

SB0554/423327/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 554
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “Pilot” and substitute “Grant”; in line 4, strike “Commerce” and substitute “Labor”; in line 6, strike “and” and substitute “; establishing the Maryland New Start Microloan Program in the Department of Commerce”; in lines 7 and 15, in each instance, strike “Pilot” and substitute “Microloan”; in line 9, strike “an appropriation” and substitute “certain appropriations”; in the same line, strike “the Fund” and substitute “certain purposes”; in line 11, strike “Pilot Program” and substitute “Grant and Microloan Programs”; in line 14, strike “5–1907” and substitute “5–1906”; and after line 17, insert:

“BY adding to

Article – Labor and Employment

Section 11–606

Annotated Code of Maryland

(2016 Replacement Volume and 2021 Supplement)”.

AMENDMENT NO. 2

On page 2, in lines 9, 21, 22, and 24, in each instance, strike “**PILOT**” and substitute “**MICROLOAN**”; and strike beginning with “**MEANS**” in line 13 down through “**15 U.S.C. § 636(M)**” in line 20 and substitute “**HAS THE MEANING STATED IN § 11–606 OF THE LABOR AND EMPLOYMENT ARTICLE**”.

On pages 2 and 3, strike beginning with the colon in line 25 on page 2 down through “**(2)**” in line 1 on page 3.

On page 3, in line 2, strike “**THE**” and substitute “**ELIGIBLE**”.

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On pages 3 through 5, strike beginning with line 7 on page 3 through line 7 on page 5, inclusive.

On page 5, in line 12, strike “PROGRAM” and substitute “NEW START GRANT PROGRAM ESTABLISHED UNDER § 11-606 OF THE LABOR AND EMPLOYMENT ARTICLE”; after line 18, insert:

“(3) THE DEPARTMENT SHALL TAKE A REFERRAL AND RECOMMENDATION PROVIDED BY AN ORGANIZATION CONDUCTING AN ENTREPRENEURIAL DEVELOPMENT PROGRAM UNDER THIS SUBSECTION INTO CONSIDERATION WHEN DETERMINING TO ISSUE A LOAN UNDER THIS SECTION BUT IS NOT BOUND BY THE REFERRAL OR RECOMMENDATION.”;

in line 24, strike “5-1905.” and substitute “5-1904.”; in line 25, strike “PILOT” and substitute “MICROLOAN”; strike beginning with the colon in line 26 down through “(2)” in line 29; and in the same line, strike “§ 5-1904” and substitute “§ 5-1903”.

On page 6, in line 13, after “PROGRAM;” insert “AND”; strike beginning with “THE” in line 14 down through “(III)” in line 16; in line 16, strike “§ 5-1904” and substitute “§ 5-1903”; in line 18, strike “AWARD NOT” and substitute “NOT UTILIZE”; in line 19, strike “20%” and substitute “10%”; and strike beginning with “IN” in line 19 down through “5-1903” in line 20 and substitute “FOR ADMINISTRATIVE COSTS”.

On pages 7 and 8, strike in their entirety the lines beginning with line 3 on page 7 through line 21 on page 8, inclusive, and substitute:

“5-1905.

ON OR BEFORE JANUARY 1, 2029, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

(1) THE FUNDS INCLUDED IN THE STATE BUDGET AND APPROPRIATED FOR THE FUND FOR EACH FISCAL YEAR DURING THE LIFE OF THE PROGRAM;

(2) THE IMPLEMENTATION OF THE PROGRAM BY THE DEPARTMENT, INCLUDING AN ASSESSMENT OF THE EFFECTIVENESS OF THE PROGRAM; AND

(3) THE OVERALL PERFORMANCE OF THE PROGRAM AND IMPACTS OF THE PROGRAM ON LOAN RECIPIENTS.

5-1906.”.

On page 8, after line 23, insert:

“Article – Labor and Employment

11-606.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “COVERED INDIVIDUAL” MEANS AN INDIVIDUAL WHO:

(I) HAS BEEN CONVICTED OF A CRIMINAL OFFENSE;

(Over)

(II) 1. HAS COMPLETED A TERM OF IMPRISONMENT IN FEDERAL PRISON OR A STATE OR LOCAL CORRECTIONAL FACILITY; OR

2. IS APPROVED FOR RELEASE BY A CORRECTIONAL FACILITY FOR THE PURPOSE OF PARTICIPATING IN A TRAINING PROGRAM; AND

(III) MEETS THE OFFENSE ELIGIBILITY REQUIREMENTS SET FORTH IN ANY APPLICABLE POLICY NOTICE OR OTHER GUIDANCE ISSUED BY THE SMALL BUSINESS ADMINISTRATION FOR THE FEDERAL MICROLOAN PROGRAM ESTABLISHED UNDER 15 U.S.C. § 636(M).

