



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
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Lieutenant Governor

DAVID R. BRINKLEY
Secretary

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Deputy Secretary

SENATE BILL 577 Economic Development-Makerspace Initiative Pilot Program (McCray and Edwards)

STATEMENT OF INFORMATION

DATE: February 23, 2021

COMMITTEE: Senate Finance and Senate Budget & Taxation

SUMMARY OF BILL: SB 577 mandates an annual appropriation in the amount of \$450,000 in FY 2023, FY 2024, and FY 2025 to fund a Makerspace Initiative Pilot Program in TEDCO. Annual allocations are specified as follows: up to \$100,000 for technical assistance to be provided by Open Works Baltimore; \$50,000 for TEDCO's administrative costs; \$50,000 to establish a Makerspace Program with Western Maryland Works; and the remaining \$250,000 to be distributed among up to four counties not served by Western Maryland Works (with a maximum grant of \$100,000 for any county per fiscal year, unless approved by the TEDCO Board). Grant recipients, which include a local government, an entity designated by a local government, or nonprofit, are to provide matching funds or in-kind contributions.

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 \$450,000 mandated appropriation in FY 2023, FY 2024, and FY 2025.

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 for the remainder of FY 2021 and FY 2022 highly volatile. 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, but the impact of the COVID-19 pandemic continues to present a significant budgetary vulnerability.

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 \$1.2 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.

**For additional information, contact Barbara Wilkins at
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