



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

**TESTIMONY SUBMITTED TO THE
COMMERCE COMMITTEE
FEBRUARY 19, 2009**

*Robert L. Genuario, Secretary
Office of Policy and Management (OPM)*

Concerning Raised Bill No. 888 (AN ACT CONCERNING REGIONAL ECONOMIC DEVELOPMENT)

Senator LeBeau, Representative Berger and distinguished members of the Commerce Committee, I thank you for the opportunity to submit written testimony concerning Raised Bill No. 888, the intent of which is to promote regional economic development in Connecticut.

Governor M. Jodi Rell is clearly supportive of initiatives, such as regionalization, which would make government more streamlined and efficient. She believes that regionalization serves to reduce both the bureaucracy and cost of government and to enable more expeditious economic development.

However, of particular concern to the Governor is the language in Section 3 of Raised Bill No. 888, which specifies that approval by the Commissioner of Economic and Community Development of the comprehensive economic development strategy shall be deemed to meet gubernatorial approval of the economic development district application. The Department of Economic and Community Development and the Governor's Office generally agree on policies and objectives. However, the Governor's Office reviews state policies from a much broader perspective, including a plan's impact on the environment, social services, municipalities and taxpayers. This overarching review is critical to ensuring that all competing interests of the state are appropriately weighed and balanced so as to be in the best interest of the state in its entirety. It would be inappropriate to delegate such a comprehensive review to an entity with the more limited focus of growing jobs and promoting community development within the state. Moreover, any attempt to eliminate the need for affirmative action by the Governor to approve the creation of a district would appear to violate federal law, which requires that approval.

While the Office of Policy and Management is also supportive of the concept of Raised Bill No. 888, please be advised that we have the following concerns:

- Subsection (b) of Section 1 of the bill specifies that the boundaries of regional economic development districts "...shall, to the extent practicable, be contiguous with boundaries of labor market areas, as determined by the Labor Commissioner..." While the bill's statement of intent indicates a desire to divide the State of Connecticut into five such districts, we note that there are nine labor market areas in the state and that nothing in the bill limits to five the number of districts that may be established.
- In addition to the boundaries identified in subsection (b) of Section 1, we recommend inserting the following language at the end of the subsection: "or the boundaries of Regional Planning Organizations as defined in Public Act 08-182." We believe this will provide for a greater level of regional coordination by promoting the use of a consistent set of regional boundaries.
- Among the entities that may, by themselves or together with other similar organizations, organize a regional economic development district are regional planning organizations (i.e.,