



THE STATE OF MARYLAND
Senate Bill "765/House Bill 1490
"Business Diversity Incubator"

Brief Summary

Year 2024



Main Points and Focus of SB-765 and HB-1490

*This bill establishes the Business Diversity Incubator Program in the Department of Commerce for the purpose of providing grants to social enterprises, for profit and nonprofit organizations, and B corps to establish diverse and effective business incubators in the State.

*DEPARTMENT must administer the program and must hire at least one full-time program coordinator.

*From fiscal 2025 through 2031, The Governor may include in the annual budget an appropriation of \$5 million for the program.

*DEPARTMENT must award grants, subject to specified requirements and a competitive application process.

*DEPARTMENT must report specified programmatic information to the General Assembly. The bill takes effect July 1, 2024, and terminates December 31, 2031.

Financial assistance may be used to:

(1) Support the development and use of best practices in the incubation process.

(2) Provide strategic planning, needs assessment, and feasibility studies.

(3) Assist in the operations, acquisition and construction of new or expanded space or the renovation of existing space for an incubator.

2.0 DIVERSITY INCUBATORS

2024 will be the first year of the first Diversity Incubator in the United States for inaugural operations. The creation of Diversity Business Incubators/Accelerators was necessary because investment in socially and economically depressed hub zones had severely fallen short of investment opportunities. In 2023, Black founders in the U.S. received 0.48% or \$661million out of \$136 billion of all venture capital allocated.

METHODOLOGY

Prosperity Through Unity is a fast-paced and practical process to development that equips ambitious, diverse incubators with the skills, connections, experience, and support to start and scale their own business incubators/accelerators. Our emphasis is on Improving Engagement, Recognizing Unconscious Bias, promoting Diversity Equity and Inclusion Solutions in investment (Angel investors, VC, or firm), Fostering an Inclusive Climate, and holding a Diversity Incubators/Accelerators Symposium for networking and capacity building.

BUSINESS DIVERSITY PROGRAM OVERVIEW

The Business Diversity Incubator Program SB765/HB1490 contains a clear pathway to successful investment into Maryland companies that are delivered by a combination of subject-matter experts - academics, domain leaders and practitioners - covering the key skills and knowledge required to launch a venture. By the end of the program, cohort members have acquired the skills, knowledge and connections to enable them to confidently incorporate their own incubator/accelerator ventures.

Mission: SB0765/HB1490 Business Diversity Incubators

As the first legislation of its kind the Business Diversity Incubator Program Bill seeks to help diverse entrepreneurs and inclusive incubator/accelerators build a culture of prosperity, noting the importance of creating spaces to innovate and create new strategies for supporting underrepresented entrepreneurs, but has also confirmed a critical need for more learning platforms on diversity and inclusion for leaders of incubators, accelerators, and other entrepreneurial support organizations.

Whats it all about?

The Vision of Senate Bill 0765 and House Bill 1490 is to be a pipeline for information on incubators/accelerators, diversity and inclusion and on tools for assisting incubators, government, and business organizations. The bill provides professionals with the information, investment, advocacy, and networking resources to bring excellence to the process of assisting communities throughout the state of Maryland. The bill is primarily targeted to Maryland For-profits, Non-profits, B-corporations, public/private partnerships, and social enterprise incubators/accelerators and their developers and managers.

3.0 Future Plans

Looking forward

2024 will be a year for the history books as Maryland positions itself as the first state in the country to recognize Diversity Incubators/Accelerators in the United States. We look forward to the future with confidence and optimism, and are excited about a number of initiatives that are either in progress or close to execution.

ENTREPRENEURSHIP INCUBATOR DEVELOPMENT

- Points of need-Targeted outreach through diverse partnerships is an effective strategy
- For diverse entrepreneurs that think 'this isn't for me', SB0765 seeks equity for diverse entrepreneurs, they're part of a long legacy of business creation and ownership and are needed in the ecosystem.
- Building an inclusive culture, noting the importance of creating spaces that reflect situational learning. Meeting entrepreneurs where they live through a neighborhood-based micro-incubation program that places kiosks in different communities.
- Discovering unique needs of female founders and how entrepreneurial support organizations can make their programming and resources more attractive to women.
- Innovative new strategies for supporting underrepresented entrepreneurs as well as confirmation of a critical need for leaders of incubators, accelerators, and other entrepreneurial support organizations to help the ecosystem thrive.

NETWORKS AND COMMUNITIES

- DEPARTMENT will award grants. This is to support operations, building costs and research/development. We will be reporting progress in next year's annual report.
- Diversity Incubator Entrepreneurship Network Diversity Incubators are delighted to have created a follow-on strategic plan to develop and grow the ecosystem, raising Marylanders awareness, championing the cause of diversity incubators/accelerators and entrepreneurs and helping members to share best practice and coordinate impact measurement.
- Our relationship with supporters, will enable the growth of the program in 2024. As a result of the progress made in this area, Diversity Incubators will increase both our membership engagement activities and to undertake detailed research into the opportunities to increase university business support.



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