



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
Signe Pringle | Deputy Secretary of Commerce

September 1, 2022

The Honorable Guy Guzzone
Chairman, Senate Budget and Taxation Committee
3 W Miller Senate Office Building
Annapolis, MD 21401

The Honorable Ben Barnes
Chairman, House Appropriations Committee
House Office Building, Room 121
Annapolis, MD 21401-1991

RE: Report on Development of an Equity Plan – 2022 JCR, Page 207

Dear Chairmen Guzzone and Barnes:

In accordance with Page 207 of the 2022 Joint Chairmen's Report, the Maryland Department of Commerce (Commerce) is pleased to present the Report on Development of an Equity Plan. As the Department does not currently have an equity plan, this report includes an overview of the process and steps that would be necessary in order to develop one. I look forward to your review of the report and will be pleased to respond to any questions. Upon review of the report Commerce respectfully requests the release of \$100,000 of the appropriation for the Office of the Secretary in Commerce that is being withheld. If my staff can be of further assistance, or if you have any questions regarding this report, please feel free to contact me at 410-767-6301.

Sincerely,

DocuSigned by:
Mike Gill
R. Michael Gill
Secretary

Enclosure

cc: Members, Senate Budget and Taxation Committee
Members, House Appropriations Committee
Emily Haskell, Department of Legislative Services



Department of Commerce – Report on Development of an Equity Plan

In accordance with p. 207 of the 2022 Joint Chairmen's Report

Submitted by
Maryland Department of Commerce

September 2022

Report on the Development of a Departmental Equity Plan

Introduction

Page 207 of the 2022 Joint Chairmen’s Report required that the Maryland Department of Commerce (Commerce) create a report on the development of an equity plan for Commerce. The requirement had two parts

1. Provide a copy of the department’s equity plan, if such a plan exists; or
2. Provide detailed actions Commerce plans to take to develop an equity plan, including a timeline for development of the plan.

As Commerce does not currently have an equity plan, this report is in response to part two of the requirement.

According to the JCR language, “[a]n equity plan is a document that guides an institution in its efforts to understand and address racial and other disparities in outcomes, both within the institution and in the population it serves. An equity plan should include an assessment of current gaps, measurable outcomes, recommended actions, and methods for tracking progress and accountability, and the plan should reflect participation in the planning process by impacted communities.”

Elements of an Equity Plan

In February 2022, the International Economic Development Council (IEDC) published a guide for quality planning in economic development entitled “A Playbook for Equitable Economic Development: Guidance on identifying structural racism and implementing equitable practices.” This guide describes the elements of an equity plan as “prisms:”

“Acknowledge the history, discrimination and systems that have kept people of color from creating, building, and retaining wealth. History must be acknowledged to be successfully involved in working to promote equity. For that work to be genuine, EDO¹s need to acknowledge the roots of past inequity and understand how they reverberate in the present. This may involve an internal evaluation of racism or unconscious bias within an EDO. The work should begin a conversation about past/present institutions that perpetuate inequity and mistrust in a community and involve seeking out and engaging new partners. Economic developers must learn from history and work towards trust and partnership within their community to move forward.

Programs and initiatives must explicitly target affected and vulnerable communities, particularly those with high population(s) of color. In the past, programs purported to target distressed areas often saw the benefits accruing to the investors, instead of the communities of color who were the intended beneficiaries. All stakeholders — including developers, the financial community and the public sector — should be engaged to achieve equitable outcomes and maintain progress by applying metrics and enforcement measures. For effective targeting, community engagement must be constant and meaningful. Programs should also be designed so they can reach people of color, e.g., by considering diverse transportation, scheduling and financial needs.

