

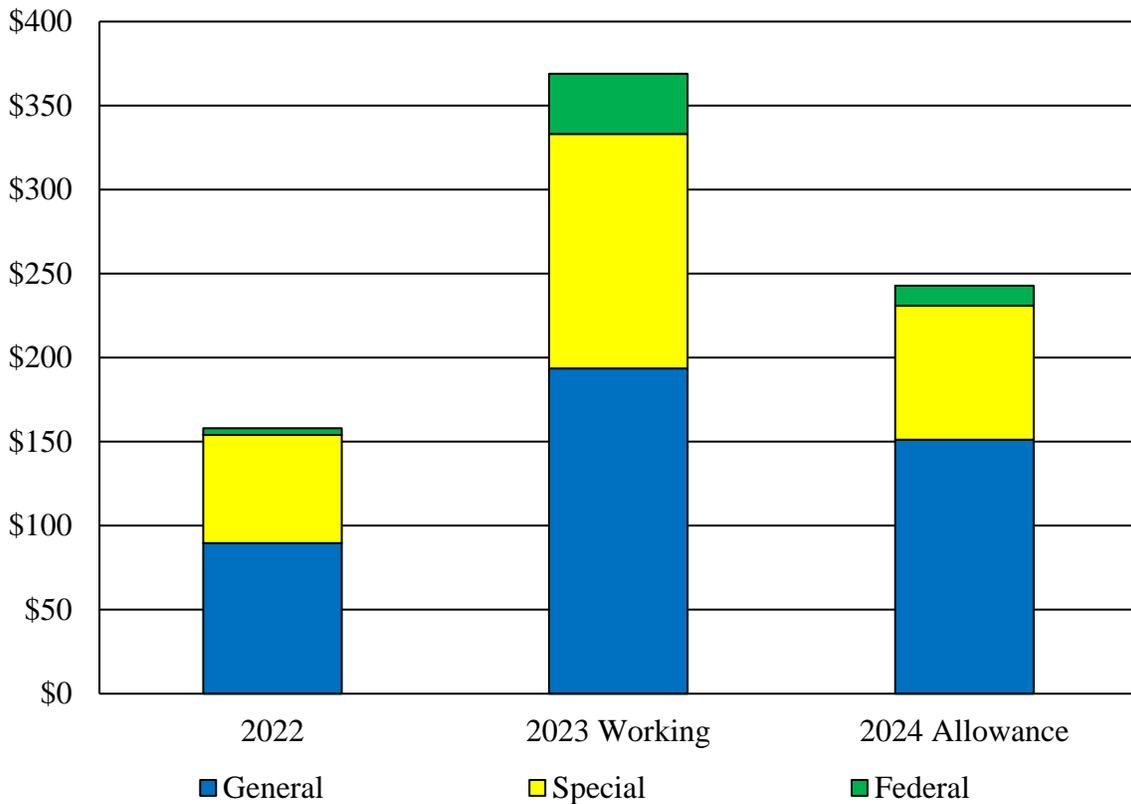
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Department of Commerce

Executive Summary

The mission of the Department of Commerce (Commerce) is to strengthen the Maryland economy. Commerce develops and implements programs that aim to generate new jobs or retain existing jobs, attract business investment in new or expanding companies, and promote the State’s strategic assets.

Operating Budget Summary

**Fiscal 2024 Budget Decreases \$126.1 Million, or 34.2%, to \$242.8 Million
(\$ in Millions)**



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

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- General funds and special funds decrease by a combined \$102.3 million in the fiscal 2024 allowance compared to fiscal 2023 after accounting for deficiencies, primarily due to one-time spending provided in fiscal 2023, either directly in Commerce’s budget using general funds or through the Dedicated Purpose Account (DPA), reflected as special funds.
- Federal funds also decline by \$23.8 million, or 66.7%, due to one-time grant awards in fiscal 2023 and decreased funding for the State Small Business Credit Initiative (SSBCI).
- These decreases are partially offset by general fund increases of \$10.0 million contingent on the Innovation Economy Infrastructure Act of 2023 (HB 552/SB 549), \$3.9 million in increased funding for the More Jobs for Marylanders tax credit program, and \$2.0 million for an Economic Development Opportunities Program Fund (Sunny Day Fund) award.

Key Observations

- ***More Jobs for Marylanders Tax Credit Program Continues to Grow:*** In the fiscal 2024 allowance, funding for the More Jobs for Marylanders program increases to \$34.0 million, accounting for 14% of the allowance. Chapter 136 of 2022 extended the program for two additional years, enabling projects to enroll through May 2024, and modified the benefits available under the program for new entrants. Estimated program costs are expected to continue to grow, reaching \$88.2 million in fiscal 2028.
- ***Small, Minority, and Women-Owned Businesses Account (SMWOBA):*** The available funding for SMWOBA far exceeds the capacity of the program’s fund managers to distribute funds, based on recent program history. In fiscal 2024, video lottery terminal (VLT) revenue for SMWOBA is expected to total \$20.2 million, while settled transactions have averaged \$10.7 million annually over the last five fiscal years. In addition, as of the start of fiscal 2023, the fund managers had nearly \$50 million available from loan repayments and prior year awards.

Operating Budget Recommended Actions

1. Add language requiring notification to the Legislative Policy Committee prior to the distribution of funds from the Economic Development Opportunity Fund.

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Operating Budget Analysis

Program Description

Commerce’s primary goals are to increase business investment in Maryland, enhance business success and competitiveness of businesses in their distinct markets, develop a diverse economic base, and ensure that all jurisdictions share in the State’s economic vitality. The department contains the following three divisions:

- ***Business and Industry Sector Development:*** This division unites the department’s field staff, small business, and finance teams to provide assistance to the Maryland business community and to the department’s local economic development partners. The division houses Commerce’s business assistance programs, including the Maryland Economic Development Assistance Authority and Fund (MEDAAF), the Maryland Small Business Development Financing Authority (MSBDF), SMWOBA, and the Sunny Day Fund. This division also includes the offices of Strategic Industries, International Investment and Trade, and Military and Federal Affairs. The division also administers several tax credit programs, three of which are budgeted within the department’s appropriation: the More Jobs for Marylanders; Biotechnology Investment Incentive; and Innovation Investment Incentive programs.

- ***Marketing, Tourism, and the Arts:*** This division’s mission is to strengthen the State’s quality of life and encourage economic development by investing in and promoting Maryland’s unique historic, cultural, and natural assets. The division includes the offices of Marketing, Communications, Tourism and Film, and the Maryland State Arts Council.

- ***Administration and Technology:*** This division includes the offices of Budget and Finance, Contracts and Procurement, General Services, Human Resources, and Information and Technology Management.

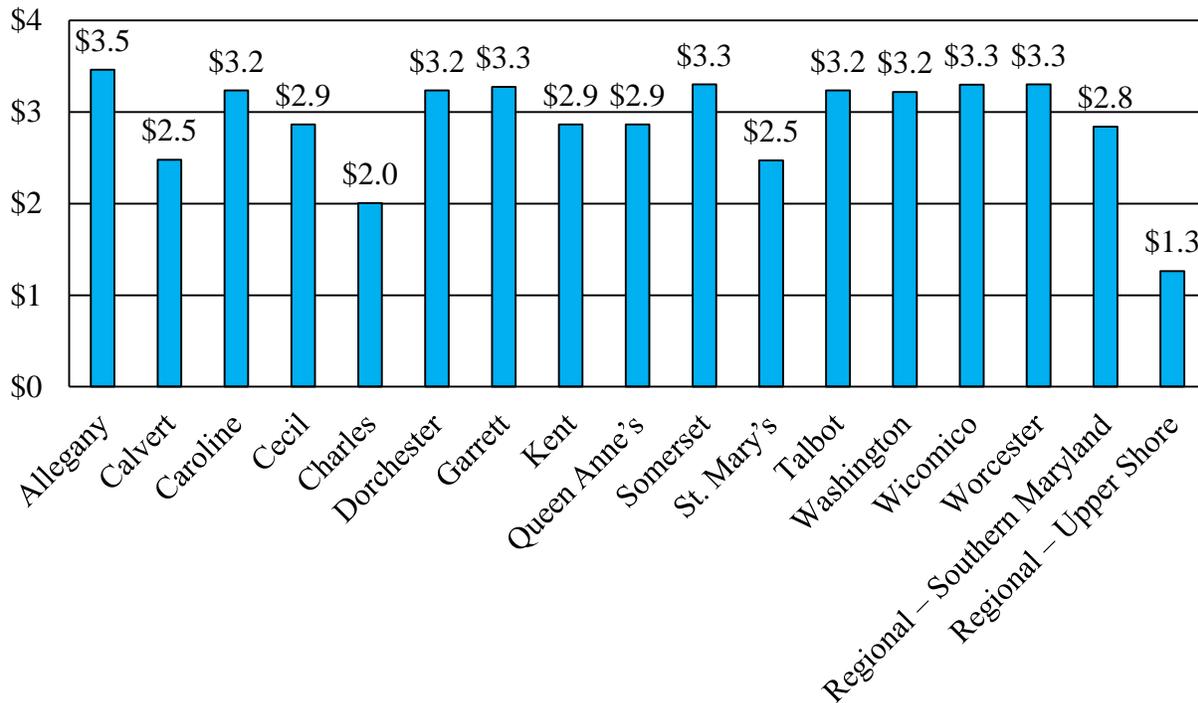
Fiscal 2023

Rural Maryland Economic Development Program

The fiscal 2023 working appropriation includes one-time funding of \$50.0 million in general funds for the Rural Maryland Economic Development Program, through which Commerce provided grants of \$10.0 million to each of the five rural regional councils (Lower Shore, Mid-Shore, Upper Shore, Southern Maryland, and Western Maryland) for infrastructure and other economic development projects. In December 2022, awards under the program were announced, totaling \$49.2 million for 113 projects, with the most common project types being infrastructure development projects, including construction, renovation, facility improvements, demolition, etc.

