

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1172
Ways and Means

(Delegate Cassilly, *et al.*)

Finance

Economic Development - Regional Advanced Manufacturing Partnership of
Maryland

This bill renames and expands the purposes of and potential funding sources for the Regional Additive Manufacturing Partnership of Maryland (RAMP MD). Specifically, the partnership is renamed the Regional *Advanced* Manufacturing Partnership, reflecting an expansion from solely additive manufacturing, and the “region” for purposes of the partnership is expanded from Cecil and Harford counties to include any participating political subdivision in the State. State and local funding provisions and membership on RAMP MD’s executive board are also changed, as specified. The bill also establishes a second annual reporting requirement. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: The effect on State expenditures is unclear, but likely minimal, as discussed below. RAMP MD can complete a second annual report with existing resources. Revenues are not affected.

Local Effect: Local governments may choose to provide financial support for RAMP MD under the bill; to the extent that they do so, local expenditures may increase; if sufficient support is provided by other local governments, Harford and Cecil county expenditures may decrease. The overall effect on a particular local government is likely minimal. Revenues are not affected.

Small Business Effect: Meaningful.

Analysis

Bill Summary: “Advanced manufacturing” means a process of using innovative technologies, mass production efficiencies, digital control systems, and tools supporting innovative manufacturing processes, including computer-aided design, 3-D printing, and laser scanning and mapping.

The purpose of RAMP MD is expanded to include partnering with federal, State, and local governments, private entities, and educational institutions to provide a trained and certified advanced manufacturing workforce through a registered apprenticeship program. In addition to an existing annual reporting requirement, the partnership must report annually to the Governor and the General Assembly on its progress in carrying out its required activities. The existing annual report is due by December 1 each year, while the additional annual report is due by October 1.

The bill makes specified changes to the RAMP MD executive board, including the addition of representatives designated by local governments that provide money or in-kind contributions to either the partnership or any participating agency actively involved in the partnership.

An existing review and approval process of RAMP MD’s proposed work program and operating budget for the upcoming fiscal year is expanded to include the Department of Labor, Licensing, and Regulation (DLLR), rather than only the Department of Commerce (Commerce).

A State funding contingency that requires support from Cecil and Harford counties, and intent language specifying that such State support be twice as much as local support, are repealed. Instead, State funding may be provided without a minimum level of local support, and any participating local government may provide support.

Current Law/Background: Chapters 570 and 571 of 2014 established the Northeastern Maryland Additive Manufacturing Innovation Authority and Fund. Chapter 444 of 2016 renamed the authority as RAMP MD and the fund as the RAMP MD Fund, and made other changes. To further the purposes of the Acts, the partnership must, among other things:

- foster collaborative efforts, including public-private partnerships and memoranda of understanding, among government agencies, military installations, educational institutions, businesses, nonprofits, individuals, and other entities for specified purposes;

- facilitate the involvement of specified institutions of higher education in developing and sustaining a skilled additive manufacturing workforce through degree, certification, specialized training, and continuing education programs;
- obtain, coordinate, and disseminate marketing resources to promote and enhance additive manufacturing opportunities and investment in the region; and
- pursue federal, State, local, and other public and private funding and collaboration initiatives.

RAMP MD may (1) employ, as regular employees or as independent contractors, additional staff that the partnership considers necessary; (2) retain any professional consultants that the partnership considers necessary; and (3) select and retain its own legal counsel or use the Attorney General as its legal counsel.

The RAMP MD Fund may only be used to provide grants to projects that further the purposes of the Acts and pay the administrative and operational expense of the partnership.

The Governor *may* include funds in the State budget to partially support RAMP MD; however, any appropriation is contingent upon the commitment of Cecil and Harford counties to contribute funds to the partnership during the same fiscal year. *Legislative intent* is that an appropriation be at least two times the total amount contributed by the counties during the same fiscal year.

Commerce, the Cecil County Office of Economic Development, and the Harford County Office of Economic Development jointly must provide staff, office space, and operational support for the partnership. In practice, Harford County provides in-kind services in the form of office space and related services, while overall monetary support for the partnership from the State and counties has been minimal.

An executive board manages the partnership and its corporate powers, and the board must appoint an executive director. The partnership must report annually to the Governor and the General Assembly.

Apprenticeships

DLLR advises that RAMP MD is in the later stages of becoming a registered apprenticeship sponsor in the first half of 2019. Independent of the bill, RAMP MD has received an award of \$50,000 to begin the program, which was made available through a one-time U.S. Department of Labor State Apprenticeship Expansion Grant.

State Expenditures: The bill broadens the possibility for local support for RAMP MD, which may reduce the need for State support – conversely, the bill removes the local matching requirement, and a more robust RAMP MD as contemplated under the bill could

presumably have larger budgetary needs. Depending on the amount of local support, the need for State funding may increase or decrease. State support for RAMP MD (\$15,000 from Commerce in fiscal 2019) has been minimal in the past and is assumed to remain as such.

The bill's administrative requirements on Commerce and DLLR are assumed to be minimal and absorbable within existing budgeted resources.

Small Business Effect: The bill expands the scope of and potential funding sources for RAMP MD. Small businesses engaged in advanced manufacturing or that are part of the supply chain for advanced manufacturing may receive grants and/or resources from RAMP MD under the bill. Longer term, those businesses may also benefit from the expansion of apprenticeships contemplated by the bill.

Additional Information

Prior Introductions: None.

Cross File: SB 680 (Harford County Senators) - Finance.

Information Source(s): Department of Commerce; University System of Maryland; Harford County; Department of Labor, Licensing, and Regulation; Maryland Association of Counties; Regional Additive Manufacturing Partnership of Maryland; Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2019
mm/vlg Third Reader - March 19, 2019
Revised - Amendment(s) - March 19, 2019

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510