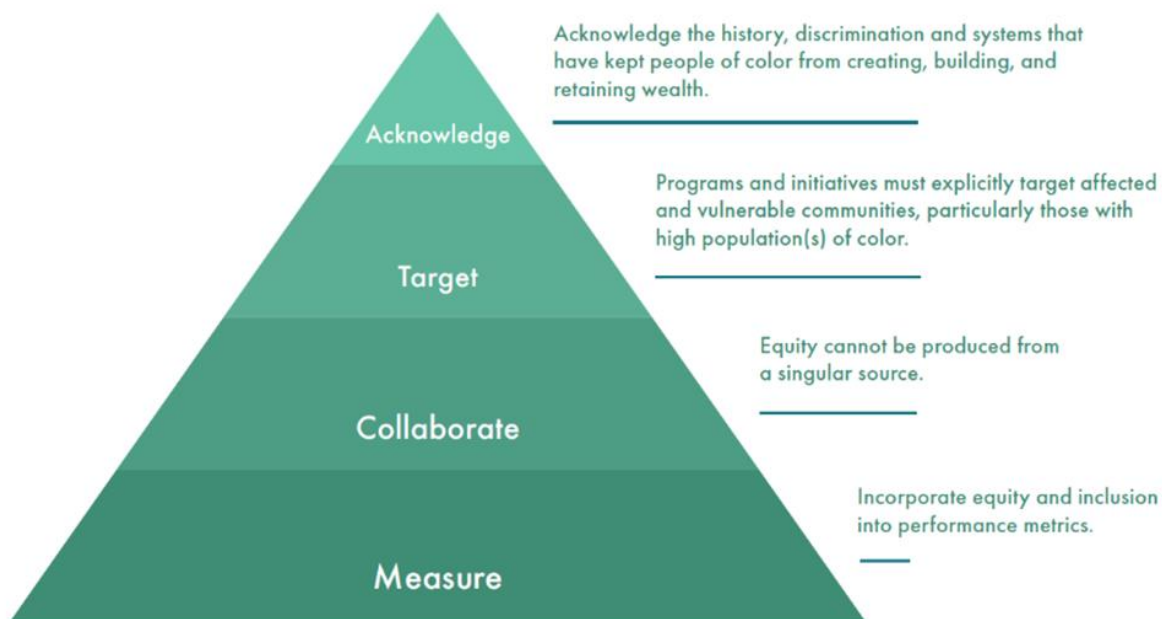
¹ Economic Development Organizations

EDOs should listen to community stakeholders to create targeted programs. Intentionality to increase equitable outcomes for communities of color is crucial.

Equity cannot be produced from a singular source. Improving equity with holistic solutions is necessary moving forward. This means including public and private stakeholders working in areas that have often been siloed in economic and community development including existing Minority Business Enterprises (MBE)s, local lending institutions, workforce development institutions, housing and real estate stakeholders, environmental and public health leaders, and EDOs. Cross- sector collaboration is critical to increase equitable outcomes.

Incorporate equity and inclusion into performance metrics. Only by establishing a baseline and understanding how initiatives are making a difference can EDOs understand which programs are — or aren't — succeeding in reaching people of color. Economic development work should incorporate equity-focused performance metrics to establish a baseline and measure progress.”²

Prisms: Acknowledge, Target, Collaborate, Measure



Legal Issues Raised by Equity Planning in Economic Development

It is likely that any equity-based policies or programs created by Commerce would be subject to legal review, especially those that affect decision making in the Department’s incentive programs. Since 1989, the ability of governmental entities in the United States to base programs on race-based classifications for the recipients of assistance has been limited by the U.S. Supreme Court’s decision in the *City of Richmond v. J.A. Croson Co* case, which held that “state

² International Economic Development Council. 2022. *A Playbook for Equitable Economic Development: Guidance on identifying structural racism and implementing equitable practices*, pp. 3-4.

or local MBE programs using race-based classifications are subject to strict scrutiny under the equal protection clause of the Fourteenth Amendment to the U.S. Constitution. In addition, the ruling held that an MBE program must demonstrate clear evidence that the program is narrowly tailored to address actual disparities in the marketplace for the jurisdiction that operates the program.”³

