



Senate

General Assembly

File No. 339

February Session, 2012

Substitute Senate Bill No. 402

Senate, April 10, 2012

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S ECONOMIC STRATEGIC PLAN.

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

1 Section 1. Section 32-1o of the 2012 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) On or before [July 1, 2009] January 1, 2014, and every [five] four
5 years thereafter, the Commissioner of Economic and Community
6 Development, within available appropriations, shall prepare an
7 economic strategic plan for the state in consultation with [the Secretary
8 of the Office of Policy and Management, the Commissioners of Energy
9 and Environmental Protection and Transportation, the Labor
10 Commissioner, the chairperson of the Culture and Tourism Advisory
11 Committee, the executive directors of the Connecticut Housing
12 Finance Authority, the Connecticut Development Authority,
13 Connecticut Innovations, Incorporated, and the Connecticut Health
14 and Educational Facilities Authority, or their respective designees, and

15 any other agencies] any state agency the Commissioner of Economic
16 and Community Development deems appropriate.

17 (b) In developing the plan, the Commissioner of Economic and
18 Community Development shall:

19 (1) Ensure that the plan is consistent with (A) the text and locational
20 guide map of the state plan of conservation and development adopted
21 pursuant to chapter 297, and (B) the state's consolidated plan for
22 housing and community development prepared pursuant to section 8-
23 37t;

24 [(2) Consult regional councils of governments, regional planning
25 organizations, regional economic development agencies, interested
26 state and local officials, entities involved in economic and community
27 development, stakeholders and business, economic, labor, community
28 and housing organizations;

29 (3) Consider (A) regional economic, community and housing
30 development plans, and (B) applicable state and local workforce
31 investment strategies;]

32 [(4)] (2) Assess and evaluate the economic development challenges
33 and opportunities of the state and against the economic development
34 competitiveness of other states and regions; and

35 [(5) Host regional forums to provide for public involvement in the
36 planning process.]

37 (3) Provide opportunities for public input.

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

40 (1) A review and evaluation of the economy of the state; [. Such
41 review and evaluation shall include, but not be limited to, a sectoral
42 analysis, housing market and housing affordability analysis, labor
43 market and labor quality analysis, demographic analysis and historic

44 trend analysis and projections;]

45 (2) A review and analysis of factors, issues and forces that impact or
46 impede economic development and responsible growth in Connecticut
47 and its constituent regions; [. Such factors, issues or forces shall
48 include, but not be limited to, transportation, including, but not
49 limited to, commuter transit, rail and barge freight, technology
50 transfer, brownfield remediation and development, health care
51 delivery and costs, early education, primary education, secondary and
52 postsecondary education systems and student performance, business
53 regulation, labor force quality and sustainability, social services costs
54 and delivery systems, affordable and workforce housing cost and
55 availability, land use policy, emergency preparedness, taxation,
56 availability of capital and energy costs and supply;]

57 [(3) Identification and analysis of economic clusters that are growing
58 or declining within the state;]

59 [(4)] (3) An analysis of targeted industry sectors in the state that (A)
60 identifies those industry sectors that are of current or future
61 importance to the growth of the state's economy and to its global
62 competitive position, (B) identifies what those industry sectors need
63 for continued growth, and (C) identifies those industry sectors' current
64 and potential impediments to growth;

65 [(5) A review and evaluation of the economic development structure
66 in the state, including, but not limited to, (A) a review and analysis of
67 the past and current economic, community and housing development
68 structures, budgets and policies, efforts and responsibilities of its
69 constituent parts in Connecticut, and (B) an analysis of the
70 performance of the current economic, community and housing
71 development structure, and its individual constituent parts, in meeting
72 its statutory obligations, responsibilities and mandates and their
73 impact on economic development and responsible growth in
74 Connecticut;]

75 [(6)] (4) Establishment and articulation of a vision for Connecticut

76 that identifies where the state should be in [five, ten, fifteen and
77 twenty years] the future;

78 [(7)] (5) Establishment of clear and measurable goals and objectives
79 for the state and regions, to meet the short and long-term goals
80 established under this section and provide clear steps and strategies to
81 achieve said goals and objectives [, including, but not limited to, the
82 following: (A) The promotion of economic development and
83 opportunity, (B) the fostering of effective transportation access and
84 choice including the use of airports and ports for economic
85 development, (C) enhancement and protection of the environment, (D)
86 maximization of the effective development and use of the workforce
87 consistent with applicable state or local workforce investment strategy,
88 (E) promotion of the use of technology in economic development,
89 including access to high-speed telecommunications, and (F) the
90 balance of resources through sound management of physical
91 development] by priority;

