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DELAWARE STATE SENATE
149th GENERAL ASSEMBLY

SENATE BILL NO. 112

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE DELAWARE STUDENT
ENTREPRENEUR PLATFORM.

1 WHEREAS, Delaware institutions of higher learning have exceptional advantages in high-tech fields such as
2 advanced material, renewable energy technology, fuel cell technology, nanotechnology, optics, information technology,
3 biotechnology and life science; and

4 WHEREAS, Pennsylvania, New York and Massachusetts have introduced programs to attract and retain global
5 entrepreneurs to the state, who create jobs, new businesses, and innovative products that will provide national and
6 international opportunities for students, faculty and the greater community; and

7 WHEREAS, early-stage funding for innovation will catalyze the commercialization progress of new technology,
8 help build new businesses, and create the jobs many young Delawareans are seeking; and

9 WHEREAS, a public-private partnership among interested stakeholders, including, but not limited to, private start-
10 up companies, Delaware's institutions of higher education, and the State and local governments would help to promote
11 early-stage, technology innovations and commercialize technology breakthroughs, which in turn could create career
12 opportunities for young, well-educated graduates in the State, and also retain innovators from existing businesses that are
13 downsizing in Delaware; and

14 WHEREAS, the percentage of native-born Delawareans moving out of state has increased to over 60 percent from
15 40 percent in recent years; and

16 WHEREAS, entrepreneurship and innovation continue to be at the center of economic growth and job creation;
17 and

18 WHEREAS about 12% of the students enrolled in Delaware institutions of higher learning are international
19 students that need H-1B visa sponsorship to work and contribute to the U.S. economy; and

20 WHEREAS, nationwide about 1 in 4 engineering and technology-based companies are immigrant-founded,
21 employing an estimated 560,000 workers and producing \$63 billion in revenues in 2012, and 1 in 4 high-tech start-ups with
22 more than \$1 million in sales were founded by immigrants, and 1 in 3 founders of venture-backed companies that went
23 public between 2006 and 2012 were founded by immigrants;

NOW, THEREFORE:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 50, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline and by adding a new Subchapter I-C as follows:

Subchapter I-C.

§ 5030. Findings and purpose; creation of the Fund.

(a) A special fund to be known as the "Delaware Student Entrepreneur Fund" ("Fund") shall be created.

(1) The Fund shall consist of present balances and future payments of moneys transferred from previously funded projects.

(2) The Fund may be invested by the State Treasurer in securities consistent with the policies established by the Cash Management Policy Board. All moneys generated by the Fund shall be deposited in the Fund.

(3) Provided funding is available, the Fund may annually be funded by up to a \$2 million grant from the Delaware Strategic Fund. The Fund may provide matching funding for projects funded through the Delaware Student Entrepreneur Platform.

(b) Money appropriated to the Fund may be loaned or used in other financing by the Committee established by this subchapter within the State. The Fund is designed to facilitate and support student entrepreneurs in developing viable business models and go to market strategies, locating funding, and launching their businesses in Delaware. Student entrepreneurs include students and fellows at Delaware higher education institutions, or students who have recently (less or equal to 3 years) graduated from such an institution with a credit-bearing certificate, an Associate Degree, Undergraduate Degree, or Graduate-level Degree. The Fund shall be used to develop and support a Delaware Student Entrepreneur Platform that delivers the following services:

(1) Crowdsourcing. Through this platform, the student entrepreneurs shall be able to obtain needed services and advice offered in Delaware to complement programs that are already offered by their higher education institution, services associated with transitioning nascent student-led ventures from being incubated within an institution's ecosystem into the broader Delaware community will be emphasized, including assisting international students to obtain proper legal status. Relevant and useful services and opportunities offered by the Delaware Small Business Development Center, Delaware Service Corps of Retired Executives, Delaware-based Chambers of Commerce, Delaware Manufacturing Extension Partnership, World Trade Center Delaware, YWCA Delaware, First State Community Loan Fund, Delaware Sustainable Chemistry Alliance, Delaware Bioscience Association, Delaware Technology Park, Horn Entrepreneurship, and the many

other Delaware-based entrepreneurial support organizations will be included and organized into a coherent venture support pathway.

(2) Crowdfunding. The platform shall be open to funding from all legal sources, and the platform shall work with student entrepreneurs to locate funding. Different from the existing open crowd funding platform, the potential investors can locate verified, up-to-date information about the entrepreneurs, their business plans and the progress of the start-up business. The platform shall utilize cost-effective technology to facilitate timely response, confidential communication, and secured transactions. The investors invested in the entrepreneurial projects may be entitled to relevant tax credits.