The Croson case makes it difficult to target economic development programs at specific racial, ethnic, or gender groups without a disparity study. Subsequent cases, such as *DynaLantic Corp. v. U.S. Department of Defense*, Civil Action No. 95-2301 (Aug. 15, 2012) have found that these disparity studies need to be narrowly defined:

“In a Memorandum Opinion issued on August 15, 2012, the district court held that the 8(a) program is not unconstitutional “on its face” because, in authorizing the program, Congress was presented with evidence that certain minority groups suffer from discrimination. Most of this evidence was in the form of “disparity studies” that purport to show the disparity between the number of minority-owned businesses in a variety of industries and their actual success rates in winning government contracts. For example, recent studies showed that minority-owned business continue to receive a relatively small percentage of the total overall federal prime contract dollars.

Significantly, however, the court held that the government has no such disparity studies or other evidence to support the setting aside of contracts in military simulation and training industry for 8(a) businesses. According to the court, the government must have industry-specific evidence for the use of the 8(a) program in a particular type of procurement. Thus, the court issued an injunction preventing SBA and DOD from awarding procurements for military simulators under the 8(a) program “without first articulating a strong basis in evidence for doing so.””⁴

The DynaLantic Corp decision requiring industry-specific evidence implies that, to implement racial, ethnic, or gender-based equity policies, Commerce may need to invest in multiple disparity studies that analyzed each of its multiple incentive programs. These disparity studies are generally expensive, between \$1 to \$2 million per study, and can take at least a year to complete, according to a 2016 analysis by the City of San Diego.⁵

Current Equity-Oriented Programs Under Commerce

As of 2022, there are five programs operated by Commerce that have had equity issues legislatively incorporated within them. These are:

- Corporate Diversity Reporting
- Maryland Small Business Development Financing Authority (MSBDFA)
- Military Personnel and Veteran-owned Small Business Loan Program (MPVOLP).

³ Department of Legislative Services, Maryland General Assembly, 2020 Session, SB 442 Fiscal and Policy Note Enrolled - Revised Appendix - Minority Business Enterprise Program, p. 6

⁴ <https://www.hklaw.com/en/insights/publications/2012/08/federal-court-declares-8a-program-unconstitutional>

⁵ https://www.sandiego.gov/sites/default/files/16_08_0.pdf

- Small, Minority and Women-Owned Business Account - Video Lottery Terminal Fund (VLT)
- Sports Wagering Assistance Fund (SWAF)

There are eight additional programs that have equity effects, even if they have not been specifically structured to assist specific communities with equity issues:

- Brownfields Tax Incentive
- Enterprise Zone (EZ) Tax Credits
- Job Creation Tax Credit (Hire Our Veterans Tax Credit)
- Maryland Capital Access Program
- Maryland Economic Adjustment Fund (MEAF)
- Maryland Opportunity Zone Enhancement Credits (State Program)
- More Jobs for Marylanders (MJM)
- One Maryland Tax Credit

Corporate Diversity Reporting. In 2021 the legislature passed House Bill 1210 as Chapter 795. This legislation requires the Department, along with the Governor's Office of Small, Minority & Women Business Affairs (GOSBA), to create regulations requiring certain businesses to have diverse representation on their boards and/or to support “underrepresented communities in the entity's mission.”⁶ Entities are required to report their compliance in their annual SDAT report, and Commerce is required to report on these filings. As the Attorney General’s review letter for HB 1210 has found that the requirement to have members of underrepresented communities may violate the Constitution’s equal protection clause,⁷ the regulations only require an entity to show support for underrepresented communities in its mission statement or activities.

