

SB 493 - SBDC - SENATE B&T - 021220 - PDF

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WRITTEN STATEMENT OF PAUL BARDACK
EXECUTIVE DIRECTOR, MARYLAND SMALL BUSINESS DEVELOPMENT CENTER
SENATE COMMITTEE ON BUDGET AND TAXATION
SB 493 --- SMALL BUSINESS DEVELOPMENT CENTER NETWORK FUND – MINIMUM
APPROPRIATION
FEBRUARY 12, 2020

Mister Chairman, Mister Vice Chairman, and Members of the Committee:

My name is Paul Bardack, and I am Executive Director of the Maryland Small Business Development Center (SBDC).

The Maryland SBDC provides free consulting services and low cost training services to Maryland's entrepreneurs to help them start or grow their proposed or existing small companies. We do it because my staff and I believe that every Marylander who wishes to start or grow a business should have that chance. Not just those lucky enough to have been born to affluence or with the right professional connections. Every Marylander.

The Howard County resident who wishes to start an 8(A) minority-owned electrician company. The single mom in Baltimore who wants to start a portable beauty salon. The Honduran political refugee who wants to start a shoe manufacturing business. The Afghanistan war veteran who wants to launch a construction business. The rehabilitated addict who wants to hire others in recovery. These are just some of the people we've worked with, one on one or in groups, to help make their dreams come true.

Last year alone – one of the best years we've had in our 30+ year history – the approximately 3,700 business owners we assisted, thanks to our efforts:

- Started 279 new companies throughout our state;
- Raised \$95 million in new commercial funds; and
- Created nearly 15,000 Maryland jobs.

Indeed, our SBDC is proud that in the past eight plus years since the start of FY'12, that is since we last successfully requested additional state funds to accomplish our mission, we have:

- Provided free consulting, low cost training, and marketing and other services to 32,824 established and prospective business owners, many of whom were low- and moderate-income. Of those, 8,097 were African-American, 2,523 were Hispanic, 13,257 were women, and 1,946 were veterans;

- Worked closely with our State's entrepreneurs to help them launch 1,455 startup companies in retail, restaurant, personal and business services, and other industrial sectors;
- Helped small businesses obtain \$530,757,761 in new debt and equity funding;
- Worked day and night seven days a week in Ellicott City to save businesses ravaged twice by historically destructive floods; and
- Supported our clients to create or keep within our State 12,685 jobs, often in areas with high unemployment and low rates of business formation.

The Maryland SBDC has an annual cash budget of \$4.7 million. Of that amount, \$950 thousand comes from the State of Maryland, and we have received that amount each year since FY 2012. \$2.3 million comes from the federal Small Business Administration. The remainder comes from county and municipal governments, banks, other private companies, and the University of Maryland - College Park, Salisbury University, Frostburg State University, Harford Community College, and the College of Southern Maryland. Of that \$4.7 million amount, \$3.9 million goes to salaries and fringe benefits for our staff of forty five FTEs based in all corners of our State, approximately \$500 thousand represents payments made to our five university / college host institutions, and \$290 thousand goes towards operations (*e.g.*, renting office space, marketing the availability of our services, etc.).

According to a 2019 study by the Towson University Regional Economic Studies Institute based on the then most recent data, our clients and their employees generated \$17.9 million in State and local business, income, payroll, property, and sales taxes. That is to say, every \$1 of the \$950 thousand the State has invested in the SBDC generates roughly \$19 in new state and local business and employee taxes ... a 19:1 return on the State's investment.

Yes, that is a return to the state on its investment in us of 19:1, something we urge you to keep in mind as you and your colleagues seek new revenues to meet other pressing state needs.

Certainly, our staff does yeoman service building small businesses and creating and retaining jobs in urban, suburban, and rural communities throughout the State. In fact, as the word increasingly gets out about the quality of our staff (*e.g.*, most of our consultants have an advanced degree as well as significant prior real-world business experience), a growing number of business owners and prospective entrepreneurs come knocking on our doors for assistance.

And that's the problem. We don't have enough staff to help them all. And even when we can provide help, it often requires creating waiting lists of up to eight or nine weeks; and not every entrepreneur is willing to wait that long for our assistance. These are generally people who cannot afford costly business advisers to assist them, and so their business dreams are at best delayed, and at worst never realized. And that's such a loss for them personally, and for our Maryland economy.

So we think enactment of Senator Ben Kramer's SB 493, cross filed in the Senate by Delegate Ben Barnes as HB 492, is crucial. It will allow us to hire another six FTE consultants and trainers who would:

- Better serve Baltimore's entrepreneurs – We have a great relationship with Morgan State University and are working together to grow new minority-owned companies in the neighborhoods surrounding the University. But we currently only have the funds to pay four staff to work in our state's largest city. We would use some of the additional funds to increase that number.

- Hire more bilingual trainers and consultants – Entrepreneurs for whom Spanish is their primary language are one of the fastest growing creators of new Maryland businesses (SOURCE: “Maryland Demographics: Summary of Maryland’s Diverse and Growing Population” (Department of Legislative Services, Office of Policy Analysis; Annapolis, 2015). Yet, we currently only have funds to pay one bilingual consultant statewide. We would use some of the additional funds to increase that number.
- Better serve underserved communities statewide – Based on our experience the past few years, hiring another six FTEs statewide would allow us to provide business consulting and training services to an estimated additional 700 business owners annually, increasing our annual capacity by 19%. This would reduce and perhaps even eliminate some of our waiting lists. It would also allow us to be an even better partner to the many county and municipal economic development officials statewide who rely heavily upon the SBDC to work seamlessly with them to provide consulting and training services to their residents who reach out to county economic developers for assistance.

These are the reasons I ask you to support SB 493 which would increase our current \$950 thousand annual appropriation to \$1.5 million, and allow us to serve another 700 Maryland entrepreneurs each year: in Baltimore, in Spanish speaking neighborhoods, and in underserved communities statewide.

In the remainder of this packet, you will see five types of documents:

- The 2019 RESI study which explains how the \$950 thousand invested annually in the SBDC by the State of Maryland yields \$17.9 million of new state and local property, income, sales, payroll, and other taxes;
- Statements of US Senator Ben Cardin (D-MD), Ranking Member of the US Senate Committee on Small Business and Entrepreneurship, on the Maryland SBDC;
- Letters of support from some of our satisfied clients statewide;
- Letters of support from state associations focusing upon our role in maintaining the vitality of Maryland’s small business sector; and
- Letters of support from several county officials discussing the crucial role we play in helping them implement their own local economic development efforts.

Thank you.

TOWSON UNIVERSITY, REGIONAL ECONOMIC STUDIES INSTITUTE
2019 MARYLAND SMALL BUSINESS DEVELOPMENT CENTER STUDY



1.0 Executive Summary

The Maryland Small Business Development Center (SBDC) provides free counseling services to small businesses, as well as various training classes and programs. The SBDC tasked the Regional Economic Studies Institute (RESI) of Towson University with assessing the economic and fiscal impacts of jobs created at companies that received SBDC counseling throughout 2018. In other words, this analysis does not examine the total impact of businesses that received SBDC services, nor the SBDC itself, but rather jobs created and sustained as a result of counseling.

To complete the project objective, RESI conducted an economic and fiscal impact analysis of SBDC-provided data using a 2016 IMPLAN input-output model for the state of Maryland. In addition to the direct economic impact of these new jobs, IMPLAN calculates the indirect and induced impacts that the direct economic activity (the new jobs) supports.¹ In addition, RESI estimated the tax revenues associated with the total economic impacts.

Figure 1 below describes the economic impacts of the new jobs at businesses that received SBDC services.²

Figure 1: Economic Impacts of New Jobs at Businesses that Received SBDC Services, 2018

Impact	Direct	Indirect	Induced	Total
Employment	1,556	399	533	2,489
Output	\$194,428,92	\$66,176,77	\$77,768,06	\$338,373,77
	4	9	9	1
Employee Compensation ³	\$58,568,547	\$20,162,60	\$23,020,61	\$101,751,75
		0	2	9

Sources: IMPLAN, RESI

Economic activity associated with new jobs at businesses that received SBDC services totals 2,489 jobs, \$338.4 million in total output, and \$101.8 million in employee compensation during this one-year period. That is, the 1,556 new jobs at businesses that received SBDC counseling supported an additional 932 jobs in Maryland’s economy.

