



**Committee:** ECON  
**Committee Review:** At a future date  
**Staff:** Jim Ogorzalek, Legislative Attorney  
**Purpose:** To receive testimony – no vote expected

AGENDA ITEM #10  
June 9, 2026  
**Public Hearing**

## **SUBJECT**

Bill 22-26, Finance – Economic Development Fund - Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program - Repeal of Sunset Date

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

## **EXPECTED ATTENDEES**

Members of the public

## **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION**

Receive public testimony

## **DESCRIPTION/ISSUE**

Bill 22-26 would:

- (1) repeal the sunset date affecting the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program; and
- (2) generally amend the law regarding the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.

## **SUMMARY OF KEY DISCUSSION POINTS**

N/A

### **This report contains:**

Staff Report	Pages 1–2
Bill 22-26	© 1
Fiscal Impact Statement	© 4
County Executive Transmittal	© 5
Climate Assessment	© 13
Racial Equity and Social Justice Impact Statement	© 16

\*The Economic Impact Statement was not available at the time of publication of this staff report. It can be found at the below address when available: [Racial Equity and Social Justice, Economic, and Climate Impact Statements - Office of Legislative Oversight - Montgomery County, Maryland \(montgomerycountymd.gov\)](https://montgomerycountymd.gov/legis/legis-over/legis-over-impact-statements)

**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](mailto:adacompliance@montgomerycountymd.gov)

## **MEMORANDUM**

June 4, 2026

**TO:** County Council

**FROM:** Jim Ogorzalek, Legislative Attorney

**SUBJECT:** Bill 22-26, Finance – Economic Development Fund - Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program - Repeal of Sunset Date

**PURPOSE:** To receive testimony – no Council vote expected

Bill 22-26, Finance – Economic Development Fund - Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program - Repeal of Sunset Date, was introduced on May 5, 2026. Its Lead Sponsor is the Council President at the Request of the County Executive. A public hearing is scheduled for June 9, 2026, at 1:30 p.m. A worksession of the Economic Development (ECON) Committee is tentatively scheduled for Monday, July 13, 2026, at 9:30 a.m.

Bill 22-26 would:

- (1) repeal the sunset date affecting the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program; and
- (2) generally amend the law regarding the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.

### **Background**

In 2018, the County Council enacted Bill 41-17, which established the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Grant Program, administered by the Director of Finance using the Economic Development Fund. The matching grant is available to County-based small businesses that receive either a Phase I or Phase II grant under either the Small Business Innovation Research Grant or the Small Business Technology Transfer Grant, each of which is a federal grant program. When enacted, the bill contained a sunset provision, rendering the SBIR and STTR section of the Montgomery County Code ineffective after July 1, 2025.

## Bill Specifics

Bill 22-26 would delete the law’s sunset provision. The bill also contains a transition section clarifying that entities that received federal funding following the law’s sunset, but which otherwise would have been eligible for the matching grant, are eligible for the matching grant.

### SUMMARY OF IMPACT STATEMENTS\*

**Fiscal Impact.** “The legislation is not expected to result in any additional fiscal impact. The program is fully supported by the existing appropriation, and no supplemental appropriation is required.”

**Climate Assessment.** “The Office of Legislative Oversight (OLO) anticipates Bill 22-26 will have no impact as it is repealing a sunset for an existing program that has no impact on the County’s contribution to addressing climate change.”

**Racial Equity and Social Justice Impact.** “The Office of Legislative Oversight (OLO) anticipates Bill 22-26 would have a minimal impact on racial equity and social justice (RESJ) in the County. Bill 22-26 would effectively reinstate an existing County program: the Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) Matching Grant Program. This grant program likely reinforces existing racial disparities in local STEM industries by investing in business owners and employees who are disproportionately White and Asian. However, since Bill 22-26 is continuing an existing program, it is not likely to further improve nor worsen these disparities.”