Maryland Small Business Development Financing Authority (MSBDFA). The Maryland Small Business Development Financing Authority (MSBDFA) program was created by the Maryland General Assembly in 1978. The original purpose of the program was to promote the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs. In the 2001 session of the Maryland General Assembly, House Bill 945 and Senate Bill 789 modified the MSBDFA statute concerning eligibility. The program’s client base has been broadened to include all small businesses rather than only those that are owned by economically and socially disadvantaged entrepreneurs. The statute has been expanded to include small businesses that do not meet the established credit criteria of financial institutions, and consequently are unable to obtain adequate business financing on reasonable terms through normal financing channels. This program is now partially funded by the U. S. Treasury’s State Small Business Credit Initiative (SSBCI) program. While this program collects voluntarily provided racial, ethnic, and gender information from its applicants, it is precluded from requiring applicants to furnish that information.

Military Personnel and Veteran-owned Small Business Loan Program (MPVOLP). MPVOLP provides no interest loans of up to \$50,000, from one to eight years, for businesses owned by military reservists, veterans, National Guard personnel and for small businesses that

⁶ Chapter 795 of 2021, §§19.06(C)(1) and (C)(2).

⁷ Attorney General’s review letter, House Bill 1210, “Corporate Diversity – Board, Executive Leadership, and Mission,” May 20, 2021.

employ or are owned by such persons. Eligible applicants include veteran-owned small businesses, businesses owned by military reservists and National Guard members called to active duty, and small businesses, with fewer than 50 employees that employ them. For service-disabled veterans, businesses owned by service-disabled veterans, and businesses employing service-disabled veterans, the purpose of the Program is to assist with the cost of making the home, motor vehicle, or place of employment of a service-disabled veteran accessible to individuals with disabilities, and to defray other necessary expenses. While this program collects voluntarily provided racial, ethnic, and gender information from its applicants, it is precluded from requiring applicants to furnish that information.

Small, Minority and Women-Owned Business Account - Video Lottery Terminal Fund (VLT). The Small, Minority, and Women-Owned Businesses Account—Video Lottery Terminal Fund (VLT) provides investment capital and loans to small, minority, and women-owned businesses in the State. The 2007 legislation establishing VLTs in Maryland created the Small, Minority, and Women-Owned Businesses Account. State Law requires that 1.5 percent of VLT proceeds be paid into the Account to be used by Commerce to make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State, of which at least 50 percent must be allocated to such businesses in the jurisdictions and communities surrounding a video lottery facility. Eligible Fund Managers oversee the distribution of video lottery terminal funds. While this program collects voluntarily provided racial, ethnic, and gender information from its applicants, it is precluded from requiring applicants to furnish that information.

Sports Wagering Assistance Fund (SWAF). The Small, Minority-Owned, Women-Owned Business Sports Wagering Assistance Fund (SWAF) maximizes the opportunity for small, women and minority-owned businesses to participate in the sports wagering industry. Five percent of Class A sports wagering licensing fees funds the SWAF program. The Sports Wagering Assistance Fund is targeted to assist Maryland based small, minority-owned, and women-owned businesses entering the sports wagering market.

Brownfields Tax Incentive. Provides incentives including tax credits, loans and grants for the redevelopment of eligible brownfield properties in participating jurisdictions. The site must be located in a jurisdiction that participates in the BRIP and owned by an inculpable person. While this program is not targeted towards any particular racial, ethnic, or economically disadvantaged group, it does have environmental justice aspects, as it can support “residents living in communities historically affected by economic disinvestment, health disparities, and environmental contamination.”⁸

Enterprise Zone (EZ) Tax Credits. Maryland’s Enterprise Zone Tax Credit Program (Program) is a joint effort between the State and local governments to provide tax incentives to businesses and property-owners located in some of the State’s most economically distressed communities. The Program was created in 1982 with two enterprise zones (EZ) in two jurisdictions and has grown to include 34 enterprise Zones in 19 jurisdictions. While this program is not targeted towards any particular racial or ethnic group, it is targeted at geographic areas of the State that

⁸ <https://www.epa.gov/system/files/documents/2021-10/supporting-ej-through-brownfields-10-13-21-508-compliant.pdf>

contain economically disadvantaged persons. These areas must possess at least one of the following factors:

- High unemployment;
- A high proportion of families living under the poverty level;
- A high proportion of families earning significantly less than the median family income of the surrounding area; or
- Both populations decrease and either chronic property abandonment or substantial property tax arrearages.

