



HOUSE WAYS AND MEANS COMMITTEE

SENATE BILL – 125 BUSINESS DIVERSITY INCUBATOR PROGRAM

POSITION: FAVORABLE

MARCH 30, 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 Senate amendments, developed by the bill sponsors and a coalition of incubator stakeholders, including TEDCO. We thank the bill sponsors, Senator Hayes and Delegate Jazz Lewis for their 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 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 urges a favorable report.**