



House of Representatives

General Assembly

File No. 135

February Session, 2010

Substitute House Bill No. 5028

House of Representatives, March 25, 2010

The Committee on Higher Education and Employment Advancement reported through REP. WILLIS of the 64th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE DEVELOPMENT OF THE CREATIVE ECONOMY.

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

1 Section 1. (*Effective from passage*) (a) For purposes of this section:

2 (1) "Creative economy" (A) includes the cultural goods and services
3 produced and distributed by artists, cultural nonprofit organizations,
4 and creative individuals and businesses that impact the economy by
5 generating jobs and revenue and improving the quality of life, and (B)
6 consists of a creative cluster, a creative workforce and a creative
7 community;

8 (2) "Creative cluster" means enterprises and individuals that directly
9 and indirectly produce cultural goods;

10 (3) "Creative workforce" means individuals who are trained in
11 specific cultural and artistic skills and drive the success of leading
12 industries that include, but are not limited to, arts and culture; and

13 (4) "Creative community" means a geographic area with a
14 concentration of creative workers, creative businesses and cultural
15 organizations.

16 (b) There is established a task force to study the creative economy in
17 this state. The task force shall (1) perform an economic analysis of the
18 cultural industries and cultural workforce in this state; (2) examine the
19 economic force of the cultural sector in this state; (3) analyze methods
20 by which to brand this state as a leader in the creative economy; (4)
21 attempt to foster and demonstrate the cultural sector and its ability to
22 attract economic activity to this state; and (5) develop education and
23 career paths for creative industries.

24 (c) The task force shall consist of the following members:

25 (1) One appointed by the speaker of the House of Representatives;

26 (2) One appointed by the president pro tempore of the Senate;

27 (3) One appointed by the majority leader of the House of
28 Representatives;

29 (4) One appointed by the majority leader of the Senate;

30 (5) One appointed by the minority leader of the House of
31 Representatives;

32 (6) One appointed by the minority leader of the Senate;

33 (7) The Commissioner of Economic and Community Development,
34 or the commissioner's designee;

35 (8) The Commissioner of Higher Education, or the commissioner's
36 designee;

37 (9) The executive director of the Connecticut Commission on
38 Culture and Tourism, or the executive director's designee;

39 (10) An administrator or faculty member from the arts department

40 of The University of Connecticut, who shall be appointed by the
41 Commissioner of Higher Education;

42 (11) An administrator or faculty member from the arts department
43 of the Connecticut State University System, who shall be appointed by
44 the Commissioner of Higher Education;

45 (12) An administrator or faculty member from the arts department
46 of one of the regional community-technical colleges, who shall be
47 appointed by the Commissioner of Higher Education;

48 (13) An administrator or faculty member from the arts department
49 of three of the nonprofit independent institutions of higher education
50 in this state, who shall be appointed by the Commissioner of Higher
51 Education;

52 (14) Five representatives of the regional arts councils in this state
53 that are identified as regional arts councils by the Connecticut
54 Commission on Culture and Tourism, who shall be designated by such
55 regional arts councils;

56 (15) A representative of the Office of Workforce Competitiveness,
57 who shall be appointed by the Governor; and

58 (16) An economist employed by the Labor Department, who shall be
59 appointed by the Labor Commissioner.

60 (d) Any member of the task force appointed under subdivision (1),
61 (2), (3), (4), (5) or (6) of subsection (c) of this section may be a member
62 of the General Assembly.

63 (e) All appointments to the task force shall be made no later than
64 thirty days after the effective date of this section. Any vacancy shall be
65 filled by the appointing authority.

66 (f) One chairperson of the task force shall be the Commissioner of
67 Economic and Community Development. The speaker of the House of
68 Representatives and the president pro tempore of the Senate shall

69 select the second chairperson of the task force from among the
70 members of the task force. Such chairpersons shall schedule the first
71 meeting of the task force, which shall be held no later than sixty days
72 after the effective date of this section.

73 (g) The administrative staff of the Department of Economic and
74 Community Development and the Office of Workforce
75 Competitiveness shall serve as administrative staff of the task force.
76 The Department of Economic and Community Development shall be
77 the lead agency for purposes of conducting the study described in
78 subsection (b) of this section.

