



Testimony

Provided

By

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Co-Chairs, Ranking Members, and Members of the Commerce Committee, thank you for allowing me to provide testimony on Senate Bill 1173, *An Act Concerning Qualified Private Investments for Connecticut Innovations* and Senate Bill 1171, *An Act Concerning Technology Transfers*. Both of these bills relate to the ability of University research to be transferred to society, and to drive positive economic development outcomes in Connecticut.

Senate Bill 1173 amends P.A. 10-75, *An Act Concerning the Recommendations of the Majority Leaders' Jobs Growth Roundtable*. Senate Bill 1173 will put UConn, and other public university startup companies on a level playing field with other businesses seeking preseed funding from Connecticut Innovations (CI).

CI has been very helpful to the University in trying to count our patent and prototype expenses as a private investment match for UConn startups seeking preseed funding from CI since these expenses are not funded by state funds but are supported by outside revenue. However, it was recently discovered that section 12 of P.A. 10-75, *An Act Concerning the Recommendations of the Majority Leaders' Jobs Growth Roundtable*, prohibits CI from doing so.

Senate Bill 1173 would allow CI to evaluate investment opportunities in startups which are commercializing state university-owned technology the same way it does other companies. CI currently allows other companies to use patent and prototype development expenditures to meet the private investment match but are unable to count similar UConn expenditures for our startup companies.

Each year the University spends up to \$150,000 to support prototype development for commercialization of UConn invented technologies and up to \$750,000 to protect University faculty and student inventions. It is important to note that much of this funding is derived from private funds that are paid to UConn in the form of royalties or patent reimbursements from our licensees that suggest they meet the spirit of the match requirement for private dollars. None of the matching funds will come from state appropriations or tuition and fees revenue.

This bill will correct an unforeseen technical problem which creates a disadvantage to University startup companies receiving support through University programs aimed at economic development. UConn faculty and students generate about 90 new inventions each year. By counting UConn expenditures made for prototype and patents costs as a match, we can assure that an increasingly significant share of those inventions make their way into new companies and the marketplace in order to increase jobs and revenue for the State of Connecticut.

I also wanted to briefly comment on Senate Bill 1171, *An Act Concerning Technology Transfers*. This bill would create a Higher Education Technology Transfer Policy Board focused on improving the tech transfer process and creating jobs and economic growth. The Office of Technology Commercialization at the University of Connecticut is dedicated to the dual mission of technology transfer and economic development. We share the Committee's goal to increase technology transfer in higher education. We urge the committee to consider developing an advisory board consisting of members from the University of Connecticut Office of Technology Commercialization, and members of a private university or college in the state with a major research facility and who are involved in technology transfer, and the balance from technology firms that are part of key clusters within the Connecticut Economy. We believe that such a committee would identify the business and technology sectors that would lead to job creation and economic growth in the state, determine whether certain universities are adequately staffed to support such sectors, promote research collaboration with business and industry and generate new patents and licenses through the developed technology.

I would like to provide a brief account of UConn's activity in the economic development arena -- an area of concern for all of us, especially given the challenging economic environment over the past two and a half years.

Within the Office of Technology Commercialization we manage a Technology Incubator Program, with wet lab and office space at the Storrs campus, and at our Farmington and Avery Point sites. Companies that spin out from UConn technologies, ideally with support from CI's pre-seed fund, are nurtured in this environment until they are ready to graduate and become established businesses and contribute to the state's economic health. Additionally, we invite entrepreneurs and other tech-based start-ups to join our incubator. Today we have 14 companies incubating in our facilities. Companies that are admitted enjoy the opportunity to collaborate with our researchers, and have access to facilities and resources that help them achieve profitable growth. To date, companies that have been involved in our incubators have generated 65 full time jobs, 33 part time jobs, and have earned over \$19M in revenue, contributing over \$200,000 in tax revenue.

Another program, which I manage, is the Tech-Knowledge Portal program, which is a federal Economic Development Administration University Center program. Through EDA's funds, and matching funds provided by the University, I manage a growing Industrial Liaison function, wherein entrepreneurs (and nascent entrepreneurs), small business, and established firms can contact me for connections to faculty researchers, UConn programs, unique facilities, and interested students, all with the purpose of helping those firms achieve their business objectives. I typically receive 70 or 80 contacts annually, with a wide variety of requests, from introductions to faculty, collaborations on SBIR grants, connections to other University programs, support on business plan development, or connections to entrepreneurial-minded students. Each semester I run four or five "business growth" projects which typically involved market research or the identification of sales leads. These projects are conducted on behalf of clients in the TIP program and at times for manufacturing companies in the state.

I would like to conclude by reiterating the mission of OTC is twofold. First, we are dedicated to tech transfer: to drive UConn technology into the market via licensing of our patents or through entrepreneurial tech transfer - creating startups from our technology. Second, we support tech-based economic development through our Technology Incubation Program and the Tech-Knowledge Portal, both of which nurture small business in that state that hold the promise of driving job creation in the future.

Thank you for your time and consideration of these issues. I would be happy to answer questions or provide additional information to the committee.