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Majority Whip

Appropriations Committee



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THE MARYLAND HOUSE OF DELEGATES
Annapolis, Maryland 21401

Oral testimony of Delegate Jazz Lewis
HB75 – Maryland Technology Development Corporation – Digital Bay Business
Diversity Program – Establishment
Before the Ways and Means Committee

Chair Atterbeary and members of the Ways and Means Committee,

I am here in strong support of HB75 to create a business diversity incubator program within TEDCO. The purpose of the business diversity program is to create business incubators by providing grants to business incubators. Under this program, grants will be available for small business development, marketing, business education curricula, finance training, and business material for incubators who are fully equipped and trained to boost our MBE's across Maryland.

Business Incubators are organizations that help small businesses get off the ground, through services like business management education, marketing assistance and networking opportunities. Services that can determine whether a start-up fails or becomes a lasting contributor to our economy. The University of Albany conducted a study on the economic impact of incubators and found very positive results for the local economy as over 84 percent of "graduates" remain local once they outgrow an incubator's services.¹

Incubators are dynamic as individual firms can be specialized to focus in on specific fields and industries to support related businesses and start-ups that might need their assistance. Having the support of an incubator can mean that a start-up has the ally and mentor that they need to overcome many of the initial challenges that they might face, that only a person with experience in that field may know about. Receiving that specialized mentorship and support can make sure that these business-owners are put on a successful path and they can move forward with their businesses.

HB75 takes further action to ensure that we support incubators who are equipped to support Black-owned businesses and those that come from disenfranchised communities. As a state, we need to do more to improve the opportunities and chances of success for our MBE's. Supporting diversity business incubators will make sure that our state sponsors those organizations who are ready and able to step in and provide the services that can address the unique challenges and hurdles that MBE's face when just starting out. There is a preponderance

¹https://www.wilmingtonbiz.com/entrepreneurs/2010/04/02/business_incubation_an_important_tool_for_a_diverse_economy/11143

of evidence that the barriers being faced by MBE's start-ups can be prohibitive and incredibly difficult to overcome. And with HB75 we can help start-ups not just enter the marketplace but have the resources they need to become lasting institutions.

The resources that a diversity business incubator can provide stands to supplement the support that we provide in our state government so that we create an abundance of options for a diverse range of start-ups to utilize in order to be successful. HB75 ensures that we recognize the unique challenges minority start-ups have when it comes to entering the market, and that we take deliberate action to address these matters.

We continue to work with advocates, business incubators, DLS, and our Senate crossfire sponsor on potential amendments to HB75 to make sure that this bill is truly statewide in focus and does everything possible to support effective incubators across Maryland. I am happy to provide these amendments to the committee once they are drafted and available.

Building a diverse business environment is not just about equity, it is about economics. When we invest in the minority and women-owned businesses of our state we uplift sectors of the economy too often left behind. And HB 75 ensures that we fund the organizations that are equipped to make these start-ups successful in the long term and become local economic drivers for our state and our community.

For these reasons I urge a favorable report.