

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 1486

(Delegate Forbes)

Health and Government Operations

Finance and Budget and Taxation

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Economic Development – Cyber Maryland Fund and Program – Alterations

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This bill alters requirements related to the Cyber Maryland Program and Fund by (1) requiring the Maryland Technology Development Corporation (TEDCO) to administer the Cyber Maryland Fund; (2) clarifying the types of administrative expenses that may be paid for from the fund, including hiring staff and hiring consultants and other necessary professionals; (3) removing the requirement to hire specific staff for the program; and (4) removing the mandate to provide funding for specific staff. TEDCO is also required to adopt regulations to award grants under the program. **The bill takes effect July 1, 2024.**

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Fiscal Summary

**State Effect:** Even if discretionary funding is provided sufficient to implement the program, minimal savings may be realized beginning in FY 2026, as discussed below. Otherwise, general fund savings may be greater. The FY 2025 budget as introduced includes \$440,000 in general funds for the Cyber Maryland Program. **This bill eliminates a mandated appropriation beginning in FY 2026.**

**Local Effect:** While the bill may alter the amount of grant funding for local governments, the overall effect is anticipated to be minimal.

**Small Business Effect:** Minimal. While the bill may alter the amount of grant funding for small businesses, the overall effect is anticipated to be minimal.

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Analysis

**Current Law:** Chapter 578 of 2023 established the Cyber Maryland Program in TEDCO to create a talent pipeline in cybersecurity, serve as a hub for State workforce development

programs in cybersecurity, and generally coordinate cybersecurity and research and innovation in the State, among other things. The Act also created the Cyber Maryland Fund as a special, nonlapsing fund, and the Cyber Maryland Board.

The program must conduct ongoing research by collaborating with specified entities to collect and analyze real-time industry data to identify cybersecurity workforce needs as described in the U.S. Chamber of Commerce Talent Pipeline Management Approach. The program must use the results of its research to (1) increase the effectiveness of existing State cybersecurity workforce programs for employers in the State; (2) facilitate partnerships for new training and education programs to address the workforce needs identified in the program's research; and (3) develop a statewide strategic plan for cybersecurity workforce development. The program, and not TEDCO, must also administer and manage the Cyber Maryland Fund.

The program's executive director must be appointed by and serve at the pleasure of the Chief Executive Officer of TEDCO and must have relevant qualifications and experience with the activities and purposes of the program.

The Cyber Maryland Fund consists of money appropriated in the State budget and any money from any other source accepted for the benefit of the fund. The Cyber Maryland Fund exists to facilitate the Cyber Maryland Program's achievement of the program's specified purposes and support innovative approaches to meeting cybersecurity workforce needs. Funds may only be used for (1) administering the program (with no further detail on eligible uses) and (2) providing grants to elementary and secondary schools, institutions of higher education, including community colleges, for-profit corporations, and nonprofit organizations to operate cybersecurity programs based on the strategic plan of the Cyber Maryland Program.

The Act established a mandated appropriation beginning in fiscal 2025 for an amount sufficient for hiring individuals to conduct the duties of the Cyber Maryland Program, including an executive director and at least one administrator. The Act also authorizes but does not require (1) the Governor to include \$250,000 in the annual budget bill beginning in fiscal 2025 that, subject to the availability of funding, must be used for implementing the U.S. Chamber of Commerce Talent Pipeline Management Approach and (2) funds from the Dedicated Purpose Account (DPA) to be transferred by budget amendment to implement the Act beginning in fiscal 2025.

**State Fiscal Effect:** The bill removes the requirement in Chapter 578 that the amount of funding annually provided in the budget bill be sufficient for hiring individuals to conduct the duties of program, including an executive director and at least one administrator. The Department of Legislative Services (DLS) advises that the modified provision – to provide funding sufficient for the program – is no longer considered a mandated appropriation.

Nevertheless, the bill does not otherwise alter overall requirements for the program; TEDCO advises that the flexibility to hire consultants may reduce administrative expenses, which could leave more funding available for programmatic purposes (assuming funding is maintained at the same level). TEDCO employees are not State employees.

Accordingly, assuming discretionary funding continues to be provided in future years and at similar levels, overall State finances are not materially affected. Under that scenario, the amount of grant funding for public institutions of higher education could increase; even so, the overall effect of any such increase is anticipated to be minimal. Alternatively, DLS advises that general fund savings may be realized. The program may be funded by capitalizing the special fund with either general funds or monies from DPA.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 816 (Senator Hester) - Finance and Budget and Taxation.

**Information Source(s):** Maryland Technology Development Corporation; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2024  
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