

Clippinger - HB677 - FAV.pdf

Uploaded by: Will Shorter

Position: FAV

LUKE CLIPPINGER
Legislative District 46
Baltimore City

Chair
Judiciary Committee
Rules and Executive
Nominations Committee



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Written Testimony of Delegate Luke H. Clippinger
HB677 - Pride of Baltimore II - Appropriations - Extension
Senate Budget and Taxation Committee
March 30, 2023, 1:00 p.m. | Position: SUPPORT

Dear Chair Guzzone and Committee Members:

HB677 is an extension of the legislation the General Assembly passed in 2018. It increases the annual appropriations to the Pride of Baltimore II from the Transportation Trust Fund from \$500,000 to \$600,000. The legislation also requires the recipient of the funds to provide a report on expenditures and a business plan to reduce the state funds needed to support the tall ship.

The Pride of Baltimore has been the goodwill ambassador to the state of Maryland since 1988, sailing around the United States and overseas to promote Maryland's economic development opportunities and educate others about the rich maritime history of Baltimore City. The state of Maryland owned and operated the Pride of Baltimore II until 2008, when the nonprofit organization, Pride of Baltimore II, Inc., acquired the tall ship. Since 2016, the state has supplied funding for the tall ship from the Transportation Trust Fund. However, when the state could not fund the Pride of Baltimore II, the nonprofit was forced to pull from its \$2 million endowment to fund hefty maintenance fees that come with running a tall ship, draining the account.

In 2018, the General Assembly provided a more permanent home in the state budget for the Pride of Baltimore II for five years to cover maintenance and operation fees. This bill would renew the appropriations for another ten years and increase the amount by \$100,000 to account for inflation.

I urge a favorable report on HB677 to continue the legacy of maritime education, economic development, and global representation of the state of Maryland.

HB0677 - TSO - Pride of Baltimore - LOI_FINAL.pdf

Uploaded by: Patricia Westervelt

Position: INFO

March 30, 2023

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 East, Miller Senate Office Building
Annapolis MD 21401

Re: Letter of Information – House Bill 677 – Pride of Baltimore II – Appropriations – Extension

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation takes no position on House Bill 677 but offers the following information for the Committee’s consideration.

House Bill 677 re-establishes the mandated grant and reporting requirements for the operation of the Pride of Baltimore II. Specifically, the bill requires the Governor to include in the budget an appropriation of \$500,000 annually for fiscal years 2024 through 2028 from the Transportation Trust Fund and requires a report by December 1 each year that includes an accounting of how the funds were spent; an itinerary and any other information that demonstrates the vessel was operated for certain purposes; and a strategic business plan that includes a goal to reduce or eliminate the need for State funds.

Chapter 854 of 2018 established similar funding and reporting requirements for fiscal years 2020 through 2023. It is worth noting that the Pride of Baltimore II remained dry-docked during the 2020 sailing season and stayed local during the 2021 sailing season as a result of the COVID-19 pandemic; however, annual grant payments were still made. As detailed below, over the last four years, only one report was submitted on time and included all required elements. Subsequent reports were not submitted, were submitted late, and/or were incomplete.

<u>Annual Report Due by:</u>	<u>Annual Report Submitted on:</u>
12/01/2019	11/27/2019
12/01/2020	Not Submitted
12/01/2021	04/06/2022 (Late)
12/01/2022	01/26/2023 (Late and Incomplete)

The annual report is required to include a strategic business plan that includes a goal to reduce or eliminate the need for State funds. The first submission in 2019 included a strategic plan with nine strategies and more than 60 tactics to achieve those strategies that was the result of an extensive effort by the Board of Directors. An update to the strategic plan was not submitted in 2020 or 2022. The 2021 update indicated that although progress was made in many of the tactics, no progress was made in several others. Little progress has been made in reducing or eliminating the need for State funds to support ongoing operations.

The Honorable Guy Guzzone
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Due to the expected sunset of Chapter 854 of 2018, the Maryland Department of Transportation did not include funding for a grant to the Pride of Baltimore II in its budget for fiscal year 2024 or beyond. Re-establishing this grant thus has a fiscal impact of \$2.5 million over the next five years and will reduce funding available for critical transportation initiatives.

The Maryland Department of Transportation recognizes and appreciates the Pride of Baltimore's role in promoting historical maritime education, fostering economic development and tourism, and representing the citizens of Maryland but notes the limited transportation purpose of this mission. In 2014, Maryland voters overwhelmingly approved a Constitutional amendment to limit the use of transportation funding only for transportation purposes.

The Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating House Bill 677.

Respectfully submitted,

Pilar Helm
Director of Government Affairs
Maryland Department of Transportation
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