



**Maryland**

DEPARTMENT OF BUDGET  
AND MANAGEMENT

LARRY HOGAN  
*Governor*

BOYD K. RUTHERFORD  
*Lieutenant Governor*

DAVID R. BRINKLEY  
*Secretary*

MARC L. NICOLE  
*Deputy Secretary*

**SENATE BILL 802 Economic Development – Maryland Innovation Initiative  
University Expansion Pilot Program – Establishment (Edwards and Corderman)**

**STATEMENT OF INFORMATION**

**DATE: March 16, 2021**

**COMMITTEE: Senate Finance and Senate Budget & Taxation**

**SUMMARY OF BILL:** SB 802 establishes a three-year pilot program to expand opportunities for technology validation, entrepreneurial development, and industry engagement at Frostburg State University; and mandates an appropriation in the amount of \$500,000 in FY 2023 and FY 2024, with a \$50,000 annual contribution from Frostburg State University to participate in the program.

**EXPLANATION:** The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$500,000 mandated appropriation in FY 2023 and FY 2024.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which requires spending allocations for FY 2022 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2020.

Economic conditions remain precarious as a result of COVID-19, making revenue predictions in the out year forecast susceptible to revenue write downs. Many individuals and households are unemployed or underemployed, with many industry sectors operating at much less than 100% capacity. Federal stimulus programs are providing much needed relief in the short term, but the impact of the COVID-19 pandemic continues to present significant risk in FY 2023 and beyond.

The General Assembly and Administration have successfully enacted the Governor's emergency Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (SB 496 RELIEF Act), which provides \$1.1 billion in direct stimulus and tax relief for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic. It is incumbent upon us to allow the impact of this unprecedented relief package on the State's economy to take effect. Further mandated spending increases need to be reevaluated within the context of an ongoing pandemic.

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