



Winning the Decade: Economic Development Briefing

House Ways & Means Committee
January 16th, 2025



Partnership Matters

Administration & General Assembly Collaboration

- Named **#1 State for Minority Business** by Lending Tree
- Extended \$167 million in grants and financing
- \$109 million in tax credits awarded
- \$519 million in projects and investments into the Maryland economy — 18,319 jobs created or retained
- Tourism Spring/Summer campaign generated \$37 million in hotel revenue



FY24 Attractions & Expansions

**NORTHROP
GRUMMAN**



CONAIR®



AstraZeneca 



BLUEHALO





Selected FY 2026 Economic Growth Investment Highlights

Strategic Closing Fund (Sunny Day)	\$25 million
Build Our Future Program	\$10 million
Strategic Infrastructure Revolving Fund	\$10 million
Child Care Capital Revolving Fund	\$10 million
Certified Sites Program	\$7 million
Maryland Manufacturing 4.0 Program	\$6 million
BioHub Maryland Program	\$2 million
Baltimore Cyber Range and the Maryland Association of Community Colleges	\$1.5 million

Investments to enable a new way of doing business in Maryland



Strategic Assets



Strategic Assets

Military and federal strength

60 Federal agencies - NIH, NIST, FDA, DISA

12 major military installations supporting chemical and biological defense R&D, military intelligence, cybersecurity and more



