

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 306

(Prince George's County Delegation)

Ways and Means

Finance

**Prince George's County - Economic Development - Workgroup on Independent  
Innovation in Prince George's County - Establishment  
PG 402-24**

This bill establishes the Workgroup on Independent Innovation in Prince George's County. The Maryland Technology Development Corporation (TEDCO) must provide staff for the workgroup. Workgroup members may not receive compensation but are entitled to reimbursement for travel expenses. By January 15, 2026, the workgroup must report on progress, findings, and outcomes of the pilot Prince George's County Entrepreneurs-in-Residence program to the Prince George's County Delegation and the General Assembly. **The bill terminates September 30, 2026.**

**Fiscal Summary**

**State Effect:** General fund expenditures for TEDCO increase by *up to* \$75,000 in both FY 2025 and 2026, as discussed below. TEDCO can otherwise staff the workgroup with existing budgeted resources. Expense reimbursements for workgroup members are assumed to be minimal and absorbable within existing budgeted resources. The bill does not require TEDCO to establish an Entrepreneurs-in-Residence program; however, if TEDCO does so, general fund expenditures further increase, as discussed below. Revenues are not affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	75,000	75,000	0	0	0
Net Effect	(\$75,000)	(\$75,000)	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill does not materially affect local government finances or operations.

**Small Business Effect:** Minimal.

## Analysis

**Bill Summary:** The workgroup must (1) study and make recommendations regarding a Prince George's County Entrepreneurs-in-Residence program within TEDCO; (2) study and make recommendations regarding strategies to support investments in industry opportunities and potential areas of innovation; and (3) collaborate with TEDCO and other stakeholders in order to build partnerships and develop strategies to build Prince George's County's potential to become a hub for entrepreneurs and technology start-up companies.

**Current Law:** TEDCO is an independent entity established by the Maryland General Assembly in 1998 to enhance the transfer of technology from universities and federal laboratories to the private sector and foster the growth of companies in critical or high-growth sectors. TEDCO programs typically assist companies based on a company's stage of development, from early stage and technology transfer to growth stage. For further information on TEDCO, including a general overview and recent program additions, see the **Appendix – Maryland Technology Development Corporation**.

**State Expenditures:** TEDCO advises that the cost for a third-party to complete the required studies under the bill is approximately \$150,000. TEDCO can otherwise staff the workgroup with existing budgeted resources. Expense reimbursements for workgroup members are assumed to be minimal and absorbable within existing budgeted resources. If TEDCO determines existing staff and workgroup members have sufficient expertise to conduct the studies, or additional funds are not available for a consultant, overall costs are minimal and absorbable within existing budgeted resources. Any consultant costs are assumed to be split evenly between fiscal 2025 and 2026. Accordingly, general fund expenditures for TEDCO increase by *up to* \$75,000 in fiscal 2025 and by *up to* \$75,000 in fiscal 2026.

The bill does not require TEDCO to establish an Entrepreneurs-in-Residence program; however, if TEDCO does so, TEDCO estimates costs of approximately \$275,000 for a 12-month program or \$400,000 for an 18-month program that contracts for two part-time entrepreneurs-in-residence, provides program management with existing TEDCO staff, and covers related administrative costs. Any such costs are assumed to be paid for with general funds.

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## Additional Information

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

**Designated Cross File:** None.

**Information Source(s):** Maryland Technology Development Corporation; Department of Commerce; University System of Maryland; Department of Budget and Management; Prince George's County; Department of Legislative Services

**Fiscal Note History:** First Reader - January 30, 2024  
km/ljm Third Reader - March 22, 2024  
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## Appendix – Maryland Technology Development Corporation

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The Maryland Technology Development Corporation (TEDCO) is an independent entity established by the Maryland General Assembly in 1998 to enhance the transfer of technology from universities and federal laboratories to the private sector and foster the growth of companies in critical or high-growth sectors. TEDCO investments must meet statutory eligibility criteria that generally require a business to have and subsequently maintain a presence in the State. TEDCO programs typically assist companies based on a company's stage of development, from early stage and technology transfer to growth stage.

TEDCO's purview and funding has expanded in recent years as legacy programs were transferred from the Department of Commerce and new programs were established directly within TEDCO. The fiscal 2024 budget includes \$54.7 million in general funds for TEDCO programs. The following programs have been established by legislation since 2021, with mandated appropriations also noted.

- **Pre-Seed Builder Fund** – supports the development of start-up companies run by entrepreneurs from socially or economically disadvantaged backgrounds that hinder access to traditional forms of capital and executive networks at the pre-seed stage. The Governor must include appropriations in the budget bill in the following amounts: \$5.0 million in fiscal 2023; \$6.2 million in fiscal 2024; and \$7.5 million annually beginning in fiscal 2025.
- **Inclusion Fund** – provides capital investment in technology-based businesses that (1) would qualify for investment under the Builder Fund, as provided in TEDCO regulations; (2) are at least 30% owned by individuals who demonstrate economic disadvantage; and (3) are controlled and managed for at least one year after the time of investment by an individual or individuals who demonstrate economic disadvantage.
- **Maryland Makerspace Initiative Program** – encourages the establishment and expansion of makerspaces throughout the State. The Governor must include an appropriation in the annual budget bill of at least \$1.0 million in fiscal 2024 through 2028 for the fund. The program terminates September 30, 2028.
- **Maryland Equity Investment Fund** – allows unappropriated general fund surplus to be invested in a “qualified business” – with a goal to increase private equity and

venture capital in the State – and the interest earnings and investment returns realized to the benefit of participants of the several pension systems managed by the State Retirement and Pension System. For fiscal 2024, the Governor was required to include an appropriation in the budget bill to the fund equal to 10% of the unappropriated general fund surplus in excess of \$10.0 million from the second prior fiscal year, up to a maximum of \$10.0 million, with a corresponding decrease in the typical required appropriation. The maximum amount was appropriated.

- **Small Business Innovation Research and Technology Transfer Incentive (SBIR/STTR) Program** – allows eligible small businesses to apply for State awards or investments of 25% of SBIR/STTR federal grants, limited to \$25,000 for Phase I funding or \$75,000 for Phase II funding. TEDCO may make up to 20 Phase I distributions and 10 Phase II distributions per fiscal year for a total of \$1.25 million.
- **Equitech Growth Fund and Commission** – supports economic competitiveness and inclusive growth of emerging and advanced industries in the State through the creation of supporting infrastructure assets, resources, and a diverse workforce that builds the strengths of the State’s economy. TEDCO must award grants, investments, loans, or other financial assistance to public, nonprofit, or private entities in the State. Awards must target workforce development and infrastructure. From fiscal 2025 through 2033, the Governor must include in the annual budget bill an appropriation of \$5.0 million for awards from the fund.
- **Cyber Maryland Program and Fund** – creates a talent pipeline in cybersecurity, serves as a hub for State workforce development programs in cybersecurity, and generally coordinates cybersecurity and research and innovation in the State, among other things. Beginning in fiscal 2025, the Governor may include an appropriation in the annual budget bill of \$250,000 for the fund; however, the Governor must include an appropriation that is sufficient to hire staff for the program.
- **Human-relevant Research Program and Fund** – promotes State-funded research intended to develop human-relevant alternatives to using nonhuman animals in testing and research through grants and loans. TEDCO must establish a grant and loan program, as specified, which includes contracting with an independent scientific review board to review research proposals and make recommendations to TEDCO. The program is funded by fees on entities conducting research on nonhuman animals.