

MARYLAND FORWARD

Governor's Forum on Jobs and the New Economy



December 20, 2010
National Institute of Standards and Technology

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Executive Summary

Purpose of the Forum

On December 20, 2010, Governor Martin O'Malley convened the *Maryland Forward* Forum on Jobs and the New Economy at the National Institute of Standards and Technology. A diverse group of over 350 business leaders from every region of the State participated. Dozens of new ideas were proposed that will help shape the O'Malley-Brown Administration's job creation efforts in its second term. This report summarizes the discussions that took place at the forum.

While Maryland faces difficult budget choices and is still recovering from the national economic crisis, Governor Martin O'Malley believes none of these challenges should deter the State from the urgent task of supporting businesses and creating jobs. Under Governor O'Malley's leadership and thanks to Maryland's innovation assets, such as a booming science and healthcare industry, growing information technology and cyber industries, expanding federal facilities and Base Realignment and Closure (BRAC) and new opportunities in green and clean technology, Maryland has fared better than most other states. There were 26,000 new jobs created in Maryland in 2010, the best year of new job creation since 2006.¹ But there is still work to do to help Maryland businesses succeed and get Marylanders back to work.

The *Maryland Forward* Forum on Jobs and the New Economy was held to solicit feedback from business leaders on what more the State can do to help them innovate, grow, and support jobs. Forum participants were asked what the State could do to foster innovation and entrepreneurialism; cultivate a highly educated workforce; create a business friendly environment in Maryland; expand access to capital; and, improve Maryland's infrastructure.

Forum Recommendations

Forum recommendations can be categorized by the following six themes heard at the forum:

1. Build on Maryland's Strengths

Maryland is a national leader in technology-based industries such as life sciences and cyber security and is one of the top states for research and development. Maryland's proximity to "innovation assets" such as an extensive network of federal facilities is a major reason for these competitive strengths. For the State to capitalize on these innovation assets, it must position itself to benefit from them. Forum participants recommended the following steps to reach that goal:

- Pass Governor O'Malley's *InvestMaryland* proposal
- Facilitate commercialization of products from MD
- Expand Maryland's network of incubators
- Provide assistance to firms seeking procurement projects from the federal government

2. Cultivate a Knowledge-Based Workforce

Maryland boasts one of the nation's most highly skilled workforces, yet there remain skilled jobs in growth and traditional industries that businesses cannot fill. For Maryland to be a winner in the new economy, one that encompasses a variety of knowledge-based industries, it will have to

¹ U.S. Bureau of Labor Statistics, December 2010.

cultivate its workforce. The following suggestions emerged from Forum discussions:

- Continue to promote Science, Technology, Engineering and Mathematics (STEM)
- Attract talent from out-of-state to meet demand for skilled workers
- Target youth training and adult re-training and up-skilling on growth industries

3. Improve Maryland's Business Environment

Forum participants emphasized that Maryland's government needs to view business as a partner in progress and establish a more collaborative approach. To become more business friendly and support growth and job creation, Maryland business leaders recommended that the State:

- Streamline and simplify the regulatory environment
- Create an online one-stop for licensing and permitting
- Develop a fast-track major projects development review process

4. Facilitate Access to Credit and Financing

Businesses need access to credit so they can innovate, grow and create jobs. However, lenders remain reluctant despite increasing signs of economic recovery in Maryland. Business leaders advised the state take these steps to facilitate access to financing opportunities:

- Facilitate more access to capital through State financing mechanisms
- Utilize public-private partnerships (or leasebacks) for critical state investments
- Promote incentive programs

5. Market Maryland's Available Resources

There are a variety of programs across State government aimed at helping business, including loan and grant programs, workforce programs, and other types of assistance. Forum participants cited decentralized housing of program information, making it difficult to be aware of all available assistance and benefits, as a challenge. They recommended that the State:

- Continue the momentum of the Maryland of Opportunity campaign
- Market Maryland's innovation opportunities and assets
- Consolidate and Simplify information on business assistance programs
- Embrace new media as a means of connecting with business
- Market Maryland's quality of life

6. Invest in Maryland's Infrastructure

Businesses must be able to move goods, people and services efficiently in order to compete. While Maryland is home to many transportation centers, it must continue to upgrade its infrastructure to compete with other states. To help Maryland businesses succeed, its business leaders suggested that the State:

- Support high quality and high speed rail
- Continue to renew and upgrade Maryland's highways
- Explore the establishment of a State or regional infrastructure bank

Maryland Forward: Making the New Economy Ours

"We're in a fight for our children's future. It's a fight to transition into the new economy with more opportunity for all. In this fight, there will be some states that lose, and some states that win. For Maryland to win, we must move forward by creating jobs through innovation, saving jobs, and protecting public safety, public education, and our quality of life."

