



TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE

**SENATE BILL 457 - MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
- EQUITECH GROWTH FUND - ALTERATIONS**

**FEBRUARY 27, 2024
SUPPORT**

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great Maryland-based, technology companies.

SB 457 - Maryland Technology Development Corporation - Equitech Growth Fund - Alterations provides clarification in existing language establishing the Equitech Growth Fund (EGF) that costs associated with administering the EGF may be paid for from the EGF.

The EGF, which was established by legislation in 2023, is a special, nonlapsing fund to support the economic competitiveness and inclusive growth of emerging and advanced industries in the State through the creation of supporting infrastructure assets, resources, and a diverse workforce that builds the strengths of the State's economy. Awards from the fund are made available on a competitive basis in the form of either grants, investments, loans, and/or other financial assistance to public, nonprofit, and/or private entities in the State, including institutions of higher education and public-private partnerships (P3s) and must be consistent with 10 years goals outlined in a long-term strategic plan developed by the Equitech Growth Commission.

The FY 2024 budget included a \$3 million appropriation for the EGF. As noted in the related fiscal and policy note, the FY24 appropriation allows administrative costs associated with administering the EGF. However, subsequent funding uses for the EGF (fiscal 2025 – 2033), was unintentionally limited to awards only. Without the legislative changes in SB 475, costs associated with administering the EGF cannot be paid for from the fund and would need to come out of TEDCO's overall operating budget. TEDCO is not budgeted for this expense. TEDCO anticipates total administrative expenses of approximately \$600,000 annually, including two staff and other related study, marketing, accounting, EGF Commission expenses, and overhead costs.

TEDCO appreciates the opportunity to provide a position statement on this legislation and urges favorable consideration of SB 457.