

SB125 Testimony.pdf

Uploaded by: Antonio Hayes

Position: FAV

ANTONIO HAYES
Legislative District 40
Baltimore City

Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

January 31th, 2023

Testimony of Senator Hayes in Support of
Senate Bill 125: Business Diversity Incubator Program

Chairwoman Griffith and members of the Finance committee,

Senate Bill 125 establishes the Business Diversity Program in the Maryland Technology Development Corporation (TEDCO) for the purpose of providing grants to nonprofit organizations to establish diverse and effective business incubators in the State.

Federally, we created the Civil Rights Division of the Department of Justice in 1957 to uphold the civil and constitutional rights of all persons in the United States, particularly some of the most vulnerable members of our society. 20 years later in 1978, the Maryland General Assembly enacted legislation creating the Minority Business Enterprise (MBE) Program to ensure that socially and economically disadvantaged small business owners are included in the state's procurement and contracting opportunities. However, very little strides were made in the tech space.

In 2017 and 2018, only 10 of TEDCO's 135 investments were made in companies run by Black entrepreneurs. That is 0.85% of the total investment amount during that time period. This bill seeks to create equity in tech by addressing the wide chasm that exists in terms of investment into companies run by socially and economically disadvantaged individuals.

I urge you to vote favorably on SB125.

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio L. Hayes".

Senator Antonio L. Hayes
40th Legislative District – MD

2023 - SB 125 - FAV - 1-30.pdf

Uploaded by: Grason Wiggins

Position: FAV



EMPLOY PRINCE GEORGE'S
1801 McCormick Drive, Suite 400,
Largo, Maryland 20774
www.employpg.org
Walter L. Simmons, President

Senate Bill 125

Committee: Ways and Means

Date: January 31, 2023

Position: Favorable

Employ Prince George's, the principal workforce development entity for Prince George's County, that provides nationally recognized community and workforce development programming, offers this testimony in support of Senate Bill 125: Business Diversity Incubator Program (SB 125). As the administrative and fiscal agent of the Prince George's County Workforce Development Board, Employ Prince George's is responsible for operating the Prince George's County Public Workforce System. Under the leadership of Employ Prince George's, and the Prince George's County Workforce Development Board, the Prince George's County Public Workforce System serves over 25,000 job seekers and businesses annually.

SB 125 creates the Digital Bay Business Diversity Program ("Program") and establishes a grant program for 501(c)(3) nonprofit organizations to facilitate diverse and effective business incubators within Maryland. Further, SB 125 requires the Governor to appropriate \$2 million in the annual budget from FY 2026 to FY 2031, half of which is earmarked to organizations participating in Maryland's Minority Business Enterprise (MBE) program.

Maryland's economy benefits from diverse businesses, and Maryland's nonprofits are prepared to leverage resources to ensure diverse and effective business incubators are established throughout the State. SB 125 would make funding available to nonprofits for small business development, marketing, business education curricula, finance training, and business materials. Funds for these purposes will ensure that diverse and effective business incubators generate sustainable economic opportunities.

By requiring that half of the funding allocated in the annual budget be awarded to organizations that participate in MBE Program, SB 125 incentivizes future participation in the MBE program and ensures that nonprofits who are currently participating in the program receive critical financial support that will facilitate their continued success in Maryland's economy.

In addition to the appropriation of funds, SB 125 includes oversight provisions that will ensure the successful implementation of the program. For example, a grant recipient must enter into a program agreement, and any violation of the agreement is subject to specified remedies. Moreover, no more than 15% of a grant award may be used for operating expenses, and a grant recipient must submit an annual report which will document how the grant recipient utilized the funding.

SB 125 promotes diverse nonprofits and businesses in Maryland, which will benefit every Marylander. **For the aforementioned reasons, Employ Prince George's respectfully requests a favorable report from the Committee.**

BaltimoreCounty_FAV_SB0125.pdf

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Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

JOSHUA M. GREENBERG
Associate Director of Government Affairs

BILL NO.: SB 125

TITLE: Business Diversity Incubator Program

SPONSOR: Senator Hayes

COMMITTEE: Finance

POSITION: **SUPPORT**

DATE: January 31, 2023

Baltimore County **SUPPORTS** SB 125 - Business Diversity Incubator Program. This legislation would establish the Digital Bay Business Diversity Program in the Maryland Technology Development Corporation.