- Governor Martin O'Malley

Introduction



The United States is slipping when it comes to making the investments necessary to compete in the global economy. Over the last 30 years, the US has fallen from 1st to 11th in our high school graduation rate among industrialized nations, and from 1st to 12th in our college completion rate for young adults over the same period.² In 2009, 51% of U.S. patents were awarded to non-U.S. companies.³ The total annual federal investment in research in mathematics, the physical sciences, and engineering is now equal to the increase in U.S. healthcare costs every nine weeks.⁴ Put another way, American consumers spend significantly more on potato chips than we devote through our government to energy research and development.⁵

The emerging global economy, however, demands workers have higher levels of training and education to compete in growing knowledge-based industries, including biotechnology, information technology, clean energy and green tech, health, trade, and aerospace. Each of these sectors represents major growth areas for Maryland, primarily

² "Rising Above the Gathering Storm, Revisited." <http://www.aps.org/policy/reports/upload/rags-revisited.PDF>

³ T. Donohue, Testimony to the House Committee on Science and Technology on The Reauthorization of the America COMPETES Act, January 20, 2010. Available at: https://www.uschamber.com/issues/testimony/2010/100119_americacompetes.htm.

⁴ For figures on research, see NSB, 2010, Appendix Table 4-23. For figures on healthcare spending see Centers for Medicare & Medicaid Services, National Health Expenditures Aggregate, Per Capita Amounts, Percent Distribution, and Average Annual Percent Growth, by Source of Funds: Selected Calendar Years 1960-2008. Available at: <http://www.cms.gov/NationalHealthExpendData/downloads/tables.pdf>.

⁵ For 2009 U.S. potato chip sales of \$7.1 billion, see <https://www.aibonline.org/resources/statistics/2009snack.htm>. For U.S. federal government spending on energy R&D of \$5.1 billion, see American Energy Innovation Council, A Business Plan for America's Energy Future, 2010.

because of Maryland's rich innovation assets. However, for Maryland to succeed and lead the way in the new economy it must prioritize the elements important to these industries, including education and skills, protecting public safety, environmental sustainability, and quality of life.

During his first term, Governor Martin O'Malley and his administration worked to protect priorities in these areas. To prepare for a new term, Governor O'Malley convened five *Maryland Forward* forums focused on seeking input on how the State can move forward with these priorities in his second term. The first of the forums, held on December 20, 2010, focused on Maryland's economy. Hundreds of business, academic, and government leaders convened that day at the National Institute of Standards and Technology to offer their suggestions and ideas on what the State can do to help businesses grow and create more jobs.

Forum participants were split into four groups and were asked to frame conversations around themes which Governor O'Malley believes will position Maryland as one of the top states in the nation for business. The groups were **Science and Technology**, **Traditional Industries**, **Small Business** and **Quality of Life**; the framing themes were:

- Supporting Innovation and Entrepreneurialism
- Expanding Workforce Skills and Education
- Improving Maryland's Business Environment
- Expanding Access to Capital
- Improving Maryland's Infrastructure
- Promoting Maryland's Quality of Life

The remainder of this report discusses the Governor's existing strategic job creation and retention goal and strategies, the progress toward that goal, the questions posed to forum participants, the recommendations that forum participants made to the Governor, and what the State has already begun to take or propose that reflect the feedback from the forum.

Governor's Strategic Jobs Goal

Governor O'Malley ran for office in 2006 with a commitment to make government work again. Upon taking office, the Governor instituted StateStat, a system of performance-based management, to make our State government more accountable and efficient. In 2008, the Governor created the Delivery Unit as an extension of StateStat to implement cross-agency initiatives and effectively align State and federal resources. Working with the executive agencies and StateStat, the Governor's Delivery Unit oversees his 15 strategic policy goals, broadly categorized into four key areas – skills, security, sustainability, and health.

This structure of centrally coordinated policy implementation and accountability has propelled Maryland's progress towards attainment of the strategic policy goals and has set the course for governmental efficiency and innovative reform. The first strategic goal set by the O'Malley-Brown Administration was to: **create or retain 250,000 jobs in Maryland by the end of 2012**. During its first term, the Administration sought increased collaboration and coordination among Maryland's agencies, federal and local partners and the private sector to make this goal a reality.

