



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
Kelly M. Schulz | Secretary of Commerce

May 10, 2021

The Honorable Bill Ferguson
President, Maryland Senate
State House, H-107
Annapolis, Maryland 21401-1991

The Honorable Adrienne A. Jones
Speaker, Maryland House of Delegates
State House, H-101
Annapolis, Maryland 21401-1991

The Honorable Guy Guzzone
Chairman, Senate Budget and Taxation Committee
3 W Miller Senate Office Building
Annapolis, MD 21401

The Honorable Anne R. Kaiser
Chairman, House Ways and Means Committee
131 House Office Building
Annapolis, MD 21401

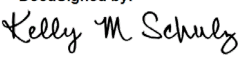
RE: E-Nnovation Initiative Fund Program FY 2020 Annual Report

Dear President Ferguson, Speaker Jones and Chairmen Guzzone and Kaiser,

In accordance with §6-623 of the Economic Development Article, we are pleased to submit the annual report on the E-Nnovation Initiative Fund Program.

We look forward to your review of this report and are happy to furnish any additional information that is required. If you have any questions regarding this report, please contact Sarah Sheppard at 410-767-6368.

Sincerely,

DocuSigned by:

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Kelly M. Schulz
Secretary



Robert Hallenbeck
E-Nnovation Initiative Fund Authority Chair

Enclosure

cc: Members, Senate Budget and Taxation Committee
Members, House Ways and Means Committee



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Benjamin H. Wu | Deputy Secretary of Commerce

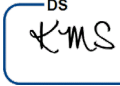
MEMORANDUM

TO: The Honorable Larry Hogan
Governor

THRU: Allison Mayer
Deputy Chief of Staff, Governor's Office

FROM: Robert Hallenbeck
Chairman, E-Nnovation Initiative Fund Authority

Kelly M. Schulz
Secretary

A blue ink handwritten signature of Kelly M. Schulz, with the initials "KMS" and a small "DS" above it, enclosed in a blue rectangular box.

DATE: May 10, 2021

SUBJECT: E-Nnovation Initiative Fund Annual Report

In accordance with §6-623 of the Economic Development Article, we are pleased to submit the annual report on the E-Nnovation Initiative Fund Program.

We look forward to your review of this report and are happy to furnish any additional information that is required. If you have any questions regarding this report, please contact Sarah Sheppard at 410-767-6368.

Attachment



FISCAL YEAR 2020 ANNUAL REPORT
OF THE
E-Nnovation Initiative Fund Program
As required by the Economic Development Article Section 6-623

Respectfully submitted to the General Assembly of Maryland by

Robert Hallenbeck, Chairman

401 East Pratt Street

Baltimore, MD 21202

May 2021



Maryland

Larry Hogan, Governor | Boyd Rutherford, Lt. Governor

OPEN *for* **Business**

Overview

Pursuant to Section §6–623 of the Economic Development Article as amended, on or before January 1st of each year beginning in 2016, the Department of Commerce (Commerce) shall submit a report on the implementation of the E-Nnovation Initiative Fund Program (Program) to the Governor and, in accordance with § 2–1246 of the State Government Article, to the Senate Budget and Taxation Committee, and the House Ways and Means Committee.

The Program became fully operational on July 1, 2014, and this is the sixth Annual Report. The purpose and intent of the Program is to retain and recruit top university researchers and encourage collaboration among Maryland research universities, federal agencies, and the private sector (especially entrepreneurial companies). The combination of top talent and collaboration can enhance the economic competitiveness of the State as it builds on existing clusters of research and innovation. The Program gives Maryland a tremendous advantage in the intense global competition for the best minds in the world, and will provide for opportunities, jobs, and industries created by their work.

The Program leverages the impact of State funds through matching funds from private donors to universities. The legislation which created the Program calls for an annual appropriation of \$8.5 million from FY 2016 through FY 2021. The Authority feels that the Program is meeting legislative goals. The breadth of applicants and the stature of the awardees provide Maryland with a depth of experience that will advance the State's competitive advantage. The Secretary of Commerce visited multiple campuses in FY 2020 to meet with the endowed chairs. This was a highly illustrative and informative convening of select awardees in order to best enable Commerce in driving the Program's implementation and effectiveness.

