



House of Representatives

File No. 636

General Assembly

February Session, 2010

(Reprint of File No. 135)

Substitute House Bill No. 5028
As Amended by House Amendment
Schedules "A" and "B"

Approved by the Legislative Commissioner
April 26, 2010

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 a grouping of creative, cultural and
9 innovative individuals or enterprises that directly or indirectly
10 produce or provide cultural ideas, works or services;
- 11 (3) "Creative workforce" means individuals who are trained in
12 specific cultural and artistic skills and drive the success of leading
13 industries that include, but are not limited to, arts and culture; and

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

17 (b) There is established a task force to study the creative economy in
18 this state. The task force shall (1) perform an economic analysis of the
19 cultural industries and cultural workforce in this state; (2) examine the
20 economic force of the cultural sector in this state; (3) analyze methods
21 by which to brand this state as a leader in the creative economy; (4)
22 attempt to foster and demonstrate the cultural sector and its ability to
23 attract economic activity to this state; (5) develop education and career
24 paths for creative industries; and (6) explore methods by which to
25 expand the creative workforce and creative economy in order to create
26 more jobs in this state.

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

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

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

30 (3) One appointed by the majority leader of the House of
31 Representatives;

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

33 (5) One appointed by the minority leader of the House of
34 Representatives;

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

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

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

40 (9) The executive director of the Connecticut Commission on

- 41 Culture and Tourism, or the executive director's designee;
- 42 (10) An administrator or faculty member from the arts department
43 of The University of Connecticut, who shall be appointed by the
44 Commissioner of Higher Education;
- 45 (11) An administrator or faculty member from the arts department
46 of the Connecticut State University System, who shall be appointed by
47 the Commissioner of Higher Education;
- 48 (12) An administrator or faculty member from the arts department
49 of one of the regional community-technical colleges, who shall be
50 appointed by the Commissioner of Higher Education;
- 51 (13) An administrator or faculty member from the arts department
52 of three of the nonprofit independent institutions of higher education
53 in this state, who shall be appointed by the Commissioner of Higher
54 Education;
- 55 (14) Five representatives of the regional arts councils in this state
56 that are identified as regional arts councils by the Connecticut
57 Commission on Culture and Tourism, who shall be designated by such
58 regional arts councils;
- 59 (15) A representative of the Office of Workforce Competitiveness,
60 who shall be appointed by the Governor; and
- 61 (16) A designee of the Labor Commissioner who has experience in
62 labor market information.
- 63 (d) 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 (e) 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 (f) 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 by
76 means of a reallocation of funding from other agency accounts or
77 programs. The Department of Economic and Community
78 Development, by reallocating funding from other agency accounts or
79 programs, shall be the lead agency for purposes of conducting the
80 study described in subsection (b) of this section.

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

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

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

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

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

101 (a) Not later than February 1, 2006, and annually thereafter, the
102 Commissioner of Economic and Community Development shall
103 submit a report to the Governor and the General Assembly, in
104 accordance with the provisions of section 11-4a. Not later than thirty
105 days after submission of the report to the Governor and the General
106 Assembly, said commissioner shall post the report on the Department
107 of Economic and Community Development's web site. Said report
108 shall include, but not be limited to, the following information with
109 regard to the activities of the Department of Economic and
110 Community Development during the preceding state fiscal year:

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

114 (A) Connecticut employment by industry;

115 (B) Connecticut and national average unemployment;

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

117 (D) Connecticut productivity, by industry, compared to the national
118 average;

119 (E) Connecticut manufacturing activity;

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

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

131 and

132 (H) Any other economic information that the commissioner deems
133 appropriate.

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

138 (3) An analysis of the economic development portfolio of the
139 department, including:

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

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

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

162 municipality;

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

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

180 (4) An analysis of the community development portfolio of the
181 department, including:

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

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

190 (C) An investment analysis, including (i) total active portfolio value,
191 (ii) total investments made in the preceding state fiscal year, (iii) total
192 portfolio by municipality, (iv) total investments made in the preceding

193 state fiscal year categorized by municipality, (v) total portfolio
194 leverage ratio, and (vi) leverage ratio of the total investments made in
195 the preceding state fiscal year; and

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

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

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

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

222 (8) (A) A summary of the department's brownfield-related efforts
223 and activities within the Office of Brownfield Remediation and
224 Development established pursuant to subsections (a) to (f), inclusive,

