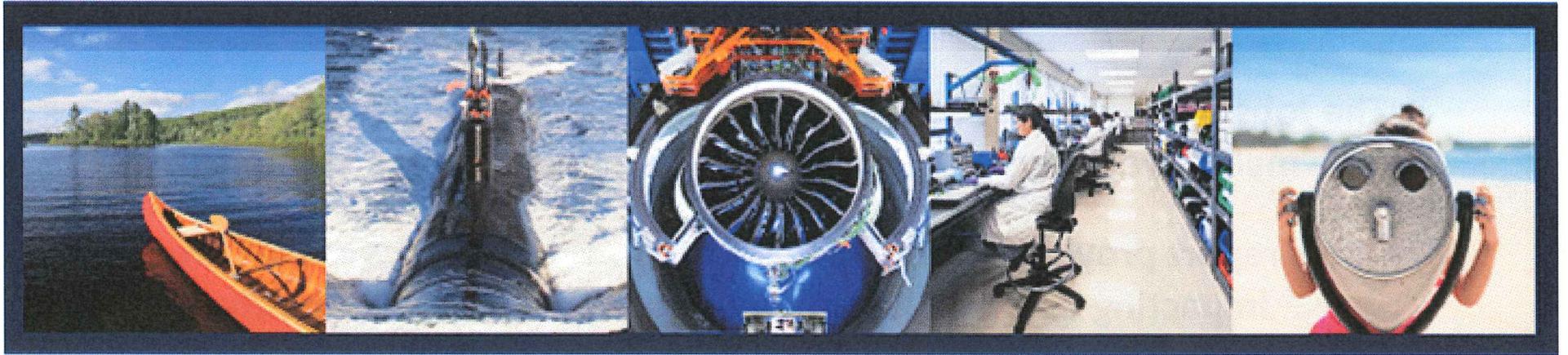


# Reinventing CT: An Economic Development Progress Report



**Connecticut**  
*still revolutionary*

**Connecticut has some of the most dynamic—and effective—economic development programs in the nation.**

**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 – have been enacted that are helping businesses create and retain jobs, expand operations and make new capital investments in the state.**

**The Jobs Bill also included measures to improve the business climate, make investments in education and stimulate local economies.**

**This report provides an overview of the Jobs Bill initiatives that are impacting Connecticut companies and the state's economy.**

# Summary

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***Since October 2011, the state has aggressively implemented the Jobs Bill and all its provisions. The numbers speak for themselves, but we believe its implementation has significantly aided our state's recovery. More remains to be done, and many programs are just beginning to bear fruit, but progress is apparent:***

- 1,114 companies are being assisted through DECD programs, with 11,817 jobs to be created and 30,887 jobs retained
- \$1.9 billion has been leveraged from the private-sector to grow jobs and expand the economy through these programs
- 65 LEAN events have helped streamline state government services

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# Small Business Express Results As Of 9/30/13

Small Business Express	Total
Applications received to date	2037
Businesses receiving financial assistance	863
Applications in process	387
Applications denied	787
Minority/Women-owned businesses receiving assistance	175
Private investment leveraged ( <i>approximate</i> )	\$60,000,000
<hr/>	
Grants	\$44,967,073
Loans	\$69,682,334
<b>Total Businesses Funded</b>	<b>\$114,649,407</b>

Express Projects Funded Through MAA*	
Businesses receiving financial assistance	16
Jobs created	116
Jobs retained	260
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Grants	\$1,429,000
Loans	\$2,630,000
<b>Total</b>	<b>\$4,059,000</b>

## EXP has impacted 12,278 total jobs

Jobs to be created	3,159
Jobs to be retained	9,119

## Goals of Small Business Express

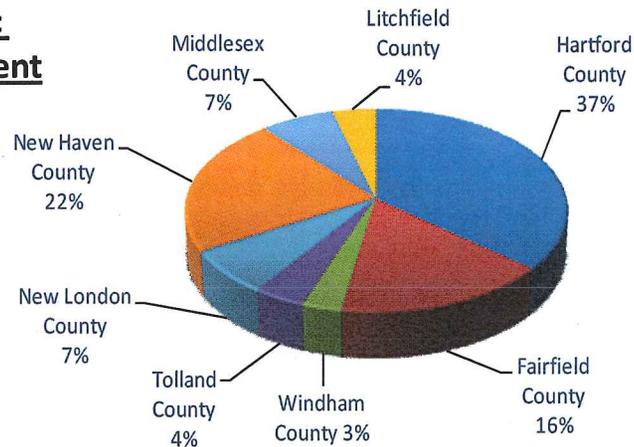
- Provide capital, working capital and other funds to small, "Main Street" businesses to help create jobs in all Connecticut towns and cities
- Provide a good rate of return to Connecticut taxpayers as jobs are created and income tax is levied on those jobs
- To offset the void created when banks and other financing institutions pulled back on lending, post recession

