



Maryland

GOVERNOR'S ECONOMIC COMPETITIVENESS SUBCABINET

The mission of the subcabinet is to advise the Governor on, and identify and recommend policies, regulations, strategies, and actions that strengthen Maryland's economic competitiveness and growth on an ongoing basis; review proposed policies and procedures by executive departments and agencies impacting economic development and workforce development; coordinate the implementation of executive directives and legislation that support business and talent development in the state; track the progress of the cross-agency implementation of the Economic Strategic Plan approved by the Maryland Economic Development Commission; track the progress of the cross-agency implementation of the economic goals under the Moore-Miller Administration's Maryland State Plan; and on a biannual basis, develop and publish a consolidated economic competitiveness plan that incorporates strategies and action plans from every executive department and agency represented on the Subcabinet.

Members

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| Agriculture (AG) | Secretary Kevin Atticks, (Steve Connelly) |
| Budget and Management (DBM) | Secretary Helene Grady |
| Commerce | Secretary Kevin Anderson, Chair, (Jerel Registre) |
| Maryland State Department of Education (MSDE) | State Superintendent of Schools Carey Wright (Lisa Sparr & Alex Reese) |
| Environment (MDE) | Secretary Serena McIlwain, (Scott Goldman) |
| General Services (DGS) | Secretary Atif Chaudhry |
| Governor's Office of Small, Minority, and Women's Affairs (GOSBA) | Secretary Y. Maria Martinez, (Eduardo Hayden) |
| Higher Education Commission (MHEC) | Secretary Sanjay Rai |
| Housing & Community Development (DHCD) | Secretary Jake Day, (Rosa Cruz) |
| Labor | Secretary Portia Wu, (Ashley Sharp) |
| Maryland Clean Energy Center | Executive Director Katherine Magruder (Mary Sirios & Pamela Powers) |
| Maryland Economic Development Corporation | Executive Director Tom Sadowski |
| Maryland Technology Development Corporation | Executive Director Troy LeMaile-Stovall |
| Natural Resources (DNR) | Secretary Josh Kurtz (David Goshorn) |
| Planning (MDP) | Secretary Rebecca Flora, (Joe Griffiths) |
| State (SoS) | Secretary Susan Lee, (Cathy Bauer & Alexandria Liu) |
| Maryland Department of Transportation (MDOT) | Secretary Paul Wiedefeld (Joe McAndrew & David Zaidan) |
| University System of Maryland (USM) | Chancellor Dr. Jay Perman (Diane Walters) |

January 13, 2025
60 West Street, Suite 100, Annapolis
9:00 – 11:00am
Minutes

Subcabinet:

- Kevin Anderson, Secretary, Department of Commerce, Chair
- Kevin Atticks, Secretary, AG
- Atif Chaudhry, Secretary, Department of General Services
- Jake Day, Secretary, DHCD - Virtual
- Rebecca Flora, Secretary, MDP
- Joshua Kurtz, Secretary, DNR
- Susan Lee, Secretary, SoS - Virtual
- Y. Maria Martinez, Secretary, GOSBA - Virtual
- Katherine Magruder, Executive Director, Maryland Clean Energy Center
- Serena McIlwain, Secretary, MDE
- Dr. Jay Perman, Chancellor, USM
- Sanjay Rai, Secretary, MHEC - Virtual
- Tom Sadowski, Executive Director, MEDCO
- Troy Stovall, CEO, TEDCO
- Paul Wiedefeld, Secretary, MDOT
- Carey Wright, Superintendent, MSDE
- Portia Wu, Secretary, Department of Labor

Guests:

- Carl Anderton, Rural Economic Development - Virtual
- Luis Cardona, GOBA
- Laura Gutierrez, GOSBA
- Mary Kane, Chamber of Commerce
- Alexandria Liu, SOS
- Michael Lore, SOS
- Joe McAndrew, MDOT
- Martin Proulx, AG
- Erin Roth, Labor - Virtual
- Asley Sharp, Labor
- David Zaidan, MDOT
- Kamil Williams, DNR

Commerce

- Ricardo Benn
- Cori Duggins
- Jayson Knott – Virtual
- Jennifer LaHatte - Virtual
- Timothy McGowan
- Jerel Registre
- Stephen Rice

I. Meeting Called to Order

Secretary Anderson called the meeting to order at 9:01am.

II. Attendance/Roll Call

Secretary Anderson took the attendance of the Subcabinet.

