



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 453 Economic Development - Maryland Makerspace Initiative Program (McCray and Edwards)

STATEMENT OF INFORMATION

DATE: February 15, 2022

COMMITTEE: Senate Finance and Senate Budget & Taxation

SUMMARY OF BILL: SB 454 creates the Maryland Makerspace Initiative Program in TEDCO for the purpose of encouraging the establishment and expansion of community spaces that provide access to tools, technology, and knowledge that results in prototyping or creation of physical goods and develops workforce training and early-stage business ventures. The bill mandates an annual appropriation in the amount of \$1 million to the Makerspace Fund for FY 2024 through FY 2027.

From the Fund, TEDCO provides financial assistance to a local government, an entity designated by a local government, or nonprofit, which are to provide matching funds or in-kind contributions. Awards of financial assistance may not exceed \$250,000 within any county per fiscal year, unless approved by two-thirds of the TEDCO Board. Administrative costs may not exceed \$100,000. TEDCO may partner with Open Works Center for Advanced Fabrication Technologies in Baltimore City to provide technical assistance to nonprofit entities seeking to establish Makerspaces, for which they would receive reimbursement through the Fund.

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 aggregate \$5 million mandated appropriation that impacts the FY 2024 through FY 2027 budgets.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

45 Calvert Street · Annapolis, MD 21401-1907

Tel: 410-260-7041 · Fax: 410-974-2585 · Toll Free: 1-800-705-3493 · TTY Users: Call via Maryland Relay

<http://dbm.maryland.gov>

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

**For additional information, contact Barbara Wilkins at
(410) 260-6371 or barbara.wilkins1@maryland.gov**