



Senate

General Assembly

File No. 370

January Session, 2019

Substitute Senate Bill No. 855

Senate, April 3, 2019

The Committee on Commerce reported through SEN. HARTLEY of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING THE POSITION OF DIRECTOR OF MANUFACTURING.

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

1 Section 1. (NEW) (*Effective October 1, 2019*) (a) There shall be a
2 Director of Manufacturing within the Department of Economic and
3 Community Development. The director shall be appointed by the
4 Commissioner of Economic and Community Development after
5 consultation with a state-wide manufacturing collaborative.

6 (b) The director shall have (1) at least ten years of experience in the
7 manufacturing industry, preferably as an executive of a company with
8 fewer than five hundred employees, (2) a background in financial
9 management, and (3) familiarity with state programs concerning
10 manufacturing assistance.

11 (c) The director shall, in consultation with the state's manufacturing
12 community, (1) define strategic goals and objectives for advancing
13 manufacturing growth in the state, (2) ensure state and federal

14 investments for the advancement of manufacturing are aligned with
15 such strategic goals and objectives, (3) enhance state-wide
16 coordination, collaboration and partnership among public, private and
17 nonprofit entities, and (4) establish systems for regularly measuring
18 the effectiveness of investments that are achieving objectives and
19 recommend changes as necessary.

20 (d) Not later than October 1, 2020, the director shall submit a report
21 to the Governor and the joint standing committee of the General
22 Assembly having cognizance of matters relating to commerce on plans
23 for and progress toward addressing the following priorities:

24 (1) With regard to workforce development, the director shall (A)
25 develop initiatives for promoting manufacturing careers in public
26 schools and local communities, (B) increase the capability of traditional
27 and technical high schools to provide comprehensive technical
28 education to students, (C) coordinate integration of manufacturing
29 curriculums in middle schools, high schools, community colleges,
30 four-year colleges and graduate level manufacturing-related education
31 programs, and (D) expand the state's capability to address immediate
32 manufacturing workforce needs through greater regional partnerships
33 and expansion of strategic workforce pipeline initiatives.

34 (2) With regard to technology, the director shall establish an
35 Advanced Manufacturing Technology Consortium. The consortium
36 shall (A) establish a network for communication between technology
37 resource providers and manufacturers, (B) increase manufacturers'
38 awareness of the importance of technology innovation to their long-
39 term success, and (C) increase awareness and accessibility of planning,
40 testing, financing and other assistance associated with advancing
41 technology innovation in the manufacturing industry.

42 (3) With regard to state funding of manufacturing programs, the
43 director shall evaluate state-funded manufacturing programs and
44 recommend changes to such programs, as warranted, to meet strategic
45 objectives, consistent with needs of manufacturers.

46 (4) With regard to manufacturing regulations, the director shall
 47 establish a Regulatory Improvement Team to evaluate whether
 48 regulations are clear, narrowly constructed to meet a legitimate need,
 49 consistently applied and meet other measures detailed in the
 50 regulatory transparency and efficiency provisions of Executive Order
 51 Number 37 of Governor Dannel P. Malloy.

52 (5) With regard to promotion of manufacturing, the director shall
 53 assist manufacturers, state agencies and other relevant entities with
 54 promoting the products and services of the state's manufacturers.

55 Sec. 2. (NEW) (*Effective July 1, 2019*) There is established an account
 56 to be known as the "director of manufacturing account" which shall be
 57 a separate, nonlapsing account within the General Fund. The following
 58 moneys shall be deposited in the account: (1) Any moneys required or
 59 permitted by law to be deposited in the account; (2) all private
 60 contributions, gifts, grants, donations, bequests or devises received by
 61 the account; and (3) to the extent not otherwise prohibited by state or
 62 federal law, any local, state or federal funds received by the account.
 63 Moneys in the account shall be expended by the Director of
 64 Manufacturing for the purposes of subsection (c) of section 1 of this
 65 act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	New section
Sec. 2	<i>July 1, 2019</i>	New section

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:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
State Comptroller - Fringe Benefits ¹	GF - Cost	38,616	51,488
Department of Economic & Community Development	GF - Cost	93,750	125,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which establishes a manufacturing director position within the Department of Economic and Community Development (DECD), is anticipated to result in an annual cost of \$176,488 (\$125,000 for salary and \$51,488 for fringe benefit costs).

