

**TESTIMONY SUBMITTED TO  
THE BLACK & PUERTO RICAN CAUCUS  
March 29, 2012**

*Department of Economic and Community Development*

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The department appreciates the opportunity to submit testimony to the caucus outlining the many ways the Department of Economic and Community Development (DECD) ensures ethnic minorities, women and person with disabilities are not only fully engaged in our programs and projects, but more importantly in the state's economic recovery, as well.

DECD has a broad array of programs and services to support Connecticut's diverse business community, including financing, tax incentives and technical assistance. We also actively collaborate with, and fund, other economic development organizations that spur business growth and entrepreneurship at the regional and local levels. These nonprofit organizations administer the following programs, which include support for minority business development:

- **Small Business Incubator Program** — Provides grant money to help defray the financial burden of maintaining and growing a startup technology-based business. It is estimated that approximately 30% of businesses supported as of year-end were minority, woman and/or veteran-owned.
- **Small Business Development Centers (SBDC)** — Provides professional confidential, group and one-on-one business counseling services to small business and startup businesses statewide. DECD provides approximately \$375,000 in annual funding to this program. In program 2012, the SBDC assisted:
  - 78 African American clients resulting in 37 new businesses.
  - 35 Hispanic clients resulting in 15 new businesses.
  - 161 women-owned businesses.
- **Procurement Technical Assistance Program (PTAP)** — Supports the socioeconomic goals set at the federal and state level to assist Connecticut businesses that sell or wish to sell products and services to federal, state and local government. The mission of the Connecticut PTAP program is to:
  - Support National Security: Ensure a broad base of capable Connecticut suppliers for defense and other government agencies.
  - Increase Connecticut Small Business Economic Base: Provide business assistance in winning government contracts.

DECD provides approximately \$300,000 in annual funding to match the federal funds. The Southeastern Connecticut Enterprise Region (seCTer) has operated a statewide Procurement Technical Assistance Program (PTAP) under the Federal PTA Cooperative Agreement Grant Program with a cost share match from DECD since 1993. From March 1, 2011 to February 29, 2102, 102 minority-owned businesses were counseled winning 25 awards totaling \$6.2 million.

- **Hartford Economic Development Corporation (HEDCO)** administers for DECD the:
  - **North Hartford Revolving Loan Fund** — The North Hartford Community Loan Program was created by an act of the State legislature (Public Act No. 10-44) to promote and stimulate economic development to fund loans for minority businesses in North Hartford unable to access financial assistance in the traditional marketplace. The Program consists of a \$1,000,000 OPM Urban Act Grant to HEDCO to establish and implement a North Hartford Community revolving loan fund.
  - **Minority Bonding II Program** — The State Bond Commission approved the Minority Bonding II Program which provided an additional \$2,000,000 to the existing program bring the total investment to \$3,000,000. This will allow the Minority Bonding Program to be expanded statewide. Currently the program operates in four cities – Hartford, New Haven, Bridgeport and New London. HEDCO oversees the Program, which provides financial contingency for bonding to minority-owned construction firms. Funding will assist businesses in obtaining payment bonds for construction projects throughout the State. The funds will be used on a contingent basis against bond-guaranteed losses. Thus far twelve businesses have been assisted.
- **Micro Loan Guarantee Program for Women and Minority Owned Businesses** — Funding for this program is provided from the Manufacturing Assistance Act. DECD, in partnership with Connecticut Economic Development Fund (CEDF), is providing loan guarantees on direct loans offered through CEDF. Woman- and minority-owned businesses where fifty-one percent of the stock is owned by a woman or a minority who is actively engaged in the daily affairs of the business and has the power to direct the management and policies of the business. Business must be located in Connecticut and within a targeted or public investment community. To date, the program has assisted 22 African-american and 13 Hispanic businesses.
- **The Entrepreneurial Center** — This program was established in 1985 and has a mission to help Connecticut men and women of all income levels achieve financial independence through self-employment. This unique training program provides self-assessment workshops, comprehensive small business training, assistance with business plan development, guidance when seeking capital, access to a team of business advisors, networking, referrals to professional services and pre-planning and advanced business training. This fiscal year approximately 483 minority-owned companies were counseled, trained and assisted.

Another example of the department's commitment to ensuring minority participation is with our guidelines for bidding and constructing public improvement projects. DECD's requirements include the following:

- The grantees and their contractors will need to comply with 4a-60 and 4a-60a of the Connecticut General Statutes (C.G.S.) and Sections 46a-68j-21 through 43 of the

Regulations of Connecticut State Agencies. The above statutes and regulations require the grantee to "aggressively solicit the participation of legitimate minority business enterprises as bidders, contractors, subcontractors and suppliers of materials" on projects.

- All bidders must complete, sign, and return the "CHRO Contract Compliance Regulations Notification to Bidders" form to the grantee at the time of bid opening. Bids not including this form should be considered incomplete and rejected.
- The lowest responsible bidder is then responsible to submit his completed and signed bidder contract compliance monitoring report along with his Affirmative Action plan to CHRO.

To your second point about Connecticut's workforce goals, DECD also holds this as a priority and we are taking steps to ensure workforce goals are being met on state-funded projects. By way of example, the recent Jackson Laboratory (JAX) project included the following provisions:

- JAX shall maintain a policy of awarding preference in employment of Employees to residents of Connecticut, except for professional scientific staff positions requiring a doctoral degree, postdoctoral training positions, and graduate student positions; this policy means that when two candidates are otherwise equally qualified, JAX will give preference to the candidate who is a Connecticut resident;
- Jax shall use the Connecticut Job Central System operated by the Connecticut Department of Labor as a non-exclusive means of advertising employment opportunities; and
- Jax shall enter into a Community Workforce Agreement for the construction of the Facility, acceptable to CI.

To your third point regarding the State Disparity Study, DECD believes this matter would be more appropriately directed to the Office of Policy and Management and the Department of Administrative Services.

DECD is committed to assisting the minority community through our economic development, neighborhood revitalization and housing efforts. Thank you for your continued support of the agency and its many programs that are improving the quality of life for Connecticut residents.