The Connecticut Conference of Independent Colleges
CCIC
Est. 1932

21 Talcott Notch Road
Farmington, CT 06032
860.678.0005
theccic.org

Testimony for the
Finance, Revenue and Bonding Committee from
Jennifer Widness, President
Connecticut Conference of Independent Colleges
March 22, 2016

On behalf of the Connect Conference of Independent Colleges, I am submitting testimony in favor of SB 1, An Act Concerning Innovation, Entrepreneurship and Connecticut's Economic Future, and in opposition to SB 414, An Act Concerning the Tax on College Property, and SB 413, An Act Concerning a tax on Certain Endowment Funds of Institutions of Higher Education.

SB 1 seeks to, in part, support Connecticut's institutions of higher education in their work to promote innovation and entrepreneurship among students and faculty in an effort to encourage economic growth in this state. The public and independent institutions of higher education in this state are some of our state's greatest assets and they contribute a great deal to our state's economy. An economic impact survey released by CCIC last year shows the combined impact of our independent college sector on the state's economy is $15.1 billion. They have strong partnerships with businesses small, medium and large. They produce one of the nation's most talented workforce, contribute to their local economies, and their students provide hundreds of hours of community service in our state's schools and non-profit agencies.

However, more could be done by the state to leverage these assets, especially as it relates to economic development in the state. SB 1 proposes some important concepts in an effort to help grow and sustain the innovative economy that we all know Connecticut has the capacity to become. While the independent colleges are doing a lot to support economic growth in this state, we would welcome the opportunity for more collaboration and stronger partnerships to be formed within our regions and across the state.

SB 1 seeks to facilitate stronger relationships between Connecticut businesses and institutions of higher education to support entrepreneurial research and talent development. It also proposes establishing an investment fund that supports student-owned, start-up businesses. As the testimony submitted by our member institutions illustrates, many of CCIC's member institutions are hosts to incubators or entrepreneurial centers and nearly all offer courses and programming to promote entrepreneurship. For example, Fairfield

University's incubator known as FUEL (Fairfield University Entrepreneurship Lab) has launched ten companies resulting in 20 jobs and over $500,000 in investments and fundraising since its inception 2013. The incubator has engaged the private sector in the region through 15 corporate sponsorships that have been secured and resulting in 20 student internship opportunities.

A state-wide effort to better support these efforts such as FUEL and to promote collaboration across institutions and with business and industry within the regions where they are located would lead to stronger and more developed hubs of innovation beyond what Yale has done for New Haven. Further, these student-led start-ups that come out of the entrepreneurial centers and incubators are often lacking in access to seed funding and incentives to stay and grow that company in Connecticut. Support from the proposed ImpaCT or Connecticut Innovations, which currently operates similar investment funds for UConn and Yale, would be helpful to identify, help develop and establish innovative ventures with compelling business propositions.

SB 1 also proposes to establish a state-wide technology transfer office to support the commercialization of ideas from students and faculty at institutions of higher education. Some independent institutions of higher education in Connecticut that are not classified as major research institutions still have hundreds of graduate students and are spending millions in research and development. They are involved in the technology transfer arena and are highly responsive to regional technology needs but the level of activity on each campus is not substantial enough to justify the creation of their own technology transfer office, such as at UConn and Yale.

A state-wide technology transfer office would provide technical assistance to help usher great ideas out of the labs and into the marketplace. It will work to connect businesses to faculty and students at institutions to stimulate applied research. It could also leverage innovation in the marketplace, and accelerate commercialization of technology at our state's smaller colleges and universities by engaging students and faculty, working together with private sector partners. Massachusetts, New York and Pennsylvania all have models for shared tech-transfer offices models to consider.

SB 1 is a critically important bill and we hope it will begin a conversation around how to capitalize on all of the good things that are happening to support economic development at higher education institutions in the state.

We urge legislators to reject SB 414 and SB 413 for all of the very reasons to support SB 1. SB 414 and SB 413 seek to revoke Yale University's tax exempt status for certain parcels of land and to tax the institution's endowment, respectively. Yale is one of the leading economic drivers in this state. As I've laid about above and as my colleagues have testified, Yale, along with all of our institutions of higher education, are one of the strongest economic assets this state has. Attempting to provoke its tax-exempt status and to tax its endowment is short sighted and will have a lasting impact on the institution and the independent college sector.

Legislators should support SB 1, which will support the capacity of higher education institutions to promote greater economic growth in this state, and to oppose SB 413 and SB 414, which would limit the capacity of one of our state's strongest economic drivers to continue to do so.