



House of Representatives

File No. 777

General Assembly

January Session, 2005

(Reprint of File No. 249)

House Bill No. 5907
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 19, 2005

**AN ACT CONCERNING ASSISTANCE FOR DEFENSE
MANUFACTURERS' SUPPLIERS.**

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

1 Section 1. Subsection (b) of section 32-235 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2005*):

4 (b) The proceeds of the sale of said bonds, to the extent of the
5 amount stated in subsection (a) of this section, shall be used by the
6 Department of Economic and Community Development for the
7 purposes of sections 32-220 to 32-234, inclusive, including economic
8 cluster-related programs and activities, and for the Connecticut job
9 training finance demonstration program pursuant to sections 32-23uu
10 and 32-23vv provided, (1) three million dollars shall be used by said
11 department solely for the purposes of section 32-23uu and not more
12 than five million two hundred fifty thousand dollars of the amount
13 stated in said subsection (a) may be used by said department for the
14 purposes of section 31-3u, (2) not less than one million dollars shall be
15 used for an educational technology grant to the deployment center

16 program and the nonprofit business consortium deployment center
17 approved pursuant to section 32-41l, (3) not less than two million
18 dollars shall be used by said department for the establishment of a
19 pilot program to make grants to businesses in designated areas of the
20 state for construction, renovation or improvement of small
21 manufacturing facilities provided such grants are matched by the
22 business, a municipality or another financing entity. The commissioner
23 shall designate areas of the state where manufacturing is a substantial
24 part of the local economy and shall make grants under such pilot
25 program which are likely to produce a significant economic
26 development benefit for the designated area, [and] (4) five million
27 dollars may be used by said department for the manufacturing
28 competitiveness grants program, and (5) one million dollars shall be
29 used by said department for the purpose of a grant to the Connecticut
30 Center for Advanced Technology, for the purposes of section 2 of this
31 act.

32 Sec. 2. (NEW) (*Effective July 1, 2005*) The Connecticut Center for
33 Advanced Technology shall establish a center for supply chain
34 integration to assist at risk small and medium-sized manufacturers in
35 the state that are suppliers for defense manufacturers, to adopt the
36 digital technology and business practices needed to fully participate in
37 the next generation defense supply base. The center shall provide
38 technical and business assistance and training to help such suppliers
39 (1) adopt the state-of-the-market digital manufacturing and
40 information technologies and best business practices and techniques,
41 and (2) eliminate waste caused by poor information flow and
42 counterproductive business practices across multiple buyer and
43 supplier relationships. The center shall work with other state and
44 national resources to help suppliers that are transitioning from a
45 commodity-oriented business model into a value added technology-
46 based model of component and service integration. The center shall
47 carry out the purposes of this section by providing training, on-site
48 assistance and facilities and equipment for suppliers.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	32-235(b)
Sec. 2	<i>July 1, 2005</i>	New section

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
Treasurer, Debt Serv.	GF - Potential Cost

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill as amended has no immediate fiscal impact because it does not authorize additional General Obligation (GO) bonds for the Manufacturing Assistance Act Program. To the degree that increasing the purposes for which these funds may be used causes GO bond funds to be expended more rapidly than they otherwise would have been, there will be an increase in debt service costs in future years. The unallocated balance for the Manufacturing Assistance Act Program as of 3/31/05 is \$48.6 million.

House "A" changes the recipient of the bond funds designated in the bill, which has no fiscal impact.

OLR Bill Analysis

HB 5907 (as amended by House "A")*

AN ACT CONCERNING ASSISTANCE FOR DEFENSE MANUFACTURERS' SUPPLIERS**SUMMARY:**

This bill permits \$1 million in previously authorized bond funds to help certain types manufacturers adopt new production technologies and techniques. The Department of Economic and Community Development (DECD) must grant the funds to the Connecticut Center for Advanced Technology (CCAT) for this purpose. CCAT is a federally funded public-private partnership that helps universities, industries, and government agencies find ways to collaborate on developing new technologies. The funding comes from the proceeds of bonds issued for the Manufacturing Assistance Act Program.

CCAT must target small and medium-sized manufacturers who are at risk of losing contracts with larger defense manufacturers for supplying parts and services. It must do this by establishing and operating a center that helps suppliers keep up with their customers' changing needs and demands. The center must train suppliers, assist them at their worksites, and provide facilities and equipment for them. CCAT must run the center in collaboration with other state and national organizations.

*House Amendment "A" substitutes CCAT for the Connecticut State Technology Extension Program and deletes references to specific organizations with whom the center must collaborate.

EFFECTIVE DATE: July 1, 2005

CONNECTICUT CENTER FOR SUPPLY CHAIN INTEGRATION

CCAT must establish a center to help small and medium-sized manufacturers meet the changing needs and requirements of their larger, defense-manufacturing customers. Its technical and business assistance and training programs must help them:

1. adopt state-of-the-market digital manufacturing and information technologies and best business practices and techniques, and
2. eliminate waste that results from a lack of timely information and counter-productive relationships with their customers and other suppliers.

The center must collaborate with other state and national organizations on helping these manufacturers transition from “a commodity-oriented business model into a value-added technology-based model for component and service integration.”

BACKGROUND

CCAT

Universities, businesses, and state and federal agencies established CCAT in 2002 with a \$1.5 million grant from the U.S. Air Force. CCAT focuses on developing the next generation of technological systems for military and civilian applications. Its initiatives include creating centers to (1) develop and deploy advanced technologies; (2) help entrepreneurs launch new, technology-based businesses; and (3) encourage colleges and universities to train students for advanced technology fields.

Legislative History

On April 26, the House referred the bill to the Finance, Revenue and Bonding Committee, which reported it favorably on May 3.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Report
Yea 25 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 45 Nay 0