PA 11-140

HB6525

Commerce	704-711, 757-764, 772-775, 798-818	41
House	6582-6653	72
Senate	6568, 6573-6578	7
		120

JOINT
STANDING
COMMITTEE
HEARINGS

COMMERCE
PART 3
601 – 898

2011

this bill, could they apply to that company or would they only be going forward from this point on?

DEPUTY COMMISSIONER RONALD ANGELO: They could apply. We have a pipeline with - that we are working on on a daily basis, and there may be companies within that pipeline, and of course companies that are in direct contact with the governor that would be able to apply for this program.

SENATOR LEBEAU: Thank you. Further questions by members of the committee? Thank you for appearing today. Appreciate your - your testimony.

Second on the agenda, Peter Longo from CI. Good morning, Peter, how are you?

PETER LONGO: Thank you, doing well. Thank you for the opportunity to comment today on the raised Senate Bill 1136, AN ACT LOWERING THE THRESHOLD OF ANGEL INVESTORS, and raised House Bill 6525, AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADER'S JOB BILL ROUND TABLE.

These bills both address important aspects of economic development. In July of 2010 Connecticut launched the Angel Investor Tax Credit Program that was created in last year's bill. To date there's been a lot of interest in the program.

Ten angel investors have invested roughly $2.1 million in seven Connecticut businesses that have qualified under the program. These investors has received roughly $536,000 in tax credits for making these investments.

Currently 21 Connecticut businesses have qualified under the program and are posted to our website. The biggest problem with angel investors have to overcome in order to participate in this program relates to the fact that the minimum investment specified in the statute is $100,000. This amount is too high for most angels, and many of the angel groups in Connecticut are investing typically in the $25,000 range in a number of deals to diversity and spread their risk around.

Under the current law in order for the angel investors to benefit from the tax credit program, four or five of them would have to form a limited liability company to pool their investments to reach the minimum investment of $100,000.

This is a cumbersome and burdensome approach for angel investors. By lowering the minimum amount to $25,000, as we've done in Senate Bill 1136 and Section 4 of House Bill 6525, more angel investors will be able to participate in the program, thereby making more investment capital available for these Connecticut companies.

Section 4 of House Bill 6525 makes a second modification to the angel investor tax credit program. It removes the requirement that a business have a proprietary technology, product or service.

This revision will allow more Connecticut businesses to qualify for angel investments under the program. Section 2B of House Bill 6525 adds clarifying language relating to what qualifies as private investment dollars under the Pre-seed Program that was created in last year's jobs bill.

Under the current law, companies can qualify for pre-seed investment from Connecticut Innovations if certain conditions are met. One condition is the company must demonstrate that they have raised private capital in an amount not less than 50 cents for every dollar sought under the program.

There was some concern about the language and what we are requesting is a clarification that funding from the University of Connecticut would not qualify as a private investment dollar match, and UCONN is seeking the clarifying language found in Section 2. CI strongly supports this language.

Regarding Section 9 through 11 of House Bill 6525, in April of 2009 the legislature moved the Connecticut S.B.IR office from Connecticut's Center of Advanced Technology to Connecticut Innovations. Now the S.B.IR office runs several very effective programs helping small business apply for, win and win federal grants.

Last year alone over $47 million was won by Connecticut companies. Since it has been over, CI has underwritten the expenses of maintaining the office, and the office has created many synergies between the work done by the office with CI's main core mission.

CI opposes this proposal because it does not support the governor's goal of streamlining the state's economic development efforts moving this program back to CCUT (ph) Thank you.

SENATOR LEBEAU: Thank you, Peter. Let me go to part of your testimony, just want to make sure I understand it. On Section 2 of HB 6526, and

that's clarifying lended private investment dollars. 6526.

PETER LONGO: What's - yes, there's a typo, 6525.

SENATOR LEBEAU: Okay. I have a typo, (inaudible) typo. In any case, there's a question about funding from UCONN with qualified private investment dollars. I trying to see if we can clarify the language funds that CS supports for clients. Do you support - that is the language they have given us, is that correct? And you support the language as it is in the bill? Or are you seeking further changes?

PETER LONGO: No, we support the language as it is in the bill.

SENATOR LEBEAU: Okay, thank you.

PETER LONGO: We feel that UCONN should not be treated any differently than a private university would be treated.

SENATOR LEBEAU: I can see where you could make the argument either way.

PETER LONGO: Correct.

SENATOR LEBEAU: But in terms of trying to create a new economy and a creative economy and technology, you know, I think you'd win that argument.

Last point, and also in 6525, the movement of the SDIR - SDIR office from the Connecticut Center of Advanced Technology to the - actually to the CCAT from CI, and as you note it was there a couple of years ago. What are the costs to CI to maintain the SDIR program in your office?

in your office?

PETER LONGO: It's roughly $600,000 of operating expenses that Connecticut Innovations has absorbed with the office coming to CI on an annual basis.

SENATOR LEBEAU: So if you did not have to absorb that $600,000 what would happen to those $600,000?

PETER LONGO: Those funds would - would stay in the Connecticut accounts to be used for other purposes, you know, possible investments or other expenses.

SENATOR LEBEAU: So if we do move, we do make the move, and move S.B.IR office to CCAT or say out of CI, the net effect would be you would have $600,000 more to invest in Connecticut companies, mostly small startups, pre-seed companies, seed companies and be able to make those additional investments.

PETER LONGO: It's possible, yes.

SENATOR LEBEAU: Okay.

PETER LONGO: Now, just to remind the committee, when the program, when the office was moved to Connecticut Innovations, we did receive funding through the state to support the office, and with the budget in 2010 that money was taken out. So there was money that came along with it when it was moved with us.

SENATOR LEBEAU: Okay, then let me follow up. Is there money in this year's budget to fund this program in CI?

PETER LONGO: No.

SENATOR LEBEAU: So the net effect is the same as I just pointed out.

PETER LONGO: Correct.

SENATOR LEBEAU: Thank you. Any further questions by members?

REP. BECKER: Good afternoon. Just want to follow up on something Senator LeBeau was asking you about, and it has to do with the private investment dollars from UCONN. I'm looking at the language. An exception from that are dollars derived from state appropriations or student tuition and fees.

So it just begs the question what sources of dollars does UCONN have that don't fall within those, and is that a sufficient amount to be able to count in this calculus?

PETER LONGO: Sure. There are little places of money at UCONN, such as they have a prototype fund that they fund I believe off of the income they make off their royalties, so they allocate some of that money towards this fund.

So there are various vehicles within UCONN's purview that they allocate certain dollars towards. I believe it's mostly from - and Rita could correct me - from the royalty stream of license revenue.

REP. BECKER: Do you have an idea of how much money we're talking about?

PETER LONGO: It's roughly $1 million a year that they receive.

REP. BECKER: Thank you.

REP. BERGER: Mr. Chairman. Thank you. If we could go back for a moment because I'm not quite familiar with this SPIR language. I had received a call from CCAT yesterday, but you know, I wasn't quite familiar where the genesis of this language had come from. Maybe you can enlighten me on this.

PETER LONGO: Well, I don't know the answer to that either at this point. This is not -

REP. BERGER: So this is - this is an organization that is within your structure?

PETER LONGO: Correct.

REP. BERGER: And there's language in a bill but you don't know where it came from?

PETER LONGO: Correct.

REP. BERGER: Okay. Is the program that's run under your guidance at this point in time, is it effective?

PETER LONGO: I believe so, it is, yes.

REP. BERGER: You believe it is or is it?

PETER LONGO: I believe it is.

REP. BERGER: Okay. And I believe - and I'm just kind of catching up with this because I'm just kind of getting my feet into this somewhat. If it's effective and it's moved, the CCAT and the senator has talked about the funding aspect of this, which could be potentially an issue.

And CCAT had this in their operational

structure prior to it being moved to you, then can you answer the question why was it moved in the first place?

PETER LONGO: I believe it was moved to us because at the time it was moved to us the thought was to centralize these economic development activities between the state's economic development entities. So it was pulled back into the fold of existing state entities.

REP. BERGER: Okay. Would you say that CCAT's mission statement and CI's mission statement are similar?

PETER LONGO: No.

REP. BERGER: I'm just trying to, you know, find out why we're moving and going back and forth and back and forth here with this, but okay. So thank you. Not clarified but maybe enlightened a little bit as to where we're going with this so -

SENATOR LEBEAU: Thank you.

REP. BERGER: Thank you, Senator.

SENATOR LEBEAU: Thank you, Mr. Chairman. Further questions from the members of the committee? If not, Peter, thank you very much.

PETER LONGO: Thank you.

SENATOR LEBEAU: Yes, next up is Nancy Mendel, city of New Haven.

NANCY MENDEL: Thank you, Senator LeBeau, Representative Berger, committee members. My name is Nancy Medel, I'm an environmental attorney down in New Haven, Connecticut. And

HB16526

300 Rice Street in South Windsor because of its access to rail.

We've experienced steady growth as a direct result of having access to larger end markets. Without rail we would quickly saturate the northeast glass market, potentially forcing to turn away inbound glass.

Because we're the only major recycler of mill-ready glass in Connecticut, any volume we turn away could potentially end up in landfills or out-of-state facilities that have rail access, taking with it Connecticut jobs and tax dollars.

Nutmeg has 14 acres of undeveloped land that we plan to use to grow our business. This will only be possible providing we have access to affordable rail service.

In 2011 we are projecting our needs for rail service to be approximately 720 cars, resulting in over 1,400 trips across the Connecticut River Bridge. Thank you.

REP. BERGER: Thank you, George, for your testimony. Committee members, questions? None? I see none, thank you. Rita Zangara -- Zangari, sorry.

RITA ZANGARI: Hello, Mr. Chairman, ranking members, members of the committee. Thanks for allowing me to testify. My name is Rita Zangari. I'm the director of the Office of Technology Commercialization at the University of Connecticut.

I'm here to testify on Raised Bill 6525, which amends Public Act 1075, AN ACT CONCERNING THE RECOMMENDATIONS OF THE MAJORITY LEADERS' JOB

talk about the provision in that bill that recommends a change, a technical change that will allow state universities to participate in the pre-seed support program that CI offers by allowing our prototype funds and legal expenditures to count as a private match.

In the case of UCONN, we spend -- we receive about $1 million a year in royalty support and recycle that into a prototype fund and to legal expenses, among other expenses that support tech transfer.

And because of the bill indicating a need for private investment, where other companies and other university startups would be able to count these costs towards the match, the University of Connecticut cannot as a public institution.

And so we believe this amendment will provide for the spirit of the law still offering a privately generated investment but still allowing UCONN companies to benefit from this program so there's a level playing field for our startups.

We have a number of startups in a place right now that are moving through a variety of stages, and in the case of those coming to CI, CI has been very supportive. You heard Peter Mongo today testify. They're supportive of this bill but they try very hard to support the UCONN startups and we think this bill will allow them to do so. I'd be happy to answer any questions.

REP. BERGER: Thank -- thank you for your testimony.

RITA ZANGARI: Thank you.

RITA ZANGARI: Thank you.

REP. BERGER: Louis Parks.

LOUIS PARKS: Good afternoon. Thank you for this opportunity. My name is Louis Parks. I am the CEO and cofounder of Secure RF Corporation. We've developed the world's first linear-based photography methods that are now being used and commercialized in the pharmaceutical supply chain, the Smart Grid in the Department of Defense.

To date, Secure RF has been awarded nearly $1 million in Phase 1, 1B and 2 S.B.IR grants from the NSF and U.S. Air Force.

About four weeks ago we were awarded an S.B.IR technology enhancement for commercial partnership grant from the National Science Foundation, the first Connecticut company to do so.

Technologies developed under the S.B.IR program have also brought us partnerships with out-of-state companies like Lockheed Martin, McKesson, Texas Instruments.

I'm here today in regards to General Assembly Raised Bill 6525 Section 9 that is looking to move the coordination and funding of the Connecticut Small Business Innovation Research Office back to CCAT for -- for this year.

I believe this move would have a serious negative impact on the program, which is now bringing critical out-of-state funding and jobs to early-stage companies in Connecticut.

Four weeks ago we were here in front of this committee and -- for the innovations and job

creations in small businesses in Connecticut testimony, and your committee members specifically asked how can we foster the types of successful environments found in Silicon Valley, Research Triangle and 128 Corridor.

I can tell you from personal experience in California, Boston and leading incubator parks in Europe, it comes from creating a strong collaborative environment between government, universities and business.

The Connecticut S.B.IR Office creates this critical link, but it doesn't stop there. One of the initial -- once this initial seeds are planted they need nurturing and transition to the business community, and this is something that CI, Connecticut Innovations, the current home of the S.B.IR office, uniquely brings to the table in this state.

In contrasts, CCAT is focused on research in specific industries and sectors like lasers and clean fuels. It does not have the business outreach capability or focus to assist a small business coming out of an S.B.IR.

By putting the CCAT -- the Connecticut S.B.IR office back at CCAT, you'll be creating a siloed program with little or no access to the critical resources needed to move beyond the S.B.IR program.

In contrast to its current home at CI, the company and researchers will be left an orphan. I am not familiar with the process of drafting the bill or the language used in this section but it gives me cause for concern. It does not reflect what the Connecticut S.B.IR office actually does.

This section states that CCAT shall consider -- shall administer the Connecticut S.B.IR office to act as a centralized clearing house and provide technical assistance to applicants in developing small business innovation research programs. This is not what the S.B.IR office does.

There are 11 federal granting agencies that create S.B.IR programs and their topics each year. These agencies then run competitions towards these grants to one or more -- one or more times a year.

