief executive of Maine.

Whether through punitive legislation and regulations, high taxes or the high cost of health insurance and energy, Maine often unwittingly sends the wrong signal. We must work hard to repair our unfriendly image, bring down prices in our regulated markets and continue to reform our systems of education, taxation and government.

In the coming months, each of these subjects, Energy Costs, Government Reform, Healthcare Costs and Improving Education, will receive its own chapter of *Maine Rising*. In the meantime, here's a brief description of what we will do to make our state a more attractive place for business to create jobs:

- **Lower Energy Costs.** I will lead the effort to explore ways to bring down the high cost of electricity in Maine. Our electricity costs per kWh are 32% higher than the U.S. average⁹. Not only does this hurt families in Maine struggling to pay their bills, but it deters most business owners who look at this measure before

⁷ Laurie G. Lachance and Patricia H. Hart, "The Maine Consumer: Under Pressure," Paper prepared for the Maine Development Foundation, August 28, 2009. p. 7

⁸ Critical Insights, "Minding Maine's Business: Summary Report of Findings," February, 2009. p.7

⁹ Maine Development Foundation, "Measures Of Growth In Focus," Paper prepared for the Maine Economic Growth Council, February, 2009. p. 20

deciding where to locate or invest in jobs. The Maine Public Utilities Commission recently ruled that our decision to join ISO-New England was a bad deal for Maine¹⁰. Regardless, the fact remains that residential rates are roughly 35% less and industrial rates 50% less just across the border in the Canadian Maritimes¹¹. If we can solve this problem the paper industry and manufacturing sectors will stay and grow, and new companies will begin to bring coveted quality jobs back to Maine. While we can't ignore the long-term promise of 'green energy' jobs, neither can we ignore the more immediate need to reduce energy costs. Let's also not lose sight that focused conservation and weatherization efforts could reduce energy costs for Maine homes and companies by up to \$5.4 billion over

Our goal isn't smaller government or bigger government, but dramatically better government.

the first ten years and create thousands of new jobs in the state¹².

On taking office, I will propose energy conservation legislation that will do just that.

- **Reboot Augusta.** We cannot bring our state into the 21st century world economy with a 19th century way of

governing. No less than our success or failure as a state rests on whether, and how, we embrace the values of efficiency, accountability and transparency as we begin to move Maine forward. As Governor, I will work every day to steer our limited resources and revenues into programs and priorities that are working well, and end or reform those that aren't. On Day One of my administration, I will propose legislation designed to shift Maine's government from parochialism to performance-based management, and to measure our results by fully empowering OPEGA to fulfill its namesake mission. Our goal isn't smaller government or bigger government, but dramatically *better* government. I will institute an *incentive-based* approach, rather than the failed system of forced efficiency through mandates and penalties we've been using. And I will *empower* state employees to find new ways improve outcomes, while holding all of Augusta accountable for reporting *results*, through a program that will make the inner workings of the state open and accessible for all to see. The savings we'll

¹⁰ "MPUC Requires CMP and Bangor Hydro to Renegotiate Agreements," *The Ellsworth American*, January 13, 2009

¹¹ *Energie NB Power Rates*, <http://www.nbpower.com/html/en/residential/rates/rates.html>, April 1, 2009

¹² Cliff Ginn & Rob Brown, "Green Jobs, Green Savings: Developing Maine's Economy by Securing Our Energy Future," 2009, p. 27

realize from these efforts will fund the investments and continued tax reform needed to put Maine back to work.

- ***Lower the Cost of Health Insurance.*** Regardless of what happens in Washington with the current healthcare debate, Maine’s next Governor will likely have to take additional action to extend health insurance coverage to the state’s uninsured, and bring down high insurance costs, one of the greatest challenges we all face as Mainers. Given our systemic shift to a results oriented approach, careful thought will be given to how we’ve approached this issue in the past and whether we might be able to do a better job at less cost to taxpayers going forward. But we won’t be able to create a sustainable model of health insurance for Maine without attempting to address some of the root causes of our high health care costs. Maine in 2002 had the 4th highest percentage of people in the nation who died from the four most common chronic diseases we face as a society. All told, these four diseases – cardiovascular disease, cancer, chronic lung disease and diabetes – accounted for *\$2.5 billion per year* of health care costs in Maine. However, by making proven measures of prevention, early detection and treatment available to all Mainers we could dramatically reduce the incidence of these chronic diseases and their costs¹³. I will identify and act on healthcare reform initiatives designed to extend coverage to the uninsured, manage costs and improve outcomes by shifting our healthcare system from a profit-centered to a patient-centered approach. Similarly, I will implement policies that will incentivize and reward healthy habits, preventive care and reduce costly non-critical emergency room visits.
- ***Re-tool our Education System.*** The recent debate over a citizen’s initiative to overturn school consolidation was just the latest chapter about one of Maine’s most important tools to bring jobs to the state, our education system. While the implementation of consolidation under the law was flawed, voters agreed that we still spend far too much of our school’s budget on administration and not enough on actually teaching our kids. As Governor, I will lead the effort to make important changes in our approach to school consolidation, shifting away from the current punitive approach and toward offering incentives for finding efficiencies. Less recently discussed, but certainly no less important, is the need to find efficiencies in a number of areas of our university system. As with the issues of health care, government reform and energy costs, Maine cannot move