Hire Our Veterans Tax Credit / Job Creation Tax Credit program. Provides a State income tax credit to small businesses for hiring qualified veterans based on wages paid to those veteran employees. In 2021 this program was incorporated into the existing Job Creation Tax Credit (JCTC) program. While this program is not targeted towards any particular racial or ethnic group, one of the requirements is that the veteran being hired must be a Qualified Veteran for purposes of the Federal Work Opportunity Tax Credit, as follows:

- Be a veteran who is a member of a family that received SNAP benefits (food stamps) for at least a 3-month period during the 15-month period ending on the hiring date;
- Be a disabled veteran entitled to compensation for a service-connected disability, who has been hired within 1 year after discharge or release from active duty OR unemployed for at least 6 months in the year ending on the hiring date; or
- Be a veteran who has been unemployed for at least 4 weeks in the year ending on the hiring date.

The Job Creation Tax Credit program also offers enhanced benefits to qualifying companies that locate within a “revitalization area” (state enterprise zone, federal empowerment zone, DHCD Sustainable Community, or Tier 1 County).

Maryland Capital Access Program (MD CAP). A financing resource to stimulate opportunities for small businesses that may have difficulty in obtaining business financing by establishing a Loan Reserve Program. While this program is not targeted towards any particular racial or ethnic group, MD CAP encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing through traditional means.

Maryland Economic Adjustment Fund (MEAF). MEAF provides loans of up to \$150,000 for small and underserved businesses with fewer than 50 employees. Similar to the MD CAP program, this program is not targeted towards any particular racial or ethnic group but provides loans to small businesses that have difficulty obtaining financing through traditional means.

Maryland Opportunity Zone Enhancement Credits (State Program). Enhanced tax credits are available for several of the Maryland Department of Commerce's tax credit programs for businesses located in federal Opportunity Zones that meet certain requirements. While this program is not targeted towards any particular racial or ethnic group, the program piggybacks off of the Federal Opportunity Zone program, which will provide federal tax incentives for investment in distressed communities through December 31, 2028. The U.S. Treasury has designated 149 Opportunity Zones in Maryland.

More Jobs for Marylanders (MJM). Provides new and existing manufacturers and businesses that locate or expand in a Maryland Opportunity Zone with tax incentives tied to job creation for a 10-year period, including a refundable income tax credit, and for manufacturers, encourages additional investment in new equipment through accelerated and bonus depreciation. While this program is not targeted towards any particular racial or ethnic group, it does offer enhanced benefits to businesses that locate or expand within a Tier I County or an Opportunity Zone.

One Maryland Tax Credit. Businesses that invest in an economic development project in a Tier 1 County and create a minimum number of new jobs may qualify for a State income tax credit up to \$5 million depending on the number of jobs and amount of eligible costs. While this program is not targeted towards any particular racial or ethnic group, it does offer enhanced benefits to businesses that locate or expand within a Tier I County.

In addition to the above programs, there are 17 active programs within Commerce that do not specifically take racial, ethnic, gender, environmental, or economic equality issues into account in their controlling statutes.

Equity Efforts Within Commerce

Like most other State agencies, Commerce has an Office of Equal Employment Opportunity (EEO) and Fair Practices. In FY2020, this Office created an “Equal Employment Opportunity Policy Statement and Plan” for Commerce, with the following mission statement:

- Administer and enforce State and federal equal employment opportunity laws and policies;
- Promote a work environment free of any unlawful discrimination, harassment, and retaliation; and
- Assist in the building of a well-diversified and inclusive workforce for Maryland State government employees and applicants.

As outlined in the 2020 EEO Plan, Commerce EEO staff ensures that all applicable laws and regulations relating to fair hiring and employment practices are followed, monitors the recruitment and selection activities for positions, notifies search committees of the underutilization of women and/or minorities within the position job group, and monitors openings for which there are placement goals to ensure that good-faith efforts are made to find qualified minority and/or female candidates. The Commerce EEO Plan also requires that diversity and inclusion training be performed for managers, supervisors, and staff employees.

