

FeldmanAmendment_SB0459-183221-01.pdf

Uploaded by: Feldman, Brian

Position: FAV



SB0459/183221/1

AMENDMENTS
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SERVICES

26 FEB 21
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BY: Senator Feldman
(To be offered in the Finance Committee)

AMENDMENTS TO SENATE BILL 459
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “**Maryland**” in line 2 down through “**Alterations**” in line 3 and substitute “**Comprehensive Technical Assistance Program – Establishment**”; strike beginning with “altering” in line 4 down through “Program” in line 8 and substitute “establishing the Comprehensive Technical Assistance Program in the Maryland Technology Development Corporation; providing for the purpose of the Program; requiring the Program to include certain types of technical assistance; requiring the Corporation to include certain information on the Program in a certain annual report; requiring the Corporation to adopt certain regulations; and generally relating to the establishment of the Comprehensive Technical Assistance Program in the Maryland Technology Development Corporation”; in line 9, strike “repealing and reenacting, with amendments,” and substitute “adding to”; and in line 11, strike “10-4B-01” and substitute “10-416”.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 17 on page 1 through line 30 on page 2, inclusive, and substitute:

“10-416.

(A) THERE IS A COMPREHENSIVE TECHNICAL ASSISTANCE PROGRAM IN THE CORPORATION.

(B) (1) THE PURPOSE OF THE PROGRAM IS TO PROVIDE COMPREHENSIVE TECHNICAL ASSISTANCE TO ANY BUSINESS THAT QUALIFIES FOR FINANCIAL ASSISTANCE UNDER THIS SUBTITLE OR ANY OTHER PROGRAM IN THE PORTFOLIO OF THE CORPORATION.

(Over)

(2) THE TECHNICAL ASSISTANCE PROVIDED UNDER THE PROGRAM SHALL:

(I) INCORPORATE EXISTING SERVICES OF THE CORPORATION;

(II) INCLUDE FLEXIBLE AND CUSTOMIZED APPLIED TRAINING SERVICES;

(III) INCLUDE THE USE OF A NETWORK OF EXPERIENCED ADVISORS TO SERVE AS MENTORS AND LOANED EXECUTIVES; AND

(IV) INCLUDE SUPPORT WITH ATTRACTING AND ACCESSING PRIVATE CAPITAL.

(C) THE CORPORATION SHALL INCLUDE, AS PART OF ITS ANNUAL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY UNDER § 10-415 OF THIS SUBTITLE, A DETAILED DESCRIPTION OF THE IMPLEMENTATION OF THE PROGRAM.

(D) THE CORPORATION SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.”.

FiscalNote_hb0987.pdf

Uploaded by: Feldman, Brian

Position: FAV

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 987 (Delegate Qi)
 Ways and Means

Economic Development – Comprehensive Technical Assistance Program –
 Establishment

This bill establishes the Comprehensive Technical Assistance Program in the Maryland Technology Development Corporation (TEDCO). The purpose of the program is to provide comprehensive technical assistance to any business that qualifies for financial assistance under a TEDCO program. The program must incorporate TEDCO’s existing services, include flexible and customized applied training services, and include the use of a network of experienced advisors to serve as mentors and loaned executives. TEDCO must include information related to the program in its annual report and must adopt regulations to implement the bill.

Fiscal Summary

State Effect: General fund expenditures increase by approximately \$187,500 in FY 2022 and by approximately \$250,000 annually thereafter, as discussed below. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	187,500	250,000	250,000	250,000	250,000
Net Effect	(\$187,500)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)

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: Meaningful.

Analysis

Current Law: TEDCO is an independent entity established by the Maryland General Assembly in 1998 to facilitate the creation of technology companies and encourage collaboration between these emerging businesses and federal and State research laboratories. TEDCO also aims to promote new research activity and investments that lead to business development in Maryland.

No comprehensive TEDCO technical assistance program exists in statute as many of TEDCO's public-facing programs/initiatives are not established by statute. In practice, TEDCO offers technical assistance as part of some of its existing programs, but it is not comprehensively provided. For example, the TEDCO Builder Fund program provides early-stage investment along with executive management support, executive management services, and mentorship to companies run by individuals with a socially or economically disadvantaged background that hinders access to traditional forms of capital.

