



Senate

General Assembly

File No. 489

January Session, 2007

Substitute Senate Bill No. 937

Senate, April 16, 2007

The Committee on Government Administration and Elections reported through SEN. SLOSSBERG of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING AN OFFICE OF MILITARY AFFAIRS AND IMPLEMENTING RECOMMENDATIONS OF THE GOVERNOR'S COMMISSION FOR THE ECONOMIC DIVERSIFICATION OF SOUTHEASTERN CONNECTICUT.

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

1 Section 1. (NEW) (*Effective October 1, 2007*) (a) There is established
2 an Office of Military Affairs within the Department of Economic and
3 Community Development for administrative purposes only. The
4 Office of Military Affairs shall promote and coordinate state-wide
5 activities that enhance the quality of life of all branches of military
6 personnel and their families and to expand the military and homeland
7 security presence in this state.

8 (b) The Governor, in consultation with the Commissioner of
9 Economic and Community Development, shall appoint an executive
10 director to manage the daily activities and duties of the Office of
11 Military Affairs. Within available appropriations, the executive

12 director shall: (1) Appoint, employ and remove such assistants,
13 employees and personnel as deemed necessary for the efficient and
14 effective administration of the activities of the office; (2) coordinate
15 state and local efforts to prevent the closure or downsizing of
16 Connecticut military facilities, particularly United States Naval
17 Submarine Base-New London, located in Groton; (3) maximize the
18 state's input into the federal Base Realignment and Closure or "BRAC"
19 process, including, but not limited to, (A) acting as liaison to the state's
20 congressional delegation on defense, military and BRAC issues, and
21 (B) acting as liaison to consultant lobbyists hired by the state to assist
22 in monitoring activities related to BRAC; (4) encourage the relocation
23 of military missions to the state; (5) coordinate state and local efforts to
24 enhance the quality of life of all branches of military personnel and
25 their families living or working in Connecticut; (6) review and make
26 recommendations for state policies that affect Connecticut's military
27 facilities and defense and homeland security industries; (7) coordinate
28 state, regional and local efforts to encourage the growth of
29 Connecticut's defense and homeland security industry; (8) support the
30 development of a Defense and Homeland Security Industry Cluster;
31 (9) establish and coordinate a Connecticut Military and Defense
32 Advisory Council to provide technical advice and assistance; (10)
33 oversee the implementation of recommendations of the Governor's
34 Commission for the Economic Diversification of Southeastern
35 Connecticut; and (11) prepare and submit a report of activities,
36 findings and recommendations annually to the Governor and the joint
37 standing committees of the General Assembly having cognizance of
38 matters relating to commerce and public safety, in accordance with the
39 provisions of section 11-4a of the general statutes.

40 Sec. 2. Section 4-5 of the general statutes is repealed and the
41 following is substituted in lieu thereof (*Effective October 1, 2007*):

42 As used in sections 4-6, 4-7 and 4-8, the term "department head"
43 means Secretary of the Office of Policy and Management,
44 Commissioner of Administrative Services, Commissioner of Revenue
45 Services, Banking Commissioner, Commissioner of Children and

46 Families, Commissioner of Consumer Protection, Commissioner of
47 Correction, Commissioner of Economic and Community Development,
48 State Board of Education, Commissioner of Emergency Management
49 and Homeland Security, Commissioner of Environmental Protection,
50 Commissioner of Agriculture, Commissioner of Public Health,
51 Insurance Commissioner, Labor Commissioner, Liquor Control
52 Commission, Commissioner of Mental Health and Addiction Services,
53 Commissioner of Public Safety, Commissioner of Social Services,
54 Commissioner of Mental Retardation, Commissioner of Motor
55 Vehicles, Commissioner of Transportation, Commissioner of Public
56 Works, Commissioner of Veterans' Affairs, Commissioner of Health
57 Care Access, Chief Information Officer, the chairperson of the Public
58 Utilities Control Authority, the executive director of the Board of
59 Education and Services for the Blind, the executive director of the
60 Connecticut Commission on Culture and Tourism, [and] the
61 Ombudsman for Property Rights and the executive director of the
62 Office of Military Affairs.