It identified and implemented the following core job creation strategies:

1. Directly create or retain 10,000+ jobs each fiscal year through business development efforts at the Maryland Department of Business and Economic Development;
2. Coordinate the relocation, creation, and expansion of BRAC jobs to Maryland;
3. Maximize all direct and induced jobs created and retained as a product of the deployment of ARRA funds in Maryland;
4. Facilitate the expansion of federal facilities in Maryland;
5. Aggressively market Maryland as the ideal location for tourism, sports, film, and the arts;
6. Implement State supported Smart Site and Transit Oriented Development (TOD) projects;
7. Support construction jobs through Maryland's capital budget;
8. Create jobs via existing community development and preservation efforts, and implementation of the Sustainable Communities Tax Credit;
9. Implement the Maryland Green Jobs initiative to create or save 100,000 "Green Jobs";
10. Facilitate the placement of jobseekers through the Maryland Workforce Exchange online job search portal;
11. Create 5,700 jobs by expanding the Port of Baltimore through a public-private partnership;
12. Increase the number of teachers graduating from Maryland institutions; and, expand the number of nursing school graduates.

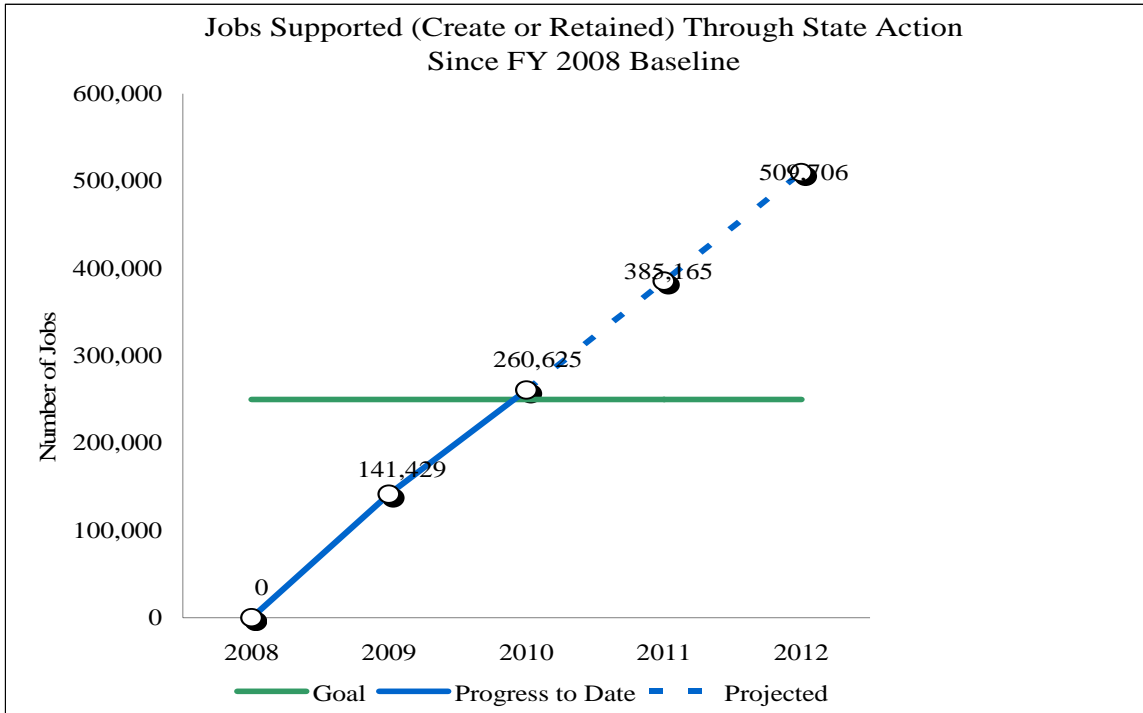
Progress and Opportunities

The State is currently on-pace to accomplish the Governor's 250,000 new or saved jobs goal; the successful implementation of the above strategies is estimated to have supported the creation and retention of over 260,000 jobs as of this report. The State's efforts are reflected in the national employment data as well; Maryland employers added 26,000 net jobs to their payrolls in 2010. Of those jobs, 25,800 (or 71%) were added by the private sector. This rise in employment is the best year for Maryland since 2006.