(approximately one-third of projects); workforce development projects (about one-quarter); and feasibility studies and strategic planning projects (about one-fifth). Other project types included marketing and business attraction, tourism, and the expansion of broadband access. The remaining \$800,000 is for administrative expenses for the regional councils. **Exhibit 1** shows the funding awarded by jurisdiction.

Exhibit 1
Rural Maryland Economic Development Program Awards
 (\$ in Millions)



Source: Department of Commerce

Cannabis Business Assistance Fund

Chapter 45 of 2022 authorized the use and possession of cannabis in Maryland by individuals at least 21 years of age as of July 1, 2023, subject to a constitutional amendment, and Maryland voters approved the question in the November 2022 general election. The General Assembly must pass legislation regarding the use, distribution, possession, regulation, and taxation of cannabis. Chapter 26 of 2022 established a Cannabis Business Assistance Fund in Commerce to assist small, minority-, and women-owned businesses entering the cannabis industry. Chapter 26 specified that Commerce must prioritize awarding funds to populations that have been

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disproportionately impacted by the enforcement of cannabis laws and to individuals who have been convicted of cannabis offenses.

The General Assembly provided \$40.0 million to capitalize the fund in fiscal 2023 by restricting funding in the Revenue Stabilization Account (Rainy Day Fund). In January 2023, Governor Wes Moore released the funding, but due to the timing of the release, these funds are not yet reflected in the fiscal 2023 working appropriation. No additional funding is provided in the fiscal 2024 allowance. Commerce advises that the department is in the process of developing applications and guidelines for the program. Funding may be used for the following purposes:

- ***Grants to Businesses for License Application Assistance:*** Commerce plans to offer reimbursable grants of up to \$50,000 to cover 50% of application and licensing costs;
- ***Loans to Businesses for Operating or Capital Expenses:*** Commerce plans to offer no-interest loans of up to \$50,000 for up to a 5-year term, or loans up to \$1.0 million with an interest rate of 3% for up to a 10-year term; and
- ***Grants to Historically Black Colleges and Universities (HBCU):*** Grants will be provided with no matching requirement to HBCUs for cannabis-related research, technology, and educational development programs.

Proposed Deficiencies

The fiscal 2024 budget includes two proposed deficiencies for fiscal 2023:

- \$5.0 million in federal funds from the American Rescue Plan Act (ARPA) in the MEDAAF program. Initially, Commerce used the MEDAAF fund balance to provide Business Telework Assistance grants in fiscal 2022 that were intended to be funded with ARPA State Fiscal Recovery Funds. This deficiency reimburses MEDAAF; and
- \$255,000 in general funds in the Office of International Investment and Trade to provide funding for an economic development and trade mission to Asia.

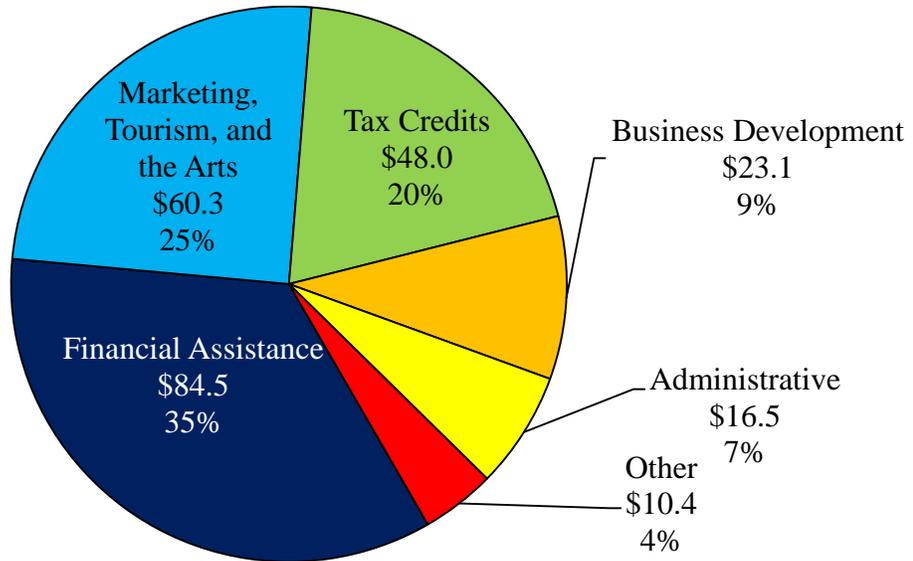
Restricted Funding

Language in the fiscal 2023 Budget Bill restricted \$1.05 million in the Maryland Tourism Development Board to be used for grants to the Military Bowl Foundation, Visit Baltimore, the PLAY Sports Coalition, Prince George's Financial Services Corporation, and Employ Prince George's, Inc. As of February 2023, the funds for Prince George's Financial Services Corporation and Employ Prince George's, Inc. have not been released, whereas the other funds were released by fall 2022. **The department should comment on when these funds are expected to be released or if the release is not expected, the reason why.**

Fiscal 2024 Overview of Agency Spending

The fiscal 2024 allowance for Commerce totals \$242.8 million. As shown in **Exhibit 2**, financial assistance to businesses accounts for 35% of the fiscal 2024 allowance, while programs to market the State and promote tourism and the arts account for 25%. Tax credits constitute 20% of the fiscal 2024 allowance, consisting mostly of \$34.0 million for the More Jobs for Marylanders program.

Exhibit 2
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Millions)



Note: The fiscal 2024 allowance does not include salary enhancements that are budgeted in the Statewide Account within the Department of Budget and Management. Other includes International Investment and Trade, Military and Federal Affairs, Workforce Development, and Nonprofit Development.

Source: Governor’s Fiscal 2024 Budget Books

Proposed Budget Change

As shown in **Exhibit 3**, the fiscal 2024 allowance decreases by \$121.6 million compared to the fiscal 2023 working appropriation after accounting for deficiency appropriations. The net decrease is primarily due to one-time general and special fund spending provided in fiscal 2023 totaling \$111.5 million. Federal funds also decline by \$23.8 million, or 66.7%, due to one-time grant awards in fiscal 2023 and decreasing funding for the SSBCI program.

**Exhibit 3
Proposed Budget
Department of Commerce
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
Fiscal 2022 Actual	\$89,694	\$64,345	\$3,942	\$157,981
Fiscal 2023 Working Appropriation	193,543	139,653	35,705	368,901
Fiscal 2024 Allowance	<u>151,132</u>	<u>79,770</u>	<u>11,904</u>	<u>242,806</u>
Fiscal 2023-2024 Amount Change	-\$42,411	-\$59,883	-\$23,801	-\$126,095
Fiscal 2023-2024 Percent Change	-21.9%	-42.9%	-66.7%	-34.2%

Where It Goes: **Change**

Personnel Expenses

Annualization of November 2022 4.5% cost-of-living adjustment.....	\$306
Employee and retiree health insurance	234
Turnover rate decreased from 5.0% to 4.1%	189
Employee retirement.....	78
Salaries and wages	73
Other fringe benefit adjustments	72

Changes Related to Legislation and Funding Mandates

Build Our Future Grant Program, contingent on enactment of the Innovation Economy Infrastructure Act (HB 552/SB 549).....	10,000
Maryland Alcohol Manufacturing and Promotion Fund (Chapters 461 and 462 of 2022)	1,350
Maryland State Arts Council formula funding	1,346
New mandate for the Winery and Vineyard Economic Development Grant Program (Chapter 358 of 2022).....	1,000
Maryland New Start Act (Chapter 485 of 2022) funding increases to meet mandate of \$300,000; fiscal 2023 funding of \$175,000 was provided through the DPA	125
Mandated grant to the Baltimore Symphony Orchestra (Chapters 1 and 34 of 2021) decreases to \$1.1 million	-200
Child Care Capital Support Revolving Loan Fund (Chapter 466 of 2022) – funding decreases but meets \$10 million mandate.....	-5,000
Western Maryland Economic Future Investment Program (Chapters 62 and 63 of 2022) – funding decreases but meets \$10 million mandate; fiscal 2023 funding of \$20 million was provided through the DPA	-10,000

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Where It Goes:	<u>Change</u>
One-time State Funding Provided in Fiscal 2023	
One-time funding for BioHub Maryland Initiative	-2,500
Small, Minority, and Women-Owned Businesses Account grants for fund managers provided through the DPA	-4,000
Nonprofit Shared Services Support Program	-5,000
Supplemental funding for Tourism Development Board grants provided through the DPA.....	-10,000
Supplemental funding for arts grants provided through the DPA	-40,000
Rural Maryland Economic Development funding for rural regional councils ...	-50,000
Other Changes	
More Jobs for Marylanders Tax Credit	3,941
Sunny Day Fund – first installment to United Safety Technology.....	2,000
Maryland Small Business Development Financing Authority contract	875
Small, Minority, and Women-Owned Businesses Account, based on BRE estimates	754
Maryland Economic Adjustment Fund, including U.S. EDA grant and State match	800
Vehicle costs across the department	172
Department of Information Technology services allocation	117
Maryland Tourism Development Board advertising contracts.....	100
Other changes	-56
Global Gateway Initiative.....	-590
Federal grant for Small Business Cybersecurity Resilience in Maryland pilot program in fiscal 2023.....	-930
U.S. EDA Planning and Research grant in fiscal 2023	-1,000
Federal fund deficiency in MEDAAF to provide reimbursement for fund balance used in Business Telework Assistance Program.....	-5,000
State Small Business Credit Initiative federal funds	-7,250
Federal funding from the American Rescue Plan Act for tourism development ..	-8,100
Total	-\$126,095

