



**TESTIMONY PRESENTED TO THE
HOUSE ECONOMIC MATTERS COMMITTEE**

SENATE BILL – 763 / HOUSE BILL 1596
MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION - MARYLAND
GROWTH INITIATIVE - ESTABLISHED
POSITION: SUPPORT

APRIL 1, 2026

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

TEDCO supports Senate Bill 763 / House Bill 1596, Maryland Technology Development Corporation - Maryland Growth Initiative - Established, and thanks Chairman Guzzone and Delegate Qi for their leadership and support on this important legislation. SB 763 establishes the Maryland Growth Initiative and Fund and directs TEDCO to make investments into promising start-up companies that are in the phase between early start-up development and scaling.

What the Bill Does:

Senate Bill 763, is a critical step in bridging the gap between the seed and scaling phases of company growth by creating a curated list of promising, 'home-grown' start-ups that are primed for future growth and private venture capital. To help these businesses remain in Maryland as they expand, the bill establishes a \$5 million special, nonlapsing [Maryland Growth Initiative Fund](#) administered by TEDCO. By focusing on early-stage companies that have already demonstrated success through previous TEDCO-administered grant and investment programs—such as [Pre-Seed Builder Fund](#), [Maryland Innovation Initiative](#) and [Concept Capital](#), this initiative provides the essential accelerant needed to transform local innovations into scalable, market-leading enterprises.

Why this bill is needed:

Maryland is home to some of the nation's premier research institutions, serving as a global engine for groundbreaking technological innovation. However, while our intellectual property is world-class and our scientific talent is abundant, a critical scarcity of local, early-stage, and growth-stage venture capital creates a persistent challenge for nascent companies. This funding gap frequently forces our most promising founders to look outside the state for the capital necessary to transition from breakthrough science to market-ready products. Without

intervention, Maryland risks becoming a high-cost R&D engine for other states rather than a self-sustaining innovation hub, leading to 'capital flight' and a 'brain drain' as companies relocate to more robust ecosystems in California, Massachusetts, or New York.

Senate Bill 763 directly addresses these gaps by providing the essential resources to anchor these industries within our borders. Beyond investment funding, the **Maryland Growth Initiative** offers curated technical assistance designed to meet growing companies where they are. By providing hands-on support—such as loaned executives and industry-focused business roundtables—this program ensures that Maryland businesses have the strategic alignment and resources they need to scale successfully. This initiative is not just an investment in technology; it is a commitment to retaining high-paying jobs and future tax revenues that will drive Maryland's economic prosperity for years to come.

Proven TEDCO programs and services will help launch this new program. TEDCO is a public instrumentality of the State of Maryland, created to advance technology-based economic development, innovation, and entrepreneurship. Serving Maryland's innovation ecosystem, TEDCO identifies, invests in, and helps build Maryland-based bioscience, life science and technology companies and is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. As the State of Maryland's economic engine for early-stage technology, life science, and bioscience companies, TEDCO serves as a trusted facilitator, identifying trends and needs of the important state ecosystems it serves.

With \$200 million Assets Under Management (AUM), TEDCO has proven expertise in identifying and investing in companies with high growth potential, driving innovation on the cusp of commercialization and start-up growth activity to catalyze economic activity in the state. According to a recent [Economic Impact Report](#), the companies created or supported by seven core TEDCO programs generated a total of \$2.7 billion in Maryland economic activity in 2023, supporting a total of 12,082 jobs earning \$1.1 billion in labor income and generating estimated state and local government revenues of \$140.3 million.

In its role as Maryland's technology-based venture development organization, TEDCO strengthens the state's innovation pipeline by supporting start-ups from concept to commercialization. Beyond capital, TEDCO provides hands-on entrepreneurial support to accelerate company formation and growth. The establishment of the Maryland Growth Initiative and Fund equips TEDCO with another critical tool to further advance and sustain this pipeline and serves as a catalyst to quickly scale high-growth, innovation-driven companies and expand Maryland's competitive advantage to drive economic impact.

As an ecosystem convener, TEDCO is also uniquely positioned to leverage its statewide innovation infrastructure, including the Maryland Innovation Initiative (MII), to align industry needs with the State's research capacity. By coordinating collaboration between key sectors and world-class research institutions, under this program TEDCO will be better equipped to identify and rapidly advance companies that translate research into market-ready solutions and address critical technological bottlenecks limiting growth. This market-driven approach supports the identification, development, and scaling of high-growth companies, while also resolving technology gaps and strengthening Maryland's competitive position in key sectors.

Recognizing that venture outcomes are shaped not only by the quality of the underlying technology, but by the experience, resilience, and capacity of the team behind the start-up, TEDCO supports entrepreneurial growth across Maryland through the deployment of several resources and programs to assist start-up companies in accelerating their growth as well as support ecosystem partners with the same goals. Through entrepreneur resources such as, TEDCO's Loaned Executives program, marketing support, Business Resource Information, Development, and Guidance Ecosystem (BRIDGE) program, Network Advisors program and business development grants (funding to portfolio companies to be utilized for contracting specialized services according to the company's needs to provide curated technical and business assistance) TEDCO ensures that Maryland's high-growth, innovation-driven companies have the leadership capacity, strategic guidance, and operational resources necessary to scale successfully.

Senate changes: (1) clarify that funding can be used to cover the costs of the required curated services called for in the legislation; and (2) create an additional preference category – for awards – located in a high-need or economically distressed geographic area of the State, as determined by TEDCO. TEDCO supports these changes.

For all these reasons, **TEDCO supports the legislation and requests a favorable report.**