



March 24, 2026

The Honorable Marvin L. Abney
Chair, House Finance Committee

Re: FY27 Economic Development Article, Innovation Initiatives

Dear Chairman Abney and Members of the House Committee on Finance:

I write in support of the funding allocation and sunset extension of the Innovation Initiatives Act under the FY27 Economic Development Article. As a recipient of two Innovation Vouchers, I can speak directly to the program's efficacy in advancing cutting-edge technology and mobilizing significant private capital. However, I also wish to share concerns about whether Rhode Island can retain the high-paying jobs these innovations create—a challenge that undermines the state's return on its innovation investments.

My Background and Rhode Island Connection

I founded Prisere to develop technology enabling climate and disaster risk resilience. Prior to launching my business, I was a senior executive at Swiss Reinsurance Group in Zurich, Switzerland—the world's largest property-casualty reinsurer—where I managed a \$950 billion portfolio of climate risks and led development of new risk mitigation tools. My work included advising Japan's Ministry of Finance on the first insurance-linked securities to expand earthquake insurance capacity, which Swiss Re co-led with Tokio Marine & Fire Co. My enterprise risk and insurance columns are published in the *Wall Street Journal*, and I serve as a regular expert commentator on CNBC.

Like many Rhode Islanders with science and engineering backgrounds and entrepreneurial ambitions, I left the state at seventeen for college and career opportunities, returning only for brief holiday visits. My father's death necessitated my return, as my mother—permanently disabled by a traumatic brain injury—could not relocate. Chairman Abney, I remember your kind words at my father's memorial Mass during that difficult time.

Innovation Voucher #1: Quantifying the "Resilience Dividend" (\$50,000, 2017)

In 2017, Prisere received a \$50,000 Innovation Voucher¹ to assess the feasibility of developing software to quantify a "resilience dividend"—the reduction in insured risks from climate-resilient building energy design and retrofits. This software essentially creates a clean energy equivalent of a safe driver discount, using insurance capital to fund building decarbonization.

This modest state investment allowed me to leverage **\$4,917,585 in private, non-dilutive capital** and in-kind professional services including:

¹ <https://pbn.com/ri-companies-receive-innovation-voucher-grants119951/>



- **\$149,085 U.S. Department of Energy SBIR (Small Business Innovation Research) award²**, supported by an endorsement letter from Swiss Re's CEO committing to license our software for deployment to all their underwriters and actuaries upon successful completion
- **State SBIR matching grant³** covering expenses beyond the federal award
- **\$2,000,000 from Microsoft** in cash and in-kind resources, including \$250,000 in Azure cloud credits and \$250,000 in CoPilot AI credits

Microsoft included Prisere among just 15 outside innovators invited to participate in its week-long global AI Hack-a-Thon alongside 70,000 Microsoft engineers. Our team included senior executives from Microsoft's Redmond headquarters, a cybersecurity expert from its Midwest innovation center, a UX designer from its Nairobi facility, and developers from Microsoft's Research Triangle Park campus. **Prisere owns exclusive rights to all resulting code and intellectual property.**

Microsoft's captive insurance company intends to use our software to decarbonize its worldwide properties, while reducing energy consumption and insurance costs. The software is currently undergoing stress testing by state insurance regulators to verify that premium discounts won't compromise insurers' reserves. Once approved, we have signed licensing agreements ready to generate revenue. Microsoft advises we'll need to immediately hire approximately 75 highly skilled technical staff for customer training and support, plus an equivalent number of software engineers for Version 2.0 development.

Innovation Voucher #2: AI-Powered Disaster Go-Kits (\$62,000, 2024)

In 2024, Prisere received a \$62,000 Manufacturing Innovation Voucher funding internal R&D to leverage artificial intelligence in designing manufactured business disaster go-kits. Prisere became the first Rhode Island business admitted to **Apple's Manufacturing Academy**, working with Apple designers and AI engineers to commercialize our products. We already have signed bulk corporate orders. This voucher was particularly valuable because it funded internal R&D. Many innovators, myself included, prefer this approach over local university partnerships for various strategic reasons.

The Challenge: Retaining Innovation Jobs in Rhode Island

The Rhode Island Commerce Corporation is correct that Innovation Initiatives successfully advance promising technology and attract substantial private capital multipliers. However, **a critical disconnect exists between innovation investment and job retention**—one that requires legislative attention if the state is to realize returns on these investments.

