

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 770
Finance

(Senators Ferguson and James)

Economic Matters

Economic Development - Maryland's Future Board - Establishment

This bill establishes the Maryland's Future Board, within the Department of Commerce, to develop a visionary plan (as defined by the bill), annually evaluate it and make revisions as appropriate, and annually recommend projects that ensure the economic strength of the State. The bill also establishes the Maryland's Future Fund (MFF), a new special fund administered by Commerce to fund the projects recommended by the board. Commerce is authorized to adopt regulations necessary to carry out the bill. The bill also requires the Comptroller to study economic growth trends in the State and report to the General Assembly the study results. **The bill takes effect July 1, 2026, and terminates June 30, 2031.**

Fiscal Summary

State Effect: General fund expenditures increase by *at least* \$143,500 annually beginning in FY 2027 and continuing through 2031 to support the board, develop the visionary plan, and annually evaluate it, as discussed below. Also, as the bill does not identify a source to capitalize MFF, general fund expenditures are assumed to be necessary to do so to execute recommended projects, beginning in FY 2029 through 2031. MFF revenues and expenditures increase correspondingly, although funding of recommended projects may be phased over multiple years. The amount cannot be reliably quantified, but the possible scope of such projects could necessitate funding of at least several million dollars annually. The Comptroller's Office advises it can handle the required study and report to the General Assembly with existing resources.

Local Effect: Although not directly affected by the bill, local governments may benefit from the visionary plan and funded projects.

Small Business Effect: Minimal, as discussed below.

Analysis

Bill Summary:

Defined Terms

“Project” includes (1) an allocation of funds in the operating budget of the State; (2) an allocation of funds in the capital budget of the State; and (3) the implementation of any policy that will advance the State’s socioeconomic wellbeing and resiliency.

“Visionary plan” means a plan that envisions a State that is equitable, prosperous, livable, and provides opportunities for all residents to thrive, including (1) a forward-thinking strategy that would incorporate core values and principles as envisioned by the board; (2) a strategy that covers – broadly – issues that the State faces; (3) a strategy that is not constrained by existing technology, infrastructure, or fiscal conditions of the State; and (4) strategies that imagine future trends in the areas of robotics and automation, artificial intelligence, advanced manufacturing, data aggregations, and other industry disruptive technologies.

Maryland’s Future Board

The board comprises seven members from various sectors, including business, academia, and labor – appointed by the Governor, the President of the Senate, and the Speaker of the House – as well as the Comptroller, or the Comptroller’s designee. Appointed membership must reflect the demographics of the State, and consideration must be given to geographic representation. Members serve for a term of four years, beginning July 1. A vacancy must be filled immediately for the remainder of the unexpired portion of a term. At the end of a term, a member continues to serve until a successor has been appointed. The board must meet at least four times per year.

By January 1, 2027, the board must develop a visionary plan for the future of the State. The board must carry out the requirements of the bill by (1) developing and revising a visionary plan; (2) recommending projects that move the State forward and contribute to ensuring the economic strength of the State into the future, in alignment with the visionary plan; and (3) consulting with entities and State agencies, as necessary. The board must evaluate the visionary plan at least annually and revise it accordingly. Within 30 days after the completion of or a revision to the plan, the board must submit the plan to the Governor and the General Assembly. By August 1, 2027, and each year thereafter, the board must submit recommendations for projects to the Governor and the General Assembly.

Board members may not receive compensation but are entitled to reimbursement for expenses, as specified. The board is subject to the Public Information Act and the Open Meetings Act, and board members are subject to the Public Ethics Law.

Maryland's Future Fund

MFF is a special, nonlapsing, fund administered by Commerce. The fund consists of money appropriated in the State budget to the fund, interest earnings, and any other money from any other source accepted for the benefit of the fund. Expenditures from the fund may be made only in accordance with the State budget. Money expended from the fund is supplemental to funding that would otherwise be appropriated for the same purpose.