I. Members of the E-Nnovation Initiative Fund Authority

Members of the Maryland E-Nnovation Initiative Fund Authority (Authority) are:

- Robert Hallenbeck (Chair), BD Biosciences (retired)
- Kelly M. Schulz, Secretary, Maryland Department of Commerce *ex officio*
- Jay Perman, Chancellor, University System of Maryland *ex officio*
- Linda Singh, Interim Executive Director/Chief Executive Officer, TEDCO *ex officio*
- Renee Winsky, President & CEO, Leadership Maryland and President & Founder, Bay One Group, LLC
- Stephen Auvil, Executive Vice President - Programs, TEDCO *ex officio*
- Frank Glover, Lead Director, Seed Investment Fund Director, Maryland Venture Fund, TEDCO *ex officio*

Commerce staff and the Office of the Attorney General provide administrative and legal support to the Authority.

II. Meetings of the Authority

The Authority conducted three meetings from July 1, 2019 to June 30, 2020 (FY 2020).

- October 31, 2019 – Briefing on the MEIF program for new Authority Members. Review, consideration, and determination of supplemental financial information of Johns Hopkins University’s FY 2020 Endowment for the Katey Ayers Professorship in Innovative Care in Aging and Mental Health.
- November 18, 2019 – Review, discussion, and approval of round 2 applications (due November 1, 2019)
- February 11, 2020 – Review, consideration, and determination of proposed Evaluation Criteria; discussion of adding Annual Reporting compliance to Evaluation Criteria.

III. FY 2020 Matching Fund Awards and Disbursements

FY 2020 Matching Fund Awards

Activities which continued in FY 2020 included the approval of matching funds to successful applicants. The Authority made eight awards to six different institutions. Four of the eight awards were made during the Round 1 application process, with the Authority approving awards at the June 27, 2019 meeting. The Authority made four additional awards during the Round 2 application process, with those awards finalized at the November 18, 2019 meeting.

Awards totaled \$8.5 million in FY 2020.

The following decisions were announced for FY 2020 round 1 awards:

- Johns Hopkins University for the *Katey Ayers Professorship in Innovative Care in Aging and Mental Health* – (\$1.2 million)
- University of Maryland, Baltimore for the *Endowed Professorship – The Howard M. Eisenberg, MD Distinguished Professorship in Neurosurgery* – (\$1.1 million)
- University of Maryland, College Park for the *Endowed Professorship – Pier Giorgio Perotto* – (\$750,000)
- University of Maryland, College Park for the *Endowed Chairs in Clark Leadership Data Analysis Program* – (\$750,000)

Total Awarded \$3.8 million

The following decisions were announced for FY 2020 round 2 awards:

- Loyola University of Maryland for the *Endowed Professorship in Innovation* – (\$500,000)
- University of Maryland, College Park for the *Clark Leadership Endowed Chair in Neuroscience* – (\$1.2 million)
- University of Maryland Eastern Shore for the *Roger R. & Vivian Bowers Blunt Endowed Chair in Construction Management Technology & Entrepreneurship* – (\$2 million)
- Washington College for the *Director of the River and Field Campus* – (\$1 million)

Total Awarded \$4.7 million

FY 2020 Disbursements

The following are the nonprofit institutions of higher education that received allocation and distribution of funds from the Fund during FY 2020:

The Johns Hopkins University
3400 North Charles Street
Baltimore, MD 21218

- Contact: Denis Wirtz, Ph.D., Vice Provost of Research
- Number of FY 2020 Awards: 1
- Amount of FY 2020 Awards: \$1,200,000
- Cumulative Awards: \$8,481,250
- Undisbursed amount at the end of FY 2020: \$1,200,000
- Funding:
 - *Professorship in Water and Public Health* – FY 2016
 - *Reta Hiers Professorship in Tarlov Cyst Disease* – FY 2016
 - *Mary Jo Rogers Professorship in Melanoma* – FY 2017
 - *Charles Glenn Grover Estate for Advanced Macular Degeneration* – FY 2018
 - *Branna and Irv Sisenwein Estate* – FY 2018
 - *Jennison Family Professorship in Neurosurgery* – FY 2018
 - *Endowed Fund in Honor of Marcella E. Woll* – FY 2019
 - *Katey Ayers Professorship in Innovative Care in Aging and Mental Health* – FY 2020