I'll just beg another 40 seconds here, having sat for three hours to get to this point if it's okay with the Chairman. In light of Connecticut's current economic conditions and the government's focus on correcting it, I do not understand why the taxpayers should incur the cost of moving this program back to CCAT for no apparent gain.

In fact, the Connecticut S.B.IR office is currently paid for through the revenues generated by CI investment activity so it creates no tax burden.

If CCAT cannot clearly identify an out-of-state grant to support this programming immediately upon transfer, then in addition to the cost of the move it could create a tax burden where none currently exists.

I also want to point out to the earlier comments that $600,000 currently incurred by CI would fuel one to four investments at CI, but that money in the S.B.IR office creates hundreds of opportunities for companies here and brought $47 million of out-of-state

funding into this state. I think that's a great return on investment.

In summary, the office is truly national caliber. It really brings a lot of great partners into Connecticut Innovations by being in their offices, and keeping Section 9 in this bill you'll be working against the building of any sort of synergies to give Connecticut the technology ecosystem that you identified in the previous meeting and this state needs.

REP. BERGER: Thank you for your testimony.

LOUIS PARKS: Thank you.

REP. BERGER: Questions from the committee. I'm seeing none, thank you. Karl Prevo?

KARL PREVO: Good afternoon. Thank you for the opportunity to add some remarks that I hope will be helpful in your deliberations of Raised Bill 6525. My name is Karl Prevo, and by way of introduction I have spend 40 plus years in technology and new enterprise creation here in Connecticut.

The first 30 of those were with the United Technologies Corporation, and then I spent seven years as one of the founders and developers of the Connecticut Center for Advanced Technology, CCAT, that included the inception and participation in the inception of the Connecticut S.B.IR initiative.

Then in the last three years I've spent with my feet really in the fire as an angel investor and a participant in the creation of several start-up companies in Connecticut and Massachusetts.

With regard to Bill 6525, first of all thank you for your strong mandate for Connecticut Innovations to lead Connecticut in innovation and new enterprise growth.

As an investor and entrepreneur in this state, I appreciate clarity and knowing the roles of the many organizations we have available for assistance in the state, because there are many of them.

One specific aspect of your mandate, however, seems out of place, and that is Section 9, which seeks to remove the S.B.IR office from CI. I believe that such a step would be detrimental to small company success, and could potentially derail a program which has created a regional and national record of accomplishment that has raised Connecticut up in the eyes of entrepreneurs, government agencies and large corporations all over the U.S.A.

This is not an overstatement, but well substantiated by the thousands of participants that have come to Connecticut for the two national S.B.IR conferences that were created.

It's important to remember that the national S.B.IR program is creating successful businesses. It's not just about developing technology. Many states have lost the focus on that; they think it's simply an aspect of administering assistance to help programs with S.B.IR grants.

It's much more important that we take the focus and look at the total business success of enterprises, not just winning in the S.B.IR grants.

That's why the move to CI is a critical strategic move forward. So in conclusion I request that the S.B.IR initiative remain at CI where it can be an important resource integrated into total business success.

REP. BERGER: Thank you. Thank you for your testimony. Questions from committee members? I'm seeing none, thank you. Christopher Fielder.

CHRISTOPHER FIEDLER: Thank you. a few words on the Connecticut bridge bill. I'm the general manager of Clearwater Paper, that's Cellu Tissue in East Hartford, Connecticut. Cellu Tissue currently employs 94 people, produces tissue hard rolls, which are shipped to customers for conversion in everyday products such as napkins, hospital pads, feminine hygiene products, meat pads, puppy training pads.

SB1137

Rail service is a vital component of our business for the inbound transportation of pulp, which is our largest raw material, the rail siding platform located in East Hartford two miles from the mill.

It's convenient for the unloading and quick and effective transport to our facility with approximately 400 rail cars per year. The Connecticut River Bridge were to be taken out of service, financial impact to Clearwater Paper would be roughly $600,000 in additional trucking costs.

There would be an additional 1,600 trucks annually traveling on Connecticut highways that don't travel right now. currently we have a designated driver that transports the

SENATOR LEBEAU: It's the commercial farmers.

DONALD DOMINA: Right.

SENATOR LEBEAU: Not so much the people, you know, having a couple tomato plants in their backyard, but you're a big business.

DONALD DOMINA: Yeah. we have our own trucks, our own delivery, everything.

SENATOR LEBEAU: And how many did you say you employ?

DONALD DOMINA: We employ 47 right now.

SENATOR LEBEAU: Whoa.

SENATOR LEBEAU: Thank you, thank you Don, thank you for coming in today.

REP. BERGER: Thank you for your testimony. Kevin Burns.

KEVIN BURNS: Good afternoon. Thank you. I'm speaking today in opposition to the proposed move for the Connecticut S.B.IR office to CCAT. I bring some experience to this from my role on the Connecticut S.B.IR office board of advisors, which dates back to four years under CCAT. HB6525

I also write as president of Precision Combustion, a 36-employee firm in North Haven that has built its technology base under the S.B.IR program and moved on beyond that with most of our work now.

And from these viewpoints, my belief is that this move would set back Connecticut's

recovery and provide lasting harm in the future for some specific reasons.

It's not a matter of the money, the $600,000 or so the office costs. In fact, I would suggest that should be increased. But it's a matter of the mission of the organization in serving the small, high-potential technology businesses of the state, both with S.B.IR support.

But actually the organization has expanded around that to also support business development of those program -- of those companies as they attempt to develop their products and grow into larger entities.

The organization has been excellent, and I think you should continue to support it where it is at CI. I'd welcome the opportunity to speak further with whoever might be interested.

REP. BERGER: Thank you for your testimony. Any questions from committee members? I'm seeing none, thank you.

KEVIN BURNS: Thank you.

REP. BERGER: Kevin Bouley.

KEVIN BOULEY: Thank you, Senator LeBeau, Representative Berger and members of the committee. I am the president and CEO of Nurac Global Research and Advisory Services firm, which supports corporate innovation and research and development.

HB6525

I have served on the boards of CBIA and the Connecticut Technology Council, and presently I serve on the advisory boards for the

University of Connecticut Innovation Accelerator and the School of Engineering.

In addition, I am an active angel investor and I host a business incubation environment at our Tolland headquarters.

I'm here in regards to General Assembly Raised Bill number 6525, in particular the provision, Section 9, that appears to move the Connecticut Small Business Research Office back to the Connecticut Center for Advanced Technology, and that prompts me to testify today.

Connecticut S.B.IR program and its present affiliation with CI benefits and leverages their shared prominence and positioning as a resource for innovation and entrepreneurship. Moving S.B.IR to a position of limited technology focus within CCAT would be a mistake and undermines hard-won gains in both national recognition and program outreach.

It was just five short weeks ago that you presided over a Commerce Committee meeting that showcased much of what has been accomplished in business development and jobs creation via S.B.IR in Connecticut through the voices of those that matter most, Connecticut's businesses, both large and small, advocating on behalf of the program and its many accomplishments.

This is a program which has achieved national prominence and one which is clearly assisting economic recovery in Connecticut's high-tech manufacturing sector.

I understand a number of state agencies also oppose this provisions of the bill, CI, DECD,

and CDA, and they have submitted written testimony to that effect as well. Thank you.

REP. BERGER: Thank you for your testimony. Mark Summers.

MARK SUMMERS: Good afternoon. Thank you. My name is Mark Summers. I'm the project coordinator for Bridgeport Landing Development, the selected master developer for Steel Point Harbor in Bridgeport.

I'm testifying today in support of HB 6526, the Brownfield Remediation Act. Steel Point Harbor redevelopment will a mixed-use project consisting of commercial retail office, marina hotel and residential uses.

The ultimately build out of the project is anticipated to be about 2.7 million square feet, and it will create approximately 1,500 permanent direct jobs and up to 2,000 indirect jobs.

One of the difficult issues in getting this project started has been getting major tenants and co-developers comfortable with the remediation plan, and particularly the liability that they might incur for someone else's past practices under Connecticut law.

These concerns have been raised in preliminary negotiations with interested tenants and retailers and will continue to affect our ability to scare up partners in this project.

Currently we are in final negotiations with the major anchor tenant, and their representatives have already warned us that the most difficult part of this final agreement will be the environmental concerns

(20)

March 8, 2011

Committee on Commerce
State of Connecticut
RE: General Assembly Raised Bill 6525 Section 9

Testimony of: Louis Parks
CEO and President
SecureRF Corporation
5 Science Park
New Haven, CT 06511
Phone: (203) 227-3151 X1301
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My name is Louis Parks and I am the CEO and co-founder of SecureRF Corporation. SecureRF has developed the world's first linear-based cryptography methods that are now being commercialized to prevent anti-counterfeiting in the pharmaceutical supply chain, to protect wireless devices on the smart grid, and to create secure wireless sensors for the Department of Defense. To date, SecureRF has been awarded nearly one million dollars in Phase 1, 1b, and II SBIR grants from the National Science Foundation and the US Air Force. And just four weeks ago, we were awarded an SBIR Technology Enhancement for Commercial Partnership grant from the National Science Foundation – Connecticut's first company to do so. It is through development, funded by our SBIR grants, that we have fostered commercial relationships with Lockheed Martin, McKesson, and Texas Instruments. And most recently, our SBIR-funded technology was showcased in the GE Ecomagination challenge where we were one of 12 companies chosen, from over 4,000 competitors worldwide, to partner with GE Energy to work on Smart Grid security solutions.

I am here today in regards to your General Assembly Raised Bill 6525 Section 9 that is looking to move the coordination and funding of the Connecticut Small Business Innovation Research (SBIR) office back to the Connecticut Center for Advanced Technology (CCAT). I believe this move would have a serious negative impact on a program that is now bringing critical out-of-state funding and jobs to early-stage technology companies in Connecticut.

Only four weeks ago we were here in front of this committee testifying on "Innovation and Jobs Creation at Small businesses in Connecticut." Your committee members specifically asked how we can foster the types of successful environments found in Silicon Valley in California, the Research Triangle in North Carolina, or the "128 Corridor" in Boston. I can tell you from personal experience in California, Boston, and leading incubator parks in Europe, it comes from creating a strong collaborative environment between government, universities and business.

The CT SBIR office creates a critical link between government, early stage companies, and university researchers through its promotion of SBIR and STTR grants. But it doesn't stop there. Once these initial seeds are planted, they need nurturing, and transition to the business community and this is something Connecticut Innovations, the current home to the SBIR office uniquely brings to the table in this state.

In contrast, the Connecticut Center for Advanced Technology is focused on research in specific industries and sectors like lasers and clean fuels. It does not have the business outreach capability or focus to assist a small business coming out of an SBIR Phase I or II grant. CCAT, who is also run primarily through grant funding, seeks collaborative research projects for its facilities. By putting the CT SBIR office back at CCAT, you will be creating a siloed program with little or no access to the critical resources needed to move beyond an SBIR grant. In contrast to its current home at Connecticut Innovations, the company or researcher will be left an orphan at the end of their grant.

I am not familiar with the process of drafting a bill but the language used in this section also gives me cause for concern. It does not reflect what the CT SBIR office actually does or how the SBIR program works. Section 9 states, in part, that CCAT shall administer the CT SBIR office "...to act as a centralized clearinghouse and provide technical assistance to applicants in developing small business innovation research programs." This is not what the CT SBIR office does. There are eleven Federal Granting Agencies that create the SBIR programs and their topics each year. These agencies then run competitions to award these grants one or more times a year. Small businesses do not develop any sort of programs as suggested by the language in Section 9, but rather look to match their skills and technology to grant opportunities within one or more of these programs. The CT SBIR office assists small business and innovators in the state with preparing their responses. The office acts as a liaison to these agencies and has developed critical relationships over the years with the leaders running these federal programs. Many of these Federal agencies are measured on the commercial success of the projects they fund. Commercialization resources and expertise are found at Connecticut Innovation - not at CCAT. This is not a criticism of CCAT but rather my observation of a function CCAT has not needed to develop.

In light of the state's current economic condition, and the Governor's focus on correcting it, I do not understand why the tax payers should incur the cost of moving this program back to CCAT for no apparent gain. In fact, the CT SBIR office is currently paid for through the revenues generated by Connecticut Innovations investment activities so it creates no tax burden currently. If CCAT cannot clearly identify an out-of-state grant to support this program immediately upon transfer, then in addition to the cost of the move, it could create a tax burden where none currently exists. And I am not even attempting to calculate the disruption costs to this program,

In summary, the CT SBIR office is truly a national-caliber treasure that is providing great support, expertise, and a logical road map to commercial success with their current partners,

Connecticut Innovations. In keeping Section 9 in this bill you will be working against building any sort of synergies that will give Connecticut the technology ecosystem like those found in California, North Carolina or Boston. There seems to be no logic in isolating the CT SBIR office within CCAT, in incurring the expense of the move, and the possibility of a tax burden where none now exists. For all these reasons, and for the tens of millions of dollars the CT SBIR office has helped bring to this state, I am asking you to remove Section 9 from this bill and preserve this world-class catalyst.

Thank you,

Louis Parks

(21)

To the Committee on Commerce
State of Connecticut

March 8, 2010

Re. Raised Bill 6525

My name is Karl Prewo

By way of introduction. I have spent a 40 plus year career in technology and new enterprise creation in Connecticut
Beginning in 1969, I spent
-30 years with United Technologies Corporation
-7 years as one of the founders and developers of the Connecticut Center for Advanced Technology, CCAT that included participation in the inception of the Connecticut SBIR initiative.
-and the last 3 years as an Angel investor and participant in the creation of several start up companies in Connecticut and Massachusetts.

