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Education, Health, and
Environmental Affairs Committee

Chair, Joint Committee on
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB782 - Workgroup on the COVID-19 Crisis Economic Recovery

March 1, 2022

Chairman, Vice-Chair, and members of the Finance and Budget and Taxation Committee, thank you for your consideration of Senate Bill 782, which will establish a workgroup for COVID-19 Crisis Economic Recovery.

The COVID-19 pandemic has presented a multitude of challengers for our state's workforce and business environment. Though the unemployment rate has decreased since April 2020, the pandemic has changed, and so much our approach to economic recovery. Our state's economy is diverse, with heavy concentrations of professional, scientific, and technical services in some areas, and concentrations of manufacturing, tourism, and skilled trades in others. This means that a one-size-fits-all approach to our post-pandemic recovery simply will not work.

SB782 will establish a short term workgroup to study and draft recommendations to adjust our economic development strategies resulting from significant changes, challenges, and crises in a variety of sectors. These include remote employment, supply chain management, childcare, commercial and residential real estate, our public health system, and our small, Main Street businesses. This workgroup will include four members from the Senate, four members from the House of Delegates, and five private sector representatives from impacted industries. The workgroup will be chaired by and includes funding for the best and brightest at the University of Maryland to staff the workgroup and conduct research to answer key questions. The workgroup will submit an interim report to the General Assembly by Dec. 1, 2022 and final recommendations by Dec 1, 2023.

Colleagues, you may wonder why we should form this workgroup now, given that we are hoping to emerge (fingers crossed) from the pandemic and will have a new executive administration starting in 2023. I would argue that both of these reasons are exactly why we must do this now:

- According to FEMA, when a small business suffers from a natural disaster the initial stabilization takes 2-4 weeks, the short term recovery may take 2-4 months, and the real long term recovery takes 3-5 years until things return to "normal." I have seen this happen with many small businesses in Ellicott City following the floods, and know that many small businesses, hit by economic losses at the start of the pandemic, will be rebuilding slowly over the next 2-3 years and still require support.

- Second, in terms of timing, now is the time to begin the long-term phase of our recovery plan. As our state's economy re-stabilizes, insulated industries may return to business as usual; however, this won't be the case for the rest. Narrow, strategic intervention in 2023 could be the difference between long-term recovery and closing down. Furthermore, with a change in administration, the time is ripe for external review of what we've done well and where we can improve. Then, the new administration can begin with a running start.

The time is right to do this work – if we delay, for many small businesses it will simply be too late. Although our initial responses to the COVID-19 pandemic emerged from trial by fire, our ability to recover and thrive will require significant forethought and careful consideration. For these reasons, **I respectfully request a favorable report on Senate Bill 782.**

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, slightly slanted style.

Senator Katie Fry Hester
Carroll and Howard Counties