



Bridging Business & Community

February 9, 2016

The Groton Business Association (GBA) hereby respectfully submits this testimony regarding **HB 5044: AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2017**. We believe the proposal to reallocate funding for both Tourism and Workforce Development to the Miscellaneous Accounts administered by the Comptroller to be a perilous mistake.

The GBA is an association of 400 businesses ranging from is size from a billion dollars a year to sole proprietors, all who pay state and local taxes and employ our citizenry, most of whom will be negatively affected by this ACT as written.

The proposed change would have a profoundly negative impact to the Southeastern Connecticut (SECT) community at-large in specific regard to tourism and workforce development.

In regard to the negative impact on regional *tourism*, as an affiliate of the Greater Mystic Chamber of Commerce, the GBA endorses the arguments put forth by Mr. Stephen Clemente, its Chairman, in a separate letter.

One of the strengths of SECT's hosting of large corporations such as Electric Boat and Pfizer, Inc. is our highly educated and trained workforce. Without a strong commitment by the State of Connecticut to support Workforce Development, we lose that edge. In this arena, we are in direct competition with New Jersey, New York, Rhode Island, Massachusetts, and New Hampshire. Already General Electric has left Connecticut to access a trained work force near Boston. We simply cannot afford to risk losing more of the 'big players' because we are too short sighted to invest in our own future.

Specifically, SECT's advanced manufacturing segment is centered on shipbuilding, aerospace, and pharmaceuticals. All of which require a highly educated and highly skilled workforce. If we are to retain these companies, and attract others to Connecticut, it will be with a readily available skilled labor pool.

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Re: House Bill 5044, Page 2

In our region, General Dynamics Electric Boat (EB) employs over 9,100 employees and is growing. It is the anchor manufacturer in our region and is highly dependent upon both skilled workers and skilled suppliers. It has a backlog of \$25 billion to deliver the current Virginia class subs and the redesign of the Ohio class subs replacement. There will be follow-on contracts for the actual building of the Ohio replacement subs which could provide economic sustainability for at least two more decades. We need the bulk of that current and future work to remain in Connecticut.

In addition is the trickledown effect. EB currently has 470 suppliers in Connecticut who grossed \$600 million over the last 5 years. These suppliers can be located anywhere and merely ship their components to EB, but they need to locate where the talent pool is to fabricate such. A highly skilled workforce can retain these companies and actually increase them as EB further ramps up.

There is a similar situation with Connecticut's aerospace industries. In addition to Lockheed Martin, Pratt Whitney and Sikorsky, there are 90 other companies in this space within Connecticut, which also will require a highly skilled workforce.

In conclusion, these two disparate areas – Tourism and Workforce Development – are enormously important to our current economy, economic development, and future prosperity and should not be assigned to a category where they will be overseen by anyone less than expertly versed on each separate component's strengths and needs. The currently proposed reallocation of Workforce Development and Tourism funds creates repercussions that are palpable and not to be downplayed or diminished. For the future of Greater Groton, SECT and the entire State of Connecticut, we respectfully ask that you keep these line items intact as part of the FY2017 budget.

Sincerely,

Susan R. Bailey
Co-Chair

Al Valente
Co-Chair

cc: State of Connecticut, Appropriations Committee

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