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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

TESTIMONY FOR THE ENVIRONMENT AND TRANSPORTATION

CHAIR BARVE
VICE CHAIR STEIN

**HOUSE BILL 695 – RURAL MARYLAND PROSPERITY INVESTMENT FUND –
REVISIONS AND SUNSET REPEAL (RURAL COMMUNITIES IMPROVEMENT ACT
OF 2023)**

SUPPORT

February 24, 2023

Good afternoon Chairman Barve and Vice Chair Stein. I am here today to ask your support for HB695 - Rural Maryland Prosperity Investment Fund – Revisions And Sunset Repeal (Rural Communities Improvement Act Of 2023). HB695 revises and repeals the sunset of the Rural Maryland Prosperity Fund (RMPIF). This is a formula-driven grant program administered by the Rural Maryland Council – RMC, which is an independent State Agency housed at the Department of Agriculture. RMC is known as the collective voice for rural Maryland. The Council convenes stakeholders to collectively address the needs of rural Maryland communities, develop solutions to meet these needs and then implement the solutions.

The RMPIF funds are distributed through a highly competitive grant program to the State’s five Rural Regional Councils, programs, and projects eligible under entrepreneurship, infrastructure, and health care. A portion of funds are retained by the RMC for operational expenses consisting primarily of staff.

The original RMPIF distribution formula was adopted in 2006, however, it was not until FY2017 that the Council received initial funding for this program. In 2014, the Maryland General Assembly passed, and the Governor signed SB137/HB1024 - Rural Maryland Prosperity Investment Fund– Revisions and Extension of Termination Date (Chapter 469 of 2014), which updated the formula to include health care and a “hold harmless clause” to ensure funding for RMC operations. The proposed legislation updates the “hold harmless clause” to reflect the Council’s current staffing capacity.

The RMC received \$9,001,144 in FY2023 and is budgeted to receive \$9,046,194 in FY2024. While the bill contains a mandatory funding requirement of \$750,000 for RMC’s operational expenses and \$250,000 for the Maryland Agricultural Education and Rural Development

Assistance Fund, assuming the FY24 budget is adopted without changes to the RMC, it will have no impact on revenues for the agency.

RMC is seeking the following six technical updates to the RMPIF:

- Removes the 2030 sunset for the Rural Maryland Prosperity Investment Fund
- Replaces ‘may’ with ‘shall’ for the Governor to include an appropriation of at least \$1,000,000 to the Rural Maryland Prosperity Fund
- Clarifies that only State recognized rural regional councils are eligible for RMPIF
- Adds Cooperative Development and Workforce Development as focus areas under Rural Entrepreneurship and Agricultural Development
- Updates the hold harmless clause to match what the Council currently receives.
- Includes text that the Executive Committee must concur with any reallocations of grant funds from one fund to the other.

Demand for RMC programs are high. **In FY2023, RMC received 215 grant applications totaling \$19,130,407, of which 84 grants were awarded totaling \$8,369,629.** These grant recipient projects have had significant outcomes such as improved education outcomes of at risk, minority children by providing educational summer enrichment programming; supporting general contractor and infrastructure costs for a new 72-unit affordable housing community; expanding broadband internet connections to new homes; and, providing medical transportation, personnel, and services to those in need.

The strength of RMC’s impact is dependent on the resources provided to them through the State’s operating budget. The RMC and rural non-profit community leverage these funds with local and federal funds to improve the lives of rural Marylanders. RMPIF funding allows many rural organizations to provide innovative programming that creates jobs, educational opportunities, and enhances the quality of life in our rural communities. For many nonprofit organizations and stakeholders, RMPIF provides the critical support needed to fuel healthy, resilient rural communities.

Thank you for your time and I request a favorable report for HB695.