Strategic Assets

Location and infrastructure

4 International Airports

BWI and access to: Reagan, Dulles, PHL

Major Highways

Interstates include 95, 81, 83, 70 and 68

2 Class I Rail Lines

CSX, Norfolk Southern

ACELA Express

Baltimore to NYC in 2 hours

Port of Baltimore

Super Neopanamax cranes; closest to Midwest





Strategic Assets

World-renowned institutions
producing top tier talent

17 Community Colleges

4 HBCUs

USM: 15 Public State 4-year
Institutions

22 Independent Universities





Strategic Assets

World-class Workforce

#1 tech workforce growth

#2 graduate/professional degree attainment

#2 tech talent pipeline

#3 technology & science workforce



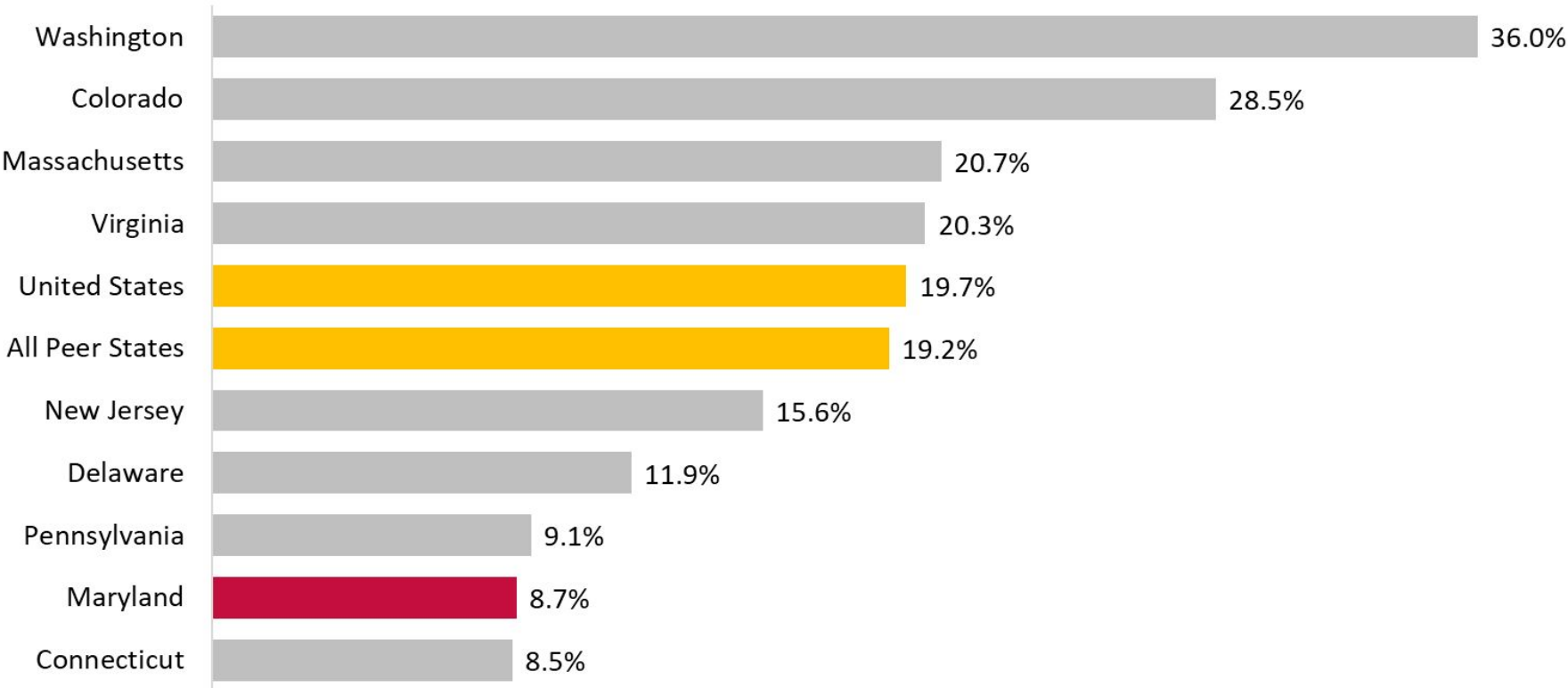
Challenges



Reverse Long-Term Trends

Since Q1 2017, Maryland's real GDP has outperformed only one of its peer states

Change in Real (Inflation-Adjusted) GDP between 2017 Q1 and 2024 Q2

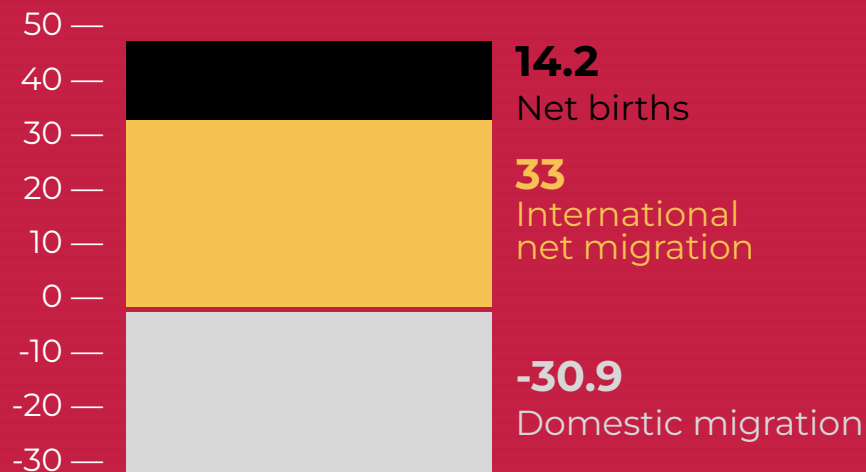


Source: Bureau of Economic Analysis



Negative Domestic Migration

Maryland 2023 Population Change (000's)



- International migration masked a negative trend of Marylanders moving to other states
- **Only 38%** of Maryland's STEM graduates remain in-state post-graduation
- Marylanders aged 17-34 are leading the outmigration

Maryland supplies the country with top STEM talent, we must create economic opportunity for our graduates to remain in Maryland and build companies, careers, and families at home.



Goals & Strategies



Goal:

Create a robust, competitive,
and equitable economy
where all Marylanders are able
to succeed and build wealth