Thank you for the opportunity to add some remarks that I hope will be helpful in your deliberations of Raised Bill 6525.

First off, thank you for your strong mandate for Connecticut Innovations Inc to lead Connecticut in innovation and new enterprise growth. As an investor and entrepreneur, I appreciate clarity in knowing the roles of the many organizations we have available for assistance in the state
One specific aspect of your mandate, however, seems out of place That is Section 9 (New) which seeks to remove the SBIR office from CI. I believe that such a step would be detrimental to small company success and could potentially derail a program which has created a regional and national record of accomplishment that has raised Connecticut up in the eyes of entrepreneurs, government agencies and large corporations all over the USA. Please understand that this is not an overstatement, but a well substantiated fact as demonstrated by the nearly two thousand participants that have come to Connecticut for the past two National SBIR conferences.

It is important to remember that the national SBIR program is about creating successful businesses. It was, in fact, created because federal agencies and large US corporations were frustrated by the lack of business success of small start up companies that were developing the new technologies our nation needed to be globally competitive.
Even now, the national SBIR program suffers in most states and even on the federal level, by not demonstrating a true ability to help small companies break out and become true economic engines of growth Connecticut is recognized as being unique by our SBIR office's dynamic programs and its focus on total business enterprise success, not just winning SBIR grants. By having achieved integration into CI, it has been possible to provide "one stop" assistance for entrepreneurs that integrates SBIR success into a comprehensive business strategy and venture capital funding path. I suggest that, rather than separation, this partnership should be strengthened and aggressively leveraged as a central element of your strategy for jobs growth.

Connecticut's SBIR office was successfully launched and nurtured via the collaboration of Connecticut's Office for Workforce Competitiveness and the Connecticut Center for Advanced Technology. This noteworthy achievement is one that both organizations can be justly proud. Through the tireless efforts of Director Deb Santy and her staff, Connecticut enjoys a national reputation of achievement that has the capacity to attract and help small companies become true job generators

Just like in the growth of successful small companies, it has been important that SBIR has moved from its early government funded SBIR contract winning focused roots, into a commercially grounded, entrepreneurial, sustainable organization that is focused on breakout business growth and has all the regional and national connections to take businesses across what we have long called the "desert" that is littered with failure and survivors, but not job generators

In conclusion, I request that you keep the SBIR initiative as an integral part of CI, where it can be most effective in meeting the core objectives of Connecticut's entrepreneurial transformation and job growth

Thank you for this opportunity.

Sincerely

Dr. Karl M Prewo
Innovatech LLC
135 Grier Road
Vernon, CT 06066

(25)

Testimony regarding moving the Connecticut SBIR Office to CCAT
Section 9 of General Assembly Raised Bill 6525
By Kevin Burns, 17 West Haycock Point Road, Branford, CT 06405

I am writing in opposition to the proposed move of the Connecticut SBIR Office to CCAT. I write based upon significant experience with and knowledge of the national SBIR program, SBIR companies, and the Connecticut SBIR Office, whose Board of Advisors I have been on since 2005, including four years with CCAT. I also write as President of Precision Combustion, Inc. (PCI), an SBIR participant that is growing, with 36 employees (up from 26 at the end of 2009) and having built our technology base within the SBIR program. Finally, I have a viewpoint of the Office and its mission that is formed by my experiences on the Connecticut Technology Council's board, where we are grappling with the issues of how Connecticut can strengthen its innovation ecosystem. **From all these viewpoints, moving the Office to CCAT and shrinking its impact to that stated in the proposed bill would set back Connecticut's recovery and provide lasting harm into the future.**

I appreciate that legislators' objectives are to grow Connecticut's economic strength, and that the proposal is made with a desire to improve our state. But the assumptions for this move are mistaken. Listen to the companies it will affect. Listen to the small technology businesses that the Office has worked to support and build and grow the success of – I believe they will all say the move is not to theirs or Connecticut's interests.

The Connecticut SBIR Office, under its current staffing, is an excellent organization, committed to success of its clients, striving, entrepreneurial, and with strong support from the companies it is serving. It has learned to operate in a lean environment. It has recognized that to serve its high growth potential small technology businesses, it must not only help them win SBIR awards, but also help them succeed as an enterprise. The Office has adopted a combination of matchmaking and direct training to help develop their client's capabilities and opportunities. Innovations have included what they call Partner with a Prime^{SM}, which links Connecticut small tech businesses with large ones across the country. Collaborate to Innovate^{SM} and Matches for Money^{SM} to link small businesses with each other. Careers for Engineers^{SM} to link job seekers with companies. Partner with a Professor^{SM} to help link small businesses with Connecticut professors. The Office is respected nationwide, and has created programs to serve Connecticut that other states are attempting to emulate. Everyone in the Federal agency SBIR programs and everyone I have met in other state's SBIR Offices knows our program head Deb Santy and has a favorable opinion of her as a leader among state SBIR Office managers. The Office has run two national SBIR conferences in three years – unprecedented, putting Connecticut on the Federal agencies' map and giving our companies improved access to the program's opportunities.

And within a tightly limited budget at CI, the office is working to further its impact. This has led to broadened help to small businesses to also begin to address non-SBIR Federal R&D opportunities and to build management teams. Under CI, it provides a feeder system to the later development stage financing offered by CI. In my opinion, it has

shown greater entrepreneurial flexibility and impact since it moved to CI. It works well. It doesn't need fixing. In fact, it needs support, because a little more budget directed to this will pay off handsomely in future jobs.

The vision of this bill is that the SBIR office is a clearinghouse of information and a source of technical assistance in developing SBIR programs. This limited program-centric thinking is symptomatic of why CCAT is not appropriate. The focus should be on the needs of the small high tech businesses, and the job creation needs of Connecticut, as is now the focus of the Office.

Rather than combining the Office with a private entity, we should ensure that the full potential public benefit is obtained. In CI, the SBIR Office gets to create this benefit while enjoying synergy that comes from later stage financing available from CI or banks. The SBIR Office also helps CI fulfill its broader mission of innovation ecosystem development, by bringing CI beyond the role of just public benefit capitalist into its broader mission of driving a vibrant, entrepreneurial, technology-based economy.

We need our small technology businesses to succeed and grow to provide an engine for Connecticut to recover the economic dynamism with which it once was overflowing. You have been hearing from the Connecticut Technology Council about the need to create a more effective innovation ecosystem, in which small businesses will flourish and grow and create good jobs. There are many components to this, including effective governmental listening, building entrepreneurship, stronger networks, stronger university relationships, and capital. Capital can come from VCs, but it can also come from the Federal Government in the form of R&D contracts or the government as a customer such as with DoD, and the money is just as green to a fledgling company looking for a chance to fly. Federal R&D provides more money to Connecticut small high tech firms than does the VC industry. The Federal SBIR program alone provides some $40 million in annual revenues, more seed, startup and early stage money than all the angels and venture capitalists combined. And total Federal awards dwarf the SBIR program, though too little of it goes to small businesses.

Rather than the proposed move to CCAT, we should instead be providing CI with more money to boost the SBIR Office's beneficial impact. This will pay off in both the short and long run.

Sincerely,

Kevin Burns
President, Precision Combustion, Inc.
SBIR Office Board of Advisors

(26)

nerac
CRITICAL RESEARCH, PATENTS & ALERTS

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March 7, 2011

Senator Gary LeBeau
Commerce Committee Chairman
RE: General Assembly Raised Bill No. 6525 - Letter of Concern

Dear Senator LeBeau,

I am writing in regards to General Assembly Raised Bill No. 6525. In particular the provision: "Sec. 9, (New) (*Effective from passage*)" that appears to move the Connecticut Small Business Innovation Research (SBIR) Office back to the Connecticut Center for Advanced Technology (CCAT), has prompted me to write you.

Connecticut's SBIR program and its present affiliation with CI benefits and leverages their shared prominence and positioning as a resource for innovation and entrepreneurship. Moving SBIR to a position of limited technology focus within CCAT would be a mistake and undermines hard won gains in both national recognition and program outreach.

It was just 5 short weeks ago that you presided over a Commerce Committee meeting that showcased much of what has been accomplished in business development and jobs creation via SBIR in Connecticut through the voices of those that matter most – Connecticut's businesses, both large and small advocating on behalf of the program and its many accomplishments. This is a program which has achieved national prominence and one which is clearly assisting economic recovery in Connecticut's hi-tech manufacturing sector by bringing in Federal research dollars. I attended that meeting because of my role a Chair of the Entrepreneurship and Innovation sub-committee of the University of Connecticut School of Engineering Advisory Board. SBIR is a vital link between innovation and commercialization which leads to new job creation.

Thank you for your consideration.

Regards,

Kevin Bouley
President
Nerac, Inc.

Robert E. Mansfield, Jr. Brig Gen, USAF (RET)

PO Box 546

Keller, Texas 76344-0546

March 7, 2011

Connecticut State Senator Gary Lebeau

Dear Senator Lebeau,

I am writing in regards to General Assembly Raised Bill No. 6525. In particular the provision: "Sec. 9, (New) (*Effective from passage*)" that appears to move the Connecticut Small Business Innovation Research (SBIR) Office back to the Connecticut Center for Advanced Technology (CCAT), has prompted me to write you.

I am hopeful that you will find my comments useful to your deliberations. It is essential that Connecticut not undo 7 years of SBIR progress, but instead, continue on its growth path of becoming the national leader in small business led economic transformation and growth.

My adult life's work has been directed at harnessing and strengthening the United States manufacturing and technology supply chain to meet our nation's security needs and to strengthen our nation's economic vitality. My career has included: 34 years in the US Air Force, raising from the enlisted ranks to general officer; which included 4 years as the Air Force's Director of Supply, and leading the USAF global logistics transformation; 2 years as the Lockheed Martin Aeronautics Company's Director of Global Sustainment for, among others, Lockheed Martin's largest military system, the multi-national Joint Strike Fighter, Lightening II. In 2007 I was recruited to Connecticut to become the Director and Principal Investigator of the multi-state National Aerospace Leadership Initiative (NALI)—the largest Air Force sponsored initiative focused on assuring the success of the manufacturing supply chain and its supporting workforce. As you may not be very familiar with the NALI, the appended comments are meant to provide a brief summary of the multi-year strategy that would be compromised by Section 9 of Bill No. 6525. The essential point is that, under the leadership of Deb Santy the Connecticut SBIR Office led the nation to focus SBIR on manufacturing and best practices for long term, sustained, commercial success.

In 2009, with mixed emotions, I left Connecticut to take a national leadership role in creating the basis for collaborative activities between the national aerospace supply chain (focusing on small to medium sized aerospace manufacturers and service providers), academia, as well as local, state and national government, and our nation's venture capital and commercial investment community.

By virtue of its national prominence and manufacturing focused leadership, your Connecticut SBIR Office has gained credibility as a core element for integrated supply chain success and is a highly regarded participant in this collaborative strategy. As part of this strategy the CT SBIR Office is leading a national initiative "SBIR for Manufacturing" which should bring participation in the first pilots to Connecticut. Of particular note is that the CT SBIR Office team, under its current leadership at CI, has been successful in presenting the state as a resource for leading innovation and entrepreneurship to national audiences. This raises the interest of investors outside the state to consider financial support to

Connecticut winners of Phase I contracts. Additionally, under Deb Santy's leadership, CT SBIR is very well respected by the DoD, especially the US Air Force and US Navy SBIR managers. I have personally seen the strong professional respect these senior defense SBIR decision makers have for the CT SBIR program. They see the SBIR Office at CI as a leadership bench mark among the 50 States. This confidence and these relationships have taken years to cement. In my professional opinion, moving the office back to its incubator roots would set back these important relationships.

If Connecticut retreated from all the forward progress it has made, it would truly be unfortunate. Connecticut SBIR national prominence brings investment, business and jobs to Connecticut. Section 9 of this bill proposes a step of going back to a local technology focused identity that will undermine over seven years of hard won gains which have positioned Connecticut for an even larger participation in the multi-billion dollar federal SBIR program and put at risk the emerging national venture capital focus on global manufacturing competitiveness. Determination, trust and constancy of purpose are highly valued by these entities.

Connecticut is a great state, and has great potential for revitalizing and growing its manufacturing—particularly aerospace manufacturing. SBIR is an important part of that, and given past history, I do not believe moving the SBIR Office is in the best interest of the program or the state. As I came to have some fondness for Connecticut, and that aerospace manufacturing continues to be my primary work, I keep up on some of what is happening in such a vital center of US manufacturing. What I have seen of the Majority Leaders Job Growth Roundtable is very good. I particularly like the tag line for the Agenda for Job Creation and Prosperity: "Reaching for the future, not retreating to the past." In my opinion, distancing the CT SBIR office from the innovative and respected financial investment core capabilities of CI, by moving it back to CCAT, would be a "retreat to the past." The CT SBIR program has "graduated" from its incubator.

Thank you for taking the time to read this letter. And I wish the people and state of Connecticut all the best.

Sincerely,

Robert E. Mansfield, Jr.