\*MAA = Manufacturing Assistance Act

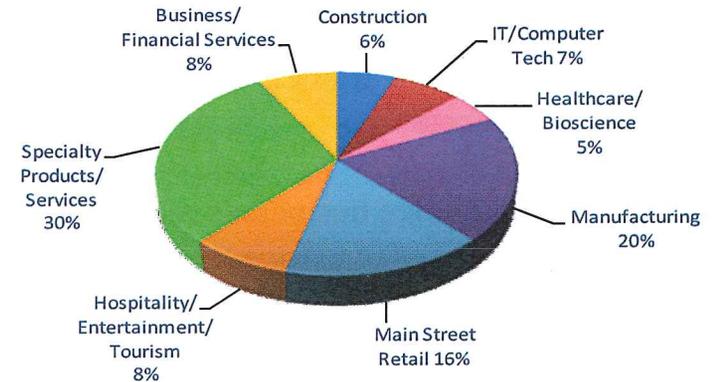
Six community lenders have assisted DECD in administering the program

# EXP Assistance Has Gone To A Wide Variety Of Businesses

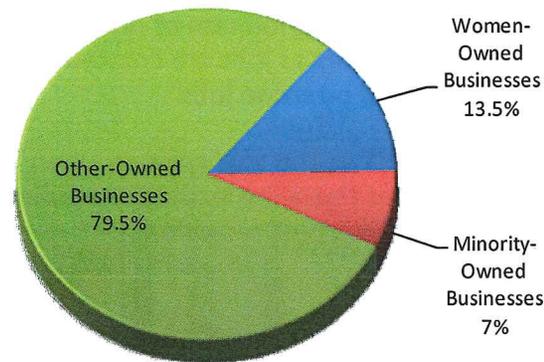
## Geographic Disbursement



## Industry Mix



## Business Mix (Women/Minority-owned)



Statewide average % of women-owned businesses 28.1%  
 Statewide average % minority-owned businesses: 12% (US Census Bureau, 2007)

- The industry mix reflects the economy in Connecticut, with a focus on mainstream employers. For three sectors, (Manufacturing, Construction and IT), EXP recipient pool represents more than twice the state's current job percentage.
- Of the total, 243 (28%) businesses applied for and received both a grant and a loan.
- Loans are structured to provide repayment of principal and interest over 5 to 10 years. Already DECD has received \$4,646,034 of loan principal and interest.
- All levels of jobs, from entry level to PhD, are included in EXP.
- The lower than statewide averages for women and minority businesses are being addressed with additional outreach efforts.
- Eight companies that were funded through EXP are no longer in business (less than 1% of total).

# Manufacturing Assistance Act Helps Mid-Sized Businesses

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*Incentive-driven direct loans and grants for mid-sized companies (not only manufacturers) who want to grow jobs and build their business in the state*

**Between 2011 and 9/30/13 the MAA has assisting mid-size companies:**

- 47 companies in 26 different municipalities
- 9,284 jobs retained and 2,364 to be created
- \$142M in total state assistance leveraging \$497M
- 8 companies in the state's largest urban centers
- 24 manufacturing (51% of total) and 8 financial service (17% of total) companies in our targeted business growth sectors have been assisted

## First Five Program As Of 11/30/13

*Focused on larger companies that create 200 jobs within 2 years or invest at least \$25,000,000 and create 200 jobs within 5 years*

- 11 announced deals across several targeted clusters including Insurance/Financial Services, Healthcare/Biotech and Digital Media
- 12,690 jobs to be retained; 2,200 to 5,248 jobs to be created
- Over \$214M in direct state assistance leveraged more than \$1.3B in private investment
- Diversity of geographic locations including Bloomfield, Bristol, Hartford, New Haven and Stamford

