



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

Agriculture (AG)
Budget and Management (DBM)
Commerce

Education

Environment (MDE)
General Services
**Governor's Office of Small, Minority,
and Women's Affairs (GOSBA)**
Higher Education Commission (MHEC)
Housing & Community Development (DHCD)
Labor
Maryland Clean Energy Center

Maryland Economic Development Corporation
Maryland Technology Development Corporation
Natural Resources (DNR)
Planning (MDP)
State (SoS)
Transportation

University System of Maryland (USM)

Secretary Kevin Atticks, (Steve Connelly)
Secretary Helene Grady
**Secretary Harry Coker, Chair, (Jerel
Registre)**
**State Superintendent of Schools Carey
Wright (Lisa Sparr & Alex Reese)**
Secretary Serena McIlwain, (Scott Goldman)
Secretary Atif Chaudhry
**Secretary Y. Maria Martinez, (Eduardo
Hayden)**
Secretary Sanjay Rai
Secretary Jake Day, (Rosa Cruz)
Secretary Portia Wu, (Ashley Sharp)
**Executive Director Katherine Magruder
(Mary Sirios & Pamela Powers)**
Executive Director Tom Sadowski
CEO Troy LeMaile-Stovall
Secretary Josh Kurtz (David Goshorn)
Secretary Rebecca Flora, (Joe Griffiths)
Secretary Susan Lee, (Alexandria Liu)
**Secretary Paul Wiedefeld (Joe McAndrew &
David Zaidan)**
Chancellor Dr. Jay Perman (Diane Walters)

April 14, 2025
401 E. Pratt Street, 17th Floor Conference Room, Baltimore
1:00 – 3:00pm
Minutes

Attendance

Subcabinet:

- Kevin Atticks, Secretary, Ag
- Atif Chaudhry, Secretary, Department of General Services - Virtual
- Rebecca Flora, Secretary, MDP
- Josh Kutz, Secretary, DNR - Virtual
- Y. Maria Martinez, Secretary, GOSBA - Virtual
- Katherine Magruder, Executive Director, Maryland Clean Energy Center - Virtual
- Serena McIlwain, Secretary, MDE - Virtual
- Dr. Jay Perman, Chancellor, USM
- Sanjay Rai, Secretary, MHEC
- Tom Sadowski, Executive Director, MEDCO
- Troy Stovall, CEO, TEDCO – Virtual
- Paul Wiedefeld, Secretary, MDOT - Virtual
- Portia Wu, Secretary, Department of Labor – Virtual

Guests:

- Luis Cardona, GOBA
- Rosa Cruz, DHCD - Virtual
- Michael Lore, SOS - Virtual
- Asley Sharp, Labor
- Darius White, MDP

Commerce

- Jayson Knott
- Jennifer LaHatte - Virtual
- Timothy McGowan
- Jerel Registre
- Stephen Rice

I. Meeting called to Order

Chief of Staff Jerel Registre called the meeting to order at 1:05pm.

II. Minutes of the March 10, 2025 Meeting

Secretary Flora requested that the minutes be revised to clarify that the report she referred to was the *Climate Report*, prepared under the leadership of Secretary McIlwain.

Upon a motion duly made and seconded, the amended minutes of the March 10, 2025, meeting were approved.

III. Chair's Report

Mr. Registre explained that Secretary Coker was accompanying Governor Moore on his international trade and investment mission to Japan and South Korea, and was therefore unable to attend the meeting. The mission focused on strengthening collaboration in the quantum, life sciences, and aerospace industries, and addressed the potential impact of the recently implemented tariff regime on trade relations.

In Secretary Coker's absence, Mr. Registre continued the Chair's Report. He noted that Jen LaHatte would provide a detailed debrief of the legislative session at the next Subcabinet meeting. In the interim, a one-page summary was distributed outlining legislation relevant to the Maryland Economic Council's (MEC) nine recommendations. Two areas particularly affected by the legislative session were Maryland's startup infrastructure and workforce development. One-pager is on file.

Secretary Flora introduced Darius White, who recently joined the Department of Planning to support the Maryland Coordinated Permitting Review Council.

IV. Review of Business Tax Credit, Financial Assistance and Incentive Program

Mr. Registre reiterated a directive assigned to the Subcabinet under Executive Order 01.01.2024.39. The order states: "Each executive department that administers business tax credit programs and other forms of financial assistance to businesses shall develop methodologies and operational plans to conduct return on investment analyses." It further specifies that "By June 30, 2025, the Governor's Economic Competitiveness Subcabinet shall review and approve executive department plans to conduct these analyses."

