



## **SENATE BUDGET AND TAXATION COMMITTEE**

### **Senate Bill 427**

### **Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act**

**March 4, 2025**

**Favorable**

Chair Guzzone, Vice Chair Rosapepe and committee members, thank you for the opportunity to share our thoughts on Senate Bill 427. The bill enhances the ability of the Department of Commerce to evaluate and incentivize employment and economic growth of the state's key industry sectors. The University System of Maryland (USM) supports the Decade Act and urges a Favorable Report.

The USM is comprised of twelve distinguished institutions, and three regional centers. We award eight out of every ten bachelor's degrees in the State. Each of USM's 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from Western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes three Historically Black Institutions, comprehensive institutions and research universities, and the country's largest public online institution.

The USM's strategic plan includes both research and economic development goals, including supporting workforce development, entrepreneurship, translation of research discoveries into solutions for the public; and driving economic impacts in Maryland. Combined, the R&D expenditures of our two biggest research universities – the University of Maryland, College Park and the University of Maryland, Baltimore – rank them 11th among all U.S. public universities. Altogether, the USM expended \$1.6 billion last year in research and sponsored programs, up 29% in the past five years. In fact, the USM ranks 15th among the country's academic institutions in U.S. utility patents issued.

But our research creates more than new inventions: it creates jobs, companies, entire industries. The Regional Institution Strategic Enterprise (RISE) Zone designations utilize enhanced property and income tax credits and accelerated depreciation schedules to spur significant financial investments in designated "RISE Zones." Senate Bill 427 expands the geography and prioritizes applicants in the "RISE Zone Catchment Areas" – an area within five miles of a qualified institution (within a designated Regional Institution Strategic Enterprise Zone).

Last year, USM venture support helped launch 182 Maryland startups. In our research parks alone, 9,000 people work for 200 companies, bringing to market innovations that improve our health, protect the environment, keep us safe, and connect our world – the DECADE Act will both streamline, as well as to enhance, economic development efforts across state government. The

USM supports the addition of the new advisory boards to track such sectors as Maryland's digital economy and Maryland's innovation.

In addition, Senate Bill 427 boosts the ability of USM institutions and regional centers to sponsor research parks and incubators to support their start up communities and provide venues for extending the knowledge about entrepreneurship and innovation to their local communities. The specific focus of the DECADE Act to enhance research parks with new resources they need allows the USM to be more effective and impactful.

The goals of the DECADE Act are closely linked with the core values and programs dutifully overseen by the Board of Regents and the Chancellor. Senate Bill 427 allows the USM to continue to grow an ecosystem of well-educated, highly-trained, students to guide investment in leading areas of research, discovery, and business formation in Maryland. Enhancing this "human capital" infrastructure, and encouraging entrepreneurship and innovation, is key to keeping USM students on the cutting edge of information as they enter Maryland's key economic sectors.

For these reason, the USM urges a Favorable Report on Senate Bill 427.