63 Sec. 3. Subsection (b) of section 32-235 of the general statutes is
64 repealed and the following is substituted in lieu thereof (*Effective July*
65 *1, 2007*):

66 (b) The proceeds of the sale of said bonds, to the extent of the
67 amount stated in subsection (a) of this section, shall be used by the
68 Department of Economic and Community Development for the
69 purposes of sections 32-220 to 32-234, inclusive, including economic
70 cluster-related programs and activities, and for the Connecticut job
71 training finance demonstration program pursuant to sections 32-23uu
72 and 32-23vv provided, (1) three million dollars shall be used by said
73 department solely for the purposes of section 32-23uu and not more
74 than five million two hundred fifty thousand dollars of the amount
75 stated in said subsection (a) may be used by said department for the
76 purposes of section 31-3u, (2) not less than one million dollars shall be
77 used for an educational technology grant to the deployment center
78 program and the nonprofit business consortium deployment center
79 approved pursuant to section 32-41l, (3) not less than two million

80 dollars shall be used by said department for the establishment of a
 81 pilot program to make grants to businesses in designated areas of the
 82 state for construction, renovation or improvement of small
 83 manufacturing facilities provided such grants are matched by the
 84 business, a municipality or another financing entity. The
 85 [commissioner] Commissioner of Economic and Community
 86 Development shall designate areas of the state where manufacturing is
 87 a substantial part of the local economy and shall make grants under
 88 such pilot program which are likely to produce a significant economic
 89 development benefit for the designated area, (4) five million dollars
 90 may be used by said department for the manufacturing
 91 competitiveness grants program, (5) one million dollars shall be used
 92 by said department for the purpose of a grant to the Connecticut
 93 Center for Advanced Technology, for the purposes of section 32-237,
 94 and (6) [ten] fifty million dollars shall be used by said department for
 95 [the purpose of grants to the United States Navy or eligible applicants
 96 for projects related to the enhancement of infrastructure for long-term,
 97 on-going naval operations at the United States Naval Submarine Base-
 98 New London, located in Groton, which will increase the military value
 99 of said base] infrastructure improvements to increase the military
 100 value of the United States Naval Submarine Base - New London,
 101 where such improvements may include, but need not be limited to,
 102 piers, drydocks or facilities for maintenance, operations, training,
 103 ordinance or electric or water utilities, provided, for any infrastructure
 104 improvement constructed, said commissioner shall negotiate a
 105 multiyear lease with the United States Department of the Navy, at the
 106 end of which lease ownership of such improvement may be
 107 transferred to said department or, if said department ceases operations
 108 at such submarine base prior to the end of such lease, said department
 109 shall reimburse the state for the full construction cost of such
 110 improvement.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	October 1, 2007	New section
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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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Economic & Community Development	GF - Cost	See Below	See Below
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill increases from \$10 million to \$50 million the amount of Manufacturing Assistant Act (MAA) bonds earmarked for infrastructure improvements associated with the United States Naval Submarine Base-New London. It also clarifies the purposes for which the funds can be used. This provision will not result in an immediate fiscal impact to the General Fund because it does not authorize additional General Obligation (GO) bonds for MAA. However, to the degree it causes 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 bond balance for MAA is \$20 million as of 4/11/07. It should be noted that Electric Boat Corporation received a \$9.9 million loan from MAA for renovations to the Graving Docks in Groton at the 1/26/07 meeting of the State Bond Commission.