State Expenditures: TEDCO advises that it can implement the program for approximately \$250,000 annually. This estimate includes \$125,000 for one full-time employee to administer the program (salary, benefits, and related costs), plus \$125,000 to fund a speaker series (\$5,000), mentors (\$40,000), loaned executives (\$50,000), and general administrative expenses (\$30,000). TEDCO employees are not State employees. Therefore, accounting for the bill's October 1, 2021 effective date, general fund expenditures increase by approximately \$187,500 in fiscal 2022 and by approximately \$250,000 annually thereafter. TEDCO advises that these are new costs.

TEDCO indicates that this level of spending could engage 130 companies each year, totaling approximately 1,500 hours of technical assistance across the various services.

Small Business Effect: Small businesses benefit from the additional comprehensive services provided by TEDCO under the program.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Technology Development Corporation; Department of Legislative Services

Fiscal Note History: First Reader - February 17, 2021
rh/vlg

Analysis by: Stephen M. Ross

Direct Inquiries to:
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hb0987F.pdf

Uploaded by: Feldman, Brian

Position: FAV

HOUSE BILL 987

C8

11r2042

By: **Delegate Qi**

Introduced and read first time: February 5, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Comprehensive Technical Assistance Program –**
3 **Establishment**

4 FOR the purpose of establishing the Comprehensive Technical Assistance Program in the
5 Maryland Technology Development Corporation; providing for the purpose of the
6 Program; requiring the Program to include certain types of technical assistance;
7 requiring the Corporation to include certain information on the Program in a certain
8 annual report; requiring the Corporation to adopt certain regulations; and generally
9 relating to the establishment of the Comprehensive Technical Assistance Program
10 in the Maryland Technology Development Corporation.

11 BY adding to

12 Article – Economic Development

13 Section 10–416

14 Annotated Code of Maryland

15 (2018 Replacement Volume and 2020 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

17 That the Laws of Maryland read as follows:

18 **Article – Economic Development**

19 **10–416.**

20 **(A) THERE IS A COMPREHENSIVE TECHNICAL ASSISTANCE PROGRAM IN**
21 **THE CORPORATION.**

22 **(B) (1) THE PURPOSE OF THE PROGRAM IS TO PROVIDE**
23 **COMPREHENSIVE TECHNICAL ASSISTANCE TO ANY BUSINESS THAT QUALIFIES FOR**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 FINANCIAL ASSISTANCE UNDER THIS SUBTITLE OR ANY OTHER PROGRAM IN THE
2 PORTFOLIO OF THE CORPORATION.

3 **(2) THE TECHNICAL ASSISTANCE PROVIDED UNDER THE PROGRAM**
4 **SHALL:**

5 **(I) INCORPORATE EXISTING SERVICES OF THE CORPORATION;**

6 **(II) INCLUDE FLEXIBLE AND CUSTOMIZED APPLIED TRAINING**
7 **SERVICES; AND**

8 **(III) INCLUDE THE USE OF A NETWORK OF EXPERIENCED**
9 **ADVISORS TO SERVE AS MENTORS AND LOANED EXECUTIVES.**

10 **(C) THE CORPORATION SHALL INCLUDE, AS PART OF ITS ANNUAL REPORT**
11 **TO THE GOVERNOR AND THE GENERAL ASSEMBLY UNDER § 10-415 OF THIS**
12 **SUBTITLE, A DETAILED DESCRIPTION OF THE IMPLEMENTATION OF THE PROGRAM.**

13 **(D) THE CORPORATION SHALL ADOPT REGULATIONS TO CARRY OUT THIS**
14 **SECTION.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2021.

SB0459 - 03.02.21--Economic Development Maryland

Uploaded by: Fry, Donald

Position: FAV



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE

SENATE BILL 459 - ECONOMIC DEVELOPMENT – MARYLAND SMALL BUSINESS INNOVATION RESEARCH TECHNICAL ASSISTANCE PROGRAM – ALTERATIONS

Sponsor – Senator Feldman

March 2, 2021

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 459, which would alter the purpose of the Maryland Small Business Innovation Research Technical Assistance Program to include providing technical assistance to assist small businesses with attracting and accessing private capital.

Small business growth has been dropping for decades across the country. Between 1978 and 2012, U.S. Census data indicates that small businesses less than a year old as a percentage of overall businesses has decreased by 44 percent. The Brookings Institute established that more businesses are failing than are being started. The U.S. Senate Committee on Small Business and Entrepreneurship reported that the main hurdle for small businesses was a lack of capital, with 41 percent of small businesses citing that reason. These findings were all prior to the COVID-19 outbreak, which has only accelerated negative trends and exacerbated existing small business struggles.

