



House of Representatives

File No. 749

General Assembly

January Session, 2005

(Reprint of File No. 170)

Substitute House Bill No. 5910
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 13, 2005

***AN ACT CONCERNING ESTABLISHMENT OF AN INNOVATION
NETWORK FOR ECONOMIC DEVELOPMENT.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) It is found and declared that
2 the maintenance and continued development of the state's technology-
3 based sector is important to create a vibrant technology-based
4 economy in Connecticut which (1) encourages and retains
5 entrepreneurs; (2) drives an innovation engine to sustain a technology
6 pipeline; (3) mines the resources and expertise of local technology-
7 based companies, universities, hospitals and other institutions; (4)
8 encourages productive regional collaborations among academic and
9 medical institutions; and (5) results in new Connecticut sited
10 businesses. It is found that in order for innovation to exist, the state
11 needs a blend of technology, talent and capital as well as the
12 participation and cooperation of the state's agencies and authorities in
13 providing financial assistance that will improve the timeliness of
14 promoting such collaborations and therefore the necessity in the public
15 interest and for the public benefit and good for the provisions of

16 sections 1 to 3, inclusive, of this act, is hereby declared as a matter of
17 legislative determination.

18 Sec. 2. (NEW) (*Effective from passage*) (a) The Commissioner of
19 Economic and Community Development, the chairperson of
20 Connecticut Innovations, Incorporated, the president of The University
21 of Connecticut and the chairperson of the Connecticut Development
22 Authority, or their respective designees, shall prepare, within available
23 appropriations, and in consultation with the Governor's
24 Competitiveness Council, the Commissioner of Education, the
25 Commissioner of Higher Education, the chancellor of the community-
26 technical college system, the director of the Office of Workforce
27 Competitiveness and any other agencies and leading technology
28 focused organizations deemed appropriate by the Commissioner of
29 Economic and Community Development, recommendations for an
30 implementation plan and budget to establish an Innovation Network
31 that will include the following: (1) The creation of endowed chairs and
32 the hiring of leading academic professionals in targeted fields based on
33 core competencies to work at universities, state colleges and
34 community colleges, in collaboration with other technology initiatives;
35 (2) the focused and aggressive solicitation of and leveraged
36 partnership with federal research funds; (3) increased corporate-
37 sponsored research; (4) the establishment of at least one innovation
38 accelerator, linked to universities and involving corporations and start-
39 up enterprises focused on advanced technology and leveraging the
40 efforts underway by the Connecticut Center for Advanced Technology
41 in the Hartford area; (5) the strengthening of technology transfer and
42 entrepreneurship activities at universities in the state; (6) incentives
43 and financial support for collaborative research between universities
44 and industry or federally sponsored technology centers; (7) the
45 creation of linkages to angel networks; and (8) the creation of linkages
46 to incubators in Connecticut. Said plan shall also include provisions for
47 the utilization of existing resources, including, but not limited to,
48 Connecticut Innovations, Incorporated, the Connecticut Development
49 Authority, The University of Connecticut and the Office of Workforce

50 Competitiveness.

51 (b) Not later than January 1, 2006, the Commissioner of Economic
 52 and Community Development, in consultation with the chairperson of
 53 Connecticut Innovations, Incorporated, the president of the University
 54 of Connecticut and the chairperson of the Connecticut Development
 55 Authority, shall develop an implementation plan for the Innovation
 56 Network, within available resources, and submit said plan and budget
 57 to the Governor and the joint standing committees of the General
 58 Assembly having cognizance of matters relating to economic
 59 development, education and labor, in accordance with the provisions
 60 of section 11-4a of the general statutes.

