

# Higher Education and Employment Advancement Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-3

AN ACT REQUIRING THE BOARD OF REGENTS FOR HIGHER EDUCATION

**Title:** TO DEVELOP SEMINAR PROGRAMS FOR SMALL BUSINESSES.

**Vote Date:** 3/17/2022

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/8/2022

**File No.:**

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

### SPONSORS OF BILL:

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. DUFF, 25<sup>th</sup> Dist.

SEN. ANWAR, 3<sup>rd</sup> Dist.

SEN. CABRERA, 17<sup>th</sup> Dist.

SEN. CASSANO, 4<sup>th</sup> Dist.

SEN. COHEN, 12<sup>th</sup> Dist.

SEN. DAUGHERTY ABRAMS, 13<sup>th</sup> Dist.

SEN. FLEXER, 29<sup>th</sup> Dist.

SEN. FONFARA, 1<sup>st</sup> Dist.

SEN. HASKELL, 26<sup>th</sup> Dist.

SEN. KUSHNER, 24<sup>th</sup> Dist.

SEN. LOPES, 6<sup>th</sup> Dist.

SEN. MILLER P., 27<sup>th</sup> Dist.

SEN. MOORE, 22<sup>nd</sup> Dist.

SEN. SLAP, 5<sup>th</sup> Dist.

SEN. WINFIELD, 10<sup>th</sup> Dist.

### REASONS FOR BILL:

Allows the Board of Regents to use funds from the American Rescue Plan Act (ARPA) to develop seminar programs in order to assist small businesses with adapting to a changing business environment.

Substitute language:

- Lines: 12-15: clarifies the nature of the business environment to mean the environment in the aftermath of the COVID-19 pandemic.

### RESPONSE FROM ADMINISTRATION/AGENCY:

[Sean Bradbury, Senior Director of Government Relations and External Affairs, Connecticut State Colleges & Universities \(CSCU\)](#): The Connecticut State Colleges and Universities system "strongly supports" [S.B. 3](#), as it is necessary to provide "business owners and their staff with seminars on a range of topics including electronic commerce, social media, marketing, small business technical support, and blockchain." These programs would be offered in person and online by the Werth Innovation and Entrepreneurial Center at

Housatonic Community College, as well as the Entrepreneurial Center at Northwestern Connecticut Community College. [S.B. 3](#) would also allow small business employees to participate in professional development, which "can provide critical information and support at a time when businesses are trying to stabilize and grow and recover from the impacts of the pandemic."

#### **NATURE AND SOURCES OF SUPPORT:**

[Senator Martin Looney, Connecticut Senate President Pro Tempore, Connecticut General Assembly](#): Senator Martin Looney offered verbal testimony in support of [S.B. 3](#), stating that due to the COVID-19 pandemic, "many [small businesses] were faced with potential extinction [and] had to adapt quickly to a new world where customer needs had to be met in ways that these business owners had never contemplated before." In addition, Senator Looney informed the Committee that "many [small business] owners did not have the technical knowhow to compete in this strange new world" of ecommerce. [S.B. 3](#) would allow business and professional development programs to be "offered online," which would provide employers and employees with access to these seminars "regardless of location." Finally, Senator Looney urged the Committee to pass [S.B. 3](#), stating that "while the cost is minimal...the impact on small businesses could be significant."

[Senate Democrats, Connecticut General Assembly](#): The Senate Democrats of the Connecticut General Assembly offer their support for [S.B. 3](#) for fear that "outside services" (such as DoorDash, Grubhub, and Instacart) would "drain cash out of an enterprise that tends to live on the margins." Even though these services kept many businesses afloat during the COVID-19 pandemic, each has its own "multi layered fee structures that can make the process either too expensive for the customer or unsustainable for the business owner." These fees can potentially "add up, turning a marginally profitable business into a losing proposition," and while many small business owners "do not possess the technical skills to tackle this problem on their own," the programs outlined in [S.B. 3](#) would "help these people out." These seminars would be offered at the Northwestern Connecticut Community College Entrepreneurial Center and the Werth Innovation and Entrepreneurial Center at Housatonic Community College. These programs would also be "free of charge" and specifically be available to business owners with "25 or less employees," as well as "up to two of their employees." In addition, the cost of the program won't be "significant," but the "demand will be greatest in the next two years," and [S.B. 3](#) uses funds from the American Rescue Plan Act (ARPA) "to cover the costs for the community colleges to implement it." In conclusion, "These businesses sustained us during the darkest days of the pandemic, it is our turn now to make sure they are sustained in the future."