Policy Misalignment Example: Building Decarbonization Legislation

Consider legislation recently introduced in the General Assembly *for the fifth consecutive year* regarding building performance standards and building benchmarking and reporting, ostensibly to reduce carbon emissions and create climate and clean energy jobs. The bills' legislative sponsors continue to proceed without any apparent awareness of technological solutions already developed in this area.

² <https://pbn.com/reed-2-r-i-companies-awarded-combined-299-8k-for-small-business-rd-grants/>

³ <https://stac.ri.gov/find-funding/innovate-ri-fund/>



For example, the lead House and Senate sponsors opined in the *Boston Globe*⁴ that “to decarbonize buildings, we first have to measure the energy use and emissions of our biggest ones. If we don’t know how our buildings are performing — and right now we don’t — we can’t start making them more efficient.”

The statement is factually inaccurate. We do know how buildings are performing:

- A local startup founded by MIT graduates – well, it used to be local until it relocated across the Massachusetts border – offers \$45 “drive-by” energy audits using infrared sensors, geolocation data and proprietary software that estimate a building’s monthly energy consumption with remarkable precision.
- Swiss Re and other forward-thinking re/insurers began investing over a decade ago in long-term, high-risk R&D to make buildings more efficient - - solutions now undergoing rigorous testing and nearing implementation.
- Our own software solution, developed with state Innovation Voucher support, unlocks private insurance capital to lower the cost of climate-resilient building construction and retrofitting and enable more construction projects. In contrast, the proposed building performance bills would restrict access to insurance, without which construction projects cannot proceed.
- Other Rhode Island innovators who received U.S. Department of Energy funding offer solutions that are about 35 years more advanced than what the proposed legislation would mandate.

When legislation proceeds without consulting innovators already developing market-based solutions in these exact areas, it risks:

1. Duplicating or conflicting with private-sector innovations already in development
2. Exacerbating Rhode Island’s chaotic and unstable business climate that discourages the very innovation the state has invested in
3. Making Rhode Island less attractive for retaining innovation-based companies and the high-paying jobs they create

This challenge is not new. CNBC’s decision to rank Rhode Island last (#50) in its annual state business climate assessment attracted local attention. More alarming - - and largely ignored here - - was *Bloomberg News* simultaneously dropping Rhode Island to the penultimate position in its innovation sector rankings, ahead of only Alabama. Both CNBC and *Bloomberg* interviewed those of us in the innovation sector and reported that the reality of RI’s business climate for innovators contradicts official messaging about the state’s economic development priorities.

The Broader Pattern

This disconnect between innovation policy and broader legislative environment affects workforce retention across multiple sectors. When the state invests in developing cutting-edge companies, but the political environment and business climate make it difficult for those companies to operate or scale here, we risk becoming an innovation incubator for other states' economies. Other states actively recruit Rhode

⁴ <https://www.bostonglobe.com/2024/05/02/metro/ri-carbon-emissions-from-buildings/>



Island innovators, capitalizing on policies that – despite assertions they will “create thousands of high-paying jobs” – have instead driven innovation-based businesses elsewhere.

Recommendations

I strongly support the funding request and sunset extension of Innovation Initiatives, but urge the Committee to consider complementary measures:

1. **Innovation Impact Review:** Require consultation with Innovation Initiative recipients and Commerce Corporation innovation staff before advancing legislation affecting sectors where state-supported innovation is actively occurring
2. **Jobs Retention Metrics:** Track not just private capital leveraged, but jobs created and retained in Rhode Island from Innovation Initiative investments
3. **Cross-Committee Coordination:** Establish mechanisms for the Finance Committee to share information with committees considering legislation affecting innovation sectors (energy, manufacturing, technology, etc.)

Conclusion

Rhode Island's Innovation Initiatives work—they advance technology and mobilize private capital at impressive multipliers. My \$50,000 voucher leveraged nearly \$5 million in outside resources. My \$62,000 voucher opened doors to collaboration with Apple.

The question is whether Rhode Island will create conditions allowing the resulting high-paying jobs to remain here. That requires not just funding innovation programs but ensuring policy coherence across the entire legislative and regulatory landscape affecting innovation-based businesses.

I urge the Committee to support the funding request and sunset extension while simultaneously considering measures to better align Rhode Island's broader policy environment with its innovation investments. The state's return on its Innovation Initiative investment depends not only on funding but on creating an environment where innovation can thrive.

Thank you for your consideration and for Chairman Abney's kindness to my family during a difficult time.

Respectfully,

A handwritten signature in blue ink, appearing to read "Donna Childs".

Donna Childs
Founder & Chief Executive Officer
Prisere LLC