79 (h) Not later than February 1, 2011, and annually thereafter, for five
80 years, the task force shall submit a report on its findings and
81 recommendations to the joint standing committees of the General
82 Assembly having cognizance of matters relating to higher education
83 and employment advancement and commerce, in accordance with the
84 provisions of section 11-4a of the general statutes. The task force shall
85 terminate on the date that it submits such report or February 1, 2016,
86 whichever is later.

87 Sec. 2. Section 32-4e of the general statutes is repealed and the
88 following is substituted in lieu thereof (*Effective October 1, 2010*):

89 (a) As used in sections 32-4f to 32-4h, inclusive, "economic cluster"
90 means a grouping of industries linked together through customer,
91 supplier or other relationships.

92 (b) As used in sections 32-1m, as amended by this act, and 32-1o, as
93 amended by this act, "creative cluster" means a grouping of creative,
94 cultural and innovative individuals or enterprises that directly or
95 indirectly produce or provide cultural ideas, works or services.

96 Sec. 3. Subsection (a) of section 32-1m of the 2010 supplement to the
97 general statutes is repealed and the following is substituted in lieu
98 thereof (*Effective October 1, 2010*):

99 (a) Not later than February 1, 2006, and annually thereafter, the

100 Commissioner of Economic and Community Development shall
101 submit a report to the Governor and the General Assembly, in
102 accordance with the provisions of section 11-4a. Not later than thirty
103 days after submission of the report to the Governor and the General
104 Assembly, said commissioner shall post the report on the Department
105 of Economic and Community Development's web site. Said report
106 shall include, but not be limited to, the following information with
107 regard to the activities of the Department of Economic and
108 Community Development during the preceding state fiscal year:

109 (1) A brief description and assessment of the state's economy during
110 such year, utilizing the most recent and reasonably available data, and
111 including:

112 (A) Connecticut employment by industry;

113 (B) Connecticut and national average unemployment;

114 (C) Connecticut gross state product, by industry;

115 (D) Connecticut productivity, by industry, compared to the national
116 average;

117 (E) Connecticut manufacturing activity;

118 (F) Identification of economic and competitive conditions affecting
119 Connecticut's industry sectors, problems resulting from these
120 conditions and state efforts to address the problems;

121 (G) A brief summary of Connecticut's competitiveness as a place for
122 business, which shall include, but not be limited to, an evaluation of (i)
123 how the programs and policies of state government affect the state
124 economy and state business environment, (ii) the ability of the state to
125 retain and attract businesses, (iii) the steps taken by other states to
126 improve the competitiveness of such states as places for business, and
127 (iv) programs and policies the state could implement to improve the
128 competitiveness of the state in order to encourage economic growth;
129 and

130 (H) Any other economic information that the commissioner deems
131 appropriate.

132 (2) A statement of the department's economic and community
133 development objectives, measures of program success and standards
134 for granting financial and nonfinancial assistance under programs
135 administered by the department.

136 (3) An analysis of the economic development portfolio of the
137 department, including:

138 (A) A list of the names, addresses and locations of all recipients of
139 the department's assistance;

140 (B) The following information concerning each recipient of such
141 assistance: (i) Business activities, (ii) standard industrial classification
142 codes or North American industrial classification codes, (iii) number of
143 full-time jobs and part-time jobs at the time of application, (iv) number
144 of actual full-time jobs and actual part-time jobs during the preceding
145 state fiscal year, (v) whether the recipient is a minority or woman-
146 owned business, (vi) a summary of the terms and conditions for the
147 assistance, including the type and amount of state financial assistance,
148 job creation or retention requirements and anticipated wage rates, (vii)
149 the amount of investments from private and other nonstate sources
150 that have been leveraged by the assistance, (viii) the extent to which
151 employees of the recipient participate in health benefit plans offered
152 by such recipient, (ix) the extent to which the recipient offers unique
153 economic, social, cultural or aesthetic attributes to the municipality in
154 which the recipient is located or to the state, and (x) the amount of
155 state investment;

156 (C) A portfolio analysis, including (i) an analysis of the wages paid
157 by recipients of financial assistance, (ii) the average portfolio wage,
158 median portfolio wage, highest and lowest portfolio wage, (iii)
159 portfolio wage data by industry, and (iv) portfolio wage data by
160 municipality;

161 (D) An investment analysis, including (i) total portfolio value, (ii)
162 total investment by industry, (iii) portfolio dollar per job average, (iv)
163 portfolio leverage ratio, and (v) percentage of financial assistance
164 which was provided to high performance work organizations in the
165 preceding state fiscal year; and

166 (E) An analysis of the estimated economic effects of the
167 department's economic development investments on the state's
168 economy, including (i) contribution to gross state product for the total
169 economic development portfolio and for any investment activity
170 occurring in the preceding state fiscal year, (ii) direct and indirect
171 employment created by the investments for the total portfolio and for
172 any investment activity occurring in the preceding state fiscal year, (iii)
173 productivity of recipients of financial assistance as a result of the
174 department's investment occurring in the preceding state fiscal year,
175 (iv) directly or indirectly increased property values in the
176 municipalities in which the recipients of assistance are located, and (v)
177 personal income.

