



The Board of Regents Committee on Economic Development and Technology Commercialization

Minutes of the Public Session - APPROVED

September 2, 2021

The Committee on Economic Development and Technology Commercialization of the University System of Maryland (USM) Board of Regents met in public session on 12:30 pm on September 2, 2021 virtually. Regent Leggett called the meeting to order at 12:31 pm.

Regents present were I. Leggett (chair), G. Attman, E. Fish, R. Hur, R. Rauch, S. Pringle, and L. Gooden.

USM personnel present were L. Ryan, E. Herbst, J. Boughman, D. Wilkerson, T. McDonough, M. Lurie, and E. Langrill.

Other attendees were K. Porter, P. Robilotto, K. Gohel, S. Sheppard, and W. Martin. Presenters were B. Furr, H. Mortimer, C. Anderson, and C. Broido Johnson.

Featured Startup: Mindful Designs (Information Item)

L. Ryan introduced Mr. Furr, CEO of Mindful Designs and Founder of the Paint Build Play Workshops, who is a student entrepreneur at the University of Baltimore. He described his background and early orientation toward entrepreneurship and various entrepreneurial endeavors that have helped him on his journey. He described the skills that have enabled him to grow his mission-based for-profit venture. He described what he has been able to accomplish with just pitch competition winnings and commented that small amounts of capital can be powerful but often laborious to obtain. For example, even participating in pitch competitions can be very time-consuming; and traditional forms of capital can be inaccessible or not a good fit at such an early stage.

Regent Gooden asked how they market their products and services. Mr. Furr responded that they use a variety of methods, including direct referrals and digital marketing.

Regent Leggett commented that there is an organization in Montgomery County call the Kid's Museum that does similar work, and he would like to connect them.

UBalt's CEI and the Global Consortium of Entrepreneurship Centers Conference (Information Item)

L. Ryan introduced H. Mortimer, Director University of Baltimore Center for Entrepreneurship and Innovation, who introduced Catherine Andersen, Interim Provost. Ms. Andersen set the stage and described how the University of Baltimore was established by and for entrepreneurs. Mr. Mortimer discussed UB's "front door for entrepreneurship", which serves entrepreneurship fellows, other students, and alumni, regardless of whether or not they are obtaining or have obtained a business degree. He talked about how they have collaborated with the design school and real estate programs and other important collaborations, such as with TEDCO for the Urban Business Innovation Initiative and with Loyola University for the Global Consortium of Entrepreneurship Centers Conference.

Regent Attman commented that his parents went to UBalt and many of their friends, and they were all entrepreneurs. He thanks Henry and Catherine for their leadership.

Momentum Fund Update (Information Item)

L. Ryan introduced C. Broido Johnson, Managing Director of the USM Momentum Fund

Regent Attman said \$10M seemed like a lot more when we started and asked about comparables. Ms. Broido Johnson referenced the benchmarking presentation from last Committee meeting and said most big state universities have a fund between \$10-50M dollars, but they vary greatly. Regent Attman said he would hate to cut back on promising investments if we are running out of funding and there are other options available. There could be tremendous resources at the state level or with private investors. Regent Leggett said there is a gap between the initial funding and the initial return on investment, which is a serious one. And, this is a challenge partially presented due to the small size of the initial fund. He anticipates a follow up meeting to discuss how to obtain additional funds, from where, etc. Ms. Herbst suggested pulling together a System-wide view of investment for that conversation as well.

USM Office of Economic Development Update – Lindsay Ryan, Venture Development Director (Information Item)

L. Ryan presented technology transfer information, omitting other portions of the presentation in the interest of time.

New Early-stage Resource(s) Feasibility

Regent Leggett said previous presentations have highlighted that many startups across the USM cannot be invested in by the Momentum Fund but are worthy of support. He also noted that compared to the Momentum Fund, funding levels that could provide assistance at an earlier stage are relatively small. Additionally, supporting at an earlier stage could get more institutions involved and more entrepreneurs with lower costs. Key decisions need to be made about how to do this going forward. Regent Leggett suggested a study and recommendations as an item for the staff and others to investigate and come back to present, including the status of the Momentum Fund. He suggested this as a formal process as opposed to informal conversations and decisions.

Regent Gooden said the timing is good because Ms. Herbst is beginning the budgeting process. From a personal perspective, Regent Gooden said it is a great idea to have the larger fund and a smaller fund, but the larger funds needs to be larger. She supported the staff being involved.

Regent Attman cautioned to ensure the effort did not duplicate other institutional efforts. He said that for years, it has been contemplated to work with the USM Foundation to possibly invest in students and faculty. It could be as a contribution or a really great investment opportunity. It would be a great use of money and perfectly aligned. Regent Gooden said she hadn't thought of that because of the speculative nature of new ventures.

Ms. Herbst said she collaborated with Ms. Ryan on this and agrees with what has been said so far. She commented that this would likely be a separate fund, with well documented criteria, and the need and the corresponding size of the fund. This fund could potentially even provide pre-company support. A fund that is smaller opens up flexibility in terms of where funding could come from.

Ms. Gooden said we also need to look at the administrative side of things. Ms. Herbst agreed and commented how Ms. Broido Johnson already does the work of several people in her role with the MMF. Ms. Gooden said when the Fund, they weren't sure where we were going and the timing is right to reassess.

Ms. Herbst suggested a separate discussion on the Momentum Fund and need to address the likely funding gap. Ms. Herbst said she keeps saying we need to bring back a track record to the Regents, but that is really up to the Regents. Ms. Gooden said she recognizes what we are investing and how long it takes to get a return. Mr. Attman's idea in terms of the Foundation would require more data. So, perhaps decisions could be made in the shorter term for the Momentum Fund and medium-term for the other fund. Mr. Attman said we can get valuations for MMF portfolio companies even if we haven't had liquidity events, and Ms. Herbst confirmed that was true. Ms. Ryan commented that she is excited about the direction the discussion is heading and excited to get to work. She said she hoped the agenda and speaker were not lost in terms of connecting to this new potential resources and that this early-stage fund, while potentially connected to the Momentum Fund in some ways, is a separate effort, with goals that include access across all institutions.

The meeting ended at 2:01 pm.

Respectfully submitted,

Isiah Leggett, Chair
Committee on Economic Development
and Technology Commercialization