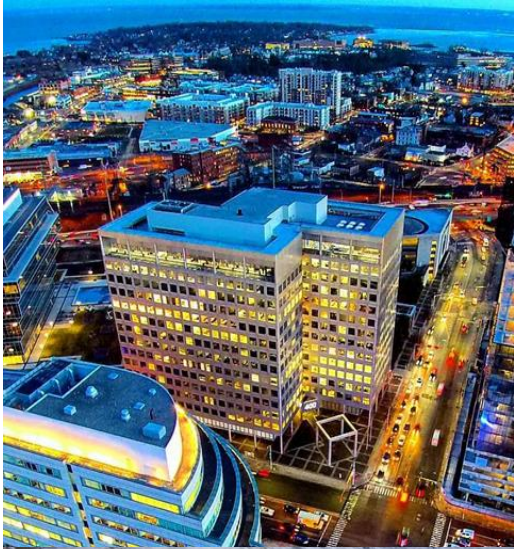


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# Department of Economic & Community Development Budget Presentation

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Governor's Senior Economic Advisor  
*Connecticut Department of Economic  
& Community Development*

Friday, February 19, 2021

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# Agency Purpose

Department of Economic and Community Development

<https://portal.ct.gov/DECD>

- To develop and implement strategies to increase the state's economic competitiveness.
- To foster a productive business environment that enables businesses to grow in the state and compete in the global economy.
- To advance job creation and retention.
- To set and execute on strategies that will create a talent ecosystem that attracts and motivates students, career builders and companies alike.
- To support the quality of life and economic sustainability of our local communities.
- To promote, encourage and implement responsible growth principles and practices through brownfield redevelopment and other local initiatives.
- To brand and market Connecticut to bolster its reputation as an innovative business location and tourism destination.
- To preserve and promote Connecticut's cultural and tourism assets in order to enhance the quality of life and economic vitality of the state.
- To coordinate the activities of all state agencies in advancing economic development opportunities.

## AGENCY SUMMARY

<b>Personnel Summary</b>	<b>FY 21 Authorized</b>	<b>FY 22 Total Recommended</b>	<b>FY 23 Total Recommended</b>
General Fund	90	90	90
<b>Financial Summary</b>	<b>FY 21 Estimated</b>	<b>FY 22 Total Recommended</b>	<b>FY 23 Total Recommended</b>
TOTAL - General Fund*	21,204,706	15,808,845	16,133,521
TOTAL – Other Current Exp	4,743,203	4,743,203	4,743,203
TOTAL – Pmts to Other	4,605,741	4,605,741	4,605,741
TOTAL – Tourism Fund	13,069,988	13,069,988	13,069,988
TOTAL – ALL FUNDS	34,274,694	28,878,833	29,203,509

\*The estimated FY 21 General Fund total reflects the net impact of a \$3 million transfer from DECD's Personal Services account to CRDA to cover a COVID related shortfall in CRDA's operating budget. The agency's PS account was made whole with a transfer from the Reserve for Salary Adjustment account.

## CAPITAL PROGRAM

<b>Department of Economic and Community Development</b>	<b>FY 22 Recommended</b>	<b>FY 23 Recommended</b>
Small Business Express Program	\$25,000,000	\$25,000,000
Connecticut Manufacturing Innovation Fund	\$10,000,000	\$10,000,000
Brownfield Remediation and Revitalization Program	\$25,000,000	\$25,000,000
CareerConneCT Workforce Training Programs	\$20,000,000	\$20,000,000
<b>Total – Department of Economic and Community Development</b>	<b>\$80,000,000</b>	<b>\$80,000,000</b>

# Responding to the Pandemic



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# State-Administered Financial Support for Businesses

Program	Total (Units/Amount)	Funding Source	% Women- Owned	% Minority- Owned	% Veteran- Owned	% Non- Profit
<b>CT Bridge Loan and HEDCO Line of Credit</b> From May to August, DECD repurposed Small Business Express dollars to (1) provide 18-month, no interest loans ranging from \$3,000 to \$37,500, (2) supported HEDCO in providing 486 businesses with a forgivable \$10,000 line of credit.	2,608 \$47 million	State Funded	34.9%	24.3%	3%*	1.7%*
<b>CT CARES Small Business Grant</b> From December to February, DECD administered \$5,000 grants to 10,000 businesses with 20 employees or less.	10,000 \$50 million	Federally Funded	38%**	29%**	3%**	6%**
<b>CT Business Recovery Grant</b> On January 7th, DECD/DRS delivered grants ranging from \$10,000 to \$30,000 to 2,008 of the state's hardest hit small- to medium-sized businesses.	2,008 \$35 million	Federally Funded	There was no application process for this grant program so demographic data is not available.			
<b>CT Arts and Museums Grant</b> In November, DECD administered grants to performing arts venues, humanities organizations, and museums.	154 Non-Profts 52 Museums \$11 million	Federally Funded	N/A	N/A	N/A	100%
<b>TOTAL</b>	14,822 \$143 million					

\*For the CT Bridge Loan Program, Non-Profits were limited to \$10,000 per loan. Furthermore, the demographic breakdown for Veteran and Non-Profit businesses only includes data from the CT Bridge Loan Program, as HEDCO did not collect this data.