178 (4) An analysis of the community development portfolio of the
179 department, including:

180 (A) A list of the names, addresses and locations of all recipients of
181 the department's assistance;

182 (B) The following information concerning each recipient of such
183 assistance: (i) Amount of state investment, (ii) a summary of the terms
184 and conditions for the department's assistance, including the type and
185 amount of state financial assistance, and (iii) the amount of
186 investments from private and other nonstate sources that have been
187 leveraged by such assistance;

188 (C) An investment analysis, including (i) total active portfolio value,
189 (ii) total investments made in the preceding state fiscal year, (iii) total
190 portfolio by municipality, (iv) total investments made in the preceding
191 state fiscal year categorized by municipality, (v) total portfolio
192 leverage ratio, and (vi) leverage ratio of the total investments made in

193 the preceding state fiscal year; and

194 (D) An analysis of the estimated economic effects of the
195 department's economic development investments on the state's
196 economy, including (i) contribution to gross state product for the total
197 portfolio and for any investment activity occurring in the preceding
198 state fiscal year, (ii) direct and indirect employment created by the
199 investments for the total portfolio and for any investment activity
200 occurring in the preceding state fiscal year, (iii) productivity of
201 recipients of financial assistance as a result of the department's
202 investment occurring in the preceding state fiscal year, (iv) directly or
203 indirectly increased property values in the municipalities in which the
204 recipients are located, and (v) personal income.

205 (5) A summary of the department's economic and community
206 development marketing efforts in the preceding state fiscal year, a
207 summary of the department's business recruitment strategies and
208 activities in such year, and a summary of the department's efforts to
209 assist small businesses and minority business enterprises in such year.

210 (6) A summary of the department's international trade efforts in the
211 preceding state fiscal year, and, to the extent possible, a summary of
212 foreign direct investment that occurred in the state in such year.

213 (7) Identification of existing economic and creative clusters, as
214 defined in section 32-4e, as amended by this act, the formation of new
215 economic and creative clusters, the measures taken by the
216 commissioner during the preceding state fiscal year to encourage the
217 growth of economic and creative clusters and the amount of bond
218 funds expended by the department during the previous fiscal year on
219 each economic and creative cluster.

220 (8) (A) A summary of the department's brownfield-related efforts
221 and activities within the Office of Brownfield Remediation and
222 Development established pursuant to subsections (a) to (f), inclusive,
223 of section 32-9cc in the preceding state fiscal year, except for activity
224 under the Special Contaminated Property Remediation and Insurance

225 Fund program. Such efforts shall include, but not be limited to, (i) total
226 portfolio investment in brownfield remediation projects, (ii) total
227 investment in brownfield remediation projects in the preceding state
228 fiscal year, (iii) total number of brownfield remediation projects, (iv)
229 total number of brownfield remediation projects in the preceding state
230 fiscal year, (v) total of reclaimed and remediated acreage, (vi) total of
231 reclaimed and remediated acreage in the preceding state fiscal year,
232 (vii) leverage ratio for the total portfolio investment in brownfield
233 remediation projects, and (viii) leverage ratio for the total portfolio
234 investment in brownfield remediation projects in the preceding state
235 fiscal year. Such summary shall include a list of such brownfield
236 remediation projects and, for each such project, the name of the
237 developer and the location by street address and municipality and a
238 tracking of all funds administered through or by said office;

239 (B) A summary of the department's efforts with regard to the
240 Special Contaminated Property Remediation and Insurance Fund,
241 including, but not limited to, (i) the number of applications received in
242 the preceding state fiscal year, (ii) the number and amounts of loans
243 made in such year, (iii) the names of the applicants for such loans, (iv)
244 the average time period between submission of application and the
245 decision to grant or deny the loan, (v) a list of the applications
246 approved and the applications denied and the reasons for such
247 denials, and (vi) for each project, the location by street address and
248 municipality; and

249 (C) A summary of the department's efforts with regard to the dry
250 cleaning grant program, established pursuant to section 12-263m,
251 including, but not limited to, (i) information as to the number of
252 applications received, (ii) the number and amounts of grants made
253 since the inception of the program, (iii) the names of the applicants,
254 (iv) the time period between submission of application and the
255 decision to grant or deny the loan, (v) which applications were
256 approved and which applications were denied and the reasons for any
257 denials, and (vi) a recommendation as to whether the surcharge and
258 grant program established pursuant to section 12-263m should

259 continue.

