Senate Bill 2/House Bill 2
Maryland Environmental Service Reform Act of 2021
(Sen. Cory McCray/Del. Marc Korman)

General
- Director of MES renamed Executive Director
- Clarifies language for collective bargaining
- Executive and deputy directors receive annual ethics, harassment, and diversity training
- Effective July 1, 2021

Board
- Executive Director designated as a non-voting member
- MES deputy director, secretary, and treasurer removed
- Chair selected from among the members
- Secretary and Treasurer of the board selected from among the members
- Added seats:
  - State Treasurer
  - Ethics expert
- One public sector seat must be filled by individual with financial expertise related to environmental, water, wastewater, or solid waste management
- One public sector seat filled by a recommendation from MACo and MML
- One public or private sector seat must be from rural county
- Term limits - serve no more than two consecutive 4-year terms
- Responsible for annually evaluating the director and criteria posted to MES website

Procurement
- Board approves all non-emergency contracts over $200,000
- Board notified of any expenditures over $25,000

Transparency/Accountability
- Submit full and detailed budget to DBM, included details about expenditures and revenues
- Establish a conflict of interest policy
- Review of board to determine effectiveness conducted by an independent consultant every 5 years
- No severance can be awarded to the executive director if they move to another state job within one year, and includes clawback language
- Annual audit published on MES website and provided to DBM
Legislative intent; purpose
(Natural Resources Article, Title 3, Subtitle 1)

• “To assist with the preservation, improvement, and management of the quality of air, land, water, and natural resources, and to promote the health and welfare of the citizens of the State.”

• It is the [intent of the General Assembly] to provide for dependable, effective, and efficient water supply and treatment, solid waste and recycling, and energy and dredging projects (paraphrased).

• MES “may not participate in competitive bidding with the private sector to provide its services”.
How does MES work?

- **Annotated Code of Maryland The Law**
- **Code of Maryland Regulations - COMAR**
- **Board Resolutions**
- **MES Policies and Procedures**

**MISSION**
To provide operational and technical services to protect and enhance the environment for the benefit of the people of Maryland.

**VISION**
Maryland Environmental Service is an innovative and leading-edge solver of environmental problems; a responsible and successful manager of environmental operations; and a great place to work.

**The 5 Keys**
- Enhancing the Environment
- Integrity
- Service
- Teamwork
- Safety/Compliance

**BEST**

- **MES Key Performance Indicators**
- **Top 10 MES Stories**
Major Actions Initiated During My Tenure

1. Established an Internal Audit Office
2. Executed a Financial Compliance Audit of FY2020 with the External Auditor
4. Performed a review of MES Compensation versus traditional State Agencies
MES Reform Act of 2021

- Signed by Gov. Hogan on April 14; Effective July 1, 2021
- Makes structural changes to the MES Board
- Requires MES Executive leadership and MES Board to take specified actions, reviews, and trainings between July – December 2021.
- Board members, Executive Director, Deputy Director shall receive annual training on: Ethics, Harassment, Diversity, and Conflict-of-Interest policy
- Implements multiple transparency measures
The Maryland Industrial Development Financing Authority (the “Authority” or “MIDFA) is an existing finance program begun in 1965.

It is one of a number of finance and tax credit programs administered, budgeted, and run by the Maryland Department of Commerce’s Office of Financing Programs (OFP) staff to promote economic development throughout the State of Maryland.

MIDFA provides loan guarantees and conduit bond issuance availability to lending institutions to increase access to capital for small and mid-sized businesses where other federal, state, and local programs do not work.

The Authority is comprised of nine (9) members (two ex-officio and seven private sector from throughout the State) appointed by the Governor with the advice and consent of the Senate.

The program has an Executive Director (by statute) that is a senior member of OFP who also assists in the direction of the other finance programs as well.

The Authority’s mission is to approve credit transactions that are prepared by OFP staff (Finance Specialists) at the direction of the Executive Director or the Senior Director of OFP as needed.
• The program has no direct employees, as they are all Commerce employees.
• All MIDFA transactions are underwritten, closed, and accounted for by OFP staff, the Executive Director, and the Senior Director of OFP.
• MIDFA has an Assistant Attorney General who does the legal work necessary for the transactions and the program.
• Over the years a number of other incentive programs and tax credits have been developed including the Economic Development Opportunities Fund (Sunny Day), the Maryland Economic Development Assistance and Authority Fund (MEDAAF), the Maryland Small Business Development Financing Authority (MSB DFA), and the Small, Minority and Women-Owned Business Account- Video Lottery Terminal Fund (VLT) to name a few.
• MIDFA continues to be a valuable economic development tool and generates between 2-5 transactions annually.
• Given the above volume, Authority approval meetings are scheduled as needed.
To date, the Program has participated in eight hundred ninety-eight (898) loans and bonds, totaling $2,708,802,913.