¹ Economists measure three types of economic impacts: direct, indirect, and induced impacts. The direct economic impacts are generated as the event being modeled creates jobs. The indirect economic impacts occur as the vendors purchase goods and services from other firms. In either case, the increases in employment generate an increase in household income as new job opportunities are created and income levels rise. This drives the induced economic impacts, which result from households increasing their purchases at local businesses.

² All figures are presented in 2018 dollars.

³ In the IMPLAN model, “employee compensation” impacts include both wages paid to employees and non-wage expenses, such as benefits and unemployment insurance.

As a result of the total economic impacts supported by the new jobs at businesses that received SBDC counseling, state and local governments received an estimated \$17.9 million in tax revenues during 2018. These fiscal impacts are detailed in Figure 2 below.

Figure 2: Total State and Local Fiscal Impacts of New Jobs at Businesses that Received SBDC Services, 2018

Type	Total
Property	\$5,449,648
Income	\$4,248,341
Sales	\$5,628,512
Payroll	\$169,053
Other	\$2,385,883
Total	\$17,881,437

Sources: IMPLAN, RESI

The most significant sources of state and local fiscal impacts were sales tax (\$5.6 million), property tax (\$5.5 million), and income tax (\$4.3 million). In regard to federal fiscal impacts, the federal government received an estimated \$28.1 million in revenue during 2018, shown in Figure 3 below.

Figure 3: Total Federal Fiscal Impacts of New Jobs at Businesses that Received SBDC Services, 2018

Type	Total
Social Insurance (Employee Contribution)	\$7,191,706
Social Insurance (Employer Contribution)	\$5,850,705
Income	\$10,053,430
Corporate Profits	\$3,516,054
Other	\$1,463,462
Total	\$28,075,357

Sources: IMPLAN, RESI

The most significant sources of federal fiscal impacts were income tax (\$10.1 million), employee-contributed social insurance tax (\$7.2 million), and employer-contributed social insurance tax (\$5.9 million.)

In total, SBDC counseling services supported \$46.0 million in tax revenues at the federal, state, and local levels, as summarized in Figure 4.

Figure 4: Total Fiscal Impacts of New Jobs at Businesses that Received SBDC Services, 2018

Type	Tax Revenue
State and Local	\$17,881,437



Federal	\$28,075,357
Total	\$45,956,794

Sources: IMPLAN, RESI

END OF DOCUMENT

**STATEMENTS OF
US SENATOR BEN CARDIN (D-MD)**

MARKET RESEARCH EQUIPMENT
SOLUTIONS - CALIF., MA, AND PENN. MEMBERS

JAMIE BOCK - ARIZ.
RANDY BATE - ARIZ.
TIM BROWN - ARIZ.
JENNIFER LUNDY
JAMES M. TATE - CALIF.
GREGORY NEASE
JOHN KENNEDY - LOUISIANA
MATT ROBBINS - ILL.
TODD SWARTZ - MISSOURI

MARIA CATIZANI - WASHINGTON
BARRY GINSBERG - NEW HAMPSHIRE
EDWARD MARSH - MASSACHUSETTS
JOEY A. BOGUE - NEW YORK
CHRISTOPHER A. CLAYTON - DELAWARE
MAZIE HIRONO - HAWAII
TAMMY DUCKWORTH - ARIZONA
JACK GIBBS - NEVADA

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

Telephone: (202) 224-5175 Fax: (202) 224-5619

MICHAEL W. MURPHY - MICHIGAN
DEAN M. LUCE - MICHIGAN

Senator Cardin Comments on MD SBDC & ASBDC February 7, 2020

“Last year, the **Maryland SBDC** at the University of Maryland in College Park assisted almost 8,000 businesses, counseled 2,200 entrepreneurs and helped train nearly 5,700 business owners. Small business services provided by the Maryland SBDC led to the creation of 208 businesses and 1,251 jobs and access to \$49 million in capital.” - **Cardin: SBDC Network Supports Maryland Small Businesses, March 21, 2018**

“Then on May 27, 2018, less than 2 years after the 2016 flood and less than 18 months after All Time reopened, Ellicott City was devastated again by another historic flash flood. This time however, Jason was prepared with a readiness plan and the business continuity strategies he learned from the **Maryland SBDC**... Jason’s story is why the Small Business Committee invited him to provide testimony during our hearing on the Small Business Administration’s Office of Disaster Assistance. In his deeply moving testimony, Jason made clear that his recovery would not have been possible without support from SBA, the **Maryland SBDC** and its two secret weapons: **Maryland SBDC** consultants Craig Panos and Garrett Clover, whose advice and knowledge Jason called “miraculous” during the hearing.” - **Cardin Names All Time Toys of Eldersburg as Senate Small Business of the Week, June 27, 2019**

“I rise today as the Ranking Member of the Senate Committee on Small Business & Entrepreneurship to recognize **America’s Small Business Development Centers (SBDC)** and the vital role this national business assistance and counseling network plays in supporting economic development, job creation, and success at our Main Street small businesses. The mission of the nationwide SBDC network is to help America’s entrepreneurs realize the dream of business ownership and assist existing small businesses in adapting to the changing marketplace and compete in the global economy...SBDCs offer a great return on investment for taxpayers. It is estimated that SBDC small business clients create a new job every 5 minutes and a new business every 30 minutes, and generate \$100,000 in capital every 10 minutes. Job growth for SBDC clients is more than 14 times higher than job growth for an average business.” - **Cardin: SBDC Network Supports Maryland Small Businesses, March 21, 2018**

SAMPLE LETTERS OF SUPPORT
STATEWIDE CLIENTS

LOVELACE CRAFTS & MORE LLC

1800 E 31st Street
Baltimore, MD 21218
December 27, 2019

SB 493

To: The Members of the Maryland General Assembly

My name is Ms. Laon Lovelace. I own/operate Lovelace Crafts & More LLC, a home-based business located in Baltimore City, MD. The company promotes socializing using arts and crafts with seniors and disabled people, to prevent isolation and depression.

Although I have not owned or operated a business before, I have had the opportunity to work with seniors in various ways to assist them in avoiding isolation. Those services included, but are not limited to, providing transportation to and from doctor visits, taking them to the grocery store, and encouraging social interaction. I wanted to do more with seniors and starting a business seemed to be the next step. However, the thought of opening my own business intimidating. I did not know what to do first or where to turn for assistance. A friend of mine had mentioned in a conversation the MDSBDC.

I contacted the SBDC in February 2018. At that time, I met Mr. William Freeman, a Business Consultant with the SBDC. He assisted me in registering my home-based business with the State of Maryland, obtaining an EIN, getting both legal and accounting assistance from dedicated professions and other permits and licenses to move my start-up business forward.

One of the biggest challenges was establishing a market presence and getting the sales. Mr. Freeman guided me through techniques of contacting the various senior citizen centers, and presentations skills (public speaking, handouts and business cards) needed to close the deal. Later, those skills came in handy during my successful presentations of arts and crafts to the senior citizen audience. With his assistance, I had the confidence to move my own agenda forward.

Thanks to the SBDC's great assistance, I started my home-based business several months ago. I am now preparing to hire 2 part-time employees and expanding my business model to operate evening arts and crafts events.

Senator Ben Kramer and Delegate Ben Barnes are introducing legislation to increase the State's annual funding of the SBDC from \$950K to \$1.5M. I support that legislation because it will allow the Maryland SBDC to help more Maryland business people the way it helped me.

Sincerely,

Laon Lovelace
Founder and Owner

SB 493

January 5, 2020

My name is Angela Scott. In my family, I discovered my talents as a little girl staying with my grandmother one summer in North Carolina. Throughout my travels, I noticed how the brothers and sisters wore their nice African-American garb with great pride and joy. This inspired me to begin my own line of African American exclusive wear of one of a kind fashion made for your body frame. My business carries urban style, organic cotton clothing and boutique fashions for all cultural of men women and children. I have toured the Baltimore Metropolitan Area with Travis Winkey, P&T Models Management, Flair Studio and Studio A. I have been featured and Baltimore Times, Power Magazine and Name It Magazine.