[Miles Quarterman, Student, Yale University](#): Mr. Quarterman offered verbal testimony in support of [S.B. 3](#), stating that not only are "small businesses...the backbone of the economy," but "Connecticut's economic success is dependent on small businesses' success." In today's economy, "it's more important than ever [for small businesses] to have an online presence," and "as it becomes evident that COVID-19 is an endemic virus, ecommerce will be an important tool for small businesses during future outbreaks." In conclusion, Mr. Quarterman believes that in order "to compete in the modern economy and endure future COVID-19 outbreaks, small businesses need the resources and knowledge to create an online presence."

[Ashley Zane, Government Affairs Associate, Connecticut Business and Industry Association \(CBIA\)](#): The Connecticut Business and Industry Association offers its support for [S.B. 3](#) because many small businesses "do not have the ability to invest time and resources into researching best practices" for an online format. The COVID-19 pandemic forced small businesses to "be able to quickly pivot their business model," and the seminars offered by the CSCU as outlined in [S.B. 3](#) would act "as a way for these small companies to easily access material from a reputable source." Specifically, CBIA supports the inclusion of "cybersecurity training on this bill," as ecommerce "opens the door to fraud and cybercrime which has dramatically increased across the country." Finally, while CBIA does support "efforts to ensure companies can adapt," the legislature "should be encouraging responsible electronic commerce that protects the business and the consumer."

[David Acquaaah-Mensah, Resident, New Haven](#): According to the "Small Business Administration's 2021 Small Business Profiles for States," small businesses accounted for "99.4% of all Connecticut businesses and employ[ed] 48.4% of all Connecticut employees," representing a significant component of Connecticut's economy. [S.B. 3](#) would provide small businesses with the opportunity to participate in free seminars that will allow them "to stay resilient during future COVID-19 surges and be competitive in an increasingly digitized marketplace." Due to the increasingly endemic nature of the COVID-19 pandemic, "small businesses need the resources to establish an online presence to mitigate fallout from future outbreaks when people are less willing to go to stores in-person." According to a "Connecticut Small Business Development Center survey of Connecticut small businesses," between March 2019 and March 2020, "9,205 small businesses opened and 9,850 closed" while "small businesses gained 103,088 jobs and lost 114,339 jobs." According to Mr. Acquaaah-Mensah, "taking advantage of e-commerce could have helped [these small businesses] supplement some of the in-person sales they lost." In conclusion, Mr. Acquaaah-Mensah urges the Committee to pass [S.B. 3](#) in order to provide Connecticut's small businesses with the "resources and knowledge to create an online presence," as well as the "support that they need and deserve."

An additional [17 written testimonies](#) were submitted in support of [S.B. 3](#):

- [Dylan Council, Resident, New Haven](#)
- [Chris de Santis, Resident, New Haven](#)
- [Logan George, Resident, New Haven](#)
- [Roxana Grunenwald, Resident, New Haven](#)
- [Josh Guo, Resident, New Haven](#)
- [Tioné Hoeckner, Resident, New Haven](#)
- [Aparajita Kaphle, Resident, New Haven](#)
- [Joyce Liow, Resident, New Haven](#)
- [Yaz Liow, Resident, New Haven](#)
- [Meridian Monthy, Resident, New Haven](#)
- [Bradley Nowacek, Resident, New Haven](#)
- [Evelyn Robles, Resident, New Haven](#)
- [Ted Shepherd, Resident, New Haven](#)
- [Brook Smith, Resident, New Haven](#)
- [Julia Sulkowski, Resident, New Haven](#)
- [Noah Vinogradov, Resident, New Haven](#)

- [Linda Youn, Resident, New Haven](#)

**NATURE AND SOURCES OF OPPOSITION:**

None Expressed for Senate Bill 3.

**Reported by: Austin Hyatt**

**Date: 3/29/2022**