

February 1, 2006

06 - 0366

The Honorable Bob Gunther  
Chair, Jobs and Economic Opportunity  
Policy and Finance  
Minnesota House of Representatives  
559 State Office Building  
St. Paul, MN 55155

Dear Representative Gunther:

This letter is in response to language passed in the 2005 1<sup>st</sup> Special Session Chapter 1, Article 3, Section 2, Subdivision 2, concerning the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. That language required DEED to submit, by February 1, 2006, a recommended fee schedule to both House and Senate economic development finance chairs.

As background, we plan to increase Minnesota's rankings through increased delivery of training through workshops and conferences. In FY 2004, Minnesota ranked 22<sup>nd</sup> in receiving SBIR funding and 21<sup>st</sup> in STTR funding. At one time Minnesota ranked 15<sup>th</sup> and 9<sup>th</sup> respectively.

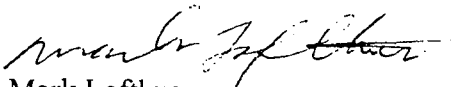
Small businesses participating in both Phase I (proof of concept) and Phase II (prototype development) will be charged a fee for service to participate in workshops and conferences.

Areas of critical interest that will be presented are: protecting intellectual property, addressing federal accounting requirements, developing a technology commercialization plan, financing clinical trials, submitting the FDA application, preparing presentations to venture capitalists and angel investors, developing collaborative partnerships, and preparing for the audit.

Plans are to hold workshops around the state in the above areas in the spring and fall of 2006, with a statewide federal conference in May 2007. Based on other workshop experience, with a fee per workshop in the range of \$75 per session, estimated revenues through the end of FY 2007 are \$20,000.

Please let me know if you have any questions. I can be reached at 651/297-4567. We are committed to increasing the flow of federal funds into Minnesota.

Sincerely,



Mark Lofthus  
Director, Office of Business Development

C: Matt Kramer  
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**Business and Community Development**  
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