**To meet our goals,
we need new strategies
that enable us to:**

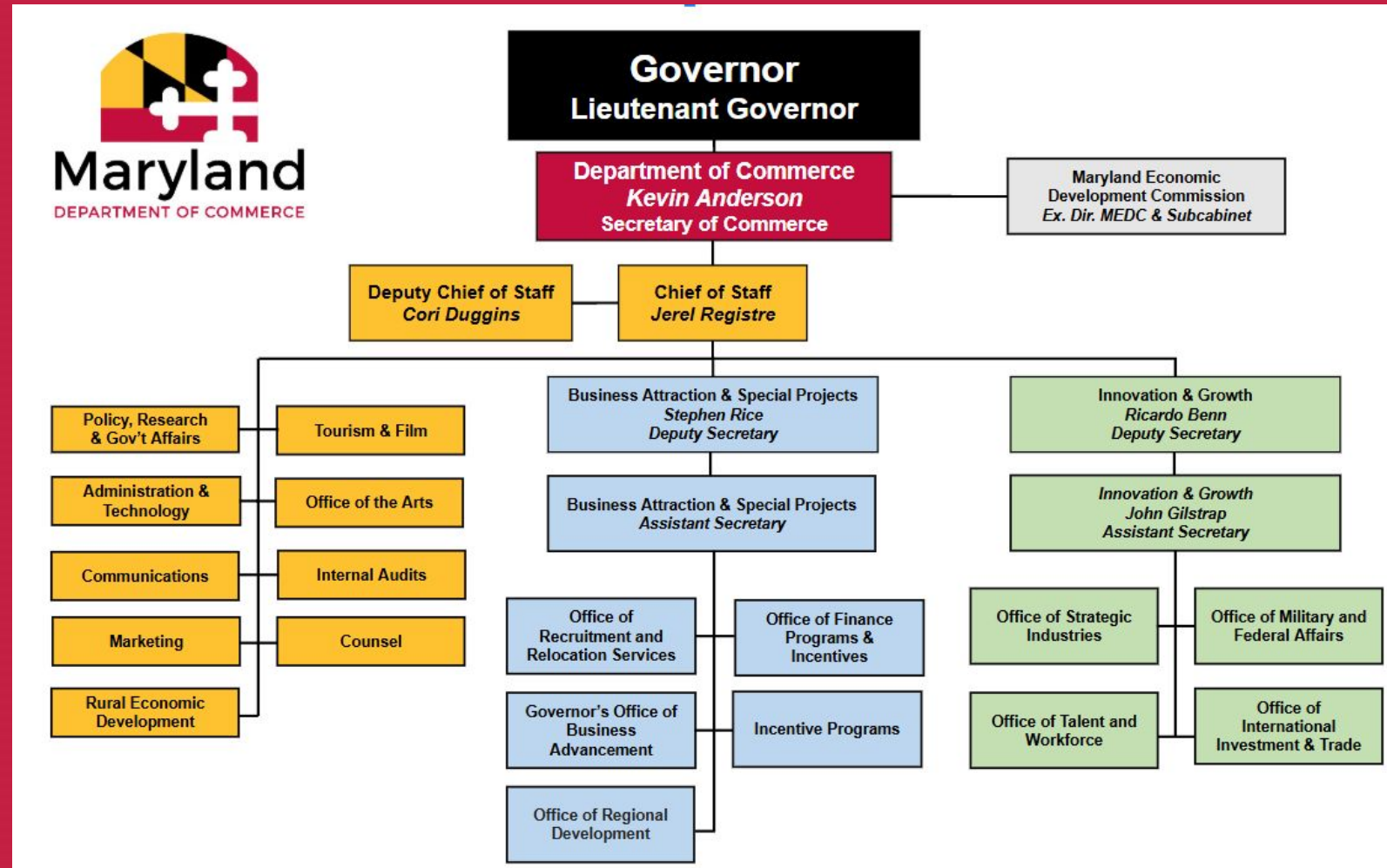
- Streamline Government Assets
- Invest in Key Industries
- Improve the Business Climate
- Increase our Economic Development Capabilities

Streamline Government Assets



Commerce Reorganization

- Expand leadership team to execute Secretary's vision
- Increase focus on Strategic Industry development
- Alignment of Business Attraction and Expansion people and tools





Modernize the State's Economic Development Tools

Program Sunsets

- Job Creation Tax Credit
- One Maryland Tax Credit
- Employer Security Clearance Tax Credit
- MIDFA
- MEAF

Sunsets of Commissions

- Commerce Subcabinet
- MEDC
- MEDAAF Authority
- MSBDFA Authority



Invest in Key Industries

Build on our past success and expertise to win the future

- We excel in Life Sciences, Technology and Aerospace because of long-term commitments
- To climb the next mountain, we will refine our commitments

Life Sciences

Computational Biology

Reframing biological systems into mathematical models to apply cutting edge technologies for discovery of novel insights.