Maryland has many economic strengths which have allowed it to post gains while other states continue to struggle, and the O'Malley-Brown Administration is seeking to build on those strengths in its second term. Maryland is home to a highly educated workforce, a result of having the best education system in the country⁶; the State also has a network of top-ranked universities. Maryland's adjacent location to Washington, D.C. brings economic opportunities in the form of proximity to Federal agencies, including a multitude of research labs and military facilities. Maryland also enjoys a very high quality of life resulting from diverse geographical assets, including mountains in the west, vibrant urban communities throughout central Maryland, and beaches on the Eastern Shore.

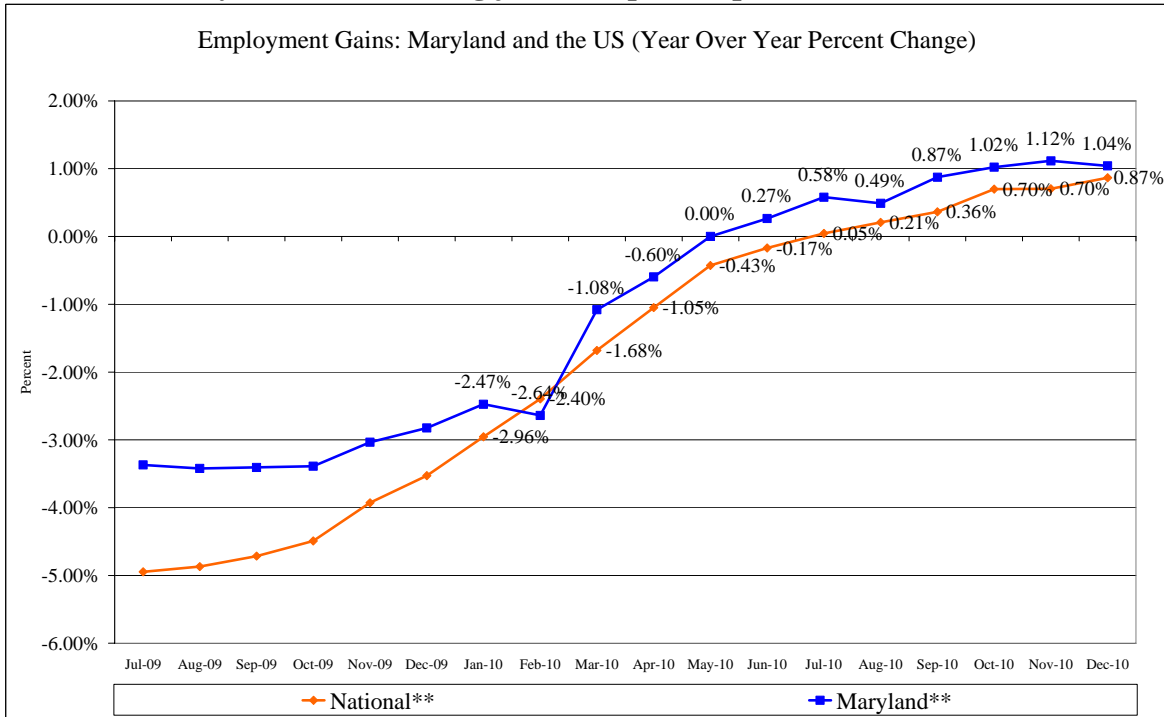
⁶ "Quality Counts 2011: Uncertain Forecast," *Education Week*, January 11, 2011.

Even in tough times, with \$5.6 billion cuts in State spending, Governor O'Malley Prioritized State Actions that Created Jobs



NOTE: Includes Direct, Indirect and Induced Jobs Created, Retained or Placed. Indirect and Induced jobs are calculated by the Maryland Department of Business and Economic Development using the IMPLAN model.

Maryland Employers Added 26,000 Net Jobs in 2010, the Largest Gain since 2006; Maryland is also adding jobs at a quicker pace than the Nation



Source: Bureau of Labor Statistics.

Despite Maryland's natural competitive advantages, the State must prioritize investments in education, science, technology and infrastructure if it wants to succeed in the new economy. And, in fact, the Administration took the following steps in its first term to accelerate growth and job creation:

- **Bio2020:** Made a 10-year, \$1.3 Billion investment in Life Sciences;
- **CyberMaryland:** Launched an initiative to make Maryland the national epicenter of Cyber Security;
- **Green Jobs and Industry:** Convened a Green Jobs Task Force, that outlined concrete steps to create, save, or place our fellow Marylanders into 100,000 clean-tech and green-tech jobs;
- **Health IT:** Launched the Health Information Exchange in October 2010;
- **Trade:** Leveraged an innovative public-private partnership to bring 5,700 jobs to the Port of Baltimore; Launched the Governor's International Advisory Council along with the Maryland Export Initiative, and advanced Maryland's global trade.
- **Sports Marketing:** Established the Maryland Office of Sports Marketing to attract events with major economic impact.
- **Star-Spangled 200:** Launched a plan to use the bicentennial of the Star-Spangled Banner to elevate Maryland globally as a premier location to live, work and visit and increase economic opportunity for Marylanders.



