



## TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE

### HOUSE BILL 358 - ECONOMIC DEVELOPMENT - MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION - APPLICATION AND REPORTING REQUIREMENTS

#### FEBRUARY 6, 2024 -- POSITION STATEMENT

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. In 2023, TEDCO celebrated our 25<sup>th</sup> anniversary. With the support provided by the State of Maryland, TEDCO's six core programs generated **a total of \$2.7 billion in Maryland economic activity as of 2023, supporting a total of 12,000 jobs and generating estimated annual state and local government revenues of \$140 million.**

According to the fiscal and policy note, SB 358, requires TEDCO “to include an option for an applicant to provide specified demographic information in its investment application. TEDCO may not take any adverse action against an applicant who declines to provide the information, and the application must include a statement that the information is voluntary but encouraged.” TEDCO must also report the specified information related to the corporation's investments and, if available provide related de-identified and disaggregated demographic information.”

A number of TEDCO's programs, including the Social Impact Programs, already require the inclusion of demographic and geographic information as application elements. Demographic reporting elements include race, ethnicity, age, gender, disability status, and veteran status. Additionally, applicants are asked to provide geographic information including mailing address and county. **Further, at the direction of the TEDCO Board, the agency is already taking steps to include additional demographic information in both application and reporting for the majority of TEDCO programs.**

For example, in FY 2023, TEDCO began collecting demographic data for all Investment Applications during the fiscal year. Data collected over the year showed:

- 41 of 59 investments (69%) were directed towards companies founded or led by a female or an individual from an underrepresented demographic population;
- Maryland Venture Fund Companies founded or led by a female received, on average, \$875,000 – the average investment size for a Maryland Venture fund company was \$697,000; and
- 9 of 22 (41%) seed funds were invested in companies founded or led by socially and Economically Disadvantaged Individuals.

It is important to note – demographic data is self-reported and applicants are provided an option to not disclose their demographic information. **More significantly, demographic data is not used in investment determinations, rather is utilized to develop, plan, prioritize, and improve TEDCO programs to ensure all entrepreneurs, including entrepreneurs from traditionally underserved populations, are aware of and provided the resources, education, and tools they need to take their innovations to market.**

However, our work does not stop here and TEDCO continues our efforts in this area. For example, TEDCO hosted a free [Black Female Founders Venture Capital Forum](#). On November 15, 2023, at Coppin State

University. Over 200 entrepreneurs attended this event. Also last year, TEDCO launched the Open Institute for Black Women Entrepreneurs of Excellence, in collaboration with the four Maryland HBCU's. These are just two examples of TEDCO's initiatives.

**While TEDCO is proud of our work with underrepresented communities and entrepreneurs, we can always do better and embrace the changes created by SB 358.**

TEDCO appreciates the opportunity to provide a position statement on this legislation and urges favorable consideration of SB 358.