



Committee: ECON

Committee Review: At a future date

Staff: Ludeen McCartney-Green, Legislative Attorney

Purpose: To receive testimony – no vote expected

Keywords: #SBIR #SBTTR #GrantProgram

AGENDA ITEM# 7

May 16, 2023

Public Hearing

SUBJECT

Expedited Bill 23-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program (“SBIR/SRRT Grant Program”) - Amendments

Resolution to Approve Executive Regulation 2-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program – Amendments

Lead Sponsor: Council President at the request of the County Executive

EXPECTED ATTENDEES

Members of the Public

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A; to receive testimony

DESCRIPTION/ISSUE

Expedited Bill 23-23 and Executive Regulation No. 2-23 would:

- (1) modify the requirement to allow acceptance of applications under the Small Business Innovation Research and the Small Business Technology Transfer Matching Grant Program on a fiscal year basis, rather than a calendar year basis; and
- (2) generally amend the law regarding eligibility for the small business matching grant program.

SUMMARY OF KEY DISCUSSION POINTS

- In November 2022, the Council enacted Bill 31-22, which provides for the County Executive to, among other things, establish regulations with eligibility criteria for the SBIR/STTR grant matching program. The regulations, after the adoption of Bill 31-22 by the Council, were published in the County Register in January 2023 and received a 30-day public comment period; however, the 2022 calendar year to receive applications were already foregone, and under the current law, it would render several businesses ineligible to apply for that year.
- The purpose of the Bill and regulations is to allow receipt of applications for recipients of a federal SBIR or STTR grant, during the fiscal year rather than the calendar year.
- Executive Regulations No. 2-23 also includes technical and grammatical changes to Section 2.
- A public hearing is tentatively scheduled for May 16, 2023.

This report contains:

Staff Report	Pages 1-2
Expedited Bill 23-23	© 1
Proposed Resolution to Approve County Executive Regulation 2-23	© 3
County Executive Memorandum	© 4
Fiscal Impact Statement (Bill 23-23)	© 6
Climate Impact Statement	© 7
ER 2-23 - Submitted to the County Register	© 11
ER 2-23 - Showing changes recommended by MDEC	© 19
ER 2-23 - Clean version	© 27
Draft Execution Regulation pending adoption of Bill 23-23, SBIR STTR FY	© 35
Fiscal Impact Statement (ER 2-23)	© 43

Alternative format requests for people with disabilities. If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov

MEMORANDUM

May 11, 2023

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

SUBJECT: Expedited Bill 23-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program - Amendments

PURPOSE: Public Hearing – to receive testimony

Expedited Bill 23-23 and Resolution ER 2-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program (“SBIR/STTR Program”) – Amendments, sponsored by the Council President at the request of the County Executive, was introduced on May 2, 2023. A public hearing is scheduled for May 16 at 1:30 p.m. and an Economic Development (ECON) Committee worksession will be held on June 12, 2023.

Expedited Bill 23-23 would:

- (1) modify the requirement to allow acceptance of applications under the Small Business Innovation Research and the Small Business Technology Transfer Matching Grant Program on a fiscal year basis, rather than a calendar year basis; and
- (2) generally amend the law regarding eligibility for the small business matching grant program.

Attached on ©11 are Executive Regulations 2-23 to implement Bill 23-23. The ECON Committee will review these regulations when it reviews Bill 23-23. The County Executive Memorandum is on page ©4. The fiscal impact statement indicates the Bill is not expected to impact County revenues or expenditures. See ©6.

This packet contains:

Circle #

Expedited Bill 23-23	© 1
Proposed Resolution to Approve County Executive Regulation 2-23	© 3
County Executive Memorandum	© 4
Fiscal Impact Statement (Bill 23-23)	© 6
Climate Impact Statement	© 7
ER 2-23 - Submitted to the County Register	© 11
ER 2-23 - Showing changes recommended by MDEC	© 19
ER 2-23 - Clean version	© 27

Draft Execution Regulation pending adoption of Bill 23-23, SBIR STTR FY
Fiscal Impact Statement (ER 2-23)

© 35
© 43

Expedited Bill No. 23-23
Concerning: Small Business Innovation
Research and Small Business
Technology Transfer Matching Grant
Program – Amendments
Revised: 4/24/2023 Draft No. 1
Introduced: May 2, 2023
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) permit the acceptance of applications under the Small Business Innovation Research and the Small Business Technology Transfer Matching Grant Program on a fiscal year basis, rather than a calendar year basis; and
- (2) generally amend the law regarding eligibility for the small business matching grant program.

By amending

Montgomery County Code
Chapter 20, Finance
Section 20-76E

Boldface	<i>Heading or a defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland, approves the following act:

Sec. 1. Section 20-76E is amended as follows:

20-76E. Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.

* * *

(c) *Eligibility.* A business is eligible to receive the matching grant if the business:

- (1) has been awarded a SBIR or STTR Phase I or Phase II grant during the current [calendar] fiscal year to conduct research in medicine, biotechnology, or life sciences;
- (2) conducts at least 51% of its research and development operations at a physical location in the County; and
- (3) meets any other eligibility criteria established under subsection (d) regarding business size or characteristics.

(d) *Regulations.* The Executive may adopt regulations under Method (2) to implement this Section.

* * *

Sec. 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

Sec. 3. Transition.

An otherwise eligible business under Section 20-76E(c) that received a SBIR or STTR Phase I or Phase II grant between July 1, 2022, and the effective date of this Act that did not already apply for a County matching grant may still apply for a County matching grant during the current fiscal year.

Resolution No.: _____
Introduced: May 2, 2023
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the request of the County Executive

SUBJECT: Approval of County Executive Regulation 2-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program (“SBIR/STTR Program”)

Background

1. On April 11, 2023, the County Council received Executive Regulation 2-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.
2. This regulation implements Bill 31-22, which revised the eligibility criteria for the SBIR and STTR Program to achieve more flexibility for the County’s matching grant program.
3. The County Executive submitted the regulation to the Council under Method (2) of Section 2A-15 of the County Code.
4. Under Method (2), if the Council does not approve or disapprove a regulation within 60 calendar days after the Council receives the regulation, the regulation automatically takes effect.

Action

The County Council for Montgomery County Maryland approves the following resolution:

Executive Regulation 2-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program Regulations - is approved.

This is a correct copy of Council action.

Judy Rupp, Clerk of the Council



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

April 11, 2023

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Executive Regulation 2-23 and Expedited Bill XX-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program

Expedited Bill 31-22 was enacted by the County Council on November 29, 2022, amending Section 20-76E of the Montgomery County Code. The Bill provides for an Executive Regulation to administer the program, which may be adopted under Method (2).

Enclosed for review is Executive Regulation 2-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program (“SBIR/STTR Program”) as posted in the January 2023 edition of the County Register. The regulation establishes administrative protocols for the SBIR/STTR Program’s operation, eligibility criteria, and additional requirements for Federal SBIR or STTR Grants recipients to receive a matching County conditional grant.

Also enclosed are revised versions of the Regulation, both marked and clean. The revised versions incorporate public comment received from Montgomery County Economic Development Corporation (MCEDC). MCEDC’s remarks noted minor punctuation and grammatical corrections, added two terms, “Investment Assistance” and “Commercialization Assistance” to Section 2 of the Regulation - Definitions. None of these changes and additions resulted in any material change to the Regulations as posted in the County Register, and no other public commentary was received.