(3) Visa Sponsorship. The platform shall identify and sponsor the proper legal status needed by immigrant entrepreneurs. The proper legal status may include Optional Practical Training (OPT) during the process of searching for a viable business model, and H1-B/EB-2 visas after business registration.

(4) Incubator and Venture Accelerator. The platform may offer entrepreneur mentoring, office space, lab space, business support, as well as other services through an incubator, or venture accelerator programs.

(c) Any entity created, developed, assisted, promoted, or funded pursuant to this subchapter must be organized under the laws of the State of Delaware, and must maintain its principal place of business in Delaware for at least ten years.

§ 5031. The Delaware Student Entrepreneur Platform Pilot Project.

The University of Delaware may collaborate with other entrepreneurship support organizations to develop and manage a Pilot Project of the Delaware Student Entrepreneur Platform. The Pilot Project shall be up and running by the end of 2017.

§ 5032. The Delaware Student Entrepreneur Program Advisory Committee.

(a) There is hereby established the Delaware Student Entrepreneur Advisory Committee to be composed of the following:

(1) The Secretary of Finance or designee;

(2) The Secretary of State or designee;

(3) Two representatives from the University of Delaware – one with expertise in entrepreneurship and technology commercialization and one with expertise in student entrepreneurship education and venturing - appointed by the President.

(4) A representative from Delaware State University with expertise in student entrepreneurship education, venturing and technology commercialization appointed by the President;

(5) A representative from Delaware Technical and Community College with expertise in student entrepreneurship education, venturing and technology commercialization appointed by the President;

(6) A representative from the participating Delaware-based entrepreneurial support organizations.

83 (7) A member appointed by the Governor;

84 (8) A member appointed by the President Pro Tempore of the Delaware State Senate; and

85 (9) A member appointed by the Speaker of the Delaware State House of Representatives.

86 (b) The Advisory Committee shall oversee the Delaware Student Entrepreneur Platform and Pilot Project and
87 ensure the Platform is non-discriminatory and provide equal opportunity for all qualified student entrepreneurs regardless
88 of age, color, national origin, citizenship status, physical or mental disability, race, religion creed, gender, sex, sexual
89 orientation, gender identity and/or expression, marital status, status with regard to public assistance, status of a disabled
90 veteran and/or Veteran of the Vietnam Era, genetic information, or any other characteristic protected by federal, state, or
91 local law.

92 (c) The Advisory Committee will develop a monitoring and evaluation mechanism to regularly evaluate the work
93 of the Platform so as to help ensure that the investments are made prudently in areas with significant potential for
94 commercialization, economic growth, and job creation in the State.

95 (d) The Advisory Committee shall meet at such times and in such places as its members determine to be
96 appropriate for carrying out its functions and purposes. The Secretary of Finance shall report to the Governor, the General
97 Assembly, and the Committee at the conclusion of each year on the projects financed with the Fund, the effectiveness of the
98 Fund, an audit of the Fund, the number of Delawareans employed by each business, the progress of each business, and on
99 other matters as appropriate.

100 § 5033. Grants or loans of public or private funds.

101 The Committee and the Fund may accept, receive, disburse, and expend federal and state moneys and other
102 moneys, public or private, made available by grant, or loan, or both, or otherwise, to accomplish, in whole or in part, any of
103 the purposes of this Act. All federal moneys accepted under this section shall be accepted and expended by the Committee
104 upon such terms and conditions as are prescribed by the United States, and shall comply with Delaware law; and all State
105 moneys accepted under this section shall be accepted and expended by the Committee upon such terms and conditions as
106 are prescribed by the State.

SYNOPSIS

This Act creates the Delaware Student Entrepreneur Program Fund. The primary purposes of the Act are as follows: (1) To attract and retain high-skilled, entrepreneurs, including immigrants to the United States, that graduated from Delaware higher education institutions (2) To help fund and develop new businesses in Delaware and create job opportunities in Delaware for Delaware's young citizens in the areas of innovation and technology that are poised to grow in the 21st century economy; (3) To attract global entrepreneurs to Delaware higher education institutions, to grow businesses, create jobs in Delaware, and provide employment opportunities for the graduates from these institutions; and (4) To support entrepreneurship and innovation in Delaware.

Author: Senator McDowell