I connected with SBDC business consultant Mr. Gabe Omaru back in 2016 when I attended one of his workshops. Since then he had been my advisor and consultant. He assisted me with business plan, financial projections and analysis etc.. With his business plan help, I was able to get a loan with BB&T to purchase the building that serves as my boutique site on Park Height avenue in Baltimore city.

Currently I am planning to open a grocery store on the same block as my boutique. I once again reached out to SBDC consultant Gabe Omaru and we are working on a SBA guaranteed loan. Through my previous needs and current expansion needs, I found SBDC very helpful and as a result of my satisfaction I even volunteer and sat on MDSBDC board of directors a few years ago.

Senators Ben Kramer and Delegate Ben Barnes are introducing legislation to increase the State's annual funding of the SBDC from \$950K to \$1.5M. I very much support that legislation because it will allow the Maryland SBDC to help businesses like mine.

Sincerely,

Angela Scott

5115 Park Heights Avenue, Baltimore, MD, 21215-5816



January 14, 2020

SB 493

My name is Kia Miller. My twin sister Kelly and I are the owners of Kindred Learning Center business located in Baltimore city and now with a new location in Howard county. This letter to express my appreciation for the support of the Maryland Small Business Development Center Network (MDSBDC).

We have been working with Baltimore city Business Consultant Mr. Gabe Omaru since 2015. He assisted us with business plan, loan packaging and efficient operations tactics and insights. With our SBDC Business consultant assistance we expanded our services, hired more aides and teachers. We were also able to get a line of credit and working capital.

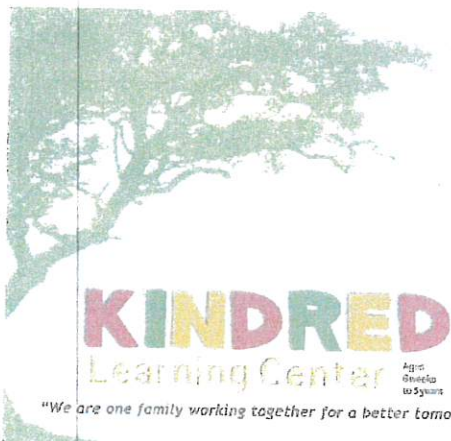
Furthermore, last year we expanded adding a new location in Howard County and our students/clients roster grew from 12 at one location to a total of 40 both locations combined. Through this entire process we found our SBDC consultant's assistance very valuable and we truly appreciated the Maryland SBDC assistance.

Senators Ben Kramer and Delegate Ben Barnes are introducing legislation to increase the State's annual funding of the SBDC from \$950K to \$1.5M. We hundred percent support that legislation because it will allow the Maryland SBDC to help more Maryland aspiring entrepreneurs and existing business owners to start and grow their businesses.

Sincerely,



Kia and Kelly Miller
5213 Northwood Avenue
Baltimore MD 21207



Kelly Miller 410-382-8069
Kia Miller 410-382-4663



5213 Norwood Avenue
Baltimore, MD 21207
443-316-8456



February 1, 2020

SB 493

To Whom it May Concern:

E Cyber7 Technologies is a Certified Disabled Veteran-Owned Small Business (SDVOSB) based in Bowie, Maryland. The company has over 30 years of experience in Department of Defense technologies and processes.

The purpose of my letter is to thank the Small Business Development Center for all its help in starting and building our business. With the help of my SBDC Counselor, Mark Wells, I have successfully obtained the necessary capital to hire additional staff to meet our demand. Moreover, Mr. Wells was instrumental in helping us qualify for 8(a) certification, further expanding our government contracting opportunities.

The Small Business Development Center has been a blessing, and I strongly recommend additional funding so they can help more small businesses like mine by hiring the necessary SBDC staff to reduce the waiting times to see a consultant would be a huge step forward.

Sincerely,

Eddie Fentry
Founder and Chief Executive



SB 493

February 3, 2020

Maryland State Legislature
Annapolis, MD

Re: Assistance Received from the Maryland Small Business Development Center (the SBDC)

Dear Legislature:

I am extremely grateful to the SBDC for keeping Garrett Glover and Craig Panos in Ellicott City. The SBDC has been extremely instrumental in my survival, development and growth as a business owner.

From the perspective of a Maryland business owner, I cannot imagine a more valuable resource to provide to the small and medium-sized emerging businesses in the State. I have watched as the SBDC team provided expert guidance both to many of the owners of flood-ravaged Ellicott City businesses and to businesses struggling to compete and grow just in the normal course of business.

With the assistance of Garrett Glover at the SBDC, my business was able to reopen following two floods and stay open. He has been an invaluable source of expertise during two extremely challenging years. He is able to quickly identify the top priorities and keep me focused. I have learned how to lead my team more effectively and make wiser decisions.... I was just recently awarded the SBA "small business person of the year" for Maryland. I am honored and so thankful for the SBDC for their continued support as we rebuilt after the flood.

Small businesses here in Howard County and across the state would derive a great deal of benefit if your body can provide more funding for more resources at the Small Business Development Center. This would create a high ROI for funds invested in the SBDC program.

Sincerely,

Tammy Beideman, CEO
Sweet Elizabeth Jane

Sweet Elizabeth Jane
8289 Main St, Ellicott City, MD 21043
410.465.6400
Urban Girl - Happy Home - Vintage Soul

The Great Gourmet
5115 Clark Canning House Rd
Federalsburg MD 21632

February 3, 2020

To The Members of the Maryland General Assembly

My name is Kim Scott and I am the owner of The Great Gourmet Inc. We are a manufacturer and Fulfillment house serving customers on QVC, HSN and ShopNBC. We manufacture crab cakes that are sold on QVC and we offer fulfillment services to other accounts on television and E-Commerce.

I started working with the Maryland Small Business Development Center (SBDC) in 2003. Rich Loeffler was my first contact with SBDC and that was over 15 years ago. I love to mention that we have paid over 6.5 Million in Payroll and over 500,000 in Payroll Taxes since my first visit with SBDC. I account all of Great Gourmet' success to my first visit with Rich. I had some grand ideas when I first visited SBDC. Fortunately, they were there to help me see what was possible and possibly what other ideas needed work. I give lots of credit to SBDC for helping me navigate through the world of business. We are not trained to manage employees – we aren't trained on payroll taxes and the needs of certain licenses. SBDC held me up literally throughout the first five years of my growing into a CEO at Great Gourmet. I couldn't have done this without them.

Still to this day, including last week – I still contact SBDC. Most importantly I contact Rich. I had a small issue that needed tending too, Rich took my call – contacted others to help me so I could continue to do what I do best and that was sell.

I understand Senator Ben Kramer and Delegate Ben Barnes are introducing legislation (House Bill 492 and Senate Bill 493) to increase the State's annual funding of the SBDC from \$950,000 to \$1,500,000. I support that legislation. I don't know that others can truly comprehend what SBDC does for us. If we had to pay for these services out in the corporate world – we would not have the funds to do this. I go to Rich for everything and the knowledge that we get is so valuable. I can not emphasis enough the need for additional funds to SBDC. I worry every month about what I will do when Rich Loeffler retires. If there are not additional funds for SBDC then the organization will not attract the level of personnel that is needed in order to help continue the growth of so many Maryland businesses. This is an investment not an expense.

Thank you for listening.

Sincerely,

Kim Scott, CEO
The Great Gourmet Inc



December 19, 2019

SB 493

Dear Legislator:

I would not have been able to survive the two Ellicott City floods without help that I received from the SBDC. Garrett Glover & Craig Panos are miracle workers and have helped me beyond words. I wouldn't have a successful business without them. I urge your legislative body to continue and increase its financial support for that organization that does actually what we business owners need. Additional financial support for the SBDC is important and needed – I have seen first hand that the SBDC staff often gets stretched too thin to assist all of those who need their help.

The SBDC is a great way to help find financing but the true gem of it all is people like Garrett Glover who help to build a long-term business. This is one of the most valuable assets of the SBDC. Loans are great but not having a long-term business plan & model just means money could be wasted.

We are in great shape and had a record year for profits in 2018. Now we hope to open a second location in the future and plan to keep growing the online and store location tools we have. Garrett Glover and Craig Panos should keep doing what they are doing as the program works and is an essential tool for small businesses.

