



EMPLOY PRINCE GEORGE'S
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Senate Bill 125

Committee: Ways and Means

Date: January 31, 2023

Position: Favorable

Employ Prince George's, the principal workforce development entity for Prince George's County, that provides nationally recognized community and workforce development programming, offers this testimony in support of Senate Bill 125: Business Diversity Incubator Program (SB 125). As the administrative and fiscal agent of the Prince George's County Workforce Development Board, Employ Prince George's is responsible for operating the Prince George's County Public Workforce System. Under the leadership of Employ Prince George's, and the Prince George's County Workforce Development Board, the Prince George's County Public Workforce System serves over 25,000 job seekers and businesses annually.

SB 125 creates the Digital Bay Business Diversity Program ("Program") and establishes a grant program for 501(c)(3) nonprofit organizations to facilitate diverse and effective business incubators within Maryland. Further, SB 125 requires the Governor to appropriate \$2 million in the annual budget from FY 2026 to FY 2031, half of which is earmarked to organizations participating in Maryland's Minority Business Enterprise (MBE) program.

Maryland's economy benefits from diverse businesses, and Maryland's nonprofits are prepared to leverage resources to ensure diverse and effective business incubators are established throughout the State. SB 125 would make funding available to nonprofits for small business development, marketing, business education curricula, finance training, and business materials. Funds for these purposes will ensure that diverse and effective business incubators generate sustainable economic opportunities.

By requiring that half of the funding allocated in the annual budget be awarded to organizations that participate in MBE Program, SB 125 incentivizes future participation in the MBE program and ensures that nonprofits who are currently participating in the program receive critical financial support that will facilitate their continued success in Maryland's economy.

In addition to the appropriation of funds, SB 125 includes oversight provisions that will ensure the successful implementation of the program. For example, a grant recipient must enter into a program agreement, and any violation of the agreement is subject to specified remedies. Moreover, no more than 15% of a grant award may be used for operating expenses, and a grant recipient must submit an annual report which will document how the grant recipient utilized the funding.

SB 125 promotes diverse nonprofits and businesses in Maryland, which will benefit every Marylander. **For the aforementioned reasons, Employ Prince George's respectfully requests a favorable report from the Committee.**