

**Testimony of Behalf of the University of Maine System
Presented by Joan Ferrini-Mundy, President of the University of Maine
In Support of Appropriation for the Maine Economic Improvement Fund
Page A-489 of FY22-23 Biennial Budget (LD 221)
Feb. 23, 2021**

Senators Breen and Daughtry, Representatives Pierce and Brennan, and distinguished members of the Joint Standing Committees on Appropriations and Financial Affairs and Education and Cultural Affairs: My name is Joan Ferrini-Mundy and I am President of the University of Maine and its regional campus, the University of Maine at Machias. I am here today to speak in the strongest support of the appropriation for the Maine Economic Improvement Fund, known as MEIF, that you will find on Page A-489 of the Governor's biennial budget proposal.

Established by the Legislature in 1997, MEIF is the State's direct investment in public university research, development and commercialization that matters to Maine. **In FY20, the State's \$17.35 million MEIF investment was leveraged at a rate of more than 5:1 to support the work of 1,221 students and 575 researchers and technicians, who secured 76 patents and provided direct support to more than 300 large, small and start-up businesses in Maine.**

Much of that activity was at UMaine, which has strong statewide connections to companies and communities. UMaine is the public research university in a state whose economy relies heavily on small businesses – businesses that often lack internal capacity for things like new product and process development. As a result, we play an essential role in Maine's entrepreneurial ecosystem. For example, some of you attended a UMS legislative briefing in December and heard from Wyman's, a 146-year-old Washington County company that is growing jobs Downeast and market share nationally. They are able to do so by working both with Extension researchers who help them and other growers evaluate tools and technologies to improve crop yield and with the scientists at the food pilot plant on our Orono campus on product innovations that add value to Maine's wild blueberries.

MEIF has been flat-funded since FY16, and there is again no new initiative for this program in this proposed budget. However, the MEIF funding and the R&D it fosters have never been more important to Maine's public and economic health. Much of the university's rapid response in the state's fight against the global pandemic – from hand sanitizer production in partnership with craft distilleries to helping major manufacturers pivot to produce PPE – was possible only because of past MEIF investment and the infrastructure in place as a result. There are hundreds of Maine businesses and healthcare partners who could not have weathered this terrible storm had it not been for our MEIF-supported laboratories and centers, and the talented researchers, including our students, who stepped up to serve the state.

The availability of effective COVID-19 vaccines, which were developed with unprecedented speed and in coordination with government and private and public laboratories, are a powerful reminder of the importance of that sustained investment in science. However, even as hundreds of UMS nursing students volunteer across the state to get Mainers vaccinated, we know ending the pandemic's financial fallout will last far longer.

Bridging from the 10-year state economic development plan, the Economic Recovery Committee's recommendations to grow Maine's post-pandemic economy are focused – just like MEIF – on innovation, entrepreneurship, and talent development and attraction. The ERC identified several high-potential industries – including seafood and agricultural product processing, forest products, bioproducts and renewable energy, and agile manufacturing – that could be further catalyzed with bolder investment in public-private partnerships such as those that MEIF can support. Those same industries are tied to areas of tremendous strength at UMaine, where our research, development and commercialization is directly supporting strategic adaptation for the future through the integration of science and new technology including artificial intelligence and demonstrated leadership in engineering, advanced materials, composites and climate research.

Your ongoing appropriation for MEIF is an important foundation to implementing the ERC's recommendations. It will allow our universities to continue to respond, partner and lead in creating solutions to Maine's challenges while fully realizing its opportunities. And with our students at the center of all of our research activity, gaining practical experience and problem-solving skills, you are helping through MEIF to develop the knowledge-and-innovation workforce needed to fill key positions and attract new businesses to the state.

However, as the latest Measures of Growth Report flags, lack of increasing investment in R&D is one of the greatest lids on Maine's prosperity. Maine ranks in the bottom five of all U.S. states for total R&D expenditures including by industry and in universities, with just .8% of our GDP going toward R&D. The New England average is 4.4%. These lagging investments limit growth and opportunity not just for Mainers and employers here, but also our state's overall economic prosperity. R&D expenditures are directly tied to leading indicators of a state's economic health including wages, prices, and productivity.

I want to thank the Legislature for its tremendous vision in creating the Maine Economic Improvement Fund almost 25 years ago, and for your continued support in the years since. While our biomedical and chemical engineers were able to figure out the formula for hospital-grade hand sanitizer and get it to hospitals in Bangor and Lewiston within 24 hours, I know it can sometimes seem that our research and development takes much longer to realize a return for Maine. But it always does. Take the incredible work of Habib Dagher and his team at our world-class Advanced Structures and Composites Center's engineering of floating technology to harness stiff coastal winds off our our deep waters. After more than a decade in development, this past year the project attracted \$100 million in private investment to Maine. Or consider the Caribou Russet, a new potato that took years for our researchers to breed, but is easy to grow, produces high yields and tastes great mashed, fried or baked. As these examples and certainly the pandemic have proven, the investments you are making now in MEIF will pay dividends far into the future.

Thank you, and I look forward to taking your questions.