



Commerce Committee

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Testimony

By

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Co-Chairs, Ranking Members, and Members of the Commerce Committee, thank you for allowing me to submit written testimony today on Senate Bill 959, *AN ACT CONCERNING ELIGIBILITY FOR FINANCIAL ASSISTANCE FROM THE CONNECTICUT BIOSCIENCE INNOVATION FUND*. This bill redefines early-stage business to include businesses that have been in operation for up to seven years and to exclude businesses that have begun phase II clinical trials.

This change will support development of a strong and diverse bioscience industry in Connecticut. While many biotechnology companies may progress within the current three year period, a far greater number, such as those pursuing human therapeutics, spend years in the earliest stages of R&D and require expensive animal data to demonstrate progress and attract private investment. By allowing the definition of early-stage business to be extended to up to seven years, this legislation will increase the pool of eligible start-ups and potentially the number of applications to the Connecticut Bioscience Innovation Fund (CBIF). It will allow CBIF to de-risk more new technologies and better prepare companies for private investment opportunities supporting the growth of this industry here in Connecticut.

The funding environment for bioscience startups remains very competitive and fragmented. Federal Small Business Innovative Research (SBIR) grants are the primary source of support at the earliest stage of a bioscience startup. SBIR funding is very competitive and can take years to win. Multiple phases of SBIR funding are typically necessary to reach a point where private capital is possible. CBIF addresses this same 'Valley of Death' as SBIR, but can also be leveraged with SBIR to advance development.

The University, through its various student and faculty commercialization programs and its Technology Incubation Program, has many such companies that could benefit from this change. For example, Biorasis is a six year old company funded by SBIR and other federal grants that has not yet entered human trials, and Vesteron is a UConn company that is over five years old and has not yet commercialized as it diversified its R&D to reach a newly defined market.

UConn has many faculty, student and community entrepreneurs working on campus to commercialize bioscience innovations. This is challenging work and the very nature of R&D demands an ability to change direction from time to time despite causing unanticipated time extensions. This legislation allows CBIF, a critically important economic development tool, to better support the bioscience community and will go a long way to assist this important industry in Connecticut.