The bill also establishes an Office of Military Affairs within the Department of Economic and Community Development (DECD). The office is to be headed by an executive director who is to be an agency head. Additional costs would be incurred to create the office and carry out the duties described in the legislation. Costs would include an executive director at \$70,000 in FY 08 and \$94,000 in FY 09, a development agent at \$40,000 in FY 08 and \$61,000 in FY 09, a secretary

at \$28,000 in FY 08 and \$37,000 in FY 09, plus fringe benefits¹ and associated other expenses costing approximately \$250,000 - \$300,000.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated first year fringe benefit rate for a new employee as a percentage of average salary is 25.8%, effective July 1, 2006. The first year fringe benefit costs for new positions do not include pension costs. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System (SERS). The SERS 2006-07 fringe benefit rate is 34.4%, which when combined with the non pension fringe benefit rate totals 60.2%.

OLR Bill Analysis**sSB 937*****AN ACT ESTABLISHING AN OFFICE OF MILITARY AFFAIRS AND IMPLEMENTING RECOMMENDATIONS OF THE GOVERNOR'S COMMISSION FOR THE ECONOMIC DIVERSIFICATION OF SOUTHEASTERN CONNECTICUT.*****SUMMARY:**

This bill increases, from \$10 million to \$50 million, the amount of grant funding that the Department of Economic and Community (DECD) commissioner may award to increase the military value of the Groton submarine base in New London. It establishes an Office of Military Affairs, headed by an executive director, to promote and coordinate statewide activities to (1) enhance the quality of life for military personnel and their families and (2) expand the military and homeland security presence in Connecticut.

The bill puts the office within DECD for administrative purposes only. It makes the executive director an agency head. As such, he has the same duties and responsibilities as other department heads, including the duty to organize the office, enter into contracts to carry out his duties, and adopt regulations.

EFFECTIVE DATE: July 1, 2007 for the funding; October 1, 2007 for the establishment of the office.

GRANT AWARD

Under current law, the DECD commissioner may award up to \$10 million to the U.S. Navy or eligible applicants for projects related to enhancing the infrastructure for long-term, on-going naval operations at, and increasing the value of, the Groton submarine base. The bill increases the maximum grant, by \$40 million, to \$50 million. It specifies that the infrastructure improvements may include piers; dry

docks; facilities for maintenance, operations, and training; ordinance; or electric or water utilities.

The bill requires that the commissioner negotiate with the U.S. Navy a multiyear lease for any such improvements, at the end of which ownership of the improvements may be transferred to the Navy. If the Navy stops operating at the base before the lease ends, it must reimburse the state for the full cost of constructing the improvements.

OFFICE OF MILITARY AFFAIRS

The bill requires the governor, in consultation with the DECD commissioner, to appoint an executive director to manage this office. Within available appropriations, the executive director must:

1. employ staff deemed necessary to operate the office efficiently;
2. coordinate state and local efforts to prevent the closure or downsizing of Connecticut military facilities, particularly the Groton submarine base;
3. maximize state input into the federal Base Realignment and Closure (BRAC) process, including acting as liaison to (a) the state's congressional delegation on defense, military, and BRAC issues and (b) consultant lobbyists hired by the state to help monitor BRAC activities;
4. encourage the relocation of military missions to Connecticut;
5. coordinate state and local efforts to enhance the quality of life of military personnel and their families living or working in Connecticut;
6. review and make recommendations for state policies that affect Connecticut military facilities and the defense and homeland security industries;
7. coordinate state, regional, and local efforts to encourage the growth of Connecticut's defense and homeland security

- industry;
8. support the development of a Defense and Homeland Security industry cluster;
 9. establish and coordinate a Connecticut Military and Defense Advisory Council to provide technical advice and assistance;
 10. oversee the implementation of recommendations of the Governor's Commission for the Economic Diversification of Southeastern Connecticut; and
 11. prepare and submit a report of its activities, findings, and recommendations annually to the governor and Commerce and Public Safety and Security committees.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Change of Reference
Yea 23 Nay 0 (03/06/2007)

Commerce Committee

Joint Favorable Substitute Change of Reference
Yea 19 Nay 1 (03/13/2007)

Government Administration and Elections Committee

Joint Favorable
Yea 13 Nay 0 (03/28/2007)