



SPONSOR TESTIMONY
SENATE BILL 473

Chair Beidle, Vice Chair Klausmeier, and Distinguished Members of the Senate Finance Committee,

On behalf of Governor Wes Moore, I respectfully request a favorable report on Senate Bill 473, the Pava LaPere Legacy of Innovation Act of 2024. This legislation seeks to honor the inspiring life and legacy of Pava LaPere while continuing her work of fanning the flames of Maryland's innovation ecosystem.

Maryland is home to a bountiful supply of world-class academic, research, and commercial institutions that are reimagining the way that society addresses some of its most pressing issues. Maryland is home to Johns Hopkins University, Morgan State University, the National Institute of Health, NASA Goddard Space Flight Center, and dozens of other institutions doing ground-breaking research.

While Maryland's economy has lagged in recent years, a consistent bright spot in our state's economic successes has been found in the research and development of new technologies. According to the National Science Foundation, Maryland ranks 1st in the nation in academic research and development spending per capita, and 5th in academic R&D per \$1,000 of GDP¹. Further, Maryland ranks in the top 5 states for research and development as a proportion of total GDP at 5.38%, far above the National Average of 3.1%.² However, Maryland performs significantly below the national average when it comes to patents awarded per 1,000 individuals in science and engineering occupations. The national average is 22.45 and Maryland performs at just 10.74, ranking 38th among states.³ This contrast suggests that, despite a great deal of R&D occurring in the state, research technologies are being commercialized elsewhere.

In October of 2023, the federal Government provided Maryland with another incredible asset to drive economic growth by designating the Baltimore metropolitan region as a Tech Hub, allowing the city to compete for billions of dollars in investment and potentially bringing tens of thousands of jobs to the region. This creates an incredible opportunity for Maryland to bolster its position as one of the great tech capitals in the United States. Investments made now to bolster our innovation ecosystem will pay off for years to come as more companies start up and grow here in Maryland.

¹ <https://nces.gov/indicators/states/indicator/academic-rd-per-1000-state-gdp>

² <https://nces.gov/indicators/states/indicator/rd-performance-to-state-gdp>

³ <https://nces.gov/indicators/states/indicator/patents-per-1000-se-occupation-holders>



Senate Bill 473 seeks to make targeted investments to bolster Maryland's innovation ecosystem and to enhance the Baltimore Tech Hub's competitiveness when applying for the first round of funding from the Economic Development Administration ("EDA"). In particular, the bill:

1. **Establishes the Pava LaPere Innovation Acceleration Grant Program**

This proposal would create a grant program and fund at the Technology Development Corporation ("TEDCO") to provide \$50,000 grants to Baltimore-based student technology-focused startup companies. The program was funded in the Governor's FY2025 budget proposal at \$500,000 annually and allows TEDCO to utilize up to 10% of the total annual appropriation for expenses associated with administering the Program. This idea originated from Pava LaPere herself and was brought to the attention of the Governor's office by Johns Hopkins University.

2. **Establishes the Baltimore Innovation Initiative ("BII")** to provide access to capital and wraparound services for technology startups associated with public or private colleges or universities located within the Baltimore Metropolitan-Statistical Area ("MSA"). BII will be structured as a pilot program within the [Maryland Innovation Initiative](#) ("MII") Program at TEDCO and be funded at \$1.5 million in Fiscal Year 2025 and Fiscal Year 2026. This program is modeled after the Maryland Innovation Initiative University Partnership Pilot Program established in 2021 via [Senate Bill 732](#).

The BII will be required to collaborate with eligible institutions to identify and support entrepreneurial initiatives, industry partnerships, and commercialization opportunities related to technology. BII will work with each participating university to determine needs, challenges, and opportunities to promote, encourage, and facilitate innovation, entrepreneurship, and the commercialization of university-based research or innovative ideas. BII shall develop criteria to review, evaluate, and rate project proposals for funding under the pilot program. In-line with the focus of the Baltimore Tech Hub mission, artificial intelligence and life science oriented businesses shall receive prioritization under the Program.

To help offset the costs associated with the establishment of these programs, the bill seeks to repeal a \$1 million mandated appropriation to the Business Telework Assistance Grant Program. This program has been unutilized in recent years which has prompted the Administration to propose this alternative use of funds in order to receive the highest return on investment.

STATE OF MARYLAND
OFFICE OF THE GOVERNOR



In all, these programs channel the mission of Pava LaPere and continue her work of supporting tech startups and innovation in the Baltimore region and statewide. Given this, the Office of the Governor respectfully requests a favorable report.

Sincerely,

Brad Fallon
Deputy Legislative Officer
Office of Governor Wes Moore