<u>This packet contains:</u>	<u>Circle #</u>
Bill 22-26	1
Fiscal Impact Statement	4
County Executive Transmittal	5
Climate Assessment	13
Racial Equity and Social Justice Impact Statement	16

\*The Economic Impact Statement was not available at the time of publication of this staff report. It can be found at the below address when available: [Racial Equity and Social Justice, Economic, and Climate Impact Statements - Office of Legislative Oversight - Montgomery County, Maryland \(montgomerycountymd.gov\)](https://montgomerycountymd.gov/Racial-Equity-and-Social-Justice-Economic-and-Climate-Impact-Statements-Office-of-Legislative-Oversight)

Bill No. 22-26  
Concerning: Finance – Economic  
Development Fund - Small Business  
Innovation Research and Small  
Business Technology Transfer Matching  
Grant Program - Repeal of Sunset Date  
Revised: 4/28/2026 Draft No. 1  
Introduced: May 5, 2026  
Expires: December 7, 2026  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. [#], Laws of Mont. Co. [year]

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

---

By: Council President at the Request of the County Executive

---

**AN ACT** to:

- (1) repeal the sunset date affecting the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program; and
- (2) generally amend the law regarding the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.

By amending

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

<b>Boldface</b>	<i>Heading or 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:*

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

2                           **Article XIII. Economic Development Fund.**

3   \*       \*       \*

4           **20-76E. Small Business Innovation Research and Small Business Technology**  
5           **Transfer Matching Grant Program.**

6           (a)    *Definitions.* As used in this Section:

7            *Director* means the Director of Finance or the Director’s designee.

8            *Small Business Innovation Research Grant or SBIR* means the congressionally-  
9            mandated set-aside program by that name for U.S. small businesses to engage in  
10           research and development that has a strong potential for commercialization.

11           *Small Business Technology Transfer Grant or STTR* means the congressionally-  
12           mandated set-aside program by that name for U.S. small businesses to engage in  
13           research and development that has a strong potential for commercialization.

14           (b)    *Grant Program.* The Director of Finance must pay, subject to appropriation, a  
15            SBIR or STTR Matching Grant to each business who meets certain eligibility  
16            standards.

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

18            (1)    has been awarded a SBIR or STTR Phase I or Phase II grant during the  
19            current fiscal year to conduct research in medicine, biotechnology, or  
20            life sciences;

21            (2)    conducts at least 51[%] percent of its research and development  
22            operations at a physical location in the County; and

23            (3)    meets any other eligibility criteria established under subsection (d)  
24            regarding business size or characteristics.

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

27           (e)    *Administration.*

- 28 (1) The Director must administer the Program.
- 29 (2) The Director must require a business to enter into an agreement under
- 30 Section 20-75(f), including an agreement to pay back any grant
- 31 payments received if:
- 32 (A) the business does not remain in the County for a minimum time
- 33 period specified in the agreement; or
- 34 (B) the business uses the payment for an unauthorized purpose.
- 35 (3) An eligible business that does not receive a grant due to lack of
- 36 available funding may be awarded a grant in the following year.
- 37 (4) The Director must report annually to the Council regarding
- 38 demographic data, including the race, ethnicity, and gender of the
- 39 owners of eligible businesses, applicants, and awardees under the
- 40 Program.

41 [(f) *Sunset.* This Section is not effective after July 1, 2025.]

42 **Sec. 2. Transition.** An otherwise eligible business under Section 20-76E(c) that  
 43 received a SBIR or STTR Phase I or Phase II grant between July 1, 2025, and the  
 44 effective date of this Act and that applied for a grant during that time period may still  
 45 be considered for a County matching grant during the current fiscal year.



# Fiscal Impact Statement

Office of Management and Budget

## Bill XX-25

## SBIR/STTR Matching Grant Program - Sunset Repeal and Retroactive Authorization

### Bill Summary

The Montgomery County Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) Matching Grant Program was established under Bill 41-17, enacted in March 2018, to provide matching grant funds to small businesses engaged in research or research and development (R&D) with strong commercial potential. The program was designed to support the growth of early-stage life sciences companies, aligning with the County's broader economic development strategy to accelerate innovation. Bill 41-17 included a sunset provision, which caused the program to expire on July 1, 2025. This legislation aims to ensure continuity of support for small businesses pursuing federal SBIR/STTR awards and to reinforce Montgomery County's commitment to innovation-driven economic growth.

### Fiscal Impact Summary

The legislation is not expected to result in any additional fiscal impact. The program is fully supported by the existing appropriation, and no supplemental appropriation is required.

### Fiscal Impact Analysis

The FY26 appropriation will support program activities as planned. Future funding will be determined through the annual budget process and is expected to reflect ongoing demand.

