



HOUSE WAYS AND MEANS COMMITTEE

House Bill 781

**Maryland Technology Development Corporation - Equitech Growth Fund and Commission
February 23, 2023
Favorable**

Chair Atterbeary, Vice Chair Wilkins and committee members, thank you for the opportunity to share our position on House Bill 781. The bill establishes both the Equitech Growth Fund and Commission within the Maryland Technology Development Corporation (TEDCO) to support the economic competitiveness, infrastructure assets and long-term goals for growing Maryland's inclusive innovation economy.

As one of the main engines that powers the state's economy, the University System of Maryland (USM) is expanding graduates in key fields, diversifying the workforce, and increasing entrepreneurship and private sector partnerships. Through the competitive pursuit of research gifts, grants and contracts, the USM has grown the discovery enterprise and attracted more money to projects. USM institutions perform over \$1.3 billion in research and development annually, which feeds the institutional and Maryland innovation ecosystem. Further, by aligning the research with federal R&D priorities, USM institutions are better able to exploit areas of research strength and concentrate resources and expertise.

Since 2012, USM has been particularly successful in facilitating the creation of new businesses, having helped develop over 1,000 new ventures. Many of these ventures stay within the state, following national trends of businesses remaining in those communities where they first received funding, investment and/or mentorship support. The pace of USM intellectual property-based startup growth has increased as well and in 2016, the USM began making investments in early-stage startups to help fuel their growth in Maryland.

More growth is anticipated, and the USM has strengthened its focus on research and research-derived economic benefits, including establishing the USM Office of Research and Economic Development, led by USM's first Vice Chancellor for Research and Economic Development. The establishment of the Equitech Growth Fund and Commission is the next logical step in Maryland's predominate research role.

House Bill 781 could prove a key factor in solidifying Maryland's dominance as one of the Nation's most research-rich regions. The creation of a multi-year dedicated fund is a proactive step in developing a comprehensive strategy to foster growth and innovation. Investments must be made to nurture that growth, engage industry partners, and respond nimbly to national and international competition. The main focus is to act decisively to remain competitive with other states in attracting and retaining industry and diverse talent.

We are pleased to support House Bill 781 and urge a favorable report.



About the University System of Maryland

The University System of Maryland (USM)—one system made up of twelve institutions, three regional centers, and a central office—awards eight out of every ten bachelor’s degrees in the State of Maryland. The USM is governed by a Board of Regents, comprised of twenty-one members from diverse professional and personal backgrounds. The chancellor, Dr. Jay Perman, oversees and manages the operations of USM. However, each constituent institution is run by its own president who has authority over that university. Each of USM’s 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes Historically Black Colleges and Universities, comprehensive institutions, research universities, and the country’s largest public online institution.

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