Maryland in-state investing program back on track
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The Maryland Technology Development Corp., a state-backed economic development organization, began accepting new applications for investments in four programs on Jan. 3.

In accordance with new statutory requirements enacted by the Maryland General Assembly during the 2019 legislative session, TEDCO developed and adopted regulations governing its investment programs. The new law also tasked TEDCO with developing an application process for its investment programs, according to a TEDCO news release.

The action comes several months after the Maryland State Retirement & Pension System, Baltimore, suspended TEDCO’s rights to call for capital contributions and to make portfolio investments because of staffing issues, confirmed spokesman Michael D. Golden confirmed in an email.

In February 2019, a state audit found TEDCO did not always document how investments met eligibility requirements or the economic benefits of investments to the state, among other critiques. In the ensuing months, several staff members left TEDCO, including Andy Jones, chief investment officer of the Maryland Venture Fund, which oversees the Maryland Innovation Opportunity Fund I.

In 2017, the $54.1 billion pension fund committed up to $25 million to the TEDCO-managed Maryland Innovation Opportunity Fund I, which targets investments in entrepreneurs building innovative technology, health-care and life science companies in Maryland. As of Sept. 30, the pension fund had $13 million invested in the fund, according to Andrew C. Palmer, the pension fund’s chief investment officer.

The investment halt stemmed from staffing issues at TEDCO, Mr. Golden said.

Following a new operating agreement in September, the pension fund gave TEDCO permission to start bringing proposals for follow-on investments, according to Mr. Golden.

"We are open to recommendations for follow on investments for existing portfolio companies until new staff is hired and our diligence process gives us confidence that the new team will meet our expectations for generating high returns on new investment," Mr. Palmer said in an email.

Elizabeth Good Mazhari was named interim managing director of the Maryland Venture Fund in December.

A TEDCO spokeswoman could not immediately be reached for comment.