Currently, twenty-two (22) transactions remain active, with principal balances totaling $238,570,369 insured for $3,822,728.
TEDCO History Highlights

May 1998
Legislation creating TEDCO, quasi-public entity, is signed into law by Governor

1999
First 11 Board Members appointed

2001
Maryland Technology Incubator Program was signed into law

2006
Maryland Stem Cell Research Fund (MSCRF) established by Governor and Maryland General Assembly

2008
Rural Business Innovation Initiative (RBII) created by TEDCO
  - 2014
    State provides funding for RBII

2012
Maryland Innovation Initiative (MII) created

2014
Cybersecurity Investment Fund created

2015
Maryland Venture Fund and Life Science Investment Fund transferred to TEDCO based on recommendation by Augustine Commission

2016
Gap Fund support received from State

2017
Builder Fund created by TEDCO
  - 2019
    Builder Fund created by TEDCO

2020
CEO and Executive Director, Troy LeMaile-Stovall, joins TEDCO
Leading Innovation to Market for 23 Years

TEDCO’s Mission
Enhance economic development by fostering an inclusive and entrepreneurial innovation ecosystem. *Identify, invest in, and help grow* technology companies in Maryland.
Five Core Values

- **Accountability**: We take responsibility for our actions and for adherence to our mission, and we ensure that this responsibility is ingrained throughout the organization.

- **Collaboration**: We focus on building trust and credibility across the organization and with our customers.

- **Integrity**: We provide the best quality service to our customers and strive to exceed expectations.

- **Respect**: We uphold a culture of respect at work, within our communities, and nationally.

- **Stewardship**: We take seriously our responsibility to manage scarce resources and to serve as stewards of State, Federal, and private funds.
TEDCO Board of Directors

TEDCO’s current 15-member Board meets on the 3rd Thursday of the odd-numbered months. All TEDCO members serve on at least one committee – the committees being Executive, Audit and Finance, Legislative Affairs, Investment and Governance/Nominating.

CHAIR
Myra Norton, Arena

VICE CHAIR
Omar Muhammad, Morgan State University

TREASURER
Michael Howard, MJH Group

SECRETARY
Jennifer Elisseeff, Johns Hopkins University
School of Medicine

Kathie Callahan Brady, FITCI
Chung Hei Sing, AARP
Ray Hoy, Wor-Wic Community College
Matthew Lee, FASTech
Robert Lord, LionBird Ventures
John Parris, Parraid, LLC
Kelly Schulz, MD Department of Commerce
Amita Shukla, Vitamita
Francis Smyth, Century Engineering
Maryland Innovation Initiative
Board of Directors

CHAIR
Robert Hallenbeck, BD Biosciences (Retired)

VICE CHAIR
Renee Winsky, Leadership Maryland

Mary Beth Tung, Maryland Energy Administration
Kenneth Porter, University of Maryland, College Park
Mary Morris, University of Maryland, Baltimore
Wendy Martin, University of Maryland, Baltimore County
Willie May, Morgan State University
Patrick Ho, John Hopkins University

Maryland Stem Cell Research Fund
Commission Members

CHAIR
Debra Mathews, Johns Hopkins Berman Institute of Bioethics

VICE CHAIR
Curtis Van Tassell, Research Geneticist

Ira Schwartz, Office of the Attorney General
Scott Bailey, Johns Hopkins School of Medicine
Rachel Brewster, Biological Sciences University of Maryland, Baltimore County
Margaret Conn Himelfarb, Johns Hopkins Bloomberg School of Public Health
Diane Hoffman, University of Maryland School of Law
Haig Kazazian, Jr., McKusick-Nathans Institute of Genetic Medicine
David Mosser, University of Maryland, College Park
Barbara Nsiah, United Therapeutics
Linda Powers, Toucan Capital
Rabbi Avram Reisner, Congregation Chevrei Tzedek
Bowen Weisheit, Ensign C. Maryland Kelly, Jr. Memorial Foundation

