

Connecticut Business Assistance

Now Available as a Result of the Bipartisan Jobs Bill
Public Act 11-1 October Special Session
An Act Promoting Economic Growth and Job Creation in the State



Public Act 11-1 of the October Special Session, known as the Jobs Bill, either created new or modified existing programs aimed at assisting Connecticut businesses, revitalizing the state's economy, and creating jobs. This handout provides a brief explanation of the various initiatives with appropriate contact information for the programs as authorized in the public act. Programs identified in this handout are organized based on the appropriate administering agency.

Department of Economic and Community Development (DECD) Administered Programs

Small Business Express Program - Funded with \$50 million annually over two years. Provides assistance to Connecticut small businesses that employ less than 50 100 employees through a streamlined application process with DECD. The three components of this program follow:

1. Revolving Loan Fund
 - Loans may be used for the acquisition of machinery and equipment, construction or leasehold improvements, relocation expenses, working capital or any other business-related expense as authorized by the commissioner.
 - Loans may be in amounts from \$10,000 to a maximum of \$100,000 and may carry a maximum repayment rate of 4% for a term not to exceed 5 10 years.
2. Job Creation Incentive Loan Program
 - Provides loans for job creation with the option of loan forgiveness which may be used for training, marketing, working capital or any other expenses as approved by the commissioner that support job creation.
 - Loans may be in amounts from \$10,000 to a maximum of \$250,000 \$300,000 and may carry a maximum repayment rate of 4% for a term not to exceed 10 years.
3. Matching Grant Program
 - Provides grant monies for capital to small businesses that may be used for training, working capital, acquisition of machinery and equipment, construction or leasehold improvements, relocation within the state or any other business-related expenses as authorized by the commissioner.
 - Matching grants may be in amounts from \$10,000 to \$100,000.

Contact: Michelle Lugo
(860) 240-8052
michelle.lugo@ct.gov

Job Expansion Tax (JET) – Provides tax credits for eligible companies against the insurance premium, corporation business, utility company or personal income tax for Connecticut businesses that create new jobs. The amount of tax credit that is available under this program is \$500 per month per full-time job created. In addition, this program now offers a \$900 per month tax credit to incentivize the employment of an unemployed Connecticut resident, a disabled individual or an honorably discharged veteran. Tax credits received under this program are available for a three year period.

The number of new jobs required to be eligible for this program is tied to the size of the business as follows:

- Companies with 50 or fewer employees qualify if they create one job.
- Companies with between 50 and 100 employee qualify if they create at least five new jobs.
- Companies with over 100 employees qualify if they create at least ten new jobs.

In order to be eligible, the business needs to have been registered to do business in Connecticut for at least 12 months. In addition, the company must be in good standing with the payment of all state and local taxes.

Contact: Lindy Lee Gold
(860) 270-8073
Lindylee.gold@ct.gov

Manufacturing Reinvestment Accounts (MRA) – Two modifications were made to this program which allows manufacturers with fifty or fewer employees to deposit all or a portion of their revenue in an interest-bearing MRA. Modifications made to the program include:

1. An increase in the number of manufacturers that can participate in the program from 50 to 100 employees.
2. The doubling of the maximum set-aside amount from \$50,000 to \$100,000 effective in income years on or after January 1, 2012.

This program benefits small manufacturers as it allows companies to save funds, tax free, for a period of five years. After the five-year period, companies can utilize their dollars that have been saved for any eligible business related expenditure including training, workforce expansion, the acquisition of new machinery and equipment, or for the renovation of their facility for example. When the funds are withdrawn from this account, the funds will be taxed by the state at 3.5% rather than at the 7.5% Corporation Business Tax rate.

Contact: Dave Raccio
(860) 270-8150
David.raccio@ct.gov

Department of Labor (DOL) Administered Programs

Subsidized Training and Employment Program (STEP) - Provides grants to eligible businesses and manufacturers to subsidize, for the first six months after a person is hired, a part of the cost of training and compensation.

There are two different components of this program. One component funds a % of eligible costs for small businesses that employ certain new employees, the other component provides a set monthly subsidy for eligible small manufacturers. The \$10 million that is available for this program annually is divided equally between the two programs.