# DECD Job Survey Data as of 6/30/13

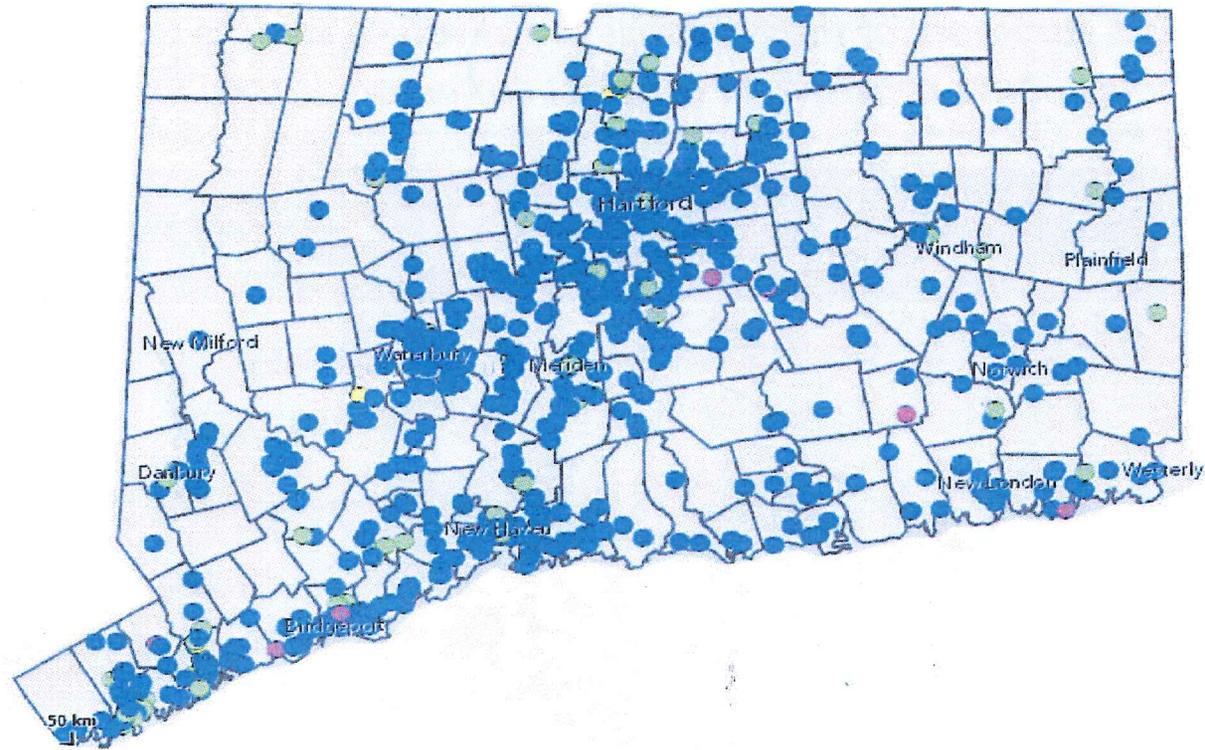
*DECD surveys companies for information that is used in our annual report. The following is a summary of the responses received regarding actual jobs as of 6/30/13 for companies under contract, in contract stage, or with an executed letter of intent:*

Program	# of Surveys Sent	# of Responses	% Responding	Actual Jobs as of 6/30/13
MAA	41	33	80%	6,686
First Five	10	10	100%	14,067
Express – DECD	618	488	79%	6,812
Express – Partners+	177	177	100%	1,702
<b>Total</b>	<b>846</b>	<b>708</b>	<b>84%</b>	<b>29,267</b>

*These actual job counts represent progress to date for job creation and retention. Companies have between 2-5 years to meet their employment obligation.*

*+Express Partner jobs include both full and part-time jobs.*

# Financial Assistance Recipients By Location



This interactive map, containing information on all companies assisted by programs on the prior pages, can be found at [www.ctopenforbiz.com](http://www.ctopenforbiz.com)

# Job Expansion Tax Credit Program (JET)

*Created in the 2011 special session on jobs, JET-eligible companies receive a \$500 per month tax credit for each new job when they hire. Credit for hiring the unemployed, disabled and veterans are \$900 per month. The program has an allocation of \$40M.*