BRE: Board of Revenue Estimates

DPA: Dedicated Purpose Account

EDA: Economic Development Administration

MEDAAF: Maryland Economic Development Assistance Authority and Fund

Note: Numbers may not sum to total due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

Innovation Economy Infrastructure Act

The Innovation Economy Infrastructure Act of 2023 would establish the Build Our Future Grant Pilot Program and Fund to support infrastructure projects for innovation in eligible technology sectors, including advanced manufacturing, artificial intelligence, biotechnology, and cybersecurity, among others. As introduced, Commerce would award grants of up to \$2.0 million to private companies, nonprofits, local governments, or higher education institutions in Maryland for qualified infrastructure project costs, and the recipients would provide matching funds of either 200% for grants of up to \$1.0 million, or 400% for grants exceeding \$1.0 million. No more than 50% of appropriated funds may be awarded to colleges or universities in a given fiscal year. Examples of potential infrastructure projects include sensitive compartmented information facilities, wet laboratories, cyber ranges, and prototype manufacturing centers. The fiscal 2024 allowance includes \$10.0 million in general funds for the program, contingent on enactment of the legislation. As introduced, the program terminates after fiscal 2027, and any unused funds would revert to the General Fund.

Sunny Day Fund

The fiscal 2024 allowance includes \$2.0 million in special funds for the first installment of a new proposed award from the Sunny Day Fund. In total, \$6.0 million would be awarded to nitrile glove manufacturer United Safety Technology, divided into three equal installments in each of fiscal 2024, 2026, and 2028. United Safety Technology is expanding operations through the renovation of a former Bethlehem Steel facility located at Tradepoint Atlantic, and Commerce notes that the project is expected to have total program costs in excess of \$290 million and result in more than 1,800 jobs by December 2027.

The budget assumes \$6.0 million will be transferred in fiscal 2024 from MEDAAF to the Economic Development Opportunity Fund in Commerce to fund the award, rather than from the State Reserve Fund Economic Development Opportunities Program Account, which would be the usual process for a Sunny Day award. This is due to available fund balance in MEDAAF, which will have an estimated uncommitted balance of \$34.6 million by the end of fiscal 2023. Under § 7-314 of the State Finance and Procurement Article, Legislative Policy Committee (LPC) approval is required to transfer funds from the State Reserve Fund, while no such approval is needed for funding provided through MEDAAF.

The Department of Legislative Services (DLS) recommends requiring notification to LPC prior to the distribution of funds from Commerce’s Economic Development Opportunity Fund for this project in order to maintain the standard legislative oversight of Sunny Day projects.

SSBCI and MSBDF

The SSBCI funds State programs that expand access to capital for small and underserved businesses. The ARPA provided a total of \$198.4 million to Maryland for the SSBCI. The U.S. Treasury will provide the funding to the State across three tranches, with the next tranche

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becoming available upon obligation of 80% of funds from the prior tranche. While the Department of Housing and Community Development (DHCD) is the lead agency for the State’s SSBCI funding, the funding will also be deployed through programs at the Maryland Technology Development Corporation and through the MSBDFA program at Commerce. DHCD allocated \$45.0 million, or 23%, of Maryland’s total SSBCI funding to Commerce’s MSBDFA program, and this funding is expected to be awarded over the course of fiscal 2023 to 2028.

MSBDFA is designed to provide financing options for small businesses that are not able to qualify for financing from private lending institutions or are owned by socially and economically disadvantaged persons. MSBDFA has four programs: the Contract Financing Program; the Long-Term Guaranty Program; the Surety Bond Program; and the Equity Participation Investment Program. The fiscal 2023 working appropriation includes \$14.0 million in SSBCI funds in MSBDFA, while the fiscal 2024 allowance includes \$7.0 million. SSBCI funding will be deployed through the Equity Participation Investment Program, providing loans or investments of \$25,000 to \$1.0 million. As of February 2023, only one SSBCI transaction has been approved through MSBDFA, totaling \$293,000, and Commerce notes that an additional four projects with requests totaling \$4.3 million are currently in the pipeline. **The department should comment on the expected pace of deploying SSBCI funding going forward.**

A private contractor, currently Meridian Management Group, Inc. (MMG), reviews all MSBDFA financing applications for presentation to the MSBDFA board. The allowance includes an increase of \$875,000 in special funds for the contract with MMG to a total of \$2.5 million in fiscal 2024, reflecting the anticipated increased activity related to administering the SSBCI funding. The contract with MMG to manage the MSBDFA program expires at the end of calendar 2023, and Commerce reports that the department is finalizing the request for proposals for a new competitive procurement.

Excluding SSBCI funding, MSBDFA financial assistance is level-funded between the fiscal 2023 working appropriation and the fiscal 2024 allowance, including \$1.5 million in general funds and \$3.9 million in special funds.

Child Care Capital Support Revolving Loan Fund

Chapter 466 of 2022 established the Child Care Capital Support Revolving Loan Fund in Commerce to provide no-interest loans for capital expenses related to child care facilities. Child care providers must repay loans from the fund within five years, although Commerce may establish a financial hardship exemption to extend the term of the loan. Program eligibility is limited to child care providers who participate in the Maryland State Department of Education’s (MSDE) Child Care Scholarship Program, and Commerce is required to work with MSDE to establish application procedures and eligibility criteria. Chapter 466 requires Commerce to prioritize child care providers that are (1) located in underserved communities or areas lacking child care slots; (2) are located in rural communities; (3) serve primarily low-income populations in areas of high poverty; (4) serve children with special needs; and (5) serve children ages two and younger.

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The fiscal 2023 appropriation includes \$15.0 million in general funds in the first year of program funding, and the fiscal 2024 allowance includes the mandated \$10.0 million in general funds. Commerce accepted applications for the program’s fiscal 2023 funding round from October to November 2022 and expects to complete the application review and notification of applicants regarding program awards in February or March 2023. Commerce reports that program demand significantly exceeds available funding, with the department having received 109 applications, requesting a total of \$48 million for the fiscal 2023 funding.

Personnel Data

	<u>FY 22 Actual</u>	<u>FY 23 Working</u>	<u>FY 24 Allowance</u>	<u>FY 23-24 Change</u>
Regular Positions	188.00	188.00	188.00	0.00
Contractual FTEs	<u>30.00</u>	<u>34.64</u>	<u>37.40</u>	<u>2.76</u>
Total Personnel	218.00	222.64	225.40	2.76

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	7.73	4.11%
Positions and Percentage Vacant as of 12/31/22	18.00	9.57%
Vacancies Above Turnover	10.27	

- As of December 31, 2022, the department’s vacancy rate of 9.6% is below the vacancy rate at the same time the prior year (11.2%). The 18 vacancies are spread throughout the department, with the largest concentration being 4 vacant positions in the Office of Finance Programs. Nearly 40% of the vacant positions have been vacant for three months or fewer.

Issues

1. More Jobs for Marylanders Program Modified and Extended

Chapter 149 of 2017 established the More Jobs for Marylanders Program, which provides State income tax, sales tax, property tax, and fee benefits to certain businesses that create and maintain a minimum number of qualified jobs. Eligibility for specific benefits is determined by the type of business, its location, and whether it is a new business. Generally, a business must be primarily engaged in manufacturing or else be located in a federal opportunity zone. As long as program requirements continue to be met, businesses are eligible for 10 consecutive years of benefits. Benefits for existing businesses include a refundable State income tax credit equal to 5.75% of the wages paid to each qualified position. New businesses in Tier I Areas are eligible for the income tax credit as well as additional benefits, including a State property tax credit, a refund of sales and use tax, and a waiver of corporate filing fees.

Tier I Areas include Baltimore City and Allegany, Baltimore, Caroline, Cecil, Dorchester, Garrett, Kent, Prince George's, Somerset, Washington, Wicomico, and Worcester counties as well as opportunity zones anywhere in Maryland. All other areas are Tier II Areas. Counties must meet specified income or unemployment criteria or be designated by Commerce to be considered a Tier I Area.

Chapter 136 extended the program for two additional years so that Commerce can certify projects through May 31, 2024, and modified the program for projects certified beginning June 1, 2022, as shown in **Exhibit 4**.

Exhibit 4
Modifications to the More Jobs for Marylanders Program
Chapter 136 of 2022

	<u>Projects Enrolled Before June 2022</u>	<u>Projects Enrolled Beginning June 2022</u>
Available Benefits	New businesses in Tier I areas: income tax credit; sales and use tax refund; property tax credit; and waiver of corporate filing fees* Other businesses: income tax credit	Income tax credit
Duration of Benefits	10 years	Tier I areas: 10 years Tier II areas: 5 years
Income Tax Credit Value	5.75% of wages paid to qualified positions	4.75% of wages paid to qualified positions
Minimum Number of Jobs Created	Tier I areas: 5 jobs Tier II areas: 10 jobs	Tier I areas: 10 jobs Tier II areas: 20 jobs
Maximum Amount of New Income Tax Credit Certificates Commerce May Issue	\$9.0 million; Unused authorization carries over to future fiscal years	\$5.0 million; Unused authorization does not carry over

*As of the time of writing, no business has claimed the property tax credit, sales and use tax refund, or fee waiver.

