
For background, Mr. Israel reiterated that the buy-Maryland program should be viewed as a way to support gazelles by reducing the risk to big companies to become clients. He noted that when VC looks at gazelles, they want to know what customers they have. If they have large companies, this increases the chances for additional funding. Raising the cap on the company size could incent larger firms in this direction by offering an offset to risk.

Ms. Leong-hong asked whether, if the caps on business size for buy-Maryland were too low, a legislative change would be required to raise them. Mr. Diffrancisci answered that legislation would be required. He noted that the original intention was to help smaller firms buying from other Maryland firms but that the program was not well subscribed.

Mr. Thompson asked whether changing the cap would have the impact suggested. He suggested that a survey of firms would inform the question. Mr. Fry concurred. Mr. Diffrancisci expressed that the Commerce Department might be able to conduct a limited survey. It would not focus on the buy-Maryland program specifically but could ask what factors prompt a larger firm to purchase products and services from a small firm. Mr. Israel stated that if his were a small company, he certainly would mention the credit, but it could be true that it would not be material to a large company.

Mr. Diffrancisci agreed to explore whether the Commerce Department could do a survey. He also suggested the value of consulting with the CAMI board. Mr. Tiller added the FMA board.

Presentation on TEDCO's Cyber Investment Fund

Mr. Leong-hong moved the agenda item to the next meeting since Mr. Stovall was not able to attend.

Tax Incentives to Attract Cyber Talent to Maryland

Ms. Leong-hong referenced the Build Back Better and Good Jobs Challenge grant programs and asked whether the State or other groups were seeking funds for cyber workforce development.

Mr. Thompson suggested that on the question of attracting talent, it is in part a question of marketing the State and he asked who does that at the State level, whether the Commerce Department or another department.

Mr. Diffrancisci noted that it is difficult to attract talent to Maryland since everyone is competing for it. The challenge is to find ways for the State to grow its pool of talent. He added that the challenge is not just entry level talent but also more senior talent. The only way to solve the latter shortage is to grow the base.

Mr. Tiller asked whether the subcommittee has considered recommending increasing the exemption of military retirement pay from State income tax. He mentioned that other

associations had approached FMA about this on the belief that expanding the exemption would make the State more competitive for veterans with cyber background 1 Tf36f3 Tr 12 0 0 12 138

Overview of Workforce Development Efforts in Howard County

Mr. Thompson noted that for the last three to four years the county has been looking at other countries for cyber opportunities. The county gave the economic development agency a building in Columbia. They have invested in it and see it serving multiple needs. An agreement has been signed with a German group that will set up in that building. In the same way, they are talking to companies in the Basque Region in Spain. He noted that Maryland provides incentives to attract firms but that some of these are legacy and should be revisited. He suggested that industry involvement would be helpful in such a review.

Mr. Israel stated that he would like to learn what other counties were doing in cyber. Mr. Thompson stated that there are only a few jurisdictions that pay attention to cyber issues. He recommended Pam Duff from MEDA to speak to the subcommittee to find out what each of the counties are doing. Mr. Thompson agreed to reach out to her if that is what the subcommittee wanted.

Action: With no objections, Dr. von Lehmen was asked to work with Mr. Thompson to schedule a meeting with Ms. Duff and other county economic development staff for the subcommittee's next meeting in December of January.

Mr. Fry indicated that GBC had conducted a regional study focused on the tech sector and its growth trajectory. The report was released last year, and the GBC is working on implementation steps. He was willing to share the report.

Action: Ms. Leong-hong asked Dr. von Lehmen to circulate the report to the subcommittee.

Ms. Leong-hong mentioned that the link between cyber workforce development and cyber economic development has come up repeatedly in subcommittee meetings. Mr. DiFrancisci suggested that there could be a place for a State program that would include the 'certification' of 'approved' training centers and subsidies to companies to send employees there for training. This might serve as an incentive for companies to hire and then train workers transitioning from other industries and to upskill workers that they already employ. He mentioned UMBC Training Centers as one example, noting that they train about 10,000 students a year. Ms. Leong-hong agreed that this is another incentive that the subcommittee could discuss.

Other business and Adjournment

There being no further business, the chair duly adjourned the meeting at 2:00 pm upon motions made and seconded.

[Note: These minutes were approved at the 30 March 2022 meeting of the subcommittee.]