



**TESTIMONY PRESENTED TO THE HOUSE
WAYS AND MEANS COMMITTEE**

**HOUSE BILL 654 –
MARYLAND SMALL BUSINESS INNOVATION RESEARCH
AND TECHNOLOGY TRANSFER INCENTIVE PROGRAM**

POSITION: SUPPORT

FEBRUARY 4, 2021

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. Recognizing the importance of federal facilities and their potential for economic development, TEDCO has long partnered with federal laboratories to encourage the commercialization of federal research. This includes the NIST-Science and Technology Entrepreneur Program and the FAST Grant – SBIR/STTR proposal lab.

In 2015, the Augustine Commission (the Maryland Economic Development and Business Climate Commission) found that the State needs to do more to capitalize on the federal presence in Maryland and the businesses that support and spin out of federal facilities. The State boasts over \$15 billion in annual federal research funds. Maryland ranks 4th in SBIR awards (in Fiscal 2018); receiving approximately \$132.6 million. To benefit from its federal position, the commission specifically recommended that a matching grant program be created to support SBIR/STTR awardees. Additionally, the Maryland Department of Commerce's 2019 study on Small Business Research and Technology Transfer recommended that the State explore the creation of an SBIR/STTR matching grant program. House Bill 654 would deliver on these recommendations.

The proposed legislation creates an incentive for Maryland companies to seek federal funding through the SBIR/STTR program by providing matching grants to SBIR/STTR awardees. This would enable Maryland to join 14 other states that offer this incentive. Moreover, it provides the additional funding needed to support critical business activities, like marketing, sales, and other operational growth activities that cannot be covered by SBIR/STTR funding due to federal limitations. The additional funding provided by the legislation would foster stronger, more stable companies at their most formative state. **For these reasons, TEDCO encourages a favorable report on House Bill 654.**