### 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

Derese Bikila, Office of the County Executive  
Julie Knight, Office of Management and Budget






OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
*County Executive*

MEMORANDUM

April 24, 2026

TO: Natali Fani-González, President  
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Bill XX-26 - SBIR/STTR Program - Repeal of Sunset Date

I am transmitting Bill XX-26 to eliminate the sunset date of the SBIR/STTR Matching Grant Program that occurred on July 1, 2025. Continuing this important economic development program supports Montgomery County's efforts to position itself as a national center of excellence in life sciences and our standing as one of the nation's leading bioscience hubs.

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are highly competitive federal initiatives that encourage small businesses to engage in research or research and development (R&D) with strong commercial potential. These programs aim to stimulate technological innovation, meet federal R&D needs, and drive economic growth by supporting small businesses in developing and commercializing new technologies.

The Montgomery County SBIR/STTR Matching Grant Program was enacted in March 2018, under Bill 41-17, *Economic Development Fund – Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program*, with the intent to attract and support the growth of early-stage life sciences companies, aligning with the County's broader economic development strategy of accelerating innovation<sup>1</sup>. This bill also introduced a sunset date that occurred on July 1, 2025, requiring funding to be approved retroactively to this date.

---

<sup>1</sup> Montgomery County Economic Development Strategic Plan.  
[https://static1.squarespace.com/static/5873c778e6f2e14a3529e892/t/624dd72fc30a024d37415e42/1649268531081/Economic+Development+Strategic+Plan\\_040622.pdf](https://static1.squarespace.com/static/5873c778e6f2e14a3529e892/t/624dd72fc30a024d37415e42/1649268531081/Economic+Development+Strategic+Plan_040622.pdf)

Initially, the SBIR/STTR matching funds were provided only to businesses that had received SBIR or STTR awards from the National Institutes of Health (NIH). In June 2021, Bill 37-19 expanded the scope to include SBIR/STTR awards from any federal agency, provided the research focused on medicine, biotechnology, or life sciences.

In November 2022, Bill 31-22 introduced further amendments, including:

- A cap on the number of Phase I and Phase II matching grants per business,
- A reduction in the matching award amount for Phase II awardees, from \$75,000 to \$50,000, and
- The creation of a Phase 0 grant to reimburse technical assistance expenditures for businesses pursuing their first SBIR or STTR award.

Since its launch in FY2019, the SBIR/STTR Matching Grant Program has received consistent annual appropriations, with the FY2026 allocation totaling \$200,000. The program has consistently been fully subscribed or oversubscribed, demonstrating strong demand from the life sciences community.

As of September 30, 2025, the County has received two Phase 0 applications under the revised guidelines, representing approximately \$10,000 in anticipated expenditures. With upcoming federal SBIR/STTR submission deadlines in September and January, additional applications are expected.

Over the past seven years, the program has:

- Attracted more than 30 R&D - focused companies in biotechnology, life sciences, and medicine to Montgomery County.
- Provided \$2.13 million in County matching funds.
- Leveraged nearly \$45 million in federal grants.
- Contributed to the creation of approximately 400 well-paying jobs in the life sciences sector – an industry critical to the County’s economic future.

There is \$200,000 appropriated for FY26, and funding will not be an issue if the sunset date is eliminated and funding is approved retroactively to this date. The Department of Finance and the Business Center recommend removing the program’s sunset date to continue supporting the growth of early-stage life sciences companies, in alignment with Montgomery County’s broader economic development strategy.

Please direct any questions about the program to Derese D. Bikila, Economic Development Programs Manager in the County Executive’s Business Center at 240-777-8864 or at [Derese.Bikila@montgomerycountymd.gov](mailto:Derese.Bikila@montgomerycountymd.gov).

