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Acting Commissioner



State of Connecticut
Department of Economic and
Community Development

TESTIMONY SUBMITTED TO THE COMMERCE COMMITTEE
March 8, 2011

Ronald Angelo, Acting Commissioner
Department of Economic and Community Development

**HB 6525 AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS'
JOB GROWTH ROUNDTABLE**

The department offers the following comments in opposition to section 9 of **House Bill 6525 AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE** which reads as follows:

(NEW) (Effective from passage) The Connecticut Center for Advanced Technology, Incorporated shall coordinate and provide funding for the development and administration of the Connecticut Small Business Innovation Research Office to act as a centralized clearinghouse and provide technical assistance to applicants in developing small business innovation research programs in conformity with the federal program established pursuant to the Small Business Research and Development Enhancement Act of 1992, P.L. 102-564, as amended, and other proposals.

DECD does not support this section of the bill because we believe that the current structure of the Small Business Innovation Research (SBIR) Program under Connecticut Innovations (CI) is well situated to carry out assistance to Connecticut businesses. This section runs counter to many of Governor's Malloy's economic development proposals which seek to streamline and consolidate the functions and programs of the state's economic development system. As you know the goal is to create a "one stop shopping" for businesses. Section 9 does not do this and only perpetuates a further disconnect of our economic development delivery system by moving SBIR out of Connecticut Innovations (CI).

Presently, the SBIR Office helps Connecticut's small businesses learn about the funds available to them from the federal government's Three-Phase Program. The SBIR program was mandated by Congress to provide research and development support to small, technology-focused businesses to stimulate the conversion of prototype technologies into commercial products.

The SBIR staff provides core services and referrals to help companies obtain R&D funding to

develop their innovative ideas into products and services. The technical assistance offered by the staff includes helping companies find federal agency solicitations, reviewing proposals and matchmaking between small and large businesses and service providers to universities and state/federal agencies.

\$2 billion (SBIR) and \$30 million (STTR) pools are available in federal funding throughout the United States (including grants for high-tech Connecticut companies). Unfortunately, not enough Connecticut companies know the funding is out there for SBIR grants (up to \$150,000 in Phase 1 and up to \$1,000,000 in Phase 2). SBIR represents a way to have the government fund new product development and new business development (R&D) without taking out loans and without giving up equity or intellectual property.

Due to the nature of this program, DECD believes that it should continue to be structured under Connecticut Innovations in order to enhance technology innovation, diversification and investment into Connecticut businesses and so that it can collaborate with staff of CI, DECD, and the Connecticut Development Authority (CDA). It is essential that we focus on the needs of the customer. The technology entrepreneur needs to find state resources more easily and efficiently. Splitting up Connecticut Innovations and moving the SBIR Office to a nonprofit would only continue the cycle of making it more difficult for entrepreneurs to find necessary resources and technical assistance. We believe that making it easier for the customer to find resources makes it easier to do business and grow jobs in the state.

Therefore we respectfully request your opposition to section 9 of House Bill 6525.