



Senate

General Assembly

File No. 522

February Session, 2010

Substitute Senate Bill No. 175

Senate, April 13, 2010

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 THE CONNECTICUT COMPETITIVENESS COUNCIL.

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

1 Section 1. (NEW) (*Effective July 1, 2010*) (a) There shall be established
2 a Connecticut Competitiveness Council which shall be within the
3 Department of Economic and Community Development. The council
4 shall consist of eighteen members appointed as follows: (1) Nine, each
5 from different geographic areas of the state, at least one of whom shall
6 be an economist and at least one of whom shall be a member of a
7 chamber of commerce or a regional economic development
8 organization, who shall be appointed by the Governor; (2) two
9 members representing environmental, housing, the arts or any other
10 aspect of quality of life, who shall be appointed by the president pro
11 tempore of the Senate; (3) two members representing financial or
12 venture capital, who shall be appointed by the majority leader of the
13 Senate; (4) one member representing financial regulation, taxation or
14 other financial services, who shall be appointed by the minority leader

15 of the Senate; (5) two members representing workforce training, job
16 retention or human resources, who shall be appointed by the speaker
17 of the House of Representatives; (6) one member representing
18 telecommunications, energy, transportation or other physical
19 infrastructure, who shall be appointed by the majority leader of the
20 House of Representatives; and (7) one member representing
21 technology research, discovery or deployment, who shall be appointed
22 by the minority leader of the House of Representatives.

23 (b) The Commissioners of Developmental Services, Transportation
24 and Higher Education, the Labor Commissioner and the director of the
25 Office of Workforce Competitiveness shall be ex-officio members of the
26 Connecticut Competitiveness Council without the right to vote. The
27 commissioners and director, or their designees, shall attend its
28 meetings.

29 (c) Appointed members of the council shall serve for four-year
30 terms which shall commence October 1, 2010, except that members
31 first appointed shall have the following terms: Five of the members
32 initially appointed by the Governor and the members appointed by the
33 majority leader of the House of Representatives, minority leader of the
34 House of Representatives and the speaker of the House of
35 Representatives shall serve a term of two years, and four of the
36 members appointed by the Governor and the president pro tempore of
37 the Senate, the majority leader of the Senate and the minority leader of
38 the Senate shall initially serve a term of four years. The appointing
39 authority shall fill any vacancy by appointment for the unexpired
40 portion of the term vacated. A majority of the council shall constitute a
41 quorum for the transaction of any business. The members of the
42 council shall serve without compensation, except for necessary
43 expenses incurred in performing their duties.

44 (d) The Governor shall schedule and convene the first meeting of
45 the board after the initial appointment of members under subsection
46 (a) of this section. Such meeting shall be held not later than November
47 1, 2010.

48 (e) The council shall appoint annually, from among its members, a
49 chairman, vice chairman and secretary. The council may make rules
50 for the conduct of its affairs. The council shall meet at least quarterly
51 and at other times upon the call of the chair or the written request of
52 any four members.

53 (f) The Department of Economic and Community Development
54 shall provide staff support and other resources to the council.

55 (g) The council shall be responsible for assisting the Department of
56 Economic and Community Development on the development of a
57 strategic plan, as required under section 32-1o of the general statutes,
58 to promote the competitiveness of the state's industry and economy.
59 Such assistance shall include, but not be limited to, (1)
60 recommendations for the development of public policy to promote
61 competitiveness, (2) review of the state investment strategy and the
62 effect of such strategy on competitiveness, (3) analysis of the economic
63 industry cluster initiative, including recommendations to strengthen
64 said initiative, (4) review of state agency and other public and private
65 agencies' implementation of recommendations made by the economic
66 clusters, and (5) recommendations for legislative or administrative
67 action to promote the competitiveness of the state's industry and
68 economy.

69 (h) Not later than January 1, 2011, and annually thereafter, the
70 council shall submit a report, in accordance with the provisions of
71 section 11-4a of the general statutes, to the Governor, the
72 Commissioner of Economic and Community Development and the
73 joint standing committee of the General Assembly having cognizance
74 of matters relating to commerce on the competitiveness of the state's
75 industry and economy. Such report shall include, but not be limited to,
76 (1) a list of recommendations made by the council to the Department
77 of Economic and Community Development, pursuant to subsection (g)
78 of this section, to promote the competitiveness of the state's industry
79 and economy; (2) the status of state agency and partner agency
80 implementation of the recommendations made by the economic

81 clusters; and (3) recommendations for administrative and legislative
82 action that would promote the state's competitiveness.