(3) “PROGRAM” MEANS THE MARYLAND NEW START GRANT PROGRAM.

(B) (1) THERE IS A MARYLAND NEW START GRANT PROGRAM IN THE DEPARTMENT.

(2) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

(C) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO ORGANIZATIONS TO CREATE OR SUPPORT EXISTING ENTREPRENEURSHIP DEVELOPMENT PROGRAMS TO PROVIDE ASSISTANCE TO COVERED INDIVIDUALS.

(D) (1) AS PROVIDED IN THE BUDGET, THE DEPARTMENT SHALL MAKE GRANTS IN ACCORDANCE WITH THIS SUBSECTION TO AT LEAST FIVE ELIGIBLE ORGANIZATIONS.

(2) (I) AN ORGANIZATION MAY APPLY FOR A GRANT UNDER THE PROGRAM.

(II) AN ORGANIZATION MAY PARTNER WITH ANOTHER ORGANIZATION FOR PURPOSES OF APPLYING FOR A GRANT UNDER THE PROGRAM AND CONDUCTING ENTREPRENEURIAL DEVELOPMENT PROGRAMMING.

(III) AN APPLICATION FOR A GRANT UNDER THE PROGRAM SHALL:

1. DEMONSTRATE STRONG COMMUNITY TIES, INCLUDING THOSE WITH THE COVERED INDIVIDUAL COMMUNITY AND LOCAL BUSINESSES;

2. DEMONSTRATE AN ABILITY TO PROVIDE A FULL RANGE OF ENTREPRENEURIAL DEVELOPMENT PROGRAMMING ON AN ONGOING BASIS;

3. INCLUDE A PLAN FOR REACHING COVERED INDIVIDUALS, INCLUDING BY IDENTIFYING PARTICULAR TARGET POPULATIONS WITHIN THE COMMUNITY;

4. CLEARLY DEFINE ENTREPRENEURIAL DEVELOPMENT CAPABILITIES, INCLUDING COORDINATION WITH EXISTING LOCAL RESOURCE PARTNERS OF THE DEPARTMENT FOR ADDITIONAL TRAINING AS NECESSARY;

5. PRESENT AN ENTREPRENEURSHIP DEVELOPMENT CURRICULUM, WHICH MAY BE A NATIONALLY RECOGNIZED MODEL OR BASED ON A NATIONALLY RECOGNIZED MODEL;

(Over)

6. INCLUDE A LIST OF EACH PARTNER ORGANIZATION; AND

7. INCLUDE A COMPREHENSIVE PLAN FOR THE USE OF GRANT FUNDS, INCLUDING ESTIMATES FOR ADMINISTRATIVE AND OUTREACH COSTS OF RUNNING AND EVALUATING THE ENTREPRENEURSHIP DEVELOPMENT PROGRAM.

(IV) THE DEPARTMENT MAY PROVIDE SPECIFIC ADDITIONAL ELIGIBILITY AND APPLICATION REQUIREMENTS FOR A GRANT UNDER THE PROGRAM.

(3) AN ENTREPRENEURSHIP DEVELOPMENT PROGRAM FOR COVERED INDIVIDUALS IMPLEMENTED UNDER THE PROGRAM SHALL INCLUDE:

(I) A BUSINESS PLAN COMPETITION FOR IMPRISONED INDIVIDUALS;

(II) REENTRY SERVICES, INCLUDING A WORK-READINESS PROGRAM;

(III) EXECUTIVE MENTORING WITH LOCAL BUSINESS OWNERS;

(IV) ENTREPRENEURIAL TRAINING; AND

(V) IN ACCORDANCE WITH TITLE 5, SUBTITLE 19 OF THE ECONOMIC DEVELOPMENT ARTICLE, ACCESS TO FINANCING.

(4) IN DETERMINING WHETHER TO AWARD A GRANT UNDER THE PROGRAM, THE DEPARTMENT MAY GIVE PRIORITY TO AN APPLICATION SUBMITTED IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION BASED ON:

(I) WHETHER THE APPLICATION INCLUDES A COMMITMENT FROM AN EXISTING OR NEW NON-STATE FUNDING SOURCE TO MEET THE MATCHING REQUIREMENT UNDER SUBSECTION (E) OF THIS SECTION;

(II) WHETHER THE APPLICATION TAKES INTO ACCOUNT LOCAL ECONOMIES AND MARKETS AS A PART OF THE EDUCATIONAL COMPONENT OF THE ENTREPRENEURSHIP DEVELOPMENT PROGRAM; AND

(III) THE ABILITY OR PLAN OF THE APPLICANT TO PROVIDE ENTREPRENEURIAL DEVELOPMENT SERVICES CONCURRENT WITH EMPLOYMENT OR JOB TRAINING SERVICES.