225 of section 32-9cc in the preceding state fiscal year, except for activity
226 under the Special Contaminated Property Remediation and Insurance
227 Fund program. Such efforts shall include, but not be limited to, (i) total
228 portfolio investment in brownfield remediation projects, (ii) total
229 investment in brownfield remediation projects in the preceding state
230 fiscal year, (iii) total number of brownfield remediation projects, (iv)
231 total number of brownfield remediation projects in the preceding state
232 fiscal year, (v) total of reclaimed and remediated acreage, (vi) total of
233 reclaimed and remediated acreage in the preceding state fiscal year,
234 (vii) leverage ratio for the total portfolio investment in brownfield
235 remediation projects, and (viii) leverage ratio for the total portfolio
236 investment in brownfield remediation projects in the preceding state
237 fiscal year. Such summary shall include a list of such brownfield
238 remediation projects and, for each such project, the name of the
239 developer and the location by street address and municipality and a
240 tracking of all funds administered through or by said office;

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

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

259 denials, and (vi) a recommendation as to whether the surcharge and
260 grant program established pursuant to section 12-263m should
261 continue.

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

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

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

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

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

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

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

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

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

286 (B) A comprehensive assessment of current and future needs for

287 rental assistance under section 8-119kk for housing projects for the
288 elderly and disabled, in consultation with the Connecticut Housing
289 Finance Authority;

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

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

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

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

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

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

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

319 (A) An investment analysis, including the (i) total active portfolio
320 value, (ii) total investment made in the preceding state fiscal year, (iii)
321 portfolio dollar per new unit created, (iv) estimated dollars per new
322 unit created for projects receiving an assistance award in the preceding
323 state fiscal year, (v) portfolio dollars per unit preserved, (vi) estimated
324 dollar per unit preserved for projects receiving an assistance award in
325 the preceding state fiscal year, (vii) portfolio leverage ratio, and (viii)
326 leverage ratio for housing development investments made in the
327 preceding state fiscal year; and

328 (B) A production and preservation analysis, including (i) the total
329 number of units created, itemized by municipality, for the total
330 portfolio and projects receiving an assistance award in the preceding
331 state fiscal year, (ii) the total number of elderly units created for the
332 total portfolio and for projects receiving an assistance award in the
333 preceding state fiscal year, (iii) the total number of family units created
334 for the total portfolio and for projects receiving an assistance award in
335 the preceding state fiscal year, (iv) the total number of units preserved,
336 itemized by municipality, for the total portfolio and projects receiving
337 an assistance award in the preceding state fiscal year, (v) the total
338 number of elderly units preserved for the total portfolio and for
339 projects receiving an assistance award in the preceding state fiscal
340 year, (vi) the total number of family units preserved for the total
341 portfolio and for projects receiving an assistance award in the
342 preceding state fiscal year, (vii) an analysis by income group of
343 households served by the department's housing construction,
344 substantial rehabilitation, purchase and rental assistance programs, for
345 each housing development, if applicable, and for each program,
346 including number of households served under each program by race
347 and data for all households, and (viii) a summary of the department's
348 efforts in promoting fair housing choice and racial and economic
349 integration, including data on the racial composition of the occupants
350 and persons on the waiting list of each housing project that is assisted

351 under any housing program established by the general statutes or a
352 special act or that is supervised by the department, provided no
353 information shall be required to be disclosed by any occupant or
354 person on a waiting list for the preparation of such summary. As used
355 in this subparagraph, "elderly units" means dwelling units for which
356 occupancy is restricted by age, and "family units" means dwelling
357 units for which occupancy is not restricted by age.

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

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

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

366 (C) Personal income in the state.

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

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

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

373 (17) With regard to the department's energy conservation loan
374 program:

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

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

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

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

385 (E) The total administrative expenses of such program for such
386 fiscal year.

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

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

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

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

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

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

407 (2) A review and analysis of factors, issues and forces that impact or
408 impede economic development and responsible growth in Connecticut
409 and its constituent regions. Such factors, issues or forces shall include,
410 but not be limited to, transportation, including, but not limited to,
411 commuter transit, rail and barge freight, technology transfer,
412 brownfield remediation and development, health care delivery and
413 costs, early education, primary education, secondary and
414 postsecondary education systems and student performance, business
415 regulation, labor force quality and sustainability, social services costs
416 and delivery systems, affordable and workforce housing cost and
417 availability, land use policy, emergency preparedness, taxation,
418 availability of capital and energy costs and supply;

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

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

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

438 (6) Establishment and articulation of a vision for Connecticut that

439 identifies where the state should be in five, ten, fifteen and twenty
440 years;

