

Department of Legislative Services  
 Maryland General Assembly  
 2022 Session

FISCAL AND POLICY NOTE  
 First Reader - Revised

House Bill 1424  
 Economic Matters

(Delegate R. Lewis)

Workgroup on the Post-COVID-19 Crisis Economic Transition

This bill establishes the Workgroup on the Post-COVID-19 Crisis Economic Transition, staffed by the Department of Legislative Services (DLS), to make recommendations regarding how the State may adjust its economic development and other strategies in the context of changes resulting from crises in sectors, as specified. The workgroup may retain the services of the University of Maryland, and \$500,000 must be appropriated for that purpose. A member of the workgroup may not receive compensation as a member of the workgroup but is entitled to reimbursement for travel expenses. The workgroup is required to submit an interim report to the Governor and the General Assembly by December 1, 2022, and to submit a final report by December 1, 2023. **The bill takes effect July 1, 2022, and terminates June 30, 2024.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$500,000 in total in FY 2023 and 2024 for DLS to retain the services of the University of Maryland, as discussed below. Higher education revenues and expenditures for the University of Maryland increase correspondingly.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Higher Ed Rev.	\$250,000	\$250,000	\$0	\$0	\$0
GF Expenditure	\$250,000	\$250,000	\$0	\$0	\$0
Higher Ed Exp.	\$250,000	\$250,000	\$0	\$0	\$0
Net Effect	(\$250,000)	(\$250,000)	\$0	\$0	\$0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The workgroup must make recommendations regarding how the State may adjust its economic development and other strategies in the context of changes resulting from crisis in sectors, including (1) telehealth; (2) telework; (3) online education, from kindergarten to graduate programs; (4) child care; (5) job creation acceleration; (6) unemployment compensation; (7) underemployment; (8) small businesses and entrepreneurship; (9) tax system modernization; (10) changes in real estate; (11) supply chain management; (12) small businesses that are not associated with a chain store; (13) rebuilding the public health system; and (14) other impacts on public services.

**Current Law:** Maryland's response to the COVID-19 pandemic has centered around ensuring adequate hospital capacity throughout the State, obtaining sufficient personal protective equipment (PPE) and other necessary medical supplies, providing access to reliable testing, building a robust contact tracing infrastructure, and establishing a wide set of COVID-19 vaccine distribution channels.

The Maryland Department of Health and the Department of General Services led efforts that included standing up 89 medical tents, converting two shuttered Maryland hospitals, and converting the Baltimore Convention Center, ultimately creating 1,682 available beds. The Office of State Procurement secured more than 234 million units of PPE, ventilators, and other medical equipment to bolster the State's response to the influx of patients.

Acknowledging the effect of the pandemic on Maryland's businesses and industries, the Department of Commerce disbursed about 20,000 emergency relief grants and loans, including grants to businesses to manufacture PPE, totaling over \$450 million. In addition, the department facilitated industry-specific task forces focused on best practices, hosted webinars to discuss and promote resources, and performed many other forms of outreach to ensure that businesses were aware of the resources available.

In response to the pandemic, the Department of Housing and Community Development has administered more than \$695 million in relief through rental assistance, homelessness services, broadband infrastructure and access, community and business assistance programs, and more. The department is responsible for administering \$2 billion in COVID-19 recovery funds.

**State Fiscal Effect:** General fund expenditures increase by \$500,000 in total in fiscal 2023 and 2024 for DLS to retain the services of the University of Maryland. As reports are due in both years, costs are evenly apportioned for purposes of this estimate. Assuming this funding is provided, DLS can staff the workgroup with existing resources. Higher education revenues and expenditures for the University of Maryland increase correspondingly.

State agencies can participate in the workgroup with existing staff. Expense reimbursements for workgroup members are assumed to be minimal and absorbable within existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** A similar bill, SB 896 of 2021, received a hearing in the Senate Finance Committee and the Senate Budget and Taxation Committee, but no further action was taken.

**Designated Cross File:** SB 782 (Senators Hester and Rosapepe) - Finance and Budget and Taxation.

**Information Source(s):** Department of Commerce; University System of Maryland; Department of Housing and Community Development; Maryland Department of Labor; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 2022  
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