92 [(8) Prioritization of goals and objectives established under this
93 section;]

94 [(9)] (6) Establishment of relevant measures that clearly identify and
95 quantify (A) whether a goal and objective is being met at the state,
96 regional, local and private sector level, and (B) cause and effect
97 relationships, and provide a clear and replicable measurement
98 methodology; and

99 [(10)] (7) Recommendations on how the state can best achieve goals
100 under the strategic plan and provide cost estimates for implementation
101 of the plan and the projected return on investment for those areas. [;]

102 [(11) A review and evaluation of the operation and efficacy of the
103 urban jobs program established pursuant to sections 32-9i to 32-9l,
104 inclusive, enterprise zones established pursuant to section 32-70,
105 railroad depot zones established pursuant to section 32-75a, qualified
106 manufacturing plants designated pursuant to section 32-75c,
107 entertainment districts established pursuant to section 32-76 and

108 enterprise corridor zones established pursuant to section 32-80. The
 109 review and evaluation of enterprise zones shall include an analysis of
 110 enterprise zones that have been expanded to include an area in a
 111 contiguous municipality or in which there are base or plant closures;

112 (12) An assessment of program performance with regard to the
 113 development, research and economic assistance matching grant
 114 program established pursuant to section 32-345; and

115 (13) Any other responsible growth information that the
 116 commissioner deems appropriate.]

117 (d) On or before [July 1, 2009] January 1, 2014, and every [five] four
 118 years thereafter, the Commissioner of Economic and Community
 119 Development shall submit [an] such economic [development] strategic
 120 plan [for the state to the Governor for approval. The Governor shall
 121 review and approve or disapprove such plan not more than sixty days
 122 after submission. The plan shall be effective upon approval by the
 123 Governor or sixty days after the date of submission.

124 (e) Upon approval, the commissioner shall submit the economic
 125 development strategic plan] to the joint standing committees of the
 126 General Assembly having cognizance of matters relating to commerce,
 127 planning and development, appropriations and the budgets of state
 128 agencies and finance, revenue and bonding. Not later than thirty days
 129 after such submission, the commissioner shall post the plan on the web
 130 site of the Department of Economic and Community Development.

131 [(f) The commissioner from time to time, may revise and update the
 132 strategic plan upon approval of the Governor. The commissioner shall
 133 post any such revisions on the web site of the Department of Economic
 134 and Community Development.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	32-1o

Statement of Legislative Commissioners:

In subsection (d), the name of the plan was corrected to "economic strategic plan" for conformity.

CE *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:*** None***Municipal Impact:*** None***Explanation***

The bill results in no fiscal impact to the Department of Economic and Community Development (DECD) by shortening the timeframe and reducing the content of the state's economic strategic plan. DECD can accommodate these changes to the strategic plan with existing staff as it is within the scope of the agency's mission to develop and implement viable economic strategies for the state.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sSB 402*****AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S ECONOMIC STRATEGIC PLAN.*****SUMMARY:**

This bill shortens the timeframe for the state's economic strategic plan from five to four years, reduces the amount of information it must contain, and shortens the process for preparing the plan. It requires the Department of Economic and Community Development (DECD) commissioner to submit the first four-year plan January 1, 2014 and the subsequent plans every four years thereafter. Under current law, the next five-year plan is due July 1, 2014.

Current law requires each five-year plan to address 13 general topics and many related subtopics. The bill consolidates or eliminates several general topics and eliminates many subtopics.

Lastly, the bill allows the commissioner to choose the state agencies with whom to consult when preparing the plan and how to arrange for public comment. It eliminates the requirement that she (1) consult with regional planning organizations and other specified entities, (2) hold regional forums, and (3) submit the plan to the governor for approval. It also eliminates the commissioner's authority to revise and update the plan.

EFFECTIVE DATE: Upon passage

ELIMINATION OF CERTAIN REQUIREMENTS

The law specifies the topics and subtopics the plan must address. The bill eliminates some topics, consolidates others, and eliminates many subtopics.

Eliminated Topics

Table 1 lists the topics and the subtopics the bill eliminates.

