



**BOARD OF REGENTS
COMMITTEE ON ECONOMIC DEVELOPMENT
AND TECHNOLOGY COMMERCIALIZATION**

Minutes of the Public Session
March 28, 2013
Towson University

Chairman Attman called the meeting of the Committee on Economic Development and Technology Commercialization of the University System of Maryland Board of Regents to order in public session at 1:15 p.m. Also, at 12:15 p.m., the Committee voted unanimously to go into closed session under State Government Article Section 10-508(a).

The regents in attendance included Mr. Attman, Ms. Gonzales, Mr. Gossett, Mr. Hershkowitz, Mr. McMillen (by phone), and Mr. Rauch. Also present at the meeting were Chancellor Kirwan, Ms. Doyle, Mr. Balakrishnan, Mr. Darmody, Ms. Moultrie, Mr. Lurie and Assistant Attorney General Lucinda Motsko. Guests present included Ms. Brasington, Mr. Drake, Mr. Dye, Mr. Hughes, Ms. Kropp, Ms. Motsko, Ms. Oyenusi, and Ms. Varma.

1. Crowd Funding for Technology Commercialization (information item)

Tony Stanco, Executive Director of the National Council of Entrepreneurial Tech Transfer, discussed crowdfunding for university startups. Crowdfund investing offers individuals an opportunity to engage with small businesses and startups and participate in their growth. With over 530 different platforms, crowdfunding raised \$1.5 billion in 2011. The four types of crowdfunding models include pre-sale product, donation-based, equity-based, and debt. In the pre-sale based funding model, funders are buying a product that needs to be created, with the expectation that the product will be developed with the funding. In the equity-based funding model, funders are investors, who are financially motivated. The equity-based model is available only to accredited investors. In the donation-based model, funders are driven by the cause and do not expect a return on their investment.

Mr. Darmody added that universities are interested in crowd funded research, crowd funded gifts and crowd funded investments in university startups. He also discussed the SEC's definition of accredited investors and the status of the SEC regulations to implement the crowdfunding provisions in the JOBS Act.

2. New Companies Facilitated by the USM Institutions -- July to December 2012 (information item)

Mr. Balakrishnan presented the latest report on new companies facilitated by the USM institutions. As part of a series of initiatives to accelerate entrepreneurship and innovation, the USM has put in place a process to regularly monitor new company formation. Several USM institutions are actively engaged and have dedicated numerous resources to facilitate the creation of startups.

Since July 2011, the USM institutions have facilitated the creation of 77 tier 1 and tier 2 companies, showing significant progress toward achieving the strategic plan goal of 325 companies over 10 years. For the latest reporting period, July through December 2012, a total of 26 tier 1 and tier 2 companies were created. Although only tiers 1 and 2 are counted towards the strategic plan goal, the 89 tier 3 companies created during the latest reporting period suggests an acceleration in entrepreneurial activities. Mr. Balakrishnan described the tiers under which new companies are categorized.

Also, the Small Business and Technology Development Centers (SBTDCs) are an important element in the entrepreneurial ecosystem. Four USM institutions participate in the network and provide mentoring and support to entrepreneurs and small business across the State. Chancellor Kirwan expressed an interest in monitoring the funding from InvestMaryland in USM-facilitated startups.

3. Entrepreneurial Programs and Initiatives at Towson University (information item)

Ms. Dyan Brasington, Vice President for the Division of Innovation and Applied Research at Towson University, briefed the committee on the many entrepreneurial programs and initiatives at Towson University. TowsonGlobal, the campus incubator, has 5 in-residence experts and an advisory board of 20 experienced executives. The incubator earns \$3,115,000 in annual revenues, has secured \$7,500,000 in outside funding, and has created \$7,969,280 in total economic activity. Towson also has a fast-growing entrepreneurship track in the College of Business and Economics. The track includes 8 courses and 24 credits in entrepreneurship, and has enrolled approximately 95 students. In addition to the entrepreneurship track, the College of Fine Arts and Communication, and the College of Health Professions each have entrepreneurship courses and workshops for non-business track students.

Towson also has programs aimed at the professional development of their faculty and students. The Kauffman Foundation's Kauffman FastTrac NewVenture Program provides tools for business development to aspiring entrepreneurs. Additionally, the Associate Program at Towson offers a business case competition through the College of Business and Economics where students work independently, in teams, and as leaders on real-world cases that include strategic marketing plans, analysis of management structures, and product re-branding.

Business plan competitions, mentorship programs, internships and student groups also enhance the growing entrepreneurial spirit of Towson. Economic development leaders

at Towson expect to develop a Center for Entrepreneurship and Innovation that will create a student launch pad for new ideas, develop entrepreneurial courses for non-business majors, provide technology transfer capacity, offer intellectual property development, and provide business mentoring for faculty and students.

The public meeting was adjourned at 2:16 p.m.

Respectfully submitted,

Gary L. Attman, Chair
Committee on Economic Development
and Technology Commercialization