1. Eligible for small businesses that hire a new employee that:
 - a. Was unemployed immediately prior to employment,
 - b. Is a resident of a municipality that:
 - i. Has an unemployment rate that is equal to or exceeds the statewide average, or
 - ii. Has a population of 80,000 or more,
 - c. Has a family income equal to or less than 250% FPL adjusted for family size.
 - d. Is available for a period of 6 months at the following reimbursement rates:

Month	State Subsidy % of Eligible Costs
1	100%
2, 3	75%
4, 5	50%
6	25%

2. Small manufacturers are eligible for the following maximum amounts:
 - a. Up to \$2,500 for the 1st month
 - b. Up to \$2,400 for the 2nd month
 - c. Up to \$2,200 for the 3rd month
 - d. Up to \$2,000 for the 4th month
 - e. Up to \$1,800 for the 5th month
 - f. Up to \$1,600 for the 6th month

Contact: Commissioner Glenn Marshall
Department of Labor
(860) 263-6000

Unemployed Armed Forces Members Subsidized Training and Employment Program -

Provides grants to eligible businesses and manufacturers to subsidize, for the first six months after a person is hired, a part of the cost of training and compensation. \$5 million is available for this program for the next two years.

1. Eligible for all businesses that hire a new employee that:
 - a. Eligible for all businesses that hire a new employee that:
 - b. Was unemployed immediately prior to employment,
 - c. a member of (1) the United States Army, Navy, Marine Corps, Coast Guard, or Air Force or any reserve component of these armed forces or (2) a state National Guard
 - d. called to active service in support of Operation Enduring Freedom (Afghanistan) or presidentially authorized military operations against Iraq; and
 - e. honorably discharged after serving at least 90 days in an area the president designated by executive order as a combat zone, or earlier if the employee was separated from service due to a Veterans' Administration-rated service connected disability.
 - f. Is available for a period of 180 days at the following reimbursement rates:

Period	Grant Amount as Percent of Employee's Wages
Day 1-30	100%
Day 31-90	75%
Day 91-150	50%
Day 151-180	25%

Contact: Commissioner Glenn Marshall
Department of Labor
(860) 263-6000

Department of Energy and Environmental Protection (DEEP) Administered Programs

Furnace Replacement Program – Provides replacement furnaces and boilers, as well as repairs and upgrades to existing furnaces or boilers for nonprofit organizations that own their own building and for housing authorities for use in dwelling units owned by such housing authorities. This program is administered by DEEP in conjunction with the Fuel Oil Conservation Board. An energy audit is necessary in order to be determined eligible to participate in this program. The authorizing language for this program requires that applications be acted on in the order that they are received, as such if you are eligible and interested in this program you should contact the administering agency at your earliest convenience to inquire and possibly apply for participation in this program.

This program is funded with a total of \$10 million in bond dollars annually for the next two years.

Contact: Arthur Marcelynas
(860) 827-2887
arthur.marcelynas@po.state.ct.gov

Department of Agriculture (DoAG) Administered Programs

Agricultural Restoration Program – Provides grants to farmers with a purpose of bringing agricultural land that is not in active production back into production. Eligible uses of these funds include the:

- Reclamation of grown over pastures and meadows,
- Installation of fences to keep livestock out of riparian areas,
- Replanting of vegetation on erosion-prone land or along streams,
- Restoration of water runoff patterns,
- Improvement of irrigation efficiency,
- Conduction of hedgerow management, including removing invasive plants and timber, or
- Renovation of farm ponds through pond management.

Farmers may be reimbursed for this program for 50% of the cost in an amount up to \$20,000.

Contact: Joseph Dippel
(860) 713-2530 or 713-2511
Joseph.dippel@ct.gov

Office of Policy and Management (OPM) Awarded Programs

Main Street Investment Fund – This program provides grants to all STEAP eligible municipalities up to \$500,000 per municipality for eligible façade improvement related expenditures. A municipality that is awarded dollars under this program may use a portion of their grant to reimburse private business owners for a portion of the expense of exterior improvements to their business. The maximum reimbursement for such expenditures is set at \$50,000 to be provided at the following rates:

- For expenditures up to \$50,000 private business owners may be reimbursed at a rate of 50%.
- For expenditures between \$50,000 and \$150,000 the private business owner may be reimbursed at a rate of 25%.

This program is funded with \$5 million annually over the next two years. The solicitation of applications, awards and administration of this program will be similar to the Small Town Economic Assistance Program (STEAP). As such, a business owner that is interested in making exterior façade improvements and being reimbursed under this program should contact their local municipal official so they may apply for consideration of funding under this program.

Contact: Undersecretary of Intergovernmental Policy David LeVasseur
(860) 418-6484
David.LeVasseur@ct.gov

And:

Veronica Hunter
(860) 270-8155
Veronica.hunter@ct.gov