260 (9) The following information concerning enterprise zones
261 designated under section 32-70:

262 (A) A statement of the current goals for enterprise zones;

263 (B) A statement of the current performance standards to measure
264 the progress of municipalities that have enterprise zones in attaining
265 the goals for such zones;

266 (C) A report from each municipality that has an enterprise zone,
267 which evaluates the progress of the municipality in meeting the
268 performance standards established under section 32-70a; and

269 (D) An assessment of the performance of each enterprise zone based
270 on information collected under subparagraph (C) of this subdivision.

271 (10) With regard to the grant program designated pursuant to
272 sections 32-324a to 32-324e, inclusive, an assessment of program
273 performance.

274 (11) With regard to the fuel diversification program designated
275 pursuant to section 32-324g, an assessment of program performance.

276 (12) With regard to the department's housing-development-related
277 functions and activities:

278 (A) A brief description and assessment of the state's housing market
279 during the preceding state fiscal year, utilizing the most recent and
280 reasonably available data, and including, but not limited to, (i) a brief
281 description of the significant characteristics of such market, including
282 supply, demand and condition and cost of housing, and (ii) any other
283 information that the commissioner deems appropriate;

284 (B) A comprehensive assessment of current and future needs for
285 rental assistance under section 8-119kk for housing projects for the
286 elderly and disabled, in consultation with the Connecticut Housing
287 Finance Authority;

288 (C) An analysis of the progress of the public and private sectors
289 toward meeting housing needs in the state, using building permit data
290 from the United States Census Bureau and demolition data from
291 Connecticut municipalities;

292 (D) A list of municipalities that meet the affordable housing criteria
293 set forth in subsection (k) of section 8-30g, pursuant to regulations that
294 the Commissioner of Economic and Community Development shall
295 adopt pursuant to the provisions of chapter 54. For the purpose of
296 determining the percentage required by subsection (k) of said section
297 8-30g, the commissioner shall use as the denominator the number of
298 dwelling units in the municipality, as reported in the most recent
299 United States decennial census; and

300 (E) A statement of the department's housing development
301 objectives, measures of program success and standards for granting
302 financial and nonfinancial assistance under programs administered by
303 said commissioner.

304 (13) A presentation of the state-funded housing development
305 portfolio of the department, including:

306 (A) A list of the names, addresses and locations of all recipients of
307 such assistance; and

308 (B) For each such recipient, (i) a summary of the terms and
309 conditions for the assistance, including the type and amount of state
310 financial assistance, (ii) the amount of investments from private and
311 other nonstate sources that have been leveraged by the assistance, (iii)
312 the number of new units to be created and the number of units to be
313 preserved at the time of the application, and (iv) the number of actual
314 new units created and number of units preserved.

315 (14) An analysis of the state-funded housing development portfolio
316 of the department, including:

317 (A) An investment analysis, including the (i) total active portfolio
318 value, (ii) total investment made in the preceding state fiscal year, (iii)

319 portfolio dollar per new unit created, (iv) estimated dollars per new
320 unit created for projects receiving an assistance award in the preceding
321 state fiscal year, (v) portfolio dollars per unit preserved, (vi) estimated
322 dollar per unit preserved for projects receiving an assistance award in
323 the preceding state fiscal year, (vii) portfolio leverage ratio, and (viii)
324 leverage ratio for housing development investments made in the
325 preceding state fiscal year; and