Technology

Quantum Computing

Applying quantum physics to drive exponential improvements in computation, sensing and communications

Aerospace

Position, Navigation, & Timing

Cutting-edge technologies for precision guidance, navigation, and positioning equipment in aerial, terrestrial, maritime and space exploration

Lighthouse Sector: Quantum Technology

Applied quantum physics to drive exponential improvements in computation, sensing, and communications

Existing State Assets

- UMD College Park
- NIST
- US Naval Research Laboratory
- NASA Goddard

Key Related Industries

- Cybersecurity & Post Quantum Cryptography
- Artificial Intelligence
- Space Exploration
- Telecommunications
- Microscopy and other sensitive detection

Lighthouse Sector: Position, Navigation and Timing

Cutting edge technologies for precision guidance, navigation, and positioning equipment in aerial, terrestrial, maritime, and space exploration

Existing State Assets

- NASA Goddard
- JHU APL
- Lockheed Martin
- Northrop Grumman

Key Related Industries

- Drones & Uncrewed Vehicles
- Advanced Air Mobility
- Maritime Navigation
- Satellite Communications

Lighthouse Sector: Computational Biology

Computational science, engineering, and mathematics to improve patient care, discover new biomarkers / treatments, and analyze vast datasets for population health monitoring

Existing State Assets

- NIH
- JHU
- USM
- UMMS
- 270 Corridor

Key Related Industries

- Population health management
- Pharmaceutical Development
- Biomanufacturing
- Medical Devices
- Cell & Gene Therapy

Improve the Business Climate

- Governor's Office of Business Advancement (GOBA)
- Better collaboration of state and local Economic Development entities
- Establish Loaned Executive Program at Commerce
- Enhance Commerce's Child Care Capital Support Revolving Loan Fund
- Expand MEDCO's TIF powers

Increase Economic Development Capabilities

- Strategic Closing Fund
- Streamline MEDAAF and MSBDFA
- MEDCO tools
 - Certified Sites
 - Revitalized RISE Zone Program



What's Next?

A Team Effort

Clearly Defined Roles



COMMERCE

Lead the state's economic development efforts to attract, retain, and expand key industries and businesses. Secretary Chairs Economic Competitiveness Subcabinet

MEDCO

Build the infrastructure our economy needs to succeed

TEDCO

Cultivate a thriving entrepreneurial tech ecosystem

USM & MHEC

Ensure alignment of educational opportunities with economic outcomes

LABOR

Continue to align our talent pipeline with opportunity

GENERAL ASSEMBLY

Enhance the state's competitive capability to grow the economy for all Marylanders

PLANNING

Identify the best uses for our land and streamline permitting processes

HOUSING AND COMMUNITY DEVELOPMENT

Address housing crisis and build communities for Marylanders to economically thrive



Let's work together to make this Maryland's Decade

- ✓ Change the way Maryland does business
- ✓ Improve the State's Business Climate
- ✓ Support Small & Minority-Owned Businesses
- ✓ Streamline and modernize government functions to more effectively grow Maryland's economy



Wes Moore | Governor
Aruna Miller | Lt. Governor
Kevin Anderson | Secretary of Commerce

Governor Moore Announces Economic Growth Agenda for the 2025 Legislative Session

Published: 1/14/2025

ANNAPOLIS, MD — Governor Wes Moore today unveiled his economic growth agenda for the 2025 legislative session. The package includes budget investments and legislative proposals to strengthen Maryland's economy and continue to build pathways to work, wages, and wealth.

Together, we have laid out an economic growth strategy that plays to Maryland's unique strengths—so we can spur business growth and build an economy that works for everyone,” said Gov. Moore. “In partnership with the General Assembly, we will make Maryland a place where businesses want to grow and thrive, create good-paying jobs in industries of the future, and connect more Marylanders with opportunity. Gone are the days of being asset-rich, but strategy poor.”

Gov. Moore's proposed FY 2026 budget includes more than \$750 million in operating and capital funding for economic and workforce development, for which \$128.5 million is targeted, strategic investments to strengthen Maryland's business climate, grow key industries and sectors, and expand the state's talent ecosystem. According to analysis by the Jacob France Institute, these new targeted investments will generate \$515.6 million in economic activity in Maryland and support 2,599 jobs earning \$210.2 million in labor income. The targeted investments include:

\$27.5 million to support the “Capital of Quantum” Initiative – a landmark public-private partnership between the State of Maryland, University of Maryland, IonQ, and other partners which aims to catalyze \$1 billion in investments and cement Maryland as a global leader in quantum information science and technology. The investment includes \$10 million to support IonQ's planned

expansion in Maryland, with a new 100,000 square foot corporate headquarters that will double their Maryland workforce to 250 employees.

