



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE

SENATE BILL 753 – DEPARTMENT OF COMMERCE – COVID-19 BUSINESS RELIEF DISTRIBUTION – REPORTING

Sponsor: Senator Hayes

March 16, 2021

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 753, which would require the Department of Commerce to submit to the House Appropriations and Senate Budget and Taxation Committees a report containing demographic information, including race, age, gender, and socioeconomic status, of each recipient of COVID-19 business relief in the state. It would include all small business relief and other financial assistance intended to address the economic impact of COVID-19.

Time Magazine reported on a national online survey of 500 African-American and Latinx-owned small businesses conducted by the Global Strategy Group concerning aid distribution from the federal Paycheck Protection Program. The survey revealed that just 12% of these businesses received the full assistance they requested while two-thirds did not receive any. While Congress included language prioritizing female, minority-owned, and rural businesses, there was no enforcement mechanism. The Small Business Administration Inspector General stated that minority, women owned, and rural businesses may not have received the loans as intended.

Senate Bill 753 aligns with the GBC's 2021 Legislative Priorities, which included:

- 1) **Advocate for policy, funding, and regulatory solutions to accelerate economic recovery with an emphasis on support for small and minority-owned businesses, and**
- 2) **Advocate for inclusive policies and programs that strengthen economic competitiveness and job creation.**

This reporting bill achieves both of these goals by promoting legislative oversight into the allocation process of coronavirus business relief funding. It would highlight any equity discrepancies in the distribution of aid.

In the Greater Baltimore Committee report *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, eight core pillars were identified for a competitive business environment. An essential pillar is **strategic and effective state investments in business growth**. This bill would be instrumental in allowing the state to determine ways in which Maryland can most effectively help its businesses recover from the pandemic.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 753.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org