Sincerely yours,

Jason Barnes, President

All Time Toys

2030 Liberty Rd #8, Sykesville, MD 21784

(401) 552-8810

<https://alltimetoys.com/>

February 4, 2020

Dear Legislator:

I am writing to you today to express my sincere and enthusiastic support for the Small Business Development Center and the ongoing (and increased) funding of their mission, programs, and services. As a small business owner located in Eldersburg, Maryland (Carroll County), I have experienced first-hand many of the obstacles and challenges that an entrepreneur can face when pursuing self-employment. From difficulty securing adequate capital to regulatory hurdles, the road to owning a successful business is full of potholes and pitfalls. And that is **exactly** why the Small Business Development Center is so important.

Having been in business since 2013, when I decided to pursue an extensive expansion and complete overhaul of my existing business model, one of my first stops was the Small Business Development Center and Carroll County Economic Development. SBDC consultants worked diligently to help me secure a substantial commercial loan; navigate the county permitting, licensing, and inspections processes; evaluate resources and programs to help with training and hiring of additional staff; and procure contract marketing services to help keep the public invested in my business while we have been closed for renovations.

I can honestly say that without the Small Business Development Center's assistance, I would not be in the position I am today: planning to reopen my new and improved business in just a few short weeks, managing the hiring and training of 70-80 new part- and full-time employees, reviewing projections to increase my annual revenues by 200-300% and my annual profit by 300-400%, and effectively utilizing the \$2 million in commercial capital that the SBDC helped me to secure.

The economic impact of the SBDC's services and programming is inarguable – and the personal and professional outcomes, equally so. I have never been more excited about what lies ahead for my business, and I owe a debt of gratitude for the SBDC for helping me to make my dream a reality. It is for this reason that I urge you to give strong consideration to the positive outcomes that the Small Business Development Center brings to the table, and that you continue to support their mission through any and all funding measures available.

Please feel free to contact me by e-mail (admin@stratosphere-social.com) or by phone (443.883.0071) if you have any questions or would like to discuss further.

Best Regards,

A handwritten signature in black ink, appearing to read "Bryan Zuber", with a long horizontal flourish extending to the right.

Bryan Zuber

Owner, Stratosphere Social (formerly Stratosphere Trampoline Park)



SB 493

January 3, 2020

To the Members of the Maryland General Assembly:

My name is Kingsley Barreto. My wife, Rowena Barreto, and I are the owners of Kids Play Gallery, located in Gaithersburg, MD. Our business offers children an indoor imaginative playground experience in a family friendly environment. We are open daily and offer both drop-in play and birthday parties/group events. This letter is to express my appreciation for your support of the Maryland Small Business Development Center (SBDC).

We began working with the SBDC in early 2018 during the beginning stages of our business. We met with SBDC business consultant, Grier Melick, who is an outstanding individual. Grier helped us through reviewing our business plan and projections, aided with creating our marketing plan, and helped guide us in performing market research. Additionally, he provided several references to vendors we required to support various aspects of establishing our business.

With the help of the SBDC, we launched our business in January 2019. We have hired 7 PT employees, our business has been doing well, and we have been able to serve countless children and families. The SBDC is an invaluable resource for the economic development of the State of Maryland.

Senator Ben Kramer and Delegate Ben Barnes are introducing legislation to increase the State's annual funding of the SBDC from \$950k to \$1.5M. I fully support that legislation because it will allow the Maryland SBDC to help more Maryland businesspeople the way it helped us.

Sincerely,

Kingsley Barreto
Owner of Kids Play Gallery
217 Muddy Branch Road
Gaithersburg, MD 20878



December 3, 2019
State Senator Ronald N. Young
James Senate Office Building
Room 301, 11 Bladen Street,
Annapolis MD 21401-1991

SB 493

Dear Senator Young:

As an aspiring small business owner, I would like you to know that people like me need the services of the Maryland Small Business Development Center (SBDC). Through the counseling services and training seminars that they offer they have helped me develop the skills and knowledge I need in order to start a small business and hire people.

The Frederick County SBDC has had a positive impact on my ability to plan my business. They assisted me with knowledge about starting my own business. Before attending the program all my dreams were just thoughts. The SBDC program has helped me put my thoughts and dreams in motion. In just a few months I have accomplished more than I could imagine. The support and help along with the useful resources I've been provided from SBDC has helped me navigate my steps one by one. I'm very happy with the program and recommend anyone who is interested to sign up, even if it's just for the knowledge.

In closing, I want to again express my sincere hope that the Maryland SBDC program receives your continued support. If my experience is any indication, this program provides very valuable, grassroots support for small business in the State of Maryland.
Sincerely,

Patricia Campbell
173 Pennsylvania Ave
Frederick, MD. 21701



SB 493

December 19, 2019

To The Members of the Maryland General Assembly,

My name is Ashley Harris and I am part owner of Humble Hearts Catering and Events that serves clients in Dorchester, Queen Anne's and Talbot counties. I live in Dorchester County and my business partner lives in Queen Anne's County.

I started working with the Maryland Small Business Development Center (SBDC) in 2016 to develop a business plan and determine what licensure and regulations we must follow as a catering and event planning business. In 2018, the business became a general partnership with help from the SBDC and has recently been changed to a Maryland LLC. As our business grows, my partner and I want to make sure we minimize our personal risk while expanding the profitability of the business. The local SBDC in Cambridge and Wye Mills has been and will continue to be an invaluable resource to our business!

Thanks to the hard work of my partner and I, and assistance from the SBDC and the rest of our support team, the business has seen sales grow to over \$30,000 in 2019; employment has grown from just my business partner and I to a staff of six (6) part time employees. We are looking and planning to exceed \$100,000 gross sales in 2020.

I understand Senator Ben Kramer and Delegate Ben Barnes are introducing legislation to increase the State's annual funding of the SBDC from \$950,000 to \$1,500,000. I support that legislation because it will allow the Maryland SBDC to help more Maryland businesses the way it has helped us.

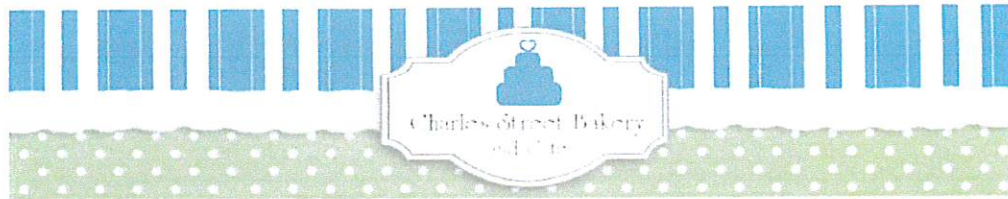
Sincerely,

Ashley Harris 12/19/2019

Ashley Harris, Co-Owner

Alicia Boyd 12/19/2019

Alicia Boyd, Co-Owner



507 East Charles Street, La Plata MD 301-392-6344 www.charlesstreetbakery.com

February 3, 2020

SB 493

To Members of the Maryland General Assembly:

Re: Maryland Small Business Development Center assistance

I am Deborah Taylor, owner of Charles Street Bakery and Café located in La Plata MD (Charles County). Charles Street Bakery is an independent local bakery specializing in cakes, pies and pastries – but our customer base includes a wide array of individuals and organizations throughout the region. I am providing this letter in support of an SBDC funding bill in the Maryland Legislature.

Since February 2002, I have been working with SBDC Consultant Bill Hitte. Bill is based with SBDC hosted by the College of Southern Maryland. With help and guidance from the SBDC, I opened Charles Street Bakery in October 2002. Over the past 17 years, Bill has provided insights and assistance with a variety of activities I'm NOT an "expert" at – including financing. Bill Hitte and the SBDC have been an ongoing, significant resource for my business – and I have referred many individuals to the CSM SBDC.

A key example of overall assistance involves financing. In 2014, Bill and I discussed refinancing multiple business debts to improve cash flow with a lower interest rate and a lower, single payment. Bill suggested utilizing a Charles County Economic Development business loan program. That financing package was approved for \$20,750 - and was funded on June 30, 2014.