Baltimore County takes pride in its women-and-black-owned businesses and continues to prioritize diverse representation in the business sector. For many, starting a business can prove prohibitively expensive, and shortages worldwide have only increased costs associated with overhead, labor, and production. Communities that have historically faced underinvestment are disproportionately impacted by these ever-increasing challenges.

Senate Bill 125 creates the Digital Bay Business Diversity program to make funding available, through a nonprofit, to establish diverse business incubators throughout the State. Utilizing this funding, nonprofits would be able to issue grants for small business development, marketing, business education, finance training, and business materials through a competitive process. This legislation would provide another critical economic development tool for minority residents across the State of Maryland.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 125. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

Inncuvate (SB125. SUPPORT) (Session 2023).pdf

Uploaded by: Mark Lawrence

Position: FAV

February 2nd, 2023

Senator Melony Griffith, Chair
Senate Finance Committee
Miller Senate Office Building, East 3
Annapolis, Maryland 21401

Senate Finance Committee Senate Bill 125: Business Diversity Incubator Program Position: SUPPORT

Dear Madame Chair & Members of the Senate Finance Committee:

As President of Inncuvate Community Development Partners, a non-profit organization, located in Prince George's County, I write this letter to you to express my enthusiasm and staunch support for Senate Bill 125, entitled: "*Business Diversity Incubator Program*".

Senate Bill 125, as introduced, establishes the Business Diversity Incubator Program in the Maryland Technology Development Corporation (TEDCO) for the purpose of providing grants to nonprofit organizations to establish diverse and effective business incubators in the State.

Inncuvate is focused on the future of work and entrepreneurial ecosystems as we believe in the power of technology-based enterprises as anchors in economic empowerment and community growth engines. Our organization is a full stack entrepreneurship-led economic empowerment enterprise that specializes in creating purpose-built programs and places that attract the best talent and create an environment that encourages innovation, collaboration, and the commercialization of new ideas. We have developed incubators at Prince George's Community College. Currently, we are deploying our statewide incubator platform, Inncuvate Venture Studios, with our first location in Prince George's County and seeking another location in Western Maryland.

The enactment of Senate Bill 125 will offer non-profit organizations, like Inncuvate, the financial capabilities and tenable opportunities for the next generation of pioneers and dreamers. More importantly, this legislation will accelerate pathways for organizations, participating in the State's Minority Business Enterprise (MBE) Program, to create wealth, bridge economic gaps, and further grow the number of minority entrepreneurs throughout the State of Maryland.

It is for these reasons, we, proudly, support this legislation and respectfully seek a favorable report by this committee.

Sincerely,



Mark Lawrence
President

Inncuvate Community Development Partners, Inc.

CE Ball 2023 - SB 125 Business Diversity Incubator

Uploaded by: Meghan Lynch

Position: FAV



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

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January 31, 2023

Senator Melody Griffith, Chair
Senate Finance Committee
Miller Senate Office Building, 3 East
Annapolis, Maryland 21401

Re: **TESTIMONY OF SUPPORT**: SB 125: Business Diversity Incubator Program

Dear Chair Griffith, Vice Chair Klausmeier, and Members of the Committee,

I commend Senator Hayes for introducing Senate Bill 125 which would establish a Business Diversity Incubator Program within the Maryland Technology Development Corporation to create diverse and effective business incubators.

Howard County takes pride in the diversity of our residents and businesses. Ensuring that the diversity of our entrepreneurial and innovative private sector has been a long-standing priority. As former Chair of the Howard County Council, I led the initiative for the Howard County Equal Business Opportunity Commission to study the effectiveness of the county's Equal Business Opportunity Program. This program is a county-led initiative that aims to include businesses led by people of color, women and people who are disabled in the county's procurement process for all goods and services. Howard County added 300 businesses to our economy during the pandemic and have continued to expand on our efforts to grow diverse businesses.