Study on Economic Growth

The Comptroller is required to study the economic growth trends in Maryland, including the trends for industries in which Maryland has a competitive advantage or any other industries that have an outsized presence in Maryland.

The study must identify the level of growth needed in competitive industries to ensure the financial and socioeconomic well-being of the residents of Maryland. The study may also examine the social and economic factors that are expected to significantly change over the next decade or more, including (1) state migration trends; (2) job replacement due to the rise in artificial intelligence; and (3) the need for universal basic income or advanced technology workforce training. The Comptroller is authorized to contract with an independent consultant to assist the Comptroller in the preparation of the study.

By December 1, 2026, the Comptroller must report to the General Assembly on the results of the study.

Current Law: Commerce's mission, generally, is to strengthen the Maryland economy. The department develops and implements programs that aim to generate new jobs or retain existing jobs, attract business investment in new or expanding companies, and promote the State's strategic assets. Business assistance is provided through a combination of investments, loans, conditional loans, grants, and tax credits.

State Fiscal Effect:

Staffing for the Board and Development of the Plan

As the bill requires that the visionary plan be developed and submitted by January 1, 2027, this analysis assumes that appointments to the board are made expeditiously and the board receives substantial support, particularly in the first two years of operation – when the plan

must be developed initially, recommendations for projects must be made, and the first evaluation of the plan must be conducted. Accordingly, a contractual program manager is needed on July 1, 2026, concurrent with the bill’s effective date. This staffing cannot be funded with MFF; thus, general fund expenditures totaling *at least* \$143,522 are incurred in fiscal 2027. This estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$133,687
Operating Expenses	<u>9,835</u>
Minimum FY 2027 State Expenditures	\$143,522

Future year expenditures reflect annual increases and employee turnover as well as annual increases in ongoing operating expenses until the contractual position terminates June 30, 2031, concurrent with the termination of the bill. By year three or four, the contractual staffing may be able to be moderated to a part-time position.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

This estimate also does not include additional likely expenses incurred by Commerce – such as a consultant who may be needed to assist with developing the plan and subsequently evaluating it – which the department advises could cost \$1.0 million over the course of five years. However, expense reimbursements for the seven appointed board members are assumed to be absorbable within Commerce’s existing budgeted resources.

Capitalization of Maryland’s Future Fund and Funding of Projects

While the bill establishes MFF as a special, nonlapsing fund, it does not specify a dedicated funding source for it. Accordingly, general fund expenditures are assumed to be necessary to capitalize MFF. However, such funding is likely not necessary until fiscal 2029 since the first projects to be funded are to be recommended by August 1, 2027, which means they can first be funded with an appropriation during the 2028 legislative session in the fiscal 2029 budget. (Under the bill, money expended from MFF must be made in the State budget and is *supplemental* to funding that would otherwise be appropriated for the same purpose.) As MFF terminates at the end of fiscal 2031, such funding is assumed to be needed for only three years.

The amount of funding necessary each year depends on the projects that are recommended, which cannot be determined at this time. Nevertheless, this analysis assumes that additional funding is provided, through MFF, to implement the strategies under the visionary plan

through recommended projects. Accordingly, general fund expenditures increase to capitalize MFF and MFF revenues and expenditures increase from fiscal 2029 through 2031. To the extent recommended projects are funded through the capital budget with general obligation bonds, other projects may be delayed or funded at lower levels. Also, funding may continue in the out-years for projects initiated due to the bill even though the board and MFF terminate at the end of fiscal 2031.

Small Business Effect: Although not directly affected by the bill, small businesses may benefit from the visionary plan and the funding of any recommended projects.

Additional Comments: In January 2024, the Comptroller’s Office published the [State of the Economy Report](#) that examined economic trends in Maryland compared to national trends and those in neighboring states.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1473 (The Speaker) - Economic Matters.

Information Source(s): Department of Commerce; Comptroller’s Office; Department of Legislative Services

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