



***TESTIMONY PRESENTED TO THE GENERAL OBLIGATION
BONDING SUBCOMMITTEE OF THE
FINANCE, REVENUE AND BONDING COMMITTEE***

March 20, 2023

*Alexandra Daum, Commissioner
Department of Economic and Community Development*

Governor Lamont's Fiscal Year 2024-2025 Recommended Budget

Good afternoon, Senator Moore, Representative Napoli, Senator Hwang, Representative Piscopo and members of the General Obligation Bonding Subcommittee of the Finance, Revenue and Bonding Committee. My name is Alexandra Daum, and I am commissioner of the Department of Economic and Community Development (DECD). I appreciate this opportunity to appear before you concerning Governor Lamont's proposed FY 2024-2025 budget for economic and community development.

Our mission at 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 Connecticut's arts, cultural, and tourism assets.

Governor Lamont's Capital Budget for DECD

Department of Economic and Community Development	FY 24 Recommended	FY 25 Recommended
Connecticut Small Business Boost Program	\$25,000,000	\$25,000,000
Brownfield Remediation and Revitalization Program	\$25,000,000	\$25,000,000
Connecticut Manufacturing Innovation Fund	\$12,000,000	\$12,000,000
Total – Department of Economic and Community Development	\$62,000,000	\$62,000,000

Over the past few years, our department has been busy implementing the various new and existing programs, and are grateful for the Governor and legislature's continued support of these initiatives. This includes **legacy programs**, such as our Brownfield Remediation and Revitalization program, the Connecticut Manufacturing Innovation fund, and our various arts, culture, and tourism programs and grants, as well as **new programs**, such as



the CT Communities Challenge program, the new and improved Small Business Express program, standing up the Social Equity Council and the Community Investment Fund 2030, as well as various pandemic response-related programs.

The Governor's FY 2024-2025 budget recommendation maintains funding levels for our core programs that are funded through bonding. Whereas DECD's proposed operating budget provides us with sufficient funds to carry out our mission and to make important investments in preserving and promoting Connecticut's arts, cultural, and tourism assets, our capital budget contains the bond authorizations necessary to fund some of DECD's most important programs.

Importantly, the Governor's budget maintains \$50 million in bonding to fund the Connecticut Small Business Boost Fund, formerly known as the Small Business Express Program (EXP). EXP was created to help stimulate the economy after the great recession—a time when bank lending had slowed. EXP was never meant to be a long-term program, rather a bridge until the banking sector regained its footing. After many conversations with the banking community, DECD has pulled back from direct lending, and now partners with banks to focus on supporting minority- and women-owned businesses. The Connecticut Small Business Boost Fund provides a needed infusion of capital in the form of low-interest, user-friendly loans for businesses in underserved communities as well as the technical assistance needed to make these investments sustainable.

Similarly, the \$50 million in bond funding for the Brownfield Remediation and Revitalizations program will continue the state's unprecedented commitment to remediating contaminated sites and restoring them to productive use. From FY 2013 to 2022, the State of Connecticut has allocated substantial resources to reactivating brownfields, with over \$225 million invested to over 259 projects in 76 municipalities. These investments have leveraged significant non-DECD funding as well; for every dollar contributed by DECD, non-DECD partners have or will invest an impressive \$13.63.

Lastly, the budget's proposed funding for the Connecticut Manufacturing Innovation Fund (MIF) further demonstrate the Governor's commitment to growing jobs and strengthening the state's economy. The MIF has assisted 2,174 businesses, created or maintained 21,929 jobs, trained 28,619 employees, and engaged 18,351 students. Together with its partner organizations, the MIF has served as powerful catalysts for other investments as well. In fact, for every dollar of state-supported MIF funds deployed through these programs, private and third-party investors have invested \$1.70. Not only will these investments keep Connecticut's manufacturing sector globally competitive, but they will also continue to generate significant returns for our many advanced manufacturers and our state's overall economy. The \$24 million in the Governor's budget



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Connecticut

will allow us to continue to assist manufacturers throughout the state with equipment, research and development, and training.

We are confident that the Governor's proposed budget adjustments will provide DECD with the necessary and sufficient funds to carry out our mission, and to fund some of DECD's most important programs. I respectfully request the committee's support and thank you for your time and consideration. I am happy to answer any questions you may have.