



## TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

### HOUSE BILL 582 - ECONOMIC DEVELOPMENT - ENTREPRENEURIAL INNOVATION PROGRAMS - ESTABLISHMENT (PAVA LAPERE LEGACY OF INNOVATION ACT OF 2024)

**FEBRUARY 8, 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. TEDCO appreciates the opportunity to provide testimony on this legislation and urges favorable consideration of HB 582.

An Administration bill, HB 582 establishes the Pava LaPere Innovation Acceleration Grant Program and the Baltimore Innovation Initiative Pilot Program within TEDCO and rescinds an underused, mandated \$1,000,000 appropriation for the Business Telework Assistance Grant Program.

#### **Background & Baltimore-Towson-Columbia MSA Tech Hub Impact**

Established in the memory of Baltimore entrepreneur and CEO Pava LaPere, an influential and respected thought leader in the Maryland innovation ecosystem, the programs established by HB 582 are designed to support the recent announcement of the US Economic Development Administration's (EDA) Tech Hub designation of the Baltimore-Columbia-Towson Metropolitan Statistical Area (Baltimore-Columbia-Towson MSA), which includes Baltimore City, Anne Arundel, Baltimore, Carroll, Cecil, Harford, Howard, and Queen Anne's Counties. TEDCO is an active member in the Baltimore-Columbia-Towson MSA Tech Hub Consortium, led by the Greater Baltimore Committee, and is committed to working with our consortium partners to strengthen Maryland's competitiveness as a global economic leader in artificial intelligence and biotechnology, while promoting an equitable innovation economy.

The Baltimore-Columbia-Towson MSA's Tech Hub designation qualifies the region to participate in Phase 2 of EDA's Regional Technology and Innovation Hubs (Tech Hubs) program and compete with 30 other states for about \$70 million in federal funding. As part of the Phase 2 application process, designated Tech Hubs must show a minimum 10 percent match (\$7 million) with their application. The TEDCO programs established under HB 582 would support the Tech Hub and serve as part of the EDA Tech Hub Phase 2 match requirement and on-going financial commitment to the initiative. Maryland is competing with 30 other applications, across the country, for this federal funding.

#### **Pava LaPere Innovation Acceleration Grant Program**

TEDCO was deeply saddened to learn of the tragic passing of Pava LaPere late last year. Pava was part of the TEDCO family and a leader in the Maryland ecosystem. As a young entrepreneur, Pava was an exceptional model of effectively utilizing TEDCO services to build and scale her company, EcoMap Technologies, Inc. (EcoMap). TEDCO engaged Pava in 2020 when EcoMap won the bid to develop an artificial intelligence-enabled platform for gathering information about Maryland's entrepreneurial resources and funding, now known as the Maryland Entrepreneur Hub. In 2021, EcoMap successfully applied for a Rural and Underserved Business Recovery from Impact of COVID-19 (RUBRIC) Grant and took part in TEDCO's Loaned Executive Program. Throughout the years, Pava and EcoMap participated in TEDCO's various Entrepreneur & Ecosystem Empowerment (E3) programs and as EcoMap matured,

TEDCO made investments of \$500,000 in 2022 and \$750,000 in 2023 through our Seed Fund into EcoMap. Pava was a tireless advocate and champion of entrepreneurship, and TEDCO is honored to be the implementing agency for the Pava LaPere Innovation Acceleration Grant Program.

This program, administered by TEDCO, will make available \$50,000 to qualifying technology-based start-up companies founded by students or faculty members of post-secondary institutions in the Baltimore-Towson-Columbia area. These grant funds will be used, in part, to support costs associated with planning, development, regulatory compliance, and/or other technical assistance related to establishing the entrepreneur's company. This program will encourage and support founders with Pava's entrepreneurial spirit and passion by providing financial support to make their ideas into reality.

### **Baltimore Innovation Initiative (BII) Pilot Program**

Established by HB 582, BII, a two-year Maryland Innovation Initiative (MII) pilot program, supports technology commercialization for colleges and universities in the Baltimore-Columbia-Towson MSA prioritizing products or services aimed at integrating artificial intelligence or machine learning in health care and biotechnology sectors. This program is based on the successful MII University Partnership Pilot Program model that expanded eligibility of MII to Bowie State and Frostburg State Universities.

MII supports technology commercialization efforts and provides company formation investments to Maryland's five research institutions. With the pilot program created by HB 582, 20 higher education institutions would be eligible for BII, including comprehensive four-year institutions and community colleges. Like the main MII program, institutions participating in BII would be required to pay an annual contribution to participate. However, the \$50,000 annual requirement for BII is less than the \$100,000 or \$200,000 to participate in MII. **Importantly, funding for this program also supports the federal Baltimore-Columbia-Towson MSA Tech Hub Initiative.**

### **Business Telework Assistance Grant Program**

As part of the legislation, costs associated with the Pava LaPere Innovation Acceleration Grant Program and Baltimore Innovation Initiative (BII) Pilot Program are partially offset with the elimination of mandated funding of the Business Telework Assistance Grant Program. The Business Telework Assistance Grant Program, established in 2021, was designed to support businesses implement telework policies. It is our understanding that this program is under-utilized, with little to no participation. Elimination of the mandated funding will have minimal impact on small businesses while freeing up these funds to be used to support Maryland entrepreneurs and small business start-ups.

### **TEDCO Comments**

It is important to note that while TEDCO strongly supports the Baltimore-Columbia-Towson MSA Tech Hub designation and application, we know innovation in Maryland is not limited strictly to those regions. TEDCO is committed to continuing to improve, grow, and evolve our programs to provide best in class support to the ecosystem across the state, and are honored to have these additional programs added to TEDCO's suite of programs. TEDCO's unique programs and initiatives provide an avenue to both assist in the development of the Tech Hub within the Baltimore MSA and to facilitate a statewide pipeline to support growth in every stage of development of the Tech Hub. We are committed to working with the consortium and our partners to utilize the Tech Hub initiative as a catalyst for new partnerships to promote and grow economic growth in the Baltimore MSA and across the state.

**TEDCO has some suggested clarifying amendments to HB 582 with which we are working with the Governor's office. We look forward to working with the Committee on the suggested changes. TEDCO supports HB 582 and urges passage of this important legislation.**