



Dannel P. Malloy

GOVERNOR
STATE OF CONNECTICUT

Commerce Committee Public Hearing
February 5, 2013
Testimony of Governor Dannel P. Malloy

Senate Bill No. 801 (Raised) An Act Making Manufacturing Assistance Act Funds Available for the Small Business Express Program

Senator Lebeau, Representative Perone and distinguished members of the Commerce Committee, I am writing to express my full support of Senate Bill 801: An Act Making Manufacturing Assistance Act Funds Available for the Small Business Express Program. The legislation will help ensure that the successful Small Business Express Program, which is administered by the Department of Economic and Community Development (DECD), is able to continue serving and supporting small businesses across the state of Connecticut.

Small Businesses ranging in all sectors, including manufacturing and construction, expressed the need to be able to obtain the needed financial assistance to retain and create jobs, expand their operations, and make needed infrastructure improvements to support their growth. This assistance, when provided in a timely and efficient manner, can and will drive economic growth locally and throughout the state.

As part of the 2011 bi-partisan jobs session, legislation was passed to create the Small Business Express Program which consisted of three elements; a Revolving Loan Fund, a Job Creation Loan Fund and a Matching Grant Program. These programs filled a void for small businesses as many banks and financial institutions stalled in lending due to the economic downturn.

In all, the Small Business Express Program provided \$100 million to help support small businesses to hire more employees and fund capital investments. The legislation also included an authorization for \$60 million over two years for Small Business Development within the parameters of the Manufacturing Assistance Account (MAA).

Overall, the Small Business Express Program has achieved all of its goals. These funds have leveraged over \$45 million in private investment, leading to the creation and retention of over 7,000 jobs while stimulating their local economy.

Even with all of this success, funding for the program will run out in the next few months, leaving the over 600 pending applications from small businesses awaiting approval for financial support put on a hold.

Senate Bill 801 will help address this impending issue by directing \$60 million of authorized funding dedicated for Small Business Development in MAA to support the Small Business Express Program. This will ensure that we honor our commitments to our small businesses while providing the hundreds of businesses awaiting review of their application an ample opportunity to receive the necessary support to grow jobs.

I, along with DECD Commissioner Catherine Smith, have been traveling the state, visiting with our small business owners, including hosting an informational forum at the State Capitol for over 30 businesses that benefitted from the Small Business Express Program. From these meetings, it was evident that the program has exceeded all expectations; however the demand for support to our small businesses shall remain a priority for our state.

The Small Business Express program provides the essential capital to the small companies that are the backbone of our state's economy. The continuation of this program remains a priority for my Administration and it supports our state's overall economic development agenda.

Thank you, and I ask that you vote in support of Senate Bill 801.