

March 24th, 2026

To: Christopher O'Brien, Committee Clerk  
RI State Legislature

**RE: RI SBIR Innovative Matching Funds Program & the RI Innovations Program**

Dear Sir,

This letter is regarding the proposal in today's House Finance hearing to consider defunding the RI Commerce SBIR Innovative Matching Funds program.

One critical matter that I suspect that our RI legislators may be unaware of, is that the RI Commerce SBIR matching funding is a key reason why many SBIR grants get awarded to RI companies in the first place. This is because at the federal level, one of the award assessment criteria by the SBIR federal agencies, is whether there are additional matching funding mechanisms in place. Its actually a specific question that gets asked in each military SBIR proposal.

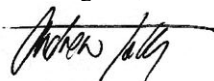
If the RI House Finance committee decides to cut the RI Commerce matching program, then RI companies who are competing hard for SBIR funding on a national basis, will lose the ability to claim that we have a "matching funding" mechanism available when we are preparing our proposals for SBIR federal grants. If in future, RI companies are going to have to state "no matching funding" in our future SBIR proposals to the US military, then this will certainly result in significantly less SBIR awards to RI companies.

In other words, cutting the RI SBIR matching funds will predictably cost the RI economy at least \$20M per year in future b/c that's approximately how many federal SBIR grants will not get awarded to RI companies as a direct result of a decision to no longer offer matching. It will place RI companies at a significant disadvantage compared to other out of state companies who operate in States who do offer matching funding. This would be a massive disservice to hard working Rhode Island innovative high-tech small businesses. Instead of supporting RI high tech businesses, any decision to de-fund these incredibly helpful matching programs, will harm RI high tech businesses.

This matter is especially critical right now, given that the SBIR program has just been re-authorized last week by Congress. We are about to see a rapid increase in federal SBIR opportunities being issued over the next 3 years, starting now. Last week I was at a military Air Force conference down in DC, and discussions there were already underway to ramp up their respective SBIR program offices and to be posting a backlog of new SBIR federal opportunities. Eliminating the RI SBIR matching grant program at this critical juncture, would be a grave error that will cost RI business immensely, and will negatively impact the RI economy both in the short term and the long term.

In addition, I wish to also indicate that the RI Innovation Fund program is equally as important as the RI SBIR Matching Funds program. Both programs support RI Innovation, and help RI companies to develop and innovate new technologies, and to hire, train, and retain advanced technical personnel. Because of the reasons outlined above, BOTH programs must be supported and funding must be increased for both programs. Supporting these initiatives by expanding the RI SBIR matching funds program and similarly expanding the RI Innovation Funds program, will create new high-tech jobs and will help to fuel the RI economy. Particularly in the current economic environment, the RI government must identify ways and means to successfully expand the both programs, & not to reduce either of them.

Kind regards,



Andy Tolley, CEO  
American Ecotech