



Senate

General Assembly

File No. 595

February Session, 2004

Substitute Senate Bill No. 506

Senate, April 15, 2004

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE CLUSTER AND CONNSTEP INITIATIVES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 32-348 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 (a) There is hereby established, within the Department of Economic
4 and Community Development, a manufacturing extension service
5 program for the purpose of awarding a grant to the Connecticut
6 manufacturing extension partnership affiliate, which shall be known as
7 CONNSTEP, as designated by the United States Department of
8 Commerce National Institute of Standards and Technology.
9 Applications for a grant under this section shall be made and grants
10 shall be awarded in the manner and form prescribed by the
11 commissioner. The extension service's responsibilities shall include,
12 but not be limited to, providing training for small and medium-sized
13 businesses in high performance work practices.

14 (b) For the purposes described in subsection (c) of this section, the
15 State Bond Commission shall have the power, from time to time to
16 authorize the issuance of bonds of the state in one or more series and
17 in principal amounts not exceeding in the aggregate four million
18 dollars.

19 (c) The proceeds of the sale of said bonds, to the extent of the
20 amount stated in subsection [(c)] (b) of this section, shall be used by the
21 Commissioner of Economic and Community Development for the
22 purposes of subsection (a) of this section, provided not more than one
23 hundred thousand dollars of such proceeds shall be used by the
24 commissioner to provide CONNSTEP with funds for the hiring of a
25 national consultant to analyze CONNSTEP and provide practical,
26 affordable strategies for helping small and medium-sized companies
27 become next generation manufacturers. Such analysis shall be
28 compiled in a report and submitted, in accordance with section 11-4a,
29 to the Governor and the joint standing committee of the General
30 Assembly having cognizance of matters relating to commerce not later
31 than January 1, 2006.

32 (d) All provisions of section 3-20, as amended, or the exercise of any
33 right or power granted thereby which are not inconsistent with the
34 provisions of this section are hereby adopted and shall apply to all
35 bonds authorized by the State Bond Commission pursuant to this
36 section, and temporary notes in anticipation of the money to be
37 derived from the sale of any such bonds so authorized may be issued
38 in accordance with said section 3-20, as amended, and from time to
39 time renewed. Such bonds shall mature at such time or times not
40 exceeding twenty years from their respective dates as may be provided
41 in or pursuant to the resolution or resolutions of the State Bond
42 Commission authorizing such bonds. None of said bonds shall be
43 authorized except upon a finding by the State Bond Commission that
44 there has been filed with it a request for such authorization, which is
45 signed by or on behalf of the Secretary of the Office of Policy and
46 Management and states such terms and conditions as said commission,
47 in its discretion, may require. Said bonds issued pursuant to this

48 section shall be general obligations of the state and the full faith and
 49 credit of the state of Connecticut are pledged for the payment of the
 50 principal of and interest on said bonds as the same become due, and
 51 accordingly and as part of the contract of the state with the holders of
 52 said bonds, appropriation of all amounts necessary for punctual
 53 payment of such principal and interest is hereby made, and the
 54 Treasurer shall pay such principal and interest as the same become
 55 due.

56 Sec. 2. (*Effective from passage*) The Governor's Council on Economic
 57 Competitiveness and Technology, as established by executive order 13
 58 A, shall continue in effect until December 31, 2006, and shall, not later
 59 than January 1, 2005, prepare a forecast on the need for and growth
 60 and development of industry cluster initiatives and review the state's
 61 policy concerning such clusters to determine if such policy will meet
 62 the needs of such forecast. The council shall consider such forecast and
 63 review in making recommendations for needed changes to state policy
 64 to the Governor and the joint standing committee of the General
 65 Assembly having cognizance of matters relating to commerce.

66 Sec. 3. (*Effective from passage*) Not later than December 31, 2004, the
 67 Commissioner of Economic and Community Development shall
 68 prepare a budget for the allocation of funds by the department for
 69 economic and industry cluster initiatives and shall present such
 70 budget along with any recommendations concerning the adequacy of
 71 such budget, to the Governor and the joint standing committees of the
 72 General Assembly having cognizance of matters relating to commerce,
 73 finance, revenue and bonding, and appropriations.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

CE

Joint Favorable Subst. C/R

FIN

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Department of Economic & Community Development	GO Bond Funds/GF - Cost	None	None

Municipal Impact: None

Explanation

The bill provides that not more than \$100,000 of a \$4 million dollar bond authorization can be used by the Connecticut State Technology Extension Program (CONNSTEP) to hire a national consultant. There are no unallocated funds available in this account.

The bill also continues the Governor’s Council on Economic Competitiveness and Technology, created by executive order 13A, and requires the council to issue a report. Executive order 13B, issued January 2004, already requires this. No fiscal impact is anticipated.

No additional fiscal impact is anticipated for preparation of a budget for the allocation of funds by DECD for economic and industry cluster initiatives. The DECD already reports on the allocation of funds.

OLR BILL ANALYSIS

sSB 506

AN ACT CONCERNING THE CLUSTER AND CONNSTEP INITIATIVES**SUMMARY:**

This bill extends the Governor's Council on Economic Competitiveness and Technology until December 31, 2006 and requires it assess the future needs of the state's nine industry clusters. The executive order establishing the council expired on December 30, 2003. The bill requires the council to forecast how the clusters will grow and develop, identify their future needs, and determine if current policies address those needs. It must do this by January 1, 2005. The council must consider the analysis when it recommends policy changes to the governor and the Commerce Committee.

The bill requires the economic and community development commissioner to prepare a budget showing how much he plans to spend to implement policies and programs supporting the industry clusters. He must also assess whether this budget adequately funds those policies and programs and recommend necessary changes. He must submit the budget and his recommendations to the governor and the Commerce; Appropriations; and Finance, Revenue, and Bonding Committees by December 31, 2004.

Lastly, the bill allows the Connecticut State Technology Extension Program (CONNSTEP), to use up to \$100,000 of an existing bond authorization to hire a national consultant to evaluate the program and recommend practical and affordable ways to help small- and medium-sized manufacturers adopt new production technologies and techniques. The consultant must submit his report to the governor and the Commerce Committee by January 1, 2006.

EFFECTIVE DATE: Upon passage, except for the provision authorizing the CONNSTEP study, which takes effect July 1, 2004.

BACKGROUND

Governor's Council on Economic Competitiveness and Technology

Executive Order 13 (1998) created the 71-member council to organize the state's major industry clusters and propose policies that would help them grow. The council was scheduled to terminate in 2001, but Executive Order 13A extended it until December 31, 2003. (The bill extends the council until December 31, 2006.) The order names the legislative leaders and various executive branch officials to the council and authorizes the governor to appoint representatives from academic institutions and the businesses comprising each cluster.

Clusters

"Clusters" is an economic development concept that analyzes why some related businesses and suppliers tend to concentrate in certain geographic regions and uses that information to craft policies and programs that address their common needs and concerns. Connecticut identified nine major industry clusters, and they are represented on the council. The clusters are:

1. aerospace components manufacturing,
2. agriculture,
3. bioscience,
4. insurance and financial services,
5. maritime,
6. metal manufacturing,
7. plastics,
8. software and information technology, and
9. tourism.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute Change of Reference
Yea 26 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 32 Nay 10