## *Summary of Program as of 9/30/2013*

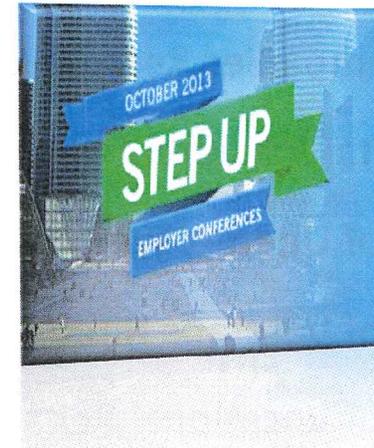
▪ Companies Enrolled in the Program	1,205
▪ Companies Receiving Credits	257
▪ Total Jobs Created	1,856
▪ # of Unemployed Hired	122
▪ # of Veterans Hired	54
▪ # of Vocational Rehabilitation Service Recipients Hired	3
▪ Total Credits Issued	\$5,623,000

# STEP UP Program

*The Jobs Bill created the Subsidized Training and Employment program for eligible small businesses and manufacturers. The \$20 million program provides wage subsidies and training grants for new hires.*

*As of 9/30/2013*

- 535 companies have hired 1,880 employees under the program
- The current average starting wage is \$14.56 an hour
- Dollars obligated to date: \$15.2 million
- Primary users of the program are manufacturers (46%)



# Connecticut Innovations Expansion

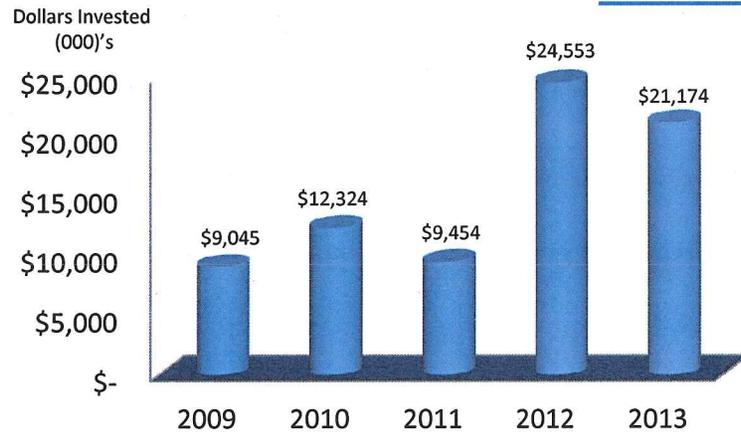
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*The 2011 Jobs Bill provided \$25 million in additional funding to CI annually for five years. These funds have enabled CI to support promising tech companies in four key ways:*

- Double investments in early-stage companies, enabling CI to bring more high tech innovations than ever before to the global stage
- Substantially increase the amount of private investment dollars available to Connecticut companies through the Angel Investor tax credit program
- Significantly increase efforts to help small businesses accelerate their growth through innovative new programs and small grants
- Invest in the entrepreneurial ecosystem (CTNEXT), which has helped more entrepreneurs than ever before start and grow businesses in Connecticut

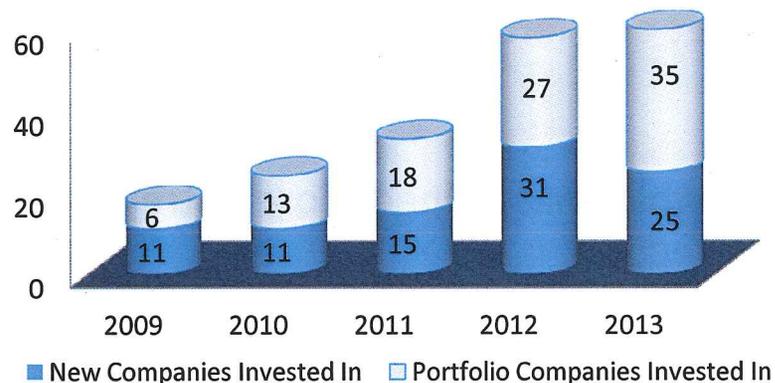
# With The Additional Funding, CI Is Expanding Its Investments In Innovative Companies

## Venture Capital Equity Investments



- More than doubled investment in early-stage, high-tech companies, including \$10.8 million in pre-seed and seed opportunities
- Invested \$55M and leveraged an additional \$141M in private investments
- Invested \$2.2M in venture mezzanine, a new financing tool providing assistance to high-growth, later-stage companies