Loyola University of Maryland
4501 North Charles Street
Baltimore, MD 21210

- Contact: Amanda Thomas, Provost and Vice President of Academic Affairs
- Number of FY 2020 Awards: 1
- Amount of FY 2020 Awards: \$500,000
- Cumulative Awards: \$500,000
- Undisbursed amount at the end of FY 2020: \$500,000
- Funding:
 - *Endowed Professorship in Innovation* – FY 2020

University of Maryland, Baltimore
220 Arch Street, 14th Floor
Baltimore, MD 21201

- Contact: Bruce Jarrell, Ph.D., President
- Number of FY 2020 Awards: 1
- Amount of FY 2020 Awards: \$1,143,500
- Cumulative Awards: \$9,099,750
- Undisbursed amount at the end of FY 2020: \$1,143,500
- Funding:
 - *Endowed Professorship in Entrepreneurial Surgical Science* – FY 2016
 - *Robert C. Gallo Distinguished Professorship* – FY 2016
 - *Robert E. Fischell, ScD Dean's Endowed Professorship* – FY 2017
 - *Drs. Angela and Harry Brodie Distinguished Professorship in Translational Cancer Research* – FY2017
 - *Dr. Bizhan Aarabi Professorship in Neurotrauma* – FY 2018
 - *Dr. Martin Helrich Professorship in Anesthesiology* – FY 2018

- *The James and Carolyn Frinkil Dean's Professorship Fund – FY 2019*
- *School of Dentistry – Frederick G. Smith MS., D.D.S. and Venice K. Paterakis, D.D.S. Endowed Professorship in Oral and Maxillofacial Surgery – FY 2019*
- *Endowed Professorship – The Howard M. Eisenberg, MD Distinguished Professorship in Neurosurgery – FY 2020*

University of Maryland, College Park
4114 Samuel Riggs IV Alumni Center
College Park, MD 20742

- Contact: Brian Darmody, Associate Vice President, Corporate and Foundation Relations
- Number of FY 2020 Awards: 3
- Amount of FY 2020 Awards: \$2,656,500
- Cumulative Awards: \$11,689,250
- Undisbursed amount at the end of FY 2020: \$1,906,500
- Funding:
 - *Michael and Eugena Brin Endowed Chair in Mathematics – FY 2016*
 - *Endowed Professorship in Computer Science – FY 2016*
(Note that the application was amended in FY 2016 into two endowed professorships consisting of:
 - *Paul Chrisman Iribe Endowed E-Nnovate Professorship*
 - *Reginald Allan Hahne Endowed E-Nnovate Professorship*)
 - *Andrew and Mary Balo and Nicolas and Susan Simon Endowed Professorship – FY 2017*
 - *Elizabeth Stevinson Iribe Chair in Computer Science – FY 2017*
 - *Capital One Chair in Machine Learning and Computer Science – FY 2018*
 - *Ray R. Weil Distinguished Endowed Professorship in Soil Science – FY 2018*
 - *Brin Family Endowed Professorship in Theoretical Computer Science – FY 2019*
 - *Clark Leadership Chair in Data Analytics – FY 2019*
 - *Endowed Professorship – Pier Giorgio Perotto – FY 2020*
 - *Endowed Chairs in Clark Leadership Data Analysis Program – FY 2020*
 - *Clark Leadership Endowed Chair in Neuroscience – FY 2020*

University of Maryland Eastern Shore
30665 Student Services Center
Princess Anne, MD 21853

- Contact: David A. Balcom, Vice President of Institutional Advancement
- Number of FY 2020 Awards: 1
- Amount of FY 2020 Awards: \$2,000,000
- Cumulative Awards: \$2,000,000
- Undisbursed amount at the end of FY 2020: \$2,000,000
- Funding:
 - *Roger R. & Vivian Bowers Blunt Endowed Chair in Construction Management Technology & Entrepreneurship – FY 2020*

Washington College
300 Washington Avenue
Chestertown, MD 21620

- Contact: Kurt M. Landgraf, President
- Number of FY 2020 Awards: 1
- Amount of FY 2020 Awards: \$1,000,000
- Cumulative Awards: \$3,944,000
- Undisbursed amount at the end of FY 2020: \$1,000,000
- Funding:
 - *Chair in Sustainable Food Systems/Eastern Shore Food Lab* – FY 2017
 - *Chair of Entrepreneurial Science at the Center for Environment & Society* – FY 2018
 - *Chair in Geographic Information Systems* – FY 2019
 - *Director of the River and Field Campus* – FY 2020

IV. Observations and Recommendations

Supply and Demand

The Authority notes that there was strong demand for the matching grants and expects this demand to continue as Commerce increased promotion of the Program to non-profit institutions of higher education in the State in FY 2020. The Authority recommends continued level funding in future years.

