



House of Representatives

General Assembly

File No. 785

January Session, 2011

Substitute House Bill No. 6050

House of Representatives, May 11, 2011

The Committee on Appropriations reported through REP. WALKER of the 93rd 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 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 not 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 not 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 shall be the lead agency for purposes of conducting the
79 study described in subsection (b) of this section. Any analysis required
80 for said study shall be conducted by employees of said department
81 within existing budgetary resources.

82 (g) Not later than February 1, 2012, and annually thereafter, for five
83 years, the task force shall submit a report on its findings and
84 recommendations to the joint standing committees of the General
85 Assembly having cognizance of matters relating to higher education
86 and employment advancement and commerce, in accordance with the
87 provisions of section 11-4a of the general statutes. The task force shall
88 terminate on the date that it submits its final report or February 1,
89 2017, whichever is later.

90 Sec. 2. Section 32-4e of the general statutes is repealed and the
91 following is substituted in lieu thereof (*Effective October 1, 2011*):

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

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

99 Sec. 3. Subsection (a) of section 32-1m of the general statutes is

100 repealed and the following is substituted in lieu thereof (*Effective*
101 *October 1, 2011*):

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

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

115 (A) Connecticut employment by industry;

116 (B) Connecticut and national average unemployment;

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

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

120 (E) Connecticut manufacturing activity;

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

124 (G) A brief summary of Connecticut's competitiveness as a place for
125 business, which shall include, but not be limited to, an evaluation of (i)
126 how the programs and policies of state government affect the state
127 economy and state business environment, (ii) the ability of the state to
128 retain and attract businesses, (iii) the steps taken by other states to

129 improve the competitiveness of such states as places for business, and
130 (iv) programs and policies the state could implement to improve the
131 competitiveness of the state in order to encourage economic growth;
132 and

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

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

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

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

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

159 (C) A portfolio analysis, including (i) an analysis of the wages paid

160 by recipients of financial assistance, (ii) the average portfolio wage,
161 median portfolio wage, highest and lowest portfolio wage, (iii)
162 portfolio wage data by industry, and (iv) portfolio wage data by
163 municipality;

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

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

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

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

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

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

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

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

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

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

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

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

252 (C) A summary of the department's efforts with regard to the dry
253 cleaning grant program, established pursuant to section 12-263m,
254 including, but not limited to, (i) information as to the number of
255 applications received, (ii) the number and amounts of grants made
256 since the inception of the program, (iii) the names of the applicants,

257 (iv) the time period between submission of application and the
258 decision to grant or deny the loan, (v) which applications were
259 approved and which applications were denied and the reasons for any
260 denials, and (vi) a recommendation as to whether the surcharge and
261 grant program established pursuant to section 12-263m should
262 continue.

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

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

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

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

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

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

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

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

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

286 information that the commissioner deems appropriate;

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

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

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

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

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

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

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

317 new units created and number of units preserved.

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

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

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

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

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

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

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

367 (C) Personal income in the state.

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

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

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

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

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

379 year under each such component;

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

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

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

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

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

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

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

398 (21) With regard to the Connecticut Credit Consortium established
399 pursuant to section 32-9yy, a summary of the activity of such program,
400 including, but not limited to, the number of loans and lines of credit
401 applied for and approved, the size of the businesses, the amount of the
402 loans or lines of credit, and the amount repaid to date.

403 (22) With regard to the office of the permit ombudsman, established
404 pursuant to section 32-726:

405 (A) The names of applicants for expedited review;

406 (B) The date of request for expedited review;

407 (C) The basis upon which the applicant claimed eligibility for
408 expedited review;

409 (D) State agencies that participated in the permit review process;

410 (E) The dates on which the permit was granted or denied via the
411 expedited review process or the date the applicant was determined not
412 to be eligible for expedited review; and

413 (F) If applicable, the reason the applicant was determined not to be
414 eligible for the expedited review process.

