State House Update

Message to Members

The GBC is delighted to share that funding is in place for the expansion of the Howard Street Tunnel, a critical project and longtime priority of the Greater Baltimore Committee (GBC), the expansion of the Howard Street tunnel. The GBC has advocated for the expansion of the Howard Street Tunnel for more than a decade because the double-stacking capacity for freight rail will strengthen the economic competitiveness of the Port of Baltimore and result in significant economic growth and job creation for the region. We applaud the collaboration of the public and private entities whose persistence has made it possible.

To fund the $466 million project, the State of Maryland and CSX, the owner of the Howard Street Tunnel, received a $125 million federal grant. The State had previously agreed to commit $147 million and CSX had committed $91 million, leaving a $103 million funding gap for the project. The Hogan Administration and CSX worked together to identify a variety of funding sources to close the remaining funding gap and get the project underway.

We commend Governor Hogan, state transportation officials, and CSX for their leadership in identifying the funds needed to advance this project of tremendous significance to the Baltimore region.

As always, if you have any questions or concerns, please feel free to contact me.

Sincerely,
Reshaping of Legislature Continues

The Maryland General Assembly has seen numerous changes in its leadership and legislative ranks since the April 8 adjournment of the 2019 session. The 2020 session, the second in a four-year term, will have a new Senate President, a new House Speaker, two new Senators, seven new Delegates (or eight if the Senate vacancy for District 11 is filled by a sitting Delegate), two new Senate committee chairs, three new Senate committee vice-chairs, and a myriad of other changes in the leadership ranks in both chambers.

Here is a rundown of major changes thus far:

- Senator Shirley Nathan-Pulliam announced her retirement. Since District 44 spans both Baltimore City and Baltimore County, those respective Democratic Central Committees each nominated a candidate to serve the remainder of the term. Governor Hogan appointed Baltimore County Delegate Charles Sydnor to fill the vacancy. He was appointed to the Judicial Proceedings Committee.

- Senator Nathan-Pulliam's retirement left a vacancy in the Senate Education, Health and Environmental Affairs Committee Vice-Chair position. Senator Cheryl Kagan was selected to fill that post.

- Senator Robert Zirkin has announced his retirement from his District 44 seat, which will be filled by a selection of the Baltimore County Democratic Central Committee. District 44 Delegates Shelly Hettleman and Jon Cardin have indicated interest in the seat. If one of them is selected, a House vacancy would be created in District 44.

- Senator Zirkin's retirement left a vacancy at the helm of the Senate Judicial Proceedings Committee. This spot will be filled Senator Will Smith, currently the Vice-Chair of the Senate Judicial Proceedings Committee. Senator Smith's Vice-Chair will be filled by Senator Jeff Waldstreicher.

- In Senate leadership, Senator Guy Guzzone will replace Senator Nancy King as Chair of the Senate Budget and Taxation Committee. Senator King will be the new Senate Majority Leader, a position previously held by Senator Guzzone.

- Presumptive Senate President Bill Ferguson, who was Vice-Chair of the Senate Budget and Taxation Committee, will be replaced in that position by Senator Jim Rosapepe.

- Following the passing of House Speaker Michael E. Busch, Delegate Shaneka Henson was tapped to serve the remainder of the District 30A term. Delegate Adrienne Jones was selected by her peers to become the new Speaker of the House.

- Nicole Williams was named the new Delegate for District 22, replacing former Delegate Tawanna Gaines, who resigned her seat. Delegate Gaines was also Vice-Chair of the House Appropriations Committee, but a replacement for this position has not yet been named.
Delegate Andrew Cassilly left his District 35B seat to take a position in the Hogan Administration. Governor Hogan appointed Mike Griffith to fill the vacancy.

Carl Jackson was selected to replace departing Delegate Eric Bromwell, who left to take a position in Baltimore County Executive Johnny Olszewski's Administration. Delegate Bromwell was also the Vice-Chair of the House Economic Matters Committee. His replacement for that post is Delegate Kathleen Dumais.

Catherine Forbes was selected to replace departing Delegate Stephen Lafferty, who left to take a position in Baltimore County Executive Johnny Olszewski's Administration.

District 45 Delegate Cheryl Glenn resigned her seat. The Baltimore City Democratic Central Committee will select a replacement Delegate and forward that name to Governor Hogan for approval.

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**Economic Development Incentives Play a Pivotal Role in Maryland's Competitiveness**

Recently, the GBC monitored two hearings where the Maryland Department of Commerce was asked to provide testimony related to an audit of some economic development programs administered by the agency. Some legislators may seek to use the audit findings to build a case for the elimination of some business incentive programs, regardless of their effectiveness. The GBC strongly opposes eliminating effective economic development incentives.

The GBC contends that economic development incentives, including tax credit programs, play a vital and necessary role in the overall competitiveness and business climate of the State of Maryland. Business tax credits in particular are valuable because they consume less than half of one percent of the overall State budget, but leverage millions in private investment, risk capital, and economic activity that otherwise would not occur but for the existence of the programs.

Using a small portion of taxpayer money to leverage investments is appropriate to spur targeted growth in Maryland's economy. Economic development tax credits are also consistent with one of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

- **Strategic and effective state investments in business growth.** The state must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investment in industry growth.

If improvements in administration and reporting are required or if policymakers wish to more closely examine whether to consolidate tax credits, the GBC welcomes those efforts, but the mere discussion of elimination of valuable economic development incentives has the potential to harm job creation efforts.

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**Greg Slater to Take Over as MDOT Secretary, Jim White Retires**

In January, State Highway Administrator Greg Slater assumes the role of Secretary of the Maryland Department of Transportation (MDOT) pending
Senate confirmation. Mr. Slater has a strong history of public service in the State of Maryland and a track record of building partnerships and working collaboratively to find solutions. The GBC congratulates incoming Secretary Slater on his appointment and looks forward to working with him on issues of crucial importance to the Greater Baltimore region and the State of Maryland.

Long-time Executive Director of the Maryland Port Administration Jim White resigned from State service effective December 31, 2019. Mr. White led the Port of Baltimore through tremendous growth and economic expansion during his eighteen-year tenure. The GBC commends Mr. White on his outstanding public service and wishes him well in his endeavors.

GBC'S 2019 LEGISLATIVE PRIORITIES

GBC’s 2019 Legislative Agenda

MARYLAND GENERAL ASSEMBLY

General Assembly Website

Commentaries by GBC President and CEO Donald C. Fry

Click here to listen to Don Fry's commentary, "Education Likely to Dominate General Assembly's Session," on WBAL NewsRadio, posted on December 24, 2019.

Click here to read Don Fry's commentary, "Thanks to These Generous Businesses," in The Daily Record, posted on November 25, 2019.

Upcoming Dates of Interest

On January 27, the GBC is hosting its 2020 Maryland General Assembly Legislative Forum, which will highlight upcoming key policy issues for the 2020 legislative session. Speakers include Senator Bill Ferguson, Senator J.B. Jennings, Delegate Eric Luedtke, and Maryland Commerce Secretary Kelly Schulz. This event will begin at 7:30 a.m. at the Baltimore Marriott Waterfront Hotel, 700 Aliceanna Street, Baltimore, MD 21202.

Get tickets here.

FIND AN EVENT

STAFF CONTACTS

Donald C. Fry
President & CEO
410-727-2820 ext. 12

Brian Levine
Senior Vice President of Government Relations
410-727-2820 ext. 44

Teresa Milio Birge
Senior Policy Analyst and Special Assistant
Adrea Turner
Director of Strategic Initiatives and Senior Policy Advisor
410-727-2820 ext. 46

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