

Statement of the
Connecticut Development Authority
to the Legislative Program Review and Investigations Committee

**Raised Bill No. 1059, AN ACT IMPLEMENTING THE RECOMMENDATIONS
OF THE COMMISSION ON ENHANCING AGENCY OUTCOMES.**

March 2, 2011

We respectfully submit these comments on **Raised Bill 1059, AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE COMMISSION ON ENHANCING AGENCY OUTCOMES.**

The bill creates a new economic development agency and organizational plan that reconfigures the Connecticut Development Authority and the relationship with its state team partners.

At this time we believe the bill's attempt to merge the state's economic development entities with their divergent missions would not have synergistic results. We also believe that the bill does not deliver the greater rewards of looking beyond existing state economic development agencies for proposed affiliation or merger options with non-state organizations. Consideration of a broader plan that enhances the state's smart growth goals might be a more competitive option, especially as we learn about the successes other states are having in aligning assets and resources to support the most advantageous employment and business growth opportunities.

As you know, CDA's current legislative mandate allows us to respond quickly to wide economic changes and varied requests for financial assistance. Having the capability of reacting to changing market conditions immediately is a core strength that should be retained in any reorganization plan. Projections in calendar year 2011 for a return to a healthy economy that can be the engine driving other state goals are promising but not secure. The national factory managers' February 2011 composite index of activity reached its highest level since May 2004, but still stands well below historic and traditional levels. Good, positive growth in 2011 hopefully will form the base for continuing growth in 2012. This bill suggests using this transition period to contribute to more uncertainty, just as the state's commercial and industrial base is looking for predictability and stability in government. A reorganization, as suggested in the bill, comes at a most difficult time, causing unnecessary distraction.