



March 12, 2021

The Honorable Delores G. Kelley, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Kelley and Members of the Finance Committee:

The Anne Arundel Economic Development Corporation (AAEDC) supports Senate Bill 740 with amendments.

Throughout the pandemic, local governments – either through their Economic Development Offices or other agencies – continue to administer grant programs to small businesses. Though the source of the funding to date has been a mixture of state and federal, it is the local governments doing the heavy lifting of administering the programs

Speed, customer service and accountability are among the reasons why local management of these programs is in the best interests of small businesses. Our workflows that fit the unique structure of our jurisdictions putting funds in the hands of the businesses more quickly. Our relationships with many of the grant recipients make us better equipped to pick up the phone should a business need assistance with the application process. Also, our processes which are already are best suited to track information based on the experience over the last nine months of managing these grant programs.

To best execute these programs, the state should provide to the local jurisdictions as much discretion as possible to manage these programs on behalf of the state or federal governments. By providing a level of local flexibility regarding eligibility, each jurisdiction continues to respond to the needs of their business community. We know which businesses and which sectors suffered during the pandemic. We are on the ground every day talking with and listening to business owners.

Finally, local jurisdictions absorb the costs of administering these programs. At AAEDC, these costs include working with a vendor to create a web-based application portal, marketing and required audit costs, to name but a few. We were fortunate that the federal government made these administrative costs eligible under the CARES Act.

AAEDC believes it is the right entity to administer these grants for Anne Arundel County, but we need the state to cover some of the costs we know are coming to administer the programs.

Please provide a **Favorable Report to SB 740** with the provision of a minimum 5% to cover administrative costs.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Birge", written in a cursive style.

Benjamin J. Birge
President/CEO