



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 1144 Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment (Buckel)

STATEMENT OF INFORMATION

DATE: March 4, 2021

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 1144 establishes the Western Maryland Economic Future Investment Board to be chaired by a representative of the Department of Commerce; creates a Fund to provide grants for capital infrastructure projects and economic development projects in Western Maryland; and mandates an annual appropriation in the amount of \$20 million in FY 2023 - FY 2027, which require a 20% match for capital infrastructure projects and a 10% match for economic development projects. The provisions of the bill terminate on September 30, 2026.

EXPLANATION: The Department of Housing and Community Development manages several programs, such as Community Legacy and the Strategic Demolition Fund, which provide grants for economic development and neighborhood revitalization capital projects throughout the State.

The State has also provided Miscellaneous capital grant funds for various projects related to Cumberland economic development, as well as the Hagerstown Revitalization project.

Cumberland Investment Plan:

FY 2018: \$500,000

FY 2019: \$420,000

City of Cumberland - Baltimore Street Town Centre/Street Access

FY 2021: \$500,000

FY 2022: \$500,000 (proposed)

Cumberland to LaVale Water and Sewer Line

FY 2020: \$250,000

Hagerstown Revitalization:

FY 2018: \$1,700,000

FY 2019: \$500,000

FY 2020: \$500,000

FY 2021: \$2,500,000

FY 2022: \$2,250,000 (proposed)

The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the mandated funding for this program. 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.

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