For the FY23 Budget, \$425,000 was appropriated for the SBIR/STTR Matching Grant Program. Prior to the commencement of FY23, it was decided that no applications for funding should be

accepted until anticipated legislative changes to the Program were made. However, Bill 31-22 was not enacted until November 29, 2022, almost six months after the start of the fiscal year, and the Executive Regulations, which the Bill called for, were posted in the January 2023 edition of the County Register, requiring thirty days for public comment.

During the Regulation's posting in the Register, it was recognized that Bill 31-22 continued the requirement that both the Federal SBIR or STTR grants awarded and respective applications for the County's matching grant had to be in the current calendar year. As such, this would make any recipient of a Federal SBIR or STTR grant received in the calendar year 2022 ineligible, despite the fact that FY23 commences in the sixth month of the calendar year 2022. This could have a profound impact on the Program's utility, as historically, almost all of the Program's appropriated funds were awarded to qualified, eligible applicants within the first few days of the commencement of the fiscal year.

To remedy this, Expedited Bill XX-23, SBIR STTR FY has been proposed, further amending Section 20-76E of the Montgomery County Code and providing for applicant eligibility to be considered on a fiscal year rather than a calendar year basis. The Office of the County Attorney has recommended that the posted Regulations, their recommended revisions, and the proposed expedited legislation be introduced to Council concurrently, including draft Executive Regulations that would reflect the amendment to Sec. 20-76E, should Expedited Bill XX-23 SBIR STTR FY be adopted.

Should there be any questions concerning the Regulations or the Expedited Bill, please contact Peter McGinnity in the Department of Finance at peter.mcginfinity@montgomerycountymd.gov or at 240-777-2011.

I would appreciate the Council's prompt consideration of this Executive Regulation and proposed expedited Bill.

ME/pmg

Enclosures Proposed Expedited Bill XX-23, SBIR STTR FY
Executive Regulation 2-23 as advertised in January 2023
Executive Regulation 2-23 with revisions, clean and marked copy
Draft Executive Regulation pending the adoption of Expedited Bill XX-23, SBIR
STTR FY

Fiscal Impact Statement

Office of Management and Budget

Bill xx-23

Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program

Bill Summary

Expedited Bill xx-23 allows the acceptance of applications under the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Grants Program to operate on a fiscal year basis, rather than a calendar year basis.

Fiscal Impact Summary

This bill is not expected to impact County revenues or expenditures.

Fiscal Impact Analysis

Expenditures for the SBIR/STTR Matching Grant Program are limited by County Code to the amount appropriated by Council to support the program.

Staff Impact

The bill is not expected to impact staff time or duties.

Actuarial Analysis

The bill is not expected to impact retiree pension or group insurance costs.

Information Technology Impact

The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected

The bill does not authorize future spending.

Contributors

Judith Costello, Office of the County Executive
Peter McGinnity, Department of Finance
Julie Knight, Office of Budget and Management



Climate Assessment

Office of Legislative Oversight

Expedited Bill 23-23: Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program - Amendment

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 23-23 will have little to no impact on the County's contribution to addressing climate change as the proposed changes have the potential to fund projects that could have positive impacts on climate change and community resilience. However, there is no certainty that the research would directly address the County's contribution to addressing climate change, so the anticipated impact is minimal.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 23-23

Coordinated by the U.S. Small Business Administration (SBA), the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are competitive federal awards programs that encourage domestic small businesses to engage in Federal Research/Research and Development (R/R&D) with the potential for commercialization. The SBIR/STTR programs are structured in three phases with awards generally ranging from \$50,000 to \$750,000 depending on the phase.¹

In fiscal year 2019, the County established the local SBIR/STTR Matching Grant Program as an entitlement program for small businesses. The program provides grants to County businesses that receive a federal SBIR/STTR Phase I or Phase II grant to conduct research in medicine, biotechnology, or life sciences.² Since its start, the program has disbursed 38 awards totaling \$1,650,000 to 25 companies, matching \$34,357,086 in federal awards.³

The purpose of Bill 23-23 is to allow applications to the County's SBIR/STTR Matching Grant Program on a fiscal year basis rather than a calendar year basis. This change will allow prospective applicants receiving federal awards in calendar year 2022 to be eligible for the matching grant program, as applications were temporarily paused while the program was undergoing legislative changes in 2022.⁴

Bill 23-23 was introduced along with Executive Regulation 2-23, which, if approved by the Council, would establish new protocols for administering the matching grant program. Expedited Bill 23-23, Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program – Amendment, was introduced by the Council President on behalf of the County Executive on May 2, 2023.

ANTICIPATED IMPACTS

Research in biotechnology, life sciences, and medicine, especially agricultural and industrial biotechnology, can be an important tool in addressing climate change issues. The United States Department of Agriculture (USDA) includes agricultural biotechnology as a part of the USDA's toolkit for a healthy and sustainable future.⁵ Research in industrial biotechnology in areas such as renewable resources and biofuels also have the potential to save energy and significantly reduce carbon dioxide emissions.⁶

OLO conducted a quick search of the SBIR and STTR federal grant award database to understand how many grants have been awarded to companies in the County conducting research related to climate change and community resilience.¹⁷ Key words used include "climate change", "greenhouse gas", "community resilience", and "decarbonization." Of the 42 projects conducted in Maryland that included these key words in their description, six projects were conducted by organizations physically located in Montgomery County.²

As Bill 23-23 proposes changes to fund general research in biotechnology, life sciences, and medicine, OLO anticipates the bill will have little to no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity. There is a possibility that proposed changes could fund projects that could have positive impacts on climate change and community resilience. However, there is no certainty that the research would directly address the County's contribution to addressing climate change, so the anticipated impact is minimal.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.⁸ OLO does not offer recommendations or amendments as Bill 23-23 is likely to have little to no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

¹ The database included data for awards from 1983 to 2023.

² For reference, 9694 projects located in Maryland have been awarded SBIR or STTR federal grants between the periods of 1983 to 2023 according to the awards database. The database is not searchable by county. Please see the appendix for a table of the projects.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

APPENDIX

Grant Recipient Name	Location	Project Name and Link	Key Word used in Search
Caelum Research Corp	Rockville	Applying Machine Learning Techniques for Sensitive Spectral Identification and Detection of Hazardous Target Molecules	"Climate Change"
Intelligent Automation	Rockville	Universal Signals-of-Opportunity (UNISOP) Sensor Payload for Cube/Small Satellites	"Climate Change"
Intelligent Automation	Rockville	Climate Impact Visualization Tools Using 3D City for Community-Based Planning and Outreach	"Climate Change"
Intelligent Automation	Rockville	Climate Impact Visualization Tools Using Virtual 3D City for Community Based Planning and Outreach	"Climate Change"
Mentor Tech	Rockville	Satellite Observations of High Clouds in the Tropics and Climate Change	"Climate Change"
N5 Sensors	Germantown	Low Cost, Low Power Sensors for Detection of Gases for Farming and Agricultural Activities	"Greenhouse Gas"

¹ "About," SBIR-STTR America's Seed Fund, U.S. Small Business Administration, Accessed May 6, 2023.