441 (7) Establishment of clear and measurable goals and objectives for
442 the state and regions, to meet the short and long-term goals established
443 under this section and provide clear steps and strategies to achieve
444 said goals and objectives, including, but not limited to, the following:
445 (A) The promotion of economic development and opportunity, (B) the
446 fostering of effective transportation access and choice including the use
447 of airports and ports for economic development, (C) enhancement and
448 protection of the environment, (D) maximization of the effective
449 development and use of the workforce consistent with applicable state
450 or local workforce investment strategy, (E) promotion of the use of
451 technology in economic development, including access to high-speed
452 telecommunications, and (F) the balance of resources through sound
453 management of physical development;

454 (8) Prioritization of goals and objectives established under this
455 section;

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

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

464 (11) A review and evaluation of the operation and efficacy of the
465 urban jobs program established pursuant to sections 32-9i to 32-9l,
466 inclusive, enterprise zones established pursuant to section 32-70,
467 railroad depot zones established pursuant to section 32-75a, qualified
468 manufacturing plants designated pursuant to section 32-75c,
469 entertainment districts established pursuant to section 32-76 and
470 enterprise corridor zones established pursuant to section 32-80. The

471 review and evaluation of enterprise zones shall include an analysis of
 472 enterprise zones that have been expanded to include an area in a
 473 contiguous municipality or in which there are base or plant closures;
 474 and

475 (12) Any other responsible growth information that the
 476 commissioner deems appropriate.

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

480 (a) The Office of Workforce Competitiveness, the Labor
 481 Commissioner, the Commissioners of Economic and Community
 482 Development, Education and Social Services, the Secretary of the
 483 Office of Policy and Management and the Chancellor of the regional
 484 community-technical colleges, in consultation with the superintendent
 485 of the vocational-technical school system and one member of industry
 486 representing each of the economic and creative clusters identified by
 487 the Commissioner of Economic and Community Development
 488 pursuant to section 32-1m, as amended by this act, shall (1) review,
 489 evaluate and, as necessary, recommend improvements for certification
 490 and degree programs offered by the vocational-technical school system
 491 and the community-technical college system to ensure that such
 492 programs meet the employment needs of business and industry, and
 493 (2) develop strategies to strengthen the linkage between skill standards
 494 for education and training and the employment needs of business and
 495 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)

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	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill as amended 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 which 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, for a Community Development Specialist (AR-25) working ten hours per week, to serve as staff for the task force. The bill as amended requires DECD to reallocate funds from other agency accounts or programs to implement the bill. It is uncertain which programs will receive reduced funding

House "A" eliminates the provision that certain appointees to the Creative Economy Task force may be a member of the General Assembly. This eliminates the minimal cost to Legislative Management of 50 cents per mile for legislator mileage reimbursement. The amendment makes a variety of other changes that result in no fiscal impact.

House "B" adds provisions requiring DECD to reallocate funding from other agency accounts or programs to implement the bill. It is

uncertain which programs will receive reduced funding.

The Out Years

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

OLR Bill Analysis**sHB 5028 (as amended by House "A" and "B")******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, for five years beginning by February 1, 2011, annually report 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 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 (V-T) schools and the community-technical colleges (CTC).

*House Amendment "A" restates the definition of "creative cluster," adds a duty to the task force, changes the criteria for the member appointed by the labor commissioner, and removes a provision allowing legislators to serve on it.

*House Amendment "B" requires DECD to use existing funds for its task force responsibilities.

EFFECTIVE DATE: October 1, 2010, except the formation of the task force 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 a grouping of creative, cultural, and innovative individuals or enterprises that directly or indirectly produce or provide cultural ideas, works, or services. It defines “creative workforce” as the individuals trained in specific cultural and artistic skills that drive the success of leading industries, including arts and culture. “Creative community” means 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. 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, selected by the councils;
5. a representative from the Office of Workforce Competitiveness (OWC), appointed by the governor; and
6. a designee of the labor commissioner who has experience in labor market information.

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, whom 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,
5. develop education and career paths for creative industries, and
6. explore methods for expanding the creative workforce and creative economy in order to create more jobs in the state.

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 and must use existing appropriations to fulfill its responsibilities. 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 industry member from each creative cluster in (1) reviewing, evaluating, and recommending improvements for certificate and degree programs at the V-T 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 the Office of Policy and Management; and (3) CTC chancellor. Under current law, they and the OWC must consult with the superintendent of the V-T 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 V-T 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 V-T 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)

Commerce Committee

Joint Favorable
Yea 14 Nay 4 (04/07/2010)