

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 392 (Senator King)
 Finance

Maryland Technology Development Corporation - Long COVID Innovation
 Grant and Loan Program

This bill requires the Maryland Technology Development Corporation (TEDCO) to establish a program to provide grant and loans for State-funded Long COVID innovation. The bill also establishes a related special, nonlapsing fund to award grants and loans for eligible Long COVID research. By January 1 each year, TEDCO must report to the Governor and the General Assembly on the progress of the Long COVID innovation conducted with funding awarded under the program. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$10.0 million annually beginning in FY 2027 to capitalize the fund; special fund revenues and expenditures increase correspondingly. Higher education revenues and expenditures increase to the extent public four-year institutions of higher education receive and spend grants or loans (not shown below). Special fund revenues also increase to the extent any loans made are repaid.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
GF Expenditure	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
SF Expenditure	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
Net Effect	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not affect local government operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Definitions

“Committee” means the independent scientific peer review committee with which TEDCO contracts.

“Long COVID” has the meaning (1) established by the National Academy of Sciences in A Long COVID Definition: ‘A Chronic, Systemic Disease State with Profound Consequences,’ published in 2024, or (2) if the National Academy of Sciences subsequently amends the definition, the meaning most recently established and published by the National Academy of Sciences.

“Long COVID innovation” means research, product development, and manufacturing in the State related to treatment of Long COVID and conducted with money from the Maryland Long COVID Research Fund.

Grant and Loan Program

TEDCO must (1) develop criteria, standards, and requirements for the review of applications for a program grant or loan; (2) review, evaluate, rank, and rate research proposals for State-funded Long COVID innovation grants and loans based on procedures and guidelines established by TEDCO; (3) based on recommendations by the committee, award and disburse grants and loans from the fund; (4) establish standards for the oversight and use of grants and loans awarded under the program; (5) conduct progress oversight reviews of grant and loan recipients and rescind funds if TEDCO determines that a grant recipient is failing to meet the established goals of the funded project; and (6) develop policies and procedures governing conflicts of interest by committee members, including policies and procedures for disclosure and recusal. TEDCO may consult with experts in performing its duties.

TEDCO must adopt regulations to (1) establish procedures for awarding and making the disbursement of a grant or loan under the program; (2) establish policies addressing conflicts of interest for members of the committee; and (3) carry out its duties, as specified in the bill.

Committee Responsibilities

TEDCO must contract with an independent review committee composed of scientific experts in the field of Long COVID innovation.

The committee must review, evaluate, rank, and rate research proposals for State-funded Long COVID innovation (1) based on the procedures and guidelines established by TEDCO and (2) in a manner that gives due consideration to the scientific, medical, and ethical implications of the research. Based on the rankings and ratings awarded to the research proposals, the committee must also make recommendations to TEDCO for the award and disbursement of grants and loans.

A member of the committee (1) is not eligible to receive a grant or loan for State-funded Long COVID innovation from the fund and (2) is subject to the policies and procedures governing conflicts of interest established by TEDCO.

Maryland Long COVID Research Fund

The Maryland Long COVID Research Fund is a special, nonlapsing fund with the purpose of promoting State-funded life sciences research, development, commercialization, and manufacturing in Maryland related to Long COVID through grants and loans to public and private entities in the State. TEDCO must administer the fund.

The fund consists of money appropriated in the State budget, interest earnings, and any other money from any other source accepted for its benefit. Money in the fund may be used only to award grants and loans for State-funded Long COVID innovation and pay the costs necessary to administer the fund. Any interest earnings of the fund must be credited to the fund. Each fiscal year, the Governor may include in the annual budget an appropriation to the fund. Expenditures from the fund may only be made in accordance with the State budget.

Reporting

By January 1 each year, TEDCO must report to the Governor and the General Assembly on the progress of the Long COVID innovation conducted with grants or loans awarded under the program. The report must identify (1) each recipient of a grant or loan awarded under the program; (2) the amount of funding awarded to each recipient; (3) a description of the type of State-funded Long COVID innovation conducted by the recipient; (4) indicators of the economic impact of grants and loans made from the fund; and (5) any recommendations for improving the overall effectiveness of the program.

Current Law:

Maryland Technology Development Corporation – Generally

TEDCO is an independent entity established by the Maryland General Assembly in 1998 to enhance the transfer of technology from universities and federal laboratories to the

private sector and foster the growth of companies in critical or high-growth sectors. TEDCO investments must meet statutory eligibility criteria that generally require a business to have and subsequently maintain a presence in the State. TEDCO programs typically assist companies based on a company's stage of development, from early stage and technology transfer to growth stage.

Maryland Stem Cell Research Commission and Fund

The Stem Cell Research Commission is an independent commission that functions within TEDCO, with its members including individuals with experience in biotechnology, scientists, bioethicists, and individuals with expertise in biomedical ethics as it relates to religion. The commission is assisted in reviewing proposals for stem cell research by contracting with an independent scientific peer review committee composed of recognized experts in such research. The commission must, among other things, (1) develop criteria, standards, and requirements for the initial review of grant and loan applications by the commission; (2) establish procedures and guidelines to be used by the committee for the review, evaluation, ranking, and rating of research proposals for State-funded stem cell research; (3) establish procedures and guidelines to be used by the committee for the review, evaluation, ranking, and rating of research proposals for State-funded stem cell research; and (4) establish criteria, standards, and requirements for consideration of grant and loan applications based on the rankings and ratings of the committee.

Administered by TEDCO, the Maryland Stem Cell Research Fund promotes stem cell research and cures through grants and loans to public and private entities in the State. Money in the fund may only be used to (1) award grants and loans for State-funded stem cell research, in accordance with recommendations from the commission; (2) award grants and loans for facilities, capital leases, and capital equipment where State-funded stem cell research is conducted, in accordance with the recommendations of the commission; and (3) pay the costs necessary to administer the fund. The fiscal 2026 budget includes \$15.5 million in general funds for the fund.

State Fiscal Effect: General fund expenditures increase by \$10.0 million annually beginning in fiscal 2027 to implement a viable grant and loan program. As the bill allows this funding to cover costs of administering the "fund," this analysis assumes that authorization encompasses other aspects of "program" administration. TEDCO advises it requires a program manager, a program coordinator, and, after the first round of awards, an award manager to administer the program. Combined, the initial annual salaries for these staff total approximately \$330,000; thus, after additional costs for the program, including fringe benefits, stipends for committee review, and standard overhead costs for TEDCO, the program could issue approximately 25 awards per year with an average funding amount of about \$350,000. (If fewer awards are made, average award amounts increase.) TEDCO employees are not State employees.

Special fund revenues to and expenditures from the fund increase correspondingly, assuming that the full amount available is used to cover administrative costs with the balance distributed as grants or loans each year. Special fund revenues further increase to the extent any such loans are repaid, allowing for additional grants or loans to be awarded. However, a reliable estimate of any loan repayments, and the corresponding increase in special fund revenues and expenditures, is not feasible.

Program funds may be awarded to public or private entities in the State, which includes institutions of higher education. To the extent public four-year institutions of higher education receive and spend grants or loans through the program, higher education revenues and expenditures increase correspondingly.

Small Business Effect: Small businesses involved in biomedical research and biomedical supplies may benefit to the extent they are awarded grants or loans through the program.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 27 (Delegate Wims) - Health.

Information Source(s): Maryland Technology Development Corporation; Department of Legislative Services

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sj/ljm

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