

SB0845_SupportLetter_3.22.pdf

Uploaded by: Andrea Kraft

Position: FAV

March 9, 2022

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB0845 –Economic Development – Maryland Technology Development Corporation – Rural Business Innovation Initiative Fund

Dear Chairman Guzzone:

The Allegany County Chamber of Commerce respectfully urges your support of SB0845 – Economic Development – Maryland Technology Development Corporation – Rural Business Innovation Initiative Fund.

Thank you for considering this request for a non-lapsing fund to provide assistance to start-up and small technology-based businesses in the rural areas of the state beginning in fiscal year 2024, and each fiscal year thereafter, in the amount of \$500,000.

As an already established program, RBII offers professional, ongoing mentoring and targeted funding at no cost to a company but does not have specific state funding for the program. Despite this, TEDCO allocates \$500,000 from their operating budget to provide network assistance and for a small pre-seed investment fund. To date, 87% of funded companies are still in operation today, proving that the program is successful and plays a vital role in the investment of rural business innovation.

Thank you for considering a **favorable report for SB0845.**

Sincerely,



Jeremy G. Irons
Legislative Committee Chair



Juli R. McCoy
Executive Director

cc: Honorable Jim Rosapepe, Vice Chairman, Senate Budget and Taxation Committee
Senate Budget and Taxation Committee Members
Allegany County Delegation

CDN SB845 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony SB 845
Budget & Taxation Committee
March 10, 2022
Position: FAVORABLE**

Dear Chairman Guzzone and Members of the Budget and Taxation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 845 – Establishes the Rural Business Innovation Initiative Fund in the Maryland Technology Development Corporation as a special, non-lapsing fund to provide assistance to start-up and small technology-based businesses in the rural areas of the State; requiring the Governor in fiscal year 2024 and each fiscal year thereafter, to include \$500,000 in the annual budget bill for the Fund.

Western Maryland's economy currently sits at a crossroads. The region has seen decreasing population and economic dynamism. However, private employment in the region is still increasing and the region has concentrations in a number of key industries that can serve as a strong foundation to grow the region's economy in the future.

The Innovation Fund program is part of the recommendations of the Western Maryland Economic Development Task Force which studied the economic conditions of Western Maryland and made recommendations for the improvement of the economies of Allegany County, Garrett County, and Washington County.

We urge your favorable report for SB 845.

Submitted by Claudia Wilson Randall, Executive Director

SB845 - Rural Business Innovation Initiative Fund

Uploaded by: Dakota Matthews

Position: FAV



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Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
Senate Bill - 845 - Economic Development - Maryland Technology Development Corporation - Rural
Business Innovation Initiative Fund
Senate Budget and Taxation Committee
March 10, 2022

The Rural Maryland Council supports Senate Bill 845 - Economic Development - Maryland Technology Development Corporation - Rural Business Innovation Initiative Fund. The bill will support and develop small businesses in rural Maryland by creating the Rural Business Innovation Initiative Fund in the Maryland Technology Development Corporation (TEDCO) to make pre-seed investments in technology-based businesses that maintain principal business operations in rural areas or rural communities.

The promotion of technology-based businesses in rural parts of Maryland would promote more jobs and migration to rural Maryland to work at these technology-based businesses. Currently, rural areas lack technology-based industries, resulting in any career paths in technology to be pursued elsewhere. The lack of job opportunities is one of the reasons that rural Maryland is declining in population, and more specifically the younger workforce moving away from home for better work opportunities. This has resulted in an aging population that does not have a young workforce that is able to provide the resources and services they need.

TEDCO allocates \$500,000 from their operating funds for network assistance and a small pre-seed investment fund. The investments made so far have had great success with 87 percent of the funded companies still in operation. TEDCO recently funded rural focused startups through the Rural Business Innovation Initiative (RBII) and the Agriculture and Rural Rebuild (ARR) Challenge. Nine ventures received funding, two businesses focusing on innovative kitchens received funds through RBII and seven received funds from ARR, such as Catoctin Mountain Growers for horticultural LED lighting; Mark Street Aquafarms, LLC for a shrimp farm; and Eagle Eye Imaging, a company using drones to provide growers with remote sensing plant stress surveys, to create a tech-empowered workflow.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 845.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

“A Collective Voice for Rural Maryland”

SB845 - FAVORABLE - Clapsaddle.pdf

Uploaded by: Mary Clapsaddle

Position: FAV



To: Senator Guy Guzzone, Chair

Senate Budget and Taxation Committee

Date: March 10, 2022

From: Mary Clapsaddle, Director of Government Relations, Frostburg State University

Senate Bill 845 – Economic Development – Maryland Technology Development Corporation – Rural Business Innovation Initiative Fund

FAVORABLE

Thank you for the opportunity to provide testimony in **SUPPORT** of SB845. This bill establishes the TEDCO Rural Business Innovation Initiative Fund, codifying and funding an existing program created through TEDCO regulations. The program funds small (\$25,000-\$50,000) grants and pre-seed investments. This is some of the earliest public money available to support new technology businesses.

