



Senate

General Assembly

File No. 381

January Session, 2013

Substitute Senate Bill No. 3

Senate, April 8, 2013

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 JOBS IN EMERGING SECTORS.

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

1 Section 1. (NEW) (*Effective October 1, 2013*) (a) The Commissioner of
2 Economic and Community Development shall prepare a plan to
3 develop emerging business sectors in the state. Such plan shall include,
4 but not be limited to, (1) identification of emerging business sectors
5 that offer potential for increased job growth; (2) analysis of such
6 business sectors and identification of (A) economic development
7 opportunities to support the growth of such business sectors, and (B)
8 barriers inhibiting such growth, including, but not limited to, financial,
9 environmental and educational barriers; (3) business formation
10 support resources for new businesses within such business sectors; (4)
11 a strategy to align the state's education and higher education systems
12 with the workforce development needs of such business sectors; and
13 (5) recommendations on economic development programs to support
14 such business sectors and cost estimates for the implementation of
15 such programs.

16 (b) On or before December 1, 2014, the commissioner shall submit,
17 in accordance with the provisions of section 11-4a of the general
18 statutes, the plan described in subsection (a) of this section to the
19 Governor and the joint standing committees of the General Assembly
20 having cognizance of matters relating to commerce, education and
21 higher education.

22 (c) On or before December 1, 2015, and annually thereafter, the
23 commissioner shall prepare an update of such plan and submit such
24 updated plan in accordance with subsection (b) of this section.

25 (d) Notwithstanding any provision of the general statutes, the
26 commissioner may establish a preference for businesses in such
27 identified business sectors in the award of financial assistance from the
28 Department of Economic and Community Development.

29 Sec. 2. Subsection (a) of section 32-1m of the general statutes is
30 amended by adding subdivision (25) as follows (*Effective October 1,*
31 *2013*):

32 (NEW) (25) With regard to the plan for the development of
33 emerging sectors prepared pursuant to section 1 of this act, a summary
34 of all actions taken in the preceding year to assist in the development
35 of such emerging sectors.

36 Sec. 3. Subsection (c) of section 32-1o of the general statutes is
37 repealed and the following is substituted in lieu thereof (*Effective*
38 *October 1, 2013*):

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

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

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

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

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

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

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

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

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

94 (9) 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;

99 (10) 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) A summary of the plan for the development of emerging
 116 sectors prepared pursuant to section 1 of this act, including a list of the
 117 business sectors identified by such plan and recommendations on how
 118 the state can support such business sectors; and

119 ~~[(13)]~~ (14) Any other responsible growth information that the
 120 commissioner deems appropriate.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	New section
Sec. 2	October 1, 2013	32-1m(a)
Sec. 3	October 1, 2013	32-1o(c)

Statement of Legislative Commissioners:

In section 1, "and annually thereafter," was deleted from subsection (b), a new subsection was added as subsection (c) and the existing subsection (c) was relettered as subsection (d) for clarity and consistency.

CE 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: See Below

Municipal Impact: None

Explanation

The bill results in no fiscal impact by requiring the Department of Economic and Community Development (DECD) to prepare a plan regarding emerging business sectors by December 1, 2014 and report on this plan in the agency's (1) annual report and (2) five-year strategic plan. It is anticipated that DECD would not need additional resources; however, the agency may need to divert existing staff and resources from current business development initiatives in order to develop this plan.

Currently DECD commissions a contractor to assist in preparing the five-year economic strategic plan, required by CGS 32-10, at a cost of \$500,000.¹ It is anticipated that the cost of developing the plan in the bill can be accommodated within the overall cost to be incurred from preparing the economic strategic plan. The next economic strategic plan is required to be completed by July 1, 2014.

The Out Years

State Impact: None

Municipal Impact: None

¹ CGS 32-10 requires DECD to conduct an analysis of targeted industry sectors in the state, what those industries need for continued growth, and any potential impediments to that growth every five years. Furthermore, the law requires DECD to identify, analyze, and report on the state's growing and declining economic clusters.

OLR Bill Analysis**sSB 3*****AN ACT CONCERNING JOBS IN EMERGING SECTORS.*****SUMMARY:**

This bill requires the Department of Economic and Community Development (DECD) commissioner to prepare and annually update a plan identifying the state's emerging business sectors. She must submit the plan to the Commerce, Education, and Higher Education and Employment Advancement committees by December 1, 2014, and the annual updates to these committees by December 1, starting in 2015. The bill specifically allows her to assist businesses in the emerging sectors by granting them a preference for economic development assistance.

The commissioner must summarize the emerging sectors plan in DECD's five-year strategic development plan, listing the sectors and recommending how the state can support them. She must also summarize the steps she took to assist the sectors in DECD's annual report to the legislature.

EFFECTIVE DATE: October 1, 2013

ANNUAL EMERGING SECTORS PLAN***Content***

The annual plan must identify the state's emerging business sectors that can potentially increase job growth. In doing so, it must analyze the sectors and identify (1) opportunities for supporting their economic development and (2) the financial, environmental, and educational barriers inhibiting their growth.

Further, the plan must:

1. identify the resources available for supporting newly forming businesses in each sector,
2. provide a strategy to align the state's education and higher education systems with the sectors' workforce development needs, and
3. recommend programmatic changes for supporting the sectors and estimate how much it would cost to implement them.

BACKGROUND

Related Bill

SB 943 (File 71) shortens the timeframe, from five to four years, for DECD's strategic development plan and eliminates many procedural and content requirements for preparing it. It specifically eliminates the requirement that DECD identify and analyze the state's growing and declining economic clusters.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 19 Nay 0 (03/21/2013)