SENATE BILL 1049

By: **Senator Hester**
Introduced and read first time: February 20, 2020
Assigned to: Rules

A BILL ENTITLED

1   AN ACT concerning

2   **Cybersecurity Talent Pipeline Management Program**

3   FOR the purpose of establishing the Cybersecurity Talent Pipeline Management Program;
4   providing for the purpose of the Program; requiring the Maryland Technology
5   Development Corporation to administer the Program; requiring the Program to
6   award certain grants to certain collaboratives for certain purposes; establishing
7   certain eligibility requirements for the Program; requiring the Corporation to
8   develop selection criteria for evaluating applicant proposals; requiring that the
9   selection criteria contain positive scoring for certain proposals; requiring the
10   Corporation, in awarding matching grants, to give priority to proposals that include
11   at least a certain number of cybersecurity organizations; requiring the Corporation
12   to establish certain application procedures; requiring the Governor, in certain fiscal
13   years, to include in the annual budget bill a certain appropriation for the Program
14   from the Cybersecurity Investment Fund; altering the purposes of the Fund;
15   requiring, on or before a certain date, a collaborative to report certain information to
16   the Corporation; requiring, on or before a certain date each year, the Corporation to
17   report certain information to the Governor and the General Assembly; defining
18   certain terms; and generally relating to the Cybersecurity Talent Pipeline
19   Management Program.

20   BY repealing and reenacting, without amendments,
21   Article – Economic Development
22   Section 10–463
23   Annotated Code of Maryland
24   (2018 Replacement Volume and 2019 Supplement)

25   BY repealing and reenacting, with amendments,
26   Article – Economic Development
27   Section 10–464
28   Annotated Code of Maryland
29   (2018 Replacement Volume and 2019 Supplement)

1   BY adding to
2   Article – Economic Development
3   Section 10–466
4   Annotated Code of Maryland
5   (2018 Replacement Volume and 2019 Supplement)

6   SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7   That the Laws of Maryland read as follows:

Article – Economic Development

9   10–463.

10   (a)   In this part the following words have the meanings indicated.

11   (b)   "Commercialization" means the process of introducing a new product or
12 technology into the market.

13   (c)   "Corporation" means the Maryland Technology Development Corporation.

14   (d)   (1)   "Cybersecurity" means information technology security.

15   (2)   "Cybersecurity" includes the protection of networked devices, networks,
16 programs, and data from unintended or unauthorized access, change, or destruction.

17   (e)   "Fund" means the Cybersecurity Investment Fund established under §
18 10–464 of this part.

19 10–464.

20   (a)   There is a Cybersecurity Investment Fund.

21   (b)   The purpose of the Fund is to:

22   (1)   provide seed and early–stage funding for emerging technology
23 companies located in the State focused on cybersecurity and cybersecurity technology
24 product development;

25   (2)   maximize Corporation investments by supporting funded emerging
26 technology companies to enable corporate growth and to obtain third–party downstream
27 funding for commercialization; **[and]**

28   (3)   leverage Corporation investments in early–stage cybersecurity
29 companies by taking advantage of economic development opportunities throughout the
30 State**; AND**

1   **(4)** PROVIDE FUNDING TO THE CYBERSECURITY TALENT PIPELINE
2 MANAGEMENT PROGRAM ESTABLISHED UNDER § 10–466 OF THIS SUBTITLE.

3   (c) The Corporation shall administer the Fund.

4   (d) The Fund consists of:

5   (1) appropriations as provided in the State budget;

6   (2) money made available to the Fund through federal programs or private
7 contributions;

8   (3) repayment of capital or principal or payment of interest on any debt or
9 equity investments from the Fund;

10   (4) investment earnings of the Fund; and

11   (5) any other money accepted by the Corporation for the Fund.

12   (e) The Corporation may use the Fund to:

13   (1) carry out the purposes of the Fund related to the commercialization of
14 cybersecurity research and cybersecurity technology product development in accordance
15 with the terms of this part; and

16   (2) pay the costs necessary to implement this part and to administer the
17 Fund.

18   (f) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
19 the State Finance and Procurement Article.

20   (2) The State Treasurer shall hold the Fund separately, and the
21 Comptroller shall account for the Fund.

22   (3) The State Treasurer shall invest the money in the Fund in the same
23 manner as other State money may be invested.

