

**HOUSE . . . . . No. 338**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Nine**  
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An Act relative to the student entrepreneurial development and economic investment fund..

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 23A of the General Laws, as appearing in the 2006 Official  
2 Edition, is hereby amended by inserting after section 10A the following new section:-

3 Section 10B. (a) There shall be established and set upon the books of the commonwealth  
4 a separate fund to be known as the student entrepreneurial development and economic  
5 investment fund, hereinafter referred to as the student investment fund, to which shall be credited  
6 any appropriations, bond proceeds, or other monies authorized by the general court and  
7 specifically designated to be credited thereto and additional funds designated for deposit to the  
8 student investment fund, including any pension funds, federal grants or loans, or private  
9 donations made available to the secretary of economic development. The secretary of economic  
10 development shall hold the student investment fund in an account separate from other funds or  
11 accounts. Amounts credited to the student investment fund shall be available to the investment  
12 board as established in subsection (b) to carry out the purposes of subsection (c).

13 (b) The investment board shall consist of the following members: the secretary of  
14 economic development or his designee, who shall serve as the chairperson of the board; the

15 chairman of the board of higher education or his designee, who shall serve as the vice-  
16 chairperson of the board; the president of the Massachusetts technology development  
17 corporation, or his designee; the executive director of commercial ventures and intellectual  
18 property, or his designee; two private Massachusetts-based investors to be chosen by the  
19 chairperson in consultation with the president of the Massachusetts technology development  
20 corporation; one student representative selected by the university of Massachusetts representative  
21 to the board of higher education; one student representative selected by the state college  
22 representative to the board of higher education; and one student representative selected by the  
23 community college representative to the board of higher education. The chairman of the board  
24 of higher education shall establish a student application program to aid the representatives of the  
25 board of higher education in the selection of student members to the board.

26 Five members of the board shall constitute a quorum and the affirmative vote of five  
27 members shall be necessary for any action taken by the board. No vacancy in the membership of  
28 the board shall impair the right of a quorum to exercise all the rights and perform all the duties of  
29 the board.

30 (c) The purpose of the student investment fund shall be to provide an opportunity for  
31 interested students to gain experience in entrepreneurialism and early-stage business  
32 development while fostering an economic environment that will attract students to the  
33 commonwealth and forge a relationship between the public higher education system and the  
34 Massachusetts business community with the intent of driving economic growth. Funds made  
35 available to the student investment board from the student investment fund shall be used for a  
36 grant program administered by the board for prototype funding of Massachusetts' student ideas  
37 in early development stages; provided however, that the development of such ideas, plans, or

38 business occur within the commonwealth. The secretary of economic development shall  
39 promulgate rules regarding the enforcement and penalties for recipients who relocate outside of  
40 the commonwealth. The board shall not be limited in the number of grants distributed to  
41 students in any one year; provided however, that the total monetary amount of all grants  
42 distributed by the board in a fiscal year shall not exceed twenty percent of the fund's first year  
43 balance. The board shall hold periodic hearings to allow selected students, who have submitted a  
44 statement of interest and initial business plan, the opportunity to present a comprehensive  
45 business plan describing characteristics and proprietary positions of the student's product or  
46 services; present and future markets for such products or services; potential strategies for the  
47 future development and funding of the prototype product or service; a statement of amount,  
48 timing and projected use of the capital sought by the student; and a statement of the projected  
49 growth in employment or other positive economic impacts. Comprehensive business plans may  
50 be written and reviewed in consultation with the Massachusetts technology transfer center at the  
51 University of Massachusetts.

52 (d) The board shall, by January 1 of each year, submit a report of its activities for the  
53 preceding fiscal year to the governor, the joint committee on economic development and  
54 emerging technologies, and the clerks of the house of representatives and senate. Each report  
55 shall set forth a complete financial statement covering its operation during the year and shall also  
56 include any requests for additional appropriations.