Incubators play a key role in providing needed resources to entrepreneurs to help emerging businesses thrive. These programs bring together community partnerships, affordable workspaces, and critical business advisory services. Growing our economy must center on inclusivity and provide access for those who have historically left out of the process.

Promoting diversity, equity, and inclusion in our private sector only makes it stronger for all. When government can work with business to provide opportunities for all, our State becomes even more competitive.

I welcome your support and urge a favorable report on SB 125.

All the Best,

Calvin Ball
Howard County Executive

SB 125 - LBCMD - FAV

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Position: FAV



February 1, 2023

Senator Melony Griffith, Chairwoman
Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairwoman Griffith and Members of the Committee:

The Legislative Black Caucus of Maryland has voted to offer **favorable** support for Senate Bill 125 – Business Diversity Incubator Program. **This bill is a 2023 legislative priority of the Black Caucus.**

This legislation will create a business diversity program for the purposes of providing grants to nonprofit organizations to establish diverse and effective business incubators in the State. Under this program, grants will be made available to support the development and growth of small and minority-owned businesses.

It is crucially important that the MBEs in Maryland are supported and provided with equitable access to resources that help to promote their growth and ensure their competitiveness within their respective industries. In efforts to address economic gaps and challenges that Maryland's MBEs experience, this legislation intends to foster financial supports for incubators that support Black-owned businesses. In effect, this bill will provide increased funding for MBEs and improve opportunities for socially and economically disadvantaged businesses—eliminating economic barriers and bolstering access to opportunities for Black-owned business owners throughout the State of Maryland.

For these reasons, the Legislative Black Caucus of Maryland supports Senate Bill 125 and would appreciate your favorable support of this legislation.

Jheanelle Wilkins

Delegate Jheanelle Wilkins

Chair, Legislative Black Caucus of Maryland

SB125 - FIN hearing - Business Incubator Diversity

Uploaded by: Troy LeMaile-Stovall

Position: FWA



**TESTIMONY PRESENTED TO THE
SENATE FINANCE COMMITTEE**

**SENATE BILL – 125
BUSINESS DIVERSITY INCUBATOR PROGRAM**

POSITION: FAVORABLE WITH AMENDMENTS

JANUARY 31, 2023

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 supports SB 125 – Business Diversity Incubator Program and the bill sponsor’s amendments developed by a coalition of incubator stakeholders, including TEDCO. We thank the bill sponsor, Senator Hayes for his leadership on this important issue. SB 125 creates a new program and fund in TEDCO for the purpose of providing grants to establish diverse and effective business incubators in the State.

TEDCO recognizes the importance of incubators as a valuable component of the of the infrastructure for an innovation-based ecosystem and economy. They serve the ecosystem in several important ways that include:

- Providing guidance and advice to early-stage entrepreneurs and helping them progress to sustainability or venture investment that will lead to growth and the creation of jobs;
- Creating a community of entrepreneurs by making space available so early-stage companies can work in close proximity and learn from each other, or by hosting events including speakers, investment pitches, and other activities that allow entrepreneurs to interact with and support each other;
- Providing mentors from the business community or experienced entrepreneurs-in-residence that can help companies make connections and get introductions to investors; and
- Sharing resources including office equipment, reception, mail services, scientific equipment, and other resources to minimize the up-front costs needed to operate a business.

Digital Bay Center, a technology incubator located in Baltimore City and a leader in the incubator diversity movement, is an example of the impact that an incubator can have in a region and in serving underserved populations. Senate Bill 125 will intentionally encourage, support, and expand the diversity of incubators across the State. This represents an opportunity to strengthen Maryland’s innovation infrastructure and expand the economic impact that incubators, like the Digital Bay Center, are already having on underrepresented entrepreneurs and the economy. An investment in diverse incubators will be an investment in Maryland’s economy through the development of diverse entrepreneurs, and it will create a faster road to market for new products launched by Maryland’s early-stage companies.

For all these reasons, **TEDCO is supportive of SB 125 and requests the bill sponsor’s and stakeholder’s amendments be adopted.**