The *Maryland Forward* Forum on Jobs and the Economy sought to build on the initiatives mentioned above and solicit feedback on the challenges that businesses face in innovating, growing and creating jobs. Business owners were asked what changes the State could make to help them succeed. Discussions were robust, and private-sector facilitators helped to guide the groups toward innovative and preferably low-cost ideas. The following section summarizes the recommendations

offered by business leaders during the forum. Specific ideas are grouped within broader, organizational themes that serve as the six key recommendations from the day for how the State should organize its business support and job creation efforts.

Forum Recommendations

Maryland's business leaders made a host of thoughtful and helpful recommendations for how to move Maryland forward into the new economy, while also strengthening its existing industries and assets. Those recommendations are broadly categorized by six themes. The emphasis throughout the forum was on supporting knowledge-based industries, streamlining and simplifying the interface between business and government, and capitalizing on Maryland's strengths.

1. Build on Maryland's Strengths

Maryland is fortunate to have assets important for long-term business growth and innovation, including being a leader in research and development expenditures; housing many fast-growing companies; and taking advantage of the innovation, research and development, and procurement opportunities provided by federal facilities, including its research labs located in Maryland.

On the other hand, Maryland's research and development output is more reliant on the federal government than many other states. In addition, the State's strong investments in research and development are not matched by an equally impressive record in commercializing the products of that R&D. And, despite being a leader in fast-growing companies, the State ranks in the middle of leading innovation states in entrepreneurial activity.⁷ For the State to capitalize on its innovation strengths, it must position itself to benefit from them.

Key Recommendations:

Forum participants recommended the following steps to reach that goal:

- **Pass Governor O'Malley's *InvestMaryland* legislation**
- **Expand Maryland's Network of Incubators**
- **Facilitate Commercialization of Products from MD**

Participants in the forum, particularly in the Science and Technology breakout group, discussed how the State can invest in and capitalize on its innovation strengths and assets. One of the key recommendations for how the State could facilitate innovation was for the Governor to work with the General Assembly to pass the *InvestMaryland* proposal. This program would take up to \$100 million from insurance tax revenue and invest it in early-stage companies through the Maryland Venture Fund. The funds would be targeted to innovation-based businesses across multiple industry sectors.

Maryland has a strong network of research laboratories and incubators, but must improve its track record in commercialization of the scientific and engineering discoveries from those innovation assets. Recommendations for how to improve centered on enhancing Maryland's research and development centers, and then connecting them with commercialization opportunities. *InvestMaryland* will help innovating firms to grow and expand. Participants called for innovation partnerships between businesses, the State, local, county and federal governments, and higher education institutions. For instance, the University of Maryland's Industrial

⁷ Citation from MEDC report?

Partnerships Program (MIPS) already pairs University System of Maryland faculty and graduate students with companies. In addition, the State could promote other existing efforts in this area, such as TEDCO's Maryland Technology Transfer and Commercialization Fund, which provides funding for Maryland companies that wish to develop technology-based products and/or services.



There was a detailed discussion on how manufacturing industries in Maryland can innovate to remain strong and survive against global competition. The Maryland Manufacturing Assistance Partnership already helps manufacturers identify new ways of doing things. Business leaders at the Maryland Forward

forum's traditional industries breakout group suggested that the State form a comprehensive think tank for analyzing the direction of manufacturing in the State and recommending ways to innovate, compete, and create jobs. Finally, participants, particularly those from the agriculture industry, recommended that the State promote the Maryland Agricultural and Resource-Based Industries Development Corporation and generally provide more support to agribusinesses.

2. Cultivate a Knowledge-Based Workforce

Maryland boasts one of the nation's most highly skilled workforces, yet there remain middle- and high-skilled jobs that businesses cannot fill with the current workforce in Maryland. For Maryland to be a winner in the New Economy, it will have to cultivate its workforce to meet the needs of energy, green, life science, cyber, and other growth industries in the State. In fact, according to *Maryland's Workforce Indicators: 2010*, middle-skill jobs, which require training or education beyond high school but not a four-year degree, are projected to make up 39 percent of job openings in Maryland between 2008 and 2018; similarly, high-skill jobs, which require at least a bachelor's degree, are projected to account for 38 percent of job openings.⁸ To fill these future positions, Maryland will need to hold onto its graduating college students and current workforce, while also attracting out-of-state highly educated and skilled talent and investing in aligning skills training with industry needs.