## Companies Receiving Equity Investments



- More than doubled the new companies it supports
- Increased the number of companies in CI venture portfolio from 56 to 91
- Increased jobs in current portfolio companies to 950
- Provided investments to 56 new companies
- Provided 63 portfolio companies with growth capital through follow-on investments

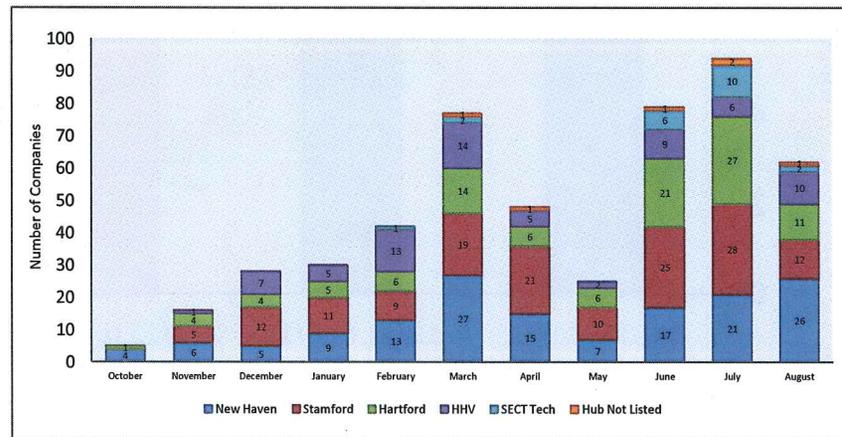
# With the Additional Funding, Startup Programs Get Strong Support

**SBI (Small Business Innovation)** provides a variety of grant-making programs supporting startups

- **Technology Talent Bridge**  
\$736K invested, 85 internships for CT students, \$240K leveraged, to-date 17 permanent jobs
  - Strengthens workforce and retains our talent in the state—STEM focused; nationally recognized for innovation and effectiveness
- **SBIR Acceleration and Commercialization**  
\$1.1M invested in 31 companies, \$9M leveraged
  - Matching grant/loan program—leverages SBIR federal grants to commercialize technologies
- **Small Business Innovation and Diversification**  
\$590K invested, \$3.4M leveraged, 38 jobs
  - Supports Connecticut manufacturers-funds design and development of innovative technologies
- **Innovation Challenge**  
Invested \$300,000; pilot program bringing together innovative small and large companies

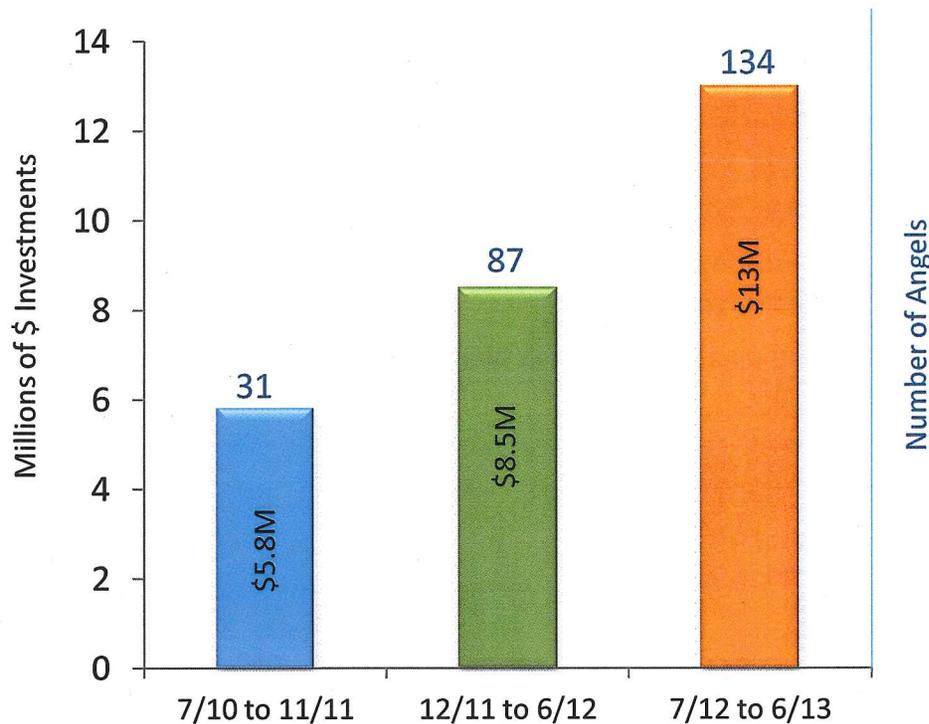
**CTNext, Connecticut's Innovation Ecosystem**, provides infrastructure to startups and fast-growing ventures