Cc: Liz donohue@ct gov; Tim.bannon@ct gov; peter.longo@ctinnovations.com

Addendum. NALI SBIR Activities

Addendum Description of Relevant National Aerospace Leadership Initiative Activities

As part of the NALI strategy put in place by my predecessors and me, we focused on moving the Connecticut SBIR office from a state centric initiative, to one of national prominence. This was done to raise awareness of the state's superb, though shrinking, manufacturing base and the innovation talent in Connecticut, as well as bringing venture capital and other investment funds into the state to support SBIR award winners; particularly to create more robust financial support to commercialization that produce jobs. We also recognized that SBIR funds come from federal government agencies that look nationally and for collaboration with national companies, both which may not be aware of individual state strengths. We established **a multi-year, progressive effort** which included the following:

1) **Establish and prove-out dynamic activities that would link entrepreneurs with both manufacturers and the prime contractors and national agencies.** Under the energetic leadership of Connecticut's SBIR Director, Deb Santy and her team, we were amazingly successful. Connecticut's funding of SBIR, through the Office of Workforce Competitiveness, aligned with the NALI federal investments in manufacturing technologies spurred innovation by creating paths of cross over between biomedical, aerospace, clean energy and information technology. CCAT's setting and role in achieving this initial stage of achievement was noteworthy in being the incubator and launching the SBIR effort. As part of this growth, the SBIR office became a crucial stimulator of linkage for Connecticut's manufacturing activities into prime contractors including P&W, Sikorsky, Hamilton Sundstrand, as well as Boeing, General Electric and others. And under CI, which reduced state funding needs, the interest of firms like Proctor and Gamble and Johnson and Johnson were gained; opening new avenues for SBIR awards from the National Institutes of Health for instance.
2) **Establish a National Identity of Leadership for Connecticut's SBIR activities.** A vital part of our strategy was to achieve competitive advantage for Connecticut by moving local SBIR activities to national prominence. We spent several years in proactive steps which have been validated in a National SBIR award, and bringing of two National SBIR Conferences to Connecticut in three years (an unheard of achievement). There is no question that Connecticut's SBIR activities are seen as a national leader.
3) **Create the pathway for critical venture capital investment and job growth.** By moving SBIR Office activities to Connecticut Innovations and strengthening the national role of Connecticut SBIR in commercial venture capital initiatives we undertook the most critical element for long term success. We needed to move SBIR funded entrepreneurs into the realm of long term commercial success and thus, long term job growth. Connecticut SBIR is recognized as unique on the national level in transcending a federal or state funding dependence to a solid, global business success driven pathway which uses SBIR as a starting point, but recognizing that long term success requires strong commercial vitality and success in the market place. This appears to be taking root.

VITA NUVA, LLC

March 4, 2011
2435 Bedford Street, #1B
Stamford, CT 06906

Connecticut General Assembly
Commerce Committee

Re: Raised Bill 6525

This letter is in support of the proposed Section 17 of Raised Bill 6526, "An Act Concerning Brownfield Remediation and Development as an Economic Driver," as it would be revised consistent with the written testimony of Barry Trilling, Chair of the Public Affairs Committee of President of the Connecticut and Suburban NY chapter of NAIOP Commercial Real Estate Development Association . The core of this proposed revision is to provide true liability protection for legitimate brownfield redevelopers, without restriction as to number of projects allowed or requiring a broad non-technical evaluation. Rather what Connecticut needs is a straightforward provision that treats "innocent" redevelopers differently from polluters. In exchange for liability protection, the redeveloper applicant would provide a proper investigation and remediation under an expedited review process from Connecticut Department of Environmental Protection.

Connecticut desperately needs to accelerate the pace of brownfield remediation and redevelopment, key to urban revitalization throughout the state. As someone who has worked as a developer and advisor on brownfields throughout the United States for the past twenty years, I know that a clear, fair and time-effective program, that protects both the State and the applicants, will result in more remediation and redevelopment. As an active participant in New York City's new Brownfield program (done under a Memorandum of Understanding with their State environmental agency) I can say that in under a year, the first group of lightly contaminated sites have been reviewed in an average of 35 days each, and are already underway.

I urge prompt consideration and passage of NAIOP supported version of the proposed Section 17 of the Connecticut Comprehensive Brownfields Remediation and Revitalization Program.

Sincerely,

Barry Hersh, AICP
Clinical Associate Professor of Real Estate
New York University
Partner, Vita Nuova LLC
Board Member, NAIOP Fairfield/Westchester

Connecticut Center for Advanced Technology, Inc.

222 Pitkin Street – Suite 101
East Hartford, CT 06108
Phone (860) 291-8832
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Testimony of Elliot A. Ginsberg

Connecticut Center for Advanced Technology, Inc.

before

Commerce Committee

March 8, 2011

Regarding

Raised House Bill 6525

An Act Concerning the Continuance of the majority Leaders' Job Growth Roundtable

Senator LeBeau, Representative Berger, members of the Committee, my name is Elliot Ginsberg and I am CEO of the Connecticut Center for Advanced Technology (CCAT). I am here today to speak on Raised House Bill 6525, which contains changes to the Majority Leaders' Job Growth legislation that was passed last year after significant discussion and effort by the majority leaders of both chambers.

As a member of the Roundtable discussion that created the blueprint for this legislation, I would like to point out that the bill before you has some changes that reflect the ongoing effort to improve its language and intent. Specifically, there are changes to a number of the current sections, which range from clarification of definitions in lines 17 and 18, to changes that reflect a different threshold regarding credits for angel investment in line 611, to requirements in lines 553- 557 which speak to the mandatory requirement of regulation drafting.

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In addition, there are a number of new sections and changes that reflect on the definition of alternative energy vehicles and the use of Connecticut highways. Specifically, the change in line 723 to clarify the utilization of fuel cell vehicles is very important, as our state continues to promote its national prominence in this technology.

Finally new legislation has been inserted in lines 732 – 740 that would transfer the Small Business Innovation Research (SBIR) Office from its current location back to CCAT, where it was resurrected some six to seven years ago. At that time, the administrative funding for this program was through the Office of Workforce Competitiveness to CCAT, with resources for specific programs through the DECD. These resources were leveraged with federal dollars that were available through CCAT to increase the program's capacity.

Approximately three years ago, the program (with its state funding) was transferred to CII. And during these three years, it is my understanding that the underlying state funding for administrative functions were reduced or eliminated and replaced by funding derived from the generation of CII assets.

As a result of discussions that began last session, and in light of the budget difficulties that the State is facing, the question was raised whether the possibility still existed of leveraging federal funds through CCAT to pay for the administrative functions of the SBIR program. The answer to that question is yes; however, it would be at a reduced amount from that which is currently being subsidized by CII, and with possibly some rearranging of deliverables and expectations of the current program. The SBIR program is an extremely important one; it was CCAT's expectation that if through our leveraged funds, we would be able to assist the State to both ensure the continuation of this program as well as allow CII to find alternative uses for the approximately $600,000 it currently spends to support it, we want to do so.

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The SBIR program is one with which we are very familiar. As I said. it was administered at CCAT for a number of years. Its purpose for existence fits within our current mission and vision. In addition, we are involved with this federal program as it relates to advanced technology activities for the Department of Defense. Currently small company recipients of SBIR grants are utilizing our Advanced Manufacturing Center, which includes an advanced laser application, advanced machining and modeling and simulation labs; and we have offered, where the technology is appropriate, to provide access at our expense to the hardware, software and personnel.

Very simply, the question is one of choice. CCAT is willing to offer its assistance if you so choose. If you wish to leave this program at CII, CCAT will continue to provide its current assistance to our state's manufacturing and entrepreneurial community through the application of advanced technology, as well as support to the present and future workforce in order to sustain and grow this important economic sector.

In closing, I want to take this opportunity to thank this committee for its continued support and recognition of CCAT and the programs we provide.

Testimony of Marie C. O'Brien, President, Connecticut Development Authority
To the Commerce Committee
March 8, 2011

Raised HB 6525
AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE

Thank you for the opportunity to comment on HB 6525, **AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE.**

We support the continuing efforts to keep job retention and job growth a priority focus for economic development. As you know, the State of Connecticut is well known for its high-tech manufacturing companies. CDA has used the synergy with SBIR, and its role with the state's economic development Collaborative Management team (DECD, CDA, CII, SBIR, CCEF), to generate potential transactions for business growth. Since their move to CII, the SBIR office has increased the amount of dollars brought into the state for federal grants and commercialization programs. We hope to see them grow even faster.

We believe that the SBIR should continue to be firmly anchored with the economic development team and remain at Connecticut Innovations, well positioned to provide their customers with access to grant and pre-seed funding at CI as well as venture capital and angel investments. In addition to these connections, the CT SBIR Office has nurtured strong relationships with universities, global businesses and 11 federal agencies. Their leadership has earned our state national acclaim by winning the coveted SBIR Tibbetts Award and two national SBIR conferences hosted in Hartford.

Another important aspect of this bill is the change in the definition of "life sciences". We support the inclusion of biomedical engineering and the manufacture of medical devices.

Thank you.

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(19)

University of Connecticut

Testimony

Provided

By

Rita Zangari
Director
Office of Technology Commercialization
University of Connecticut

Commerce Committee Public Hearing
March 8, 2011

Co-Chairs, Ranking Members, and Members of the Commerce Committee, thank you for allowing me to provide testimony on Raised Bill 6525, *An Act Concerning the Continuance of the Majority Leader's Job Growth Roundtable.*

Request for Amendment to P.A. 10-75, An Act Concerning the Recommendations of the Majority Leaders' Jobs Growth Roundtable.

Justification for the Amendment:

The requested amendment would put UConn, and other public university startup companies on a level playing field with other businesses seeking preseed funding from Connecticut Innovations (CI).

CI has been very helpful to the University in trying to count our patent and prototype expenses as a private investment match for UConn startups seeking preseed funding from CI since these expenses are not funded by state funds but are supported by outside revenue. However, it was recently discovered that section 12 of P.A. 10-75, An Act Concerning the Recommendations of the Majority Leaders' Jobs Growth Roundtable, prohibits CI from doing so.

The requested amendment would allow CI to evaluate investment opportunities in startups which are commercializing state university-owned technology the same way it does other companies. CI currently allows other companies to use patent and prototype development

expenditures to meet the private investment match but are unable to count similar UConn expenditures for our startup companies.

Each year the University annually spends up to $150,000 to support prototype development for commercialization of UConn invented technologies and up to $750,000 to protect University faculty and student inventions. It is important to note that much of this funding is derived from private funds that are paid to UConn in the form of royalties or patent reimbursements from our licensees which suggest they meet the spirit of the match requirement for private dollars None of the matching funds will come from state appropriations or tuition and fees revenue.

This amendment will correct an unforeseen technical problem which creates a disadvantage to University startup companies receiving support through University programs aimed at economic development. UConn faculty and students generate about 90 new inventions each year. By counting UConn expenditures made for prototype and patents costs as a match, we can assure that an increasingly significant share of those inventions make their way into new companies and the marketplace in order to increase jobs and revenue for the State of Connecticut.

Suggested Amendment Language:

Substitute House Bill No. 5435

Public Act No. 10-75

AN ACT CONCERNING THE RECOMMENDATIONS OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE.

Sec. 12. (NEW) (*Effective July 1, 2010*) (a) There is established an account to be known as the "preseed financing account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by Connecticut Innovations, Incorporated, for the purposes of providing preseed financing pursuant to the program established in subsection (b) of this section. For purposes of this section, "private investment dollars" shall include non-state appropriations, excluding tuition and fees revenue, from a public institution of higher education to assist in the commercialization of technology owned by a state university.

(b) Connecticut Innovations, Incorporated, shall establish a program to provide preseed financing for Connecticut businesses, which shall include, but not be limited to, financial assistance for the development of proof of concepts and support services. Financial assistance shall not exceed one hundred fifty thousand dollars per eligible business. An eligible business shall (1) be principally located in Connecticut, (2) have not less than seventy-five per cent of its employees working in Connecticut, and (3) demonstrate private investment dollars of not less than fifty cents for every dollar of financial assistance sought from the program established pursuant to this section.

(c) The corporation may enter into an agreement, pursuant to chapter 55a of the general statutes, with a nonprofit corporation providing services and resources to entrepreneurs and businesses to operate such program.

1

Ronald F. Angelo Jr.
Acting Commissioner

DECD

State of Connecticut
Department of Economic and
Community Development

TESTIMONY SUBMITTED TO THE COMMERCE COMMITTEE
March 8, 2011

Ronald Angelo, Acting Commissioner
Department of Economic and Community Development

HB 6525 AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE

The department offers the following comments in opposition to section 9 of **House Bill 6525** *AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE* which reads as follows:

> *(NEW) (Effective from passage) The Connecticut Center for Advanced Technology, Incorporated shall coordinate and provide funding for the development and administration of the Connecticut Small Business Innovation Research Office to act as a centralized clearinghouse and provide technical assistance to applicants in developing small business innovation research programs in conformity with the federal program established pursuant to the Small Business Research and Development Enhancement Act of 1992, P.L. 102-564, as amended, and other proposals.*

DECD does not support this section of the bill because we believe that the current structure of the Small Business Innovation Research (SBIR) Program under Connecticut Innovations (CI) is well situated to carry out assistance to Connecticut businesses. This section runs counter to many of Governor's Malloy's economic development proposals which seek to streamline and consolidate the functions and programs of the state's economic development system. As you know the goal is to create a "one stop shopping" for businesses. Section 9 does not do this and only perpetuates a further disconnect of our economic development delivery system by moving SBIR out of Connecticut Innovations (CI).

Presently, the SBIR Office helps Connecticut's small businesses learn about the funds available to them from the federal government's Three-Phase Program. The SBIR program was mandated by Congress to provide research and development support to small, technology-focused businesses to stimulate the conversion of prototype technologies into commercial products.

The SBIR staff provides core services and referrals to help companies obtain R&D funding to

develop their innovative ideas into products and services. The technical assistance offered by the staff includes helping companies find federal agency solicitations, reviewing proposals and matchmaking between small and large businesses and service providers to universities and state/federal agencies.