III. Purpose and Mission of the GECS

Secretary Anderson welcomed everyone to the Governor's Economic Competitiveness Subcabinet (GECS). He discussed the significance of the recently signed Executive Order 01.01.2024.39, which established the GECS and will replace the existing Commerce Subcabinet. The Subcabinet is "to advise the Governor on, and identify and recommend policies, regulations, strategies, and actions that strengthen Maryland's economic competitiveness and growth on an ongoing basis." While the GECS shares the same fundamental goals as the Commerce Subcabinet, its responsibilities and membership have been elevated. In addition to its advisory role, the Subcabinet will coordinate the implementation of legislation and track the progress of the Strategic Plan, which was created by the Maryland Economic Development Commission (MEDC). Furthermore, it is required to develop and publish its own consolidated economic competitiveness plan on a bi-annual basis.

Secretary Anderson continued by providing some context for why the Subcabinet was set up and the Governor's vision for 2025. Given Maryland's budget challenges, the Moore administration must be extremely intentional and deliberate regarding investments and policy decisions. Thus, the Subcabinet must use its expertise to guide and oversee the implementation of legislation. Furthermore, Governor Moore aims to be "unapologetically pro-business", which requires alleviating unnecessary burdens on businesses, such as high corporate taxes, confusing regulations, unnecessary delays, or perception issues.

Secretary Anderson stressed that Maryland has many strengths, including a highly educated population, numerous federal institutions, and world-renowned hubs for research and development. Despite these strengths, Maryland is lagging in gross domestic product (GDP). Secretary Anderson displayed a graph comparing the State Budget to State GDP, which showed that Maryland's budget outpaced its economic growth. This highlights the reality that Maryland is "asset rich and strategy poor." In response, serious reforms and investments need to be made to elevate the state's economic position once again, which the Subcabinet will help facilitate.

Secretary Anderson briefly introduced Cori Duggins, Deputy Chief of Staff, who will work alongside Timothy McGowan and Jerel Registre to facilitate the GECS. The Secretary then opened the discussion to the Subcabinet.

Secretary McIlwain asked the Secretary which metrics would be used to measure success, as the Subcabinet needs a way to track its progress. Secretary Anderson stated that the exact metrics would be decided at the next meeting but suggested that good indicators include total GDP and GDP per county. Secretary Wu echoed Secretary McIlwain's concern about the lack of clearly

defined goals and recommended coming up with 10 key measures. For example, the Department of Labor focuses on more than just labor participation rates; it also looks at data on participation in apprenticeships and labor involvement in certain sectors and industries.

Secretary Wiedefeld urged the Subcabinet to listen to what the customer is saying. It is critical that the state listens to business leaders' concerns and addresses them. TEDCO Executive Director Stovall urged everyone to figuratively "drop their titles" when attending Subcabinet meetings, as compromise is essential, and derailing progress because of individual differences would be detrimental. Secretary Rai shared his excitement about working with the Subcabinet. Economic issues are intertwined with those of other agencies, so collaboration is critical. For example, he plans to promote talent in the sectors that the Strategic Plan will invest in, including computational biology, quantum computing, and aerospace. Finally, Secretary Chaudhry emphasized the importance of obtaining private and federal funding, as this is an effective way to alleviate some of the stress associated with the state's budgetary challenges.

IV. Remarks from the Governor's Office

Secretary Anderson announced representation from the Governor's Office was unavailable. However, Secretary Anderson invited Mary Kane to give some updates on the Chamber of Commerce.

Mary Kane described how each year the Chamber of Commerce releases a Competitiveness Redbook, which outlines Maryland's economy. Although the 2025 version had not yet been released, Mrs. Kane shared some important facts with the Subcabinet. First, Maryland is losing people every year due to out-of-state migration, which means the state is losing its tax base. However, this is somewhat offset by international migration. Furthermore, Maryland has the 10th highest corporate tax rate, the 16th highest property tax rate, the 7th highest minimum wage, and ranks 31st in business competitiveness. These stats indicate that Maryland does not have a business-friendly environment. There are also some very positive trends, but these are offset by other factors. For example, Maryland is 11th for total venture capital investments and first in Research and Development spending. Maryland has a great entrepreneurial spirit, but it struggles to retain businesses established in the state. She added that even though Maryland has some of the best educational institutions in the country, many college graduates leave the state for other opportunities. Various members of the Subcabinet argued that transportation issues and housing prices contribute greatly to these trends.