Enclosures: Bill XX-26 – SBIR/STTR Program - Repeal of Sunset Date  
Fiscal Impact Statement

Legislative Request Report

cc: Tommy Heyboer, Chief of Staff to the Council President, Montgomery County Council  
Craig Howard, Executive Director, Montgomery County Council  
Richard S. Madaleno, Chief Administrative Officer  
Ken Hartman-Espada, Assistant Chief Administrative Officer  
Tricia Swanson, Director of Strategic Partnerships  
Judith Costello, Special Projects Manager, Office of the County Executive  
Derese Bikila, Program Manager, Office of the County Executive  
Michael Coveyou, Director, Department of Finance

Bill No. \_\_\_\_\_ [Click - type number]  
Concerning: Finance – Repeal of Sunset  
Date  
Revised: [date] Draft No. 1  
Introduced: [date]  
Expires: [18 mos. after intro]  
Enacted: [date]  
Executive: [date signed]  
Effective: [date takes effect]  
Sunset Date: [date expires]  
Ch. [#], Laws of Mont. Co. [year]

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

---

By: Council President at the Request of the County Executive

---

**AN ACT** to:

- (1) repeal the sunset date of Section 20-76E of the Montgomery County Code.

By adding

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

**Boldface**

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

\* \* \*

*Heading or defined term.*

*Added to existing law by original bill.*

*Deleted from existing law by original bill.*

*Added by amendment.*

*Deleted from existing law or the bill by amendment.*

*Existing law unaffected by bill.*

*The County Council for Montgomery County, Maryland approves the following Act:*

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

2                           **Article XIII. Economic Development Fund.**

3   \*       \*       \*

4   **20-76E. Small Business Innovation Research and Small Business Technology**  
5           **Transfer Matching Grant Program.**

6           (a)   *Definitions.* As used in this Section:

7                   *Director* means the Director of Finance or the Director’s designee.

8                   *Small Business Innovation Research Grant or SBIR* means the  
9                   congressionally-mandated set-aside program by that name for  
10                   U.S. small businesses to engage in research and development that has a  
11                   strong potential for commercialization.

12                   *Small Business Technology Transfer Grant or STTR* means the  
13                   congressionally-mandated set-aside program by that name for  
14                   U.S. small businesses to engage in research and development that has a  
15                   strong potential for commercialization.

16           (b)   *Grant Program.* The Director of Finance must pay, subject to  
17                   appropriation, a SBIR or STTR Matching Grant to each business who  
18                   meets certain eligibility standards.

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

21                   (1)   has been awarded a SBIR or STTR Phase I or Phase II grant  
22                   during the current fiscal year to conduct research in medicine,  
23                   biotechnology, or life sciences;

24                   (2)   conducts at least 51% of its research and development operations  
25                   at a physical location in the County; and  
26

27 (3) meets any other eligibility criteria established under subsection  
 28 (d) regarding business size or characteristics.

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

31 (e) *Administration.*

32 (1) The Director must administer the Program.

33 (2) The Director must require a business to enter into an agreement  
 34 under Section 20-75(f), including an agreement to pay back any  
 35 grant payments received if:

36 (A) the business does not remain in the County for a minimum  
 37 time period specified in the agreement; or

38 (B) the business uses the payment for an unauthorized  
 39 purpose.

40 (3) An eligible business that does not receive a grant due to lack of  
 41 available funding may be awarded a grant in the following year.

42 (4) The Director must report annually to the Council regarding  
 43 demographic data, including the race, ethnicity, and gender of the  
 44 owners of eligible businesses, applicants, and awardees under the  
 45 Program.

46 [(f) *Sunset.* This Section is not effective after July 1, 2025.]

47

48 **Sec. 2. Transition. An otherwise eligible business under Section 20-76E(c) that**  
 49 **received a SBIR or STTR Phase I or Phase II grant between July 1, 2025, and the**  
 50 **effective date of this Act and that applied for a grant during that time period may still**  
 51 **be considered for a County matching grant during the current fiscal year.**



LEGISLATIVE REQUEST REPORT

BILL: XX-26

**DESCRIPTION:** The Montgomery County SBIR/STTR Matching Grant Program was enacted in March 2018 under Bill 41-17, Economic Development Fund – Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program, with the intent to attract and support the growth of early-stage life sciences companies. This aligns with the County’s broader economic development strategy of accelerating innovation. The bill also included a sunset date, which took effect on July 1, 2025.

**PROBLEM:** The SBIR/STTR Matching Grant Program expired on July 1, 2025. Therefore, the County Executive is requesting that the County Council repeal the sunset date in Section 20-76E of the Montgomery County Code.

**GOALS:** These programs aim to stimulate technological innovation, meet federal R&D needs, and drive economic growth by supporting small businesses in developing and commercializing new technologies. The County Executive would like these programs to continue.