83 (i) Upon request of the chairpersons of the joint standing committee
84 of the General Assembly having cognizance of matters relating to
85 commerce, the Legislative Program Review and Investigations
86 Committee, Auditors of Public Accounts, legislative Office of Fiscal
87 Analysis or Office of Legislative Research shall review such report.

88 Sec. 2. Section 32-717 of the general statutes is repealed and the
89 following is substituted in lieu thereof (*Effective July 1, 2010*):

90 (a) The Commissioner of Economic and Community Development,
91 the chairperson of Connecticut Innovations, Incorporated, the
92 president of The University of Connecticut and the chairperson of the
93 Connecticut Development Authority, or their respective designees,
94 shall prepare, within available appropriations, and in consultation
95 with the [Governor's] Connecticut Competitiveness Council, the
96 Commissioner of Education, the Commissioner of Higher Education,
97 the chancellor of the community-technical college system, the director
98 of the Office of Workforce Competitiveness and any other agencies
99 and leading technology-focused organizations deemed appropriate by
100 the Commissioner of Economic and Community Development,
101 recommendations for an implementation plan and budget to establish
102 an Innovation Network that will include the following: (1) The creation
103 of endowed chairs and the hiring of leading academic professionals in
104 targeted fields based on core competencies to work at universities,
105 state colleges and community colleges, in collaboration with other
106 technology initiatives; (2) the focused and aggressive solicitation of
107 and leveraged partnership with federal research funds; (3) increased
108 corporate-sponsored research; (4) the establishment of at least one
109 innovation accelerator, linked to universities and involving
110 corporations and start-up enterprises focused on advanced technology
111 and leveraging the efforts underway by the Connecticut Center for
112 Advanced Technology in the Hartford area; (5) the strengthening of
113 technology transfer and entrepreneurship activities at universities in

114 the state; (6) incentives and financial support for collaborative research
 115 between universities and industry or federally sponsored technology
 116 centers; (7) the creation of linkages to angel networks; and (8) the
 117 creation of linkages to incubators in Connecticut. Said plan shall also
 118 include provisions for the utilization of existing resources, including,
 119 but not limited to, Connecticut Innovations, Incorporated, the
 120 Connecticut Development Authority, The University of Connecticut
 121 and the Office of Workforce Competitiveness.

122 (b) Not later than January 1, 2006, the Commissioner of Economic
 123 and Community Development, in consultation with the chairperson of
 124 Connecticut Innovations, Incorporated, the president of The University
 125 of Connecticut and the chairperson of the Connecticut Development
 126 Authority, shall develop an implementation plan for the Innovation
 127 Network, within available resources, and submit said plan and budget
 128 to the Governor and the joint standing committees of the General
 129 Assembly having cognizance of matters relating to economic
 130 development, education and labor, in accordance with the provisions
 131 of section 11-4a.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2010</i>	New section
Sec. 2	<i>July 1, 2010</i>	32-717

Statement of Legislative Commissioners:

In section 1, grammatical corrections were made.

CE *Joint Favorable Subst. C/R*

GAE

GAE *Joint Favorable Subst.-LCO*

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: None

Municipal Impact: None

Explanation

The bill, which establishes a Connecticut Competitiveness Council and places it within in the Department of Economic and Community Development, results in no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 175*****AN ACT ESTABLISHING THE CONNECTICUT COMPETITIVENESS COUNCIL.*****SUMMARY:**

This bill establishes a 18-member council to recommend ways to promote the state's competitiveness and places it within Department of Economic and Community Development (DECD) for administrative purposes. The members are appointed by the governor and legislative leaders and must represent different geographic regions and economic and social sectors. Five state agency heads serve as nonvoting, ex officio council members.

The council must advise DECD about the state's competitiveness when it prepares the state's five-year strategic economic development strategy. DECD must provide staff support and other resources to the council. The council must report annually to the governor, DECD commissioner, and Commerce Committee about the status of its recommendations and those of the economic clusters. The first report is due January 1, 2011.

The bill also substitutes the council for the Connecticut Competitive Council on the taskforce planning an Innovation Network. That council was created in 1998 by executive order and eliminated by a 2009 order.