415 Sec. 4. Subsection (c) of section 32-1o of the general statutes is
416 repealed and the following is substituted in lieu thereof (*Effective*
417 *October 1, 2011*):

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

420 (1) A review and evaluation of the economy of the state. Such
421 review and evaluation shall include, but not be limited to, a sectoral
422 analysis, housing market and housing affordability analysis, labor
423 market and labor quality analysis, demographic analysis and historic
424 trend analysis and projections;

425 (2) A review and analysis of factors, issues and forces that impact or
426 impede economic development and responsible growth in Connecticut
427 and its constituent regions. Such factors, issues or forces shall include,
428 but not be limited to, transportation, including, but not limited to,
429 commuter transit, rail and barge freight, technology transfer,
430 brownfield remediation and development, health care delivery and
431 costs, early education, primary education, secondary and
432 postsecondary education systems and student performance, business
433 regulation, labor force quality and sustainability, social services costs
434 and delivery systems, affordable and workforce housing cost and
435 availability, land use policy, emergency preparedness, taxation,
436 availability of capital and energy costs and supply;

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

440 (4) An analysis of targeted industry sectors in the state that (A)
441 identifies those industry sectors that are of current or future
442 importance to the growth of the state's economy and to its global
443 competitive position, (B) identifies what those industry sectors need
444 for continued growth, and (C) identifies those industry sectors' current
445 and potential impediments to growth;

446 (5) A review and evaluation of the economic development structure
447 in the state, including, but not limited to, (A) a review and analysis of
448 the past and current economic, community and housing development
449 structures, budgets and policies, efforts and responsibilities of its
450 constituent parts in Connecticut; and (B) an analysis of the
451 performance of the current economic, community and housing
452 development structure, and its individual constituent parts, in meeting
453 its statutory obligations, responsibilities and mandates and their
454 impact on economic development and responsible growth in
455 Connecticut;

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

459 (7) Establishment of clear and measurable goals and objectives for
460 the state and regions, to meet the short and long-term goals established
461 under this section and provide clear steps and strategies to achieve
462 said goals and objectives, including, but not limited to, the following:
463 (A) The promotion of economic development and opportunity, (B) the
464 fostering of effective transportation access and choice including the use
465 of airports and ports for economic development, (C) enhancement and
466 protection of the environment, (D) maximization of the effective
467 development and use of the workforce consistent with applicable state
468 or local workforce investment strategy, (E) promotion of the use of
469 technology in economic development, including access to high-speed

470 telecommunications, and (F) the balance of resources through sound
471 management of physical development;

472 (8) Prioritization of goals and objectives established under this
473 section;

474 (9) Establishment of relevant measures that clearly identify and
475 quantify (A) whether a goal and objective is being met at the state,
476 regional, local and private sector level, and (B) cause and effect
477 relationships, and provide a clear and replicable measurement
478 methodology;

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

482 (11) A review and evaluation of the operation and efficacy of the
483 urban jobs program established pursuant to sections 32-9i to 32-9l,
484 inclusive, enterprise zones established pursuant to section 32-70,
485 railroad depot zones established pursuant to section 32-75a, qualified
486 manufacturing plants designated pursuant to section 32-75c,
487 entertainment districts established pursuant to section 32-76 and
488 enterprise corridor zones established pursuant to section 32-80. The
489 review and evaluation of enterprise zones shall include an analysis of
490 enterprise zones that have been expanded to include an area in a
491 contiguous municipality or in which there are base or plant closures;
492 and

493 (12) Any other responsible growth information that the
494 commissioner deems appropriate.

495 Sec. 5. Subsection (a) of section 4-124z of the general statutes is
496 repealed and the following is substituted in lieu thereof (*Effective*
497 *October 1, 2011*):

498 (a) The Office of Workforce Competitiveness, the Labor
499 Commissioner, the Commissioners of Economic and Community
500 Development, Education and Social Services, the Secretary of the

501 Office of Policy and Management and the Chancellor of the regional
 502 community-technical colleges, in consultation with the superintendent
 503 of the vocational-technical school system and one member of industry
 504 representing each of the economic and creative clusters identified by
 505 the Commissioner of Economic and Community Development
 506 pursuant to section 32-1m, as amended by this act, shall (1) review,
 507 evaluate and, as necessary, recommend improvements for certification
 508 and degree programs offered by the vocational-technical school system
 509 and the community-technical college system to ensure that such
 510 programs meet the employment needs of business and industry, and
 511 (2) develop strategies to strengthen the linkage between skill standards
 512 for education and training and the employment needs of business and
 513 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, 2011</i>	32-4e
Sec. 3	<i>October 1, 2011</i>	32-1m(a)
Sec. 4	<i>October 1, 2011</i>	32-1o(c)
Sec. 5	<i>October 1, 2011</i>	4-124z(a)

APP *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 12 \$	FY 13 \$
Department of Economic & Community Development; Comptroller Misc. Accounts (Unemployment Benefits)	GF - Potential Cost	Up to 53,500	Up to 58,000
Legislative Mgmt.	GF - Potential Cost	Less than \$5,000	Less than \$5,000

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 analyze "creative clusters" in its annual report and the state's economic strategic plan, could result in a cost of up to \$63,000 annually over the duration of the task force.

