

**TESTIMONY SUBMITTED TO THE LEGISLATIVE PROGRAM
REVIEW AND INVESTIGATIONS COMMITTEE**

March 1, 2010

Joan McDonald

Chair

Connecticut Innovations, Incorporated

**SB 307 AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
CONCERNING ANGEL INVESTORS AND PROGRAMS IMPLEMENTED
BY CONNECTICUT INNOVATIONS, INCORPORATED**

As Chair of Connecticut Innovations (CII), I offer conditional support regarding the provisions of SB 307 concerning the concept of Angel Investment Tax Credits. Although the state's budget outlook does not allow us to provide such credits now, they may be a viable option in future years. However, we feel the concept of the related sidecar investment requires further discussion to determine the merits and return on investment to the state.

Section 4 of SB 307 allows for matching grants to be provided to the Small Business Innovation Research Office (SBIR). CII has concerns with regard to the lower percent being allowed for startups. One of the primary reasons why the Department of Economic and Community Development (DECD) transferred SBIR from CCAT to CII was to maximize the effectiveness of the program and to lower the administrative costs in order to get more funds to the businesses in need of this resource.

Finally I would like to address section 5 of the bill which pertains to the development of statewide innovation marketing. While CII supports the concept of marketing Connecticut as a state which supports innovation, we believe the state is better served by a broader economic development marketing effort that would encompass all aspects of economic development. This concept was also a recommendation in DECD's Economic Strategic Plan.

Thank you for your consideration of these comments.