Mr. Registre explained that the Department of Commerce has identified three to five departments whose plans may require review by the Subcabinet. A follow-up will be sent after the meeting to confirm the specific plans that need to be reviewed. He further noted that, while many departments currently conduct return on investment (ROI) analyses, there is no centralized report that compiles and evaluates this information—a task that will fall to the Subcabinet. The data that will be collected in the report will include:

- Jobs retained
- Businesses retained or expanded
- Startups Launched
- Amount of private sector investment
- Foreign direct investment

Mr. Registre stated that the goal for the May 5 meeting is to present the current landscape of ROI analysis to the Subcabinet, with a proposed plan to be developed by June 9.

Several Secretaries and staff members offered comments and questions regarding appropriate metrics. Rosa Cruz asked whether tax revenue generated for the state would serve as a valuable metric. Mr. Registre responded that while many Department of Commerce programs do not currently use that metric—given the availability of more effective indicators for measuring economic development—the research team could explore its potential relevance for other agencies ROI analysis. Secretary Rai emphasized the importance of including “leading metrics” that reflect a forward-looking perspective on Maryland’s economic development.

V. Workgroups Discussion/Debrief

Mr. Registre thanked the Subcabinet members for their participation in the recent workgroup calls. He reiterated that the purpose of the working groups is to reach consensus on which Maryland Economic Council (MEC) recommendations warrant further review and potential inclusion in the Subcabinet’s own report. The Subcabinet will align and unify the efforts of both the MEC and the Maryland Economic Development Commission (MEDC) by integrating their recommendations into the implementation phase. Mr. Registre noted that the outcomes of today’s meeting will be provided to the consultants for detailed analysis.

VI. Voting for MEC Recommendations

As working groups were convened to discuss each recommendation, Mr. Registre provided a summary of the key comments and insights shared during those meetings. He then invited the Subcabinet to offer their perspectives on each recommendation and to consider whether they should be advanced. This process was repeated for each recommendation, after which Mr. Registre reviewed the outcomes and facilitated a vote by the Subcabinet on whether to approve each item. The results are as follows:

- 1) Passed
- 2) Not Passed
- 3) Passed
- 4) Passed
- 5) Passed
- 6) Passed
- 7) Passed
- 8) Passed
- 9) Passed

The details of each recommendation, along with the corresponding discussions, are provided below:

1) Corporate Tax Reduction and Modernization

- *Implement a phased reduction of the corporate tax rate from 8.25% with a goal of ~ 5.00% over several years to enhance Maryland's competitiveness*
 - *Modernize the corporate tax code to reflect contemporary business realities and prevent the creation of new corporate loopholes*
 - *Balance the need for a competitive tax environment with the requirement to maintain essential services, exploring targeted incentives for new businesses and innovation.*
- a. Mr. Registre explained that the workgroup meeting included input only from Secretary Grady. She expressed the view that pursuing a corporate tax reduction may not be the most effective use of the Department of Commerce's time. The Governor's proposed budget included a modest reduction in the corporate tax rate, scheduled to take effect in three years. Secretary Grady noted that if such an incremental step is rejected, future proposals for further reductions are also likely to face legislative resistance.
 - b. Secretary Atticks acknowledged the challenges associated with pursuing this policy but emphasized that the Subcabinet should, at a minimum, include it as a formal recommendation. He noted that business leaders consistently cite the corporate tax rate as one of their primary concerns.
 - c. Secretary Rai and Dr. Perman concurred. Secretary Rai added that analyzing the corporate tax rate could help provide a more comprehensive understanding of the tax disparities between Maryland and Virginia. He explained that, when considering all contributing factors, the overall discrepancy is not as significant as it may appear—highlighting the importance of how Maryland's tax policies are marketed and communicated.
 - d. Richard Auxier added that he was surprised at the pushback to the governor's proposal. He explained that Water Edge's combined reporting would have broadened the tax base, which 28 states have already adopted. This addition to the tax rate reduction was thus a compromising middle ground.
 - e. Result: The Subcabinet approves recommendation.