The bill designates DECD as the lead agency that will provide staff for the task force and conduct various analyses on the creative economy. The bill requires such study to be completed by existing staff and within budgetary resources. To the extent that the agency reallocates funds and staff to perform such tasks there could be a fiscal impact to other programs. The potential amount reallocated could be up to \$53,500 in FY 12 and \$58,000 FY 13. These costs include up to \$40,000 annually for an economic analysis and up to \$13,500 in FY 12 and \$18,000 in FY 13 in salary cost associated with staff reassigned to 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, estimated to be less than \$5,000, associated with mileage reimbursement of 51 cents per mile for legislators participating on the task force.

The Out Years

The costs associated with the task force, including reassigned staff as well as the estimated mileage reimbursements, will end when the task force submits its final report on or before February 1, 2017. The potential cost of \$40,000 for the economic analysis will continue subject to inflation.

OLR Bill Analysis**sHB 6050*****AN ACT CONCERNING THE DEVELOPMENT OF THE CREATIVE ECONOMY.*****SUMMARY:**

This bill establishes a 22-member task force to study Connecticut's creative economy and, for five years beginning by February 1, 2012, annually report its findings and recommendations. A "creative economy" consists of a creative cluster, workforce, and community in which artists, cultural non-profits, and creative individuals and businesses, among others, produce and distribute cultural goods and services that generate jobs and revenue and improve the quality of life.

The bill 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. The annual report must also include (1) the amount of bond funds DECD spends on creative clusters and (2) measures taken by the commissioner to encourage growth of creative clusters. A "creative cluster" is a grouping of creative, cultural, and innovative individuals or enterprises that directly or indirectly produce or provide cultural ideas, works, or services.

Lastly, the bill specifies that representatives from creative clusters are to make recommendations for certain curricular changes in the state's vocational-technical (V-T) schools and community-technical colleges (CTC).

EFFECTIVE DATE: October 1, 2011, except the formation of the task force is effective upon passage.

CREATIVE ECONOMY TASK FORCE

The bill requires the 22-member task force to study Connecticut's creative economy, which includes a creative cluster, workforce, and community. A "creative workforce" is one made up of individuals trained in specific cultural and artistic skills that drive the success of leading industries, including arts and culture. A "creative community" is a geographic area with a concentration of creative workers, businesses, and organizations.

Task Force Membership

The top six legislative leaders must each 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 executive director, or a 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, for a total of six members;
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's passage 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 co-chair the task force. (It is unclear if the

commissioner's designee could be the co-chair.) The co-chairpersons must schedule the task force's first meeting within 60 days after the bill's passage.

Reporting Requirements

The task force must:

1. perform an economic analysis of Connecticut'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.

Under the bill DECD is the lead agency for purposes of conducting the study and must use its own employees within existing budgetary resources to do so. The bill also requires DECD and OWC to provide administrative staff for the task force and to reallocate funds from other agency accounts or programs for this purpose.

The task force must annually report its findings and recommendations to the Higher Education and Employment Advancement and Commerce committees. It terminates on the date it submits its final report or February 1, 2017, whichever is later.

RECOMMENDATIONS FOR CURRICULAR IMPROVEMENTS

The bill requires 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) Labor, DECD, Education, and Social Services commissioners; (2) Office of Policy and Management secretary; and (3) CTC chancellor. Under existing 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.

BACKGROUND

Legislative History

The House referred the bill (File 177) to the Appropriations Committee, which reported a substitute that requires DECD to perform the analysis with its own employees within existing budgetary resources.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable
Yea 17 Nay 0 (02/22/2011)

Commerce Committee

Joint Favorable
Yea 11 Nay 6 (03/08/2011)

Appropriations Committee

Joint Favorable Substitute

Yea 38 Nay 10 (04/25/2011)