¹³ Dora Anne Mills MD, “Healthy Maine 2010: Longer and Healthier Lives,” Paper prepared for Bureau of Health, Maine Department of Human Services, December 2002. p 20.

forward until we deal comprehensively with a system that has become high-cost, unfocused and mediocre¹⁴. We will make important investments for Maine's future by investing in our education system, but first we will ensure that efficiency, accountability and transparency are firmly in place at all learning levels. Moreover, our efforts to improve education in Maine will not stop at finding efficiency and cost savings. We must find a way to "innovate in the institution charged with teaching innovation"¹⁵. Failure to look at options to dramatically improve the quality of Maine's educational system with new approaches like charter schools, which bring new Federal funding through the "Race to the Top" program, only shows how deep our need for education reform really is.

3. A Strategy Based on Maine's Greatest Assets

For too long, our approach to economic development and indeed to nearly all of state government has been short-term oriented problem solving, and needs-based policymaking. Our current government approach is to focus attention on issues when they become crises and to only patch the holes that need to be filled. Too often, Augusta legislates narrow solutions using the same old approach.

Rarely in the halls of the State House do we look for positive, holistic and lasting ways to leverage the power and utility of our existing assets, or to collaborate with other stakeholders who can make valuable contributions to better outcomes. Rarely are our ever-scarce tax dollars truly maximized and directed in a way that will do the most for the long-term greater good. We can't afford to think that those who got us into this mess can get us out of it. We're running out of time, they've had their turn for decades and they've proven that the old ways of thinking just won't work.

I will preside over a *fundamental* shift in the way we think about economic development in Maine. Instead of looking at our challenges and weaknesses, we will focus on Maine's greatest assets and advantages. Those things we *already have* that can be protected, improved and leveraged to achieve prosperity for *all* of Maine.

While there are important lessons and best practices we can draw on from our fellow states, we *can succeed* while staying uniquely Maine. In fact, it's the only lasting way to begin reversing the long-term decline of our state's economy. And we will do it in a way that doesn't leave behind a large geographic area of Maine's interior. Yes, it's been hurting for a long time, but the

¹⁴ "Flanagan Report helpful, but not enough for university needs," *The Portland Press Herald*, July 28, 2009, p. A9

¹⁵ "Economic Culture and the Environment", *Maine Sunday Telegram*, July 22, 2007.

“Other Maine” now holds perhaps the greatest potential for renewal in the state than ever before. To move *all* of Maine forward we will make significant strategic investments to preserve, enhance and leverage our greatest assets for growth:

- *Our People* – As Maine economist Charles Lawton points out, “The key to Maine’s economic prosperity...is her people... the people we’ve got right now.”¹⁶ Much has been said about the well-known character of our people: hard working, resourceful, and determined. In a profound way, the key to our success as a state lies in helping our people achieve their great potential.
- *Our Traditions* – Often times, we get so focused on the challenges of the future we forget that the best answers sometimes come to us through our past. Maine’s great traditions in forestry, fishing, farming, tourism and, yes, manufacturing are all areas brimming with opportunity for us. In each case, we can add tremendous value by applying new approaches to our traditional way of life to transform and re-energize our economy.
- *Our Natural Resources* – The qualities of our state that first attracted human settlement endure to this day. Vast swaths of forestland and a vibrant bountiful sea still hold sustainable resources we can, and must, protect, improve and leverage for success. But our natural resources go well beyond harvestable commodities. Our most valuable, and perhaps underused natural resources are the *brand* and ‘quality of place’ that *is* Maine.

I agree with Lawton. The basic ingredients of success are already here, but in order to prosper, we must find a new way of looking at them¹⁷. I will work to implement an *asset-based investment plan that will foster creativity, innovation and renewal*. We can deepen and broaden our great Maine brand to areas that were once commodities, creating tangible value. We can transform our people, traditions and natural resources into engines of prosperity by applying both new knowledge and the “Yankee ingenuity” for which Maine is so well known. Using our brains rather than just our hands, we will create a productive and competitive economy.

This is not to say we will ignore new opportunities or the services sector that has replaced so many of our lost manufacturing jobs. Far from it. The same policies that will stem the tide of

¹⁶ “Struggling with impact of globalization,” *Maine Sunday Telegram*, January, 20, 2008.