According to the Federal Emergency Management Administration (FEMA), 40% of businesses do not reopen following a disaster. Another 25% percent fail within a year while over 90% fail within two years of being struck by a disaster, according to the U.S. small business administration. These statistics infer that there will be a substantial wave of business closures within the next year, creating significant gaps in industries that new businesses will have to fill. The effects of the coronavirus pandemic have made the growth of new small businesses more important than ever.

The GBC supports this bill's efforts to aid small businesses in attracting and accessing private capital. While federal and state aid packages, programs, tax credits, and loan relief are crucial, Maryland has over 477,000 small businesses, almost all of whom are suffering from the pandemic. Government aid is simply too limited to provide these small businesses with the monies they need. It is therefore important to encourage private investment. Educating and assisting small businesses in attracting and accessing private capital arms them with the tools they need to become more self-sustainable, which has become more important than ever during this crisis.

In the Greater Baltimore Committee report *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, eight core pillars were identified for a competitive business environment. One of these essential pillars is **strategic and effective investments in business growth**. Effective investment includes devoting resources towards educating small business owners in best practices to support themselves. Increasing access to capital for small businesses is a strategic and effective investment that will result in business growth.

GREATER BALTIMORE COMMITTEE

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Senate Bill 459 also aligns with two of the key tenets of the GBC's *2021 Legislative Priorities*:

- **Advocacy for policy, funding, and regulatory solutions to accelerate economic recovery with an emphasis on support for small and minority-owned businesses.** Support policies or programs to increase access to capital for small and minority owned businesses including both traditional and non-traditional capital sources (CDFIs, PPP, venture capital, etc.)
- **Advocate for inclusive policies and programs that strengthen economic competitiveness and job creation.** Support a strong and inclusive economic development ecosystem that improves the business climate, creates jobs, and cultivates entrepreneurship.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 459.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

SB 459_Small Business Innovation Research Program_

Uploaded by: Griffin, Andrew

Position: FAV



LEGISLATIVE POSITION:

FAVORABLE

Senate Bill 459

**Economic Development – Maryland Small Business Innovation
Research Technical Assistance Program – Alterations
Senate Finance Committee**

Tuesday, March 2, 2021

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

The Maryland Chamber of Commerce has always strongly supported providing and enhancing opportunities for all businesses throughout the state of Maryland. Even more so, we fully believe in amplifying technical assistance and increasing access to aid for small and economically disadvantaged Maryland businesses. Without the proper support and access, many small businesses aren't aware of the opportunities and benefits presented to them, especially during economically challenging times such as the COVID-19 pandemic.

Through the Maryland Small Business Innovation Research Technical Assistance Program, SB 459 will provide Maryland small businesses with additional access to technical support and aid through various grant programs as well as assisting small businesses with attracting and accessing private capital. With opportunities such as training assistance and assessments, along with promoting the application for the federal Small Business Innovation Research Grant Program and the federal Small Business Technology Transfer grant program, SB 459 stand to greatly benefit Maryland small businesses.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on Senate Bill 459.

SB0459_FAV_MTC_Eco. Dev. - Small Bus. Innovation R

Uploaded by: Kasemeyer, Pam

Position: FAV



MARYLAND TECH COUNCIL

TO: The Honorable Delores G. Kelley, Chair
Members, Senate Finance Committee
The Honorable Brian J. Feldman

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman

DATE: March 2, 2021

RE: **SUPPORT** – Senate Bill 459 – *Economic Development – Maryland Small Business Innovation Research Technical Assistance Program – Alterations*

The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **support** for Senate Bill 459 as amended by the sponsor.

Senate Bill 459, as amended by the sponsor, creates a comprehensive technical assistance program in the Maryland Technology Development Corporation (TEDCO). The program will provide comprehensive technical assistance to any business that qualifies for financial assistance under any program in the portfolio of TEDCO. The technical assistance provided under the program shall not only incorporate existing services of TEDCO but also flexible and customized applied training services. It will include the use of a network of experienced advisors to serve as mentors and loaned executives. TEDCO will be required to include, in its annual report, a detailed description of the implementation of the program.

The creation of the program proposed in Senate Bill 459 will provide a framework to support emerging businesses who could benefit from technical assistance and mentoring services. A favorable report is requested.