Source: Department of Legislative Services

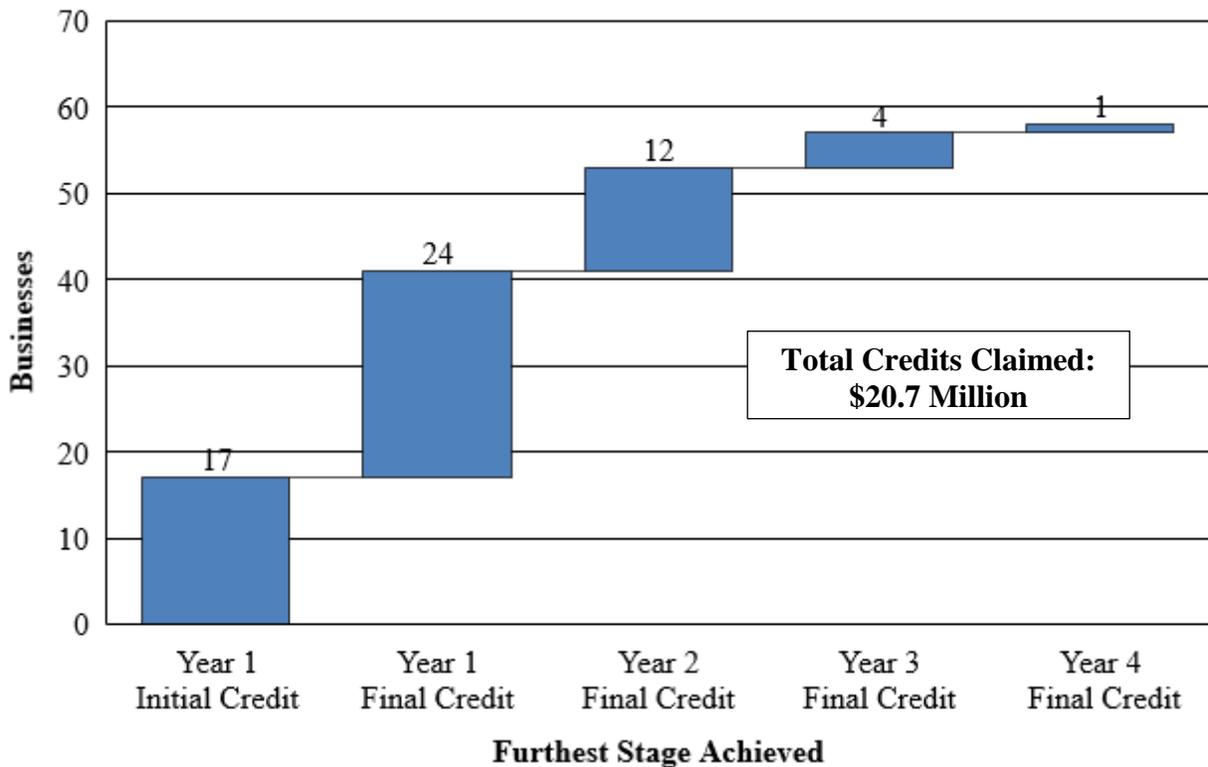
Program Activity

The first step for a company to participate in the program is to submit a notice of intent (NOI). Once a company submits an NOI, the company must, within one year, start hiring the eligible positions and must fill the minimum number of required positions within one year of the first hire. The company must also submit an application to enroll the company’s project in the program. This application contains wage data that Commerce uses to estimate the tax credit amount that the company is likely to be awarded. After enrolling in the program, a company may submit an application for an initial tax credit certificate, which states the maximum credit amount

that the company is entitled to for its first benefit year. Based on regulations adopted in April 2022, companies must be enrolled for one year before applying for an initial certificate. Once the last eligible position hired has been in place for one year, the company can apply for a final credit certificate, which determines the actual amount of the credit that the business can claim in its first benefit year. As companies are eligible for 5 to 10 years of incentives, the company must apply again for a new initial credit certificate and a new final credit certificate for each subsequent benefit year.

As of January 2023, since inception, 58 businesses have been issued an initial tax credit certificate for at least the first year of benefits. Of these 58 businesses, 41 have progressed to claiming a final tax credit for at least one year of benefits, while 17 have not yet claimed a final tax credit. **Exhibit 5** shows how many businesses have progressed to receiving final tax credit certificates for the first and subsequent years of benefits. In total, 41 businesses have claimed \$20.7 million in income tax credits since the program’s inception. **Appendix 2** includes data on how many businesses are participating in the program by jurisdiction.

Exhibit 5
Status of Businesses Claiming More Jobs for Marylanders Income Tax Credits
As of January 2023



Source: Department of Commerce; Department of Legislative Services

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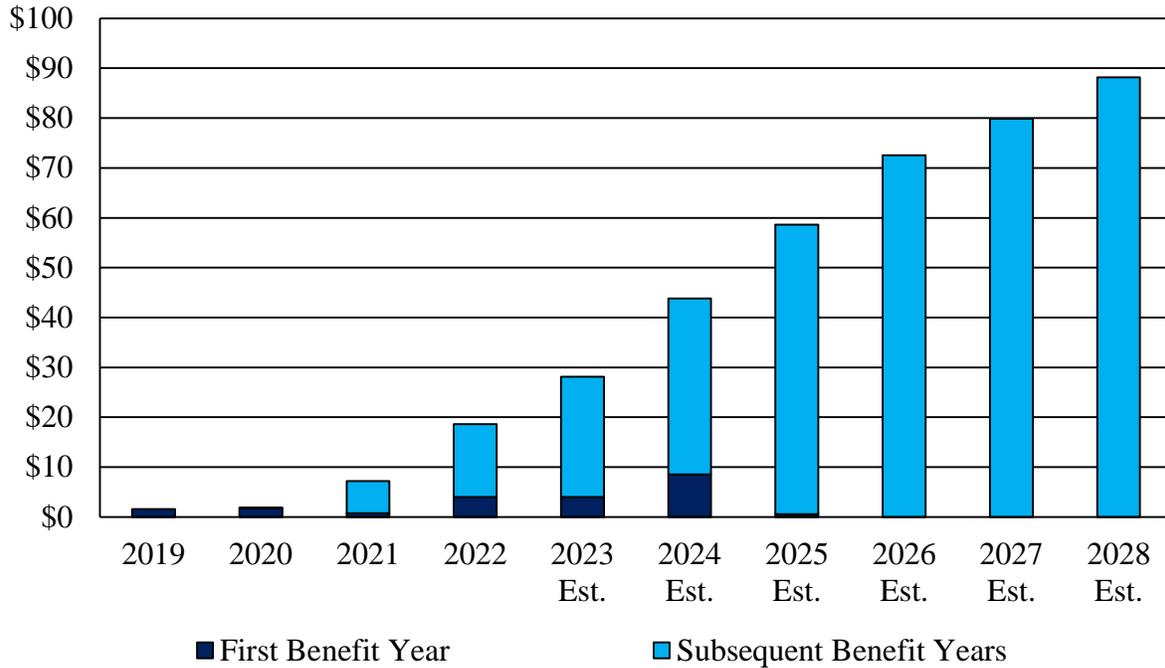
Large projects account for the majority of credits claimed by dollar value. Among the 41 businesses that have claimed year one benefits, 4 companies account for nearly half of the year one credits claimed. Projects also tend to grow significantly from the first to second year, with most projects more than doubling in the amount of credit received for year two compared to year one. In particular, a project at Northrop Grumman skyrocketed in the second year of benefits from 68 qualified positions in the first benefit year to more than 800 qualified positions, and more than doubled again in the third year to cover over 1,700 qualified positions. Credits claimed by Northrop Grumman in its first three years of benefits account for nearly 65% of the total \$20.7 million in credits claimed overall. Northrop Grumman’s project has reserved a further \$10.3 million in credits for its fourth benefit year.

Although large projects account for most of the credits by dollar value, most of the projects are relatively small, with half of the 41 businesses that have claimed final credits creating fewer than 15 qualified jobs for the first year of benefits. The median number of jobs for projects claiming the second year of benefits is 32.

Projected Growth

Program activity is expected to increase significantly in the next year, as Commerce notes an additional 51 projects will be eligible to apply for a first year initial credit certificate in fiscal 2024. The sharp increase is due to a large number of enrollments in the program prior to the June 1, 2022 deadline, before Chapter 136 modifications took effect. In addition, as noted earlier, Commerce adopted regulations in April 2022 that require companies to be enrolled in the program for one year prior to applying for an initial certificate. As a result, many projects that would likely have applied for an initial certificate in fiscal 2023 must wait until 2024 instead. **Exhibit 6** depicts the anticipated growth of the program, showing initial certificates reserved in fiscal 2019 through 2022 as well as estimates through fiscal 2028.

Exhibit 6
More Jobs for Marylanders Income Tax Credits – Initial Certificates
Fiscal 2019-2028 Est.
(\$ in Millions)



Note: The department’s estimates only incorporate estimated tax credits for companies that have submitted enrollment applications through January 2023.