¹⁷ Charles T. Lawton, *Maine’s Bottom Line: Facing the 21st Century* (Harpwell, Maine, Arthur McAllister Publishers, 2008), p. 154.

people, investment and jobs leaving the state will attract new opportunities here. That's why we will focus not just on attracting new businesses to Maine, but making sure that the businesses, people and jobs we already have get the chance to stay and succeed.

Simply adopting a new approach won't be enough. We will back up our new thinking with bold investments and incentives to help get Maine back on track, like a new hire tax credit for each new job created by a Maine business and filled by a Maine resident. You'll see several more ideas like this throughout this plan.

We introduce these additional programs as stopgap measures, to plug substantial holes in the 83 economic development financial programs offered by the state, and to position Maine's economy to take full advantage of an eventual economic recovery. But it's abundantly clear that we need a clear-eyed and comprehensive overhaul of our economic development efforts.

Of these 83 initiatives listed on the website of the Department of Economic and Community Development (DECD), 53 are not even run by the DECD. They are administered by a mishmash of agencies across the state: MTI, FAME or the USDA among others. The OPEGA study on our economic development programs confirms what some critics of Augusta already know: we don't really know if our economic development

dollars are being well spent and where they are being wasted. Who's really in charge and accountable for all of this? According to OPEGA, no one.

We can't afford to continue this 'all roots and no tree' approach to our economic development policy. I will initiate a definitive examination of every economic development program in every

The Asset Based Plan for Creating Jobs Now

New Manufacturing Job Creation and Business Incentives

A Farm and Food Policy to Bring Back the Family Farm: Bringing back the family farm.

A Plan to Sustain and Create Jobs in the Forest Products Industry

New Ideas in Maine Tourism

Enhancements to the Film Industry Tax Credit

Renewed Focus on Restoring Maine's Town Centers

A New Comprehensive Management and Sustainability Plan for the Lobster Industry

department, and I will take action to strengthen coordination, oversight and accountability for Maine's economic development under one central office.

We will apply this new asset-based approach and back it up using strategic investments to create jobs and economic growth with:

New Manufacturing Job Creation and Business Incentives: More incentive is needed to begin to turn around one of Maine's hardest hit sectors, and stem the tide of manufacturing jobs leaving the state.

I will introduce legislation to create a bonus manufacturing tax credit, similar to the current "Super R&D Tax Credit" program. For companies that manufacture in Maine, the program will lower the threshold for qualified R&D expenses from 150% of the preceding qualifying period to 50%. This will dramatically increase the amount of tax relief going into the manufacturing sector, by not excluding those companies that have had to reduce R&D expenditures in order to survive in the current hostile economic environment, as the super R&D tax credit does.

In addition, I will seek to introduce a new state small business start-up costs deduction modeled on the Federal deduction. Businesses will be able to deduct up to \$10,000 of most intangible expenses that are incurred before the commencement of business operations, such as advertising, travel, surveys, training and professional fees paid to lawyers and accountants.

Finally, I will dedicate \$60 million in new state spending, and leverage it 3:1 with Federal funds, to invest in the repair and upkeep of Maine's aging highway and transportation infrastructure. Our bridges, roads and railways are the backbone of life and commerce in the state and they must safely carry our manufactured goods to their destination. One quarter of our roads are rated in poor or mediocre condition, and one third of our bridges are structurally deficient or functionally obsolete¹⁸. We can't build our prosperity on a crumbling foundation.

A Farm and Food Policy to Bring Back the Family Farm: Maine consumers spend over \$3 billion on food products and services each year. Unfortunately, Maine farmers and fishermen receive less than 4% of that \$3 billion.

Keeping Maine dollars in local communities and providing a ready supply of healthy food should be a major goal of the state. It will help create and retain jobs, reduce our energy consumption and contribute to a healthier diet. If every Maine family spent just \$10 a week on Maine-made products, it would keep \$10 million in the hands of local producers.

¹⁸ TRIP, "Falling Behind: The Condition and Funding of Maine's Roads, Highways and Bridges," October 2009, pp. 3-4.

Bringing back the family farm is more than just a nostalgic indulgence. A confluence of factors makes reviving our agrarian past an absolute necessity. As oil prices rise along with transportation costs, the price of food will sharply increase. Today, the average Maine meal travels 1,900 miles from field to fork, using up to 17 times more fossil fuels than locally produced ingredients. Implementing an overall food policy for Maine is one way to reduce our food costs along with our energy consumption and the emissions that cause global warming.

In addition, the growing awareness of the connection between disease and diet, food safety and the efforts of “buy local” campaigns present a real opportunity for Maine food producers.

Reviving family farms doesn't mean we'll all have to pick up a hoe or learn to drive a tractor. Boosting our agricultural output will create hundreds of jobs in marketing, research, transportation, equipment sales, storage and processing.