326 (B) A production and preservation analysis, including (i) the total
327 number of units created, itemized by municipality, for the total
328 portfolio and projects receiving an assistance award in the preceding
329 state fiscal year, (ii) the total number of elderly units created for the
330 total portfolio and for projects receiving an assistance award in the
331 preceding state fiscal year, (iii) the total number of family units created
332 for the total portfolio and for projects receiving an assistance award in
333 the preceding state fiscal year, (iv) the total number of units preserved,
334 itemized by municipality, for the total portfolio and projects receiving
335 an assistance award in the preceding state fiscal year, (v) the total
336 number of elderly units preserved for the total portfolio and for
337 projects receiving an assistance award in the preceding state fiscal
338 year, (vi) the total number of family units preserved for the total
339 portfolio and for projects receiving an assistance award in the
340 preceding state fiscal year, (vii) an analysis by income group of
341 households served by the department's housing construction,
342 substantial rehabilitation, purchase and rental assistance programs, for
343 each housing development, if applicable, and for each program,
344 including number of households served under each program by race
345 and data for all households, and (viii) a summary of the department's
346 efforts in promoting fair housing choice and racial and economic
347 integration, including data on the racial composition of the occupants
348 and persons on the waiting list of each housing project that is assisted
349 under any housing program established by the general statutes or a
350 special act or that is supervised by the department, provided no
351 information shall be required to be disclosed by any occupant or
352 person on a waiting list for the preparation of such summary. As used
353 in this subparagraph, "elderly units" means dwelling units for which

354 occupancy is restricted by age, and "family units" means dwelling
355 units for which occupancy is not restricted by age.

356 (15) An economic impact analysis of the department's housing
357 development efforts and activities, including, but not limited to:

358 (A) The contribution of such efforts and activities to the gross state
359 product;

360 (B) The direct and indirect employment created by the investments
361 for the total housing development portfolio and for any investment
362 activity for such portfolio occurring in the preceding state fiscal year;
363 and

364 (C) Personal income in the state.

365 (16) With regard to the Housing Trust Fund and Housing Trust
366 Fund program, as those terms are defined in section 8-336m:

367 (A) Activities for the prior fiscal year of the Housing Trust Fund and
368 the Housing Trust Fund program; and

369 (B) The efforts of the department to obtain private support for the
370 Housing Trust Fund and the Housing Trust Fund program.

371 (17) With regard to the department's energy conservation loan
372 program:

373 (A) The number of loans or deferred loans made during the
374 preceding fiscal year under each component of such program and the
375 total amount of the loans or deferred loans made during such fiscal
376 year under each such component;

377 (B) A description of each step of the loan or deferred loan
378 application and review process;

379 (C) The location of each loan or deferred loan application intake site
380 for such program;

381 (D) The average time period for the processing of loan or deferred
382 loan applications during such fiscal year; and

383 (E) The total administrative expenses of such program for such
384 fiscal year.

385 (18) An assessment of the performance of the Connecticut qualified
386 biodiesel producer incentive account grant program established
387 pursuant to sections 32-324a to 32-324e, inclusive.

388 (19) An assessment of the performance of the fuel diversification
389 grant program established pursuant to section 32-324g.

390 (20) A summary of the total social and economic impact of the
391 department's efforts and activities in the areas of economic,
392 community and housing development, and an assessment of the
393 department's performance in terms of meeting its stated goals and
394 objectives.

395 Sec. 4. Subsection (c) of section 32-1o of the 2010 supplement to the
396 general statutes is repealed and the following is substituted in lieu
397 thereof (*Effective October 1, 2010*):

398 (c) The strategic plan required under this section shall include, but
399 not be limited to, the following:

400 (1) A review and evaluation of the economy of the state. Such
401 review and evaluation shall include, but not be limited to, a sectoral
402 analysis, housing market and housing affordability analysis, labor
403 market and labor quality analysis, demographic analysis and include
404 historic trend analysis and projections;

405 (2) A review and analysis of factors, issues and forces that impact or
406 impede economic development and responsible growth in Connecticut
407 and its constituent regions. Such factors, issues or forces shall include,
408 but not be limited to, transportation, including, but not limited to,
409 commuter transit, rail and barge freight, technology transfer,
410 brownfield remediation and development, health care delivery and

411 costs, early education, primary education, secondary and
412 postsecondary education systems and student performance, business
413 regulation, labor force quality and sustainability, social services costs
414 and delivery systems, affordable and workforce housing cost and
415 availability, land use policy, emergency preparedness, taxation,
416 availability of capital and energy costs and supply;

417 (3) Identification and analysis of economic and creative clusters, as
418 defined in section 32-4e, as amended by this act, that are growing or
419 declining within the state;