For more information call:

Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
410-244-7000

SB459 - MoCo Chamber - Economic Development – Mary

Uploaded by: Swanson, Tricia

Position: FAV



To Lead, Advocate and Connect as the Voice of Business

Senate Bill 459 - Economic Development – Maryland Small Business Innovation Research Technical Assistance Program – Alterations

Finance Committee

March 2, 2021

SUPPORT

The Montgomery County Chamber of Commerce (MCCC), as the voice of Montgomery County business, supports Senate Bill 459. This bill alters the purpose of the Maryland Small Business Innovation Research Technical Assistance Program to include providing technical assistance to assist small businesses with attracting and accessing private capital.

The Chamber advocates for policies that promote strategic investment, a positive business climate and balanced tax reform to further the success of our members and to affirm Maryland’s place as relevant and competitive in the regional and global marketplace. To compete, Maryland must retain existing businesses, encourage the formation of new businesses, and even attract businesses from other locations to come here.

One of the many challenges that businesses face is access to capital. In 2020, two reports were commissioned to analyze the future of economic development in Montgomery County and Metro Maryland. Both reports ([An Economic Roadmap to Recovery & Long-Term Success](#) and James Chung, “Montgomery County at a Crossroads”) spoke to the immense need for future investments through Venture Capital and capital gains, particularly in our Biotech, Quantum Computing, and Hospitality sectors. Montgomery County, and thereby the state, could see investments comparable to Boston and Silicon Valley but the state must pass policies that support this investment. In sum, the Chamber supports efforts to encourage more business activity, in this case among emerging businesses, by teaching small business how to attract and access private capital.

For the aforementioned reasons, **the Chamber supports Senate Bill 459 and respectfully urges a favorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

SB 459 - Tech. Assistance Program - TEDCO.pdf

Uploaded by: LeMaile-Stovall, Troy

Position: FWA



**TESTIMONY PRESENTED TO THE
SENATE FINANCE COMMITTEE**

**SENATE BILL 459 – ECONOMIC DEVELOPMENT –
MARYLAND SMALL BUSINESS INNOVATION RESEARCH
TECHNICAL ASSISTANCE PROGRAM - ALTERATIONS**

POSITION: SUPPORT WITH AMENDMENTS

MARCH 2, 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.

TEDCO aims to provide the resources, expertise, and guidance to lead Maryland entrepreneurs to opportunities in the capital markets. With the amendments proposed by Senator Feldman, Senate Bill 459 will enable TEDCO to broaden our technical assistance efforts by creating a comprehensive, end-to-end advisory support program to prepare entrepreneurs for the next stage of growth and by better preparing entrepreneurs to attract capital.

First time entrepreneurs are often ill-prepared for some of the challenges that face early-stage companies such as customer discover, business modeling, pitch deck development, securing intellectual property, building teams, or investor readiness. A recent study by the Congressional Research Service found that participants in technical assistance programs provided by the U.S. Small Business Administration improved their management practices or strategies. The study showed that these programs assisted small businesses at all stages of development and participants reported that the technical assistance was useful in company growth.

With the amendments, Senate Bill 459 will equip TEDCO with the tools necessary to expand our portfolio of technical assistance programs. For example, TEDCO's "Prelude Pitch" is a program designed to hone entrepreneur pitches to be investor ready. TEDCO also partners with a series of Network Advisors that have current, relevant experience in one or more of specific areas. This curated set of Network Advisors brings its broad and diversified depth of experience to bear on the unique needs of Maryland's start-up companies at no cost to the entrepreneur. TEDCO also offers the SBIR Proposal Lab. Participants in the lab have twice the average award rate for the SBIR/STTR federal grants.

A comprehensive system of assistance as authorized by an amended bill would complement the continuum of TEDCO funding programs by providing a corresponding continuum of advisory support to better prepare firms to access capital resources. An amended Senate Bill 459 would provide the resources so that TEDCO can assist firms to understand their short- and long-term capital needs and how to best access those sources. The program would provide flexible and customized services, including virtual and in-person events. TEDCO would be the one-stop-shop for tech-based entrepreneurs for early-stage funding programs and for programs that are focused on the one-on-one attention that is craved by entrepreneurs and the most effective way to assist companies. Graduates from TEDCO technical assistance programs will be better positioned to attract all sources of capital, including equity, debt and SBIR funding, and will present better investment opportunities for TEDCO's investment funds. As the number of well-positioned early-stage companies grow, more early-stage capital sources will be attracted to Maryland.

It is for these reasons that TEDCO urges a favorable report on an amended Senate Bill 459.