



Connecticut Innovations

TESTIMONY SUBMITTED TO THE COMMERCE COMMITTEE
February 28, 2013

Claire Leonardi, CEO
Connecticut Innovations

House Bill 6467:
AA CONCERNING APPLICATIONS FOR FINANCIAL AID FROM CONNECTICUT
INNOVATIONS, INCORPORATED

Good morning Senator Lebeau, Representative Perone, Senator Frantz, Representative Lavielle and Members of the Commerce Committee. My name is Claire Leonardi and I am the Chief Executive Officer of Connecticut Innovations.

I appreciate the opportunity to testify and offer the following in support of House Bill 6467: AA CONCERNING APPLICATIONS FOR FINANCIAL AID FROM CONNECTICUT INNOVATIONS, INCORPORATED.

Connecticut Innovations (CI) has made tremendous progress with the consolidation of CI with the Connecticut Development Authority (CDA) over the past year. The current board of directors have established board committees in order to ensure that there is appropriate oversight including: Investment Committee, Loan Committee, Finance Committee, Audit Committee and Personnel Committee.

Currently, all loan and investment are approved by the full Connecticut Innovations board, investment committee, or the loan committee regardless of the transaction size. CI currently works with private sector partners in an effort to leverage public dollars with private dollars and as a result, transactions are often vetted by those partners in addition to the internal due-diligence performed by CI staff.

CI would like to further develop the ability to leverage private sector dollars by streamlining the approval process for transactions with an exposure of \$300,000 or less. This change will enable CI to help expedite financial assistance for investments, loans, loan guarantees, and small business innovation grants and loans.

It is important to note that the current investment standards will be kept in place. This change is merely sought in order to reduce the workload of the board, enabling members to focus on larger more material transactions.

Connecticut Innovations, Incorporated (successor by merger to Connecticut Development Authority)

Telephone: 860.258.7800

999 West Street, Rocky Hill, CT 06067

Fax: 860.257.7582 (Lending)

www.ctcda.com

An Affirmative Action/Equal Opportunity Employer

Fax: 860.721.9147 (Administrator)

The following oversight standards will continue to apply to all transactions:

- Transaction will be subject to appropriate internal review and in compliance with existing operating procedures.

- The investment and loan committee of the boards will provide oversight of the portfolio and transaction approved by staff.

- Transaction will be subject to audits by CI's external independent public accountants and the states auditors of public accounts. The audit committee of the board has oversight responsibility for these audits.

In conclusion, CI strives to leverage its public dollars with private sector dollars in a fashion that makes the best use of states resources. As a result, the modest request will further that mission and improve access for small businesses to access CI programs in a timely and cost effective manner.