<https://www.sbir.gov/about>

² "Continuation of SBIR/STTR Matching Grant Program Review," Memorandum from Gene Smith, Legislative Analyst, to Planning, Housing, and Economic Development (PHED) Committee, Montgomery County Council, October 12, 2022.

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2022/20221017/20221017_PHED1.pdf

³ "Continuation of SBIR/STTR Matching Grant Program Review," Memorandum from Yaakov "Jake" Weissmann, Assistant Chief Administrative Officer to PHED Committee Chair

⁴ Introduction Staff Report for Bill 23-23, Montgomery County Council, Introduced May 2, 2023.

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2023/20230502/20230502_7A.pdf

⁵ "Biotechnology and Climate Change", U.S. Department of Agriculture, Accessed May 10, 2023.

<https://www.usda.gov/topics/biotechnology/climate-change>

⁶ "Industrial Biotechnology and Climate Change", Organization for Economic Cooperation and Development (OECD), 2011.

<https://www.oecd.org/sti/emerging-tech/49024032.pdf>

⁷ "Award Data", SBIR-STTR America's Seed Fund, U.S. Small Business Administration, Accessed May 10, 2023.

<https://www.sbir.gov/sbirsearch/award/all>

⁸ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

Montgomery County Regulation on:

SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER MATCHING GRANT PROGRAM

Department of Finance

Issued By: County Executive

Regulation Number: 2-23

COMCOR 20.75 and 20.76E

Authority: Montgomery County Code, Sections 20.75 and 20.76E

Council Review: Method 2 Under Code Section 2A-15

Register Volume 40, Issue 1

Sunset Date: July 1, 2025

Effective Date:

SUMMARY:

This regulation establishes policies and procedures for the administration of the Small Business Innovation Research and Small Business Technology Transfer ("SBIR/STTR") Matching Grant Program

ADDRESS:

Department of Finance
101 Monroe Street
Rockville, Maryland 20850

STAFF CONTACT:

Peter McGinnity
(240) 777-2011



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

BACKGROUND INFORMATION: The Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program has been created as a sub-program of the Economic Development Fund to assist certain businesses conducting research in medicine, biotechnology, or life sciences that are located in the County and have been awarded an SBIR or STTR Phase I or Phase II grant, or who require assistance in the preparation of an initial Phase I SBIR or STTR grant award.

Section 1. AUTHORITY

In accordance with the procedures authorized in Section 20-76E of the Montgomery County Code 2014, as amended, the following Executive Regulation establishes an award process and criteria to administer the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program as a sub-program of the Economic Development Fund.

Section 2. DEFINITIONS. For purposes of this Regulation, the following words have the following meanings unless the context clearly indicates otherwise.

- A. Director means the Director of Finance or the Director's designee
- B. Small Business Innovation Research Grant or SBIR means the congressionally-mandated set-aside program by that name for U.S. small businesses to engage in research and development that has a strong potential for commercialization.
- C. Small Business Technology Transfer Grant or STTR means the congressionally-mandated set-aside program by that name to foster technology transfer through cooperative research and development between U.S. small businesses and research institutions.
- D. Phase 0 Applicants means those County small businesses conducting research in medicine, biotechnology, or life sciences that are preparing to apply for their first SBIR or STTR Phase I award.
- E. Qualified Reimbursable Expenses means business expenditures related to the completion and filing of a SBIR or STTR Phase I or Fast Track grant application, including technical assistance as defined below.



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

F. Technical Assistance means support services to train companies to write and submit successful SBIR/STTR grant applications.

Section 3. PROGRAM DESCRIPTION

Montgomery County companies that have been awarded a SBIR or STTR Phase I or Phase II grant, or that are seeking to apply for their first Phase I grant award may apply for a Small Business Innovation Research and Small Business Technology Transfer Matching Grant. These grants are in the form of conditional grants, the terms and conditions of which must be specified in a written agreement between the County and the grant recipient. The Director of Finance must pay, subject to appropriation, an SBIR or STTR Matching Grant to a business that meets certain eligibility standards.

Section 4. ELIGIBILITY FOR THE SBIR OR STTR MATCHING GRANT

A business is eligible to receive the Phase I or Phase II matching grant if:

The Business is currently in Good Standing with the Maryland Department of Assessments and Taxation (SDAT).

The business has been awarded an SBIR or STTR Phase I or Phase II grant for the current calendar.

The SBIR or STTR grant assists the business in conducting research in medicine, biotechnology, or life sciences.

At least 51% of this research and development being conducted is located in Montgomery County.

The SBIR or STTR awardee meets the following eligibility criteria as applicable to the respective SBIR or STTR phase awarded:



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

SBIR/STTR Phase	Maximum Number of Employees	Years in Operation	Maximum Number of Prior SBIR/STTR Awards	County- Based Research and Development Operations
I	20	≤ 5 Years	Phase I – 2; Phase II - 0	≥ 51%
II	20	≤ 7 Years	Phase I – 4; Phase II - 1	≥ 51%

Section 5. ELIGIBILITY FOR THE PHASE 0 GRANT

A business is eligible to receive the Phase 0 grant if:

The business is in Good Standing with the SDAT.

The business has Qualified Reimbursable Expenses related to a submitted SBIR/STTR Phase 1 proposal.

The SBIR or STTR grant will assist the business in conducting research in medicine, biotechnology, or life sciences.

At least 51% of this research and development being conducted is located in Montgomery County

The Phase 0 applicant meets the following criteria:

SBIR/STTR Phase	Maximum Number of Employees	Years in Operation	Maximum Number of Prior SBIR/STTR Awards	County- Based Research and Development Operations
0	20	≤ 5 Years	1	≥ 51%

Section 6. MATCHING GRANT AMOUNTS AND ELIGIBLE USES OF MATCHING GRANT FUNDS



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

- A. Eligible Phase 0 Applicants may receive a grant up to \$5,000 for Qualified Reimbursable Expenses incurred in the submission of a Phase I application. The Phase I application must be submitted to the relevant Federal department or agency for a Phase 0 applicant to be reimbursed for the Qualified Reimbursable Expenses. There is a limit of two (2) Phase 0 grants per company to pursue Phase I awards.
- B. Eligible SBIR or STTR Phase I Matching Grant applicants may receive a matching grant of \$25,000, with 50% of the matching grant restricted to business research related expenses that have not been reimbursed by other Federal, State or County funding sources.
- C. Eligible applicants of a SBIR or STTR Phase II grant may receive a matching grant of \$50,000, with 50% of the matching grant restricted to business research related expenses that have not been reimbursed by other Federal, State or County funding sources.
- D. All Phase 0 Grants or SBIR or STTR Phase I or Phase II Matching Grants awarded are subject to annual appropriation and availability of funds for the Program.

