

Maryland Technology Development Corporation

MISSION

To facilitate the creation and foster the growth of businesses throughout all regions of the State through the commercialization of technology; to be Maryland's leading source of funding for technology transfer and development programs and entrepreneurial business assistance; to respond to the needs of the research and development community by establishing and managing programs that fill gaps in the innovation process, focusing on those critical areas where the organization can add unique value; and operating in partnership with other organizations through a flexible, technically-oriented professional staff.

VISION

Maryland will become internationally recognized as one of the premier 21st century locations for technology and technology-based economic development.

KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Goal 1. Increase technology transfer and commercialization.

- Obj. 1.1 Encourage collaboration between research institutions and early-stage companies.
- Obj. 1.2 Manage the Maryland Stem Cell Research Fund and work with the Maryland Stem Cell Commission.
- Obj. 1.3 Manage the Maryland Innovation Initiative and work with the Maryland Innovation Initiative Board of Directors.
- Obj. 1.4 Manage the Cybersecurity Investment Fund to build upon the cybersecurity assets of the region.

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Technology Commercialization Fund awards	18	20	21	22	22	20	20
Stem Cell Research Fund proposals received	180	180	173	166	160	160	160
Stem Cell Research Fund projects awarded	36	36	29	26	27	25	25
Maryland Innovation Initiative proposals received	100	125	119	100	100	100	100
Maryland Innovation Initiative projects awarded	29	62	46	46	47	40	40
Number of Maryland Innovation Initiative start-up companies	8	8	12	15	13	10	10
Cybersecurity proposals received	N/A	N/A	16	20	22	24	24
Cybersecurity projects awarded	N/A	N/A	8	8	8	8	8

Goal 2. Increase the future financial viability of start-up companies.

- Obj. 2.1 Assist start-up companies to receive downstream funding.

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Cumulative amount of downstream funding leveraged by TEDCO							
Maryland Technology Commercialization Fund (millions)	\$632	\$670	\$749	\$952	\$1,000	\$1,002	\$1,004

Maryland Technology Development Corporation

Goal 3. Assist in the creation and success of high technology firms within Maryland.

Obj. 3.1 Approve financing and seed capital investments for emerging high technology businesses.

Obj. 3.2 Manage the active financing and seed capital investments provided to emerging high technology businesses.

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Number of Enterprise Investment Fund (EIF) investments approved	27	30	8	3	4	4	4
Amount of EIF investments in small tech businesses (millions)	\$8.4	\$8.8	\$4.6	\$2.0	\$4.5	\$4.5	\$4.5
Amount of private investment leveraged by EIF investments (millions)	\$23.2	\$42.1	\$76.9	\$89.1	\$95.0	\$89.0	\$89.0
Number of technology investment companies in the active EIF portfolio	115	129	130	85	89	93	97

Maryland Technology Development Corporation

Summary of Maryland Technology Development Corporation

	2017 Actual	2018 Appropriation	2019 Allowance
Operating Expenses	26,812,012	26,822,060	27,188,639
Net General Fund Expenditure	19,467,480	19,474,480	19,474,480
Special Fund Expenditure	7,344,532	7,347,580	7,714,159
Total Expenditure	<u>26,812,012</u>	<u>26,822,060</u>	<u>27,188,639</u>

Maryland Technology Development Corporation

T50T01.01 Technology Development, Transfer and Commercialization

Program Description

TEDCO administers the Maryland Technology Incubator Program, which promotes entrepreneurship and the creation of jobs in technology-related industries by establishing and operating effective incubators throughout the State that provide adequate programs and physical space designed and intended to increase or accelerate business success in the field of technology.