**COORDINATION:** Office of the County Executive.

**FISCAL IMPACT:** None

**ECONOMIC:  
IMPACT** None

**EVALUATION:** N/A

**EXPERIENCE:  
ELSEWHERE** No other jurisdiction in the nation has similar programs.

**SOURCE OF:  
INFORMATION** Department of Finance

**APPLICATION:  
WITHIN  
MUNICIPALITIES** N/A

**PENALTIES:** N/A

# Climate Assessment

Office of Legislative Oversight

## **BILL 22-26: FINANCE – ECONOMIC DEVELOPMENT FUND – SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER MATCHING GRANT PROGRAM – REPEAL OF SUNSET DATE**

### **SUMMARY**

The Office of Legislative Oversight (OLO) anticipates Bill 22-26 will have no impact as it is repealing a sunset for an existing program that has no impact on the County's contribution to addressing climate change.

---

### **BACKGROUND AND PURPOSE OF BILL 22-26**

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are competitive federal awards programs coordinated by the U.S. Small Business Administration (SBA). The programs provide funding to technology-focused small businesses to “develop their ideas and a pathway to commercialization.”<sup>1</sup> SBIR/STTR programs are structured in four phases. Awards can range from \$50,000 to \$1.8 million depending on the phase.<sup>2</sup>

In Fiscal Year 2019, the County established the local SBIR/STTR Matching Grant Program. The program provides grants to County businesses that receive federal SBIR/STTR grants to conduct research in medicine, biotechnology, or life sciences. Since its start, the program has awarded \$2.13 million in grants to 30 businesses. These awards matched \$45 million in federal grants.<sup>3</sup>

The purpose of Bill 22-26 is to reinstate the County's SBIR/STTR Matching Grant Program. The program expired by law on July 1, 2025. If enacted, Bill 22-26 would remove the sunset date of July 1, 2025. This would reinstate the program and allow it to continue permanently.<sup>4</sup> Bill 22-26 would also clarify businesses that received federal funding between the sunset date and the Bill's effective date can still be considered for the County's matching grant.

According to the County Executive, “[c]ontinuing this important economic development program supports Montgomery County's efforts to position itself as a national center of excellence in life sciences and our standing as one of the nation's leading bioscience hubs.”<sup>5</sup>

The Council introduced Bill 22-26 at the request of the County Executive on May 5, 2026.

## ANTICIPATED IMPACTS

OLO anticipates Bill 22-26 will have no impact as it is repealing a sunset for an existing program that has no impact on the County's contribution to addressing climate, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

---

## RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>6</sup> OLO does not offer recommendations or amendments as Bill 22-26 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

---

## 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 increase the County's community climate 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.

---

<sup>1</sup> ["About SBIR and STTR,"](#) SBIR-STTR America's Seed Fund, U.S. Small Business Administration.

<sup>2</sup> Funding Basics, ["How to Apply,"](#) SBIR-STTR America's Seed Fund, U.S. Small Business Administration.

<sup>3</sup> Memo from County Executive to Council President, [Introduction Staff Report for Bill 22-26](#), Montgomery County Council, introduced March 5, 2026, pgs. (5)-(7).

<sup>4</sup> [Introduction Staff Report for Bill 22-26](#), pg. 2.

---

<sup>5</sup> Memo from County Executive to Council President, [Introduction Staff Report for Bill 22-26](#), pg. (5).

<sup>6</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## BILL 22-26: FINANCE - ECONOMIC DEVELOPMENT FUND - SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER MATCHING GRANT PROGRAM - REPEAL OF SUNSET DATE

### SUMMARY

---

The Office of Legislative Oversight (OLO) anticipates Bill 22-26 would have a minimal impact on racial equity and social justice (RESJ) in the County. Bill 22-26 would effectively reinstate an existing County program: the Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) Matching Grant Program. This grant program likely reinforces existing racial disparities in local STEM industries by investing in business owners and employees who are disproportionately White and Asian. However, since Bill 22-26 is continuing an existing program, it is not likely to further improve nor worsen these disparities.

