



UNIVERSITY SYSTEM  
*of* MARYLAND

## **Agenda Item 4**

# **USM Economic Development Initiatives Update**

SUMMARY OF ITEM FOR ACTION  
**INFORMATION** OR DISCUSSION

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**TOPIC:** USM Economic Development Initiatives Update – Tom Sadowski, Vice Chancellor  
(information item)

**COMMITTEE:** Economic Development and Technology Commercialization

**DATE OF COMMITTEE MEETING:** March 30, 2017

**SUMMARY:** The Committee will be updated on selected USM economic development initiatives, including the Maryland Momentum Fund, federal and industry partnerships, legislative and policy priorities, and other initiatives. The recently launched Momentum Fund is focused on filling gaps in the funding continuum to propel USM’s most promising and innovative ideas into the marketplace.

**ALTERNATIVE(S):** This item is for information purposes.

**FISCAL IMPACT:** This item is for information purposes.

**CHANCELLOR’S RECOMMENDATION:** This item is for information purposes.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Tom Sadowski (410) 576-5742 / Suresh Balakrishnan (301) 445-2783

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# USM

## Economic Development

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*Update for Committee on Economic  
Development and Tech  
Commercialization*

March 30, 2017



# Economic Development Objectives

Culture of  
Collaboration

Leverage USM  
Resources

Talent  
Development

Strengthen  
Entrepreneurial  
Ecosystem

Tell Our Story

# Noteworthy Activities

- USM (UMCP/UMB) National Institute for Innovation in Manufacturing Bio-pharmaceuticals project roll-out/funding allocation underway
- Meetings with local economic development organizations to determine opportunities re: talent development, innovation districts, company creation/attraction and retention
- Developing strategic agreements with NSA, APG, Leidos, etc.
- Working with Academic Affairs on revised proprietary R&D policy
- Rx5 campus projects being explored at NSA, NCCoE, APG, SoMD; also identifying potential federal funding sources and industry sponsors
- Testified in Annapolis on augmentation of Regional Institution Strategic Enterprise (RISE) Zone in support of USM partner innovation district projects at UMCP, UMB, UMBC, Towson, Salisbury, etc.
- Working with new USM Cyber Innovation Officer to make introductions to Maryland cyber community; solidifying NCCoE stakeholder relations and developing new scope of tech development and transfer collaboration at NCCoE
- Developing USM Innovation Asset Map and Development Strategy

# Outreach

- Revised USM website
  - <http://www.usmd.edu/usm/economic-development/>
  - R&D news and company spotlight feed added
  - Dashboard of Key Metrics and System Success added
  - Maryland 5<sup>th</sup> most Innovative State
- Quarterly Economic Development Partners Meetings continue
- Outreach to Federal Facilities and defense community generating new project/partnership opportunities
- Major employers visits and industry connections for applied research, internship and strategic tech acceleration initiatives continue... revision of USM propriety R&D policy value-add
- Developing national academic partner outreach effort to share/borrow/develop best practices

# Momentum Fund

- Fund launched; first investments to be reviewed in June
- USM Internal Advisory Board has developed structure, procedure and online application
- External Advisory Board assembled and providing guidance on fund management, co-investment strategy
- Investment manager position to be advertised in time to help manage second quarter funding round

# Maryland Momentum Fund



In an effort to increase commercialization of its leading-edge research and support the growth of promising companies, the **UNIVERSITY SYSTEM OF MARYLAND (USM)** is launching a new \$25 million early-stage investment fund, the Maryland Momentum fund. The fund is focused on filling gaps in the funding continuum to propel USM's most promising and innovative ideas into the marketplace.

The USM has committed \$10 million to this fund and is partnering with UM Ventures to secure an additional \$15 million from area venture capitalists and angel investors to be co-invested along with USM funds. The Maryland Momentum Fund will leverage this financial support across the USM ecosystem to:

- Accelerate the success and profitability of USM start ups
- Attract promising entrepreneurs/innovators to USM institutions
- Commercialize valuable USM intellectual property
- Generate long-term financial returns to be reinvested in future USM affiliated start-ups

## ELIGIBILITY

Eligible companies must be located in Maryland and affiliated with a USM institution in one of the following ways:

- Based on USM-owned intellectual property
- Founded by USM faculty, students, or alumni
- Located in USM incubators, research parks, or RISE Zones

## INVESTMENTS

- Investment opportunities will be sought from all USM institutions. Investments are broken down into the following classifications:
  - Up to \$50,000: Seed funding for student-led or very early stage companies as an initial investment
  - \$50,000 - \$500,000: Seed/Series A round funding with co-investor participation for companies that have raised less than \$2 million to date
  - \$200,000- \$500,000: Second-round funding with co-investor participation in limited instances for significant impact/opportunity investments
- Co-investor participation is required for all investments over \$50,000.

**TO LEARN MORE ABOUT USM'S ECONOMIC DEVELOPMENT RESOURCES:**

Visit [WWW.USMD.EDU/USM/ECONOMIC-DEVELOPMENT](http://WWW.USMD.EDU/USM/ECONOMIC-DEVELOPMENT).



# Maryland Momentum Fund



The University System of Maryland (USM) is the state's public higher education system, comprising 12 institutions and 2 regional centers. A leader in both education and research, USM generates commercially relevant research and intellectual property that supports government and industry clients.

## ABOUT THE UNIVERSITY SYSTEM OF MARYLAND

- USM generates more than \$1.3 billion in external grants and contracts annually, supporting research in a wide array of high-impact fields, including the life sciences, engineering, and computer science. This research has led to over 300 invention disclosures and 60 technology licenses per year.
- Since 2011, USM institutions have founded 502 new companies, which are either based on USM-owned inventions; located in USM incubators and research parks; or recipients of extensive business assistance from USM institutions.
- Since 2014, the University of Maryland, Baltimore and the University of Maryland, College Park under UM Ventures have invested \$500,000 in startup companies based on USM institution owned technologies and located in Maryland. These companies have raised over \$24 million in additional funding.

## APPLICATION PROCESS

- Complete the online application and prepare supporting documentation at <https://gust.com/organizations/maryland-momentum-fund>.
- Work with the Maryland Momentum Fund staff to complete due diligence.
- Approved companies will present to successful early-stage investors and entrepreneurs serving on the USM External Investment Board.
- All companies that apply for funding will receive feedback regardless of the investment decision.

## For Further Information

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