The bill also establishes the Director of Manufacturing account but does not appropriate any funds to be deposited. The bill does identify that the account may contain (1) any funds required or allowed to be deposited in it; (2) private donations; and (3) any local, state, or federal funds received, as the law allows.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and funds deposited into

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.19% of payroll in FY 20 and FY 21.

the Director of Manufacturing account.

OLR Bill Analysis**sSB 855*****AN ACT ESTABLISHING THE POSITION OF DIRECTOR OF MANUFACTURING.*****SUMMARY**

This bill establishes a manufacturing director position, within the Department of Economic and Community Development (DECD), to work with the state's manufacturing community in furthering the industry's growth and coordinating the efforts of public, private, and nonprofit sector stakeholders.

The bill requires the DECD commissioner, in consultation with a statewide manufacturing collaborative, to appoint a director who has at least 10 years of manufacturing industry experience, a financial management background, and a familiarity with state manufacturing assistance programs. The director must, by October 1, 2020, report to the governor and Commerce Committee on plans for, and progress in, addressing five specified priority areas (i.e., workforce development, technology, funding, regulations, and promotion).

The bill also establishes the "director of manufacturing account" as a separate, nonlapsing General Fund account and authorizes the director to use the account funds for the bill's purposes. The account may contain (1) any funds required or allowed to be deposited in it; (2) private donations; and (3) any local, state, or federal funds received, as the law allows.

EFFECTIVE DATE: October 1, 2019, except that the account is effective July 1, 2019.

MANUFACTURING DIRECTOR'S DUTIES

The bill charges the manufacturing director with:

1. defining strategic goals and objectives for advancing manufacturing growth;
2. ensuring that state and federal investments to advance manufacturing align with these goals and objectives;
3. improving statewide coordination, collaboration, and partnership among public, private, and nonprofit entities; and
4. establishing systems for regularly measuring the effectiveness of investments that are achieving measurable objectives and recommending any necessary changes.

REPORTING REQUIREMENT

The bill requires the director's report to the legislature to indicate his or her plans for, and progress in achieving, the priorities detailed in Table 1.

Table 1: Specified Priorities for October 1, 2020, Report

Topic Area	Specified Priorities
Workforce Development	<p>Develop initiatives for promoting manufacturing careers in public schools and local communities</p> <p>Increase traditional and technical high schools' capacity to provide comprehensive technical education</p> <p>Coordinate integration of manufacturing curricula in middle and high schools, communities colleges, four-year colleges, and graduate level manufacturing-related education programs</p> <p>Expand the state's capacity to address immediate manufacturing workforce needs through greater regional partnerships and expanded strategic workforce pipeline initiatives</p>
Technology	<p>Establish an Advanced Manufacturing Technology Consortium to:</p> <ol style="list-style-type: none"> 1. create a communications network for technology resource providers and manufacturers, 2. increase manufacturers' awareness of the importance of

	<p>technology innovation to their long-term success, and</p> <p>3. increase awareness of and accessibility to planning, testing, financing, and other assistance for advancing technology innovation in the industry</p>
Funding	Evaluate state-funded manufacturing programs and recommend any necessary changes to meet strategic objectives that are consistent with manufacturers' needs
Regulations	Establish a Regulatory Improvement Team to evaluate whether regulations are clear, narrowly constructed to meet legitimate needs, consistently applied, and meet other measures detailed in the regulatory transparency and efficiency provisions of Governor Malloy's Executive Order No. 37 (among other things, the executive order establishes procedures agencies must follow before repealing or modifying existing regulations, including identifying best practices and "employing the least burdensome means available to achieve regulatory objectives")
Promotion	Assist manufacturers, state agencies, and other relevant entities with promoting the state's manufacturers' products and services

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/19/2019)