

**TESTIMONY SUBMITTED TO THE COMMERCE COMMITTEE**  
**February 28, 2012**

**Department of Economic and Community Development**

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The Connecticut Department of Economic and Community Development (DECD), the lead state agency on job creation and retention matters, offers the following comments on several bills before the committee.

SB 221 – The department opposes the 100 job threshold and the \$20 million set-aside included in the bill. We believe these provisions put unnecessary constraints on the department in administering the successful First Five program.

SB 222 – While supportive of the intent of the bill, DECD opposes creating a Regulatory Fairness Board within the department as it is both burdensome and unnecessary at this time. The department respectfully requests the opportunity to work with the committee on this concept, possibly expanding the role of the agency's permit ombudsman to accomplish the same goal.

SB 223 – The department opposes this study bill, as it does not have the resources to divert to such an endeavor.

SB 226 - DECD opposes this legislation.

The lack of an EB-5 Regional Center ("RC") located within Connecticut does not preclude foreign investors from investing in projects in Connecticut, as individual standalone applicants may apply for an EB-5 visa without a RC. The department may provide assistance to an individual, standalone EB-5 applicant as it pertains to technical assistance, site selection and applicable, established financial assistance programs, per normal scope of project application procedures.

The department does not have sufficient resources to establish and administer an EB-5 RC. DECD estimates the application and legal costs for a RC between \$50,000-100,000, with a 6-9 month timeline for the application to be reviewed and processed by U.S. Citizenship and Immigration Services (USCIS). State administration of a RC would require an estimated three dedicated, full-time staff, one of who must be an attorney with extensive knowledge of immigration law. The department does not possess these staff resources. State administration of a RC also requires sufficient financial resources

to fully market and promote the RC, as well as perform reporting requirements. The department maintains this is not the most efficient use of resources for creating jobs.

To date, there has been only one inquiry to DECD for setting up a region, and that proposal had no specific proposition, indicating to us that other strategies to promote direct foreign investment and exports may be more effective.

It is worth noting that many RCs overlap geography and industry targets. For example, the Manhattan Regional Center, LLC in Fresh Meadows, NY includes Fairfield, Litchfield and New Haven counties in its purview.

HB 5269 – The department supports the requirement that participating companies under the First Five program maintain jobs in the state for at least a year, as it is consistent with current MAA requirements. However, the department strongly opposes the new reporting requirements outlined in sections 2 and 3 of the bill as they are burdensome, are not supported by the current reporting requirements to the companies we support and cannot be accommodated within existing resources.

Thank you for your consideration of the department's perspectives on these economic development issues.