2) Consolidate Economic Development Efforts

- *Establish a Centralized Economic Development Authority to unify efforts and improve coordination.*
 - *Consolidate remaining state functions under a smaller Department of Commerce to enhance strategic direction and support for businesses.*
- a. Director Sadowski was under the impression that this recommendation had already been pursued.
 - b. Result: Not Passed

3) Develop an Integrated Economic Plan

- *Charge the Department of Commerce and MEDC with creating and regularly updating a comprehensive economic strategy*
- *Engage local jurisdictions and private sector partners to ensure the strategy reflects Maryland's diverse economic needs*
- *Provide Maryland businesses with robust assistance in winning federal and state procurement contracts*

4) Foster Better Coordination and Collaboration

- *Create incentives for counties to align their economic development plans with state goals*
- *Hold regular coordination meetings and joint initiatives to ensure consistent efforts across the state*
 - a. Deputy Secretary Stephen Rice explained that this work is already being carried out by Commerce's regional representatives. While the Subcabinet can assess the effectiveness of these current efforts, he emphasized that the ongoing work should not be overlooked. He also suggested that the Subcabinet could serve as an effective platform for engaging local representatives and incorporating their perspectives. While he supports the recommendation, he wanted to provide this additional context.
 - b. Director Magruder explained that many local economic development organizations have their own priorities, and it is the Department's responsibility to be aware of these priorities. For example, local organizations in Eastern Maryland are likely focused on agriculture rather than AI and quantum technologies.
 - c. Tom Sadowski and Jayson Knott echoed Stephens' comments that a lot of outreach is already being done, specifically when it comes to the Site Readiness Program and expansion/retention projects.
 - d. Result: The Subcabinet approves recommendation.

5) Track and Report Key Economic Metrics

- *Implement a public-facing dashboard to track economic metrics and hold entities accountable*
- *Establish independent oversight to monitor the performance of economic development efforts*
 - a. Mr. Registre noted that the Performance Cabinet is also making their own dashboard, and that Commerce could potentially collaborate on that front.
 - b. Result: The Subcabinet approves recommendation

6) Implement a Statewide Client Management System

- *Implement a Statewide Client Relationship Management (CRM) System: to track business interactions and ensure coordinated efforts*
- *Create a single sign-on portal as the “front door” for all business interactions with the state.*
 - a. Jayson Knott noted that a similar database already exists through the Department of Labor, and added that for confidentiality reasons it should not be accessible on a cross-agency basis
 - b. Ashley Sharp explained that, despite having access to data at the Department of Labor, effectively analyzing it remains challenging. She cited the difficulty of determining which businesses were impacted by the Francis Scott Key Bridge collapse as an example
 - c. Result: The Subcabinet approves recommendation
 - i. The how and at what aim is still in question

7) Enhance Legislative Advocacy and Coordination

Move forward in establishing the Governor’s Office of Business Advancement to represent the business community and prevent anti-business legislation

- a. Mr. Registre explained that the Governor’s Office of Business Advancement had already been established and pointed to Luis Cardona as proof of that.
- b. Result: The Subcabinet approves recommendation

8) Improve Maryland’s Startup Infrastructure

- Support founders with better access to networks, resources, and structured acceleration programs and aggregate current state efforts to support founders.

- Establish innovation districts and provide gap financing for startups

- a. Director Sadowski said that CEO Stovall should be “the head of the spear” when it comes to this recommendation
- b. Secretary Chaudhry mentioned his excitement for this recommendation as he recently talked to many ambitious StartUps who are seeking support
- c. Secretary Rai mentioned that over 100 StartUps attended an event at Smith School of Business, which is a good example or a “leading indicator”

d. Result: The Subcabinet approves recommendation

9) Protect and Enhance Maryland's Workforce

- *Increase investment in workforce training programs, including mid-level training, and internships to align with future industry needs.*
- *Include workforce development as elements in higher education degree and non-degree training programs.*
- *Create on ramps for new graduates and improve the state's capacity to retain a highly skilled workforce.*
- *Strengthen alignment across all workforce investments, especially higher education, to align with the state's economic development efforts*

a. Result: The Subcabinet approves recommendation

VII. Next Steps

Mr. Registre explained that this feedback will be provided to the consultants so that all of the Secretaries perspectives are woven into the report. He also clarified to Secretary Flora that the working groups will not be meeting any longer since their tasks are complete.

VIII. Good of the Order

No additional comments.

IX. Adjournment

Upon a motion duly made and seconded, the meeting was adjourned at 2:44pm.