Equity in State Contracting

Commerce is one of 70 State agencies that works with the Governor’s Office of Small, Minority & Women Business Affairs to implement three socioeconomic programs: the Small Business Reserve (SBR) Program, the Minority Business Enterprise (MBE) Program, and the Veteran-Owned Small Business Enterprise (VSBE) Program, which are designed to “maximize opportunities for our small, minority, women, and veteran entrepreneurs.”⁹

Maryland’s Small Business Reserve (SBR) Program was founded in 2004. It is a race- and gender-neutral program that requires 66 agencies, including Commerce, to structure procurement

⁹ https://gomdsmallbiz.maryland.gov/Reports/GOSBA_Annual%20Report_FY2021.pdf

procedures to “achieve at least 15 percent of the dollars expended directly with certified small businesses on state-funded contracts.”¹⁰ In 2021, Commerce’s total SBR participation rate for payments was 30.3 percent, double the State’s goal.

Maryland’s Minority Business Enterprise (MBE) Program was founded in 1978 and is an economic development tool intended to increase State procurement opportunities for minority and women-owned firms. This race- and gender-conscious procurement program applies to 70 agencies and departments and has a statewide aspirational goal of 29 percent. In 2021, Commerce’s MBE participation rate was 2.18 percent.

Maryland’s Veteran-Owned Small Business Enterprise (VSBE) Program was founded in 2010 to enhance opportunities for veteran-owned small businesses to participate in State-funded procurements. This program applies to 51 participating agencies and departments and has an overall statewide goal of 1 percent. In 2021, Commerce’s VSBE participation rate was 0.01 percent.

Existing Equity Initiatives in Commerce’s Business Units

The Maryland State Arts Council (MSAC), a unit of the Department of Commerce, has been working towards incorporating diversity and equity into all of its programs since 2019. MSAC’s most recent Strategic Plan contains the following objectives designed to incorporate equity into the Council’s work:

- GOAL 1 - INCREASE PARTICIPATION: Broaden MSAC’s constituency, providing avenues designed to increase pathways to engagement.
 - OBJECTIVE: In alignment with our equity, diversity, and inclusion plan, proactively communicate and connect with communities and artists not fully served.
- GOAL 2 - PROVIDE INTENTIONAL SUPPORT: Embrace thoughtful and targeted approaches to serving known and yet to be known MSAC constituents.
 - OBJECTIVE: Improve grant-making policies and processes (both internally and for applicants) to promote equity in applications and resulting fund distribution.
- Goal 3 - BUILD CAPACITY: Work strategically to further build organizational and governance capacity to ensure that MSAC is capable of vigorously delivering on its mission.
 - OBJECTIVE: Make MSAC a leader in equity, diversity, and inclusion practice.
 - STRATEGY 4: Develop and implement an equity, diversity, and inclusion plan and training.
- GOAL 4 - LEVERAGE CONNECTIONS: Further enhance current relationships and involve additional collaborators and constituents who will benefit from and advance the work of MSAC.
 - OBJECTIVE: Explore and foster creative and nontraditional new collaborations to engage artists and communities and support our commitment to equity, diversity, and inclusion.

¹⁰ Ibid.

MSAC has been reviewing each of its programs through an equity lens since 2019 and has implemented changes to increase equity and inclusion throughout the agency. Some examples include:

- Improving outreach by searching out and adding over 30 organizations to outreach lists for communication with GFO, Creativity, Professional Development, and Emergency Grant Programs.
- Launching the Kunstmatrix online exhibition platform to broaden presentation access to underrepresented areas
- Improving outreach by adding 1,946 new constituents to the MSAC mailing list between July 2019 and November 2020 (just over 10%)
- Adopting an equitable funding formula for the Arts in Education program as policy and procedure in May 2020
- Along with many other improvements, a list of which is available from MSAC.