Key Recommendations:

To fulfill the needs of these prospective jobs, business leaders suggested that the State:

⁸ "Maryland's Workforce Indicators: 2010." Governor's Workforce Investment Board. December 2010.

- **Continue to promote Science, Technology, Engineering and Mathematics (STEM) curriculum**
- **Attract talent from out-of-state to meet demand for skilled workers**
- **Continue support for youth training and adult re-training and up-skilling opportunities**

Forum participants across several industry breakout groups—particularly, the Science and Technology group—discussed the workforce needs of the State’s growth industries. Some of the specific actions that they advised the State to take included helping youth prepare for the jobs of the New Economy in the following ways: fully implement the recommendations of the STEM Task Force report; provide internships to equip youth with the core skills necessary to succeed in the New Economy⁹; and, provide high school students opportunities to experience what it takes to be an entrepreneur—for example utilizing the Kaufman entrepreneurship program that partners with high schools and colleges as a model. Similarly, higher education institutions could enhance their efforts to prepare students for new economy jobs with the following actions: offer college credit to students who intern or work on farms or agri-businesses and encourage growth in technology-based programs at state universities and community colleges.

Business leaders and other forum participants thought the State needs to do more to attract talent. To that end, they recommended a Welcome Back Center to allow foreign-born individuals to train and work in the Maryland labor market and make efforts to attract skilled foreign-born individuals to Maryland. Moreover, forum participants advised the State to improve its training programs for adults. This not only includes promoting the Governor’s overall skills training agenda—Skills2Compete—which aims to train and re-train adults to meet the needs of Maryland’s industries. Participants also suggested the State could work to transition disconnected populations, including inmates, into job opportunities in farming and agri-business by expanding incentives to agricultural businesses that hire/train inmates.

3. Improve Maryland’s Business Environment

Regulation is an important tool for the State government to prevent abuses—but it must not become a hindrance to businesses if Maryland is to succeed in the New Economy. A long-standing complaint of business owners in Maryland is that the State’s regulations are too complex and unpredictable, it’s permitting processes burdensome, and its responsiveness to business concerns is slow. These concerns were all raised at the forum.

Key Recommendations:

At the Governor’s Forum, Maryland’s business leaders worked to come up with the following recommendations for how Maryland should modify its regulatory environment to promote innovation and job creation:

- **Streamline and simplify the regulatory environment**
- **Create an online one-stop for licensing and permitting**

⁹ This recommendation was echoed during the *Maryland Forward* Forum on Education and Skills, where education and workforce development leaders recommended a statewide internship program for young adults.

- **Develop a fast-track major projects development review process**
- **Provide assistance to firms seeking procurement projects from the federal government**

Specific ways to improve the regulatory environment proposed by forum participants included the following steps: streamline the permitting and regulatory processes at the State level, particularly in priority funding areas, and by creating an Ombudsman (i.e., single point of contact for businesses) to cut through regulatory hurdles for businesses; provide businesses training in regulatory compliance—including federal regulatory compliance; reduce regulation within *Growthprint* areas; reduce Smart growth restrictions for state jurisdictions with slower growth; and, focus efforts to streamline the permitting process on renewable energy projects.



In addition, forum participants discussed how the pending implementation of health care reform could affect their ability to grow and create jobs. They recommended that the State help businesses reduce their health care costs by facilitating the creation of affinity groups to reduce healthcare costs. Currently, Maryland law prevents affinity groups from forming to purchase group healthcare. The federal healthcare law relaxes that but further attention needs to be paid.

Finally, forum participants asked the State to provide assistance to firms seeking procurement projects from the federal government. This effort would include helping companies enter into agreements with federal labs, especially underrepresented firms and companies and those from outside the metropolitan corridor.

4. Facilitate Access to Credit and Financing

For businesses to continue recovering from the global recession, they will need more access to credit and financing opportunities. This is the case for traditional industries in Maryland, as well as the growing industries of the knowledge-based economy, and particularly for those who must grow and expand through innovation. Business leaders argued that the State must help them access the credit necessary to innovate and to create jobs. While Maryland’s state agencies already offer a number of financing vehicles for businesses that can play a critical role in reducing risk for the lender or investor and lower the cost of capital for companies, business leaders suggested some improvements and ways to make these financial mechanisms more effective.

