



**TESTIMONY PRESENTED TO THE
SENATE FINANCE COMMITTEE**

**SENATE BILL 732 –
ECONOMIC DEVELOPMENT – MARYLAND INNOVATION
INITIATIVE UNIVERSITY EXPANSION PILOT PROGRAM -
ESTABLISHMENT**

POSITION: SUPPORT

MARCH 16, 2021

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.

The Maryland Innovation Initiative (MII) program was established by the General Assembly in 2012 as a partnership between the State of Maryland and the State's five research universities. The purpose has been and remains to help accelerate to market promising technologies with significant commercial potential. According to the Association of University Technology Managers, at the inception of MII, Maryland ranked 5th in the nation in research expenditures at its universities, but only 38th in the rate of commercialization of that research through start-up companies. Today, due, in part, to the efforts of the MII partnership with Maryland's research institutions, Maryland now ranks 6th in the nation for research expenditures and 8th in the rate of commercialization.

MII achieved this success by developing a program that begins with a critical assessment of the commercial potential of a university research project. For projects that pass this first step, funding and technical assistance are provided to help demonstrate feasibility. From that point, a company is formed around a project and further funding and technical assistance are provided to advance a project toward commercial milestones that significantly increase the new company's commercial value and better position them to attract investment from angels, venture capitalists and other early-stage investors. Over the life of the program, State investment of \$43.8 million, coupled with \$7.3 million from the partner universities, has resulted in the creation of 105 new companies to date, who then have raised over \$532 million in follow-on funding. While still fledgling, MII start-up companies already contribute to the economic development of their

communities creating 120 high tech jobs with an average salary of \$103,000 and generating revenue upwards of \$10 million in FY20—a true economic development success.

Senate Bill 732 would build on the success of the MII program by creating a pilot program under the MII umbrella to expand the model to Bowie State University and Salisbury University. The bill is the result of a recommendation from the Senate President's Advisory Workgroup on Equity and Inclusion. It is designed to build on the economic strengths of the anchor institutions of Bowie State University and Salisbury University, and their communities. The bill would create opportunities for technology validation, entrepreneurial development, and industry engagement at the universities. It would help identify and fund projects that support the creation of new technology-based businesses or advance technology toward commercialization. It also would support the development of entrepreneurial activities at the institutions and would help foster collaboration between the institutions and industry partners.

Both Bowie State University and Salisbury University are well-positioned to begin the pilot program proposed by the bill. Bowie has an Entrepreneurship Academy which helps students create their own business opportunities or become innovative thinkers and problem-solvers at established companies. Also, Bowie is the first historically black college or university in Maryland to host a small business incubator and one of only a few in the country to offer an academic program in entrepreneurship. Likewise, Salisbury University hosts the Purdue School of Business Student Entrepreneurship Competition each spring. Further, The Perdue School of Business Philip E. & Carole R. Ratcliffe Foundation Shore Hatchery is a bi-annual Mid-Atlantic business competition which rewards individuals for their entrepreneurial efforts in the creation and growth of businesses with the potential of positively impacting regional employment. Piloting this program at Bowie and Salisbury will bring invaluable economic opportunities to Prince George's County and to the Eastern Shore and will provide a constructive template for future expansion to the State's other four-year public comprehensive universities and beyond.

For these reasons, TEDCO encourages a favorable report on Senate Bill 732.