

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

January 3, 2024

PRESENT

Dr. Mary Bolt (Cecil College), Kristina Brown (Delmarva Power), JoAnn Dawson (Fairwinds), Danny DeMarinis (NEMD URP), Joe DiNunzio (Artesian Water), Amy DiPietro (MRA), Sandra Edwards (OED Mgr.), Vince Fiorelli (Chesapeake Utilities), Rebecca Hamilton (Council), Kimberly Justus (SWN), Dr. Jeffrey Lawson (CCPS), Amy Marston (Christiana Care-Union), Sandy Maruchi-Turner (Tourism Manager), Morgan Miller (CCPL), Michael Ratchford (W.L. Gore & Assoc.), Kim Ray (Tourism), Bill Sorenson (OED Director), Richard Starr (OED Coordinator)

ABSENT

Ariel Balog (Ag-Industry Coordinator), Woody Jackson (Citizen), Ed Jones (Northrop Grumman), Robert Palsgrove (Citizen), Dr. Carl Roberts (BDC), Mike Travers (Cecil Dancer)

GUESTS

Hannah Allen (MD Chamber of Commerce), Alicia Calhoun (Elkton Alliance), Scott Flanigan (DPW), Bryan Lightner (Charlestown), Tonya Lockwood (Chesapeake City), Megan McRay (Cecil Chamber), John Ness (WCHC), Brigitte Peters (MD Commerce), Dan Schneckenburger (Upper Shore Workforce Investment Board), Jeff Sellers (SB Realty), Alan Sexton (SWN), Toni Sprengle (BDC), Kim Swyka (Peoples Bank), Andrea Vuncannon (APGFCU), Karen Zuccardi (TEDCO)

Call to Order & Welcome – Mike Ratchford

- Meeting called to order at 8:01 am
- Meeting minutes approved for October 2023 and December 2023

Chairman's Report – Mike Ratchford

- MD legislature back in session in a week or so – report from MD Chamber this morning

Director's Report – Bill Sorenson

- Jan. 11 – Cecil Night in Annapolis; Jan. 22 – State of the Economy Breakfast – Hope to see everyone there
- New Rt. 40 Revitalization Grant now available for businesses on Rt. 40 to help beautify facades

A 2024 Legislative Outlook was presented by Hannah Allen, Government Affairs Associate, MD Chamber of Commerce

- Top issues Chamber will be focused on:
 - Taxes/Business Taxes
 - MD Budget deficit to get to \$2B by FY28/29; Blueprint for Education taking up a lot of money
 - State spending more than revenue received – need to balance
 - Corporate & Business Taxes
 - Corporations & businesses looked at first for revenue
 - Combined Reporting – best solution for corporations doing work in other states but not paying taxes
 - Debate over whether this would be helpful; Adopting this reporting not bringing in increased revenue to other states
 - Defer businesses from locating in states with legislation

- Increased focus on revenue raisers
- Corporate Income Tax Rate – seeing neighboring states act more aggressive to lower rate and attract businesses; i.e., Pennsylvania had highest rate, will lower to 4.9% over next 8-10 years; NJ letting temporary surcharge expire; Virginia is 6%
- Raising Maryland's corporate income tax rate will not attract businesses to the State
- Other revenue options:
 - iGaming = \$900M/year revenue potential
 - Millionaire Tax = \$775,000 or more/year
- Transportation – bill passed on MD Commission on Transportation Revenue and Infrastructure needs
 - Make recommendations to trust fund and revenues for trans projects, project prioritization, processes
 - More electrical vehicles being used instead of gas – losing revenue
 - Jan 2025 final Interim Report due; interim report now available

 - Options; new registration for electric vehicles
 - MDTA increase toll rates (mostly out-of-state passes)
 - Prioritizing Projects – deciding what to include in consolidated transportation plan
 - MD has worst road maintenance, long commute times, highway congestion
 - Governor making large cut (approx. \$3M) to transportation budget
 - Once draft budget out from Governor, Gen. Assy. can make changes
- Data Privacy
 - Private industry needs to prepare how State will use & regulate data
 - Want to ensure in a patchwork policy; Every State has own law currently
 - Opens unnecessary law suits for companies who collect data; disincentivizes businesses
- AI -- Nothing really regulates; 8-10 states have passed regulations; want to mirror policy for data privacy
- Military Retirement Leave – recruiting and retaining military retirees
 - People leave military and move out of state; takes knowledge/experience out of MD
 - Eliminate State's income tax for military retiree income
 - Gov. Moore has big focus on supporting vets; keep workforce in MD including spouses and adult children
 - Governor designated 2024 year of military families; legislation to be introduced
 - Preferential Hiring Process (to include spouses); Military Status (as protected class)
- Childcare
 - Affordability and availability are State priority
 - MD has one of lowest unemployment rates
 - Labor participation down – people not returning to workforce
 - Big issue is childcare
 - Need to incentivize childcare options – i.e., stipends in employment benefits
 - Affects attracting workers
 - Will be year of the budget
- Topics for Focus:
 - Unemployment Insurance – Last session bill introduced to overhaul program –did not pass
 - Ensure healthy and sustainable balance of UI fund without increased costs to employers – will see similar bill this year

- Energy & Environment
 - MDE released final report outlining proposals and initiatives (i.e., tax on greenhouse gases)
 - MDE building energy performance regulations – out for public comment till Jan 18 – goal to place energy performance standards on covered buildings 35,000+ sq. ft.
 - Goal to achieve Net Zero Greenhouse Gases by 2040
- Paid Family Leave – anticipate seeing changes to that program

A Blueprint Update for Cecil County Public Schools was presented by Dr. Jeffrey Lawson, Superintendent, CCPS

- Presentation (attached) outlines the Five Pillars of Implementing the Blueprint for Maryland's future
 - Cites current status as well as challenges presented for Cecil County Public Schools
- Closing Thoughts:
 - Indicator for success for 3-4 year old is education of mother
 - Cecil County lowest funded county in state of MD
 - Expected funding shortfall \$15M-\$20M for FY25
 - Current Operating Budget \$260M/year
 - Looking at 8-10% in reductions; Expect cuts in programs, administrative, teachers

Cecil College Update – Dr. Mary Bolt

- Spring semester starts January 16th
- Continue workforce programs with State putting more emphasis on short-term credentials

Cecil County Chamber of Commerce – Megan McRay

- January 11 - Cecil Night in Annapolis
 - 2:00pm - 4:00pm - Day Session
 - 4:30pm - 8:00pm – Evening Reception in Ballroom, Annapolis Waterfront
 - 5:00pm - 5:30pm – Speech and Welcome
 - Sponsorship opportunities ending, get your tickets for day sessions, reception, and bus (if needed) -- Visit website for info and to register

CCPL Update – Morgan Miller

- Introducing new technology and workforce job-help classes at most branches starting this month

Brigitte Peters – Maryland Dept. of Commerce

- Thank everyone for participating in Secretary of Commerce visit in November

Adjournment

The meeting adjourned at 9:04 am.

Next EDC Meeting is scheduled for February 7, 2024, and will be VIRTUAL.

Respectfully Submitted,

Terri Springel

Administrative Assistant