Section 7. PROCESS AND ADMINISTRATION

- A. A program manager will be designated by the Director of Finance to administer the SBIR/STTR Matching Grant Program.
- B. SBIR/STTR Matching Grant Program funds shall be allocated, subject to appropriation, as follows:
 - i. Program funds appropriated will be divided equally between each of the Program's two application periods per calendar year as described below in Section 7.C. The initial allocation for each Matching Grant Phase will be:

20% of the initial appropriation for Phase 0 Grants
40% of the initial appropriation for Phase 1 Grants
40% of the initial appropriation for Phase 2 Grants



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

ii. However, Program funds may be reallocated among each of the three Grant phases and different application periods due to applicant demand and/or the discretion of the Director.

C. Application Submissions - There initially will be two application periods for the Program per calendar year, commencing August 11 and February 15. However, the number and date of annual application periods may be changed after adequate public notice due to applicant demand and/or the discretion of the Director. Applications must be complete and submitted online via the County's Business Portal page at: [SBIR/STTR Matching Grant Application \(montgomerycountymd.gov\)](http://montgomerycountymd.gov/SBIR/STTR_Matching_Grant_Application). Applications will be automatically date and time stamped in order of submission and awards will be made to qualified applicants within a given category on a first come-first served basis.

D. Phase 0 Grant and SBIR or STTR Phase I or Phase II Matching Grant awardees will be sent a formal letter offering, subject to a formal agreement, County funds as a conditional grant and stipulating the performance conditions the awardee must satisfy for the conditional grant to be converted to a permanent grant. Performance conditions must include the following:

- i. The awardee must use the County's matching grant for purposes related to its SBIR or STTR grant and must provide the County with a proposed budget for how it plans to use the County's conditional grant funds in relation to the SBIR or STTR grant it was awarded.
- ii. The awardee must continue to conduct at least 51% of its research and development operations within the County for a minimum of two years from the date of the disbursement of the County's conditional matching grant.
- iii. The awardee must submit an annual report to the County, certified by an officer or director with appropriate authority, stating that the information provided is true and accurate. The annual report must also contain the following:
 - (a) Expenditures of County Matching grant funds received in relation to the SBIR or STTR grant awarded and identifying any changes to the use of County funds originally proposed by the awardee at disbursement of the County's matching grant.



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

- (b) A copy of the most recent lease payment or property tax bill to confirm occupancy within the County.
- (c) A copy of any Progress Reports required by the issuer of the SBIR/STTR grant for the term of the County's conditional grant.
- (d) High level summary of basic information about the company including: Leadership team (names, titles), Business phone and email address, # of employees at the date of SBIR/STTR grant application and at the date of report submission; private or public funding received at the date of the grant application and date of report submission, summary of research focus (e.g. indication) progress and/or pipeline.

Section 8. MATCHING GRANT FUNDING AND DISBURSEMENT

- A. If a Matching Grant awardee's matching grant amount exceeds the remaining appropriated funds for the Program for that fiscal year the awardee may receive an amount less than awarded. Should additional funds be appropriated during that fiscal year the Matching Grant awardee will receive the remaining amount of the Matching Grant that was previously unfunded.
- B. If a Matching Grant awardee's matching grant amount exceeds the remaining appropriated funds for the Program for that fiscal year, the awardee may receive the remaining unfunded balance of their Matching Grant from the Program's appropriation for following fiscal year, irrespective of the appropriate SBIR/STTR grant phase. Unfunded Matching Grants for the prior fiscal year will be prioritized and funded before funds are awarded to current fiscal year awardees.

Section 9. EFFECTIVE DATE

This Executive Regulation takes effect upon approval by the County Council.

Marc Elrich
County Executive

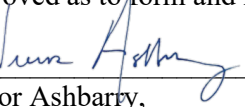


MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

Approved as to form and legality:


Trevor Ashbarry,
Chief, Finance and Procurement

12/15/22
Date



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

Montgomery County Regulation on:

SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER MATCHING GRANT PROGRAM

Department of Finance

Issued By: County Executive

Regulation Number: 2-23

COMCOR 20.75 and 20.76E

Authority: Montgomery County Code, Sections 20.75 and 20.76E

Council Review: Method 2 Under Code Section 2A-15

Register Volume 39, Issue 5

Sunset Date: July 1, 2025

Effective Date:

SUMMARY:

This regulation establishes policies and procedures for the administration of the Small Business Innovation Research and Small Business Technology Transfer ("SBIR/STTR") Matching Grant Program.

ADDRESS:

Department of Finance
101 Monroe Street
Rockville, Maryland 20850

STAFF CONTACT:

Peter McGinnity
(240) 777-2011



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

BACKGROUND INFORMATION: The Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program has been created as a sub-program of the Economic Development Fund to assist certain businesses conducting research in medicine, biotechnology, or life sciences that are located in the County and have been awarded an SBIR or STTR Phase I or Phase II grant, or who require assistance in the preparation of an application for their initial Phase I SBIR or STTR grant award.

Section 1. AUTHORITY

In accordance with the procedures authorized in Section 20-76E of the Montgomery County Code 2014, as amended, the following Executive Regulation establishes an award process and criteria to administer the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program as a sub-program of the Economic Development Fund.

Section 2. DEFINITIONS. For purposes of this Regulation, the following words have the following meanings unless the context clearly indicates otherwise.

- A. Director means the Director of Finance or the Director's designee.
- B. Small Business Innovation Research Grant or SBIR means the congressionally-mandated set-aside program by that name for U.S. small businesses to engage in research and development that has a strong potential for commercialization.
- C. Small Business Technology Transfer Grant or STTR means the congressionally-mandated set-aside program by that name to foster technology transfer through cooperative research and development between U.S. small businesses and research institutions.
- D. Phase 0 Applicants means those County small businesses conducting research in medicine, biotechnology, or life sciences that are preparing to apply for their first SBIR or STTR Phase I award.
- E. Qualified Reimbursable Expenses means business expenditures related to the completion and filing of a SBIR or STTR Phase I or Fast Track grant application, including technical assistance as defined



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

below.

- F. Technical Assistance means support services to train companies to write and submit successful SBIR/STTR grant applications.
- G. Investment Assistance means support to guide companies with fundraising, planning, and execution process (i.e., developing/validating the company's business model, financing plan, pitch decks, etc.
- H. Commercialization Assistance means support to guide companies from the idea/lab to market including developing a minimum viable product, regulatory and reimbursement planning if relevant, and path to market.

Section 3. PROGRAM DESCRIPTION

Montgomery County companies that have been awarded a SBIR or STTR Phase I or Phase II grant, or that are seeking to apply for their first Phase I grant award may apply for a Small Business Innovation Research and Small Business Technology Transfer Matching Grant. These grants are in the form of conditional grants, the terms and conditions of which must be specified in a written agreement between the County and the grant recipient. The Director of Finance must pay, subject to appropriation, an SBIR or STTR Matching Grant to a business that meets certain eligibility standards.

Section 4. ELIGIBILITY FOR THE SBIR OR STTR MATCHING GRANT

A business is eligible to receive the Phase I or Phase II matching grant if:

The Business is currently in Good Standing with the Maryland Department of Assessments and Taxation (SDAT).

The business has been awarded an SBIR or STTR Phase I or Phase II grant for the current calendar year.

The SBIR or STTR grant assists the business in conducting research in medicine, biotechnology, or life sciences.



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

At least 51% of this research and development being conducted is located in Montgomery County.