61 Sec. 3. (NEW) (*Effective from passage*) The Department of Economic
 62 and Community Development, Connecticut Innovations, Incorporated,
 63 The University of Connecticut, the Connecticut Development
 64 Authority and the Office of Workforce Competitiveness may use up to
 65 ten million dollars of their existing resources for plan implementation
 66 and to provide a catalyst for an additional forty million dollars of
 67 private investment. The plan for how these funds will be applied and
 68 how they will leverage the private money shall be presented to and
 69 approved by the State Bond Commission.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Various State Agencies	Various - Cost	See Below	See Below

Municipal Impact: None

Explanation

The bill requires the Department of Economic and Community Development (DECD), Connecticut Innovations Inc. (CII), The University of Connecticut (UConn), and the Connecticut Development Authority (CDA), in consultation with various agencies to prepare a plan and a budget to promote technology transfer. These activities can be handled within the routine duties and current budgetary resources of the agencies, offices, and institutions involved. However it is unclear what unspecified accounts or programs the up to \$10 million dollars from the existing resources of the DECD, CII, UConn, CDA, and the Office of Workforce Competitiveness to be used as a catalyst for \$40 million in private investment, will come from. Any use of such funds would divert funds away from current programs.

House "A" allows for the use of the agency and institution funds resulting in a potential cost.

OLR Bill Analysis

sHB 5910 (as amended by House "A")*

**AN ACT CONCERNING RECOMMENDATIONS OF THE
CONNECTICUT TECHNOLOGY TRANSFER AND
COMMERCIALIZATION ADVISORY BOARD**

SUMMARY:

This bill requires the state's economic development agencies and the University of Connecticut to recommend a plan and budget for promoting technology transfer. They must prepare the plan and budget within available appropriations and submit them to the governor and three legislative committees by January 1, 2006. They and the Office of Workforce Competitiveness (OWC) must implement the plan.

They may use up to \$10 million of their existing resources to implement the plan, which they must do in a way that stimulates at least \$40 million in additional private investments. They must submit their plan for doing so to the Bond Commission for approval.

*House Amendment "A" expands the agencies responsible for recommending the plan and budget, makes changes to specifications for the plan and budget, and allows the agencies to use up to \$10 million of their existing resources to implement the plan.

EFFECTIVE DATE: Upon passage

INNOVATION NETWORK PLAN AND BUDGET***Planning Agencies***

The three economic development agencies and UConn must recommend a plan and budget for creating an Innovation Network to promote technology transfer, the process through which scientists and business people find ways to apply research and new technologies. The agencies are the Department of Economic and Community

Development, Connecticut Development Authority, and Connecticut Innovations, Inc. (CII).

The agencies and UConn must consult with the following individuals and organizations when preparing the plan and budget:

1. Governor's Competitiveness Council (an advisory board consisting of business executives, public officials, and university representatives);
2. education and higher education commissioners;
3. community-technology college system chancellor;
4. OWC director;
5. leading technology-focused organizations; and
6. any other agency the economic and community development commissioner deems appropriate.

Plan Requirements

In recommending the plan and budget, the agencies and UConn must recommend how to:

1. create endowed chairs and hire leading academic professionals in targeted fields,
2. aggressively solicit federal research funds,
3. increase corporate-sponsored research,
4. establish at least one innovation center linked to the universities,
5. strengthen existing university-based technology transfer and entrepreneurial programs,
6. encourage collaboration between universities and industry or federally sponsored technology centers, and

7. create links to Connecticut-based incubators and groups of investors who generally invest in and support start-up companies in their early stages (i.e., angle networks).

The recommendation regarding the innovation center must involve advanced technology corporations and start-up enterprises and leverage the Hartford-based Connecticut Center for Advanced Technology (CCAT), a federally funded public-private partnership that promotes science and technology. The plan must also recommend how the state can implement these strategies by using existing resources, including those of the quasi-public venture capital agency, CII.

The agencies and UConn must submit their recommendations to the governor and the Commerce, Education, and Labor committees by January 1, 2006.

BACKGROUND

Legislative History

On April 8, the House referred the bill to the Legislative Management Committee, which reported it favorably on April 14. On May 4, the House amended the bill and referred it to the Finance, Revenue and Bonding Committee, which reported it favorably on May 10.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute
Yea 21 Nay 0

Joint Committee on Legislative Management

Joint Favorable Report
Yea 21 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Report
Yea 47 Nay 0