Source: Department of Commerce

The growth is due in part to the program taking several years to ramp up but also because projects tend to grow significantly between benefit years. These estimates contain significant uncertainty for several reasons, including that (1) the estimates only reflect data on companies that have already enrolled in the program and not on all companies in the pipeline, and (2) a single large project enrolling in the program can have significant effects.

Program Funding

The fiscal 2024 allowance includes \$34.0 million for the More Jobs for Marylanders Income Tax Credit Reserve Fund, an increase of 13% over the fiscal 2023 working appropriation. In total, from fiscal 2019 through 2023 (the first five years of the program), the More Jobs for Marylanders Income Tax Credit Program has received \$59.6 million. Over the next five years, from fiscal 2024 through 2028, the program is estimated to require appropriations in excess of

\$330 million based on the increased pace of activity shown in Exhibit 6. **Exhibit 7** shows the appropriations to date for the More Jobs for Marylanders Income Tax Credit Reserve Fund, as well as the fund balance of unencumbered funds at the end of each fiscal year, based on the department’s estimates of initial tax credit certificates issued in each fiscal year.

Exhibit 7
More Jobs for Marylanders Income Tax Credit Reserve Fund
Fiscal 2019-2024 Est.
(\$ in Millions)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 Est.</u>	<u>2024 Est.</u>
Starting Balance of						
Unencumbered Funds	\$0.0	\$7.4	\$12.6	\$7.4	\$0.8	\$2.7
Appropriation	9.0	7.0	2.0	9.5	30.0	34.0
Transfer from Sales and Use Tax						
Refund Reserve Fund				2.0		
Canceled Encumbrances				0.5		
Available Funds	\$9.0	\$14.4	\$14.6	\$19.4	\$30.9	\$36.7
Encumbrances Based on Initial Tax						
Credit Certificates	\$1.6	\$1.8	\$7.2	\$18.6	\$28.1	\$43.8
End of Year Balance of						
Unencumbered Funds	\$7.4	\$12.6	\$7.4	\$0.8	\$2.7	-\$7.1

Note: Red text indicates where current proposed funding is insufficient to meet projected demand.

Source: Department of Commerce; Department of Legislative Services

Based on the department’s estimates of program activity, the fiscal 2024 allowance falls short of the program demand in fiscal 2024 by \$7.1 million. However, these estimates represent the maximum amount of funding for which each project may qualify based on the initial certificate amount. To the extent that a company claims less than the maximum amount, the difference becomes available for Commerce to use to issue new initial certificates. The estimates also account for all projects that Commerce believes may potentially claim credits in certain fiscal years. It is likely that the proposed appropriation will be sufficient to cover the actual amount of initial tax credit certificates requested. In the event that appropriated funds are insufficient to cover program demand, Commerce regulations establish the following priority order for issuing initial tax credit certificates: (1) a project in a Tier I area that received a final certificate in the previous fiscal year; (2) a project in a Tier II area that received a final certificate in the previous fiscal year; (3) a project in a Tier I area that did not receive a final certificate in the previous fiscal year; and (4) a project in a Tier II area that did not receive a final certificate in the previous fiscal year.

2. SMWOBA Funding Continues to Exceed Program Activity

SMWOBA is designed to provide loans to minority-owned businesses, women-owned businesses, or businesses with no more than 500 employees that are located primarily in the areas of the State with gaming facilities. The fiscal 2024 allowance includes \$20.7 million in special funds for SMWOBA, consisting of \$20.2 million from VLT proceeds and \$500,000 from the Strategic Energy Investment Fund (SEIF). This funding level represents a decrease of 13.5% compared to the fiscal 2023 working appropriation, due to one-time funding of \$4.0 million in special funds provided through the DPA in fiscal 2023 to cover operating expenses incurred during the pandemic for the program’s nine fund managers.

Program Overview

Commerce selects fund managers according to criteria developed by the department and distributes SMWOBA funds to the fund managers, subject to approval by the Board of Public Works. There is no statutory formula or direction as to how much each fund manager is to receive. Fund managers are required to allocate at least 50% of their funds, not including funds that originate from the SEIF, to businesses in jurisdictions and communities surrounding VLT facilities, referred to as “targeted areas.” While not defined in the law or by regulation, the department considers the targeted areas to be as follows: (1) a 10-mile radius around each of National Harbor, Horseshoe, and Arundel Mills; (2) for the Perryville casino, Harford, Cecil, and Kent counties; (3) for Ocean Downs, Wicomico, Worcester, and Somerset counties; and (4) for Rocky Gap, Allegany, Washington, and Garrett counties.

The SEIF funding is intended to provide access to capital for small, minority-, women-, and veteran-owned businesses in the clean energy industry, and Chapter 757 of 2019 requires that a total of \$7.0 million be transferred from the SEIF to SMWOBA from fiscal 2021 to 2028. From fiscal 2021 through the fiscal 2024 allowance, \$1.7 million of the required \$7.0 million has been transferred. Requirements for businesses receiving the SEIF funding include that businesses agree to create and maintain jobs that promote family-sustaining wages, employer-provided healthcare with affordable deductibles and co-pays, career advancement training, fair scheduling, employer-paid workers’ compensation and unemployment insurance, a retirement plan, paid time off, and the right to bargain collectively for wages and benefits. Commerce has not used any of the SEIF funds received to date and does not anticipate using any in the future. The department contends that the requirements for businesses receiving SEIF funds are overly onerous for the small businesses targeted by the SMWOBA program. Given the current excess of VLT funds available in SMWOBA, it is easier for clean energy businesses to make use of the regular program rather than the SEIF-specific funding.

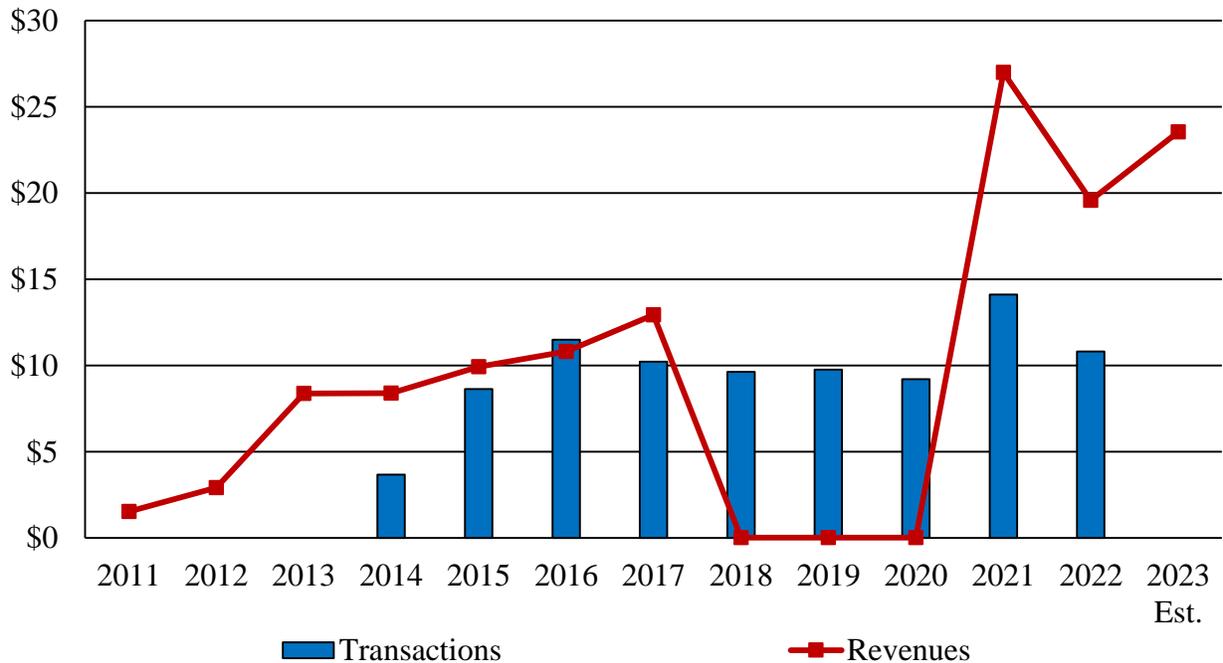
SMWOBA Revenue Growth Outpaces Spending

Generally, 1.5% of VLT revenues are distributed to SMWOBA, and available funding for SMWOBA has grown dramatically since the program’s inception as new VLT facilities were added. VLT revenues for SMWOBA are estimated to exceed \$20 million annually beginning in fiscal 2024. In addition, principal repayments from SMWOBA loans to fund managers have totaled

\$55.6 million since program inception, including \$13.0 million in fiscal 2022. Fund managers may relend these funds through the program, adding to the total funding available for SMWOBA.

In contrast, settled transactions across all SMWOBA fund managers averaged \$10.7 million annually over the last five fiscal years, including a spike in fiscal 2021 due to the ability to provide grant funding instead of loans as a COVID-19 relief measure. **Exhibit 8** shows SMWOBA revenues and settled transactions over time.

Exhibit 8
SMWOBA Revenues and Settled Transactions
Fiscal 2011-2023 Est.
(\$ in Millions)



SMWOBA: Small, Minority, and Women-Owned Businesses Account

Note: Does not include Strategic Energy Investment Fund revenues. The fiscal 2021 revenues include \$10.0 million in federal funds from the American Rescue Plan Act provided as supplemental funding through Chapter 39 of 2021 (the RELIEF Act). Fiscal 2023 estimated revenues include \$4.0 million in special funds from the Dedicated Purpose Account allocated by the General Assembly to be split equally among the fund managers. Video lottery terminal revenues were redirected to the General Fund and Education Trust Fund from fiscal 2018 to 2020.

