



The Board of Regents Committee on Economic Development and Technology Commercialization

Minutes of the Public Session

February 4, 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 February 4, 2021 virtually. Regent Leggett called the meeting to order at 12:31 pm.

Regents present were I. Leggett (chair), N. Sansom, E. Fish, G. Attman, S. Malhotra, B. Gossett, L. Gooden, and R. Rauch. USM personnel present were J. Perman, T. Sadowski, L. Ryan, C. Broido Johnson, T. McDonough, D. Wilkerson, E. Langrill, and J. Boughman. Others present were S. Sheppard, J. Hardy, A. Bissahoyo, D. Ajayi, C. Goodman, and L. McNeil. Presenters were B. Burke, C. Weer, M. Cohen, C. Kane, D. Lunz, M. Hines, S. Hobby, and L. Jackson.

SU Shore Hatchery & Featured Entrepreneurs: Panel of Competition Winners (Information Item)

Vice Chancellor Sadowski introduced Christy Weer, Dean of the Perdue School of Business, and William Burke, Professor of Practice in Information and Decision Sciences and Executive Director for Economic Development. Dean Weer described the Perdue School of Business and explained that their hallmark is experiential learning. Mr. Burke explained that a student business plan competition that started in 1987 has evolved, and now there is a Shore Hatchery component that is open to regional businesses, made possible with support from the Philip E. and Carole R. Ratcliffe Foundation.

Tia Hobby is a student at Salisbury University. Her business, Tia Dash started as a clutch purse business, where she was making each by hand. With \$1,000 from the competition, she was able to get a manufacturer, which she was able to turn into additional growth and more funding. She was able to hire another person to help with manufacturing and is utilizing the new downtown center. The money has also allowed her to focus on marketing, which is her major. Regent Leggett asked about her initial motivation. She explained that she has been sewing since she was 8, then started making them for herself. When others were asking for them, too, she decided to pursue it as a business.

Megan Hines explained that she and her co-founder are both high school teachers, and Megan is a doctoral student. They started their meadery, The Buzz Meadery, in June of 2020. They participated in the student competition in the spring, winning \$7k in cash and \$1k in BEACON services. They received \$20k in the Shore Hatchery competition in the fall. They use all local Maryland honey. They opened their doors in June and have started wholesaling to restaurants and others in addition to farmers' markets. They also hired their first full-time employee. They don't have any outstanding debt, and they're looking at purchasing a location in downtown Berlin.

Dan Lunz explained that Capsulomics spun out of JHU and are addressing gastrointestinal diseases. They are located in Baltimore and found the Shore Hatchery competition while browsing the web and were impressed and so applied. They received \$15k, which is fully supporting a collaboration with JHU in

Pittsburgh, which will allow them to launch their first product this fall. Chancellor Perman commented that he lost his father when he was a teenager to esophageal cancer, and he wished them well. Vice Chancellor Sadowski added that the Baltimore Fund has supported them. Dan commented that Mary Morris and the Baltimore Fund has been wonderful, and all of the state support has been wonderful, including a TEDCO MII grant they just received.

Matt Cohen explained that SIMPLi is a national leader for sustainable and ethical sourcing of ingredients. They work to bring international ingredients to the U.S. The Shore Hatchery program awarded them \$10k, which they used for machinery for a production line. Clients include restaurants, meal kits, and more. He explained that he is a 2012 graduate and is involved in advisory boards for Salisbury University, which is how he heard about the competition.

Cameron Kane explained that he started in Computer Science and is finishing a second degree with a thesis focused on his business, Valkyrie Software Solutions. He realized that the deaf and hard of hearing community does not have access to noise directionality information. He is pursuing technology that could bring in revenue in markets such as video games to help support the technology development in other markets such as public safety. He was able to go from an idea in 2017 to winning funds as a student and then winning in the Shore Hatchery. He will apply to the MIPS program, which requires a cash match if granted, and so the Shore Hatchery funds can support that. He would go from one person to a team. He also mentioned support from the ETC Baltimore, TEDCO, and other local programs.

Regent Leggett asked Ms. Hines about their product differentiation. She explained that mead has a long history, but they are the only ones on the Eastern Shore producing it, and the style they are making it in is unique because it's lighter and more similar to a hard apple cider or beer. Regent Leggett asked if bee disruptions were cause for concern. Ms. Hines said their supplier has hives all over the Eastern Shore, so they aren't worried, though prices have increased. Ms. Hines said capitalism is one way to promote environmentalism, so if people like their products, they are hoping they will be more likely to want to protect the animals that make them possible.

