

Testimony of Marie C. O'Brien, President  
Connecticut Development Authority to the Commerce Committee

**HB 5922, AN ACT CONCERNING COMMITMENTS OF RESPONSIBLE CORPORATIONS**

February 10, 2009

The Connecticut Development Authority offers the following comments regarding HB 5922, AN ACT  
CONCERNING COMMITMENTS OF RESPONSIBLE CORPORATIONS

CDA believes that this bill will make Connecticut a less attractive environment in which companies can grow. Entrepreneurial businesses, late stage or mature companies need to be encouraged to take the measured risks of keeping Connecticut residents employed and expanding their businesses in order to grow and add jobs. The bill raises a number of key questions we believe will diminish Connecticut's home-based businesses' ability to succeed in this economic climate. Among them are:

- How would companies deal with circumstances beyond their control in situations that require the flexibility to modify retirement benefits in order to stay in business or stay in the state?
- The term "state assistance" is broadly defined; do job training, incubator mentoring, and University-based internship programs qualify?
- If the company modifies its retirement benefits in violation of this bill, how does the state address the loss of the very jobs being created and as importantly, retained?
- Who will fund the monitoring and valuation of all the retirement benefit systems and executive compensation of all the businesses receiving assistance?
- What penalties are under consideration for companies receiving aid that might not meet notification requirements that retirement benefits have been modified? Would those funds cover the costs for the continuous proactive monitoring that would be required?
- How will the reporting of this activity be managed so as not to jeopardize Connecticut's investment in growing jobs and companies in the innovative areas of stem cell research, nanotechnology and clean energy?

The Authority understands the intent of this bill; however, we respectfully bring to your attention that businesses will not likely agree to expand in or come to Connecticut -- or to its agencies -- for assistance should this additional mandate be imposed.

We would urge the committee to consider the consequences of supporting this bill and suggest that, at this time, not taking favorable action on this proposal will help the state's many small businesses weather the global, national and state economic storm.