Source: Department of Commerce; Board of Revenue Estimates; Department of Legislative Services

Program Activity by Fund Manager

As funding for the SMWOBA program has expanded, additional fund managers have been added to the program, as shown in **Exhibit 9**. Fund managers offer varying interest rates on SMWOBA loans, as the statute does not specify the allowable loan terms. For example, one fund manager offers a 4.0% fixed interest rate for all SMWOBA loans, while another offers a range of fixed rates from 4% to 8%, and a third offers prime +6%.

Exhibit 9 Fund Manager Overview (\$ in Millions)

<u>Fund Manager</u>	<u>First Awarded Funding</u>	<u>Total Funds Awarded By Commerce</u>
Anne Arundel Economic Development Corporation	2013	\$16.2
Maryland Capital Enterprises, Incorporated	2013	9.9
Meridian Management Group Incorporated	2013	10.4
Baltimore Development Corporation	2014	10.4
Baltimore County Department of Economic and Workforce Development	2014	10.8
Howard County Economic Development Authority	2014	11.8
Tri-County Council of Western Maryland	2014	17.2
FSC First	2016	9.5
Montgomery County Economic Development Corporation	2022	1.9
Total		\$98.2
Average Loan Amounts	\$100,000	
Typical Business Size	1-50 employees*	
Average Annual Transactions – Fiscal 2018-2022	\$10.7 Million	
Most Common Industries	Food Services, Manufacturing, Retail Trade	

FSC First: Prince George’s Financial Services Corporation

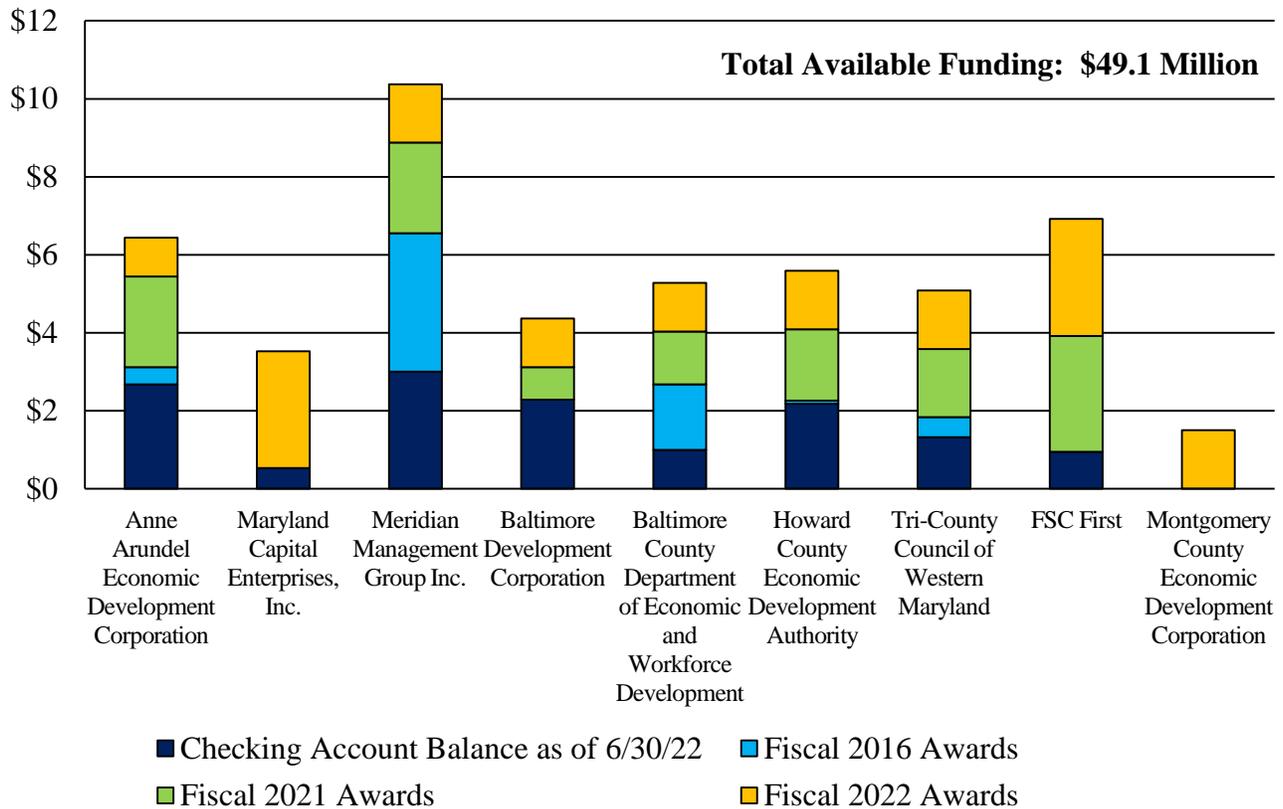
*Based on survey responses from several fund managers. One fund manager responded that business size varied greatly, and there was no typical size. If not minority- or women-owned, the maximum size allowed is 500 employees.

Source: Department of Commerce; Board of Public Works; Department of Legislative Services

Some Fund Managers Still Have Funds Remaining from Fiscal 2016 Award

As shown in **Exhibit 10**, overall, the fund managers had nearly \$50 million available to make SMWOBA loans as of the beginning of fiscal 2023, whether in the checking accounts they control directly or available to draw from funding Commerce has awarded but not yet disbursed to the managers. Several fund managers, notably Meridian Management Group and the Baltimore County Department of Economic and Workforce Development, have significant balances remaining from the funds awarded by Commerce in fiscal 2016.

Exhibit 10
Available Funds by Fund Manager
 (\$ in Millions)



FSC First: Prince George’s Financial Services Corporation

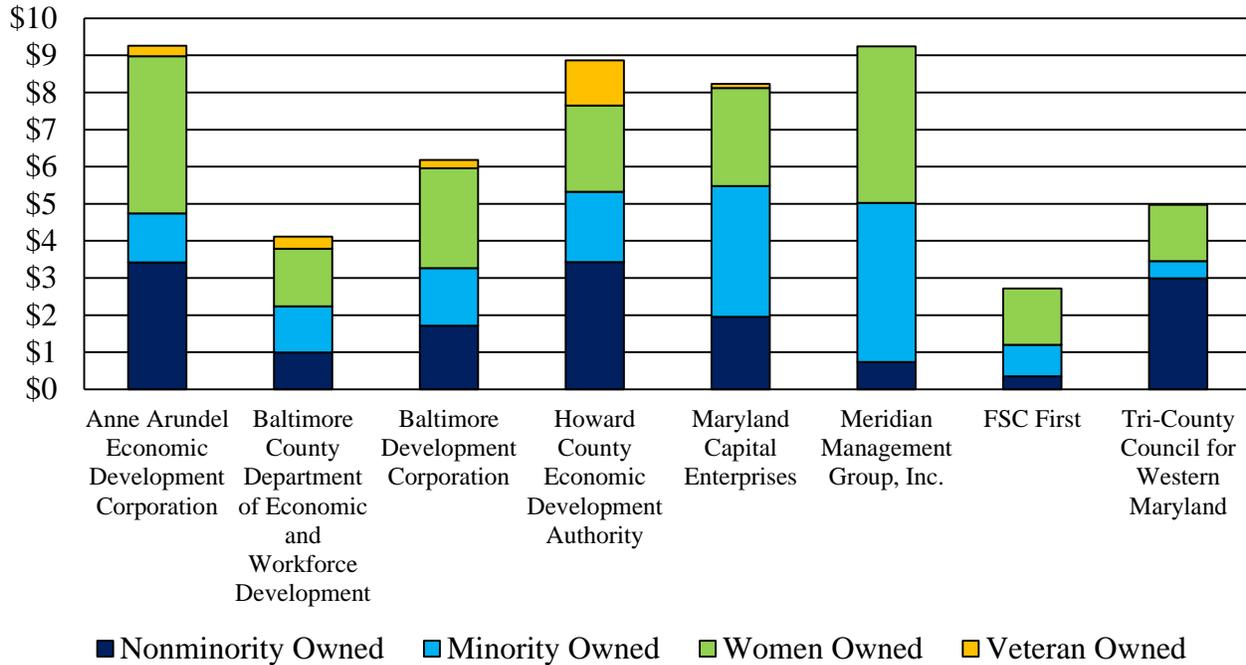
Note: Checking account balances may overstate available funding to the extent that a portion of the balance may be reserved for lines of credit. Line of credit transactions since program inception total nearly \$6 million, with the majority offered by Meridian Management Group.

Source: Department of Commerce

Lending to Minority- and Women-owned Businesses Varies by Fund Manager

Overall, 28% of funding over the last five years went to minority-owned businesses and 39% to women-owned businesses. Nearly 30% of funding was distributed to businesses that were not minority-, women-, or veteran-owned. As shown in **Exhibit 11**, Meridian Management Group and FSC First each provided more than 85% of funds to minority-, women-, and veteran-owned businesses. The Anne Arundel Economic Development Corporation, Howard County Economic Development Authority, and the Tri-County Council of Western Maryland each provided less than 65% of funds to businesses in these categories.

Exhibit 11
Settled Transactions by Fund Manager
Fiscal 2018-2022
(\$ in Millions)



FSC First: Prince George’s Financial Services Corporation

Note: Businesses may only be included in one ownership category, as self-identified or selected by the fund manager.