Table 1: Eliminated Topics and Subtopics

Topic	Subtopic
Review and evaluate the state's economic development structure	<ul style="list-style-type: none"> • A review and analysis of past and current economic, community, and housing development structures, budgets and policies, efforts, and responsibilities of its constituent parts • An analysis of the performance of the current economic, community, and housing development structure, and its individual constituent parts, in meeting statutory obligations, responsibilities, and mandates and their impact on economic development and responsible growth in Connecticut
Review and evaluate of the operation and efficacy of specified economic development programs	<p>The specified programs are:</p> <ul style="list-style-type: none"> • Urban Jobs, which provides grants to businesses in state-designated distressed municipalities • Enterprise Zones, which provide property and corporate business tax incentives for improving property and creating jobs • Other programs providing enterprise zone benefits to other targeted areas, including railroad depots, qualified manufacturing plants, entertainment districts, and enterprise corridor zones
Identify and analyze growing and declining economic clusters	Not applicable
Assess program performance of the development, research, and matching grant program	Not applicable
Any other responsible growth information the DECD commissioner deems appropriate	Not applicable

Consolidated Topics

Current law requires the plan to establish clear and measurable goals and objectives for the state and its regions and, in a separate section, to rank them. The bill consolidates the latter with the section requiring the plan to establish goals and objectives.

Eliminated Subtopics

The bill retains many topics but eliminates the subtopics the plan must address. In doing so, it lets the commissioner decide how to address the topic. Table 2 identifies the topics and the eliminated subtopics.

Table 2: Topics and Eliminated Subtopics

Topic	Eliminated Subtopics
Review and analyze the state's economy	Sectoral, housing market and affordability, labor market and labor quality, and demographic analyses, including historic trends and projections
Review and analyze factors, issues, and forces impacting or impeding economic development and responsible growth in Connecticut and its regions	<ul style="list-style-type: none"> • Transportation, including commuter transit, rail and barge freight • Technology transfer • Brownfield remediation and development • Health care and social service delivery and costs • Early education, primary education, secondary and post secondary education systems and student performance • Business regulation • Labor force quality and sustainability • Affordable and workforce housing and availability • Land use policy • Emergency preparedness

	<ul style="list-style-type: none"> • Taxation • Capital availability • Energy cost and supply
<p>Establish clear and measurable goals for the state and its regions that meet the plan's short- and long-term goals and provide clear steps to achieve them by priority</p>	<p>Goals, objectives, and steps must include:</p> <ul style="list-style-type: none"> • Promoting economic development and opportunity • Fostering effective transportation access and choice, including using airports and ports for economic development • Enhancing and protecting the environment <p>Maximizing the effective development and use of the workforce consistent with applicable state and local workforce investment strategy</p> <p>Promoting the use of technology in economic development, including access to high speed telecommunications</p> <ul style="list-style-type: none"> • Balancing resources by sound management of physical development

Modified Topic

Current law requires the plan to establish and articulate a vision identifying where the state should be in five, 10, 15 and 20 years. The bill eliminates the requirement that the plan include visions for each of the five-year intervals and instead requires a vision for an unspecified future date.

Unchanged Topics

The bill makes no changes to the following topics and subtopics:

1. an analysis of targeted industry sectors, identifying those sectors that are or will be important to the state's economic growth and its global competitive position, what those sectors will require to

continually grow, and the current and potential impediments they face;

2. establishment of relevant measures that clearly identify and quantify (a) if a goal and objective is being met at the state, regional, local, and private sector level and (b) cause and effect relationships and provide clear and replicable measurement methods; and
3. recommendations on how the state can best achieve the plan's goals and estimate the cost of implementing the plan and the projected return on investment for those areas.

Shorten Planning Process

The bill eliminates several planning requirements and steps. It allows the commissioner to decide which state agencies she needs to consult with in preparing the plan. Current law requires her to consult with the Office of Policy and Management secretary; the labor, transportation, and energy and environmental protection commissioners; Culture and Tourism Advisory Committee chairperson, and the Connecticut Housing Finance Authority, Connecticut Development Authority, Connecticut Innovations, and the Connecticut Health and Educational Facilities Authority executive directors or their respective designees.

The bill also eliminates the requirement that the DECD commissioner consult with regional planning organizations; interested state and local officials; economic and community development entities; stakeholders; and business, economic, labor, community, and housing organizations. It also eliminates the requirement that she provide public input by hosting regional forums. Instead, the bill requires the commissioner to provide opportunities for public input without specifying how.

The bill eliminates the requirement that she consider regional economic, community, and housing development plans and applicable

state and local workforce investment strategies.

Lastly, the bill eliminates the requirement that the commissioner submit the plan to the governor for approval before submitting it to the legislature. Under current law, the governor must review and approve or disapprove the plan within 60 days after the commissioner submits it to him. The plan is automatically approved if the governor does not act on it after 60 days.

The bill eliminates the provision allowing the commissioner to revise and update gubernatorialy approved plans and post the revisions on DECD's website.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/22/2012)