



Wes Moore | Governor  
Aruna Miller | Lt. Governor  
Kevin A. Anderson | Secretary of Commerce  
Signe Pringle | Deputy Secretary of Commerce

**DATE:** February 27, 2024  
**BILL NO:** Senate Bill 765  
**BILL TITLE:** Economic Development - Business Diversity Incubator Program and Fund  
- Established  
**COMMITTEE:** Senate Finance  
**POSITION:** Support

The Maryland Department of Commerce (Commerce) supports Senate Bill 765 - Economic Development - Business Diversity Incubator Program and Fund - Established.

### **Bill Summary:**

This bill creates a business diversity incubator program and fund that awards grants to business incubators that adopt practices to achieve goals of targeting socially and economically disadvantaged entrepreneurs and startups. Commerce is the administrator of the program and will award these grant funds to qualified incubators through a competitive application process. This bill recommends a \$5 million annual appropriation for fiscal years 2026-2031.

### **Background:**

A study on Maryland's Innovation Competitiveness directed by the Maryland Technology Development Corporation (TEDCO) released in early 2023 reported that while Maryland ranks highly for its share of Black-owned and women-owned firms, there is still a significant gap between those populations' business ownership representation and populations representation. The study also found "it will take 43 years for women and 47 years for Black Marylanders to achieve parity in business ownership based on 2012–2019 (pre-COVID) average annual growth in business ownership by race, ethnicity, and gender<sup>1</sup>." One recommendation from the study was to expand entrepreneurial leadership training and mentorship for people of color and women in order to reduce this gap more quickly.

### **Rationale:**

Passage of this bill will allow qualified incubators to receive award grants to encourage focus on socially and economically disadvantaged entrepreneurs. Incubators are crucial components of an ecosystem that will grow and encourage innovation and entrepreneurship in the State. Commerce is committed to equity and inclusivity in our efforts to increase our State's economic competitiveness, and the Business Diversity Incubator Program will help Commerce to develop better working relationships with Maryland's network of incubators while also supporting our State's entrepreneurs and those considering becoming entrepreneurs.

Commerce respectfully requests a favorable report on Senate Bill 765.

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<sup>1</sup> [https://www.tedcomd.com/sites/default/files/2023-01/RTI-KeenPoint\\_TEDCO\\_report\\_01\\_19\\_2023%20FINAL.pdf](https://www.tedcomd.com/sites/default/files/2023-01/RTI-KeenPoint_TEDCO_report_01_19_2023%20FINAL.pdf)