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Testimony on HB-5118 – AN ACT CONCERNING THE REGIONAL DELIVERY OF SMALL BUSINESS EXPRESS FUNDS

Honorable elected officials, thank you for the opportunity to address you with regards to this bill on the need to support small businesses here in CT. My business is a DAS-Certified Minority/Small Business Enterprise that is in the process of receiving funds through the Small Business Express Program.

I am in support of this bill, and believe it could also be incorporated with SB-542 and HB-5979. I can speak from personal experience as a small/micro business owner that has been working through the Small Business Express program process since July of 2014 for funding, almost eight (8) months. The program is not as straight-forward as it is presented to business owners. The program has a lot of steps that are part of the normal process of how the State does business. I believe combining this bill with the other two bills would streamline the process, reducing the time required for businesses to be funded, and it would allow local development corporations to assist in expediting the creation of jobs in their communities.

I have heard that DECD could be handling about 1,500 open small business applications. If that is true, that equates to almost eight (8) new applications per day, which require a significant amount of time for due diligence. If DECD prioritizes based on job creation, it would not be uncommon for a small/micro business application to take longer to make it through the process, if it is reviewed at all. Once approved, and an LOI is released, the process still takes 4-to-6 weeks to complete the legal documentation required to close on the funds and complete all the other closing requirements.

I believe that if the regional development agencies were allowed to process the applications, the process time would be greatly reduced; and that would lead to faster hiring of employees by employers. I locally approached WDC, and they connected me with SBDC for assistance with my business plan and applying to DECD; however, I was told that I needed to go through the Small Business Express program at DECD, as that was the program that had funding available small businesses like mine.

One other comment I will make related to the program is that there should either be a minimum amount for a request; or, a more streamlined process for micro-funding. For example, if an applicant has to spend $2,000-$3,000 on closing costs for the funding, should the program fund less than $10,000 requests; or can there be a simpler matching grant or matching loan approach.

Thank you for your time. I am open to answering any questions you may have for me.

Sincerely,

Antonio Paulo Pinto