$2 billion (SBIR) and $30 million (STTR) pools are available in federal funding throughout the United States (including grants for high-tech Connecticut companies). Unfortunately, not enough Connecticut companies know the funding is out there for SBIR grants (up to $150,000 in Phase 1 and up to $1,000,000 in Phase 2). SBIR represents a way to have the government fund new product development and new business development (R&D) without taking out loans and without giving up equity or intellectual property.

Due to the nature of this program, DECD believes that it should continue to be structured under Connecticut Innovations in order to enhance technology innovation, diversification and investment into Connecticut businesses and so that it can collaborate with staff of CI, DECD, and the Connecticut Development Authority (CDA). It is essential that we focus on the needs of the customer. The technology entrepreneur needs to find state resources more easily and efficiently. Splitting up Connecticut Innovations and moving the SBIR Office to a nonprofit would only continue the cycle of making it more difficult for entrepreneurs to find necessary resources and technical assistance. We believe that making it easier for the customer to find resources makes it easier to do business and grow jobs in the state.

Therefore we respectfully request your opposition to section 9 of House Bill 6525.

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CONNECTICUT
GENERAL ASSEMBLY
HOUSE

PROCEEDINGS
2011

VOL.54
PART 20
6542 – 6897

House Joint Resolution No. 84

Total Number Voting	145
Necessary for Adoption	73
Those Voting Yea	145
Those Voting Nay	0
Absent not Voting	6

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Noujaim. Resolution is adopted.

Will the Clerk please call Calendar 292.

THE CLERK:

On page 40, Calendar 292, Substitute for House Bill No. 6525, An Act Concerning the Continuance of the Majority Leaders Job Growth Roundtable, favorable report of Committee on Appropriations.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger of the 73rd, you have the floor, sir.

REP. BERGER (73rd):

Yes, thank you, Mr. Speaker, and good afternoon.

DEPUTY SPEAKER ALTOBELLO:

Good afternoon, sir.

REP. BERGER (73rd):

I move for acceptance of the Joint Committee's favorable report and passage of the bill.

DEPUTY SPEAKER ALTOBELLO:

The question before the chamber is acceptance of the Joint Committee's favorable report and passage of this bill.

Representative Berger, please proceed.

REP. BERGER (73rd):

Yes, thank you, Mr. Speaker.

And before I get into a little bit of the background of the bill and some questioning, I move adoption of the bill.

DEPUTY SPEAKER ALTOBELLO:

The question before the chamber is adoption. Will you provide further information regarding this item?

REP. BERGER (73rd):

Yes.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, and -- and thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you.

REP. BERGER (73rd):

Just somewhat of a history. This really is referred to as the Jobs Bill II, Mr. Speaker, because

of the work that we did in last session through the work of the majority leaders of both the House and the Senate and also in conjunction with ranking members on commerce.

We put forward a very comprehensive bill last session, which was basically Jobs Bill I.

This was in response to a severe economic condition that permeated throughout the United States, and certainly we were hit hard in the State of Connecticut.

So the majority leaders and the General Assembly worked together in unison to come up with alternatives, initiatives, market changers that would impact and make a difference in the lives of those that would lose their jobs, the businesses that were struggling and -- and the work that we needed to do to try to rectify those problems.

Through that, the majority leader's convened a roundtable in last year's bill. This year, the majority leaders of both the House and Senate convened another roundtable.

And both times of that roundtable, the individuals that were in the room around that table were intricate in dealing with the problems of the business community, dealing with the problems of unemployment and the devastating -- devastating

effects of the economic downturn that permeated again throughout the entire nation and certainly devastated the State of Connecticut.

So the backgrounds of Jobs Bill was incentives for business, establishing new markets, creating innovative initiatives, creating small business loan programs and worker training and retaining incentive issues for workers and businesses.

This year's bill, Jobs Bill II, is an extension of that and the work of the majority leader in the House and the Senate, ranking members, members of the Commerce Committee and committees of cognizance.

We still had a long way to go. This year, we put a bill together that now ramped up additional changes, important changes that affect business, affect students, affects the unemployment, affects worker training.

And we created, Mr. Speaker, new initiatives this year under the guidance of the working group and roundtable group.

There are many people to thank here, Mr. Speaker, but this General Assembly, this House, the majority leaders and committees of cognizance have reacted and reacted in a positive way that we can all be proud of, because what we do here today in this bill makes a difference across every economic stream in the state,

across every business, small to large, in the state.

And we, which we'll soon explain, have created new initiatives that are groundbreaking for the State of Connecticut and all 50 states.

So with that, I anticipate some questions, Mr. Speaker, and I will anticipate those shortly.

Thank you.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Berger. We have before us an unamended bill. It's my understanding that perhaps there's an amendment out there somewhere.

Representative Berger.

REP. BERGER (73rd):

Yes.

DEPUTY SPEAKER ALTOBELLO:

Thank you. You have the floor, sir.

REP. BERGER (73rd):

We'll get it right. The Clerk is in possession of Amendment LCO 8106. I ask that he call and I be allowed to summarize.

DEPUTY SPEAKER ALTOBELLO:

Will the Clerk please call LCO 8106, SHALL BE DISING the House Amendment Schedule "A".

THE CLERK:

LCO 8106, House "A" offered by Representative

Sharkey, Senator Looney, et al.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Thank you, Mr. Speaker. In anticipation of the questions, this strike-all amendment will now become the bill, which I -- which I have just described, and I move adoption of the amendment.

DEPUTY SPEAKER ALTOBELLO:

Question before the chamber is adoption.

Will you remark further on House "A"? Will you remark further on House "A"?

Representative Camillo of the 151st, you have the floor, sir.

REP. CAMILLO (151st):

Okay Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

You're welcome.

REP. CAMILLO (151st):

Good afternoon.

DEPUTY SPEAKER ALTOBELLO:

Good afternoon, sir.

REP. CAMILLO (151st):

Mr. Speaker, a lot of hard work went into this

bill, and I believe there are a lot of things -- good things in this very beneficial to the State of Connecticut and to move it forward,

But, through you, Mr. Speaker, I'd like to ask a few questions and get a few possible clarifications.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, sir.

REP. CAMILLO (151st):

Okay. In Section 1, through you, Mr. Speaker, concerning student loan reimbursements, the $150,000 adjusted gross income level there that is in the bill, if, for example, it is, say, a -- a child has a divorced household and one spouse makes 85,000 and another one makes 80,000, would they be eligible?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker. They would not.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you. So again, they would have to be under 150,000 in the aggregate?

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker. There would be 150 or under, the adjusted gross income.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker. Section 3, it requires the AS and the DOT to conduct a study within available appropriations on the cost associated with converting the fleets to 25 percent electric, alternative fuel or natural gas.

Through you, Mr. Speaker, where would this funding come from?

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker. Under the context and language of the bill, this study will be done within available appropriations for DOT.

It is not implementation at this time. It is to study and come back to the General Assembly to determine eligibility and structure for -- for implementation.

Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker. Sections 4 through 7 deals with the manufacturer's reinvestment account.

My question is, if a Connecticut company has a subsidiary office, say, in the State of Utah or does a little bit of -- has a contract in another state, would it be eligible for such an contract?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker, they -- they would not. The funds that would be generated and saved by those 50 manufacturers would have to be utilized in the State of Connecticut -- State of Connecticut business, not a subsidiary that would be outside the state limits.

And just to also make another comment on that, Mr. Speaker, this is an extremely groundbreaking portion of this Jobs Bill II, because this will now -- the State of Connecticut by doing this and upon the

enacting of this both in the House and the Senate, we were the only state out of 50 states that now offers this for manufacturers to reinvest back into their businesses for equipment, machinery, for training, retraining or expansion that will somewhat mirror federal law that is now being debated and discussed at the federal level.

But we will be the first state out of 50 that now incorporates this for the manufacturing community.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker. Thank you to the gentleman for that clarification.

Under Section 9, there is established an economic development task force. This is to review and explore barriers to economic development as well as technology transfer, energy-related jobs and to explore the waiver of possible penalties when a business has taken appropriate measures to resolve the issue.

That last component is, I think, a very fair way to address it. It's a common sense approach to it, as the Representative always advocates in committees. And this -- certainly our side of the aisle was very

happy to see that in there.

If -- if we go to line (8)(c) -- subsection (8)(c) of that section there, it says, "Any member of the task force appointed under subdivision (1), (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member of the General Assembly.

My question to the Representative, is it possible for someone outside of the CGA to be appointed as a member?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes. Through you, Mr. Speaker, there could be a commissioner discretion there. It is not a "shall," it is a "may," so there could be additional members that could be put into that, put into that role through commissioner discretion.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker.

And for a point of clarification to the chairman,

would the ranking members be a member of this task force?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker. Certainly in the infinite wisdom of the Commerce Committee and the General Assembly, the chairpersons and ranking members of the joint standing committees of the General Assembly having cognizance relating to Higher Education and Commerce will be members.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker. Moving on to Section 11 where there's established an innovation network which provides the flexibility to utilize $500,000, could the gentleman explain this part of the bill a little bit, where that funding would come from?

Thank you.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, thank you, Mr. Speaker, through you. The $500,000 is an appropriated amount in the current budget under Public Act 11-7, and that is specifically marked for the innovative network.

So we have a budget that has money in it, money that's been appropriated for the purposes of establishing this network.

And just to highlight some of the features that this network will do is it will convene the leaders of organization and that promote technology-based economic development in the state. It will develop a statewide innovative database, performing periodic program reviews and recommending program changes to benefit the state's innovative competitiveness.

Investigating issued patents -- and these are intellectual property, so this is groundbreaking and what the intent and content is to do, pursuing other initiatives, the commissioner deems appropriate to maintain the state's competitive innovative quality.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker. And thank you to the gentleman for his answer.

Sections 13 to 27 are technical in nature, so I'm going to skip over to Sections 28 and 29, the neighborhood assistance program.

This bill increases the annual amount a business may receive under the Neighborhood Assistance Act, a tax credit program, from 75,000 to $150,000 annually per business and extends tax credits to certain entities that are currently included.

Two questions through you, Mr. Speaker. The first one being, is it the intent of this bill to limit this program to Connecticut-only companies?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker. That is affirmative.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker. Will this tax credit be an immediate expense to the state or is it more longer term?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, the beauty part certainly of the program in opening up to a larger annual per-business dollar amount, it's also important to understand that the -- the extending of tax credits is not an immediate hit, so to speak, to the State of Connecticut. It's over a long term, but the benefits are immediate to the state.

So it's important that it's spread out and benefits to the State of Connecticut through revenue and job employment would be -- would be realized immediately.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker, and I thank the gentleman for his answer.

Going to Section 29 of the bill, the Town of Plainville is added to the bioscience zone, which now has a new cancer center.

Through you, Mr. Speaker, how would this be implemented and how would this compliment the new UConn Health Center?

Thank you. Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, thank you, Mr. Speaker. And this, again, Section 29 that the Representative refers to is a critical part of this bill, and it's specifically critical due to the fact we're involved in an extremely great bioscience initiative with UConn Health.

So it's the thought and certainly the intent of what we do here with Plainville is to -- to complement that bioscience corridor with UConn.

The enterprise zone benefits certainly as we see and the intent of what we want to do with this bill will certainly be offset by revenue potentially generated by new businesses that would be entering into the new zone.

So we're bringing in business, we're creating jobs, we're creating revenue, both state and locally, and we feel it certainly is a win-win for the expansion of that bioscience corridor.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Camillo.

REP. CAMILLO (151st):

Thank you, Mr. Speaker. Finally, moving on to Sections 30 to 32, the Learn Here, Live Here program in this bill establishes a first-time homeowners or homebuyer's account for -- open to students of public higher institution -- public institutions in Connecticut.

They have to remain in Connecticut for at least five years to realize the full gain of that -- of that program.

There is a callback schedule if that requirement is not met, with each year obviously being less.

I think everybody in this chamber when they were running for their seat spoke about the fact that we are ranked at the top when it comes to losing 24- to 34-year-olds to other states.

That brain drain is not good, despite our educated populace here. That's not a good -- good characteristic to have.

I think all of us here have made pledges to work on that. This program certainly does do that. I know our side of the aisle for many years has advocated that, and I'd like to thank Representative Berger, Senator LeBeau, Senator Frantz and the members of the Commerce Committee for working towards that.

Certainly this will really address that problem for the first time that I can remember.

So I'd like to again thank the good Representative. I think this is a very, very good bill for the State of Connecticut, and I would urge passage.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Camillo.

Further on House "A"? Further on House "A"? Representative Noujaim, also of the Brass City.

Thank you, Mr. Speaker, and good afternoon to you, sir.

DEPUTY SPEAKER ALTOBELLO:

Good afternoon, sir.

REP. NOUJAIM (74th):

Beautiful afternoon.

Mr. Speaker, through you, a few questions to my colleague from the great city of Waterbury, Representative Berger.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, sir.

REP. NOUJAIM (74th):

Thank you, sir. Through you, Mr. Speaker, to Representative Berger, I'd like to ask a question in reference to Section (d), lines 40 through 53.

This section has some new language and existing

language in it, and in speaking about a person who would be receiving -- would be receiving adjustments on his or her own income if they reside within the State of Connecticut for the past two years.

If it happens that they do receive or that the person would receive that -- that break, would they be able to leave the State of Connecticut and reside somewhere else shortly thereafter?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, to the Good representative. It would only be available to individuals who are currently enrolled in college and therefore would not be available for those citizens who have been out of college for the required minimum two years.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker.

