

TESTIMONY

House Ways and Means Committee

*HB 94 – Maryland E-Nnovation Initiative Program – Requirements for  
Matching Funds*

Tina Bjarekull, President

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Thank you for the opportunity to testify in support of House Bill 94. This bill enhances the State's ability to further research in scientific and technical fields of study by making Maryland's E-Nnovation Initiative Program more competitive. The E-Nnovation initiative was designed to ensure that Program funds are disbursed quickly by requiring institutions of higher education to deposit the matching funds within 90 days after the approval by the E-Nnovation Authority of the request for matching funds.

Like many new initiatives, lessons were learned during the implementation of the E-Nnovation Program. In this case, it became clear that the aggressive timeframe for non-profit institutions to deposit matching funds put small institutions at a competitive disadvantage relative to large research universities. Colleges and universities receive many matching grant commitments in partial disbursements over a long timeframe or in non-liquid assets. Large research universities receive more donations and larger gifts. As a result, the large research universities are better able to meet the 90-day matching fund requirement of the E-Nnovation Program than small comprehensive institutions. In effect, small institutions are at a competitive disadvantage.

House Bill 94 addresses this inequity by allowing colleges and universities to use certain unrestricted institutional resources to bridge the gap between donations pledged and the receipt and liquidation of those donations. This is a practical adjustment that will allow more institutions in every region of the State to participate in the E-Nnovation Program and engage in scientific research that leads to economic activities.

**For these reasons MICUA encourages a favorable report of House Bill 94.**