Today, Maine produces less than 20% of its food needs for its citizens. Maine farming and fishing industries employ about 25,000 workers directly and up to 45,000 when secondary employment is included. Thousands more people are involved in transporting these commodities to market by truck, rail, air, and ships. We can add 10,000 or more to these numbers and have a huge economic impact where it's needed – in rural Maine. Look at the impact of Backyard Farms in Madison, which employs 200 people growing wonderful tomatoes in the largest greenhouse in New England. Two hundred jobs in Madison are equivalent to bringing 2,000 jobs to Portland.

A goal of providing 80% of our calorie needs from locally produced foods by 2020 is realistic and achievable. We've done it before, prior to the Civil War, when tractors and mechanized farming equipment didn't exist. It should be easier to do it now. After all, the Dutch are the world's third leading exporter of food, with a land area half of Maine's.

Achieving this goal will require a number of changes – in land use and preservation, in rebuilding our processing and storage infrastructure, in transportation improvements and in personal dietary habits. Most of all, it will require leadership and a recognition by all state agencies of fishing and farming's critical importance to the economy of Maine.

One of the biggest barriers to creating more farms is the affordability of land. There is no shortage of people who want to farm, but most of them are unable to afford the land, which is valued for its development potential, not its agricultural potential. Over the next decade, as much as 400,000 acres of Maine farmland will be in transition, due to the age of their owners. We need to preserve this land base and make it affordable for young farmers.

In addition, we need to implement other changes, many of which have already been identified by industry organizations, such as:

- Increased support for natural resource R&D through the University of Maine;
- Extend the Farms for the Future program that provides farmers with help preparing detailed business plans and cost sharing for implementation.
- Protect agricultural lands and working waterfronts from conversion to development in areas where a critical mass is needed to support infrastructure and a viable local economy.
- Require an “agricultural impact statement” when land is being considered for development.
- Encourage school lunch programs to feature Maine-produced foods at least one day per week by 2010 and include district purchases of local foods under the Essential Services and Programs model.
- Change the institutional food purchasing law to require 10% Maine products, in addition to dairy.
- Resolve the technical issues so that food stamps may be used to purchase more food directly from farmers.
- Establish a program for community gardens: develop model leases; Review zoning and structural capacity issues for rooftop gardens and link garden space to other public projects (e.g., large school with public funding, set aside space for school/community gardens.
- Create a tax incentive for landlords who provide garden space to tenants. (roof top gardens, etc)

A Plan to Sustain and Create Jobs in the Forest Products Industry: Maine is the major wood and forest products producer in the Northeast region. Maine forest based manufacturing, recreation and tourism activities contribute \$2.85 billion to the state economy and over 23,000 direct jobs¹⁹. Our forest resources have received much attention recently, with the publication of “Keeping Maine’s Forests”, a report recently presented to the Governor, that focuses not just on conservation, but on maintenance and increase of the flow of fiber and products. We agree with this balanced approach between conservation and sustainable productivity.

Like our other traditional industries, the forest products industry represents an area of tremendous potential for transformation and growth. In fact, even as our saw and paper mills

¹⁹ Maine Forest Service, “The Maine Forest”, Information Sheet 19, August 2009.

continue to struggle, the future of our forest products industry is promising. Maine is the most heavily forested state in the union, and there are important new uses for our trees on the horizon. To sustain and create jobs in our forest products industry, we will focus significant effort and funding into bringing those future technologies closer to becoming viable channels through which our wood fiber can produce sustainable, good jobs.

We will create a regional coordinated economic center of activity, or cluster, around promising technologies and potential wood products, including cellulosic ethanol, biomass products, composites and carbon sequestration strategies. Several key incentives, described in more detail in the last section of this chapter, will encourage the capital investment necessary in R&D and early stage business funding if these new ideas are to be commercialized and meaningful to Maine's economy.

While a dramatic increase in investment and R&D capital will provide some immediate benefit to the industry, much of the promise of these new products is some time away. There are more immediate things we can do, particularly for struggling small woodlot owners that can help brand and improve the economic value of their products today.

Recent trends in the industry point to opportunities to create value through marketing, branding and differentiation efforts. One such effort is "green certification" of forestland, ensuring sustainable harvesting and management practices. Presently, some 7.5 million of Maine's 18 million acres of forest have been certified²⁰. However, this trend is primarily seen among the larger industrial landowners more apt to follow new market opportunities and more able to afford the initial investment some of them require. Smaller woodlot owners in Maine, in control of a significant percentage of forestland are at risk of falling behind their larger industrial peers. A program to help small woodlot owners certify their land would give Maine a chance to become a leader in this pursuit and give smaller owners a chance to compete in the rapidly evolving world market.

As Governor I will initiate a small woodlot certification program that provides financial assistance and technical expertise these owners need to certify and stay competitive. Together with longer-term initiatives, this effort will identify new products and capture opportunities for Maine's forest products industry to grow and create jobs.