- CT Next funded 11 entities and engaged dozens more to grow local networks of support for entrepreneurs
- Connected more than 300 ventures to resources including mentors, technical expertise
- Held 200 entrepreneurial community events attended by over 7,000 people
- Provided 32 micro-grants to companies for R&D and prototyping
- Supported 26 teams in two business accelerator programs



# In the Jobs Bill, Angel Investor Tax Credits Were Improved

## Angel Investors Have Increased



## Changes provided in the Jobs Bill resulted in:

- Lowered the investment threshold from \$100,000 to \$25,000, which provided an immediate impact
- The number of angels making investments quadrupled in the first full year after the change
- Increased dollars invested more than 2.5 times
- Angels invested \$21.5 million in early stage Connecticut companies from FY 2011 to 6/30/2013

# Investments In Community Colleges

*The Jobs Bill authorized up to \$20 million in bonds to (1) expand Asnuntuck Community College's precision manufacturing program and (2) establish or expand manufacturing technology programs in three community-technical colleges. In total over 270 new students were able to enroll in manufacturing programs due to the expansion.*

## Asnuntuck College

- Added \$1.1 million of state-of-the-art welding and machining equipment
- Increased size of welding facility and doubled the number of welding booths to serve more than 100 individuals annually
- More incumbent workers trained
- Total enrollment increased to 200, including 50 high school students

## Quinebaug Valley Community College

- With H.H. Ellis Technical High School, finalized a new manufacturing lab
- 33 new students awarded Level 1 & 2 certificates as of 5/2013
- 31 of these gained employment in local machine/mold shops and other manufacturing facilities



## Housatonic Community College

- Added 13 new courses and developing a welding program
- 56 new students in advanced manufacturing
- New machining lab, 2 computer labs
- Built partnerships with 107 businesses in region

## Naugatuck Valley Community College

- New space dedicated to manufacturing
- 57 students recruited
- 113 Level I & Level II certificates awarded in 2012-13
- Of the 40 students who graduated from Level II, 32 have been placed in employment and 7 have enrolled in the AS Engineering Technology program

## Awards

- 2013 Award for Institutional Innovation and Integration
- CQIA Silver Innovation Prize

# Captive Insurance Legislation Enhanced To Meet Customer Needs

*The Jobs Bill revised and expanded PA 08-127, which permits a captive insurance company to be licensed and domiciled in Connecticut*

- Captive regulation unit at Connecticut Insurance Department functioning. Hired manager and in the process of hiring 3 other staff members
- Three new captives in CT; others in pipeline
- Connecticut Captive Insurance Association started
- CT marketed captives at the Vermont Captives Conference and hosted 70 businesses at a reception
- Held two captive symposiums – one in Hartford, the other in Stamford

# Airport Development Zones

*PA 10-98 created a development zone around Bradley International Airport. The Jobs Bill allowed the Connecticut Airport Authority (CAA) to establish additional airport development zones.*

- An application for an Airport Development Zone at Waterbury-Oxford Airport was approved August 12, 2013
- The Airport Zone allows certain businesses a five-year, 80% abatement of local property taxes on real and personal property; and a 10-year, 25-50% credit on a portion of the state's corporation business tax in certain census tracts in Middlebury, Oxford, and Southbury



# LEAN Events Make Government More Efficient

*The Jobs Bill has sparked State Government to embrace LEAN process improvement techniques, with customer service as its focus*

- More than 1,000 employees have attended LEAN training
- More than 65 processes have been LEANED, generating other streamlining efforts
- Departments who have held events include DECD, DOT, DEEP, DAS, OPM, DMV, DRS, DPH, DSS, DCF, DOL, DOH and DESPP
- These events have improved business processes from 10% to over 80% by eliminating waste, removing redundant steps and adding automation

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For detailed listing of companies served by  
DECD programs, please go to the  
DECD Web site

[www.ct.gov/ecd/lib/ecd/Mid Term Report Append.xlsx](http://www.ct.gov/ecd/lib/ecd/Mid_Term_Report_Append.xlsx)

