Digital Strategy Transition Policy Committee: *The Digital Economy, Tech Jobs, & Economic Growth*

Co-Chairs: Joanne Collins Smee and David Wilkinson

1. **How do you propose the Lamont Administration should prioritize the policy goals in this area?**

    A) Address CT's critical shortage of technology-skilled workers: Invest in **skill development.** Build on-ramps for under-represented populations to enter the well-paying technology sector. Attract and retain top talent.

    B) Create a **digital kick start**: use aggressive, targeted tax relief to attract and grow digital employers.

    C) Develop a **tech public-private partnership initiative** that will attract new companies, coordinate support for startups and "scale ups", and advance job-oriented tech training.

2. **Which goals are achievable in the first 100 days of the Administration?**

 A) SKILL DEVELOPMENT
The Governor should create a **Digital Economy Taskforce** of agency leaders (DOL, DECD, DSS, OEC, SDE, CSCU) – similar to MA's "Skills Cabinet" – that would work with the private sector to identify critical skills/ hiring needs. Such a taskforce could also advance a **spectrum of tech skills opportunities** with following goals:

Start early:
*   Begin work on a **mandatory Computer Science program for our middle and high schools**. Under-enrollment in CT's higher ed STEM programs can be tracked to the K-12 system. To change that trajectory, we need to get our young people comfortable with tech (and coding specifically) as achievable skills. Fifteen peer states are already acting on this can and CT should as well.
*   Identify current **tech internship programs** in the state; ask each for a 3 year plan to significantly increase enrollment and placement – and support them to achieve it.

Build on-ramps to the digital economy for under-represented populations:
*   Overcome the "tuition barrier" for low-income households to enter high-job-placement tech training programs. Pilot in CT existing models to **enable tuition payback *after* attainment of a higher-paying job**.
*   The expense of child care is cited by training institutions as the biggest single barrier to program enrollment. A low-skill, low-pay job qualifies a person for childcare support but tech training does not. Expand the state's Care4Kids program to **fund childcare for high-placement tech programs**, thereby increasing family income and reducing subsidy need. Attract available matching federal funds for these programs.

Attract and retain top talent in advanced fields:
*   Explore the concept of providing a **tuition forgiveness** program (modeled on NY State's Excelsior Program) for 2- and 4-year state colleges. If you major in an advanced tech-sector field of study and stay in CT to work after graduation for 5 years, the state may reduce or eliminate tuition repayment obligation.
*   Pursue the **recommendations of the Commission on Fiscal Sustainability**, including to:
    o   Develop a world class STEM campus (running a contest modeled on the Applied Sciences NYC initiative) to attract universities to build a graduate program, facility and capacity in CT.
    o   Attract & retain STEM talent by offering a portfolio of tax credits, cash incentives, debt forgiveness.
    o   Take steps to solidify CT's emerging status as a global InsurTech Hub.

 B) DIGITAL KICK START
Create a comprehensive tax incentive program designed to incentivize the rapid deployment of capital to digital employers and the aggressive expansion of digital jobs. **Provide taxation relief that is tied to the number of tech jobs that a company creates in CT.** Expand the current angel investor tax credit. Make tax credits fully fungible across all state tax liabilities. Consider incentives for family offices and others to invest in CT companies, for instance if a trust provides for a CT-based investment preference. Collaborate with municipalities on offer property tax incentives for desirable or high-performing digital employers. **Provide tax relief bonuses for investment in digital employers in Opportunity Zones.**

C) TECH PUBLIC-PRIVATE PARTNERSHIPS

The Lamont Administration should act quickly to capitalize on corporate and employee interest in "giving back", and the broader sentiment to invest in the state, which the Gov-Elect has helped generate. A new **Public-Private Tech Taskforce** would select and pursue key leverage points to jointly advance the tech economy. It should:

- Coordinate efforts to **attract tech companies**, leveraging Governor Lamont's success with Infosys.
- Catalyze a "culture of coordination" among (a) state agencies, (b) higher ed, (c) business support organizations and (d) large flagship companies to **create support teams for startups and "scale ups"** to deliver needed support and resources at all stages of the company life cycle – filling key gaps that have been identified by the market and de-risking the allocation of state and stakeholder resources.
- **Set up and co-fund tech training programs in our cities** – recruiting a high-job-placement tech bootcamps with experience in attracting urban candidates. As a major tech employer[1], the CT state government should lead the way and challenge partners, committing to hire people from this emerging tech pipeline into redeveloped IT positions recommended by the Digital Strategy committee.

All elements of the agenda above should be coordinated under a **Governor's Tech Czar**. This leader would work closely with the commissioners of DECD, CSCU, and DOL, but would be in a position to focus exclusively on attracting tech companies and advancing tech talent in a way that responsibility for the broad mandate of agency leadership does not allow. The Tech Czar would lead and coordinate the work of both the Public-Private Tech Taskforce and the Digital Economy Taskforce detailed above.

3. Which goals will require legislation? Which executive action? What will be the fiscal impact?

While many of these solutions could be moved under executive authority, some – in particular those with fiscal implications – would require legislation. A lean approach may cost less than $1MM while a robust approach may be pursued for tens of millions. Everything on the menu above would cost $200 million or more this biennium.

4. Are there specific challenges to achieving Lamont Administration goals? How to address those?

While significantly growing technology jobs and positioning CT as an incubator of new tech is attainable, it is a reach. Success will require support from the Governor and a relentless focus on developing and attracting technology skills and incentivize technology companies, including startups, to make their home in CT.

5. How will implementation of policy in this area create jobs and spur economic growth?

All CT businesses, not just tech companies, require increasing levels of tech talent. The substantial unmet need for skilled technology professionals continues to grow. CT's paucity of digital talent is a major barrier to growth. This agenda will create jobs, be an engine for growth, and may spur a halo effect in the broader economy.

6. Are there opportunities for cost savings for CT government in the context of implementing this policy?

Building on-ramps for underrepresented populations of lower-income backgrounds will not only enhance family economic stability, it may also reduce demand for state subsidies.

7. What examples of success from elsewhere should the Administration study?

Chattanooga was the first municipality in the nation to offer large scale internet service a decade ago and tech companies have been relocating there ever since. Waterloo, Canada is another success case. While home to only 500,000 residents, strong educational resources combined with well-coordinated state and community support, have allowed it to rank in the top 25 global hubs of entrepreneurship.

8. Are there any other issues/considerations you would like to highlight with regard to this policy area?

Image is a problem. With a new Administration comes a chance for a fresh start. CT should develop an intentional marketing strategy to combat an increasing (and unwarranted) negative perception. The administration should invest in strategies that **position CT as a "tech state"** both internally and externally.

State policies designed to increase the availability of **high speed internet, wired or 5G**, should be a priority throughout the state, including in areas where low-income individuals reside.

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[1] CT has approximately 700 IT staff and over 100 unfilled IT positions.