Key Recommendations:

The following are the specific actions that business leaders advised the state to take to help

facilitate better access to credit and financing opportunities:

- **Facilitate more access to credit through State financing mechanisms**
- **Utilize public-private partnerships (or leasebacks) for critical state investments**
- **Promote incentive programs that will bring capital to companies that innovate**



Business leaders asked the State to find ways to facilitate more access to capital and financing. While the State cannot order banks to increase lending, there were several ideas offered at the Forum on how to get banks to start lending more, including: aggressively market Small Business Loan Guarantees; enhance and promote the Maryland Department of Business and Economic Development’s Small Business Credit Recovery Program and other loan guarantees offered by the State; and, expand loan guarantees for “green” projects. Forum participants also asked that the State educate businesses on business-supporting programs provided by Maryland State agencies.¹⁰ One other specific recommendation for creative financing was to model other future projects on the public-private partnership that was leveraged to upgrade the Port of Baltimore and create 5,700 new jobs.

In addition, business leaders—who, in some cases reported that they did not realize the range of incentives the State offers—recommended doing more to promote incentive programs. Specifically, business leaders argued for the following steps: continue support for the Biotech Tax Credit; Implement high-profile contests such as those sponsored by Richard Branson’s “Carbon War Room”; create incentives for consumers to purchase green products and services through rebates; provide incentives and institute a carve-out for agriculturally based energy sources (e.g., the carve-out for solar energy use); make incentive programs competitive; and, promote Business Enterprise Zones.

Forum participants also asked that the State focus on rewarding capital investments in innovation. Forum participants proposed several ways to achieve this goal: reform the Biotechnology Tax Credit to make it more accessible; reallocate Regional Greenhouse Gas Initiative (RGGI) funds from energy assistance to helping support companies that reduce greenhouse gas emissions; expand investment tax credits in early stage investment to cyber security; accelerate depreciation of capital assets and offer a rebate for capital improvement to incentivize investment; lead by example in being the first buyer of innovative products and services; require Power Purchasing Agreements for renewable and clean energy by Utilities as part of Standard Offer Service; and, provide technical assistance to access Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants.

¹⁰ This action is addressed in another key recommendation from the forum to market Maryland’s available resources to businesses.

5. Market Maryland's Available Resources

Maryland offers businesses a range of resources. One recurring theme in the forum discussions was that the State should better market these programs and incentives. While marketing dollars are always a precarious commodity during a challenging budget cycle, forum participants advised the Governor to market State resources and to market Maryland itself in new and creative ways, particularly using new social media technologies.

Key Recommendations:

Recommendations for how to market Maryland's resources were:

- **Continue the momentum of the Maryland of Opportunity campaign**
- **Market innovation opportunities**
- **Consolidate/Simplify information on business assistance programs**
- **Embrace new media as a means of connecting with business**
- **Market Maryland's quality of life**

Throughout the day, and across several different industry breakout sessions, forum participants urged the Governor to use his bully pulpit and his communications abilities to sell the State's natural resources and innovation assets to attract more businesses. Forum participants' specific recommendations for marketing Maryland's resources were to: market Maryland's innovation clusters—Biotech, Cyber, and Space; market Maryland as a hub of knowledge-based industry, particularly in sectors such as life sciences and information technology and cyber security; release an industry report on Maryland's Earth Science Cluster to draw attention to Maryland's rich natural resources; and, further promote the Maryland Department of Housing and Community Development's Neighborhood Business Works and other community develop programs.¹¹

No state can compete nationally without a vibrant quality of life to attract and retain skilled workers and businesses. Maryland's arts, entertainment, tourism, hospitality and sports business leaders that convened at the Governor's Forum on Jobs & the Economy provided the following recommendations for enhancing and communicating the high quality of life enjoyed in Maryland: expand capacity to collect, analyze and report real-time data on the demographics of visitors to businesses and other industry partners; expand smart phone and social media applications for quality of life assets; improve access to and awareness of the astonishing depth and variety of existing quality of life assets .

All of the above messages will reach larger audiences if the State can expand its communication tools to include new media. Forum participants recognized this potential and advised that the State tap into new media resources to reach younger and more technologically savvy audiences.

6. Invest in Infrastructure

Laying the groundwork to succeed in the New Economy will require enhancements to

¹¹ Neighborhood Business Works provides gap financing to new or expanding small businesses and non-profit organizations in Sustainable Communities throughout Maryland.

transportation infrastructure. This is because businesses must be able to move goods, people and services efficiently in order to compete. While Maryland is home to many transportation hubs, such as BWI-Marshall Airport and the Port of Baltimore, it must continue to upgrade its infrastructure to compete with other states.

