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***TESTIMONY SUBMITTED TO THE COMMERCE COMMITTEE  
March 19, 2012***

*Claire Leonardi, CEO*

*Connecticut Innovations*

***Raised Bill 6649***

***An Act Concerning a Connecticut Private Investment Fund with a Public Mission***

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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.

Thank you for the opportunity to submit written testimony in OPPOSITION of Raised Bill 6649, AN ACT CONCERNING A CONNECTICUT PRIVATE INVESTMENT FUND WITH A PUBLIC MISSION.

This bill requires DECD to assess the viability of a program that would encourage the formation of a private investment fund by pledging to commit matching funds to investments in such fund. The bill requires DECD to report its conclusions to the General Assembly.

Connecticut Innovations ("CI") opposes this bill on the basis that the proposed fund is duplicative of the efforts and capabilities of CI. The bill proposes to study the feasibility of private investment fund with a public mission modeled on the Partnership Fund for New York City ("PFNYC"). PFNYC is an evergreen fund that makes debt and equity investment in ventures in the five boroughs of New York City in order to generate self-sustaining returns, and create jobs across the clean technology, healthcare, information technology, and media sectors. CI's mission is to lead the growth of a vibrant, entrepreneurial, technology-based economy in Connecticut in an analogous manner to PFNYC. CI makes both debt and equity investments in early-stage technology companies in the state across the same sectors as PFNYC. Also like PFNYC, CI consistently leverages private dollars to maximize the effectiveness of its investments. CI routinely partners with private venture capital firms and has leveraged over \$1 billion in private investment into the state, a 5x multiple on CI's investment. Total investments have brought the State of Connecticut over \$510 million in Gross State Profit and over 5,000 additional job-years.

CI's model and network have been refined and improved over the years, creating in-house expertise not easily duplicated. A separate fund would only look to recreate the expertise and focus of CI. Given the fiscal constraints on the State, this duplication of effort would not serve the best interests of taxpayers. Any proposed dollars to invest in early-stage companies for public purpose should leverage the state's current infrastructure rather than create additional programs.