Secretary Wiedefeld asked Mrs. Kane what the three (3) most important metrics were to track Maryland's economic competitiveness, and she answered that business climate, regulatory freedom, and housing were vital in attracting businesses. To illustrate this, she told a quick story. A Maryland business, which has been operating since the 1930s, built a facility in Tennessee that took only nine (9) months to complete. In contrast, it took them seven (7) years to expand within Maryland itself, so they decided to move 50% of their business to Tennessee permanently. Unnecessary hurdles drive businesses out of Maryland.

V. Deliverables/Implementation

a. Governor’s Office of Business Advancement

Secretary Anderson invited Executive Director Luis Cardona to speak about the newly created Governor’s Office of Business Advancement. Mr. Cardona introduced himself and provided some background on his professional career, which included years of service in Baltimore as an Economic Development Director. He was particularly proud of his efforts to help minority business owners access funds for their businesses.

Now as the Executive Director of GOBA, he will provide a concierge, white-glove service to businesses seeking to relocate or expand in Maryland. The office will provide a wide range of services from assistance with navigating state permitting requirements to troubleshooting issues with state agencies and identifying financial incentives to close deals.

Mr. Cardona described how economic development is intertwined with all agencies, and that issues need to be addressed in a coordinated way. He affirmed that he always gives government employees and other agencies the benefit of the doubt that any mistakes made were not out of malice but rather a lack of knowledge or negligence. He also affirmed that he would seek to help all types of businesses that need assistance from GOBA, regardless of their size. Lastly, Mr. Cardona commented on Mary Kane’s analysis of migration in and out of Maryland. He argued that we should not differentiate between international and local migration, as international arrivals could very well become permanent Maryland residents, contributing to taxes the same as anyone.

b. Maryland Coordinated Permitting Review Council

Secretary Anderson invited Secretary Flora to explain the newly established Maryland Coordinated Permitting Review Council, of which she will be the chair. She presented slides giving a brief overview of the Council’s mission, responsibilities, and significance. Secretary Flora explained that the “purpose of the Council is to facilitate interagency coordination and efficient processing of approvals required to advance priority infrastructure and place-based projects within the State to bolster transparency, ensure predictability, and foster interagency coordination to grow Maryland's economy while safeguarding the health and safety of residents.” The main responsibilities of the council can be split into six (6) areas, including project selection criteria and application process, interagency coordination system, online internal intake and public-facing dashboard, reporting, organizational structure and development, and project administration.

Presentation on file.

c. Commerce/Government Loaned Executive Program

Secretary Anderson briefly explained the Government Loaned Executive Program, which is a part of the recently passed executive order. This program will leverage the expertise of private sector executives to support the Department’s initiatives. It will also facilitate the temporary engagement of private sector executives in the Department to provide technical expertise, leadership, and strategic counsel on best practices and sector engagement. Lastly, it will enhance

the Department's capacity to execute high-impact projects and foster greater public-private collaboration.

d. Site Readiness Program

Secretary Anderson invited Tom Sadowski to describe the newly established Site Readiness Program within MEDCO. Director Sadowski explained that the program will focus on identifying and preparing sites that are primed for development, ensuring that communities can quickly and effectively accommodate and pursue existing business expansion and new business attraction opportunities state-wide. MEDCO is well positioned to engage state, local, and private partners to help identify key sites, determine each location's infrastructure and site improvement needs and create a co-investment plan for each site to execute the required improvements. This month, MEDCO plans to conduct 1-on-1 interviews with economic developers, real estate developers and site selection professionals to promote the program and get input on their needs.

Director Sadowski described the importance of identifying points for analysis for the program to be successful. For example, it is paramount that MEDCO identifies clear definitions for "zoning" and "readiness" to avoid inconsistencies. Secretary Chaudhry asked whether there are any databases tracking properties in Maryland. Director Sadowski was unaware of such a database but acknowledged the benefit such a system would provide to the program.

Document on file.

e. Strategic Plan

Mr. Registre provided a brief update on the Strategic Plan. He explained that the document is complete, but the Department and Governor's Office are still strategizing the rollout. Mr. Registre reiterated that the three sectors being targeted are computational biology, quantum, and position, timing, and navigation (PNT). While these sectors are highly advanced, not all the jobs associated with them will require higher education, especially within the manufacturing aspects of PNT. The goal is to carve out a niche for Maryland while creating economic opportunities for all residents.

VI. Good of the Order

No updates were provided.

VII. Adjournment

Upon a motion duly made and seconded, the meeting was adjourned at 11:00am.