Source: Department of Commerce

Fund Managers Focus Lending in Home Counties

As detailed in **Exhibit 12**, although fund managers may assist businesses anywhere in the State, in practice, they rarely lend outside of their home jurisdictions.

**Exhibit 12
Settled Transactions by Jurisdiction
Fiscal 2018-2022**

Statewide: \$53.6 Million

\$1.1 M	\$1.9 M	\$1.5 M	\$0.3 M	\$0.7 M	\$7.0 M	\$0.5 M	\$0.0 M		
Garrett	Allegany	Washington	Frederick	Carroll	Baltimore	Harford	Cecil		
			\$2.3 M	\$8.0 M	\$8.7 M		\$0.1 M		
			Montgomery	Howard	Baltimore City		Kent		
				\$4.6 M	\$8.8 M		\$0.5 M		
				Prince George's	Anne Arundel		Queen Anne's		
				\$0.3 M	\$0.5 M		\$0.5 M	\$0.2 M	
				Charles	Calvert		Talbot	Caroline	
					\$0.1 M		\$0.2 M	\$3.5 M	
					St. Mary's		Dorchester	Wicomico	
							\$1.0 M	\$1.3 M	
							Somerset	Worcester	

Fund Manager	% of Lending in Home Jurisdiction(s)
Anne Arundel Economic Development Corporation	77%
Baltimore County Department of Economic and Workforce Development	86%
Baltimore Development Corporation	94%
Howard County Economic Development Authority	76%
Maryland Capital Enterprises	81% Eastern Shore (67% Lower Shore)
Meridian Management Group, Inc.	26% Baltimore County 21% Prince George's 14% Baltimore City
FSC First	53%
Tri-County Council for Western Maryland	89%

Source: Department of Commerce; Department of Legislative Services

Expanding Fund Manager Activity

Commerce promotes the SMWOBA program using social media and email marketing as well as outreach by Commerce’s regional business development representatives. The department also meets annually with each of the program’s fund managers to discuss marketing strategies. Fund managers also play a direct role in marketing the program, and each maintains a close relationship with local chambers of commerce and local financial institutions.

Beyond marketing the program, Commerce is seeking to increase program activity through the addition of new fund managers, including by adding the Montgomery County Economic

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Development Corporation in fiscal 2022. Adding additional fund managers would potentially enable program activity to keep pace with increasing VLT revenues in addition to increasing the geographic diversity of program recipients. Southern Maryland; the Upper Shore; and Frederick, Carroll, and Harford counties are not currently represented among the existing fund managers. **The department should comment on efforts to further add fund managers for the SMWOBA program or to otherwise increase program activity.**

Operating Budget Recommended Actions

1. Add the following language to the special fund appropriation:

, provided that no funds may be distributed until the Department of Commerce provides notification to the Legislative Policy Committee (LPC) of the planned distribution of funds to the proposed recipient. The notification shall be submitted to LPC at least 30 days prior to the disbursement of funds and shall include the information detailed in § 7-314 (l) of the State Finance and Procurement Article. LPC shall have 30 days from the date of the receipt of the notification to review and comment. Funds restricted pending notification to LPC may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the notification is not provided.

Explanation: Under § 7-314 of the State Finance and Procurement Article, LPC approval is required to transfer funds from the State Reserve Fund Economic Development Opportunities Program Account (also known as the Sunny Day Fund) prior to disbursing funds to the intended recipient. However, the proposed Sunny Day award to United Safety Technology utilizes available fund balance in the Maryland Economic Development Assistance Authority and Fund instead of funding appropriated in the State Reserve Fund. This language requires the Department of Commerce (Commerce) to provide notification to LPC prior to the disbursement of funds, consistent with the legislative oversight typically provided for Sunny Day Fund awards.

Information Request	Author	Due Date
Sunny Day Fund award notification	Commerce	30 days prior to the disbursement of funds

Appendix 1 2022 Joint Chairmen’s Report Responses from Agency

The 2022 *Joint Chairmen’s Report* (JCR) requested that Commerce prepare 5 reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

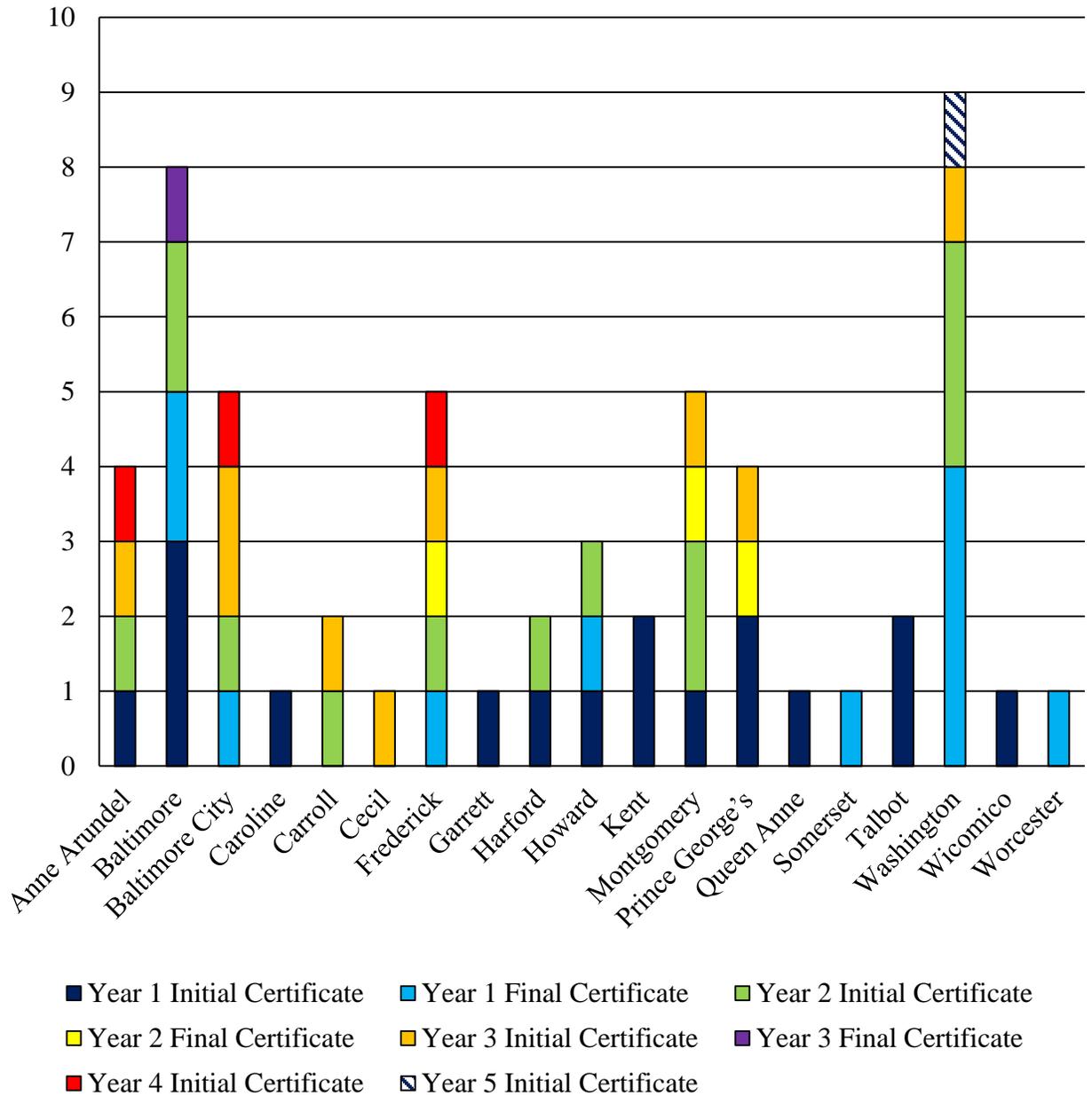
- ***Report on the Development of an Equity Plan:*** Commerce submitted a report discussing the necessary preplanning steps that the department would need to take before creating an equity plan, including engaging with the Maryland Economic Development Commission, exploring the relevant legal issues, and soliciting input from local economic development agencies as well as regional and industry groups. Commerce noted that the timeline for developing an equity plan would be a minimum of two and a half years, including six months for preplanning; six months for initial stakeholder outreach; six months to develop a draft of plan contents and a schedule for the planning process; and one year to carry out data collection, research, development of draft metrics and benchmarks, stakeholder engagement, and drafting and circulation of a draft plan.
- ***Report on the Maryland State Arts Council (MSAC) Formula:*** By statutory mandate, general funds allocated to MSAC are required to grow each year by the expected percentage of growth in general fund revenues. The Budget Reconciliation and Financing Act (BRFA) of 2017 also required that funds distributed to MSAC from admissions and amusement tax revenues be included in the calculation to determine the mandated general fund appropriation. The report noted that Chapter 14 of 2021, which permanently extended the distribution of a portion of admissions and amusement tax revenues to MSAC, did not address uncodified language from the BRFA of 2017 that clarified the use of these revenues in the MSAC funding formula. The Commerce Assistant Attorney General acknowledged the ambiguity regarding the calculation and concluded that the Department of Budget and Management’s position that the uncodified language no longer applies to be reasonable given the lack of direction in Chapter 14.
- ***Report on Marketing Efforts for SMWOBA:*** The department provided a report on actions taken to promote the SMWOBA program, including using social media and email marketing as well as outreach by Commerce’s regional business development representatives. The department also meets annually with each of the program’s fund managers to discuss marketing strategies. Fund managers also play a direct role in marketing the program, and each maintains a close relationship with local chambers of commerce and local financial institutions. Specific examples of fund manager outreach activities include connecting with local accounting firms for referrals and participating in workshops in partnership with local, State, and federal agencies. Further discussion of the SMWOBA program can be found in Issue 2 of this analysis.
- ***Report on Participation in the More Jobs for Marylanders Program in Tier I Counties:*** Commerce submitted a report detailing its outreach activities for the More Jobs for Marylanders program, including specific outreach by the department’s regional team to

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Maryland manufacturers who have not made use of the program as well as to non-Maryland stakeholders that may be considering Maryland as a location for a manufacturing facility. Commerce noted that the department also works with local leadership in Tier I counties to identify potential properties that could be used for manufacturing. The report also highlighted recent legislative and regulatory changes to the program that provided additional enhancements for Tier I counties, including prioritization for Tier I projects in reserving tax credits. Finally, the report included some recommendations for consideration that could potentially expand participation, including reducing the minimum number of jobs required, relaxing the requirement that positions created be onsite for Tier I counties, and expanding qualified sectors to include additional target industries. Further discussion of the More Jobs for Marylanders program can be found in Issue 1 of this analysis.