The SBIR or STTR awardee meets the following eligibility criteria as applicable to the respective SBIR or STTR phase awarded:

SBIR/STTR Phase	Maximum Number of Employees	Years in Operation	Maximum Number of Prior SBIR/STTR Awards	County- Based Research and Development Operations
I	20	≤ 5 Years	Phase I – 2; Phase II - 0	≥ 51%
II	20	≤ 7 Years	Phase I – 4; Phase II - 1	≥ 51%

Section 5. ELIGIBILITY FOR THE PHASE 0 GRANT

A business is eligible to receive the Phase 0 grant if:

The business is in Good Standing with the SDAT.

The business has Qualified Reimbursable Expenses related to a submitted SBIR/STTR Phase 1 proposal.

The SBIR or STTR grant will assist the business in conducting research in medicine, biotechnology, or life sciences.

At least 51% of this research and development being conducted is located in Montgomery County

The Phase 0 applicant meets the following criteria:



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

SBIR/STTR Phase	Maximum Number of Employees	Years in Operation	Maximum Number of Prior SBIR/STTR Awards	County- Based Research and Development Operations
0	20	≤ 5 Years	0	≥ 51%

Section 6. MATCHING GRANT AMOUNTS AND ELIGIBLE USES OF MATCHING GRANT FUNDS

- A. Eligible Phase 0 Applicants may receive a grant up to \$5,000 for Qualified Reimbursable Expenses incurred in the submission of a Phase I application. The Phase I application must be submitted to the relevant Federal department or agency for a Phase 0 applicant to be reimbursed for the Qualified Reimbursable Expenses. There is a limit of two (2) Phase 0 grants per company to pursue Phase I awards.
- B. Eligible SBIR or STTR Phase I Matching Grant applicants may receive a matching grant of \$25,000, Fifty percent (50%) of the matching grant amount may be used for reimbursement of the awardee's incurred expenses attributable to technical assistance, investment assistance, or commercialization assistance as defined in Section 2 of this Executive Regulation. The applicant may not use the matching grant for any expenditures reimbursed by Federal or State funding sources.
- C. Eligible applicants of a SBIR or STTR Phase II grant may receive a matching grant of \$50,000, with Fifty percent (50%) of the matching grant amount may be used for reimbursement of the awardee's incurred expenses attributable to technical assistance, investment assistance, or commercialization assistance as defined in Section 2 of this Executive Regulation. The applicant may not use the matching grant for any expenditures reimbursed by Federal or State funding sources.
- D. All Phase 0 Grants or SBIR or STTR Phase I or Phase II Matching Grants awarded are subject to annual appropriation and availability of funds for the Program.

Section 7. PROCESS AND ADMINISTRATION



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

- A. A program manager will be designated by the Director of Finance to administer the SBIR/STTR Matching Grant Program.
- B. SBIR/STTR Matching Grant Program funds shall be allocated, subject to appropriation, as follows:
- Program funds appropriated will be divided equally between each of the Program's two application periods per calendar year as described below in Section 7.C. The initial allocation for each Matching Grant Phase will be:

20% of the initial appropriation for Phase 0 Grants
40% of the initial appropriation for Phase 1 Grants
40% of the initial appropriation for Phase 2 Grants
 - However, Program funds may be reallocated among each of the three Grant phases and different application periods due to applicant demand and/or the discretion of the Director.
- C. Application Submissions - There initially will be two application periods for the Program per calendar year, commencing August 11 and February 15. However, the number and date of annual application periods may be changed after adequate public notice due to applicant demand and/or the discretion of the Director.
- Applications must be complete and submitted online via the County's Business Center website at www.MontgomeryCountyMD.gov/Business. Applications will be automatically date and time stamped in order of submission and awards will be made to qualified applicants within a given category on a first come-first served basis.
- D. Phase 0 Grant and SBIR or STTR Phase I or Phase II Matching Grant awardees will be sent a formal letter offering, subject to a formal agreement, County funds as a conditional grant and stipulating the performance conditions the awardee must satisfy for the conditional grant to be converted to a permanent grant. Performance conditions must include the following:



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

- i. The awardee must use the County's matching grant for purposes related to its SBIR or STTR grant and Phase I and Phase II awardees must provide the County with a proposed budget for how it plans to use the County's conditional grant funds in relation to the SBIR or STTR grant it was awarded.
- ii. The awardee must continue to conduct at least 51% of its research and development operations within the County for a minimum of two years from the date of the disbursement of the County's conditional matching grant.
- iii. The awardee must submit an annual report to the County, certified by an officer or director with appropriate authority, stating that the information provided is true and accurate. The annual report must also contain the following:
 - (a) Expenditures of County Matching grant funds received in relation to the SBIR or STTR grant awarded and identifying any changes to the use of County funds originally proposed by the awardee at disbursement of the County's matching grant.
 - (b) A copy of the most recent lease payment or property tax bill to confirm occupancy within the County.
 - (c) A copy of any Progress Reports required by the issuer of the SBIR/STTR grant for the term of the County's conditional grant.
 - (d) High level summary of basic information about the company including: Leadership team (names, titles), Business phone and email address, # of employees at the date of SBIR/STTR grant application and at the date of report submission; private or public funding received at the date of the grant application and date of report submission, summary of research focus (e.g. indication) progress and/or pipeline.

Section 8. MATCHING GRANT FUNDING AND DISBURSEMENT

- A. If a Matching Grant awardee's matching grant amount exceeds the remaining appropriated funds for the Program for that fiscal year the awardee may receive an amount less than awarded. Should additional funds be appropriated during that fiscal year the Matching Grant awardee will receive the



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

remaining amount of the Matching Grant that was previously unfunded.

- B. If a Matching Grant awardee's matching grant amount exceeds the remaining appropriated funds for the Program for that fiscal year, the awardee may receive the remaining unfunded balance of their Matching Grant from the Program's appropriation for following fiscal year, irrespective of the appropriate SBIR/STTR grant phase. Unfunded Matching Grants for the prior fiscal year will be prioritized and funded before funds are awarded to current fiscal year awardees.

Section 9. EFFECTIVE DATE

This Executive Regulation takes effect upon approval by the County Council.

A handwritten signature in cursive script, appearing to read "Marc Elrich".

Marc Elrich
County Executive

4/11/2023

Approved as to form and legality:

A handwritten signature in cursive script, appearing to read "Trevor Ashbarry".
Trevor Ashbarry,
Chief, Finance and Procurement

4/11/23

Date



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

Montgomery County Regulation on:

SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER MATCHING GRANT PROGRAM

Department of Finance

Issued By: County Executive

Regulation Number: 2-23

COMCOR 20.75 and 20.76E

Authority: Montgomery County Code, Sections 20.75 and 20.76E

Council Review: Method 2 Under Code Section 2A-15

Register Volume 39, Issue 5

Sunset Date: July 1, 2025

Effective Date:

SUMMARY:

This regulation establishes policies and procedures for the administration of the Small Business Innovation Research and Small Business Technology Transfer ("SBIR/STTR") Matching Grant Program.