In mid-2017, I started planning to replace key refrigeration and freezer units - and identified options. By late Sept 2017, the decision was made to replace the equipment - but once again I ran into that money thing. Bill Hitte again suggested utilizing the Charles County Economic Development business loan program to refinance the existing Charles County loan balance with the new monies needed. However, there would be timing issues concerning funding so the installation could occur before our very busy holiday season – with Friday November 17 being the targeted "installed by" date. As with any other business owner, I still needed to run my business. Bill connected with Charles Economic Development reps to help identify the timelines needed for funding and to help determine if that program would be a viable option. I submitted the application on October 16, 2017 - and by early November, I was approved for \$16,115. The loan was settled on November 13, 2017 - less than 30 days from applying!

The help from the SBDC - and Charles County Economic Development staff - was invaluable to get this done! The SBDC continues to offer a wide array of assistance from marketing to general management insights to help me with my business.

I understand that Sen. Ben Kramer and Del. Ben Barnes have introduced legislation to increase the State of Maryland's funding of the SBDC to \$1,500,000. I strongly encourage support of that funding.

Sincerely,

Deborah Taylor, Owner
deborah@charlesstreetbaker

Auxiliary of Dorchester General Hospital, Inc. dba



January 29, 2020

To The Members of the Maryland General Assembly,

I am the Manager of The Robin Hood Shop, which has been operating as a community thrift shop for over 60 years in the city of Cambridge. The income from the shop is used by the Auxiliary of Dorchester General Hospital to help support the Hospital by responding to their requests for equipment needs.

This year, the local SBDC consultant, Rich Loeffler, worked with us to help us increase our business profits so we can better serve the community. He worked with Salisbury University to allow a team of their business students to work with our shop as their term project. The goal being to improve our business site and practice and increase profits.

During the initial visit, the students were introduced to our staff and then toured the store to gain familiarity with our facility and the typical items that are available for sale. The students subsequently submitted a proposal for arrangement of our stock and for increased use of internet marketing for antiques and more valuable items. We appreciate that our SBDC counselor and the students met with us for the fourth and final time to review the proposals and offer assistance in implementing the program.

We are pleased that the SBDC offers this assistance and would not hesitate to contact them if we have further questions or need for help with new ideas on how to continue to grow our business.

For these reasons, we support the bills proposed by Senator Ben Kramer (SB493) and Delegate Ben Barnes (HB492) to increase funding for the Maryland SBDC so they continue to offer support to more Maryland businesses.

Sincerely,

Catherine Gullion
Store Manager

January 10, 2020

State Senator Andrew Serafini
James Senate Office Building
Room 321, 11 Bladen Street,
Annapolis MD 21401-1991

SB 493

Dear Senator Serafini:

As an aspiring small business owner, I would like you to know that people like me need the services of the Maryland Small Business Development Center (SBDC). Through the counseling services and training seminars that they offer they have helped me develop the skills and knowledge I need in order to start a small business and hire people.

The Maryland SBDC Washington County has had a positive impact on my ability to plan my business. They assisted me with starting my business, My Brother's Bookkeeper LLC, as well as expanding my business model to provide other small business services such as website development with my company QuickBuild Sites. Thanks to the Maryland SBDC, I was able to successfully plan, launch, and run my own business and network with other aspiring small business owners. Their local seminars and workshops also provided me with valuable information to continue learning and continually improve my business operations.

In closing, I want to again express my sincere hope that the Maryland SBDC program receives your continued support. If my experience is any indication, this program provides very valuable, grassroots support for small business in the State of Maryland.

Sincerely,

Chatsoni Brooks
My Brother's Bookkeeper LLC
& QuickBuild Sites
Hagerstown, Maryland

Kevin Wilcox
100 East Main Street
Salisbury, Maryland 21801

January 13, 2020

SB 493

Dear Legislator,

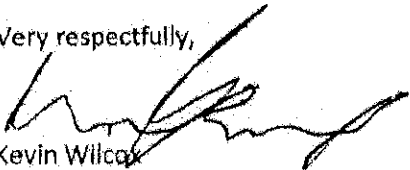
I am a client of the Maryland SBDC, Eastern Region. I have found their support to be integral to the success of my business. They have provided strong guidance and information that have assisted me in making many decisions. Because of this partnership, I strongly recommend and support the legislature to increase the funds allocated to the Maryland Small Business Development Center.

I am Kevin Wilcox, one of the founders of Sons of Thunder. We are a non-profit business serving the disabled veterans in our community by helping them build motorcycles as a form of therapy. We are located in Hebron, Maryland and serve the Wicomico County area. As you can tell I am personally involved in this endeavor. I served for 5 years in the United States Marines and am disabled.

The SBDC assisted us in organizing the business and completing the necessary paperwork for a non-profit. In particular, Tim Sherman, a business consultant with the Maryland SBDC Eastern Region, provided guidance, asked the questions that we needed to consider, and helped in developing our business plan.

This experience was very positive and we would not have progressed without the assistance of the Maryland SBDC.

Very respectfully,



Kevin Wilcox

Founder and Manager

SPECTRUM DESIGNS, LLC

9 E. MAIN STREET, FROSTBURG, MD 21532

e-mail: spectrumllc@verizon.net
(301) 689-9748

SB 493

Members of the Maryland General Assembly,

Spectrum Designs, LLC is a full service interior design firm specializing in, but not limited to, renovation and new construction design, space planning, custom window treatments, pillows, and bedding, home staging and decorating, and is a Western Maryland dealer for fine furniture, lighting, tile, flooring, fabrics, and wallcovering. Spectrum Designs, LLC also offers a retail showroom showcasing furniture, home decor and accessories, and gifts. The business is located at 9 E. Main St. in Frostburg, MD and is an active participant in community events.

The SBDC played a crucial role in the initial business development plan through the final purchase of this business by providing solid and successful business projections, guidance, and extensive knowledge in all areas of the process. Business ownership was new to me so the SBDC helped me begin the process and provided the tools to succeed. I trusted the SBDC with their guidance and recommendations and am thrilled to have purchased my business on August 1, 2019. The company continues to benefit from the business plan and projections by sticking to recommended figures and ideas. I would have been lost and may have given up on my dream without the assistance of the SBDC, specifically Mark Malec, and am so appreciative of his guidance and patience. I would recommend the SBDC to any entrepreneur.

Sincerely,

Heather Lancaster, Owner
Spectrum Designs, LLC
9 E. Main St.
Frostburg, MD 21532
301-689-9748



ANTHENELLI, PHOEBUS & HICKMAN, LLC

ATTORNEYS AT LAW

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(1950--2015)

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(410) 749-7550 FAX

517 W. MAIN STREET
P.O. BOX 70
CRISFIELD, MD 21817
(410) 968-9200
(410) 968-9292 FAX

January 21, 2020

SB 493

To the Members of the Maryland General Assembly:

My name is John K. Phoebus, partner in the law firm of Anthenelli, Phoebus & Hickman, LLC, with offices in both Crisfield and Salisbury, Maryland. Our firm practices in the areas of criminal defense, family law and personal injury. We have been very fortunate here at our firm to work with the Small Business Development Center ("SBDC") at Salisbury University. They helped us as our firm expanded from a single, Crisfield office to multiple offices, and as we expanded our staff.

The SBDC has helped in many ways, but particularly in guiding a team of business students who reviewed our operation and forms, and came up with ways to improve our efficiency—essentially helping us do "more with less" by documenting our processes, identifying inefficiencies in our existing processes and recommending solutions that have had a lasting impact on the operations of our firm. With their help, we have reduced the number of paper forms we use at our firm and improved our communications—both internally and with our clients. I regularly refer other business owners to the services of the SBDC.

The General Assembly will have bills in both chambers proposing an increase to the funding of the State's contribution to the SBDC. I enthusiastically support this legislation. The rural areas of Maryland, particularly Somerset County, have lagged behind other areas of Maryland. This increased funding would provide needed, additional assistance to the business community in our area. It would be very beneficial to our business community to fund the SBDC at this increased funding level to allow them to continue to assist businesses here on the Eastern Shore.

I would urge your favorable consideration of this legislation.

Sincerely yours,

ANTHENELLI, PHOEBUS & HICKMAN, LLC

By: John K. Phoebus
John K. Phoebus

January 2, 2020

SB 493

To the Members of the Maryland General Assembly:

My name is Jayleen Fonseca. I am the owner of JesseJay's Latin Inspired Kitchen, located in Churchton, MD. Our restaurant serves delicious, fresh food, inspired by our Latino heritage in a welcoming, family friendly setting. This letter is to express my appreciation for your support for the Maryland Small Business Development Center (SBDC).

