



**STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT**

**TESTIMONY SUBMITTED TO THE
COMMERCE COMMITTEE
March 5, 2009**

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Office of Policy and Management**

**IN SUPPORT OF GOVERNOR'S BILL NO. 6369
AN ACT CONCERNING ECONOMIC DEVELOPMENT AND JOB CREATION**

Senator LeBeau, Representative Berger and distinguished members of the Commerce Committee, I thank you for the opportunity to present this testimony in support of Governor's Bill No. 6369, AN ACT CONCERNING ECONOMIC DEVELOPMENT AND JOB CREATION, which implements Governor M. Jodi Rell's proposals for reorganizing Connecticut's economic development programs.

Governor Rell has long believed that it is important to consolidate and coordinate Connecticut's diverse economic development and businesses assistance services. As you know, Governor Rell has proposed legislation to do that in prior sessions of the General Assembly. She believes that this kind of coordination and consolidation is even more important in difficult economic times for a couple of reasons.

First, this is the kind of economic climate when many of these services are the most in demand. Second, at a time when the state is facing large budget shortfalls, we have an obligation to ensure that all state services are delivered as efficiently and effectively as possible. This legislation addresses both of these goals.

A central feature of Governor Rell's proposal is a fundamental change in how the state delivers economic development and business services. No longer will a business seeking state assistance have to contact a myriad of state agencies in order to identify the state programs and services that may meet its needs.

As the lead state agency for economic development, DECD will develop and implement a new intake process which will match customers with the services they need, regardless of what agency provides those services. Specifically, the bill requires the DECD Commissioner to establish a single point of contact for all persons and businesses seeking economic development assistance from the state or a quasi-public entity and to provide a web portal for information about all of the state's economic development programs. The Commissioner must also develop and implement a common application form and process for requests for financial assistance from the DECD, other state agencies and the new Connecticut Economic Innovations Authority the bill creates. DECD and CHFA have already developed a similar common application for housing programs.

The Governor's proposal also merges the Connecticut Development Authority (CDA) and Connecticut Innovations (CI) into a new quasi public agency - the Connecticut Economic

Innovations Authority - that will be capable, along with DECD, of meeting the full range of business and economic development needs. The Commissioner of DECD would serve as the chair of the Connecticut Economic Innovations Authority.

Recognizing the economic impact of the arts, culture, tourism and film industries on the state's economy, the bill abolishes the Commission on Culture and Tourism and transfers its programs to the Department of Economic and Community Development. This will reduce costs, improve accountability and permit better integration with other economic development programs.

As part of the reconfiguration of the duties and responsibilities of the Office of Workforce Competitiveness, this legislation also transfers several OWC programs to DECD. These include:

- The Jobs Funnel Program
- Small Business Innovation Research (SBIR) support
- Nanotechnology Programs
- Film Industry Programs
- Promotion of Collaboration Between Business and State Universities, including Commercialization of University Research

The bill also replaces a state and use tax exemption program that CDA currently administers, with a new program that DECD will administer. The bill will also improve the oversight of, and accountability for, the tax exemption program.

I ask for your support for Governor's Bill No. 6369 and look forward to working with you and all the members of the General Assembly as we work to ensure that the state is prepared to meet economic development challenges now and in the future.