	FY 2017	FY 2018	FY 2019
	Actual	Estimated	Estimated
Grant Allocation			
Salaries and Wages	2,147,235	2,150,000	2,150,000
Contractual Services	177,553	170,000	170,000
Equipment	9,582	10,000	10,000
Other Operating Costs	1,238,822	1,243,192	1,243,192
Life Science Investment Fund	1,101,288	1,001,288	1,001,288
Total	<u>4,674,480</u>	<u>4,574,480</u>	<u>4,574,480</u>

Appropriation Statement

	2017	2018	2019
	Actual	Appropriation	Allowance
12 Grants, Subsidies, and Contributions	<u>4,674,480</u>	<u>4,574,480</u>	<u>4,574,480</u>
Total Operating Expenses	<u>4,674,480</u>	<u>4,574,480</u>	<u>4,574,480</u>
Total Expenditure	<u><u>4,674,480</u></u>	<u><u>4,574,480</u></u>	<u><u>4,574,480</u></u>
Net General Fund Expenditure	<u>4,674,480</u>	<u>4,574,480</u>	<u>4,574,480</u>
Total Expenditure	<u><u>4,674,480</u></u>	<u><u>4,574,480</u></u>	<u><u>4,574,480</u></u>

Maryland Technology Development Corporation

T50T01.03 Maryland Stem Cell Research Fund

Program Description

The Stem Cell Research Fund supports stem cell research and development at Maryland's research universities and private sector research corporations. The Maryland Stem Cell Commission has established an independent scientific peer review committee that reviews, evaluates, ranks, and rates research proposals for State-funded stem cell research based on procedures and guidelines established by the Commission and in a manner that gives due consideration to the scientific, medical, and ethical implications of the research.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
12 Grants, Subsidies, and Contributions	9,093,000	8,200,000	8,200,000
Total Operating Expenses	<u>9,093,000</u>	<u>8,200,000</u>	<u>8,200,000</u>
Total Expenditure	<u><u>9,093,000</u></u>	<u><u>8,200,000</u></u>	<u><u>8,200,000</u></u>
Net General Fund Expenditure	<u>9,093,000</u>	<u>8,200,000</u>	<u>8,200,000</u>
Total Expenditure	<u><u>9,093,000</u></u>	<u><u>8,200,000</u></u>	<u><u>8,200,000</u></u>

Maryland Technology Development Corporation

T50T01.04 Maryland Innovation Initiative

Program Description

The purpose of the Maryland Innovation Initiative is to promote the commercialization of research conducted in participating universities, encourage qualifying universities to partner on commercialization proposals, strategies, and funding sources, including with federal laboratories located in Maryland; and facilitate technology transfer from university labs to start-up companies.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
12 Grants, Subsidies, and Contributions	4,800,000	4,800,000	4,800,000
Total Operating Expenses	<u>4,800,000</u>	<u>4,800,000</u>	<u>4,800,000</u>
Total Expenditure	<u><u>4,800,000</u></u>	<u><u>4,800,000</u></u>	<u><u>4,800,000</u></u>
Net General Fund Expenditure	<u>4,800,000</u>	<u>4,800,000</u>	<u>4,800,000</u>
Total Expenditure	<u><u>4,800,000</u></u>	<u><u>4,800,000</u></u>	<u><u>4,800,000</u></u>

Maryland Technology Development Corporation

T50T01.05 Cybersecurity Investment Fund

Program Description

The purpose of the Cybersecurity Investment Fund is to provide seed/early-stage investments in emerging technology companies to encourage the development of new cybersecurity technologies and product development.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
12 Grants, Subsidies, and Contributions	900,000	900,000	900,000
Total Operating Expenses	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
Total Expenditure	<u><u>900,000</u></u>	<u><u>900,000</u></u>	<u><u>900,000</u></u>
Net General Fund Expenditure	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
Total Expenditure	<u><u>900,000</u></u>	<u><u>900,000</u></u>	<u><u>900,000</u></u>

Maryland Technology Development Corporation

T50T01.06 Enterprise Investment Fund Administration

Program Description

This program reflects administrative expenditures for the Enterprise Investment Fund, also known as the Maryland Venture Fund (MVF). The MVF was developed to make equity investments in early-stage enterprises located in the State or willing to move to the State. MVF activities are provided through six types of program activity: the Enterprise Investment Fund, the Challenge Investment Program, the Enterprise Venture Capital Limited Partnership Fund, the InvestMaryland Fund, the Maryland/Israel Development Fund, and the Federal Information Processing Standard Certification Grant Program.