ADDRESS:

Department of Finance
101 Monroe Street
Rockville, Maryland 20850

STAFF CONTACT:

Peter McGinnity
(240) 777-2011



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

BACKGROUND INFORMATION: The Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program has been created as a sub-program of the Economic Development Fund to assist certain businesses conducting research in medicine, biotechnology, or life sciences that are located in the County and have been awarded an SBIR or STTR Phase I or Phase II grant, or who require assistance in the preparation of an application for their initial Phase I SBIR or STTR grant award.

Section 1. AUTHORITY

In accordance with the procedures authorized in Section 20-76E of the Montgomery County Code 2014, as amended, the following Executive Regulation establishes an award process and criteria to administer the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program as a sub-program of the Economic Development Fund.

Section 2. DEFINITIONS. For purposes of this Regulation, the following words have the following meanings unless the context clearly indicates otherwise.

- A. Director means the Director of Finance or the Director's designee.
- B. Small Business Innovation Research Grant or SBIR means the congressionally-mandated set-aside program by that name for U.S. small businesses to engage in research and development that has a strong potential for commercialization.
- C. Small Business Technology Transfer Grant or STTR means the congressionally-mandated set-aside program by that name to foster technology transfer through cooperative research and development between U.S. small businesses and research institutions.
- D. Phase 0 Applicants means those County small businesses conducting research in medicine, biotechnology, or life sciences that are preparing to apply for their first SBIR or STTR Phase I award.
- E. Qualified Reimbursable Expenses means business expenditures related to the completion and filing of a SBIR or STTR Phase I or Fast Track grant application, including technical assistance as defined



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

below.

- F. Technical Assistance means support services to train companies to write and submit successful SBIR/STTR grant applications.
- G. Investment Assistance means support to guide companies with fundraising, planning, and execution processes (i.e., developing/validating the company's business model, financing plan, pitch decks, etc.
- H. Commercialization Assistance means support to guide companies from the idea/lab to market including developing a minimum viable product, regulatory and reimbursement planning if relevant, and path to market.

Section 3. PROGRAM DESCRIPTION

Montgomery County companies that have been awarded a SBIR or STTR Phase I or Phase II grant, or that are seeking to apply for their first Phase I grant award may apply for a Small Business Innovation Research and Small Business Technology Transfer Matching Grant. These grants are in the form of conditional grants, the terms and conditions of which must be specified in a written agreement between the County and the grant recipient. The Director of Finance must pay, subject to appropriation, an SBIR or STTR Matching Grant to a business that meets certain eligibility standards.

Section 4. ELIGIBILITY FOR THE SBIR OR STTR MATCHING GRANT

A business is eligible to receive the Phase I or Phase II matching grant if:

The Business is currently in Good Standing with the Maryland Department of Assessments and Taxation (SDAT).

The business has been awarded an SBIR or STTR Phase I or Phase II grant for the current calendar year.

The SBIR or STTR grant assists the business in conducting research in medicine, biotechnology, or life sciences.



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

At least 51% of this research and development being conducted is located in Montgomery County.

The SBIR or STTR awardee meets the following eligibility criteria as applicable to the respective SBIR or STTR phase awarded:

SBIR/STTR Phase	Maximum Number of Employees	Years in Operation	Maximum Number of Prior SBIR/STTR Awards	County- Based Research and Development Operations
I	20	≤ 5 Years	Phase I – 2; Phase II - 0	≥ 51%
II	20	≤ 7 Years	Phase I – 4; Phase II - 1	≥ 51%

Section 5. ELIGIBILITY FOR THE PHASE 0 GRANT

A business is eligible to receive the Phase 0 grant if:

The business is in Good Standing with the SDAT.

The business has Qualified Reimbursable Expenses related to a submitted SBIR/STTR Phase 1 proposal.

The SBIR or STTR grant will assist the business in conducting research in medicine, biotechnology, or life sciences.

At least 51% of this research and development being conducted is located in Montgomery County

The Phase 0 applicant meets the following criteria:



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

SBIR/STTR Phase	Maximum Number of Employees	Years in Operation	Maximum Number of Prior SBIR/STTR Awards	County- Based Research and Development Operations
0	20	≤ 5 Years	[1] 0	≥ 51%

Section 6. MATCHING GRANT AMOUNTS AND ELIGIBLE USES OF MATCHING GRANT FUNDS

- A. Eligible Phase 0 Applicants may receive a grant up to \$5,000 for Qualified Reimbursable Expenses incurred in the submission of a Phase I application. The Phase I application must be submitted to the relevant Federal department or agency for a Phase 0 applicant to be reimbursed for the Qualified Reimbursable Expenses. There is a limit of two (2) Phase 0 grants per company to pursue Phase I awards.
- B. Eligible SBIR or STTR Phase I Matching Grant applicants may receive a matching grant of \$25,000, [with 50% of the matching grant restricted to business research related expenses that have not been reimbursed by other Federal, State or County funding sources.] Fifty percent (50%) of the matching grant amount may be used for reimbursement of the awardee's incurred expenses attributable to technical assistance, investment assistance, or commercialization assistance as defined in Section 2 of this Executive Regulation. The applicant may not use the matching grant for any expenditures reimbursed by Federal or State funding sources.
- C. Eligible applicants of a SBIR or STTR Phase II grant may receive a matching grant of \$50,000, with [50% of the matching grant restricted to business research related expenses that have not been reimbursed by other Federal, State or County funding sources.] Fifty percent (50%) of the matching grant amount may be used for reimbursement of the awardee's incurred expenses attributable to technical assistance, investment assistance, or commercialization assistance as defined in Section 2 of this Executive Regulation. The applicant may not use the matching grant for any expenditures reimbursed by Federal or State funding sources.
- D. All Phase 0 Grants or SBIR or STTR Phase I or Phase II Matching Grants awarded are subject to annual appropriation and availability of funds for the Program.



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

Section 7. PROCESS AND ADMINISTRATION

- A. A program manager will be designated by the Director of Finance to administer the SBIR/STTR Matching Grant Program.
- B. SBIR/STTR Matching Grant Program funds shall be allocated, subject to appropriation, as follows:
- Program funds appropriated will be divided equally between each of the Program's two application periods per calendar year as described below in Section 7.C. The initial allocation for each Matching Grant Phase will be:

20% of the initial appropriation for Phase 0 Grants
40% of the initial appropriation for Phase 1 Grants
40% of the initial appropriation for Phase 2 Grants
 - However, Program funds may be reallocated among each of the three Grant phases and different application periods due to applicant demand and/or the discretion of the Director.
- C. Application Submissions - There initially will be two application periods for the Program per calendar year, commencing August 11 and February 15. However, the number and date of annual application periods may be changed after adequate public notice due to applicant demand and/or the discretion of the Director.
- [Applications must be complete and submitted online via the County's Business Portal page at: SBIR/STTR Matching Grant Application (montgomerycountymd.gov).] Applications must be complete and submitted online via the County's Business Center website at www.MontgomeryCountyMD.gov/Business. Applications will be automatically date and time stamped in order of submission and awards will be made to qualified applicants within a given category on a first come-first served basis.
- D. Phase 0 Grant and SBIR or STTR Phase I or Phase II Matching Grant awardees will be sent a



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

formal letter offering, subject to a formal agreement, County funds as a conditional grant and stipulating the performance conditions the awardee must satisfy for the conditional grant to be converted to a permanent grant. Performance conditions must include the following:

- i. The awardee must use the County's matching grant for purposes related to its SBIR or STTR grant and Phase I and Phase II awardees must provide the County with a proposed budget for how it plans to use the County's conditional grant funds in relation to the SBIR or STTR grant it was awarded.
- ii. The awardee must continue to conduct at least 51% of its research and development operations within the County for a minimum of two years from the date of the disbursement of the County's conditional matching grant.
- iii. The awardee must submit an annual report to the County, certified by an officer or director with appropriate authority, stating that the information provided is true and accurate. The annual report must also contain the following:
 - (a) Expenditures of County Matching grant funds received in relation to the SBIR or STTR grant awarded and identifying any changes to the use of County funds originally proposed by the awardee at disbursement of the County's matching grant.
 - (b) A copy of the most recent lease payment or property tax bill to confirm occupancy within the County.
 - (c) A copy of any Progress Reports required by the issuer of the SBIR/STTR grant for the term of the County's conditional grant.
 - (d) High level summary of basic information about the company including: Leadership team (names, titles), Business phone and email address, # of employees at the date of SBIR/STTR grant application and at the date of report submission; private or public funding received at the date of the grant application and date of report submission, summary of research focus (e.g. indication) progress and/or pipeline.

Section 8. MATCHING GRANT FUNDING AND DISBURSEMENT



MONTGOMERY COUNTY EXECUTIVE REGULATION

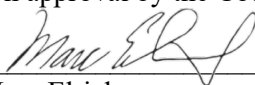
Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number 2-23
Originating Department Finance	Effective Date

- A. If a Matching Grant awardee's matching grant amount exceeds the remaining appropriated funds for the Program for that fiscal year the awardee may receive an amount less than awarded. Should additional funds be appropriated during that fiscal year the Matching Grant awardee will receive the remaining amount of the Matching Grant that was previously unfunded.
- B. If a Matching Grant awardee's matching grant amount exceeds the remaining appropriated funds for the Program for that fiscal year, the awardee may receive the remaining unfunded balance of their Matching Grant from the Program's appropriation for following fiscal year, irrespective of the appropriate SBIR/STTR grant phase. Unfunded Matching Grants for the prior fiscal year will be prioritized and funded before funds are awarded to current fiscal year awardees.

Section 9. EFFECTIVE DATE

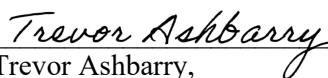
This Executive Regulation takes effect upon approval by the County Council.



Marc Elrich
County Executive

4/11/2023

Approved as to form and legality:



Trevor Ashbarry,
Chief, Finance and Procurement

2/8/23

Date



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number [2-23]
Originating Department Finance	Effective Date

Montgomery County Regulation on:

SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER MATCHING GRANT PROGRAM

Department of Finance

Issued By: County Executive

Regulation Number: [2-23]

COMCOR 20.75 and 20.76E

Authority: Montgomery County Code, Sections 20.75 and 20.76E

Council Review: Method 2 Under Code Section 2A-15

Register Volume 39, Issue 5

Sunset Date: July 1, 2025

Effective Date:

SUMMARY:

This regulation establishes policies and procedures for the administration of the Small Business Innovation Research and Small Business Technology Transfer ("SBIR/STTR") Matching Grant Program.

ADDRESS:

Department of Finance
101 Monroe Street
Rockville, Maryland 20850

STAFF CONTACT:

Peter McGinnity
(240) 777-2011



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number [2-23]
Originating Department Finance	Effective Date

BACKGROUND INFORMATION: The Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program has been created as a sub-program of the Economic Development Fund to assist certain businesses conducting research in medicine, biotechnology, or life sciences that are located in the County and have been awarded an SBIR or STTR Phase I or Phase II grant, or who require assistance in the preparation of an application for their initial Phase I SBIR or STTR grant award.

Section 1. AUTHORITY

In accordance with the procedures authorized in Section 20-76E of the Montgomery County Code 2014, as amended, the following Executive Regulation establishes an award process and criteria to administer the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program as a sub-program of the Economic Development Fund.

Section 2. DEFINITIONS. For purposes of this Regulation, the following words have the following meanings unless the context clearly indicates otherwise.

- A. Director means the Director of Finance or the Director's designee.
- B. Small Business Innovation Research Grant or SBIR means the congressionally-mandated set-aside program by that name for U.S. small businesses to engage in research and development that has a strong potential for commercialization.
- C. Small Business Technology Transfer Grant or STTR means the congressionally-mandated set-aside program by that name to foster technology transfer through cooperative research and development between U.S. small businesses and research institutions.
- D. Phase 0 Applicants means those County small businesses conducting research in medicine, biotechnology, or life sciences that are preparing to apply for their first SBIR or STTR Phase I award.
- E. Qualified Reimbursable Expenses means business expenditures related to the completion and filing of a SBIR or STTR Phase I or Fast Track grant application, including technical assistance as defined



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number [2-23]
Originating Department Finance	Effective Date

below.

- F. Technical Assistance means support services to train companies to write and submit successful SBIR/STTR grant applications.
- G. Investment Assistance means support to guide companies with fundraising, planning, and execution process (i.e., developing/validating the company's business model, financing plan, pitch decks, etc.
- H. Commercialization Assistance means support to guide companies from the idea/lab to market including developing a minimum viable product, regulatory and reimbursement planning if relevant, and path to market.

Section 3. PROGRAM DESCRIPTION

Montgomery County companies that have been awarded a SBIR or STTR Phase I or Phase II grant, or that are seeking to apply for their first Phase I grant award may apply for a Small Business Innovation Research and Small Business Technology Transfer Matching Grant. These grants are in the form of conditional grants, the terms and conditions of which must be specified in a written agreement between the County and the grant recipient. The Director of Finance must pay, subject to appropriation, an SBIR or STTR Matching Grant to a business that meets certain eligibility standards.

Section 4. ELIGIBILITY FOR THE SBIR OR STTR MATCHING GRANT

A business is eligible to receive the Phase I or Phase II matching grant if:

The Business is currently in Good Standing with the Maryland Department of Assessments and Taxation (SDAT).

The business has been awarded an SBIR or STTR Phase I or Phase II grant for the current [calendar] fiscal year.

The SBIR or STTR grant assists the business in conducting research in medicine, biotechnology, or life sciences.



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number [2-23]
Originating Department Finance	Effective Date

At least 51% of this research and development being conducted is located in Montgomery County.

The SBIR or STTR awardee meets the following eligibility criteria as applicable to the respective SBIR or STTR phase awarded:

SBIR/STTR Phase	Maximum Number of Employees	Years in Operation	Maximum Number of Prior SBIR/STTR Awards	County-Based Research and Development Operations
I	20	≤ 5 Years	Phase I – 2; Phase II - 0	≥ 51%
II	20	≤ 7 Years	Phase I – 4; Phase II - 1	≥ 51%

Section 5. ELIGIBILITY FOR THE PHASE 0 GRANT

A business is eligible to receive the Phase 0 grant if:

The business is in Good Standing with the SDAT.

The business has Qualified Reimbursable Expenses related to a submitted SBIR/STTR Phase 1 proposal.