### PURPOSE OF RESJ IMPACT STATEMENTS

---

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.<sup>1</sup> This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.<sup>2</sup>

### PURPOSE OF BILL 22-26

---

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are competitive federal awards programs coordinated by the U.S. Small Business Administration (SBA). The programs provide funding to technology-focused small businesses to “develop their ideas and a pathway to commercialization.”<sup>3</sup> SBIR/STTR programs are structured in four phases. Awards can range from \$50,000 to \$1.8 million depending on the phase.<sup>4</sup>

In Fiscal Year 2019, the County established the local SBIR/STTR Matching Grant Program. The program provides grants to County businesses that receive federal SBIR/STTR grants to conduct research in medicine, biotechnology, or life sciences. Since its start, the program has awarded \$2.13 million in grants to 30 businesses. These awards matched \$45 million in federal grants.<sup>5</sup>

The purpose of Bill 22-26 is to reinstate the County’s SBIR/STTR Matching Grant Program. The program expired by law on July 1, 2025. If enacted, Bill 22-26 would remove the sunset date of July 1, 2025. This would reinstate the program and allow it to continue permanently.<sup>6</sup> Bill 22-26 would also clarify that businesses that received federal funding between the sunset date and the Bill’s effective date can still be considered for the County’s matching grant.

According to the County Executive, “[c]ontinuing this important economic development program supports Montgomery County’s efforts to position itself as a national center of excellence in life sciences and our standing as one of the nation’s leading bioscience hubs.”<sup>7</sup>

The Council introduced Bill 22-26 at the request of the County Executive on May 5, 2026.

# RESJ Impact Statement

## Bill 22-26

This RESJIS builds on the ones for:

- Expedited Bill 31-22, Finance – Economic Development Fund - Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program, which OLO published in November 2022;<sup>8</sup> and
- Zoning Text Amendment 22-02, Density and Height Limits, Parking – Biohealth, which OLO published in April 2022.<sup>9</sup>

Please refer to these RESJISs for background on economic development, the biotech industry, and racial equity.

### ANTICIPATED RESJ IMPACTS

---

To consider the anticipated impact of Bill 22-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

**Owners of medicine, biotechnology, and life sciences research businesses** would benefit from continuing to have access to the County’s SBIR/STTR Matching Grant Program. This could help them offset their operating costs and increase their profits. **Community members employed by medicine, biotechnology, and life sciences research businesses** would also benefit from their employers continuing to have access to the grant program. This could support job stability in current roles or job creation for future roles within these industries.

As noted in the RESJIS for Bill 31-22, because of racial inequities like educational and occupational segregation, business owners and employees in Science, Technology, Engineering, and Math (STEM) industries are disproportionately White and Asian. For example, County-level data shows:

- White and Asian business owners are overrepresented in the professional, scientific, and technical services sector that contains the medicine, biotechnology, and life sciences research industries. Black and Latinx businesses owners are underrepresented in this sector, while Native American business owners are proportionately represented. (Table A, Appendix)
- White and Asian community members are more likely to be employed in management, business, science and arts occupations. Conversely, Black and Latinx community members are less likely to be employed in these occupations. (Table B, Appendix)

Bill 22-26 proposes to permanently reinstate the County’s SBIR/STTR Matching Grant program. Ultimately, this would maintain the status quo of keeping the program in operation, which has been active in the County for most of the last eight years.

Taken together, OLO anticipates Bill 22-26 would have a minimal impact on RESJ in the County. Bill 22-26 would effectively reinstate the SBIR/STTR Matching Grant Program, which has been active in the County for several years. This grant program likely reinforces existing racial disparities in local STEM industries by investing in business owners and employees who are disproportionately White and Asian. However, since Bill 22-26 is continuing an existing program, it is not likely to further improve nor worsen these disparities.