(E) (1) AS A CONDITION OF A GRANT PROVIDED UNDER THE PROGRAM, THE DEPARTMENT SHALL REQUIRE THE RECIPIENT OF THE GRANT TO CONTRIBUTE AN AMOUNT EQUAL TO 25% OF THE AMOUNT OF THE GRANT, OBTAINED SOLELY FROM EXISTING OR NEW NON-STATE SOURCES.

(2) IN ADDITION TO CASH OR OTHER DIRECT FUNDING, THE CONTRIBUTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY INCLUDE INDIRECT COSTS OR IN-KIND CONTRIBUTIONS PAID FOR UNDER NON-STATE PROGRAMS.

(F) (1) IN FISCAL YEARS 2024, 2025, 2026, 2027, AND 2028, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION FOR THE PROGRAM.

(2) THE DEPARTMENT MAY NOT UTILIZE MORE THAN 10% OF THE MONEY APPROPRIATED FOR THE PROGRAM FOR ADMINISTRATIVE COSTS.

(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN ORGANIZATION AWARDED A GRANT BY THE DEPARTMENT UNDER THE PROGRAM SHALL SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT ON THE USE OF GRANT FUNDS RECEIVED UNDER THE PROGRAM.

(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL CONTAIN, WITH RESPECT TO THE ENTREPRENEURSHIP DEVELOPMENT PROGRAM CREATED OR SUPPORTED BY THE ORGANIZATION UNDER THE PROGRAM:

(I) A LIST OF OTHER ORGANIZATIONS, IF ANY, WITH WHICH THE PERSON HAS PARTNERED TO CONDUCT AN ENTREPRENEURIAL DEVELOPMENT PROGRAM;

(II) THE CHARACTERISTICS OF COVERED INDIVIDUALS ASSISTED UNDER THE ENTREPRENEURSHIP DEVELOPMENT PROGRAM, INCLUDING THE RACE AND ETHNICITY, GENDER, AGE, MARITAL STATUS, PARENTAL STATUS, EMPLOYMENT STATUS, INCOME, BANKING AND CREDIT HISTORY, AND PRIOR BUSINESS EXPERIENCE OF THE INDIVIDUALS;

(III) THE PARTICIPATION AND ATTENDANCE RATES FOR ALL COMPONENTS OF THE ENTREPRENEURSHIP DEVELOPMENT PROGRAM;

(IV) THE PROGRAM RETENTION RATE;

(V) THE PERCENTAGE OF PARTICIPANTS WHO HAVE NOT BEEN CHARGED WITH A NEW CRIMINAL VIOLATION OR A VIOLATION OF A CONDITION OF PAROLE OR PROBATION DURING THE CALENDAR YEAR OF THE PROGRAM;

(VI) THE LEVEL OF THE COVERED INDIVIDUALS' UNDERSTANDING OF BUSINESS CONCEPTS AND PRINCIPLES;

(VII) THE LEVEL OF THE COVERED INDIVIDUALS' GREATER CONFIDENCE IN LEADERSHIP STRENGTHS, INCLUDING THE RESULTS OF AN INDUSTRY-RECOGNIZED BEHAVIORAL ASSESSMENT;

(VIII) THE PROGRESS MADE BY COVERED INDIVIDUALS TOWARD ESTABLISHING A BUSINESS;

(IX) THE EXPERIENCES AND PERCEPTIONS OF THE COVERED INDIVIDUALS;

(X) THE NUMBER AND DOLLAR AMOUNT OF LOANS MADE TO QUALIFIED COVERED INDIVIDUALS; AND

(XI) ANY ADDITIONAL INFORMATION THAT THE DEPARTMENT MAY REQUIRE.

(Over)

(H) ON OR BEFORE JANUARY 1, 2029, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

(1) THE FUNDS INCLUDED IN THE STATE BUDGET AND APPROPRIATED FOR THE FUND FOR EACH FISCAL YEAR DURING THE LIFE OF THE PROGRAM;

(2) THE SERVICES THAT GRANT RECIPIENTS PROVIDED TO COVERED INDIVIDUALS ASSISTED UNDER ENTREPRENEURSHIP DEVELOPMENT PROGRAMS;

(3) OVERSIGHT OF THE PROGRAM BY THE DEPARTMENT, INCLUDING POLICIES AND PROCEDURES FOR MONITORING THE COMPLIANCE BY GRANT RECIPIENTS WITH PROGRAM REQUIREMENTS AND AN ASSESSMENT OF THE EFFECTIVENESS OF THE PROGRAM; AND

(4) THE OVERALL PERFORMANCE OF THE PROGRAM AND THE IMPACTS OF THE PROGRAM ON GRANT RECIPIENTS.

(I) THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THIS SECTION.”.

On page 9, in line 6, strike “PILOT” and substitute “MICROLOAN”.