\$25 million for the Economic Development Opportunities Program Fund at the Department of Commerce—more commonly known as the Sunny Day Fund—which will attract major economic development and business relocation and expansion opportunities across the state.

\$15 million to support Tradepoint Atlantic's Terminal Container Project, a 168-acre redevelopment project that will generate more than \$1 billion in private sector investment, produce more than 1,000 new union jobs, and strengthen the Port of Baltimore's dominance as one of the most competitive ports on the East Coast.

\$10 million for the Build Our Future Innovation Economy Infrastructure Program, which provides grants to support innovative infrastructure projects that stimulate growth and expansion in key technology sectors including wet laboratories, cyber ranges, and prototype manufacturing centers.

\$10 million for the Strategic Infrastructure Revolving Fund at the Maryland Economic Development Corporation (MEDCO), which will provide short-term loans to stimulate transformative placemaking, transit-oriented development, community development and inclusive and equitable economic growth objectives, with a focus on bringing underutilized assets into performance and generating revenue.

\$2.2 million in additional funding for the Child Care Capital Revolving Fund at the Department of Commerce, which provides financial assistance for child care providers in the state, bringing the total Fiscal Year 2026 investment to \$10 million.

\$7.5 million to continue state support for the Downtown Frederick Hotel and Conference Center project, a public-private partnership and a transformative economic development project for the City of Frederick that is expected to generate \$1.5 billion in new private sector expenditures over the next 25 years.

\$7 million for the Maryland Business Ready Sites Program—which Gov. Moore established through executive order in December 2024—that will serve as a matching grant program for local governments or private developers to derisk or leverage additional public-private investment to hasten infrastructure investment. The program, which will be housed under MEDCO, will bring

strategically valuable commercial or industrial sites online faster and will be available to new or expanding businesses.

\$6 million for the Maryland Manufacturing 4.0 Program at the Department of Commerce, which provides financial assistance to small and mid-size manufacturing companies to invest in Industry 4.0-related technologies, machinery and robotics, and digital business practices in order to remain competitive and drive growth.

\$5 million in additional funding for the EARN Maryland Program at the Department of Labor to support apprenticeship and workforce training programs for target industries and sectors, bringing the total Fiscal Year 2026 investment to \$24.5 million.

\$5 million for the Cyber Maryland Program, designed to help address workforce vacancies in the state by helping create and build a diverse talent pipeline in cybersecurity; serve as a hub for State workforce development programs in cybersecurity; and coordinate cybersecurity and research innovation in the State.

\$2 million for the BioHub Maryland Program, a skills-first workforce development initiative of the Maryland Tech Council, with a mission to accelerate growth in the life sciences industry by expanding the state's biopharma manufacturing talent pipeline with skills-ready Marylanders.

\$2 million to Johns Hopkins University to support the construction of a new multidisciplinary design center in Baltimore, which will serve as a bridge between the university's design-focused undergraduate curriculum, its new data science and artificial intelligence initiatives and its vision for creating an innovation and entrepreneurial hub in Remington.

\$1.5 million to the Baltimore Cyber Range and the Maryland Association of Community Colleges, to build cyber ranges at Maryland's community college campuses and boost the state's cybersecurity workforce.

In addition to budget investments, Gov. Moore announced details about his economic growth legislative agenda.

The DECADE Act seeks to sharpen the tools in the state's economic development toolbox by revamping, relocating, and rebranding key business development programs. In cases where programs have not met return on investment

standards, the bill repeals programs and repurposes their funding to higher impact approaches. The legislation is part of a comprehensive approach to economic development that also includes a reorganization of the Department of Commerce, the governor's recent executive order on economic growth, and FY 2026 economic growth investments.

The Housing for Jobs Act aims to release constraints on the state's economic growth by addressing the largest line item on Marylanders' budgets: housing costs. The legislation seeks to tackle the housing affordability and supply crisis by setting housing production goals when there are too few homes in a region to support available jobs. The goal of the proposal is to lower costs for Marylanders while ensuring that the state retains and builds upon our strongest asset—our highly skilled workforce.