I began working with SBDC in January 2018 during the planning process for my business. I met with SBDC business consultant, Candace Prueff. She assisted us through reviewing our business plan and projections, the process for submitting our loan application, aided with our marketing plan, and helped to navigate the process of hiring.

Thanks to the SBDC, we launched our business in April 2019. We have hired 8FT and 29PT employees, sales have been exceeding the financial projections, and our community support has been thriving with positive remarks and reviews. The SBDC is an invaluable resource for the economic development of the State of Maryland.

Senator Ben Kramer and Delegate Ben Barnes are introducing legislation to increase the State's annual funding of the SBDC from \$950k to \$1.5M. I support that legislation because it will allow the Maryland SBDC to help more Maryland businesspeople the way it helped me.

Sincerely,



Jayleen Fonseca
Owner of JesseJay's Latin Inspired Kitchen
5471 Muddy Creek Road
Churchton, Maryland 20733



Wyatt Harrison
Plak That
12636 Sunset Avenue H6
Ocean City MD 21842

January 17, 2020

SB 493

To The Members of the Maryland General Assembly:

My name is Wyatt Harrison, founder and owner of Plak That in West Ocean City, Maryland. My company is a commercial photo and sign printing and fabrication business. The main focus of my business when I started was printing photos on wood, and I currently ship these across the country. I have been fortunate to work with several people at the SBDC at Salisbury University. They helped me as I started, developing a business plan and directing me to several sources on loans to start my business.

Over the past years they have helped me as I reviewed opportunities to expand my business. I now have three times the square-footage of manufacturing space and have added a CNC router to produce unique designs for clients across the region and country. I have been aided by their student consulting teams to identify new customer areas and used this to grow my business. As I have grown the business, I have been able to meet with the SBDC every quarter to make sure I am managing all aspects of the business the best way. The SBDC has and continues to help me be a better business owner.

I know that there are bills being proposed this year to increase the State's annual funding of the SBDC. I support that legislation, and hope that it will allow them to continue to assist business here on the Eastern Shore.

Sincerely,


Wyatt Harrison

Owner

**SAMPLE LETTERS OF SUPPORT
ASSOCIATIONS**



MARYLAND
Chamber of Commerce

LEGISLATIVE POSITION:

Favorable

Senate Bill 493

Small Business Development Center Network Fund - Minimum Appropriation

Senate Budget and Taxation Committee

Wednesday, February 12, 2020

Dear Chairman Guzzone and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families. Part of that work includes support for sustainable solutions that drive Maryland's future economy, including education, talent pipeline, innovation, economic diversity and business development.

The Maryland Small Business Development Center (SBDC) is a partnership between the U.S. Small Business Administration, the State of Maryland and the University of Maryland, College Park. For the past 30 years, the SBDC has provided free consulting and low-cost training services to entrepreneurs throughout Maryland, helping to spur new business growth and the expansion of existing businesses. In 2019, the Maryland Small Business Development Center partnered with roughly 3,700 Maryland entrepreneurs, which helped to raise more than \$95 million in commercial bank funding and led to 279 new Maryland companies opening in all corners of our state. Those efforts helped support nearly 15,000 Maryland jobs.

HB 492 seeks to add an additional yearly state appropriation of \$550,000 to hire additional consultants and trainers in underserved communities and Baltimore City, and more bilingual staff to better serve our state's fast-growing population of diverse entrepreneurs.

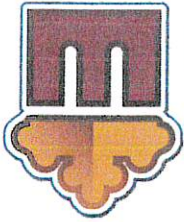
The Maryland Chamber of Commerce represents businesses of all sizes, many of which would benefit greatly from the additional resources potentially provided by the SBDC as a result of HB 492. Additionally, a 2019 study done by the Towson University Regional Economic Studies Institute (RESI) calculated that for every \$1 of state funding allocated to the SBDC, the state receives \$19 in tax revenue generated by SBDC-assisted companies.

In an ever-changing Maryland business climate, enacting HB 492 would demonstrate the state's sustained commitment and support to Maryland's small business community. For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on **SB 493**.

MDCHAMBER.ORG

60 West Street, Suite 100, Annapolis 21401 | 410-269-0642





MARYLAND
Association of
COUNTIES

House Bill 492

SB 493

Small Business Development Center Network Fund - Minimum Appropriation

MACo Position: **SUPPORT**

To: Appropriations Committee

Date: February 11, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 492. The bill would boost the capacity of the Maryland Small Business Center (SBDC) to promote, inform, and support new and existing small businesses across the state.

Local governments, just like the State, have a vested interest in economic development. Local economic growth creates jobs and increases salaries, expanding the tax base both locally and statewide. Counties promote economic development through their own programs and coordinate with the State to attract and retain businesses where they will be most beneficial to our economy.

The Maryland SBDC links private enterprise, government, higher education, and local economic development organizations to provide high-quality training, confidential consulting, and market and industry research to Maryland's small businesses.

Strengthening Maryland's small businesses contributes directly to the growth of local, state, and national economies. This in turn creates jobs, contributes to enhancing quality of life, and expands the local tax base – enabling counties to better provide core services for Maryland families and businesses.

Accordingly, MACo urges the Committee to issue a **FAVORABLE** report for HB 492.

MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



**SB493 – Small Business Development Center Network Fund – Minimum
Appropriation
Budget and Taxation Committee
February 12, 2020**

Position: SUPPORT

Background: SB493 would increase the required minimum appropriation for the Small Business Development Center Network Fund from \$950,000 to \$1,500,000 for the fiscal year beginning July 1, 2021.

Comments: The Maryland Retailers Association supports SB493, which would increase the annual appropriation for the Maryland Small Business Development Center (SBDC) Network Fund by \$550,000.

The SBDC provides free consulting and low-cost training services to entrepreneurs throughout the state to help them start new businesses or grow their existing businesses. Last year, according to data supplied the US Small Business Administration, the SBDC worked with roughly 3,700 Maryland entrepreneurs. The SBDC helped business owners raise more than \$95 million in commercial bank funding, helped Marylanders start 279 new companies in all corners of the state, and in the process helped support nearly 15,000 Maryland jobs.

In 2019, the Towson University Regional Economic Studies Institute calculated that for every \$1 of state funding received by the SBDC, the state receives \$19 in state and local taxes generated by companies assisted by the SBDC. The SBDC is seeking increased funding in order to expand the services they offer to business owners in Maryland, and hopes that the additional funding will in turn increase the State's return on investment. The SBDC would use the additional funds to hire and retain more consultants and trainers in underserved communities statewide, and to hire more Spanish speaking staff to better serve the state's fast-growing population of Hispanic entrepreneurs.

Thank you for your consideration, and we urge a favorable report of SB493.



171 CONDUIT STREET, ANNAPOLIS, MD 21401 | 410-269-1440

WWW.MDRA.ORG



ALLIANCE FOR HISPANIC COMMERCIAL CONTRACTORS

IN SUPPORT

HB 492 - Small Business Development Center Network Fund Minimum Appropriation

SB 493

Delegate Maggie McIntosh, Chair
Delegate Michael A. Jackson, Vice Chair
Appropriations Committee
Room 121, House Office Building
Annapolis, Maryland 21401

Dear Madam Chair, Vice Chair, and Members of the Committee:

Formed in 2016, The Alliance for Hispanic Commercial Contractors (AHCC) educates and trains Hispanic Commercial Contractors to better understand procurement, the legislative process, finance, bonding, contractual obligations, work-site safety, the MBE certification process, and more. Our Corporate Alliance Partners (CAP) include Chesapeake Employers Insurance Company, Whiting-Turner Contracting Company, M&T Bank, Stanley, Black & Decker, Maryland Department of Transportation, and The Barbour Group, LLC. Each CAP provides advocacy and financial support to AHCC. When our members require more assistance and training, AHCC engages the Small Business Development Center and its Procurement Technical Assistance Center. The Co-Founders of AHCC, Karen Barbour and Vanessa Lopez, present on key topics for SBDC to help spread their message to the Hispanic/Latino communities. SBDC and AHCC have a Memorandum of Understanding that underscores each other's commitment to unify our efforts in helping our membership base be sustainable and profitable.