Appropriation Statement	2017 Actual	2018 Appropriation	2019 Allowance
08 Contractual Services	12,093	15,141	13,440
12 Grants, Subsidies, and Contributions	1,332,439	1,332,439	1,700,719
Total Operating Expenses	<u>1,344,532</u>	<u>1,347,580</u>	<u>1,714,159</u>
Total Expenditure	<u>1,344,532</u>	<u>1,347,580</u>	<u>1,714,159</u>
Special Fund Expenditure	1,344,532	1,347,580	1,714,159
Total Expenditure	<u>1,344,532</u>	<u>1,347,580</u>	<u>1,714,159</u>
Special Fund Expenditure			
T00311 Maryland Enterprise Fund (MEF)	<u>1,344,532</u>	<u>1,347,580</u>	<u>1,714,159</u>
Total	<u>1,344,532</u>	<u>1,347,580</u>	<u>1,714,159</u>

Maryland Technology Development Corporation

T50T01.07 Capital - Enterprise Investment Fund

Program Description

This program reflects disbursements from the Enterprise Investment Fund, also known as the Maryland Venture Fund (MVF). The disbursements are investments in emerging high-technology businesses which are either located in or relocating to the State. Investments may be in the form of equity, convertible debt or limited partnership interests, and venture capital investments. The Challenge Investment Program provides early stage technology companies with seed financing in the form of an investment tied to a contingent royalty repayment agreement. Investments are based on the market potential of the technology.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
12 Grants, Subsidies, and Contributions	6,000,000	6,000,000	6,000,000
Total Operating Expenses	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Total Expenditure	<u><u>6,000,000</u></u>	<u><u>6,000,000</u></u>	<u><u>6,000,000</u></u>
Special Fund Expenditure	6,000,000	6,000,000	6,000,000
Total Expenditure	<u><u>6,000,000</u></u>	<u><u>6,000,000</u></u>	<u><u>6,000,000</u></u>
Special Fund Expenditure			
T00311 Maryland Enterprise Fund (MEF)	6,000,000	6,000,000	6,000,000
Total	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>

Maryland Technology Development Corporation

T50T01.07 Capital - Enterprise Investment Fund

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Beginning Balance	18,004,162	15,081,738	12,430,576	8,930,576
Revenue				
Federal SSBCI Funds	-	7,270,706	-	-
InvestMaryland Revenue	6,054,354	6,000,000	6,000,000	6,000,000
Equity Investment Earnings	1,694,816	1,690,678	1,500,000	1,500,000
Royalties	309,934	-	-	-
Interest Income on Balance	300,024	379,835	250,000	250,000
Loan Repayments	267,733	248,310	200,000	200,000
Total Revenue	8,626,861	15,589,529	7,950,000	7,950,000
Total Funds Available	26,631,023	30,671,267	20,380,576	16,880,576
Expenditures/Encumbrances				
Enterprise Investments/Grants Encumbrance	100,000	-	-	-
InvestMaryland - VC Investments	6,488,443	7,333,226	6,000,000	6,000,000
InvestMaryland - Direct Investments	494,000	7,128,307	1,750,000	1,750,000
SSBCI Activity	2,692,000	2,205,649	2,000,000	2,000,000
Operating Expenses	1,215,846	1,340,282	1,450,000	1,450,000
Indirect Expenses	558,996	233,227	250,000	250,000
Total Expenditures/Encumbrances	11,549,285	18,240,691	11,450,000	11,450,000
Ending Balance	15,081,738	12,430,576	8,930,576	5,430,576

Numbers may not add due to rounding

Maryland Technology Development Corporation

T50T01.08 Second Stage Business Incubator

Program Description

The Second Stage Business Incubator, also known as the Gap Investment Fund, makes disbursements to start-up technology-based companies that are in need of capital to grow their businesses in Maryland. The disbursements are matched by investments the company has received from other sources. The purpose of this Fund is to help bridge the gap between seed funding and venture capital investments. Companies use Gap Investment Funds to employ new staff to grow and become more firmly established in Maryland.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
12 Grants, Subsidies, and Contributions	0	1,000,000	1,000,000
Total Operating Expenses	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Expenditure	<u><u>0</u></u>	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>
Net General Fund Expenditure	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Expenditure	<u><u>0</u></u>	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>