



Maryland Build Our Future Grant Pilot Program Frequently Asked Questions – August 2024

Q: What is the Build Our Future Grant Pilot Program?

A: The Build Our Future Grant Pilot Program (“Program”) was created in 2023 to provide grant funding for infrastructure projects that support innovation in eligible technology sectors. The program is administered by the Maryland Department of Commerce (“Commerce”). The program is scheduled to run for four years through June 30, 2027.

Q: Who can apply for grant funding?

A: Grants may be awarded to private companies (including publicly held companies), nonprofit entities, local governments or colleges and universities in Maryland.

Q: What types of colleges and universities are eligible to apply?

A: All colleges and universities in Maryland are eligible to apply. Foundations affiliated with an eligible college or university may also apply.

Q: What technology sectors are eligible?

A: Commerce may award grant funds to approved recipients conducting infrastructure projects intended to support innovation in Advanced Manufacturing; Aerospace; Agriculture; Artificial Intelligence; Biotechnology; Blue Technology; Cybersecurity; Defense; Energy and Sustainability; Life Sciences; Quantum; and Sensors and Robotics.

Q: I’m unsure whether my business fits the definition of one of these sectors. Can you tell me if my project is eligible?

A: The legislation created the named 12 eligible technology sectors. While most businesses likely know whether they fit into one of these sectors, applicants should adequately describe their business and their proposed project to clearly make the case that they are eligible for the Program based on the [legislative statute](#).

Q: What is meant by “innovation?”

A: We will use the following definition when reviewing applications:
“Innovation is a process by which a domain, a product, or a service is renewed

and brought up to date by applying new processes, introducing new techniques, or establishing successful ideas to create new value. The creation of value is a defining characteristic of innovation.” (Source: <https://innolytics.net/what-is-innovation>). The proposed project should advance innovation, not just use a new technology.

Q: What types of projects are encouraged?

A: While not a definitive or exhaustive list, examples of eligible projects include Sensitive Compartmented Information Facilities; Wet Laboratories; Cyber Ranges; Prototype Manufacturing Centers; and other specialized workforce training, skill certification, or research-related spaces.

Q: What types of eligible projects are most likely to be awarded grant funds?

A: Projects that fill a gap or a strong need in the ecosystem for advancing innovation in a targeted technology sector. Priority will be given to projects that have funds readily available and can be implemented quickly.

Q: What type of eligible projects should colleges and universities submit for funding?

A: Grants to colleges and universities from the Fund are most likely to be awarded to projects that:

1. Are performed in collaboration with private industry; or
2. Offer the prospect of significant economic impact and the opportunity to develop entrepreneurship or clusters of technological innovation in the State.

Q: How much grant funding is available? How much can we apply for?

A: The Program is funded at \$7 million for FY2025. Funding in future years will be determined by the Governor and the Maryland General Assembly.

- A single eligible entity may not be awarded more than \$2 million in grant funds in a fiscal year.
- Not more than 50% of the appropriation to the Fund in a fiscal year may be awarded to colleges and universities in that fiscal year.

Q: Can multiple applications be submitted?

A: Yes. An eligible applicant may submit more than one application in a fiscal year. If submitting multiple projects for consideration, each project must be submitted in a separate application

Q: Is there an application fee?

A: No. There are no fees or costs to apply for a grant.

Q: Are matching funds required from the applicant?

A: Yes. The grant funds must be matched by the applicant with the following formulas, terms, and conditions.

- For Grant Awards up to \$1 million, a Grantee shall provide matching funds that are at least 200% of the Grant amount.
- For Grant Awards exceeding \$1 million and up to \$2 million, a Grantee shall provide matching funds that are at least 400% of the Grant amount.
- A Grantee must demonstrate an ability to cover the remaining costs of the project for which the Grant is awarded. The Phase 2 application must include specific details, such as proof of cash funds, letters of commitment, or notices for federal grant funds.
- Funds received by a Grantee through other State grant programs may not be counted toward the Grantee's matching fund requirement.
- Federal funds can be included as part of the match requirement.

Q: For what costs can grant funds be used?

A: Grant Awards may be used to defray the cost a Grantee incurs to acquire, construct, rehabilitate, install, improve, or equip an eligible innovation infrastructure project. These are considered to be "hard" costs. Examples include real property, buildings, infrastructure, machinery and equipment, leasehold improvements, and furniture and fixtures. The cost of installing such improvements is also an eligible cost in this category.

Grant funds may not be used for indirect or "soft" costs, such as operating costs, program costs, management fees, consulting fees, administrative fees, curriculum development, or salaries of new positions created by the project.

The salaries of the Grantee may only be included if they are new costs associated with the execution of the approved project.

Q: For what costs can Grantee matching funds be used?

A: Funds provided by the Grantee to match the Grant Award may be used for other costs, including “soft” costs associated with the project, as described above. In addition, hard costs associated with the project as described above that are not funded by the Grant Award are also acceptable for inclusion in the Grantee’s share of project costs.

Q: Can in-kind contributions be included as matching funds from the applicant?

A: In-kind contributions cannot be included as matching funds. Matching funds must be new costs directly related to the project. Past expenditures – such as an existing building, or salaries of current staff – are not eligible forms of matching funds and cannot be included in the Grantee’s matching funds.

Q: I have already started my project. Can I still apply and count those costs already incurred to be put towards my matching funds?

A: No. Any funds already spent on your project prior to applying cannot be counted towards your required match. You may still apply for a Grant, but only project costs going forward may count towards your match.

Q: How does the application process work?

A: The application process will be in two steps/phases.

- The Phase 1 application should briefly outline the project and describe how it qualifies and supports the goals and parameters of the program.
- Commerce will evaluate Phase 1 applications. Successful applicants in Phase 1 will be invited to submit a Phase 2 application.
- The Phase 2 application will go into greater detail regarding the project scope, the transformative nature of the project, impact on the community and ecosystem, and the project’s sustainability. The application must include a more detailed budget, including sources and uses of funds, and should demonstrate the ability of the applicant to fund the project.

- Commerce will evaluate Phase 2 applications to determine projects that will be funded. Grant funds are expected to be awarded to successful Phase 2 applicants in the spring of 2025.

Q: Will the grant funds be made available at the time of the Award?

A: Fifty percent of the grant funds will be delivered following the execution of a Grant agreement with the Grantee. The balance of the grant funds will be reimbursed following the submission of documented expenditures by the Grantee and review by Commerce.

Q: What is expected of the Grantee in order to comply with the conditions of the Grant?

A: Grantees are subject to random audit for compliance with the appropriate use of grant funds. Grantees that do not comply with the intended purpose of a Grant are subject to repayment of the Grant in full.

- Grant funds must be expended within two (2) years from the date the Grant Award is executed.
- The project must be fully operational within two (2) years from the date the Grant Award is executed. All applicants should have a reasonable expectation of meeting this requirement.
- For Grant Awards that include the purchase or construction of a facility the Grantee agrees to maintain ownership of and not sell the subject property for at least three (3) years from the date the Grant Award is executed. Failure of the Grantee to maintain ownership of and not sell the Property for the required three (3) years shall constitute a material breach and default on the Grant Award.
- Grantees will be required to submit annual reports to Commerce regarding progress on the Project, including metrics of success specified in the Grant Agreement and the project's economic impact.
- Commerce encourages Grantees to collect and report demographic characteristics of the primary contractors and/or vendors associated with construction of the project.