



To: Senator Guy Guzzone, Chair

Senate Budget and Taxation Committee

Date: February 15, 2022

From: Mary Clapsaddle, Director of Government Relations, Frostburg State University

**SENATE BILL 474 – Economic Development - Western Maryland Economic Future  
Investment Board and Fund – Establishment**

Thank you for this opportunity to provide testimony in **SUPPORT of SB474**. FSU testified in support of this bill last year, which passed the Senate. Hopefully the State’s robust fiscal condition will make it easier for the Ways and Means Committee to support.

The Task Force on the Economic Future of Western Maryland identified several key initiatives to both jump start and sustain the evolution of the new economy for the region. Unlike statewide funds under the management of the Department of Commerce, this fund – and the oversight board and fund administration – will have the needs and interests of the three western Maryland counties in mind.

The bill would require \$20 million per year for five years to create a \$100 million fund, which can be used for both capital infrastructure in support of economic development and for business development projects and investments. Significant local match would be required (to be obtained from the county, a town therein, or a private entity partner.) The Board, comprised of representatives of business and government experts from the three counties plus the Department of Commerce will evaluate proposals based on criteria such as job creation; business creation, retention, or expansion; wage increases; or creation of state and local revenue. A well-respected and experienced third party, the Tri-County Council of Western Maryland, will be charged to manage this fund and administer the program.

In several ways, this fund serves as a local Maryland Economic Development Fund and Authority (MEDAAF), but with business investments and expectations that suit Western Maryland’s economic reality. For accountability, this program is structured as a five-year pilot, and a representative of the Department of Commerce will serve as the chair of the oversight board.

The Task Force on the Economic Future of Western Maryland discussed a range of options for two years, and this emerged as its number one priority. For these reasons, Frostburg State University urges a **FAVORABLE** committee report.

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FSU is a constituent institution of the University System of Maryland