One of the issues MSAC has encountered in implementing their equity goals has been an inability to collect detailed demographic data for grant recipients. Because MSAC cannot require that demographic questions on race, ethnicity, or gender be answered as part of the application process, collection of this data can only be gathered through voluntary submissions. MSAC has also implemented an internal equity training program for staff.

MSAC found that community and stakeholder outreach was vital to the creation of their equity goals. For example, MSAC's outreach for its Grants for Organizations (GFO) equity process consisted of four listening sessions across the State that ultimately collected input from approximately 280 participants between April and May 2021.¹¹

Equity Plans at other Economic Development Agencies

While many economic development strategic plans mention equity as a goal, there are few actual equity plans that have been created by economic development agencies. Some examples of existing plans are:

Michigan: Grand Rapids Equitable Economic Development & Mobility Strategic Plan, 2020¹². This plan combines equity in economic development and transportation access and concentrates on ensuring that underserved communities have access to job opportunities through expanded transportation options.

According to the Plan, Grand Rapids “hired a team of consultants...to develop the Equitable Economic Development and Mobility Strategic Plan. The Consulting Team worked with the City and a Steering Committee of local leaders to evaluate existing conditions and develop strategies. The Consulting Team also conducted a series of focus groups with community members and

¹¹ Maryland State Arts Council, Grants for Organizations (GFO): Equitable Funding Model Research Packet. Current Draft*: 06.03.2021: <https://www.msac.org/media/455/download?attachment>

¹² <https://www.grandrapidsmi.gov/Government/Programs-and-Initiatives/Equitable-Economic-Development-Mobility-Strategic-Plan>

other stakeholders to review these strategies. The final Plan includes recommendations to guide the City in implementing each strategy.”¹³

Missouri: 2020 Vision: An Equitable Economic Development Framework For St. Louis.

This plan “sets forth a vision to create collaborative opportunities for development and investment that benefit all [St. Louis’] people and neighborhoods. It was developed with input from hundreds of interviews, meetings, other feedback from the community, and the guidance of a 47-member Advisory Committee.” The plan’s creator, the St. Louis Development Corporation, points out that the plan’s “implementation and ultimate success depends on the collaboration and investment of private and public institutions and businesses across the City in coordination with other regional, citywide and neighborhoods development plans.”¹⁴

U.S. Department of Commerce Equity Plan (2022). These goals of this plan are to use the U.S. Department of Commerce’s tools to

- Close the digital divide
- Ensure community development dollars advance racial equity and support underserved communities
- Grow Minority Business Enterprises (MBE)
- Strengthen small businesses in underserved communities by helping them be successful exporters
- Increase access to the patent and trademark systems for inventors and entrepreneurs from historically underserved communities
- Make Department of Commerce science and data more findable, accessible, and usable¹⁵

U.S. Commerce reached out to multiple stakeholder groups and “launched the DOC Diversity, Equity, Inclusion, and Accessibility Council (Council), also known as the DOC Equity Council, which is chaired by the Deputy Secretary [of Commerce] and includes cross-bureau representation on the following committees:

- Accessibility
- Environmental Justice
- Gender
- LGBTQIA+
- Measurement
- Race and Ethnicity
- Underserved Communities and Businesses
- Workplace Culture”

U.S. Commerce’s plan also requires it to solicit input on equity issues and track program participation from the various stakeholders involved in each of their programs¹⁶.

