

Testimony- Prince George's Financial Services Corp

Uploaded by: Senator Joanne C. Benson

Position: FAV

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Finance Committee
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Joanne C. Benson
SB 657: Prince George's Financial Services Corporation – Funding

Good afternoon Chair Guzzone, Vice-Chair Rosapepe and members of the Budget and Tax Committee. SB 657, as amended, requires the Governor to appropriate \$420,000.00 to Financial Services Corporation – first in fiscal year 2023.

FSC First is a fund manager for Small, Minority and Women-Owned Businesses Account. Grants are provided to eligible fund managers to provide investment capital and loans to small, minority and women-owned businesses in the State. Fund managers must allocate at least 50% of available funds to eligible businesses in the jurisdictions and communities surrounding the State's video lottery facilities.

The grant funds will be used to provide access to capital, training, technical assistance and other resources, whereby improving the small business capacity, resiliency and enabling them to remain competitive in the marketplace.

During the pandemic, small businesses were overwhelmingly affected, with many having to close their doors. These funds would assist small, minority and women-owned businesses recover and provide job opportunities, which in turn improves the economic condition in our state.

For this reason, I respectfully ask your **Favorable** report on SB 657.

SB 657 Prince George's Financial Services Corp-Fun

Uploaded by: Barbara Wilkins

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

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SENATE BILL 657 Prince George's Financial Services Corporation - Funding (Benson)

STATEMENT OF INFORMATION

DATE: February 23, 2022

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 657 mandates a \$420,000 appropriation in FY 2024 to the Department of Commerce to be used as an operating grant to the Prince George's Financial Services Corporation. Funds may only be used to support the small business owner population in Prince George's County.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$420,000 mandated appropriation provision that impacts the FY 2024 budget.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

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