And through you, Mr. Speaker, I am looking at line -- at line 43 and 44, and it says after

graduating from college, unless I am not reading it correctly.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, the intent is they that they be employed in the state for at least two years after graduation, through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. Through you, Mr. Speaker, and if for some reason they leave the state after two years, do they cease from receiving this benefit?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker, that is correct.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. And through you, Mr.

Speaker, I'd like to ask Representative Berger a question in reference to Section 3. And Representative Berger and Representative Camillo spoke about it briefly.

It's a reference to the joint study and the ward within available appropriation. That concerns me a little bit.

When it means available appropriation, I would think that if this is no funds for it from somewhere, then it does not go anywhere. And this bill is a good bill, and my concern is to ensure that we do have funds for it. So how would this be allocated?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, yes, thank you, Mr. Speaker. In conversations with DOT, for the good representative, it was determined that they would have the personnel and have funds available to pursue this and report back to the committees of cognizance in reference to this.

So while we do not have an appropriated amount within the language of the bill, we do have an agreement to pursue this and an issued report to

committees of cognizance.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker, and I appreciate that. Through you, Mr. Speaker, to Representative Berger, I have a few questions to ask in reference to Section 4.

Section 4 speaks about the manufacturer reinvestments account which means it is a trust created or organized by manufacturer, and it says held by a Connecticut bank, obviously for the benefit of such manufacturer.

The question that I have is once that money is -- is put in the bank, who controls that account?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, the money is put into the account, and it is controlled -- it is controlled by state agency, but it -- it is regulated by state agency, controlled by the manufacturer, and once -- and it has a five-year limit on -- on the amount that can be deposited up to 50,000.

And upon withdrawal of those funds, they would only be taxed at 3.5 percent, which is a -- is a strong reduction from an original taxated amount.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, to Representative Berger, I truly appreciate this. The question that I have, which leads me to believe that the money is not controlled by the manufacturer, who is the owner of this money, is set in lines 138 and 139 where it says that any money left over in any given year shall be returned to the manufacturer who shall pay the full rate.

So if -- if -- let us say I own that account, we would not say it shall be returned to me. It shall be withdrawn by me, per se.

So does the manufacturer owns that account, has the ability to withdraw money from that account at any time during five-year period to purchase machinery for what is intended in this -- in this legislation?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, the intent here is to limit withdrawals -- withdrawal of those funds yearly but maximum amounts to be deposited within five years. On the withdrawal within that five years, limited on a yearly basis.

There would be a taxation like previously stated of three and a half percent.

If after five years there were additional funds in there that had not been withdrawn, once they are withdrawn from the account and they would be taxed at the regular tax basis, if not used within that five-year period.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, further explanation.

Let us say that I am a manufacturer and I deposited $50,000 and five days from now I saw a beautiful machine that I wanted to buy for 49,000.

Would I be able to immediately withdraw that money or I must wait the entire five years?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, in lines 124, for the Representative, to 128, I think it kind of targets what the Representative is asking and certainly enumerates that the manufacturer may establish an interest-bearing manufacturer's reinvestment account, in answer to his previous question on control, location within the bill, and it shall not exceed 50,000 -- $50,000.

So if we read those lines correctly, the withdrawal could be done within that five-year period and not necessarily required to be done necessarily within one year.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, I was about to get to line 124, which -- which leads me to say or to request an explanation from Representative Berger about the fact that is it $50,000 per year or $50,000 for the entire duration, the entire five-year period?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, the way the bill is crafted, it would be 50 companies at $50,000 maximum in the five-year period.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

So as a manufacturer, the most I could put into that account is $50,000 in an entire five-year period, am I correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker, that is correct.

REP. NOUJAIM (74th):

Mr. Speaker, that is a little honesty that is disappointing to me because I am under the impression, and what I would have hoped to see, is to see that an account will have -- will have the ability to put more than that into it, because as a manufacturer myself, I know that machinery and equipment has become very

expensive.

And, believe me, these days for $50,000 for an automated computer pneumatic-control CNC equipment, really you cannot get very much.

The machinery, the equipment, the technology has changed so much and essentially you end up not receiving a great deal of -- of return for the money that you spend, for $50,000.

My hope, that in the future we can work on this bill, and I am very much willing to work with Representative Berger to increase that amount if the opportunity presents itself so that manufacturers will be able to take advantage of additional -- additional investments that they can do so that they can buy and purchase more equipment in order for them to -- to better themselves and to produce more and be more efficient and honestly return into the economy and put more work into our community.

But going forth, Mr. Speaker, if I may ask, through you, a couple of more questions to Representative Berger.

We are talking about 50 companies. And through you, Mr. Speaker, to Representative Berger, who picks these companies?

Who selects them and on what basis?

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker, it will be the first 50.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

I truly apologize, Mr. Speaker, I did not hear Representative Berger's answer.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, it will be the first 50 companies.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. Does this mean the first-come-first-served basis?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, they should not sleep on this.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you. So I take it that it is first-come, first-served, nothing is going to be selected by an individual or individuals.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

That is correct.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, I presume -- and I am sure here it is in the bill, I would like an explanation from Representative Berger, is the fact this they must go through a process to become qualified for -- for this program.

And if that is the case, who is to determine in fact or who does the qualification of those companies to say that they are worthy or not worthy of participating in this program?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, in lines 116 through 120, it establishes that the Department of Economic Community Development, DECD, to establish guidelines and procedure.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. And I had highlighted those lines and somehow I had not gotten to that, but I appreciate Representative Berger's answer on them.

Thank you, Mr. Speaker, I appreciate Representative Berger's answer, but I do have a couple of statements that I would like to make in reference to this bill.

I am totally pleased and happy to see Section 33 to 35 in the bill, which is the Live Here -- Work Here, Live Here program.

It's a program that all of us in the Commerce Committee, along with -- even when I was a ranking member of the Commerce Committee worked together to make sure that it does happen.

As a matter of fact, about two years ago -- three years ago, my intern, a gentleman by the name of Patrick Guerrera, who continues to reside in the City of Waterbury, put in a slide program and went around explaining it to individuals within the University of Connecticut and Waterbury and other places, explaining to manufacturers how this program would work to enhance our ability to keep talented, young people right here in the State of Connecticut rather than have them leave us the moment they graduate to go find someplace elsewhere they can work, live and raise their families.

The one thing that I am very concerned about -- and although I am in much support of -- of this legislation, even though I think it could go and I hope it will go further into having the ability of employers to put more money into that account and be able to control it themselves and monitor its progress, I am still continue -- I continue to be concerned about the cost of doing business in the State of Connecticut.

I have spoken about it numerous times in the past in committee and in the floor of the House. The cost of doing business in the State of Connecticut is very high. We are not a state that is friendly to businesses.

We need to keep -- try to retain the businesses that we have here, while at the same time inducing other businesses to come and then set up shop right here in the State of Connecticut.

But our -- the cost of our energy, the cost of healthcare, insurance, with workers' compensation, unemployment compensation, transportation, gasoline, skilled workforce, all of these are factors that contribute to the State of Connecticut being a state that is not -- that is not friendly to businesses.

So I am hoping that we all can move forth into making Connecticut a better place.

Thank you so much, Mr. Speaker. I appreciate your time.

DEPUTY SPEAKER ALTOBELLO:

Thank you -- thank you very much, Representative Noujaim.

Representative Alberts of the 50th district, you have the floor, sir.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. Several questions to the proponent of the amendment that's before us.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, sir.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. In Section 2 of the amendment, there's reference to the transferability of the credit that apparently a taxpayer could receive if they met the conditions in Section 1.

And in lines 86 and 87 in particular, it -- the stipulation is that the credit may be transferred to an affiliate of the taxpayer, and I don't believe that I saw "affiliate" defined in the language of the amendment, and I'm wondering if the proponent could address that.

And when we speak of "affiliate," are we speaking of a mother, a father, a son, a daughter, an immediate family member?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, to the former ranking member of the Commerce Committee in the House, Section 2 deals specifically with a technical change on the Insurance Reinvestment Fund that we did in the Jobs Bill I.

And what we found, that under that fund for those that -- that had an entity that took advantage of it, there wasn't clear language for DRS on a

transferability of the credit for DECD and DRS within an affiliate of that entity.

So this will allow that entity within its affiliate to transfer the credit internally.

So that was on the Insurance Reinvestment Fund. Not necessarily student fund.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Alberts.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. And then going a little further into the text of the amendment, actually to address Representative Noujaim's issues, I found some language which it seemed to contradict the proponent's earlier assessment of the limitation, and I just wanted to bring it forward.

In line 126, there's reference in the manufacturer's account to contributions in any income year. And then subsequently in line 136, there's reference to at the end of the five-year period.

So it does suggest -- at least to this reader -- that that $50,000 is a reference per year with a cumulative total of potentially 250,000, recognizing 50,000 is the max.

So I just wanted to give the proponent the opportunity just to reexamine that.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, that clarification is correct.

DEPUTY SPEAKER ALTOBELLO:

Representative Alberts.

REP. ALBERTS (50th):

I thank you, Mr. Speaker. I think the proponent is going to make one Representative from Waterbury very happy.

I do think the proponent in lines 301 through 303 of -- and adding the ranking members of the standing committees of the General Assembly for Commerce and Higher Education to the task force. It was something that we saw as a -- as an oversight, and I believe the -- I do appreciate the Chairman doing that.

Going a little further, in lines 458 through 464, there's reference in the amendment to disclosure of information. And I know that in the past, that one of the concerns that we've had in the Commerce Committee is how can we obtain valuable information as we work

to provide economic development programs for the businesses in our state without putting into -- putting companies at a potential risk of having that information disclosed.

And I don't believe that was addressed, and I want to give the proponent an opportunity to address that.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, this really basically comes down to the state auditor's requirement for -- for economic development entities that are involved in these type of transactions.

So this is conforming language that is required by the state auditor, which is in reporting that we've placed in this, now conforms CDA to that -- to that requirement. So it's important, through you, Mr. Speaker, to the Representative, to understand that this is not proprietary information.

This is standard reporting requirements that other agencies do currently do and report to the state auditors.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Alberts.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. And my understanding is that the chairs and ranking members of the Commerce Committee will have access to this information and may be able to disclose this information as necessary during the course of business.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, that is correct, that they -- the individuals that the Representative refers to can request that.

There is not -- there is not language, however, in the body of the bill that re -- that they shall be provided that information.

Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Alberts.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. I do thank the proponent for answering my questions. I think this is a -- an excellent amendment that's before us and urge members

to adopt it and support the bill after passage of the amendment.

Thank you.

DEPUTY SPEAKER ALTOBELLO:

Thank you very much, Representative Alberts.

Representative Candelora of the 86th, you have the floor, sir.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. Mr. Speaker, if I may, just a couple of questions to the proponent of the bill.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, sir.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. I just had some questions with regard to Sections 4 through 7, which deals with the manufacturing reinvestment account.

I guess just to simplify as it's put, is it -- is the tax benefit that a manufacturer would receive basically that they'd be allowed to donate up to $50,000 of their gross income into this account so that in that year they make that donation, they would not be paying the income taxes on that money?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, that is correct. It reduces taxable liability.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And then in that section, I guess after I believe it was five years, the -- I think it's lines 139 through 143, if they don't spend down the account, the balance of money that's in that account would be subject to tax.

And as I read here, it just says it shall be deemed a timely payment if the tax is paid when it's spent down.

And so my question was, just to be clear, that the corporation in year five that would be making the payment, they wouldn't be subject to any penalties or interest. They would just need to pay the income tax on that money in that fifth year?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, it is to the fifth

year. And if that is not expended in the -- within the fifth year time frame of the date that the account was established, then they would be taxed at the normal tax rate I believe of seven percent.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. So that when they're taxed in that -- in that fifth year, basically the income would be treated as earned in that year that they have to sort of forfeit the benefit because they didn't spend it?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, that is correct, through you, Mr. Speaker, the intent for them to expend that and be taxed at a lesser rate, reducing your taxable liability.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. I don't have any further

questions. I think that's a good program certainly for manufacturing. It will help free up some -- some of their own capital, I think, for them to be able to purchase necessary equipment.

I think certainly in this economy as we're seeing the manufacturing jobs shrink, helping them find a vehicle to reinvest in equipment is a good idea.

And I also just wanted to stand in favor of the Learn Here, Live Here program that was in Sections 33 through -- I guess somewhere in that range in the bill, toward the end of the bill.

You know, that is a program that -- that certainly this side of the aisle has championed over the last few years.

And I had an opportunity a number of years ago to go around to our universities and visit students and talk to them about this program, and I think we do such a great job in the State of Connecticut of educating our students, we have some of the best institutions.

And what we hear so often from them is that they have two issues, certainly, when they graduate, one is trying to find employment, but the second is trying to find affordable homes in Connecticut.

And I think this type of program is certainly going to be important to not only help these young

students purchase their first home and possibly raise a family in Connecticut, but also to help our housing market right now in this state, because certainly that still continues to be in a slump.

So I'm happy to see as we're moving forward -- I'm happy to see that we are taking a first step at trying to administer this program.

I -- I do see the language in here as permissive, that DECD may establish a program, but I would hope that with the support of this chamber, that DECD would do every effort to implement that program quickly, because I think it's -- again, it's -- it's an important measure for us to be able to provide some relief and keep our young students in Connecticut.

And so I stand in support of this bill.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Candelora.

Representative Lavielle of the 143rd, you have the floor, madam.

