



February 27, 2024

Chair Pamela Beidle  
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11 Bladen Street  
Annapolis, MD 21401  
Position: **Support**

## **Testimony in Favor of The Pava LePere Legacy of Innovation Act (SB473)**

Before the Senate Finance Committee  
On behalf of the Maryland Economic Council

Chair Beidle, Vice Chair Klausmeier, and Members of the Committee, we testify today in support of **Senate Bill 473**, which provides much-needed support for local technology startups to develop their businesses and drive Maryland's economic growth.

Governor Moore established the Maryland Economic Council (MEC) in 2023 to provide analysis and recommendations for implementing economic policies that achieve growth, diversify our workforce, and merge our state's assets and growing industries. Our mission includes identifying and tracking underlying economic factors that impact Maryland's business climate, including high-growth business sectors, and evaluating Maryland's regulatory environment and economic policies compared to competing states.

Senate Bill 473 will create two entrepreneurial innovation programs—the Pava LePere Innovation Acceleration Grant Program and the Baltimore Innovation Initiative Pilot Program (BII)—within the Maryland Technology Development Corporation (TEDCO). The Pava LePere Innovation Acceleration Grant Program will award \$50,000 grants to tech start-up companies that are A) founded by Maryland college students and faculty members, and B) located in the Baltimore Metropolitan Statistical Area. The BII will connect tech start-ups founded by college students/faculty located in the Baltimore Metropolitan Area to available capital and wraparound services, further supporting the equitable development of these businesses.

Through the MEC's research and discussion, we have identified the tech sector as the highest growth sector in which to invest. For each job created in the software, technology, and life sciences industries, five more jobs are indirectly added to the local economy.<sup>1</sup> Venture-backed businesses also demonstrate tremendous levels of growth, as they create jobs approximately eight times faster than other firms in the private sector.<sup>2</sup> States like Massachusetts, Missouri,

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<sup>1</sup> Enrico Moretti, [The New Geography of Jobs](#)

<sup>2</sup> WRAL TechWire, [Report: Employment growth 8x faster at VC-backed startups than other firms](#)

Pennsylvania, and Georgia have tripled or quadrupled their investment in these sectors, creating thousands of jobs in the process.<sup>3</sup> The data is clear—tech investments generate incredibly strong returns.

Three of the world's most successful tech companies (Google, Meta, and Microsoft) were founded by college students. Given that Maryland has the highest concentration of scientists and engineers in the United States, and together with Virginia and DC is a leading biopharma cluster in the country, offering business development opportunities to our college students better positions Maryland to potentially foster the next giant in the tech industry.<sup>4</sup> The Pava Lepere Legacy of Innovation Act gives our state the necessary funding to capitalize on the opportunity to significantly increase our competitiveness within the tech sector.

To summarize, passing the Pava LePere Legacy of Innovation Act will promote tech innovation among our state's brightest students, advance tech start-up development in Maryland, and further boost the state's strong tech, engineering, and life science sectors. For those reasons, the MEC respectfully requests a favorable report on Senate Bill 473.

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<sup>3</sup> Massachusetts Life Sciences Center, [Healey-Driscoll Administration and Massachusetts Life Sciences Center Announce \\$24.4 Million Job Creation Incentives for 43 Massachusetts Life Sciences Companies](#); Drexel University, [Cortex Innovation District | Nowak Metro Finance Lab | Drexel University](#); Ben Franklin Technology Partners, [Ben Franklin Clients Generated 2.4 Billion in Revenue in 2022](#); Georgia Research Alliance, [GRA's ROI on Georgia's investment](#)

<sup>4</sup> Maryland Department of Commerce, [Maryland Life Sciences Industry Fact Sheet](#)