



The Board of Regents Committee on Economic Development and Technology Commercialization

Minutes of the Public Session

May 5, 2020

The Committee on Economic Development and Technology Commercialization of the University System of Maryland (USM) Board of Regents met in public session on 1:30 pm on Tuesday, May 5, 2020 via audio and videoconference. Regent Leggett called the meeting to order at 1:31 pm.

Regents present were I. Leggett (chair), R. Rauch (vice chair), S. Malhotra, M. Mears, E. Fish. USM personnel present were J. Perman, T. Sadowski, L. Ryan, T. McDonough.

Regent Leggett said that the trial at the University for a vaccine that could be available this fall. Chancellor Perman said that Bob Gallo has been talking on a lot of media programs about the use of an old attenuated live vaccine for polio as a means of protecting people against COVID-19.

Vice Chancellor Sadowski said that Chancellor Perman made call to action with regards to COVID-19, to be led by a Task Force. The Economic Development team and Communications team have worked together to inventory activities addressing COVID-19. The goal is to provide more information to the public going forward. The website will be released Wednesday, May 6. USM is striving to be head's up to help those who have heads down doing the work.

Regent Leggett asked about economic assistance. Vice Chancellor Sadowski said USM has worked with Maryland Department of Commerce to help administer funding and lend a hand. He said calls with the presidents every other day have been helpful in sharing and collaborating.

Vice Chancellor Sadowski said that USM made a commitment to the Maryland Department of Commerce's Open for Business campaign. While they paused the use of that term, they are still going forward with promoting innovation and will be featuring USM institutions.

Chancellor Perman discussed the USM Research and Innovation Task Force. Darryl Pines, President-Designate of the University of Maryland, College Park Engineering School, suggested that USM package the public good taking place across the System in addressing COVID-19 and demonstrate the innovation and entrepreneurship of the system. He also suggested a "systemness" approach to future pandemic response and prevention. Vice Chancellor Sadowski commented that the Task Force is developing ideas to foster pandemic response in short- medium- and long-term views.

Regent Leggett commented that any platform that connects university researchers and industry is very helpful. For example, MIT students prototyped face shields that could be provided at little cost and involved a variety of people in the institution. It is best to capture those ideas now while people are in tune to these needs. Vice Chancellor agreed and said a component of the website will encourage partnering.

USM Momentum Fund – Claire Broido Johnson (Information Item)

Ms. Broido Johnson explained that recent clarification of the \$10M not including institutional co-investment is important because several institutions have co-invested already. A 1:1 match is required, and a goal of 2:1 was informally set; the fund is currently at 4:1. The Executive Committee consists of representatives from USM and the institutions. Ms. Broido Johnson said that since she has started investing, the Fund has invested in Neoprogen, MinnowTech, Zest Tea (again), ARMR, InferCabulary, and Datakwip. Ms. Broido Johnson said most portfolio companies come from UMCP, UMB, or UMBC, though they are trying hard to get other institutions involved. MinnowTech is affiliated with UMCES as is an aquaculture startup, and InferCabulary, an edtech company, is affiliated with TU.

Regent Leggett asked about geographic location. Ms. Broido Johnson responded that most portfolio companies are located in the DC/Baltimore corridor. Datakwip is based in Frederick, and InferCabulary is based in Towson. In addition, PaverGuide is based on the Eastern Shore. Regent Leggett stressed the need to be able to demonstrate that the Fund has looked at companies in other locations. Ms. Broido Johnson said the Fund is open for business and always asking for companies across the state to submit, but they do not find many companies applying from elsewhere. USM has monthly calls with entrepreneurship reps from FSU, SU, etc., so they are reminded on a monthly basis. A question was raised about whether geography of the company is tied to the institution with which they are affiliated. Ms. Broido Johnson responded that some companies are led by alum, so they are not necessarily based around campus. Vice Chancellor Sadowski said that some of the portfolio company have utilized other system facilities in Southern Maryland and he believes MF Fire manufactures in Western Maryland. He continued that Ms. Broido Johnson has gone out to meet the leaders in entrepreneurial communities outside the College Park and Baltimore areas. Mr. Sadowski commented that another area where the Fund has been intentional is with minority and women-owned enterprises. Ms. Broido Johnson added that three of the five investment made recently were led by entrepreneurs who are female or African American. She added that it is getting harder to find companies to invest in, so they are looking to connect with alum organizations. Regent Mears suggested Salisbury University is active in entrepreneurship competitions. She asked how engaged they are. Ms. Broido Johnson said she connects with Bill Burke a regular basis and he has sent companies to the Fund. Vice Chancellor Sadowski said that he and Ms. Ryan have also traveled to Salisbury to be there for the Shore Hatchery competition.

Ms. Broido Johnson commented that the Fund has been around for 3 or 4 years but has not had an exit yet. Primarily, this is because most companies have longer development and sales cycles. The Fund now has an Advisory Board of 12 people.

USM Office of Economic Development Update – Tom Sadowski, Vice Chancellor for Economic Development (Information Item)

Vice Chancellor Sadowski said he is not sure that a special session is going to happen now, so the MTIF bill may have to wait until next year. The MTIP internship program is still going. A big victory was getting the SBIR legislation through the legislature, but it's uncertain how much they will be funded at.

Chancellor Perman commented that the E-nnovation program has been extremely helpful in attracting or sometimes retaining faculty. It is a matching program; if an institution is able to raise money through a private donor, the state will match. These are in areas with high potential for commercial impact. Coppin State University was interested in the Makerspace bill because it involved OpenWorks, which they partner with.

Vice Chancellor Sadowski said that industry partnerships are starting to come together and complement each other. A UMCP alum who is on staff on Amazon will help USM make and track more partnerships. An ARL-UMCP partnership was supposed to have an opening this month, with UMCP faculty and students working at Aberdeen Proving Ground; hopefully this work will get going this summer. TechPort is a Southern Maryland UMD facility that could engage at Aberdeen, too. Ultimately, ARL would like to dedicate funding to this type of research annually for a robust relationship not just at Aberdeen.

Lindsay Ryan reviewed the Venture Development report. She said that she is glad to have more groups reporting and expect more to continue to. She reported her activity in helping connect startups across the System and outside the System to resources. She mentioned that one incubator suggested that information on how to connect with the USM Venture Development Director be part of their onboarding process. Regent Fish said that she thought that was an excellent idea and asked if this could be implemented elsewhere. Ms. Ryan replied that it could and that she would be offering that more broadly. Regent Fish asked if companies would be followed up with later, to which Ms. Ryan responded not at this time, but they could work toward that.

A question was raised about the Momentum Fund and whether TEDCO was involved. Ms. Broido Johnson responded that sometimes they co-invest but there is no formal partnership with TEDCO. Chancellor Perman said the idea to create the Fund was born in this very committee with the goal of keeping companies in the State of Maryland and generating return on intellectual property. Regent Malhotra any thoughts on running public-private programs run through the Momentum Fund. Vice Chancellor Sadowski said that initially it was marketed as a \$25M fund, but it has become clear that it is better to work on a co-investment model.

Vice Chancellor Sadowski said that next time he hopes to have more detail on the AWS partnership.

Regent Leggett said the presentation was a comprehensive overview of exciting things even while dealing with this virus. He said that USM needs to follow through on things that are COVID-related and stimulate activity, directing toward funds that are out there.

The meeting ended at 2:49pm.

Respectfully submitted,

Isiah Leggett, Chair
Committee on Economic Development
and Technology Commercialization