REP. LAVIELLE (143rd):

Thank you so much, Mr. Speaker. Good afternoon.

DEPUTY SPEAKER ALTOBELLO:

Good afternoon, madam.

REP. LAVIELLE (143rd):

I have a couple of questions, if I may, for the proponent of the bill, and then a couple of remarks.

DEPUTY SPEAKER ALTOBELLO:

Please proceed on both accounts.

REP. LAVIELLE (143rd):

Thank you. I'll start with one, which is the questions.

So for the Chairman of the Commerce Committee, I have a couple of questions about what I think is Section 9 in the bill.

It's a little hard to tell with the analysis I have. I -- this is -- concerns the task force for examining barriers to business in Connecticut, and my questions are for the purpose of legislative intent.

I understand that the idea, through you, Mr. Speaker, is to examine barriers and the current situation and things that could be done.

Will this task force also have as part of its role an examination of things that have worked in states that Connecticut competes with for business and for jobs and specifically what sorts of things?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes. Through you, Mr. Speaker, certainly to the good Representative, the intent to explore that and to break down the economic development barriers and technology transfer and energy-related jobs that we have not been able to access and other states have been able to.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you.

And through you, Mr. Speaker, also, is it the goal of this task force to examine the situation or also to make -- there is a reference in section -- subsection (3) to a global business plan.

So is it the intent that the commission will submit a substantial set of recommendations and a plan for moving forward to attract more business?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker, the legislative intent is yes.

DEPUTY SPEAKER ALTOBELLO:

Representative Lavielle.

REP. LAVIELLE (143rd):

I thank the gentleman for his answers. That was -- that was really all I had on Section 3. And I just wanted to -- to kind of see what we were driving at there. I think it's a -- it's a good idea, and I -- I very much support the bill.

I did want to make a few remarks also on the Learn Here, Live Here program, which is -- I co-sponsored one of the bills, and this is an initiative, obviously, that's been around for some time, and I am so pleased to see it in this bill.

I have some personal experience in that for six academic semesters since the fall of 2008, I -- I taught communications, advertising, marketing courses to upper-level students at UConn, and I gave them --

Because that was some of my career background, we would talk about their career plans, and I would occasionally give them career advice. And without fail, I would ask for a show of hands how many of you are thinking of living in Connecticut and working in Connecticut, and I would see almost none.

And then I would ask why, and they would tell me, well -- some would say I can't get a job, but most of them said the jobs I've looked at have entry-level salaries, and I've got some interviews, and I think

I'm going to get a job, but I can't afford to live here with that money. There is nowhere I can afford to live. I'm going to have to move back in with my parents. And, for heaven's sake, I didn't go to college just to go and do that.

So there was a great deal of frustration. And these were intelligent kids. They were in their last year. They had done well in their course, they were competent, they were ready to go, they had a lot of energy, and yet they had this frustration and so many barriers to staying here, I thought if only we could do something.

And this particular Live Here -- Learn Here, Live Here program goes a long way to addressing that need.

And not only that, I think it -- it has -- one of the reasons that I think it's so strong is that it doesn't just address the difficulties of first-time wage earners in finding affordable housing in Connecticut. It also is going to help us stem this exodus of well-educated young people.

It will help with urban revitalization in some cases, and we can even make it so, because in one of the earlier versions of the bill, I think back in 2008, there is a suggestion that there be an even greater benefit to those young people who chose housing in a section of a city that needed

revitalization.

It help us preserve our competitive workforce as we compete with other states and even other countries, and it also helps families in Connecticut stay together who are seeing all of their children leave and go to live somewhere else.

I -- I think it's a -- it's an excellent -- an excellent program for those reasons.

Another thing it does is it provides an incentive to our college students to finish because, strange as that may seem, it's getting more expensive to go to college, and it's also -- I noticed this at UConn -- getting more difficult because of the sizes of classes and ratios of staff and things like that. It's getting harder for students to finish in four years.

And sometimes they give up if they have to stay longer, or they can't afford to stay five years.

And this gives them a real incentive to finish, because when they finish in Connecticut, maybe they have an easier time staying here.

A couple of things, you know, Connecticut is -- is -- our population is aging fast, and if we don't do something like this, we're going to be spending more and more time and effort educating a workforce that's going to become the workforce of other states. And that's not something we really ought to be doing.

We have got a wonderful base here. We have a beautiful natural landscape, and we're in a wonderful geographic location. We ought to be able to cultivate this -- this one brilliant natural resource we have, which is our young people.

Some of the objections to this program when it was first brought up in the early years included the idea that while we might lose a little bit of their -- their -- their taxes on the income they would earn here. But I would submit to you that if we lose them altogether, we'll be losing a lot more of that revenue on their entire income.

I think that Connecticut has so much at stake in becoming a competitive place to work and to live and to raise a family and, above all, to stay. And this program goes a long way in helping our young people do that.

Thank you very much, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Lavielle.

Representative Christopher Davis of the 57th, you have the floor, sir.

REP. C. DAVIS (57th):

Thank you, Mr. Speaker. I just have a few questions for the proponent of the bill, if I may.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, sir.

REP. C. DAVIS (57th):

Or the amendment, sorry, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

So noted.

REP. C. DAVIS (57th):

Through you, Mr. Speaker, I don't have the -- the privilege of serving on the Commerce Committee with Representative Berger, so I just was wondering if I could have him kind of walk me through why we're limiting Section 1 to green technology, life science or health information technology fields students that graduated from our universities and went into those fields.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, and it is unfortunate that you are not on Commerce and we would certainly welcome you at some point in the future.

But in answer to that, I guess the answer to that, through you, Mr. Speaker could be twofold: Under the loan reimbursement program and the research

that we have done in the past, is the State of Connecticut in their areas around the green technology industry, we were woefully behind other states and certainly other nations in having graduate levels important for us to be competitive in those areas.

So number one, we thought that this would create an incentive for those that go into those fields and then to get their student reimbursement. Loan reimbursement based on their commitment to stay and operate within those programs; and secondly, to narrow the scope to reduce the fiscal impact to the State of Connecticut.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Carter. Davis, excuse me.

REP. C. DAVIS (57th):

Thank you, Mr. Speaker. And I thank the kind gentleman for his answer, and I think it's worthy of us to -- to definitely invest in these fields in particular.

Perhaps in the future maybe we could do a study and find out perhaps investing into high technology, high computer technology, Internet-based companies as well that bring those kinds of high-paying jobs, that sense of entrepreneurship that is in that field currently and maybe attract those kinds of students to

stay here in Connecticut as well perhaps through this reimbursement program.

I just wanted to draw attention to Section 30, which establishes the Learn Here, Live Here program, and I just had a quick question about the term "graduates."

Does this include people that graduate from graduate schools, law schools or medical schools in the state universities?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, it could be any person who graduates from an accredited institution of higher education, so the intent would be that that person could be eligible,

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative --

REP. C. DAVIS (57th):

Thank you, Mr. Speaker, and I thank Representative Berger for his comments and his answers. They're very helpful. And I'd have to say that I stand in strong support especially of

Section 30 of this bill, the Learn Here, Live Here program.

As I've spoken before on previous amendments and in the past, as the youngest member of the General Assembly, somebody who sees firsthand the effects of young people leaving the cities of Connecticut on a regular basis, I think it's very important for us to adopt such an important program to keep young people here in the State of Connecticut.

As Representative Camillo mentioned, we see the largest numbers of people leaving between 25 and 34, varied people that are entering the workforce, keeping things moving here in the State of Connecticut.

And as we see, the population of -- of older population here in the State of Connecticut growing at such a rapid pace by 2020, I think it's important that we do everything we can now to keep as many young people as we possibly can here in the State of Connecticut so they can start businesses, start families, and through this program, purchase a home.

So through -- Mr. Speaker, I stand in strong support of this bill, especially Section 30 of the bill, the Learn Here, Live Here program.

I think it's a very positive step for the State of Connecticut, a very positive step for young people especially here.

Thank you very much, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Davis.

Representative Simanski of the 67th district.

REP. SIMANSKI (67th):

Thank you very much, Mr. Speaker. Mr. Speaker, I also stand in strong support of this piece of legislation and specifically Sections 4 to 7, the manufacturing, reinvestment account.

Several weeks ago, I had the good fortune to meet with representatives from the SCORE Manufacturers Association. They were totally excited about the opportunity to take some money, to set it aside in a tax-free account and to put it there specifically for the purposes of saving up to buy some costly equipment that would help their manufacturing as they went later on.

So I wanted to share the excitement that they had over this piece of litigation, also share with this legislature their comments that finally, finally it was about time this legislature did something to show that they do in fact support the manufacturers in this state.

So I wanted to share that good news with this legislature, and I will be supporting this piece of

legislation.

Thank you.

DEPUTY SPEAKER ALTOBELLO:

Thank you for sharing, Representative.

From the Insurance City, Deputy Speaker Kirkley-Bey, you have the floor, madam.

REP. KIRKLEY-BEY (5th):

Thank you, sir. I would like to ask a question to Representative Berger through you, sir.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, madam.

REP. KIRKLEY-BEY (5th):

I apologize that I wasn't listening 100 percent. I was discussing another bill. But did I hear you say that they would be expanding job opportunities into Plainville and areas down in that direction?

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, the intent is that hopefully businesses would locate in a bioscience corridor connecting to Farmington and through to Hartford.

Through you, Mr. Speaker.

REP. KIRKLEY-BEY (5th):

Does that include Hartford? I think you just said that, but I just want to make sure I heard it.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker. For legislative intent, the bioscience corridor is envisioned to be through -- through Plainville, Farmington and through to the Hartford area.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Is that the entire City of Hartford?

REP. KIRKLEY-BEY (5th):

I don't know, Mr. Speaker, but I wish it was.

I was not going to vote for this bill until you just said that, because Hartford is getting snookered on this bill, and I don't really appreciate it and what's going on with the center down there at UConn.

DEPUTY SPEAKER ALTOBELLO:

Thank you for your remarks. Representative Kirkley-Bey.

Representative Kokoruda of the 101st, you have the floor, madam.

REP. KOKORUDA (101st):

Thank you, Mr. Speaker. I stand in strong

support of this legislation. I think today might just be my 100th day since my election, and I'm delighted to finally have a pro-job/pro-business bill to vote yes on.

So I want to thank the proponent of the bill for giving me this opportunity. This is what I've been hearing from my constituents, and it was hopefully worth the weight of 100 days.

Thank you.

DEPUTY SPEAKER ALTOBELLO:

Thank you, madam. Co-sponsorship forms are down here on my right.

Representative Perone of the 137th, you have the floor, sir.

REP. PERONE (137th):

Thank you very much, Mr. Speaker.

I just -- again, I just rise in support of this -- this bill. This has been a long time coming, and it's why it took about 100 days to pull together.

A lot of work went into it, and I just wanted to commend the Chair of Commerce but also all the other chairs of the committees of cognizance as this legislation went through.

This really was a group effort, and I think that with anything else, I think this bill brings into

focus a lot of the assets that have made Connecticut strong in the past and actually focus them for -- for the first time in a long time.

So it's -- it's -- I believe taking a step in the right direction if terms of addressing the brain train we have on our best and brightest out of our -- out of our universities.

It also takes into account areas of our economy that we really need to get behind, like the life sciences, biosciences and the really extending a helping hand to manufacturers.

So I'm [inaudible] in support of this legislation. Thank you very much.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Perone. Representative Noujaim for the second time on House "A".

Please proceed, sir.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. Thank you for indulging me with another quick clarification to Representative Berger.

And through you, Mr. Speaker to Representative Berger, I apologize, I was called out of the chamber, so if that question was asked while I was not here, I truly apologize if you have answered it

But the clarification that I would like to ask that was also asked by our colleague, Representative Alberts, we are talking a maximum of $250,000 over a period of five years that a manufacturer can deposit into that account. Is that -- is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, and I thank the Representative for the clarification. I misunderstood the Representative's question originally.

That is correct. It is 50,000 per year, a five-year maximum, up to 250,000. It is also, through you, Mr. Speaker, important to note that not only is that -- could that money be potentially used for the purchase of machinery and equipment, it can also be used for expansion of a manufacturing facility, workforce training, development and as I stated, expansion.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. I appreciate the

Representative's answer. I do see this as specified in lines 131 through line 134.

But further question, through you, Mr. Speaker, to Representative Berger, who would make the investment selections? Who would invest those monies? Who would be in charge of selecting what type of investments that this amount or those contributions would be put through?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, it's the intent of the legislation to have the manufacturer who opens the account to have the flexibility to use those funds in reducing his taxability liability and to reuse those funds within the context and language of lines 129 through 134.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, I am looking for further clarification on the investment abilities.

I am looking at lines 110 through 114 where it says monies in manufacturing reinvestment account at that shall not be invested in life insurance contracts or commingled with other property, but it does not specify who is authorized to make those investments.

Is it somewhere else in the legislation? Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker, the shaping and forming of the account in -- I believe was previously explained in 116 through 18 and the Department of Economic Community and Development establishing guidelines for implementation of the program within the investment criteria I outlined in the bill.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. So, through you, again, lines 116 said the Department of Economic and Community Development shall establish criteria on guidelines to select no more than 50 manufacturers.

Does this mean also selecting how the amounts of

the funds are invested?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker, no. That is -- there is a specific investment criteria that those funds could be invested in through language cited in the bill that's been previously stated.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. May I ask the Representative where those criteria are set in the bill? I have not seen them.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, Mr. Speaker, through lines 129 through 134.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Mr. Speaker, line 129 says, "Distribution from

such account shall be used by such manufacturer to purchase the machinery, equipment or manufacturing facilities as defined in subdivision (72) of Section 12-81," which I have here, of the general statutes.

