



SocialEnterpriseTrust.org

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reSET – Social Enterprise Trust

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Testimony of Michelle Cote, Executive Director

IN SUPPORT OF H.B. 6356 AN ACT CONCERNING BENEFIT CORPORATIONS AND ENCOURAGING SOCIAL ENTERPRISE

Before the Joint Committee on Commerce

February 28, 2013

Mr. Chairman and members of the committee,

My name is Michelle Cote. I am a resident of West Hartford, Connecticut, and I have come before you today to express my support for H.B. 6356 – An Act Concerning Benefit Corporations and Encouraging Social Enterprise.

I am the Executive Director of reSET – Social Enterprise Trust, a 501(c)3 organization dedicated to promoting, preserving, and protecting social enterprise in Connecticut. reSET is a community of entrepreneurs, educators, innovators, investors and policy makers. As citizens, we have committed to help make our communities healthier, safer places to live through business. We believe that it is possible to generate both purpose and profit through commerce, and that when we do so, we lead more fulfilling, and fully-integrated lives.

Social enterprise is a new way of doing business. Social enterprises help unite diverse sets of stakeholders to address some of our most deeply entrenched social challenges. By supporting companies that drive economic growth and improve the quality of life at the same time, reSET aims to help Connecticut's business leaders participate as allies with our state's government agencies and robust nonprofit sector. By working together, we are all much better able to make our communities safer, healthier, and more prosperous places to live for all of our citizens.

reSET is currently facilitates several complementary initiatives designed to support social entrepreneurship in Connecticut. Our Social Enterprise Accelerator is one of these programs. A total of ten early stage and scaling social enterprises are currently enrolled in the program. Each company has demonstrated incredible amounts of dedication and drive in developing a business structure that will achieve triple bottom line goals: benefiting people, helping to sustain the planet, and generating profit.

Having worked with many social entrepreneurs over the last several years, including those participating in our Accelerator class, I have developed a great appreciation for their desire to distinguish themselves, and their business models with a specific public and legal designation. By adopting H.B. 6356,

Connecticut will encourage social entrepreneurs to practice their unique version of business innovation in our state. H.B. 6356 also rewards social entrepreneurs who have demonstrated a serious commitment to creating social good with recognition by requiring benefit corporations to publicly state their social mission within their articles of incorporation, and publish an annual benefit report describing the public benefit that they have actually created. Both of these measures are important steps in creating a culture of transparency and accountability within Connecticut's business environment.

H.B. 6356 also provides social entrepreneurs with the opportunity to lock in their commitment to the social mission that their business is designed to serve by electing to adopt its legacy preservation clause after a waiting period of two years. This action would allow shareholders to ensure that their commitment to the creation of public good is maintained, even if ownership of that company changes over time. The legacy preservation clause, which is the first of its kind in the nation, is a testament to Governor Malloy's commitment to finding new and innovative ways to make Connecticut a home for cutting edge business innovation, and would make Connecticut's benefit corporation statute the most comprehensive in the nation.

The addition of H.B. 6356 to Connecticut's general statutes will help social entrepreneurs protect their organization's social mission, and provide a transparent, accessible, and simple mechanism for defining their business's social goals. We believe that this legislation will also help drive job creation and increase the number of community-based partners committed to solving some of Connecticut's most pressing social issues without requiring additional state funding.

I urge you to support H.B. 6356 – An Act Concerning Benefit Corporations and Encouraging Social Enterprise. Thank you for your consideration, and please do not hesitate to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Cote". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Michelle Cote  
Executive Director  
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