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Statement of Connecticut Innovations Regarding Raised Bill 395 An Act Concerning the Commercialization of SBIR Awardees

Raised bill 395 An Act Concerning the Commercialization of SBIR Awardees appropriates one million dollars from the general fund to Connecticut Innovations so that CI can establish an investment program for SBIR award winners.

As you know Connecticut Innovations created two new initiatives during 2007 upon which we would model an investment program for SBIR awardees. Both the Pre-Seed Support Services Program and the Seed Investment Fund were created specifically with the early stage entrepreneurs such as those who become SBIR awardees in mind.

The Pre-seed Support Services Program helps innovative, high technology entrepreneurs develop companies in Connecticut. Through this program, the CI team provides mentoring, coordination of services and limited funding for business assistance to prepare a technology company for future investments.

Eligible entrepreneurs and companies work with a member of the CI investment team who will help identify and fund appropriate support services such as intellectual property reviews, technology reviews, business plan development and reviews, market analysis and market entry strategies.

The Seed Investment Fund addresses the needs of entrepreneurs as they endeavor to grow Connecticut-based emerging technology companies. The fund will provide funding to qualified non-bioscience companies in Connecticut. Seed investments of up to \$500k are structured as equity, convertible debt, or debt with warrants depending on the individual circumstances of the deals. The Seed Investment Fund has proven to be so successful that the CI Board of Directors recently approved an additional allocation to it of \$2 million.

Both of these programs provide an excellent model for the type of program we could develop for SBIR awardees given the funding provided for by this bill. I would like to point out that any program we develop will be an investment program, not a grant program. With the type of investments now offered through our existing programs SBIR awardees will have excellent opportunities to grow their businesses in the emerging technology space that is so prevalent in Connecticut.