With additional funding, SBDC could weave their efforts further into the Hispanic contracting community to enable economic sustainability, which in turn yields a stronger tax base. While Hispanic firms grow at 15 times the rate of non-Hispanic firms, they tend to plateau and remain small or fail quickly due to lack of capital and network support. According to the Main Street Alliance report, 71% of those surveyed agreed that the U.S. immigration policies should encourage the economic integration of new American immigrants. SBDC implements such policies with proven results, which in turn benefits our overall economy. But, they could do much more if they had additional funding.

SBDC will provide full accountability for the funding they receive, mapping out a high rate of return on your investment. Increasing their annual appropriation to \$1.5 million will provide exponential empowerment for under-served small business communities in Maryland. AHCC is excited about the new leadership at SBDC and is certain that with more funding they could make the American Dream become a reality for many more.

Sincerely,



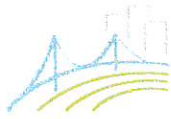
Karen Barbour, Co-Founder

PROMOTING THE GROWTH, PROSPERITY AND PARTICIPATION OF HISPANIC COMMERCIAL CONTRACTORS IN COMMERCIAL AND GOVERNMENT PROCUREMENT CONTRACTS THROUGH EDUCATION, TRAINING AND GUIDANCE.

909 Baltimore Blvd., Suite 144, Westminster, MD 21157 Karen@ahcc-midatlantic.org/Vanessa@ahcc-midatlantic.org

WWW.AHCC-MIDATLANTIC.ORG

SAMPLE LETTERS OF SUPPORT
LOCAL GOVERNMENTS



ANNE ARUNDEL
ECONOMIC DEVELOPMENT CORPORATION

February 3, 2020

The Honorable Maggie McIntosh
Maryland House of Delegates
Appropriations Committee
6 Bladen St.,
Annapolis, MD 21401

SB 493

Dear Chairwoman McIntosh,

The Anne Arundel Economic Development Corporation (AAEDC) supports HB 0492 - Small Business Development Center Network Fund - Minimum Appropriation. The legislation requests an increase in the required minimum appropriation for the Small Business Development Center Network Fund from \$950,000 to \$1,500,000 for the fiscal year beginning July 1, 2021.

AAEDC is proud to partner with the Maryland Small Business Development Center (SBDC) and the University of Maryland. We have two SBDC consultants that provide valuable guidance to our business community. These counselors prepare clients for financing, assists in registering businesses, guides them through the licensing process and the hiring of employees, and connects them with local resources such as the finance, site selection and workforce training programs AAEDC offers. The work of our SBDC consultants have enhanced AAEDC's bandwidth to serve our county's small business enterprises.

Business counseling services are in high demand in Anne Arundel County. For example, one of our consultants Candace Pruett assisted 148 businesses in 2019 which included participating in multiple or ongoing meetings. It is vital that SBDC receive an increase in funding to grow the number of counselors to support our fledgling entrepreneurs. When these small businesses grow they create jobs, grow our economy, and ultimately increase our tax base.

Prior to my arrival at AAEDC, I was part of a Maryland based woman owned technology company that grew from four to over sixty employees and from \$400,000 to \$10,000,000 in annual revenue. Consultants like such as our SBDC counselors are instrumental in helping our businesses strive to achieve their goals and grow their ventures. An increase in funding will expand SBDC's capacity statewide, allowing it to serve more aspiring and existing entrepreneurs in Anne Arundel County and all over Maryland. We appreciate your consideration and your support of small businesses in our state.

Sincerely,

Jerry Walker
CEO/President



**CALVERT COUNTY
DEPARTMENT OF ECONOMIC DEVELOPMENT**

Courthouse, 175 Main Street
Prince Frederick, Maryland 20678
410-535-4583 • 301-855-1880
www.calvertcountymd.gov

Board of Commissioners
Earl F. Hance
Mike Hart
Thomas E. Hutchins
Kelly D. McConkey
Steven R. Weems

Kelly Robertson-Slagle, Director

February 3, 2020

Mr. Paul Bardack
Executive Director
Maryland Small Business Development Center
WeWork
7761 Diamondback Drive
College Park, MD 20742

SB 493

Dear Mr. Bardack:

The Calvert County Department of Economic Development has been an enduring and fervent supporter of the Small Business Development Center for at least two decades. We value and have come to rely on the professional consultation services provided by your staff to augment and support our own small business outreach, training and assistance efforts.

Over the years, the SBDC's consultant team has assisted hundreds in our business community and, for some, this is the only form of professional business advice they receive. In Calvert County, our business owners benefit from the expertise and commitment of SBDC counselors who work diligently alongside our staff to provide the best counseling services available. Your ability to leverage resources, coordinate partnerships and demonstrate economic impact through job growth, business loans and economic diversification make this program a model for economic development.

Over the years, we have seen the positive impact the SBDC has on our economy. From tiny start-ups and service-based entrepreneurs to additive manufacturers and cutting-edge technological innovators, the SBDC serves the needs of people across a variety of business categories and in all stages of growth. We laud your efforts and appreciate the impact the SBDC program has had and continues to make on Calvert County's economic development initiatives.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Robertson-Slagle".

Kelly Robertson-Slagle
Director



www.garrettcountry.org

Department of Economic Development
Garrett County Government

203 South Fourth Street, Room 208
Oakland, Maryland 21550
economicdevelopment@garrettcountry.org

Tel 301 334 1921
Fax 301 334-7469

January 28, 2020

The Honorable Lawrence J. Hogan, Jr.
Governor, State of Maryland
100 State Circle
Annapolis, Maryland 21401-1925

SB493

Dear Governor Hogan:

I am writing in support of the Maryland Small Business Development Center's (SBDC) request for additional state funding for use to match and leverage available funding from the Small Business Administration. The request is an increase in funding from \$900,000 to \$1.5 million.

During my career in banking and economic and community development, the SBDC has always been a significant partner to the organizations I have represented. The needs of start-up and "working capital / growth crunch" businesses are very different than what many rural countywide economic development organizations can effectively handle.

As a businessman yourself, you know (1) you cannot be all things to all people, and (2) not every business can successfully serve every customer. Maryland must continue with its efforts to make us more entrepreneurial so we can build self-sustaining local and statewide tax bases based on private, for-profit businesses. We can no longer rely on our traditional system based on proximity to Washington D.C. to generate government revenues to provide the essential services our citizens need.

Funding the SBDC is an investment that leads to job creation, a more diverse and competitive business community, improved human capital within our small businesses, and helps unlock the knowledge in our colleges and universities and puts it to good work.

Over the past five years, the SBDC has provided one-on-one business counseling to more than 8,385 Maryland residents seeking to start, save, or expand their businesses. As a result, 1,175 businesses and 7,797 jobs were created in Maryland. An additional 44,478 citizens attended SBDC provided trainings. Every dollar invested in the SBDC in 2018 generated \$19 in state and local income, payroll, property, and sales taxes.

I appreciate you taking the time to consider my letter.

Sincerely,

Michael E. Hough, Director



ST. MARY'S COUNTY GOVERNMENT
COMMISSIONERS OF
ST. MARY'S COUNTY



James R. Guy, President
Eric Colvin, Commissioner
Michael L. Hewitt, Commissioner
Todd B. Morgan, Commissioner
John E. O'Connor, Commissioner

January 23, 2020

Paul Bardack
Executive Director
Maryland Small Business Development Center
7761 Diamondback Drive
College Park, MD 20742

SB 493

Dear Paul:

I wanted to send you a short letter emphasizing the important role that SBDC plays in St. Mary's County. The SBDC is a key player in the economic development efforts for our County. The many roles they play, from technical assistance to training programs, really help get people ready to embark on a successful business or improve their existing business.

Many times, the SBDC touches clients that are not typically in my office's targeted population. We do not have the resources nor expertise to provide the assistance these clients need. We often refer "cold call" clients to SBDC, and sometimes SBDC refers clients to us. In some circumstances, both SBDC and my office are working with the same client, but we are providing different services.

Without SBDC services, there would be a large gap in our economic development ecosystem in St. Mary's County. We greatly appreciate SBDC being on the team and providing the services that they do.

Thank you.