420 (4) An analysis of targeted industry sectors in the state that (A)
421 identifies those industry sectors that are of current or future
422 importance to the growth of the state's economy and to its global
423 competitive position, (B) identifies what those industry sectors need
424 for continued growth, and (C) identifies, those industry sectors current
425 and potential impediments to growth;

426 (5) A review and evaluation of the economic development structure
427 in the state, including, but not limited to, (A) a review and analysis of
428 the past and current economic, community and housing development
429 structures, budgets and policies, efforts and responsibilities of its
430 constituent parts in Connecticut; and (B) an analysis of the
431 performance of the current economic, community and housing
432 development structure, and its individual constituent parts, in meeting
433 its statutory obligations, responsibilities and mandates and their
434 impact on economic development and responsible growth in
435 Connecticut;

436 (6) Establishment and articulation of a vision for Connecticut that
437 identifies where the state should be in five, ten, fifteen and twenty
438 years;

439 (7) Establishment of clear and measurable goals and objectives for
440 the state and regions, to meet the short and long-term goals established
441 under this section and provide clear steps and strategies to achieve
442 said goals and objectives, including, but not limited to, the following:

443 (A) The promotion of economic development and opportunity, (B) the
444 fostering of effective transportation access and choice including the use
445 of airports and ports for economic development, (C) enhancement and
446 protection of the environment, (D) maximization of the effective
447 development and use of the workforce consistent with applicable state
448 or local workforce investment strategy, (E) promotion of the use of
449 technology in economic development, including access to high-speed
450 telecommunications, and (F) the balance of resources through sound
451 management of physical development;

452 (8) Prioritization of goals and objectives established under this
453 section;

454 (9) Establishment of relevant measures that clearly identify and
455 quantify (A) whether a goal and objective is being met at the state,
456 regional, local and private sector level, and (B) cause and effect
457 relationships, and provides a clear and replicable measurement
458 methodology;

459 (10) Recommendations on how the state can best achieve goals
460 under the strategic plan and provide cost estimates for implementation
461 of the plan and the projected return on investment for those areas;

462 (11) A review and evaluation of the operation and efficacy of the
463 urban jobs program established pursuant to sections 32-9i to 32-9l,
464 inclusive, enterprise zones established pursuant to section 32-70,
465 railroad depot zones established pursuant to section 32-75a, qualified
466 manufacturing plants designated pursuant to section 32-75c,
467 entertainment districts established pursuant to section 32-76 and
468 enterprise corridor zones established pursuant to section 32-80. The
469 review and evaluation of enterprise zones shall include an analysis of
470 enterprise zones that have been expanded to include an area in a
471 contiguous municipality or in which there are base or plant closures;
472 and

473 (12) Any other responsible growth information that the
474 commissioner deems appropriate.

475 Sec. 5. Subsection (a) of section 4-124z of the general statutes is
476 repealed and the following is substituted in lieu thereof (*Effective*
477 *October 1, 2010*):

478 (a) The Office of Workforce Competitiveness, the Labor
479 Commissioner, the Commissioners of Economic and Community
480 Development, Education and Social Services, the Secretary of the
481 Office of Policy and Management and the Chancellor of the regional
482 community-technical colleges, in consultation with the superintendent
483 of the vocational-technical school system and one member of industry
484 representing each of the economic and creative clusters identified by
485 the Commissioner of Economic and Community Development
486 pursuant to section 32-1m, as amended by this act, shall (1) review,
487 evaluate and, as necessary, recommend improvements for certification
488 and degree programs offered by the vocational-technical school system
489 and the community-technical college system to ensure that such
490 programs meet the employment needs of business and industry, and
491 (2) develop strategies to strengthen the linkage between skill standards
492 for education and training and the employment needs of business and
493 industry.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2010</i>	32-4e
Sec. 3	<i>October 1, 2010</i>	32-1m(a)
Sec. 4	<i>October 1, 2010</i>	32-1o(c)
Sec. 5	<i>October 1, 2010</i>	4-124z(a)

HED Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Department of Economic & Community Development	GF - Cost	56,127	56,530
Comptroller Misc. Accounts (Unemployment Benefits)	GF - Cost	1,233	1,264
Legislative Mgmt.	GF - Cost	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which establishes a task force to study the creative economy and requires the Department of Economic and Community Development (DECD) to provide staff to the task force and perform an economic analysis of the cultural industries and workforce in the state, will result in costs. DECD will incur costs of \$40,000 for a REMI economic analysis and costs of \$16,127 in FY 11 and \$16,530 in FY 12, plus fringe¹ benefits, for a Community Development Specialist (AR-25) working ten hour per week, to serve as staff for the task force.