New Ideas in Maine Tourism: Tourism is one of Maine's largest and most important industries according to the Maine State Planning Office. In 2006 tourists spent nearly \$1 billion on lodging, \$3 billion on food and \$1 billion on recreational activities. Maine's Tourism Industry generates

²⁰ Center for Research on Sustainable Forests, "Keeping Maine's Forests, A study of the Future of Maine's Forests," October 2009, p. 17.

about one in five dollars of sales throughout Maine’s economy and one of every six jobs is connected to tourism.

In 2006 about one fifth of state sales tax revenues were directly or indirectly attributable to tourism. Adding income and fuel taxes, state government received approximately \$429 million tourism related tax dollars, according to the Maine Office of Fiscal and Program Review.

In 2006 Maine’s Tourism Industry supported nearly 140,000 jobs and \$10.6 billion dollars in sales.

Economic Impact of Tourism in Maine*

	2004	2005	2006
Jobs supported	132,000	132,000	140,000
Total Earnings	\$2.70 billion	\$2.83 billion	\$3.04 billion
Total Sales	\$ 8.9 billion	\$9.53 billion	\$10.06 billion
Total Taxes **	\$ 376 million	\$ 409 million	\$ 429 million

**state and local *Longwood International Visitor Survey for Maine Office of Tourism

The current formula for funding the Maine Office of Tourism is 5% of the 7% lodging and meals tax. The tourism budget used to be funded by appropriated general funds. As it is, when inclement weather or high gas prices keep tourists away, the tourism budget drops. It is not a smart or reliable way to run a major part of the state’s economy.

Maine is ranked 36th in the nation for the amount of money spent on tourism and today global competition has changed the rules of the game. Maine’s tourism industry needs to aggressively step up its game plan.

Maine’s Tourism Industry **generates** revenue. And from a public policy perspective it is important to consistently support tourism and fund promotion. Tourism helps pay for the state’s priority programs. Tourism doesn’t compete with them. Measuring the Tourism Industry impact and marketing performance has proven difficult. There is not a clear definition of Maine’s “Tourism Industry’ because it is comprised of so many different employment sectors from so many industries, including transportation, food service, lodging, amusement, recreation and retail.

At a time when competition for tourism dollars is expanding and the number of people coming to Maine – especially inland Maine – is in decline, a ‘business as usual’ approach to tourism promotion and funding won’t work. We can learn from other states and other countries to reinvent and rebrand the vast rural and inland areas of Maine for the growing ecotourism

market. Organizations such as Maine Woods Discovery, the Maine Island Trail Association and the Maine Woods Tourism Training Initiative are leading the way in promoting rural Maine as a destination for nature-based, environmentally sensitive tourism packages, including Maine Huts and Trails, underwater exploration of Flagstaff Lake, and kayak and boat tours of remote Maine islands. We will combine these and numerous other tourism efforts to achieve a more sharply focused promotional campaign, and brand rural Maine's very best and 'greenest' tour adventures to achieve even greater results with limited funding.

Enhancements to the Film Industry Tax Credit: The total economic impact of the visual media sector in Maine in 2005 was \$630 million, creating almost \$5,000 jobs. For every \$1 million spent in Maine by out-of-state visual-media productions, about \$150,000 in state and local government revenues are generated²¹.

I support a robust, transferable and refundable film industry tax credit similar to that currently proposed in the Legislature as LD 1449 but with dramatically higher annual credit limits. As proposed, LD1449 expands the tax incentives for visual media production in Maine through:

- A 10% tax credit for small independent productions, 15% if the production company has been incorporated in the state for at least two years.
- A 20% base tax credit for larger productions, with incremental increases for hiring a minimum percentage of cast and crew in-state, filming a minimum percentage of the project in certain designated counties, and if the production participates in a state internship program.
- The amount of the program is limited to \$3 million in production costs any one fiscal year.

I will put forth an amendment proposing a \$10 million annual maximum in the first year, with scheduled annual increases to reach a total maximum of \$20 million in the fifth year.

In addition, I will propose the addition of a component giving an additional 10% credit for productions that clearly feature and identify images or locations in Maine that invoke positive responses in viewers and that could lead higher tourism and economic development activity in future years.

Renewed Focus on Restoring Maine's Town Centers: Changes to Maine law went into effect January 1, 2008 aimed at significantly expanding the effectiveness of the State Historic Tax Credit program, typically used by developers as a source of funds to rehabilitate qualifying

²¹ ECONorthwest, "An Economic Impact and Rate of Return Analysis of the Film & Video Industry in Maine," Paper prepared for the Maine Film Office, June 30, 2008, p.2.

structures. Under the new rules these credits, once awarded, can be sold off and the proceeds used to make historic redevelopment projects more feasible.

A deep recession and burst real estate bubble has obviated much of the market for tax credits all across the nation, rendering the historic tax credit program changes at least temporarily ineffective. A sustained economic recovery should eventually reverse this situation, and the historic tax credit revision should make its impact felt across the state.