24   (4) Any investment earnings of the Fund shall be credited to the Fund.

25 **10–466.**

26   **(A)** **(1)** IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
27 INDICATED.

28   **(2)** "COLLABORATIVE" MEANS COMMITMENTS OF PARTNERSHIP
29 BETWEEN AT LEAST TWO CYBERSECURITY ORGANIZATIONS TO IMPROVE THE

1   STATE'S CYBERSECURITY WORKFORCE NEEDS, AS ARTICULATED IN A SIGNED
2   AGREEMENT.

3   (3)   (I)   "CYBERSECURITY ORGANIZATION" MEANS A PRIVATE
4   COMPANY OR NONPROFIT ORGANIZATION WITH SIGNIFICANT EXPERTISE IN
5   PROVIDING CYBERSECURITY SERVICES.

6   (II)   "CYBERSECURITY   ORGANIZATION"   INCLUDES
7   ORGANIZATIONS WITH EXPERTISE IN OTHER AREAS THAT EMPLOY CYBERSECURITY.

8   (4)   "PROGRAM" MEANS THE CYBERSECURITY TALENT PIPELINE
9   MANAGEMENT PROGRAM.

10   (B)   (1)   THERE IS A CYBERSECURITY TALENT PIPELINE MANAGEMENT
11   PROGRAM.

12   (2)   THE PURPOSE OF THE PROGRAM IS TO PROVIDE FUNDS TO A
13   COLLABORATIVE TO:

14   (I)   AGREE ON THE INDUSTRY STANDARDS FOR KNOWLEDGE,
15   SKILLS, AND ABILITIES NEEDED AT CYBERSECURITY ORGANIZATIONS;

16   (II)   IDENTIFY THE NUMBER OF CYBERSECURITY POSITIONS
17   NEEDED FOR A FULLY MATURE CYBERSECURITY SECTOR WITH FULL EMPLOYMENT;

18   (III)   PRODUCE A DATABASE LINKING INDUSTRY CREDENTIALS,
19   ACADEMIC KNOWLEDGE, AND EMPLOYEE SKILLS AND ABILITIES TO THE
20   CYBERSECURITY POSITIONS IN WHICH EMPLOYEES WITH THOSE QUALIFICATIONS
21   ARE EMPLOYED;

22   (IV)   DEVELOP A STRATEGIC PLAN, INCORPORATING INPUT
23   FROM MULTIPLE STAKEHOLDERS, FOR THE FUTURE GROWTH OF CYBERSECURITY
24   ORGANIZATIONS AND POSITIONS WITHIN THOSE ORGANIZATIONS;

25   (V)   PROVIDE RECOMMENDATIONS FOR NEEDED CHANGES TO
26   THE PROCESS BY WHICH EMPLOYEES LEARN CYBERSECURITY SKILLS IN THE STATE,
27   INCLUDING ANY NECESSARY CHANGES TO TRAINING IN:

28   1.   APPRENTICESHIP PROGRAMS;

29   2.   ENTRY–LEVEL POSITIONS; AND

30   3.   INSTITUTIONS OF POSTSECONDARY EDUCATION; AND

1   **(VI)** PROCURE ANY SERVICES OR MATERIALS NECESSARY TO
2 IMPROVE THE PREPARATION OF CYBERSECURITY EMPLOYEES IN A MANNER
3 RECOMMENDED UNDER ITEM (V) OF THIS PARAGRAPH.

4   **(C)** THE CORPORATION SHALL ADMINISTER THE PROGRAM.

5   **(D)** **(1)** SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
6 PROGRAM SHALL AWARD COMPETITIVE MATCHING GRANTS TO ONE OR MORE
7 COLLABORATIVES TO ACCOMPLISH THE PURPOSES LISTED IN SUBSECTION (B)(2) OF
8 THIS SECTION.

9   **(2)** THE PROGRAM MAY AWARD A COMPETITIVE MATCHING GRANT TO
10 ONLY ONE COLLABORATIVE IN THE FIRST YEAR OF THE PROGRAM.

11   **(E)** **(1)** TO BE ELIGIBLE FOR A GRANT FROM THE PROGRAM, A
12 COLLABORATIVE SHALL IDENTIFY A SIGNED PARTNERSHIP AGREEMENT BETWEEN
13 AT LEAST TWO CYBERSECURITY ORGANIZATIONS.