The SBIR or STTR grant will assist the business in conducting research in medicine, biotechnology, or life sciences.

At least 51% of this research and development being conducted is located in Montgomery County

The Phase 0 applicant meets the following criteria:



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number [2-23]
Originating Department Finance	Effective Date

SBIR/STTR Phase	Maximum Number of Employees	Years in Operation	Maximum Number of Prior SBIR/STTR Awards	County- Based Research and Development Operations
0	20	≤ 5 Years	0	≥ 51%

Section 6. MATCHING GRANT AMOUNTS AND ELIGIBLE USES OF MATCHING GRANT FUNDS

- A. Eligible Phase 0 Applicants may receive a grant up to \$5,000 for Qualified Reimbursable Expenses incurred in the submission of a Phase I application. The Phase I application must be submitted to the relevant Federal department or agency for a Phase 0 applicant to be reimbursed for the Qualified Reimbursable Expenses. There is a limit of two (2) Phase 0 grants per company to pursue Phase I awards.
- B. Eligible SBIR or STTR Phase I Matching Grant applicants may receive a matching grant of \$25,000, Fifty percent (50%) of the matching grant amount may be used for reimbursement of the awardee's incurred expenses attributable to technical assistance, investment assistance, or commercialization assistance as defined in Section 2 of this Executive Regulation. The applicant may not use the matching grant for any expenditures reimbursed by Federal or State funding sources.
- C. Eligible applicants of a SBIR or STTR Phase II grant may receive a matching grant of \$50,000, with Fifty percent (50%) of the matching grant amount may be used for reimbursement of the awardee's incurred expenses attributable to technical assistance, investment assistance, or commercialization assistance as defined in Section 2 of this Executive Regulation. The applicant may not use the matching grant for any expenditures reimbursed by Federal or State funding sources.
- D. All Phase 0 Grants or SBIR or STTR Phase I or Phase II Matching Grants awarded are subject to annual appropriation and availability of funds for the Program.

Section 7. PROCESS AND ADMINISTRATION



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number [2-23]
Originating Department Finance	Effective Date

- A. A program manager will be designated by the Director of Finance to administer the SBIR/STTR Matching Grant Program.
- B. SBIR/STTR Matching Grant Program funds shall be allocated, subject to appropriation, as follows:
- Program funds appropriated will be divided equally between each of the Program's two application periods per [calendar] fiscal year as described below in Section 7.C. The initial allocation for each Matching Grant Phase will be:
 - 20% of the initial appropriation for Phase 0 Grants
 - 40% of the initial appropriation for Phase 1 Grants
 - 40% of the initial appropriation for Phase 2 Grants
 - However, Program funds may be reallocated among each of the three Grant phases and different application periods due to applicant demand and/or the discretion of the Director.
- C. Application Submissions - There initially will be two application periods for the Program per [calendar] fiscal year, commencing August 11 and February 15. However, the number and date of annual application periods may be changed after adequate public notice due to applicant demand and/or the discretion of the Director.

Applications must be complete and submitted online via the County's Business Center website at www.MontgomeryCountyMD.gov/Business. Applications will be automatically date and time stamped in order of submission and awards will be made to qualified applicants within a given category on a first come-first served basis.

- D. Phase 0 Grant and SBIR or STTR Phase I or Phase II Matching Grant awardees will be sent a formal letter offering, subject to a formal agreement, County funds as a conditional grant and stipulating the performance conditions the awardee must satisfy for the conditional grant to be converted to a permanent grant. Performance conditions must include the following:



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number [2-23]
Originating Department Finance	Effective Date

- i. The awardee must use the County's matching grant for purposes related to its SBIR or STTR grant and Phase I and Phase II awardees must provide the County with a proposed budget for how it plans to use the County's conditional grant funds in relation to the SBIR or STTR grant it was awarded.
- ii. The awardee must continue to conduct at least 51% of its research and development operations within the County for a minimum of two years from the date of the disbursement of the County's conditional matching grant.
- iii. The awardee must submit an annual report to the County, certified by an officer or director with appropriate authority, stating that the information provided is true and accurate. The annual report must also contain the following:
 - (a) Expenditures of County Matching grant funds received in relation to the SBIR or STTR grant awarded and identifying any changes to the use of County funds originally proposed by the awardee at disbursement of the County's matching grant.
 - (b) A copy of the most recent lease payment or property tax bill to confirm occupancy within the County.
 - (c) A copy of any Progress Reports required by the issuer of the SBIR/STTR grant for the term of the County's conditional grant.
 - (d) High level summary of basic information about the company including: Leadership team (names, titles), Business phone and email address, # of employees at the date of SBIR/STTR grant application and at the date of report submission; private or public funding received at the date of the grant application and date of report submission, summary of research focus (e.g. indication) progress and/or pipeline.

Section 8. MATCHING GRANT FUNDING AND DISBURSEMENT

- A. If a Matching Grant awardee's matching grant amount exceeds the remaining appropriated funds for the Program for that fiscal year the awardee may receive an amount less than awarded. Should additional funds be appropriated during that fiscal year the Matching Grant awardee will receive the



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program	Number [2-23]
Originating Department Finance	Effective Date

remaining amount of the Matching Grant that was previously unfunded.

- B. If a Matching Grant awardee's matching grant amount exceeds the remaining appropriated funds for the Program for that fiscal year, the awardee may receive the remaining unfunded balance of their Matching Grant from the Program's appropriation for following fiscal year, irrespective of the appropriate SBIR/STTR grant phase. Unfunded Matching Grants for the prior fiscal year will be prioritized and funded before funds are awarded to current fiscal year awardees.

Section 9. EFFECTIVE DATE

This Executive Regulation takes effect upon approval by the County Council.

Marc Elrich
County Executive

Approved as to form and legality:

Trevor Ashbarry,
Chief, Finance and Procurement

Date



Fiscal Impact Statement

Office of Management and Budget

Executive Regulation 02-23

Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program

Regulation Summary

This regulation amends the Small Business Innovation Research and Small Business Technology Transfer Matching Grant programs' application period from calendar year to fiscal year, makes technical changes to punctuation and grammar, defines new terms, and identifies allowable reimbursements for Phase I and Phase II Matching Grants. The regulation also provides the County's business center website address for the submission of completed applications.

Fiscal Impact Summary

No changes in revenue and expenditures are anticipated.

Fiscal Year	0	0	0	0	0	0	Total
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis

The Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program is a sub-program of the Economic Development Fund to assist certain businesses conducting research in medicine, biotechnology, or life sciences that are located in the County and have been awarded an SBIR or STTR Phase I or Phase II grant, or who require assistance in the preparation of an initial Phase I SBIR or STTR grant application. This program also includes a Phase 0 grant which is intended to support SBIR and STTR applicants with technical assistance to improve their capability to win a Phase I or Phase II award.

Staff Impact

The regulation is not expected to impact staff time and duties.

Actuarial Analysis

The regulation is not expected to impact retiree pension or group insurance costs.

Information Technology Impact

The regulation is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

*Later actions that may impact
revenue or expenditures if future
spending is projected*

The regulation does not authorize future spending.

Contributors

Judith Costello, Office of the County Executive
Peter McGinnity, Department of Finance
Julie Knight, Office of Budget and Management