In the meantime and for the long-term, two restoration tools can contribute meaningful assistance to some of Maine's important places. These programs have similar community restoration purposes as the historic tax credit but are dependent on direct state funding, rather than economic activity, and therefore may be more effective in a protracted market downturn.

The Maine Municipal Investment Trust Fund (MITF): The Trust was created to "Fund community planning and infrastructure development efforts in regional hub towns, especially their downtowns". Recognized as severely undercapitalized, yet having made important contributions to projects around the state including the renovation of Dover-Foxcroft's Center Theater, the fund has, "The potential to transform a community by providing the kind of seed money and infrastructure work that attracts additional investment, tenants and activity"²².

- It was funded with a total of \$10 million, but is now depleted. A bill has been introduced to the 124th Legislature, LD 808, to capitalize the Trust by abolishing the Fund for the Efficient Delivery of Local and Regional Services and redirecting its annual allocation of the Municipal Revenue Sharing Resources to the Trust. This will put approximately \$2.7 million this year in the Trust and is projected to reach approximately \$3 million annually by 2013.
- The recapitalization under consideration in the Legislature simply takes an allocation from one fund to another, and likely transfers its duties and obligations as well by abolishing the FEDLRS, resulting in a zero sum equation.
- I will propose inclusion of a one-time \$30 million bond allocation to the Trust in order to allow it to resume its original mission with a sustainable level of capital.

Maine Downtown Center (MDC): The Center was created to encourage downtown redevelopment using the National Trust for Historic Preservation's highly successful Main Street program as a model.

²² Brookings Institution Metropolitan Policy Program, "Charting Maine's Future, An Action Plan for Promoting Sustainable Prosperity and Quality Places," 2006, p. 92.

- It too has never been adequately funded. In 2006 it received an allocation of just \$75,000, the second smallest in the country after Delaware and well below the national average for similar programs that year of \$250,000²³.
- By comparison, in 2006 the Iowa Main Street program served a state similar to ours with an annual budget of over \$1 million. Iowa serves 34 towns to our 4²⁴.
- I will propose a law creating a multi-year annual allocation plan that begins with \$250,000 in the first year and increases to \$1 million in year five.

A New Comprehensive Management and Sustainability Plan for the Lobster Industry: The Maine lobster industry is perhaps the state’s most visible and iconic industry. Its importance is nearly impossible to quantify. It is the lifeblood for coastal communities, the economic engine for thousands of Maine households and a widely recognized symbol of our state.

Nevertheless, the industry faces tremendous pressure in today’s highly competitive worldwide marketplace as lower-priced alternatives gain favor on the dinner plates of consumers struck by today’s difficult economic environment.

Due to its uniquely beloved brand and products, Maine’s lobster industry has significant potential to strengthen its economic sustainability and overcome current market conditions. But this opportunity is hindered by many factors, chief among them a vast rivalry among the industry’s major players. Dealers fight with one another for access to supply from lobstermen as well as for access to customers in the marketplace. The rivalry between lobstermen and dealers is often intense as many harvesters believe that dealers artificially set the prices paid for their catch every time they see a lobster they sold for a few dollars going for \$20 on a plate at a local restaurant.

Often lost in this tug of war is the most important question: “what does the customer want?” To a generation used to buying their salads in a bag, the idea of buying a live lobster in a fish market and cooking it at home is becoming more of a nuisance than a cause for celebration. What’s needed is wider variety of value-added lobster products in the marketplace, which would translate to more processing facilities here in Maine instead of Canada, higher prices for lobstermen and more jobs.

As governor, I will implement a series of reforms, recently recommended by a special industry

²³ Ibid., p. 93.

²⁴ Ibid.

task force, to realign the industry and focus on maximizing its profit potential. These reforms will include:

- **Consolidating the efforts of existing fragmented support organizations into one entity to manage the industry's business future.** There are currently multiple organizations in Maine dealing with lobster marketing, research and promotion. They compete for limited funding, undertake activities that duplicate or overlap concurrent activities by another organization and pursue activities that may not have relevancy to the need of the industry or markets it serves. The industry stands to realize greater profits with all constituents pulling in the same direction. These entities should be consolidated into a single organization called the Maine Lobster Institute that would manage and direct research and marketing efforts for the entire Maine lobster industry.
- **Manage for sustainability.** The core of the Maine lobster industry is sustainability. Consumers are demanding good stewardship of the ocean environment and responsible harvesting practices. I will support and recommend strategic management of the industry to foster this tradition and heritage of sustainability, strengthen current practices and communicate their importance to worldwide markets.
- **Develop the Maine lobster brand.** Consumers ask for Maine lobster by name. It shows up on restaurant menus in the world's finest restaurants. That brand equity is the industry's most valuable asset. But in today's competitive environment, it can easily be replaced by emerging brands from other states or countries. In order to harness and protect its value, we will be vigilant in developing strategic communications, websites and materials that highlight the distinct characteristics of the industry, its harvest and products.
- **Market to targeted, high-opportunity segments.** There are many different consumers of lobsters – people who buy them live at the local market for a family lobster bake, the couple that celebrates a special occasion at their favorite upscale restaurant, the tourist who samples the wide variety of Maine lobster rolls. Yet the marketing of Maine lobster often fails to recognize this variety in the market. I will recommend that the industry examine the needs of specific buying audiences and direct unique marketing messages to the various consumers.

