



Department of Economic and
Community Development

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Catherine H. Smith
Commissioner

TESTIMONY BEFORE THE COMMERCE COMMITTEE
3/3/15

RE: HB 6827: AN ACT CONCERNING THE SMALL BUSINESS EXPRESS PROGRAM AND UNDERSERVED COMMUNITIES

Senator Hartley, Representative Perone, Senator Frantz, Representative Camillo and members of the Commerce Committee. I appreciate the opportunity to testify in support of HB 6827: An Act Concerning the Small Business Express Program and Underserved Communities.

As you are aware, our mission at the Department of Economic and Community Development (DECD) is to develop and implement strategies to increase the state's economic competitiveness. We do this by attracting and retaining businesses and jobs, revitalizing neighborhoods and communities, and preserving and promoting cultural and tourism assets.

Though these past four years have been challenging for us as a state, we at DECD have worked to improve the business climate and grow the state's economy. Under the leadership of Governor Malloy and with bipartisan support from the legislature, a series of legislative measures, most notably the Jobs Bill of 2011, were enacted. These measures have provided DECD with critical business development tools, most notably the Small Business Express (EXP) program, to help businesses create and retain jobs, expand operations, and make new capital investments in Connecticut.

Connecticut's economy is reliant on main street and mainstream businesses to provide fundamental services to our citizens. EXP has helped scores of these businesses through revolving loans, job-creation forgivable loans, and matching grants to incentivize job growth. To date, nearly 1,300 businesses have received more than \$185 million in assistance through the program; these businesses have promised to create or retain over 18,000 jobs.

Despite EXP's important successes, there is still room for improvement. HB 6827 makes several critical changes to the program that will allow DECD to better target our most disadvantaged and underserved populations in high unemployment communities, as well as more entrepreneurs and start-ups. These changes will also allow the agency to work with private sector banks to expand access to capital for small businesses located throughout the state.



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Specific changes proposed in HB 6827 include:

- The elimination of the eligibility requirement that a company be in existence for twelve months to allow DECD greater flexibility in serving younger companies
- A reduction in the minimum amount of grants and loans from \$10,000 to \$1,000
- The ability of the commissioner to collaborate with private lenders in Connecticut to create a new loan fund as part of the EXP program
- The ability of the commissioner to work with community leaders to identify populations underserved by EXP and to give priority for funding to businesses owned by members of those populations.

As we strive to serve the state's business community effectively, we at DECD must continually adapt and improve our programs to changing needs and circumstances. These proposed revisions to the EXP program promise to do just that – to allow the agency to better target underserved populations, especially women-owned and minority-owned businesses, and to more effectively serve start-up companies.

Thank you for considering the department's comments on this important piece of legislation. I strongly urge your support.