

SB 372 Bowie State Written Testimony FAV.pdf

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SENATE FINANCE COMMITTEE

Senate Bill 372

**Economic Development – Maryland Innovation Initiative University
Partnership Pilot Program – Establishment**

March 11, 2021

Favorable

Chair Kelley, Vice Chair Feldman and committee members, thank you for the opportunity to submit testimony in support of on Senate Bill 372. I would also like to thank Senator Obie Patterson for supporting Bowie State University. Senate Bill 372 will establish the Maryland Innovation Initiative University Partnership Pilot Program within the Maryland Technology Development Corporation. The pilot program will expand opportunities for technology validation, entrepreneurial development, and industry engagement at Bowie State University.

The Bowie State University Entrepreneurship Academy helps students create their own business opportunities or become innovative thinkers and problem-solvers at established companies. Ultimately, the Academy strives to become the “go to” resource for entrepreneurship among Bowie State University faculty, students and alumni. This university-wide initiative is made possible by a team of faculty, Bowie State students, alumni, businesses and donors shaping the next generation of entrepreneurial leaders.

Bowie State University is committed to continuing to grow in research, product development and commercialization. The Entrepreneurship Academy is collaborating with the Office of Research and Sponsored Programs to identify the needs and develop key resources for IP protection, tech transfer and commercialization. As we continue to build our infrastructure at Bowie State University (BSU) in research and entrepreneurship, it is critical that we expand support for intellectual property (IP) protection, technology transfer and commercialization of technologies and other innovative products. Developing these areas will provide the education and training as well as expertise to support all University stakeholders in these areas, but also build long-term sustainable strategic ecosystems within the University and the surrounding community.

Bowie State University is fortunate to be able to leverage resources to address student and faculty needs to strengthen entrepreneurship opportunities. Senate Bill 372 will strengthen student and faculty success by fostering collaboration between eligible university and industry partners.

Thank you for your efforts to address this important issue for our students and faculty as we work to expand entrepreneurship opportunities at Bowie State University and across Maryland urge a favorable report for SB 372.

SB 732 - MII Pilot - BSU,SU -TEDCO.pdf

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**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.

SB 732 - Sponsor Amendments

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AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

16 MAR 21
12:59:04

BY: Senator Patterson
(To be offered in the Finance Committee)

AMENDMENTS TO SENATE BILL 732
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in lines 8 and 9, in each instance, strike “Salisbury” and substitute “Frostburg State”.

AMENDMENT NO. 2

On page 3, in line 5, strike “**SALISBURY**” and substitute “**FROSTBURG STATE**”.

SB 732 MD Innovation Initiative Univ Expansion Pil

Uploaded by: Wilkins, Barbara

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 732 Economic Development – Maryland Innovation Initiative University Expansion Pilot Program – Establishment (Patterson)

STATEMENT OF INFORMATION

DATE: March 16, 2021

COMMITTEE: Senate Finance

SUMMARY OF BILL: SB 732 establishes a three-year pilot program to expand opportunities for technology validation, entrepreneurial development, and industry engagement at Bowie State University and Salisbury State University; and mandates an appropriation in the amount of \$500,000 in FY 2023 and FY 2024, with a \$50,000 annual contribution from each university to participate in the program.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$500,000 mandated appropriation in FY 2023 and FY 2024.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which requires spending allocations for FY 2022 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2020.

Economic conditions remain precarious as a result of COVID-19, making revenue predictions in the out year forecast susceptible to revenue write downs. Many individuals and households are unemployed or underemployed, with many industry sectors operating at much less than 100% capacity. Federal stimulus programs are providing much needed relief in the short term, but the impact of the COVID-19 pandemic continues to present significant risk in FY 2023 and beyond.

The General Assembly and Administration have successfully enacted the Governor's emergency Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (SB 496 RELIEF Act), which provides \$1.1 billion in direct stimulus and tax relief for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic. It is incumbent upon us to allow the impact of this unprecedented relief package on the State's economy to take effect. Further mandated spending increases need to be reevaluated within the context of an ongoing pandemic.

**For additional information, contact Barbara Wilkins at
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