



INNOVATION POOLS OF CAPITAL TO IMPROVE THE ECONOMY

It was not that long ago that the American economy was on the verge of collapsing and tens of thousands of jobs were being lost. While our economy has improved significantly over the past few years, jobs and the economy remain on the front of everyone's mind. Constituents continue to ask: how do we improve the economy and increase the number of jobs available? Solutions to both of these issues can be realized through federal investments in regional innovation programs such as those featured on the sidebar to the right.

This form of economic development has proven to be highly successful in communities across this country and the results of these programs suggest that federal resources should be utilized to replicate these models. Innovation pools of capital – such as the i6 Challenge and the Jobs and Innovation Accelerator Challenge – are able to help state, local, and regional entities leverage existing resources, spur regional collaboration, and support economic recovery and job creation in high-growth industries.

Authorization Justification: The America COMPETES Act, provided the Department of Commerce with the authority to 'establish a regional innovation program to encourage and support the development of regional innovation strategies...' and the Department has used the law to promote innovation and elevate the work of technology-based enterprises in improving the economy and creating jobs across this nation.

History of the Program: In the FY13 budget, Congress included language that specifically encouraged the Economic Development Administration (EDA) to direct Economic Adjustment Assistance (EAA) funds toward science parks, regional clusters, and other innovation strategies. The FY13 bill appropriates \$50 million to EAA. For FY14, the president requested \$113 million for the Investing in Manufacturing Communities and \$12 million for the Regional Export Challenge.

We ask that you support \$25 million for the Regional Innovation Program.

Georgia Research Alliance (GA)

- *Active Companies Formed: over 107*
- *Equity Investment Attracted: \$460 million*

Maryland TEDCO (MD)

- *Companies Assisted: more than 200*
- *Downstream Funding Attracted: \$550 million*

BioSTL's BioGenerator (MO)

- *Invested in/ supported over 70 companies in 2 years*
- *Additional Investment Attracted: \$125 million (25:1 ratio)*

JumpStart, Inc. (OH)

- *Jobs Created: 2,619 in 6 years*
- *Economic Benefit: 90 companies helped to generate \$155 million in impact*

i2E (OK)

- *Leveraged State Funds (ratio): 33:1*
- *2012 Job Growth related to i2E companies: 39%*

Ben Franklin Technology Partnership (PA)

- *Jobs Created: over 140,000 since 1989*
- *Economic Benefit: Boosted GSP by \$23.5 billion*

USTAR (UT)

- *2012 Jobs Created: 3,380*
- *Economic Benefit: Boosted GSP by \$219.3 million in five years*

The Center for Innovative Technology (VA)

- *Commercialization, Seed Fund Programs Leveraged over \$176 million Private/Fed funds since 2001.*
- *CIT GAP Funds created 76 Startups since 2005.*