The RAISE Act seeks to expand and create new career pathways to good-paying, middle class jobs through high-quality registered apprenticeships in Maryland. The legislation establishes the Maryland Office of Registered Apprenticeship Development, creates two new programs to help both employers and workers participate in registered apprenticeship programs and offers pathways to automatic licensure for certain apprentices.

The Procurement Reform Act seeks to modernize the state's procurement processes to enhance efficiencies, accountability, competition, and small business access to state contracts. In doing so, the bill supports the procurement economy by creating opportunities for small businesses to win state contracts and grow. As the state continues to grow its economy, procurement reform offers a powerful lever to create merit-based pathways to success for its businesses.

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The DECADE Act of 2025

“Delivering Economic Competitiveness and Advancing Development Efforts”

This comprehensive legislation is one part of a broad-based effort to reinvigorate the State’s approach to economic development. The broad effort includes this legislation, the [Executive Order](#) on economic growth, the reorganization of the Department of Commerce, and direct budget investment in high-impact programs and projects. The goal of this legislation in particular is to sharpen the tools in the State’s economic development toolbox by revamping, relocating, rebranding - and in some cases, repealing - programs to maximize returns on investments. This will be accomplished by **(1)** applying lessons learned from the administration of economic development programs to improve them; **(2)** ensuring that programs are straightforward and easy to market and utilize; **(3)** ensuring that our economic tools are complimentary of one another by focusing on high potential, priority industries; and **(4)** eliminating programs that are ineffective or have served their purpose.

Support for High Potential Industry Sectors

- 1: Standardize target industry sectors across relevant programs to ensure concentration of effort of economic incentives.
- 2: Move the Build Our Future Program to MEDCO and extend the sunset date to 2030.
- 3: Revitalize the RISE Zone Program and move administration to MEDCO.
- 4: Alter the Innovation Incentive Tax Credit (“IITC”) and the Biotechnology Investment Incentive Tax Credit (“BIITC”) to make them more appealing for investors.
- 5: Revamp the Buy Maryland Cyber Tax Credit to correct failures of the Program to date.
- 6: Focus the E-Innovation Initiative Fund specifically focus on endowed professorships towards fields of study centered on target sector list.
- 7: Extend the sunset for Research and Development Tax Credit.
- 8: Alter the appointment schedule of the Life Science Advisory Board (“LSAB”).
- 9: Expand MEDCO’s Tax Increment Financing (“TIF”) powers to include target innovation sector infrastructure.
- 10: Modernize TEDCO’s disinvestment rules to enhance their funding capabilities

Business Attraction & Development

- 1: Revamp and rebrand the Advantage Maryland Program also known as (“MEDAAF”) to better align with economic development best practices and State industry sector priorities.
- 2: Revamp and rebrand the Maryland Small Business Development Financing Authority (“MSBDFA”) and the Small, Minority, and Women-Owned Businesses Account (“SMWOBA”) to ensure sufficient funding levels and best serve targeted businesses.
- 3: Alter the Sunny Day program to locate at Commerce and rename the “Strategic Closing Fund”
- 4: Build upon the success of the Child Care Capital Support Revolving Loan Fund to better incentivize desired outcomes and increase the number of child care slots available.
- 5: Alter the Military Loan Program to require applicants to be certified in the state’s Veteran-owned Small Business Enterprise (“VSBE”) program so that we are targeting support for businesses with multiple levers.
- 6: Rename Partnership for Workforce Quality Grant Program to Talent Accelerator Grant Program.
- 7: Allow MEDCO to utilize up to 5% of appropriations to address staffing and administrative costs.
- 8: Eliminate the per production \$10M cap in the Film Production Activity Tax Credit and provide more certainty of tax credit availability by keeping future years’ overall activity capped at the FY2026 level.

Sunset Underperforming Programs & Entities that have Served Their Purposes

- 1: Repeal the Job Creation Tax Credit Program
- 2: Repeal the One Maryland Program.
- 3: Repeal the Employer Security Clearance Costs Tax Credit.
- 4: Sunset the Maryland Industrial Development Financing Authority (“MIDFA”).
- 5: Sunset Maryland Economic Adjustment Fund (“MEAF”).
- 6: Sunset the Maryland Economic Development Commission (“MEDC”).
- 7: Repeal the Commerce Subcabinet and replace it with an Economic Competitiveness Subcabinet via Executive Order.