- ***Report on Support for Child Care Providers:*** The budget committees requested a report detailing how the new Nonprofit Shared Services Support Program could be used to support the needs of child care providers or the feasibility of creating a similar program to serve child care providers. The report submitted by Commerce noted that most child care providers are for-profit entities and could potentially be better served through the Maryland Child Care Boost Program, an MSDE-funded program operated by the Maryland Family Network that provides capacity building for providers and is being piloted in three jurisdictions. Providers that are nonprofits could be candidates for the Commerce-funded program. The report also noted that child care providers have specific needs that are distinct from those of many nonprofits and recommended that the programs remain separate but collaborate and share lessons learned on how to support the child care provider industry.

Appendix 2
Participating Businesses by Jurisdiction and Furthest Program Stage Achieved
More Jobs for Marylanders Income Tax Credit Program
As of January 2023



Note: Data does not include participating businesses that have pending or approved applications but that have not yet progressed to receiving for an initial tax credit certificate.

Source: Department of Commerce

Appendix 3
Object/Fund Difference Report
Department of Commerce

<u>Object/Fund</u>	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u> <u>Appropriation</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23 - FY 24</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	188.00	188.00	188.00	0.00	0%
02 Contractual	30.00	34.64	37.40	2.76	8.0%
Total Positions	218.00	222.64	225.40	2.76	1.2%
Objects					
01 Salaries and Wages	\$ 22,241,561	\$ 23,991,418	\$ 25,554,536	\$ 1,563,118	6.5%
02 Technical and Special Fees	1,795,301	1,958,516	2,214,672	256,156	13.1%
03 Communication	231,750	324,666	324,713	47	0%
04 Travel	614,941	617,415	733,622	116,207	18.8%
06 Fuel and Utilities	18,203	19,573	18,203	-1,370	-7.0%
07 Motor Vehicles	258,757	184,565	356,474	171,909	93.1%
08 Contractual Services	16,480,197	17,478,435	18,000,404	521,969	3.0%
09 Supplies and Materials	74,949	214,344	238,174	23,830	11.1%
10 Equipment – Replacement	46,422	24,900	34,900	10,000	40.2%
11 Equipment – Additional	12,507	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	93,307,708	235,264,082	132,018,929	-103,245,153	-43.9%
13 Fixed Charges	2,538,183	1,789,406	1,851,052	61,646	3.4%
14 Land and Structures	20,360,217	81,112,500	61,460,000	-19,652,500	-24.2%
Total Objects	\$ 157,980,696	\$ 362,979,820	\$ 242,805,679	-\$ 120,174,141	-33.1%
Funds					
01 General Fund	\$ 89,693,701	\$ 192,803,368	\$ 151,131,513	-\$ 41,671,855	-21.6%
03 Special Fund	64,345,120	139,487,460	79,770,083	-59,717,377	-42.8%
05 Federal Fund	3,941,875	30,688,992	11,904,083	-18,784,909	-61.2%
Total Funds	\$ 157,980,696	\$ 362,979,820	\$ 242,805,679	-\$ 120,174,141	-33.1%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments that are budgeted in the Department of Budget and Management.

**Appendix 4
Fiscal Summary
Department of Commerce**

<u>Program/Unit</u>	<u>FY 22 Actual</u>	<u>FY 23 Wrk Approp</u>	<u>FY 24 Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24 % Change</u>
01 Office of the Secretary	\$ 1,717,475	\$ 1,774,052	\$ 1,776,014	\$ 1,962	0.1%
02 Office of Policy and Research	1,369,789	2,717,311	1,690,002	-1,027,309	-37.8%
03 Office of the Attorney General	1,259,665	1,563,380	1,637,699	74,319	4.8%
08 Division of Administration and Technology	7,258,039	6,316,629	7,007,918	691,289	10.9%
10 Maryland Marketing Partnership	3,235,607	2,500,000	2,500,950	950	0%
01 Division of Business and Industry Sector Development	821,962	821,443	872,961	51,518	6.3%
03 Maryland Small Business Development Financing Authority	1,667,769	1,663,375	2,548,375	885,000	53.2%
04 Office of Business Development	4,327,981	5,035,887	5,050,309	14,422	0.3%
05 Office of Strategic Industries and Entrepreneurship	3,253,921	8,099,722	14,578,376	6,478,654	80.0%
07 Partnership for Workforce Quality	1,000,000	1,000,000	1,000,000	0	0%
08 Office of Finance Programs	3,725,381	4,244,282	4,428,997	184,715	4.4%
09 Maryland Small Business Development Financing Auth	3,079,217	19,360,000	12,360,000	-7,000,000	-36.2%
10 Office of International Investment and Trade	3,242,226	5,731,991	5,308,763	-423,228	-7.4%
11 Maryland Not-For-Profit Development Fund	400,000	477,500	450,000	-27,500	-5.8%
12 Maryland Biotechnology Investment Tax Credit	10,855,790	12,000,000	12,000,000	0	0%
13 Office of Military Affairs and Federal Affairs	1,206,219	3,688,854	3,689,528	674	0%
15 Small, Minority, and Women-Owned Business Investment Account	13,595,090	23,991,945	20,745,496	-3,246,449	-13.5%
16 Economic Development Opportunity Fund	5,000,000	0	2,000,000	2,000,000	0%
18 Military Personnel and Service-Disabled Veteran Loan	0	300,000	300,000	0	0%
19 Cybersecurity Investment Incentive Tax Credit Program	0	2,000,000	2,000,000	0	0%
20 Maryland E-nnovation Initiative	14,000,000	8,500,000	8,500,000	0	0%
21 Maryland Economic Adjustment Fund	345,000	200,000	1,000,000	800,000	400.0%

23 Maryland Economic Development Assistance Authority	15,920,572	17,500,000	17,500,000	0	0%
24 More Jobs for Marylanders Tax Credit Reserve Fund	9,537,387	30,030,530	33,971,753	3,941,223	13.1%
27 Business Telework Assistance Grant Program	0	1,000,000	1,000,000	0	0%
28 Non-Profit Shared Services Support Program	0	5,000,000	0	-5,000,000	-100.0%
29 Rural Maryland Economic Development Program	0	50,000,000	0	-50,000,000	-100.0%
30 Regional Institution Strategic Enterprise Zone Program	0	750,000	750,000	0	0%
31 Child Care Capital Support Revolving Loan Fund – Capital Appropriation	0	15,000,000	10,000,000	-5,000,000	-33.3%
32 Western Maryland Economic Future Investment Program – Capital Appropriation	0	20,000,000	10,000,000	-10,000,000	-50.0%
33 Maryland New Start Microloan Program	0	175,000	300,000	125,000	71.4%
01 Office of the Assistant Secretary	327,974	349,954	376,604	26,650	7.6%
02 Office of Tourism Development	5,151,815	24,366,630	6,566,544	-17,800,086	-73.1%
03 Maryland Tourism Development Board	10,736,000	13,037,000	15,503,600	2,466,600	18.9%
04 Office of Marketing and Communications	2,610,846	2,223,535	2,410,410	186,875	8.4%
05 Maryland State Arts Council	27,820,371	68,960,800	30,581,380	-38,379,420	-55.7%
08 Preservation of Cultural Arts Program	1,244,600	1,300,000	1,300,000	0	0%
09 Baltimore Symphony Orchestra	0	1,300,000	1,100,000	-200,000	-15.4%
01 Economic Development Opportunities Program Account	3,270,000	0	0	0	0%
Total Expenditures	\$ 157,980,696	\$ 362,979,820	\$ 242,805,679	-\$ 120,174,141	-33.1%
General Fund	\$ 89,693,701	\$ 192,803,368	\$ 151,131,513	-\$ 41,671,855	-21.6%
Special Fund	64,345,120	139,487,460	79,770,083	-59,717,377	-42.8%
Federal Fund	3,941,875	30,688,992	11,904,083	-18,784,909	-61.2%
Total Appropriations	\$ 157,980,696	\$ 362,979,820	\$ 242,805,679	-\$ 120,174,141	-33.1%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments that are budgeted in the Department of Budget and Management.