# RESJ Impact Statement

## Bill 22-26

### RECOMMENDED AMENDMENTS

---

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.<sup>10</sup> OLO anticipates Bill 22-26 would have a minimal impact on RESJ in the County. As such, OLO does not offer recommended amendments. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers three policy options for Council consideration:<sup>11</sup>

- **Report business owner, employee and vendor data for SBIR/STTR Matching Grant Program awardees by race, ethnicity, and gender.** The rationale for public policies to support economic development is that their benefits exceed their costs to government. Yet, there is rarely accountability for achieving favorable returns on public investments for economic development or equitable development that narrows gaps in outcomes by race and ethnicity. To track whether the matching grant program enhances equitable economic development, the Council could encourage or require awarded firms to report data on ownership, employee, and vendor demographics by race, ethnicity, and gender.
- **Invest in workforce development opportunities, particularly for BIPOC community members.** To ensure that growth in local STEM industries benefits a cross-section of communities and reduces employment disparities by race and ethnicity, SBIR/STTR awardees could be encouraged to enter into agreements to provide workforce development opportunities for underrepresented BIPOC community members. Awardees could be encouraged to partner with community members, education institutions and non-profit partners to design and deliver programs. Career and technical education programs in secondary and post-secondary institutions, apprenticeships and targeted training could especially increase the pipeline of Black and Latinx community members into STEM professions.
- **Invest in local small businesses, especially underrepresented BIPOC small businesses.** To ensure that local small businesses inclusive of BIPOC businesses benefit from the SBIR/STTR Matching Grant Program, awardees could be encouraged to (a) partner with underrepresented BIPOC businesses to increase the success of such firms in the STEM industry; and (b) provide opportunities to BIPOC businesses that offer spillover benefits for industry expansion. For example, awardees could be encouraged to support an industry eco-system analogous to the Opportunity Hub Initiative in Atlanta that promotes “inclusive high-tech innovation, entrepreneurship, and investment eco-systems” to foster BIPOC entrepreneurship in STEM

### CAVEATS

---

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

# RESJ Impact Statement

## Bill 22-26

### APPENDIX

**Table A. Professional, Scientific, and Technical Services Employer Firms by Race and Ethnicity, Montgomery County<sup>12</sup>**

Race or ethnicity <sup>13</sup>	Percent of Professional, Scientific, and Technical Services Business Owners (NAICS 54)	Percent of Business Owners in All Sectors (NAICS 00)	Percent of Adult Population (2024)
Asian	20.7	19.1	16.3
Black	9.2	8.7	18.4
Native American	0.2	-	0.6
Pacific Islander	-	-	0.0
White	65.0	63.7	44.3
Latinx	5.4	9.2	19.0

Source: OLO analysis of [Table AB2300CSA01, 2023 Annual Business Survey](#) and [Table S2101, 2024 American Community Survey 5-Year Estimates](#), Census Bureau.

**Table B. Employment Rate in Management, Business, Science, and Arts Occupations by Race and Ethnicity, Montgomery County<sup>14</sup>**

Race or ethnicity	Employment Rate
Asian	67.9
Black	47.2
White	73.9
Latinx	33.9
Countywide	59.6

Source: [Table S0201](#), 2024 American Community Survey 5-Year Estimates, Census Bureau.

<sup>1</sup> Definition of racial equity and social justice adopted from M. Gamblin et al., [“Applying Racial Equity to U.S. Federal Nutrition Programs,”](#) Bread for the World and [Racial Equity Tools](#).

<sup>2</sup> Ibid.

<sup>3</sup> [“About SBIR and STTR,”](#) SBIR-STTR America’s Seed Fund, U.S. Small Business Administration.

<sup>4</sup> Funding Basics, [“How to Apply,”](#) SBIR-STTR America’s Seed Fund, U.S. Small Business Administration.

<sup>5</sup> Memo from County Executive to Council President, [Introduction Staff Report for Bill 22-26](#), Montgomery County Council, introduced March 5, 2026, pgs. (5)-(7).

<sup>6</sup> [Introduction Staff Report for Bill 22-26](#), pg. 2.

<sup>7</sup> Memo from County Executive to Council President, [Introduction Staff Report for Bill 22-26](#), pg. (5).

<sup>8</sup> [RESJIS for Expedited Bill 31-22](#), Office of Legislative Oversight, November 18, 2022.

<sup>9</sup> [RESJIS for ZTA 22-02](#), Office of Legislative Oversight, April 26, 2022.

<sup>10</sup> [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established](#), Montgomery County Council.

<sup>11</sup> Policy options adapted from RESJIS for ZTA 22-02.

<sup>12</sup> Margins of error for data points in Table B may be large.

<sup>13</sup> For Tables A and B, racial groups are inclusive of Latinx origin.

<sup>14</sup> For Table B, estimates for Native American and Pacific Islander community members are not available.