Maryland Venture Fund
Authority Members

CHAIR
Grace Garry, Camden Partners

VICE CHAIR
Brian Darmody, Association of University Research Parks

SECRETARY
David Wise, EIR at UMB

Aaron Eidelman, Alarm.com
Eileen O’Rourke, The Abell Foundation
Ann Quinn, Quinn Strategy Group
Michael Thielke, Eastern Shore Entrepreneurship Center
Michael Tumbarello, Garrett College
Renee Winsky, Leadership Maryland
Overview of TEDCO’s Funding Programs by Stage

- **Grants**
  - Translational Research

- **Pre-Seed/3Fs**
  - Proof of Principle Demonstration

- **Seed Stage**
  - Technology/Market Validation

- **Series Seed**
  - Customer Acquisition

- **Series A**
  - Scale-up/Growth

- **Investment**
  - Seed Investment Funds
  - Maryland Venture Fund
  - Pre-Seed Builder Fund
  - RBII Pre-Seed Fund
  - Maryland Innovation Initiative
  - Maryland Stem Cell Research Fund

**Tech Transfer**

**University**

**Corporation**
Supporting Entrepreneurs & Ecosystem

- Prelude Pitch
- Marketing Toolkit
- Network Advisors
- Entrepreneur Expo
- Business Roundtables
- Market Search Databases
- Start-up Orientation Forum
- Rural & Urban Business Innovation Initiative
- SBIR Proposal Lab
- Maryland Entrepreneur Hub
Initial Rationale for Quasi-Public Structure

- Modeled on existing Maryland quasi-public entity (MEDCO)
- Designed to be responsive and flexible to meet market needs/conditions
- Allows for flexible financial tools to supplement gaps in the private sector
- Retains accountability and transparency of public sector while meeting challenge of competitive tech-based industry
- Allows for support from both executive and legislative stakeholders
Need for Independence is Balanced with Transparency and Oversight

- All board agendas and minutes are posted online
- Subject to legislative audit every 3-4 years
- Subject to DBM budget review and performance data review
- Subject to annual legislative budget hearings
- Annual and quarterly reports are submitted in a timely manner to Governor and to the Legislature.
- Board members are subject to Governor’s appointment review and Senate confirmation
- All staff and board members are subject to the Maryland Public Ethics Law
Additional Oversight and Transparency Measures Implemented in 2019

- New Definition of Maryland Qualified Business
- Regulations drafted on each Investment Program governing
  - Eligibility Criteria
  - Types of Investments
  - Investment Amount
  - Terms of Investments
  - Terms for investment claw backs
- The Maryland Venture Fund Authority was reconstituted
  - MVFA meets quarterly
  - Reviews each investment for compliance to laws and regulations
- Investment Committee of the TEDCO Board was codified to have oversight over investments including those investments that fall out of compliance with laws and regulations
- New quarterly reporting to Governor and Legislature on each investment
- New data on investments, salaries and outreach efforts included in annual report
Maryland’s Future 20 List
12 TEDCO Portfolio Companies

Silfra Biosystems LLC
$1.6B
AS OF 2018
OF ECONOMIC IMPACT IN MARYLAND
OVER $200M
IN FOLLOW-ON INVESTMENT RECEIVED BY COMPANIES FUNDED BY MARYLAND INNOVATION INITIATIVE
OVER $144M
AND 436 GRANTS HAVE BEEN COMMITTED THROUGH THE MD STEM CELL RESEARCH FUND
OVER $67M
GENERATED IN-STATE AND LOCAL TAX REVENUE ANNUALLY
OVER $50M
CONTRIBUTED BY MARYLAND VENTURE FUND COMPANIES IN FEDERAL TAX REVENUE
OVER 7,800
JOBS SUPPORTED THROUGH TEDCO FUNDING
TEDCO’s Impact

- One of the leading technology-based, economic development organizations in the nation

- TEDCO’s Role in Maryland
  - An independent organization, serving as a neutral party and convener of the many public and private stakeholders in Maryland
  - Responsible for creation of many companies from universities and federal laboratory technologies
  - Keeps Maryland competitive in innovation economy
  - Leverages State’s many resources
    - Research Universities
    - Federal Laboratories
    - Technology-based Industry
    - Entrepreneurial Ecosystem
  - Early-stage investor
  - Supports job growth and creation through its portfolio companies

- TEDCO is fulfilling its mission and leading innovation to market.
Troy LeMaile-Stovall
CEO & Executive Director
TEDCO
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