
OLR Bill Analysis

sSB 1

AN ACT AUTHORIZING BONDS OF THE STATE FOR THE SUBSIDIZED TRAINING AND EMPLOYMENT PROGRAM AND ENCOURAGING ECONOMIC DEVELOPMENT THROUGH THE REMEDIATION OF STATE-OWNED BROWNFIELDS.

SUMMARY:

This bill authorizes up to \$10 million in state general obligation bonds for the Labor Department's Subsidized Training and Employment Program (STEP-UP), which subsidizes the cost of training and compensating new employees during their first six months on the job at businesses employing up to 100 people (see BACKGROUND).

In addition, the bill imposes a March 1, 2015 deadline for the Department of Energy and Environmental Protection (DEEP) commissioner to begin evaluating and remediating three contaminated sites listed and prioritized for expedited remediation and redevelopment under the Urban Sites Remedial Action Program ("Urban Sites"). The bill specifies that DEEP must evaluate and remediate these sites according to its property remediation standards.

The DEEP and Department of Economic and Community Development (DECD) commissioners must jointly select the sites for expedited evaluation and remediation by January 1, 2015. The commissioners must identify the appropriate uses for these sites in consultation with municipal officials, business leaders, and the residents of the municipalities where the sites are located.

Under the Urban Sites Program, the commissioners must prepare separate lists of sites suitable for cleanup and reuse based on statutory criteria. One list, which the DECD commissioner prepares in consultation with the DEEP commissioner, consists of sites whose remediation could produce economic benefits. This list includes (1) state-acquired contaminated sites whose cleanup and redevelopment

could produce significant economic benefits and (2) those in the 25 state-designated distressed municipalities or the 17 targeted investment communities (see BACKGROUND) that the state owns or whose future use it has the power to control (site control). The bill allows the DECD commissioner to include property in other municipalities if she determines their remediation and development would benefit the region's or the state's economy.

The other list, which the DEEP and DECD commissioners jointly prepare, may include sites the state does not own or control and whose remediation could produce environmental and community benefits. These sites may be in targeted areas, which are distressed municipalities, targeted investment communities, enterprise corridor zones, or other areas the DECD commissioner designates. The bill does not open this list to sites outside these designated areas.

EFFECTIVE DATE: July 1, 2014, except for the changes affecting the Urban Sites Remedial Action Program, which take effect October 1, 2014.

BACKGROUND

STEP-UP Program

STEP-UP subsidies vary for manufacturers and other types of businesses, including retailers. The subsidy for manufacturers is a grant that phases out over six months, with maximum grants of \$2,500 for the first month to \$1,600 for the last. The subsidy for other businesses covers a portion of the training and compensation cost for each new employee, up to \$20 per hour.

An eligible business qualifies for a STEP-UP subsidy if it hires a new employee who:

1. is unemployed immediately before being hired, regardless of whether the employee received unemployment benefits;
2. lives in a municipality with either (a) an unemployment rate at least as high as the state's rate on September 1, 2011 or (b) a population of 80,000 or more; and

3. has a family income under 250% of the federal poverty level, adjusted for family size.

An employee who meets these criteria is ineligible if he or she, within the past 12 months, had been employed in Connecticut by a business entity in or under the control of the applicant business.

Property Eligible for Remediation under the Remedial Sites Program

The property eligible for remediation under the Urban Sites Program must be located in a distressed municipality or targeted investment community. As Table 1 shows, some municipalities have multiple designations.

Table 1: Designated Municipalities

| <i>Municipality</i> | <i>Distressed Municipality</i> | <i>Targeted Investment Community</i> | <i>Enterprise Corridor Zone Municipality</i> |
|----------------------------|---------------------------------------|---|---|
| Ansonia | X | | X |
| Beacon Falls | | | X |
| Bridgeport | X | X | |
| Bristol | X | X | |
| Derby | X | | X |
| East Hartford | X | X | |
| Enfield | X | | |
| Griswold | | | X |
| Groton | X | X | |
| Hamden | | X | |
| Hartford | X | X | |
| Killingly | X | | X |
| Lisbon | | | X |
| Meriden | X | X | |
| Montville | X | | |
| Middletown | | X | |
| Naugatuck | X | | X |
| New Britain | X | X | |
| New Haven | X | X | |
| New London | X | X | |
| North Canaan | X | | |
| Norwalk | | X | |
| Norwich | | X | |
| Plainfield | X | | X |
| Plymouth | X | | |
| Putnam | X | | X |
| Seymour | | | X |
| Southington | | X | |
| Sprague | X | | X |

| | | | |
|------------|---|---|---|
| Stamford | | X | |
| Sterling | | | X |
| Thompson | | | X |
| Torrington | X | | X |
| Waterbury | X | X | |
| West Haven | X | | |
| Winchester | X | | X |
| Windham | X | X | |

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/20/2014)