We appreciate the focus on rural Western Maryland through the work of the Task Force on the Economic Future of Western Maryland. All the tools that have been proposed through legislation will, when taken together, provide real opportunities for businesses in various stages of development. FSU is excited to work with TEDCO on the Maryland Innovation Initiative Pilot Program which was enacted last session. This fund is another opportunity to support new innovations with funding and – as importantly – mentorship. As you’ve heard me say, “Innovation can happen anywhere”, but rural areas often need that extra boost. TEDCO has strong leadership and a solid track record with emerging businesses in all areas of the state. We look forward to continuing to work with them.

For these reasons, Frostburg State University requests a favorable committee report on SB 845.

For more information, contact Mary Clapsaddle at meclapsaddle@frostburg.edu or 410-562-2838.

Frostburg State University is a constituent institution of the University System of Maryland

SB0845_FAV_MTC_Eco. Dev. - TEDCO - Rural Bus. Inn.

Uploaded by: Pam Kasemeyer

Position: FAV



MARYLAND TECH COUNCIL

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable George C. Edwards

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Christine K. Krone

DATE: March 10, 2022

RE: **SUPPORT** – Senate Bill 845 – *Economic Development – Maryland Technology Development Corporation – Rural Business Innovation Initiative Fund*

The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **support** for Senate Bill 845.

Senate Bill 845 establishes the Rural Business Innovation Initiative (RBII) Fund in the Maryland Technology Development Corporation (TEDCO) as the successor to the RBII Fund established in TEDCO regulations. The RBII Fund provides pre-seed investment, technical and business assistance, mentoring services, and operational support to small or early-stage technology-based businesses in rural areas or rural communities. In 2020, the General Assembly established the *Task Force on the Economic Future of Western Maryland*. The Task Force was required to study the economic conditions of Western Maryland and make recommendations on potential methods to improve the economies of Allegany, Garrett, and Washington counties.

Senate Bill 845 reflects a recommendation included in the Task Force's final report which was released this January. The Final Report's recommendation noted that 87% of companies that have been funded through the RBII are still in operation. Passage of Senate Bill 845 will provide enhanced and dedicated funding to a program that has already proven to be effective in reaching its objectives. A favorable report is requested.

For more information call:

Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Christine K. Krone
410-244-7000

SB 845 - RBII Funds - TEDCO_written comments (fina

Uploaded by: Troy LeMaile-Stovall

Position: FAV



**TESTIMONY PRESENTED TO THE
BUDGET AND TAXATION COMMITTEE**

**SENATE BILL – 845 - ECONOMIC DEVELOPMENT – MARYLAND TECHNOLOGY
DEVELOPMENT CORPORATION – RURAL BUSINESS INNOVATION INITIATIVE FUND**

POSITION: SUPPORT

MARCH 10, 2022

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 supports Senate Bill 845 – Economic Development – Maryland Technology Development Corporation – Rural Business Innovation Initiative Fund. Senate Bill 845 establishes the Rural Business Innovation Initiative (RBII) Fund in the Maryland Technology Development Corporation (TEDCO) as the successor to the RBII Pre-seed Fund addressed in the TEDCO regulations. The purpose of the fund is to make pre-seed investments in technology-based businesses that maintain principal business operations in rural areas or rural communities. TEDCO must manage and supervise the fund. Beginning in FY2024, this legislation creates an annual \$500,000 fund in TEDCO for investments in Maryland’s rural companies, which might have a challenge competing with urban companies due to potential scalability, but still represent an opportunity for making a significant economic impact in a rural region.

TEDCO supports targeted, as well as state-wide, geographical approaches to investment. TEDCO’s existing Rural Business Innovation Initiative (RBII) serves the needs of small businesses in rural areas of Maryland. RBII’s Business Mentors from the local areas help enhance technology commercialization activities by providing technical and business assistance to incubator-stage companies and incubators in the targeted counties. In addition, the program provides project grants and pre-seed investments. The RBII program has been well-received by rural businesses and elected officials and has been successful in providing technical assistance to the entrepreneurs in the rural areas. The hands-on involvement of the Business Mentors and the technical assistance of third-party consultants have been key factors in furthering the growth of these start-up companies.

Since 2018, TEDCO’s Rural Pre-Seed Investment Fund has invested \$25,000 in ten Maryland rural companies for a total of \$250,000. At present, nine of those companies are still in business; and combined, they have raised well over \$20 million in follow-on funding. In fiscal 2021, due to Covid, Business Mentors shifted from in-person mentoring to primarily mentoring via Zoom and other communication platforms. Despite this change, they actively supported 106 companies resulting in 1,196 hours of mentoring.

At a funding level of \$500 thousand, as provided by the legislation, the number of awards TEDCO could make would grow to include 10 – 12 investments of \$25,000 to \$50,000 in rural companies in Maryland each year. The additional investment will have a meaningful impact, equipping TEDCO to better serve the rural areas of Maryland that struggle with the availability of pre-seed investment dollars. This investment, combined with TEDCO’s strong mentor program will help support local entrepreneurs and economic development in rural areas. For these reasons, **TEDCO supports SB 845 and requests a favorable report.**