- **Support and encourage innovation.** As consumers' understanding of nutrition becomes increasingly sophisticated, their knowledge and demand creates significant growth opportunity for products with nutritional benefits for health and wellness. I will recommend significant R&D funding to support the investigation of food and non-food products made from lobster meat and shells, and investigate the opportunity for developing manufacturing capacity to bring this value-added production to Maine.

4. Prepare Maine's Workforce for the Future

Maine doesn't just have a jobs problem; we also have a skills problem. How do we know? A 2006 industry survey by the Maine Metal Products Association identified 400 job openings in the state their members were unable to fill that year, and projected that number would grow threefold by 2011²⁵. Add to that anecdote a quick search of the nurses and skilled health professional classifieds in any Maine newspaper, and you'll see the apparent conundrum of both high unemployment and unfilled jobs across several sectors of our state economy, even in these challenging economic times.

While it's true that this is due at least in part to many of our young educated workers leaving the state, it's also true that there are 54,600 Mainers currently listed as unemployed²⁶. Not only do Maine workers lack many of the skills employers need today, they lack the essential skills and knowledge will be required in our prosperous future. And we know that, like electric rates and health insurance costs, education capacity is a key measure business owners evaluate when deciding where to locate or invest in jobs. The most troubling statistic in this area: in a nationwide comparison of science and engineering graduate enrollments, Maine ranked *dead last*²⁷.

The good news is that *we can get the skills we need*. Through education reform and investments in workforce development, we can:

- Increase our readiness for change.
- Keep and attract business investment here.
- Create the jobs we need to keep and attract younger people here.

²⁵ Charles T. Lawton, *Maine's Bottom Line: Facing the 21st Century* (Harpwell, Maine: Arthur McAllister Publishers, 2008), p. 69.

²⁶ Maine Department of Labor, Press release, October 21, 2009.

²⁷ Maine Office of Innovation, *Maine Innovation Index*, March 2008, p. vii.

Here's how: in addition to capturing management and economic efficiencies through systemic reform, we will engage every level of Maine's educational system in a coordinated effort to educate and retrain our workforce to meet the demands of the future. This effort will reach from Maine's colleges and universities to the community college system, adult education, secondary vocational schools, apprenticeship programs and employer-based training.

We'll directly address some of the factors that are keeping our workers from seeking educational opportunities by increasing our financial commitment to scholarship programs and individual learning investment accounts, and through worker outreach to raise awareness of the alternative routes to getting ahead besides attending a full-time two or four year program.

We'll encourage our institutions to increase their distance learning options.

We'll integrate our system of education and workforce development with geographic centers of business activity, much like the University of Maine at Farmington with its new outdoor recreation business administration degree program. University of Southern Maine's coordination with Idexx, Fairchild and National Semiconductor will serve as a model for how other higher learning institutions in Maine can serve as 'feeders' for qualified workers directly into other Maine companies and industries. And we'll extend the idea's reach beyond the university system and into growing industry-specific education programs at technical schools and community colleges.

These programs will provide skilled employees for uniquely Maine industries like forestry, fishing, farming, tourism and manufacturing, and for the industries of the future like green energy technology. Finally, we will recognize that Maine students must be better prepared in math, science and language skills in order to make the most of higher learning and employment opportunities down the road.

Rather than cut our already short school year to save money, for example, we will seek to identify and broadly implement the most effective techniques for improving our student's acquisition of these essential skills. We'll look at examples like the KIPP Academy in New York, where 84 percent of 8th grade students perform at or above grade level math²⁸, or the Maine School of Science and Mathematics in Limestone, now ranked 12th in the nation on the college readiness index by U.S. News & World Report²⁹.

Maine can compete, *and win*, on the national and international economic playing field. Education and workforce development are our tickets to the game.

²⁸ Malcolm Gladwell, *Outliers, The Story of Success*, (New York: Little Brown and Company, 2008), p. 251.

²⁹ U.S. News & World Report, *Best High Schools*, http://www.usnews.com/listings/high-schools/maine/maine_school_of_science_mathematics.