But it does not say anything as who is authorized to invest the funds. Are the funds going to be invested in mutual funds, in bonds, in high-risk securities?

How are those funds invested? That's what I'd like to understand.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Well, through you, Mr. Speaker, again, this will be -- the program will be formed in consultation with DECD.

But for clarification, it's important to note that -- and it's I guess an easy assimilation to look at this as -- just as an IRA account.

It would be an established IRA account which reduces taxable liability. The manufacturer would place up to 50,000 per year up to five years and then be able to withdraw under the criteria established for

withdrawal under this program.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker. I understand. I really understand how the IRA account works. But once you set up an IRA account, through you, Mr. Speaker, somebody is going to say I want to invest 20 percent in this fund, 20 percent in another fund, 15 percent in mutual funds, ten percent in liquid securities, and that's what I'm not seeing in this bill and that's what's really still puzzling me.

I'd like to know who's going to be controlling the investments or the funds.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes. Through you, Mr. Speaker, the funds are established in a -- in a bank, a commercial bank.

If that bank -- if the person that establishes that account so chooses to buy a three-month bond in that account, he has investment vehicles that he can review at the local bank in establishing this account

and then withdrawing those monies appropriately and through the guidelines established by DECD.

So it will be up to the individual investor to choose how to what person would want. That person may just want to have it in a savings account.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Noujaim.

REP. NOUJAIM (74th):

Excellent, thank you. And I'd like to extend gratitude to Representative Berger for his [inaudible].

Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you very much. Thank you, sir. Further on House "A"?

Representative Thompson of the 13th on House "A".

REP. THOMPSON (13th):

Thank you, Mr. Speaker. If I may address two thoughts to Representative Berger and ask him have I got this all right.

And I've been listening to different people comment, and it seems like we're on a roll here and people are speaking very favorably on this bill and the whole concept.

So I took some of the ideas I heard and applied them to the solar energy financing program as an example.

We secure a loan or loans for solar energy installation. Recipients of these loans will be small, local businesses and residential electric customers.

The structural cost savings from the solar installations offset the monthly loan payback. So we're making money on what we're doing as we go along.

At the same time, there are great program benefits. Manufacturers and installers -- in-state manufacturers and installers are located here in and they benefit. And some of the benefits are we use private banks and lending institutions here in our state.

We're creating jobs at all levels through investment, creation and manufacture, and those jobs are providing pay and benefits that many of these people did not realize before but are now realizing.

And I guess the big question is, Representative Berger, is that I -- I think that this is a model of what we can do in many other areas. And we argued the other night about healthcare, and my thought is that healthcare following this kind of model can pay for itself and will expand, and people who are now working

will be contributing to their own healthcare, so it's a win-win situation, and more power to you.

Have I got it right?

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker. And the Representative is well versed in this area and probably more than I could ever imagine myself personally. And certainly he makes a very valid point and comment, and he is correct.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Thompson.

REP. THOMPSON (13th):

Thank you, Mr. Speaker. Let's get on with this and support this legislation and move forward and keep pumping the ideas that are coming from all sections of the Assembly this evening and all the positive statements I've heard tonight. Let's keep it up.

Thank you.

DEPUTY SPEAKER ALTOBELLO:

Well said, Representative Thompson.

Further on House "A"? Further on House "A"? If not, I'll try your minds.

All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER ALTOBELLO:

Opposed? The ayes have it. House "A" is adopted.

Further on the bill as amended. Representative Mr. Haddad.

REP. HADDAD (54th):

Thank you, Mr. Speaker. Mr. Speaker, I rise in favor of the bill. I'd like to thank Representative Berger and Representative Camillo, as well as the majority leader for their work in putting together a package of initiatives that will help improve our economic situation in the state.

In particular, I'd like to point out that the manufacturing reinvestment accounts are an innovative, new idea. We will be one of -- we will be the first state to employ such an initiative.

I'm particularly pleased that in addition to allowing for investment in equipment, it allows investment in our own workforce. And particularly in the case of precision manufacturing, we find that employees need to continuously sharpen their skills. This will allow them to continue to be employed in the

State of Connecticut and to help our manufacturing community. It's a terrific idea and its time has come.

Additionally, I'd like to compliment the bill on including the innovation network. I think as we contemplate investments in the Bioscience Technology Center at the UConn Health Center and also other investments in our institutions of higher education, it becomes increasingly clear that the innovation that -- and the research that is conducted in these locations will drive our economy in the future.

We need to continue to build the relationship between private companies in research and development corporations in our public universities, and the innovation network will do just that.

Again, I'd like to thank the folks who worked on this bill. It's well worth passage, and I urge adoption.

DEPUTY SPEAKER ALTOBELLO:

Thank you very much, sir. Further on the bill as amended. Majority Leader Sharkey of the 88th, you have the floor, sir.

REP. SHARKEY (88th):

Thank you, Mr. Speaker. Mr. Speaker, for what may be obvious reasons, I rise in support of this bill as well.

I want in particular to thank those who were critical to the work that was done on this bill over the course of the last six months or so.

First and foremost, to my predecessor in this office, our now secretary of the state, Denise Merrill, who had the vision back in 2010 when we were really in the depths of our economic crisis to form this majority leaders round -- jobs growth roundtable in an effort to address specifically and directly the need for jobs in our state.

And what came out of that effort last year in 2010 was an angel investment tax credit that was a brilliant idea that came from the brightest minds of our business community from throughout the state who put together the notion that we should be trying to encourage job growth through inspiring and encouraging angel investments in our state.

That program, I'm happy to report to the legislature today, has been tremendously successful. There's been a tremendous amount of interest and investment in the tens of millions of dollars in new emerging companies.

I also want to thank my colleague in the Senate, Senator Martin Looney, who is the Majority Leader in the Senate, for working with me to perpetuate the work that Denise Merrill did last year and continuing the

jobs growth roundtable, continuing to bring together those smart people, those wise men and women who are -- represent the various elements of our business community throughout the state as well as in our academic institutions to come up with ideas that we are implementing in this bill today.

This year, the jobs growth roundtable focused primarily on a number of the initiatives we hear in this bill today but in particular on the notion of innovation network, something that Representative Haddad referred to.

We are really turning a corner in many ways right now by recognizing that the best way for Connecticut to grow jobs in the long-term is to marry and create a relationship and a network and a sense of synergy between our academic institutions, our existing R&D communities, as well as our emerging growth companies around the state.

So we create a buzz. We create an atmosphere, a network of folks who work together and integrate with each other on job creation and innovative ideas.

And this innovation network is something that is going to be a major part of the new Administration's efforts through the Department of Economic and Community Development.

So for that reason, I want to thank the Governor

and also the commissioner of DECD, Commissioner Smith, for her support for this idea and the many others that are in this bill.

And finally, I want to thank the Chairs of the Commerce Committee and the Ranking Members, Representative Berger, Senator LeBeau and Representative Camillo, for their support for this bill for the concept for their participation in the hope that we will actually turn this corner.

We will make Connecticut competitive again. We will create jobs for our future and for our children.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Majority Leader Sharkey. Further on the bill as amended? If not, staff and guests, please retire to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting by roll call. Members to the chamber, please.

DEPUTY SPEAKER ALTOBELLO:

Have all members returned from the [inaudible] voted?

Have all members of the valley voted?

Have all members voted? Have all members voted? Please check the board to make sure your vote is properly cast.

If all members have voted, the machine will be locked.

Would the Clerk please take a tally.

Will the Clerk please announce the tally.

THE CLERK:

House Bill 6525 as amended by House "A."

Total Number Voting	144
Necessary For Passage	73
Those Voting Yea	144
Those Voting Nay	0
Absent not Voting	7

DEPUTY SPEAKER ALTOBELLO:

Bill as amended passes.

Will the Clerk please call Calendar 114.

THE CLERK:

On page 35, Calendar 414, Substitute for House Bill No. 6050, An Act Concerning the Development of the Creative Economy, favorable report of the Committee on Appropriations.

DEPUTY SPEAKER ALTOBELLO:

Mr. Clerk, the call on that was 114; is that correct? Mr. Clerk?

S – 632

CONNECTICUT
GENERAL ASSEMBLY
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So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Calendar 636, House Bill Number 6100.

Move to place the item on the Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Moving to calendar page 34, Calendar 638, House Bill Number 6525.

Madam President, move to place the item on the Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Under matters returned from committee: moving to calendar page 48, Calendar 399, Senate Bill Number 1043.

Madam President, move to place the item on the Consent Calendar.

THE CHAIR:

So ordered.

Mr. Clerk.

THE CLERK:

Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

THE CLERK:

Madam President, the items placed…

THE CHAIR:

I would ask the Chamber to be quiet please so we can hear the call of the Calendar for the Consent Calendar.

Thank you.

Please proceed, Mr. Clerk

THE CLERK:

Madam President, the items placed on the first Consent Calendar begin on calendar page 5, Calendar 336, House Bill 5697.

Calendar page 7, Calendar 421, Substitute for House Bill 6126.

Calendar page 8, Calendar 449, Senate Bill 1149.

Calendar page 10, Calendar 470, Substitute for House Bill 5340. Calendar 474, Substitute for House Bill 6274. Calendar 476, House Bill 6635.

Calendar page 12, Calendar 499, Substitute for House Bill 6638. Calendar 500, House Bill 6614. Calendar 508, House Bill 6222.

Calendar page 13, Calendar 511, House Bill 6356. Calendar 512, Substitute for House Bill 6422. Calendar 514, House Bill 6590. Calendar 515, House Bill 6221. Calendar 516, House Bill 6455.

Calendar page 14, Calendar 517, House Bill 6350. Calendar 519, House Bill 5437. Calendar 522, House Bill 6303.

Calendar page 15, Calendar 523, Substitute for House Bill 6499. Calendar 524, House Bill 6490. Calendar 525, House Bill 5780. Calendar 526, House Bill 6513. Calendar 527, Substitute for House Bill 6532.

Calendar page 16, Calendar 528, House Bill 6561. Calendar 529, Substitute for House Bill 6312. Calendar 530, Substitute for House Bill 5032. Calendar 532, House Bill 6338.

Calendar page 17, Calendar 533, Substitute for House Bill 6325. Calendar 534, House Bill 6352.

Calendar 536, House Bill 5300. Calendar 537, House Bill 5482.

calendar page 18, Calendar 543, House Bill 6508. Calendar 544, House Bill 6412. Calendar 546, Substitute for House Bill 6538. Calendar 547, Substitute for House Bill 6440. Calendar 548, Substitute for House Bill 6471.

Calendar page 19, Calendar 550, Substitute for House Bill 5802. Calendar 551, House Bill 6433. Calendar 552, House Bill 6413. Calendar 553, Substitute for House Bill 6227.

Calendar page 20, Calendar 554, Substitute for House Bill 5415. Calendar 557, Substitute for House Bill 6318. Calendar 558, Substitute for House Bill 6565.

Calendar page 21, Calendar 559, Substitute for House Bill 6636.

Calendar page 22, Calendar 563, Substitute for House Bill 6600. Calendar 564, Substitute for House Bill 6598. Calendar 566, House Bill 5585.

Calendar page 23, Calendar 568, Substitute for House Bill 6103. Calendar 570, Substitute for House Bill 6336. Calendar 573, Substitute for House Bill 6434.

Calendar page 24, Calendar 577, Substitute for House Bill 5795.

Calendar page 25, Calendar 581, House Bill 6354.

Calendar page 26, Calendar 596, Substitute for House Bill 6282. Calendar 598, Substitute for House Bill 6629.

Calendar page 27, Calendar 600, House Bill 6314. Calendar 601, Substitute for House Bill 6529. Calendar 602, Substitute for House Bill 6438. Calendar 604, Substitute for House Bill 6639.

Calendar page 28, Calendar 605, Substitute for House Bill 6526. Calendar 608, House Bill 6284.

Calendar page 30, Calendar number 615, Substitute for House Bill 6485. Calendar 616, Substitute for House Bill 6498.

Calendar page 31, Calendar 619, Substitute for House Bill 6634. Calendar 627, Substitute for House Bill 6596.

Calendar page 32, Calendar 629, House Bill 5634. Calendar 630, Substitute for House Bill 6631. Calendar 631, Substitute for House Bill 6357. Calendar 632, House Bill 6642.

Calendar page 33, Calendar 634, Substitute for House Bill 5431. Calendar 636, Substitute for House, correction, House Bill 6100.

Page 34, Calendar 638, Substitute for House Bill 6525.

Calendar page 48, Calendar 399, Substitute for Senate Bill 1043.

Calendar page 49, Calendar 409, Substitute for House Bill 6233. Calendar 412, House Bill 5178. Calendar 422, Substitute for House Bill 6448.

Calendar page 52, Calendar 521, Substitute for House Bill 6113.

Madam President, that completes the item placed on the first Consent Calendar.

THE CHAIR:

Thank you, sir.

We call for another roll call vote. And the machine will be open for Consent Calendar number 1.

THE CLERK:

The Senate is now voting by roll on the Consent Calendar. Will all Senators please return to the Chamber. The Senate is now voting by roll on the Consent Calendar, will all Senators please return to the Chamber.

Senator Cassano, would you vote, please, sir.

Thank you.

Well, all members have voted. All members have voted. The machine will be closed, and Mr. Clerk, will you call the tally?

THE CLERK:

Motion is on option Consent Calendar Number 1.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar Number 1 has passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

We might stand at ease for just a moment as we prepare the next item…

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)