14   **(2)** AN ELIGIBLE COLLABORATIVE SHALL SECURE CONTRIBUTIONS
15 FOR THE PROPOSAL IN AN AMOUNT OF MONEY OR OTHER CONSIDERATION,
16 INCLUDING IN–KIND DONATIONS, AT LEAST EQUAL IN VALUE TO THE AMOUNT OF
17 MONEY REQUESTED FROM THE PROGRAM.

18   **(3)** **(I)** THE CORPORATION SHALL DEVELOP SELECTION CRITERIA
19 FOR EVALUATING APPLICANT PROPOSALS.

20   **(II)** THE SELECTION CRITERIA DEVELOPED UNDER THIS
21 PARAGRAPH SHALL INCLUDE POSITIVE SCORING FOR PROPOSALS THAT:

22   **1.** DEMONSTRATE FISCAL CONTROLS, INCLUDING BY
23 MAKING USE OF MULTIPLE SOURCES OF FUNDING;

24   **2.** EVIDENCE PROJECT EFFECTIVENESS, INCLUDING BY
25 SHOWING HOW THE GRANT AWARDED BY THE PROGRAM WILL BE USED TO AUGMENT
26 EXISTING WORK BEING DONE BY MEMBERS OF THE COLLABORATIVE; AND

27   **3.** MEET ANY OTHER CRITERIA THE CORPORATION
28 CONSIDERS RELEVANT.

29   **(III)** IN AWARDING MATCHING GRANTS UNDER THIS SECTION,
30 THE CORPORATION SHALL GIVE PRIORITY TO A COLLABORATIVE THAT INCLUDES
31 AT LEAST FIVE CYBERSECURITY ORGANIZATIONS ACROSS THE PUBLIC, PRIVATE,

1 AND NONPROFIT SECTORS.

2   **(4)** THE CORPORATION SHALL ESTABLISH APPLICATION
3 PROCEDURES THAT IMPLEMENT THE REQUIREMENTS OF THIS SUBSECTION.

4   **(F)** **(1)** **(I)** FOR FISCAL YEARS **2022** THROUGH **2024**, THE GOVERNOR
5 SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION FOR THE
6 PROGRAM IN AN AMOUNT NOT TO EXCEED **$1,000,000** FROM THE FUND.

7   **(II)** FOR EACH COLLABORATIVE, THE GOVERNOR'S
8 APPROPRIATION UNDER THIS SUBSECTION SHALL BE THE LESSER OF:

9   **1.** THE AMOUNT THE COLLABORATIVE SECURED IN
10 CONTRIBUTIONS FROM OTHER SOURCES IN THE PRIOR FISCAL YEAR; OR

11   **2.** AN AMOUNT EQUAL TO THE PRODUCT OF
12 MULTIPLYING THE AMOUNT A COLLABORATIVE SECURED IN CONTRIBUTIONS
13 UNDER ITEM **1** OF THIS SUBPARAGRAPH BY A FRACTION:

14   **A.** THE NUMERATOR OF WHICH IS THE MAXIMUM
15 SPECIFIED IN SUBPARAGRAPH **(I)** OF THIS PARAGRAPH; AND

16   **B.** THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL
17 CONTRIBUTIONS RAISED BY ALL COLLABORATIVES IN THE APPLICABLE YEAR.

18   **(2)** FOR PURPOSES OF CALCULATING THE GOVERNOR'S
19 APPROPRIATION UNDER THIS SUBSECTION, AN AMOUNT RAISED BY THE
20 COLLABORATIVE MAY BE COUNTED ONLY FOR THE FISCAL YEAR IN WHICH IT WAS
21 PLEDGED.

22   **(G)** ON OR BEFORE JULY **1, 2023**, EACH COLLABORATIVE THAT RECEIVES A
23 GRANT UNDER THE PROGRAM SHALL REPORT TO THE CORPORATION ON ITS
24 FINDINGS AND ITS PLAN TO ADDRESS THE CYBERSECURITY NEEDS OF THE STATE.

25   **(H)** ON OR BEFORE SEPTEMBER **1** EACH YEAR, BEGINNING IN **2023**, THE
26 CORPORATION SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH **§**
27 **2–1257** OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT
28 ON THE INFORMATION PROVIDED UNDER SUBSECTION **(G)** OF THIS SECTION.

29   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2020.