\*\*These figures are not final and are subject to change.

# State-Administered Financial Support for Workforce

## CT Back to Work

The OWS also administered \$754 thousand in state bonding to create innovate workforce training programs. . .



**Online learning platform for building information technology and business analysis skills.**

- Launched in early May
- 23,000+ registrants
- 12,000+ courses completed



**Online learning platform for building basic employability and manufacturing skills.**

- Launched on June 15
- 4,000+ registrants
- Scaling program to community college, high school students, and incumbent workers



**Customized job board for Connecticut employers paired with Indeed-sponsored virtual career fairs.**

- 1,700+ job board users
- 48 companies and 6,000+ participants at virtual hiring event
- 300 offers extended

# State-Administered Financial Support for Workforce (con't)

...and partnered with CT's regional workforce development boards to administer \$14M in CARES Act funding to launch new workforce training programs designed to meet current employer needs:

- \$9M was spent on job training programs that trained an estimated 800 individuals in high-demand fields such as advanced manufacturing, IT, and healthcare
- \$5M was spent on creating an additional 4,000 childcare slots for residents and increasing the supply of childcare workers
- An estimated 350 workers were trained in healthcare, 160 in IT, 140 in manufacturing, 150 in other industries (e.g., construction, finance, transportation, warehousing)
- Job placement data is still being reported as programs were completed at the end of December





# Federally-Administered Financial Support for Businesses

Program	Total (Units/Amount)
<b>2020 Paycheck Protection Program (PPP) Approvals</b> An SBA-backed forgivable loan that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis.	64,629 \$6.7 billion
<b>2020 Economic Injury Disaster Loans (EIDL)</b> EIDLs can be used to pay for expenses that could have been met had the disaster not occurred and have an interest rate of 3.75% for businesses and 2.75% for nonprofits.	35,056 \$2.1 billion
<b>2020 EIDL Advances</b> EIDL Grants provided payments of up to \$10,000, which did not need to be repaid.	52,259 \$166.4 million
<b>2021 Paycheck Protection Program (PPP) Approvals</b> Through February 7, 2021.	16,512 \$1.5 billion
<b>TOTAL</b>	168,456 \$10.5 billion

Sources:

[https://www.sba.gov/sites/default/files/2020-08/PPP\\_Report%20-%202020-08-10-508.pdf](https://www.sba.gov/sites/default/files/2020-08/PPP_Report%20-%202020-08-10-508.pdf)

[https://www.sba.gov/sites/default/files/2021-02/PPP\\_Report\\_Public\\_210207-508.pdf](https://www.sba.gov/sites/default/files/2021-02/PPP_Report_Public_210207-508.pdf)

<https://crsreports.congress.gov/product/pdf/IN/IN11379>

# Additional DECD Efforts

In addition to administering new business support programs as a result of the pandemic, and partnering with the federal government to ensure Connecticut businesses got their fair share of the federal stimulus support:

- DECD held office hours, enhanced our communications, conducted surveys and expanded outreach, provided legal and information technology support, all to assist the state's business community, nonprofits, and other constituents.
- DECD assumed a leadership role in supporting the Governor's safe reopening guidance, allowing many industries to remain open while protecting the health and safety of state residents.



# Governor Lamont's FY 2022-2023 Budget



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# General Operating Budget

DECD's GO Budget was mainly held harmless, with annualized FY 2021 holdbacks and rescissions built into FY 22 and 23. We are grateful to the Governor for maintaining our agency's funding so our dedicated staff can continue to support our constituents and meet our mission and goals. Additionally, and perhaps most notably, the Governor's budget funds the **Office of Workforce Strategy (OWS)**. In October of 2020, the **Governor's Workforce Council (GWC)** released its Strategic Plan focused on four core priorities:

Regional Sector Partnership  
to align business needs to  
training programs

Hiring pilots with state  
government and private  
sector employers

A sector-based training  
program focused on short-term  
certificates aligned to in-  
demand industries (e.g., clean  
energy)

Accelerate postsecondary  
access, especially for minority,  
first-generation, low-income  
students



Remove barriers to workforce  
participation (e.g. access to  
child-care, transportation,  
behavioral health services)

Design a system that allows  
job seekers to find good jobs  
and upgrade skills/credentials

Create performance  
dashboards to measure  
program outcomes and ROI

# General Operating Budget

The Governor's Budget also protects arts, culture, and tourism funding:

- Maintains **Statewide Marketing** funding at \$4.3 million each year
  - Critical for stimulating and fostering the state's brand identity and encouraging visitors to come to Connecticut.
  - Investments we make in marketing have a direct and positive impact on the tax revenue as well: studies show that for every dollar invested in tourism, the state takes in three dollars of revenue.
- Maintains **Arts Commission** funding at \$1.5 million each year
  - By allowing DECD to offer grant funding on a competitive basis to deserving entities, DECD has invested in numerous Connecticut artists and arts organizations and encouraged the public's participation as creators, learners, supporters and audience members.
  - The Arts Commission is connecting people to the arts and helping to build vibrant communities across the state.

# Conclusion



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