Key Recommendations:

Business leaders at the forum argued for investments in upgrading Maryland’s infrastructure in the following key areas:

- **Support high quality and high speed rail**
- **Continue to renew and upgrade Maryland’s highways**
- **Explore the establishment of a State or regional infrastructure bank**



Forum participants made several recommendations to the Governor about how the State can help businesses by investing in infrastructure. One component of infrastructure investments is transportation. Improving transportation infrastructure is even more important than ever with the historic rise in oil prices that increase costs for businesses to move goods and people. To help businesses compete in this environment of expensive transportation costs, forum participants recommended that the State: invest in upgrading and renewing Maryland’s highway and transit infrastructure; create reliable funding mechanisms for these investments, which includes exploring the creation of a State or regional infrastructure bank; and, reducing shipping costs of inputs to businesses outside Maryland’s central region—in western and southern Maryland and on Maryland’s eastern shore.

Conclusion

Governor Martin O'Malley's theme for the second term is *Maryland Forward*, a constant reminder of the Governor's commitment to advance the Administration's goals. The Administration will accomplish these goals by continuing to make government work better through setting goals, fiscal responsibility, changing course when necessary and measuring progress. *Maryland Forward* will also require the continued fiscal discipline displayed by the Administration during the first term.

The purpose of the Maryland Forward Forum on Jobs and the Economy was to generate more ideas for how the State can persevere despite tough economic times to create jobs and support growth. The event was a great success in generating discussion between business leaders and the Governor, in analyzing the challenges business face, and in devising solutions for how the State can help businesses overcome these obstacles. Going forward, Governor O'Malley is committed to a robust and broad approach to creating jobs and supporting growth. The ideas generated at the forum will help the State tremendously in expanding its tools for assisting businesses. In fact, many of the suggestions made at the forum are actions already underway or have been initiated since the close of the Forum.



Specific actions that have been proposed or are underway that reflect the recommendations of the Forum on Jobs and the New Economy include:

- **Introduced *InvestMaryland*.** Governor O'Malley proposed the creation of *InvestMaryland*, a \$100 million initiative that includes no up-front cost to taxpayers and infuses valuable capital into Maryland businesses through the Maryland Venture Fund and through private venture capital firms, fueling job creation in Maryland. The General Assembly must pass the measure before Governor O'Malley can implement this program.
- **Extended Small Business Credit Recovery Program:** Given the ongoing economic

recovery and continued limited activity in private sector lending, the Maryland Department of Business and Economic Development has extended the Small Business Credit Recovery Program through 2011 to continue encouraging banks to provide necessary capital. This program helps small businesses obtain private loans through the State sharing in some of the risk.

- **Launched Maryland Made Easy campaign:** Launched on January 28th, the “Maryland Made Easy” initiative is making tangible improvements to specific State processes where business and government intersect, including Central Business Licensing, Stakeholder Process Reviews, an expedited major projects review process, and simplifying regulation.
 - **Central Business Licensing:** Maryland’s Departments of Business and Economic Development and Information Technology have teamed up to create a centralized, online system for all business licenses and permits to help reduce the burden of permitting and licensing on businesses.
 - **Regulations Letter to Businesses:** During the forum, many business leaders expressed frustration with Maryland’s regulatory environment. Following the forum, Governor O’Malley sent a letter asking business leaders to reply with specific feedback and ideas on which State regulations restrict their ability to grow and create jobs to expand his efforts to simplify and streamline Maryland’s regulation.
- **Small Business Commission:** Governor O’Malley recently announced the creation and membership of a Maryland Small Business Commission (SBC). The SBC will ensure that small business has an ongoing voice in State government and will make specific recommendations to improve the job creation environment in Maryland.
- **Contract Connections:** The Maryland Department of Business and Economic Development has launched a program called “Contract Connections,” featuring the major federal facilities located in Maryland. Companies participating in *Contract Connections* will interact with federal agencies, military commands and prime contractors; learn about contracting and subcontracting opportunities; and gain valuable insight into the federal procurement process. One-on-one “matchmaking” sessions will allow businesses to present their statements of capabilities to federal agencies.
- **Skills2Compete:** Governor O’Malley’s workforce development and skills initiative focused on increasing the number of Marylanders prepared for middle and high skill jobs. This program aims to enhance and upgrade skills to meet the needs of business.