



March 22, 2016

Testimony on SB 1

Dear Representative Berger, Senator Fonfara and members of the Finance Committee,

Thank you for raising Senate Bill 1, we commend SB 1 for the effort to stimulate technology capital investment and the concept of building technology campuses; attractive to young entrepreneurs to enter and stay in the state. Connecticut Association of Smaller Manufacturers (CASM), is comprised of the Smaller Manufacturers Association of Waterbury (SMA), the New Haven Manufacturers Association (NHMA), Manufacturers Education and Training Alliance (METAL) of Bridgeport and the New England Spring & Metal stamping Association and collectively represents over 400 companies with more than ten percent of the employees in the state's manufacturing sector.

As members of Connecticut's manufacturing community we recognize the bill's positives and negatives, including what impact the implementation of the bill will have. The positives include:

1. Continued funding for Small Business Express and the Manufacturing Innovation Fund
2. Grants for facilities renovation in innovation districts
3. Bonded funding for evening classes at the Technical schools
4. Extension of the Angel Investor tax credits
5. Funding for publicizing manufacturing awareness and developing 1000 manufacturing workers

The over-riding concern we have is our State's financial infrastructure. ImpaCT represents a superficial fix that is unsustainable without first addressing issues such as the high taxes and housing costs that are forcing workers of all age-ranges to leave our state. Financially well-healed seniors are relocating to states with lower estate taxes and young workers are relocating to more affordable states where they conduct their business remotely. Manufacturers are setting up shop in those locations that best address these trends.

We recommend that the legislators focus on those programs that are successfully achieving manufacturing growth, specifically Small Business Express and the Manufacturers Innovation Fund. These programs are efficient and accessible resources to business owners – people often too distracted with the day-to-day operations to spend months researching and compiling seemingly endless paperwork to secure needed human or financial capital. These funds are accessible, easily used by the industry and are creating true benefits to the industry.

CASM also recommends the state establish a partnership with current businesses and the technical high schools to provide the kind of training and opportunities that will expand horizons for urban youth and adults needing higher paying jobs. This effort should focus on the "designated communities" identified in the Manufacturing Innovation Fund legislation that includes our major urban areas. We encourage new, innovative thinking for how Connecticut can build critical, technical skills faster and more



efficiently while better leveraging manufacturing assets in both the public and private sectors for education.

Lastly, CASM opposes Section 28, and recommend a new host for “Dream It-Do It” is identified, one that has the kind of education-related knowledge and infrastructure to build and promote a partnership among students, educators and manufacturers. Rather than bringing the manufacturers to the students (as currently exists with “Manufacturing Mania”), we suggest bringing the students to the manufacturers. Exposure to the real-world manufacturing experience and personnel, will stimulate interest and demand for jobs in this sector. We need to create the demand for these jobs before focusing on programs that create the supply.

Ultimately, we believe that until our state’s financial issues are resolved, we cannot risk tax payer funds on the CT venture loan program Startup CT proposed in this bill. CT’s small manufacturers are uncomfortable with providing 60 million dollars in unforgiveable loans to the UCONN Student/faculty incubator. We recommend put aside the ImpaCT concept and consider using our successful business community as the starting point for a student/faculty research initiative. Sustained businesses are less risky and require far less capital to launch research and development efforts.

Please think about looking at our manufacturing development challenges through a different lense – one that puts less financial burden on our state, eliminates another level of tedious bureaucracy, and capitalizes on those programs yielding measureable growth both in labor and productivity.