



# Maine Community College System

## Maine Quality Centers FY 2013 Annual Report

### Summary

The Maine Quality Centers (MQC) was created in 1994 by the Maine Legislature as an economic development program within the Maine Community College System. This Report is submitted to the 126th Maine Legislature and its Joint Standing Committee on Labor, Commerce, Research and Economic Development in compliance with various reporting requirements. The Report is divided into two sections, including major program elements and a summary of projects active from July 1, 2012 through June 30, 2013. Data regarding MQC projects active during this reporting period includes the total dollar investment and projected job creation, as well as the actual numbers trained and hired, as of June 30, 2013. The Report's primary findings follow.

#### Project Activity

Active projects:	10
• MQC project expenditures:	\$427,168
• Total projected MQC investment in active projects:	\$928,584
• Total projected job creation:	282
• Total trained as of 06/30/13:	277
• Total hired as of 06/30/13:	120
• Average project wage:	\$15.19
• Total estimate of related private investment:	\$48,981,045

### The Program

MQC's dual statutory mission is "...to meet the workforce education and training needs of new and expanding businesses in the State and provide new employment and career advancement opportunities for Maine people." The statute defines three primary purposes for the program; *job creation*, *workforce preparation* and *creating partnerships*. The program's public benefit is to serve the employer's need for additional skilled workers, give trainees portable work skills to compete in today's workforce, and establish and maintain relationships that support regional economic growth.

The program is coordinated by the Executive Director of the Maine Community College System's Center for Career Development, with individual project services delivered by the system's seven colleges. Project funding supports customized training activities, as well as applicant recruitment and screening when appropriate. Most services are provided directly by a community college, although the statute provides for coordination with other education and training providers if necessary. The program's budget for the fiscal year 2013 was \$850,576.

Interested businesses complete an application which is reviewed by the Executive Director for the number of net new jobs, skill level of new positions, wage and benefit levels, training required, rate of return on public investment and other pertinent labor market considerations. Once an application is initially given concept approval, the business and a designated community college develop a training plan that defines the customized services and training for the project. The parties sign a Memorandum of Agreement prior to the beginning of any training.

During this reporting period two additional methods to establish training projects were authorized, in part in response to a lagging economic recovery in employment growth and Maine's aging workforce. The first responded to discussions with the Maine Legislature's Joint Select Committee on Maine's Workforce and Economic Future regarding the need for greater incumbent worker training options. As a result, the program will begin in FY14 to pilot incumbent training with a sliding financial match from an applying business based on their employment level. The second method, which had been piloted in the previous year, allows applications from community colleges that have identified areas of in-demand skill training for unemployed or underemployed Maine residents. As with all MQC projects, approved business incumbent and college applications will result in training plans and a signed Memorandum of Agreement. Both methods offer training that seeks to give individuals competitive skills that are in demand by Maine businesses.

Individual projects vary in length, and training schedules frequently cross academic, fiscal and calendar years. Training may include academic credit, if appropriate, and may take place either before or after the business makes a hiring decision. A single project may include multiple cycles of training. Throughout the project, training activities are monitored and adjustments are made as needed.

### **Program Activities**

During the reporting period the MQC expended \$427,168 on ten separate projects with locations in sixteen different municipalities. The range of project expenditures was \$3,438 to \$160,859 with a median expenditure of \$26,009 and a mean expenditure of \$42,717. The range of total project grant award, over multiple years, was \$14,453 to \$319,993 with a median award of \$50,000 and a mean award of \$92,858. In their entirety the projects represent 282 projected new jobs. As of June 30, 2013, 277 people had been trained and 120 hired. The average project wage was \$15.19. The total MQC investment in the ten active projects over multiple fiscal years is expected to be \$928,584. These projects represent a projected private capital and payroll investment of \$48,981,045.

At the end of FY13, three additional projects had signed Memorandum of Agreements with a combined obligation of \$372,500, but did not begin in that fiscal year and therefore had no expenditures. The program also had four additional applications with concept approval and discussions are ongoing to finalize training plans. Another three applications are under review. It is hopeful that broader program offerings will be more responsive to both business and workers needs in this changing economy.

The attached table summarizes all projects that were active during the reporting period. Each project is summarized in its entirety and includes the projected total number of new jobs and actual data reported through the end of the fiscal year. Numbers of trainees and hires are project totals and may include numbers from previous years. The year listed reflects the date the project was approved and if another date appears, it represents a project amendment. Individual columns capture both the total value of the project, an expenditure that may be made over multiple fiscal years, and the actual expenditure level for the reporting period. Training and hiring activity may not yet be reportable for some newer projects. The chart also includes an employer estimate of the value of the planned workforce expansion's increase of annual payroll and capital investment.

Maine Quality Centers Annual Report to the Legislature

July 1, 2012 – June 30, 2013

FY13 Expenses	PROJECTS	LOCATION	COLLEGE	START DATE	PROJECT-ED JOBS	# of APPLI-CANTS	# TRAINED <sup>1</sup>	# HIRED	PROJECTED AVG. WAGE	MQC INVESTMENT	PRIVATE INVESTMENT
\$3,438	Hussey Seating	No. Berwick	YCCC	2011	40	74	89	44	\$14.19	\$14,453	\$3,385,000
\$13,533	IDEXX Laboratories	Westbrook	SMCC	2012	35	13	13	5	\$13.50	\$21,571	\$465,000
\$20,835	K-Pel Industries	Fort Fairfield	NMCC	2012	6	2	6	2	\$17.25	\$20,835	\$151,000
\$54,175	KVCC Welding <sup>2</sup>	Fairfield	KVCC	2013	33	33	0	0	\$12.00	\$144,182	N/A
\$12,468	Lohmann Animal Health INTL	Winslow	KVCC	2013	12	8	82	8	\$10.00	\$30,000	\$6,654,959
\$31,182	Manufacturing Consortium <sup>3</sup>	various	YCCC	2012	41	43	15	8	\$11.51	\$70,000	\$1,605,100
\$86,503	SMCC Midcoast Composites <sup>4</sup>	Brunswick	SMCC	2012	24	19	1	1	\$17.00	\$192,050	N/A
\$160,859	SMCC Midcoast Nursing <sup>4</sup>	Brunswick	SMCC	2012	16	11	11	7	\$21.75	\$319,993	N/A
\$37,388	Mölnlycke Health Care	Brunswick	SMCC	2012 / 2013	57	6	31	16	\$18.65	\$100,000	\$35,500,000
\$6,787	Moody's Collision	Various	SMCC	2012	18	29	29	29	\$16.08	\$15,500	\$1,219,986
<b>\$427,168</b>	<b>10</b>				<b>282</b>	<b>238</b>	<b>277</b>	<b>120</b>	<b>\$15.19</b>	<b>\$928,584</b>	<b>\$48,981,045</b>

<sup>1</sup> The number trained may be greater than the number of projected jobs and applications in projects that train existing workers and new hires.

<sup>2</sup> The first group had not completed training by the end of the reporting period.

<sup>3</sup> Consortium members include: Corning Incorporated, Maine Manufacturing, LLC, and Wasco Products, Inc.

<sup>4</sup> The numbers trained reflect those who completed a certification.