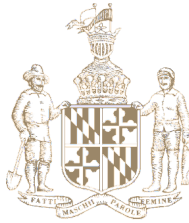


KATIE FRY HESTER
Legislative District 9
Howard and Montgomery Counties

Education, Energy, and
Environment Committee



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Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of SB563 - Maryland Fair and Agricultural Education Promise Fund
- Establishment (Maryland Fair and Agricultural Education Promise Act)**

February 18, 2025

Chair Feldman, Vice-Chair Kagan, and members of the Education, Energy, and the Environment Committee:

Thank you for your consideration of SB563, which provides a stable source of funding intended for agricultural education, county fairs, and the Maryland State Fair. It would establish the Maryland Fair and Agricultural Education Promise Fund as a special fund, transferring funding obligations from the Racing Revenues Special Fund.

Agricultural education programs and county fairs are not only a cherished part of Maryland's culture but also an important driver of our state's economy. County fairs and the Maryland State Fair serve as economic engines that provide critical support to Maryland's rural communities, local businesses, and agritourism. These fairs generate revenue, create jobs, and foster a deeper public appreciation for Maryland's agricultural heritage. Recognizing this, the state committed \$1.45 million annually from the Racing Revenues Special Fund, supported by uncashed pari-mutuel betting slips, to fund these programs. However, as revenue from this fund has steadily declined, the future of these programs is at risk.

Currently, agricultural education programs, county fairs, and the Maryland State Fair are slated to receive this funding, but the shift to digital sports betting and a decline in racing days have led to a steady drop in revenue. In FY2022, the fund generated just \$574,000—falling nearly \$900,000 short of the intended allocation. These shortfalls cause significant disruptions to the fairs and the Maryland Agricultural Education Foundation. Over the last six years, the Maryland Agricultural Fair Board has had to defer nearly \$4 million in grant requests needed for county fairs' continued operation.

Creating the Maryland Fair and Agricultural Education Promise Fund would establish a stable and reliable funding source under the umbrella of the Maryland State Lottery Fund, so that agricultural education will receive the full promised grants. Specifically, this bill will:

- Direct \$1.45 million in funding to a new special fund under the State Lottery Fund instead of the Racing Revenues Special Fund, providing:
 - \$825,000 to the Maryland Agricultural Fair Board,
 - \$75,000 to the Maryland Agricultural Education Foundation, and
 - \$550,000 to the Maryland State Fair and Agricultural Society
- Repeal the required equivalent funding from the Racing Revenues Special Fund

This funding provided by this bill will support MAEF, 4-H, FFA and other agricultural programs that are immensely important for education. These programs build character and teach critical thinking skills for young people who don't end up in agriculture. There are no new fees or taxes associated with this bill, as the \$1.45 million appropriation is simply being moved from one special fund to another. With a secure source of funding, we can provide critical support for agricultural education and safeguard the future of the agricultural industry.

For these reasons, I respectfully request a favorable report on SB563.

Sincerely,

A handwritten signature in dark ink, appearing to read "Katie Fry Hester". The signature is written in a cursive, flowing style.

Senator Katie Fry Hester
Howard and Montgomery Counties