Increased Participation of Institutions

There continues to be increased participation in the program by smaller colleges, contributing more broadly to economic development across Maryland. Continued funding of the Program should continue to stimulate private, multi-million-dollar donations to Maryland's colleges and universities.

Diversity of Awards

The Authority notes that the awards and the recipient institutions in the sixth year of the Program are characterized by diversity in demographics, geography, and technical and scientific fields of study. While large, research-oriented universities garnered five of the eight awards, the Authority was pleased to see participation in the Program for the first time by other institutions. It is important to note that highly talented, entrepreneurial individuals need not contribute only through the State's traditional research institutions. Fields of study funded by the Program in FY 2020 include aging and mental health, innovation, neurosurgery, computer science, data analysis, neuroscience, agribusiness, and construction management and entrepreneurship.

Update of Evaluation Criteria

The Authority met on February 11, 2020, to review, consider, and determine proposed Evaluation Criteria for applications submitted in FY 2021. The Authority voted unanimously to add "Compliance with Reporting Requirements" to the evaluation criteria the Authority considers. The Authority is authorized to consider a NPIHE's lack of compliance with reporting requirements when evaluating new applications. COMAR 24.05.22.05D allows the

Authority to consider (1) compliance with other research endowment plans previously approved for the institution; and (2) “such other evaluation criteria as the Authority may establish from time to time.” Noncompliance of the reporting requirements (including the proper formatting of reports) will be considered and weighted against a NPIHE who is not in compliance at the time of application submissions.

MEIF Annual Report Trainings

On February 19, 2020, February 26, 2020, and March 11, 2020, the Maryland Department of Commerce held training sessions for all NPIHE MEIF recipients.

**MARYLAND E-NOVATION INITIATIVE
FISCAL YEAR 2020 FINANCIAL STATUS AND PROJECTION**

Beginning Cash	8,629,981
Less Prior Year Encumbrances	5,378,500
Available Cash	3,251,481

Revenues	<u>Date</u>	<u>Ref</u>	<u>Actual To Date</u>	<u>Actual & Projected</u>
		1st Q Revenue	jtrad007 2,308,509	2,308,509
		2nd Q Revenue	jtrad020 2,211,526	2,211,526
		3rd Q Revenue	jtrad0037 2,073,786	2,073,786
		4th Q Revenue	jtrad051 268,266	268,266
		Per MD Lottery	JA012501 5,192	5,192
		Interest	110,279	110,279
			-	-
		FY2020 Revenues	6,977,557	6,977,557
Total Revenues				

Less: Expenses Commitments					
	<u>Institution</u>	<u>Doc. Ref.</u>	<u>Remaining Bal.</u>	<u>Disbursed</u>	<u>Total Commitment</u>
	UMCP	P0600944	375,000	375,000	750,000
	UMCP	P0600945	375,000	375,000	750,000
	UMB	P0601144	1,143,500		1,143,500
	JHU	P0601625	1,200,000		1,200,000
	Loyola	p0601578	500,000		500,000
	UMES				-
	Washington College	P0601143	1,000,000		1,000,000
	UMCP	P0601626	1,156,500		1,156,500
			-		-

	5,750,000	750,000	6,500,000
		FY 20 Appropriation	8,500,000
			-
Administrative Expenses			-
		jt311cs0	18,180
		JT757CS0	25,096
		jt765CS0	(342)
Administrative Expenses		7,065	42,935
		Total Expenses	5,757,065
			792,935
			6,550,000

Prior year encumbrances activity remaining/disbursed at FY 20 close	0	4,878,500
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Prior year adjustments		
	<u>Current Cash</u>	<u>Available Cash after</u>
Ending Balance	9,936,104	<u>encumbrances</u>
	9,936,104	3,436,104