



## **STATEMENT OF CONNECTICUT INNOVATIONS INCORPORATED REGARDING RAISED HOUSE BILL 5468 AN ACT CONCERNING REGIONAL TECHNOLOGY DEPLOYMENT CENTERS**

Connecticut Innovations supports the stated purpose of RHB 5468, which is "To promote certain technology deployment by linking representatives of businesses, constituent units of higher education and municipal governments within single geographic regions of the state." While Connecticut has a long history of supporting innovation and entrepreneurship, its approach to doing so has not always been as comprehensive and coordinated as it could have been.

Last October, during a special legislative session, the legislature passed, and the governor signed into law, a Jobs Bill that recapitalized Connecticut Innovations. Because of the support shown by the legislature and the governor, CI will be receiving from the state \$25 million per year over the next 5 years for a total recapitalization of \$125 million. CI will add to this its own \$25 million per year (provided our exit opportunities prove fruitful) thereby increasing to \$250 million the total amount it will deploy over the next 5 years. In November the CI Board of Directors approved a deployment plan for this capital, and in December the board approved several new programs and initiatives that will support the state's technology economy and innovation ecosystem.

CI's deployment plan includes new funding for its Small Business Innovation Research (SBIR) office. The SBIR office's new initiatives were designed to help more Connecticut companies commercialize their innovations by engaging them in the SBIR program; increase the number of university/small business collaborations; increase the number of "open innovation collaborations" between small and large companies to accelerate innovation to the marketplace; and help small manufacturers diversify their markets and products by providing funding and access to talent at Connecticut's universities.

The TechStart Fund is another exciting new initiative created as part of the CI deployment plan. The fund provides entrepreneurial or student teams with initial capital so they can determine whether a technology concept is viable and whether future funding can be obtained to launch a new business. Recipients of TechStart funding must participate in a 10-week accelerator program, the first of which is taking place in New Haven. CI has partnered with the Yale Entrepreneurial Institute to co-host the classes offered during this initial program.

The recently launched IP Factory, which is an important element of CI's new Innovation Ecosystem program, is spearheading an effort to commercialize dormant corporate technology with a goal of company formation and job creation. The IP Factory business model contemplates establishing multi-disciplinary mentored student teams at UCONN to review technologies and develop commercialization plans when appropriate.

As you can see from these examples, CI has focused its efforts on developing initiatives that take us beyond venture capital. Our goal is to support the state's technology infrastructure and

innovation ecosystem in ways that create the critical linkages outlined in RHB 5468. At the same time that we are rolling out new initiatives that support the deployment plan, the legislature and Governor Malloy have proposed merging the Connecticut Development Authority into Connecticut Innovations. This will result in a combined entity that can better serve the needs of Connecticut's business community. Operationally, the proposed merger is a significant undertaking that will require a combined, focused effort on the part of both CI and CDA staff. Our primary concern with regard to RHB 5468 is that it places several new programmatic requirements on CI that we will not have the manpower at this time to successfully implement. We respectfully request that this concern be taken into consideration when the Commerce Committee considers this bill.