EFFECTIVE DATE: July 1, 2010

ORGANIZATION***Membership***

As Table 1 shows, the council consists of 18 voting members.

Table 1: Connecticut Competitiveness Council

<i>Appointing Authority</i>	<i>Number of Appointments</i>	<i>Background Requirements</i>
Governor	9	Must represent different geographic regions and include at least one: <ul style="list-style-type: none"> • economist and • member of chamber of commerce or regional economic development organization
Senate President Pro Tempore	2	Representatives of environmental, housing, the arts, or any other quality of life aspect
Senate Majority Leader	2	Representatives of financial or venture capital
Senate Minority Leader	1	Representative of financial regulation, taxation, or other financial services
House Speaker	2	Representatives of workforce training, job retention, or human resources
House Majority Leader	1	Representative of telecommunications, energy, transportation, or other physical infrastructure
House Minority Leader	1	Representative of technology research, discovery, or deployment

The council's five nonvoting, ex officio members are the commissioners of labor, transportation, higher education, and developmental services, and the director of the Office of Workforce Competitiveness, or their designees. The bill requires these members to attend council meetings.

Member Terms and Vacancies

The voting members serve four-year terms, except for half of the initial members, who serve only two-year terms. The two-year term requirement applies to five of the governor's nine appointments, and

all of the House leaders' appointments. Each appointing authority must fill any vacancy to their appointments, and the person filling the vacancy serves for the balance of the term. The members serve without compensation, but are reimbursed for necessary expenses while performing their duties.

Council Meetings

The governor must call the council's first meeting after the initial appointments are made, but no later than November 1, 2010. The council must appoint its chairperson, vice chairperson, and secretary from among its members. It must meet at least quarterly and (1) whenever the chairperson calls a meeting or (2) when any four members request it in writing. The council must make rules for conducting its business, and a majority of the members constitutes a quorum for this purpose.

PURPOSE

The council must help DECD prepare the state's five-year strategic economic development plan. (DECD submitted the first plan in 2009; the next one is due 2014.) Specifically, it must:

1. recommend policies promoting competitiveness,
2. review the state's investment strategy and how it affects the state's competitiveness,
3. analyze economic cluster initiatives and recommend how they can be strengthened,
4. review how state agencies and other public and private entities are implementing the clusters' recommendations, and
5. recommend legislative and administrative actions promoting the competitiveness of the state's industry and economy.

ANNUAL REPORT

The council must report annually to the governor, the DECD commissioner, and the Commerce Committee on the competitiveness

of the state's industry and economy, beginning January 1, 2011. At a minimum, the report must:

1. list the council's recommendations to DECD on promoting the state's competitiveness,
2. describe the extent to which the economic clusters' recommendations are being implemented by state agencies and their partners, and
3. recommend how the legislature and the Executive Branch can promote the state's competitiveness.

The bill requires the Legislative Program Review and Investigations Committee, Auditors of Public Accounts, Office of Fiscal Analysis, and Office of Legislative Research to review the report if Commerce Committee's chairpersons ask them to do so.

INNOVATION NETWORK TASK FORCE

The bill substitutes its Connecticut Competitiveness Council for the Governor's Competitiveness Council as advisors to a 2005 interagency group formed to recommend a plan and budget for establishing an Innovation Network. Governor Roland's 1998 Executive Order 13 created the Governor's Competitiveness Council to promote, among other things, the development of industry clusters. Governor Rell's 2009 Executive Order 24 eliminated the council along with several other advisory bodies.

BACKGROUND

Economic Clusters

Economic "Clusters" refers to a conceptual tool that analyzes an area's economy based on the types of businesses that operate there. It groups businesses sharing common interests and identifies the reasons why they tend to concentrate or cluster in certain areas. As a policy making tool, cluster analysis identifies and addresses the common needs and concerns of a cluster instead of the particular needs and concerns of each member.

The legislature adopted a cluster strategy in 1992 when it required the state to identify and organize industry clusters and fashion policies and programs to boost their competitiveness. Since then, DECD has designated nine industry clusters— aerospace component manufacturing, agriculture, bioscience, insurance and financial services, maritime, metal manufacturing, plastics and plastics manufacturing, software and information technology, and tourism.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute Change of Reference
Yea 20 Nay 0 (03/16/2010)

Government Administration and Elections Committee

Joint Favorable
Yea 15 Nay 0 (03/26/2010)