The bill permits members of the General Assembly to participate on the task force. The Office of Legislative Management would incur minimal costs associated with mileage reimbursement of 50 cents per mile for legislators participating on the task force.

¹ Employees working less than 10 hours a week are not eligible for most fringe benefits. The state must contribute 7.65% for FICA (Federal Insurance Compensation Act) for such employees.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future until FY 16 subject to inflation.

OLR Bill Analysis**sHB 5028*****AN ACT CONCERNING THE DEVELOPMENT OF THE CREATIVE ECONOMY.*****SUMMARY:**

This bill establishes a 22-member task force to study the creative economy in the state and, beginning by February 1, 2011, annually report for five years its findings and recommendations. It also requires the Department of Economic and Community Development (DECD) to identify and analyze “creative clusters” in both its annual report and in the state’s economic strategic plan, which is submitted every five years. Lastly, it specifies that representatives from creative clusters are to make recommendations for certain curricular changes in the state’s vocational-technical schools and the community-technical colleges (CTC).

EFFECTIVE DATE: October 1, 2010, except for the formation of the task force, which is effective upon passage.

CREATIVE ECONOMY DEFINED

Under the bill, the “creative economy” includes the cultural goods and services produced and distributed by artists, cultural nonprofit organizations, and creative individuals and businesses that impact the economy by generating jobs and revenue and improving the quality of life. The creative economy includes a creative (1) cluster, (2) workforce, and (3) community.

The bill defines “creative cluster” as the enterprises and individuals that directly and indirectly produce cultural goods. It defines “creative workforce” as the individuals training in specific cultural and artistic skills that drive the success of leading industries, including arts and

culture. It defines “creative community” as a geographic area with a concentration of creative workers, businesses, and organizations.

Task Force Membership

The six top legislative leaders each must appoint one task force member, who may be a legislator. The remaining members are:

1. the higher education and DECD commissioners, or their designees;
2. the Connecticut Commission on Culture and Tourism (CCCT) executive director, or her designee;
3. an administrator or faculty member from the arts departments at (a) UConn, (b) the Connecticut State University System, (c) the community colleges, and (d) three independent colleges and universities, appointed by the higher education commissioner;
4. five representatives from the regional arts councils in the state;
5. a representative from the Office of Workforce Competitiveness (OWC), appointed by the governor; and
6. a Department of Labor economist appointed by the labor commissioner.

The appointing authorities must make their appointments within 30 days after the bill takes effect and fill any vacancies. The DECD commissioner and another individual, who the House speaker and the Senate president pro tempore select from among the task force members, must chair the task force. They must schedule its first meeting within 60 days after the bill takes effect.

Reporting Requirements

The task force must:

1. perform an economic analysis of the state's cultural industries and workforce,
2. examine the economic force of the state's cultural sector,
3. analyze how to brand the state as a leader in the creative economy,
4. foster and demonstrate the cultural sector and its ability to attract economic activity to the state, and
5. develop education and career paths for creative industries.

It must annually report its findings and recommendations to the Higher Education and Employment Advancement and Commerce committees. DECD is the lead agency for purposes of conducting the study. The task force terminates on the date it submits its report (presumably its last report), or by February 1, 2016, whichever is later.

RECOMMENDATIONS FOR CURRICULAR IMPROVEMENTS

The bill requires the Office of Workforce Competitiveness (OWC) and various officials to consult with one member of industry from each creative cluster in (1) reviewing, evaluating, and recommending improvements for certificate and degree programs at the vo-tech schools and the CTC to make sure they meet business and industry's employment needs and (2) developing ways to strengthen ties between skill standards for education and training and business and industry's employment needs.

The officials are the (1) commissioners of Labor, DECD, Education, and Social Services; (2) secretary of Office of Policy and Management; and (3) CTC chancellor. Under current law, they and the OWC must consult with the superintendent of the vo-tech school system and with one member of industry from each "economic cluster." They must report annually to various legislative committees on (1) the CTCs and vo-tech schools' implementation of any recommended programs or strategies to strengthen the linkage between their certificate and

degree programs and business and industry's employment needs and (2) any vo-tech school or CTC certificate or degree program that does not meet current industry standards.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/11/2010)