5. Drive Growth through Innovation

Maine has a great tradition of innovation and creativity. We had Benjamin Vaughan, Chester Greenwood, Hiram Maxim, John B. Curtis and the Stanley brothers. Amos Whitney and Milton Bradley were both native sons. One of our most iconic Maine brands began when Leon Leonwood Bean first set out to make a more sturdy and comfortable hunting boot for his beloved sojourns into the Maine woods. And the rest, as they say, is history. It also happens to be our future.

Like the maintenance staff at the properties my company manages in Aroostook County that once had a side venture turning old discarded five gallon water heater tanks into woodstoves, we can harness the spirit of Mainer's enduring resourcefulness and combine our creative, natural and financial resources to renew our economy and create jobs.

I will renew our commitment as a state to investing in innovation and R&D activity that leads directly to creating high quality jobs in Maine. We'll do this by dramatically increasing state funding directed to our existing innovation infrastructure. Funding will come from savings driven by government efficiency, and new bond issuance that takes advantage of Maine's underutilized borrowing capacity. With a proven track record of R&D investment returns, in the form of creating and attracting new jobs, this is an investment opportunity we can't afford to miss.

- **New investment in Higher Education and R&D will create jobs, raise incomes and create wealth.** Maine ranks 41st in the nation in spending on Research & Development activity. R&D activity in Maine represents less than one percent of its Gross State Product, roughly one third the national average and less than a quarter of the 4.33% average for New England³⁰. As Governor, I will spearhead an effort to boost public and private spending on R&D in Maine by at least \$1 billion within the first two years of my administration, bringing Maine roughly in line with the national average.
- **Innovation within Maine's traditional industries, particularly forest products, tourism, and fisheries will re-energize them.** Drawing on the powerful lessons we've learned from the successful industry-focused regional economic marine-related development initiative by the North Star Alliance, we'll create similar successful cluster programs for our other traditional industries and in other regions throughout the state. This proven cluster approach will integrate the four most important ingredients to achieving powerful results from innovation: market

³⁰ Maine Office of Innovation, *Maine Innovation Index*, March 2008, p. 2.

development, R&D, workforce development, and capitalization and infrastructure development.

- **Maine can brand itself as the new frontier of an imaginative economy.** To revitalize and grow our economy, we need to re-define the meaning of the phrase “Creative Economy” to include not just the arts, but the combined use of imagination and skill in business to create something of value. This includes science and engineering research, advertising and marketing, technology development and communications. Innovation, creativity and imagination are the catalysts that will drive the engine of Maine’s economic growth, just as when the world’s fastest car was once built by two brothers from Kingfield.

With targeted economic development and funding through a new \$10 million Creative Economy Fund, making pre-seed and early-stage investments to Maine’s promising entrepreneurs, we will help Maine’s start up entrepreneurs turn their creativity into prosperity. And we’ll help established entrepreneurs grow and expand their efforts by doubling the state’s commitment to the Small Enterprise Growth fund from \$9 million to \$18 million.

Finally, in addition to direct investments into innovation, my administration will take decisive action to remove significant obstacles to growth and advancement that exist today here in Maine. In particular, I will facilitate advancements in our state infrastructure that bring down the barriers preventing access to broadband and adequate cellular communications coverage for all of Maine.

In my first days in office, I will bring the resources to bear necessary to plan for and achieve full connectivity for all of Maine within three years.

Conclusion

To succeed, we have to *invest in our future*. In the long-term, the growth we create will return our investment many times over. Not just in financial terms, but in the health and sustainability of our state, our economy and our families. In the past, many of our best ideas have failed primarily due to under-funding. We can change that.

- Our new focus on performance- and results-based budgeting in Augusta will yield significant cost savings, by driving prioritization and efficiency. I've seen it work in my business and in other states that have been running state government this way for years. Over the long-term, most of our plans will be financed internally –with the proceeds from savings and the new economic growth we create.
- Maine does not currently make full use of its borrowing capacity. While we have a long history of conservative borrowing as a state, we are well below our own informal “5-percent rule” and on a per-capita basis, our current debt capacity utilization is almost half the national average³¹. Given historically low interest rates and proven returns of many economic development models, additional borrowing to fund future prosperity is not only prudent; it's just plain good business sense. The reality is Maine can't grow and prosper with its sharpest tool still sitting in the shed. We can't afford to fail any more.

³¹ Brookings Institution, “Charting Maine’s Future: An Action Plan for Promoting Sustainable Prosperity and Quality Places,” 2006, p. 99.

Appendix 1

The Asset Based Plan for Creating Jobs Now

- 1. New Manufacturing Job Creation and Business Incentives**
- 2. A Farm and Food Policy to Bring Back the Family Farm: Bringing back the family farm.**
- 3. A Plan to Sustain and Create Jobs in the Forest Products Industry**
- 4. New Ideas in Maine Tourism**
- 5. Enhancements to the Film Industry Tax Credit**
- 6. Renewed Focus on Restoring Maine's Town Centers**
- 7. A New Comprehensive Management and Sustainability Plan for the Lobster Industry**