Respectfully,

Chris Kaselemis

MACo_FAV_SB493

Uploaded by: Sanderson, Michael

Position: FAV



Senate Bill 493

Small Business Development Center Network Fund - Minimum Appropriation

MACo Position: **SUPPORT**

To: Budget & Taxation Committee

Date: February 12, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 493. The bill would boost the capacity of the Maryland Small Business Center (SBDC) to promote, inform, and support new and existing small businesses across the state.

Local governments, just like the State, have a vested interest in economic development. Local economic growth creates jobs and increases salaries, expanding the tax base both locally and statewide. Counties promote economic development through their own programs and coordinate with the State to attract and retain businesses where they will be most beneficial to our economy.

The Maryland SBDC links private enterprise, government, higher education, and local economic development organizations to provide high-quality training, confidential consulting, and market and industry research to Maryland's small businesses.

Strengthening Maryland's small businesses contributes directly to the growth of local, state, and national economies. This in turn creates jobs, contributes to enhancing quality of life, and expands the local tax base – enabling counties to better provide core services for Maryland families and businesses.

Accordingly, MACo urges the Committee to issue a **FAVORABLE** report for SB 493.

SB493_SWANSON_FAV

Uploaded by: Swanson, Tricia

Position: FAV



To Lead, Advocate and Connect as the Voice of Business

Senate Bill 493 - Small Business Development Center Network Fund - Minimum Appropriation

Budget and Taxation Committee

February 12, 2020

SUPPORT

Senate Bill 493 increases the minimum general fund appropriation to the Small Business Development Center (SBDC) Network Fund that the Governor must include in the annual budget bill to \$1.5 million beginning in fiscal 2022.

SBDC offers free business consulting services to new and existing small business. The counseling provided ranges from best practices to financing to bringing all appropriate or applicable resources to the table. The network is organized across five regions, with more than 20 offices located throughout the State. Each SBDC must partner with at least one institution of higher education, and in the aggregate, the State must provide at least a one-to-one match to receive the federal funds.

Additional funding for SBDC enables it to enhance its services for small businesses and continue the incredible impact it has on our small business community.

For the aforementioned reasons, **the Chamber supports Senate Bill 493 and respectfully urges a favorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

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Position: INFO



Maryland

**DEPARTMENT OF BUDGET
AND MANAGEMENT**

LARRY HOGAN
Governor

DAVID R. BRINKLEY
Secretary

BOYD K. RUTHERFORD
Lieutenant Governor

MARC L. NICOLE
Deputy Secretary

SENATE BILL 493 Small Business Development Center Network Fund-Minimum Appropriation (Kramer, et al)

STATEMENT OF INFORMATION

DATE: February 12, 2020

COMMITTEE: Senate Budget & Taxation Committee

SUMMARY OF BILL: SB 493 increases the annual mandated appropriation for the Small Business Development Center from \$950,000 to \$1.5 million. The Fund provides matching funds for federal grants and to support the operations of the Small Business Development Center Network at the University of Maryland, College Park.

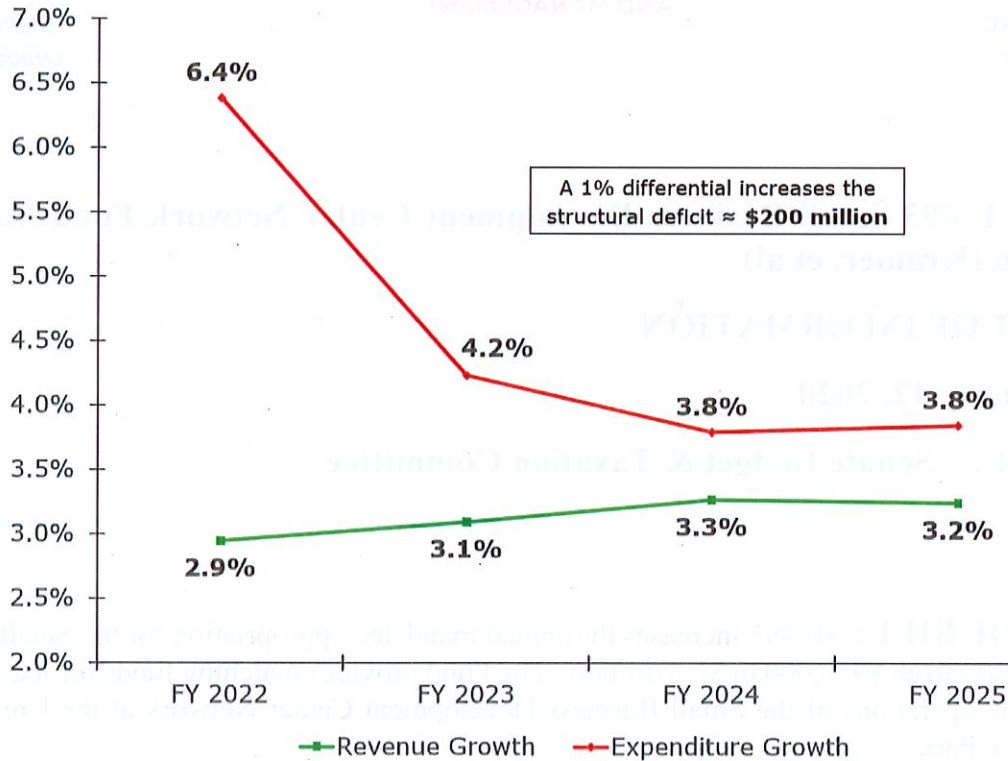
EXPLANATION: The \$550,000 increase begins in FY 2022.

DBM's focus is not on the underlying policy proposal being advanced by the legislation, but rather on whether the aggregate increased spending is sustainable when spending growth continues to exceed revenue growth.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and strives to create a structurally balanced budget, in which the growth in spending is less than the growth in revenues. Actions by the General Assembly to increase entitlement spending levels makes it exceedingly difficult for the Administration to achieve structural balance.

The FY 2022 General Fund forecast shows spending growth of 6.4%, whereas revenue growth is forecast to be 2.9%. Growth in State spending will outpace otherwise healthy revenue growth not only next year, but also for the foreseeable future. The result is a short and long-term structural gap that will continue to strain State resources until the underlying causes have been resolved.

Future Spending Outpaces Revenue Growth



Source: Department of Budget and Management, FY 2021 Budget Highlights Book, Appendix F (January 2020)

General Fund Budget Outlook Fiscal 2022 - 2025

	Est. 2022	Est. 2023	Est. 2024	Est. 2025
Cash Balance	-\$833	-\$1,135	-\$1,201	-\$1,298
Structural Balance	-\$701	-\$905	-\$984	-\$1,071

Department of Legislative Services, January 2020 Fiscal Briefing

For FY 22 – FY 25, the cumulative impact of an ongoing imbalance between spending and revenues is a \$3.6 billion structural gap. Our structural budget problem reflects a spending problem; not a revenue problem.

The ever-increasing use of mandates and entitlement spending by the General Assembly is a more recent practice, making the State's structural budget deficit a chronic challenge. According to the Department of Legislative Services (DLS), 70.2% of the FY 2020 General Fund allowance is mandated or entitlement spending.

Until we achieve long-term structural balance, programs cannot rely on a consistent funding level. Constituencies for these proposed programs or enhanced spending bills should be forewarned that passage

of this legislation does not guarantee future funding. Whatever specific funding is mandated will likely be repealed or otherwise modified in a subsequent Budget Reconciliation and Financing Act (BRFA) – this action is necessary to ensure a constitutionally required balanced budget in the next fiscal year.

The Administration is cognizant of the downside risks facing our economy and, in the FY 2021 Budget, has set aside \$1.3 billion in reserves. The Rainy Day Fund balance is equal to 6.25% of revenues, \$48 million more than recommended by the Spending Affordability Committee (SAC). Moody's Analytics has recently advised of a slowdown in employment growth in the latter part of FY 2021, which DLS estimates would add \$241 million to the structural budget gap in FY 2021 and \$419 million in FY 2022. Historic increases in funding for both K-12 education, as proposed by the Kirwan Commission, and school construction will further aggravate the budget gap.

The 2019 SAC commentary encourages a cautious fiscal approach -- **“Out-year fiscal stress is anticipated despite the expectation that personal income and employment will continue to grow steadily, and entitlement and prison caseloads will hold steady or decline. An imbalance is forecast before accounting for any recommendations from the Commission on Innovation and Excellence in Education.”**

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