Regent Gooden said all the projects were impressive and very different. Regent Gossett complemented the concise descriptions. Regent Attman said sometimes people think about the large research institutions when they think about entrepreneurship and innovation, but Mr. Burke and Dean Weer have been stalwarts at generating new business and supporting them. Regent Leggett asked what would be needed to expand support. Dean Weer said much has changed during the 7 years of her tenure because of the hard work of the faculty, staff, and the community in which they're embedded. She said continuing to talk about their programs beyond the shore is helpful. Mr. Burke agreed that community support has been key and added that many, many judges from the business community participate, not just a few. He also mentioned that donor support has been critical to success, not only from the Ratcliffe Foundation, but from Dave and Patsy Rommell and the Bernstein family. Regent Leggett asked about where the jobs were created and suggested that understanding statewide benefits would be helpful in advocating for the program. Mr. Kane also suggested not just looking at jobs created but also impact toward things like United Nations goals. Vice Chancellor Sadowski shared that 80% of startups stay in the area in which they first receive their funding and agreed that the program has been incredibly impactful.

BSU Workforce Development and Industry Partnerships (Information Item)

Lethia Jackson, Professor Chairman, Department of Technology & Security, Bowie State University. Prof. Jackson explained that they are seeking renewal of their ABET accreditation soon. They are the only computer technology program in the University System of Maryland. Their external advisory board is extremely critical to their success. They help guide curriculum development, provide internship opportunities, and research topics. They implement design thinking and innovation into their coursework and have seen enrollment growth. She explained that the workforce is looking students are ready to work since day one, with the ability to problem solve. Hackathons, sandbox laboratories, and other experiential learning help student gain this experience. Students are prepared for great, high-paying jobs.

Prof. Jackson described a program with 40 Baltimore students per summer that come up with their own problem as it related to their own communities and propose solutions over a 5-week period. Recently, 5 students graduated from Bowie that have gone through that program. She said most students are coming in with a heavy heart, and they can meet them where they are. Their industry engagement provides resume and confidence-building. They have 5 capstone classes. Industry is now lining up to participate and sponsor the program to have students design and build solutions. Hackathons and other events also involve industry. When students compete but do not place, they still are hired because of the experience they've gained. They also provide co-op courses. Amazon hired 20 students at once after a program with them. They just partnered with VCU and the Army. Regent Fish wondered how they could expand programming. Prof. Jackson replied that it would require additional funding because of fixed costs like train tickets, etc.

Prof. Jackson said they have been successful with transfer students. They also engaged with a partner to reduce textbook cost barriers. She explained that in some cases, students can get a good job without finishing the program, but they also encourage finishing because of the value of a 4-year degree. Regent Gooden commented that she advises Millenium, who has commented about the quality of graduates out of the Bowie program. She commented that 2+2 is important because it allows students to get a job in two years and then receive more education.

Regent Gossett asked about any proposals for scholarship development or philanthropy. Prof. Jackson said that she was worked with partners and written grants. Dr. Breaux has come out personal to meet students. Vice Chancellor Sadowski commented that a spokesperson from Amazon is looking for strategic partnerships with HBCUs who have strategies in place and that he plans to discuss with Prof. Jackson. Regent Gossett said this is ripe for support from the philanthropic community.

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

Vice Chancellor Sadowski provided an overview of the OED update. Ms. Broido Johnson provided an overview of the Maryland Momentum Fund. She commented that the level of funding for women is much higher than for typical venture capital, and they are actively trying to increase support for African-American founders. Vice Chancellor Sadowski noted that a reserve fund has been established, and the robust Advisory Board has provided great input. Regent Leggett asked if there was a way for students to get involved with the Momentum Fund at a different level. Ms. Broido Johnson explained that she speaks with many students and others at an early stage and gives them advice, including connecting

them to other potential funders. Vice Chancellor Sadowski commented that the gap Regent Leggett is referencing is the next gap USM is looking to address.

Ms. Broido Johnson said it also underscores the natural tension of the fund between trying to make money and build the entrepreneurial network. They do not have any exits, which is common at this stage in the Fund. They have enough to invest in about 9 more companies. Regent Leggett said that the level at which we are making investments seems to be productive. Perhaps a smaller investment for someone who needs a first or second step to be able to evaluate them later on is needed. If this is happening with others through connecting, then perhaps it is not. However, if a little bit of money could provide formal structure to get more bang for the buck, he would be supportive. Regent Attman said another way to look at it would be to add more money at every level. There is nothing bad here. The amount of money in this program is miniscule compared to the opportunity. If you look at what Ohio State and others have, we started with a miniscule amount to test the process. We are probably ready to begin to really look at scaling this program. If we look at funding smaller projects, looking at private contribution would make sense. Vice Chancellor Sadowski said that Vice Chancellor Herbst is on the Executive Committee and is aware of the successes and constraints. July of 2022 may be the soonest that more funds could be expended. Regent Leggett said we need to hit the ground running then. Regent Attman suggested we pursue a more aggressive timeline.

The meeting ended at 1:42 pm.

Respectfully submitted,

Isiah Leggett, Chair
Committee on Economic Development
and Technology Commercialization