



**TESTIMONY PRESENTED TO THE
SENATE FINANCE COMMITTEE**

**SENATE BILL 602 –
ECONOMIC DEVELOPMENT – MARYLAND TECHNOLOGY
PARTNERSHIP PROGRAM**

POSITION: SUPPORT

MARCH 3, 2020

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great Maryland based technology companies.

Since its creation in 1998, TEDCO has taken innovative approaches to economic development by creating and managing a number of complex programs including the Maryland Stem Cell Research Fund, the Maryland Innovation Initiative, and several early-stage funding programs, as well as other initiatives that support the growth of Maryland's innovation economy. Senate Bill 602 would enable TEDCO to continue in this tradition by establishing a program that would be focused on the strategic development of infrastructure and placemaking projects, especially in innovation districts, that capitalize on existing assets while attracting new investment. Senate Bill 602 creates a mechanism for meaningful collaboration between the State, anchor institutions, and industry partners – eliminating the silos of effort that inhibit Maryland's growth. These partners would work together to create advanced commercial innovation centers that provide the tools and shared community environment needed to launch and grow exciting new technology companies.

Maryland is fortunate to have tremendous assets that contribute to a thriving innovation ecosystem. Recognizing the depth of research and development activity and the number of STEM professionals in the State, the 2019 Bloomberg U.S. Innovation Index ranks Maryland the 5th most innovative state. While this places Maryland among the best states for innovation, Maryland trails far behind the top three states (California, Massachusetts, and Washington). This is due to Maryland's weaker performance in such factors as technology density, productivity, and patents.

To bridge this divide, the state needs a concentrated, strategic, and innovative approach to economic development. Senate Bill 602 sets the stage to address these factors.

Specifically, the bill creates an authority of skilled and knowledgeable stakeholders to provide advice and consultation, and to otherwise direct the program to ensure it has a positive impact on Maryland's economy. The program would invest capital or operating funds to support large-scale place-making projects to establish a geographic district to attract talent, foster collaboration, and enable the higher density and growth of life sciences and cyber-related industries throughout the State. Further, the program would support projects that foster public-private partnerships between industry and anchor institutions in the State and would attract lead venture capital firms and major corporate partners to fund start-up and emerging Maryland companies, thereby strengthening intellectual property portfolios and increasing new product development. Additionally, it would be an important tool to support talent development initiatives that address critical skill shortage areas in science, engineering, mathematics and other technology driven fields. The bill is also carefully drafted to ensure proper oversight and controls including requirements for the promulgation of program regulations and for detailed reporting to the Governor and the General Assembly.

Finally, it is important to note that the bill is designed to leverage significant private investment from direct co-investment in projects, but also from the follow-on funding generated from the projects and the resulting product sales and other economic impacts. The program would also be an important partner to the opportunity zones initiative.

Senate Bill 602 would give Maryland the tools to elevate its competitive advantage in growing and attracting talented entrepreneurs and venture capital. It would enable the creation of world class innovation centers that meet the needs of fast-paced life sciences and cyber-related industries. **It is for these reasons that TEDCO urges a favorable report on Senate Bill 602.**