¹³ Grand Rapids Equitable Economic Development and Mobility Strategic Plan, January 2020, p. 8

¹⁴ <https://www.stlouis-mo.gov/government/departments/slsc/framework/index.cfm>

¹⁵ <https://www.commerce.gov/news/press-releases/2022/04/us-department-commerce-releases-equity-action-plan>

¹⁶ <https://www.commerce.gov/sites/default/files/2022-04/DOC-Equity-Action-Plan.pdf>

Elements of an Equity Planning Process

After reviewing the materials mentioned above, several commonalities in each plan's planning process stand out. These are:

- The need to establish an Equity oversight committee, or work with an existing oversight committee that takes on that role
- Assess the current status of equity activities, policies, and procedures within the organization
- Outreach to affected stakeholders in the community served by the planning entity
- Hosting community listening sessions, centered around geographic regions, community groups, stakeholders, or a combination of all three
- Create an implementation plan using the input collected from the previous steps
- Create achievable and measurable benchmarking metrics to track plan implementation
- Revisit stakeholders and present plan and metrics for review and discussion
- Once the plan has been approved, begin plan implementation
- Measure results, report, and adjust the plan going forward where necessary¹⁷

Potential Pre-Planning Steps prior to the Creation of a Commerce Equity Plan

Before the Department of Commerce could create an equity plan for its operations, it would need to lay the groundwork for the planning process by:

- Engaging the Maryland Economic Development Council (MEDC) as the lead organization in creating planning goals;
- Researching the potential legal issues mentioned in this report to ascertain how they would affect the planning process and the administration of any resulting plan;
- Reaching out to local economic development agencies and organizations to solicit input on planning needs and goals;
- Reviewing all of the existing information that it has collected from all of its programs to identify what could be used in the equity planning process;
- Reaching out to other regional and industry stakeholders, including industry groups and groups that support equity and diversity efforts; and
- Reaching out to other economic development organizations who have previously created similar equity plans to collect any input that they could provide into the process

Once these steps were taken, Commerce could move forward with creating a planning process that would result in an operationalizable equity plan.

Potential Timeline For Plan Creation

The timeline for the initial creation of an equity plan is generally one to two years. However, Commerce's plan creation process would likely be longer due to the pre-planning elements listed above. A potential timeline is below:

¹⁷ <https://inclusiveleadersgroup.com/7-key-steps-towards-your-diversity-equity-and-inclusion-strategic-plan/>

Task	Task Length
Phase I - Pre-Planning Phase	6 Months
Engage Maryland Economic Development Council (MEDC) as lead organization	3 months
Research potential legal issues	6 months (concurrent)
Outreach to local economic development organizations	6 months (concurrent)
Internal Commerce data collection and review	6 months (concurrent)
Outreach to other economic development organizations with existing plans	6 months (concurrent)
Phase II - Initial Stakeholder Outreach	6 months
Outreach to regional stakeholders	6 months
Outreach to industry stakeholders	6 months (concurrent)
Outreach to stakeholder groups that support equity and diversity efforts in economic development	6 months (concurrent)
<i>Decide on need for outside planning assistance from private contractor, create and issue solicitation for assistance (if needed)</i>	<i>6 month solicitation process (consecutive, if needed)</i>
Phase III - Develop Plan Process	6 months
Draft of on plan contents and schedule	2 months
Circulate draft to stakeholders	2 months
Finalize plan contents and schedule	2 months
Phase IV - Develop Equity Plan	12 months
Equity data collection	3 months
Review of existing Commerce programs for equity issues	3 months (concurrent)
Development of draft metrics and benchmarks	3 months (concurrent)
Regional stakeholder engagement (up to 24 meetings)	6 months
Industry stakeholder engagement	6 months (concurrent)
Draft plan created and circulated	3 months
Plan approval, move to implementation process	End of process

Overall, Commerce would expect the full pre-planning and planning process to take up to two and one-half years to complete properly, and more if it is decided that an outside private contractor is needed to support the planning process. Once that process was completed and an operational plan was created and implemented, Commerce would need to track plan implementation using the benchmarks and metrics decided upon in the planning process and report on results. It is likely that, as the plan is implemented, Commerce would reach back out to various stakeholders to solicit input on the plan's progress and relative success.

Conclusion

While the current leadership at the Maryland Department of Commerce cannot commit a new administration to any particular equity planning process, the schedule above should be helpful in creating a successful equity planning process.