

Committee Name: Jobs/Economy
Co-Chairs: Fran Pastore & Joe Gianni
Date: December 12, 2018 (FN)

Summary

The Committee, based on the detailed work of its sub-committees, offers recommendations in three strategic areas for the incoming administration, organized around (1) **accountability in economic development**, (2) **development of talent and the workforce** to meet the needs of Connecticut's business community, and (3) **encouraging an urban renaissance**. We arrived at these recommendations in part based on the research of three subcommittees; their more detailed reports are attached as appendices to this document. To implement these strategic directions and, in turn, create jobs, the Committee further stresses that we must also work toward lifting people out of poverty with a focus on equity; investing in infrastructure, which supports places where growth is most likely to occur; and achieving fiscal stability in cities, which are the state's key centers of innovation.

Responses to Questions

1. How do you propose the Lamont Administration prioritize policy goals in this area, and on what timeframe?

The Committee strongly believes that the Governor-elect must seize the opportunity to take bold steps to prioritize economic development moving from transactional activities and toward a more transformational structure. The following policy goals reflect the highest priorities of the subcommittees and are endorsed by the full Committee:

Accountability & Economic Development Strategy Recommendations:

- **Create an Innovative Delivery System + Strategy for Growth.** This new structure starts with the appointment of a Secretary-level position ("Secretary of Commerce") that is empowered to oversee all economic development. This action promotes the prominence that Economic Development occupies in the new administration. Accountabilities to the Governor, constituents, and stakeholders include, but are not limited to:
 - Developing a comprehensive, innovation-based, and long-game economic development plan.
 - Evaluating the public/private model structure for all agencies engaged in economic development.
 - Coordinating an interagency "Grow CT Team" (i.e. Housing, Transportation, Education, Environment, and Planning) to work on economic development initiatives when there is overlap.
 - Creating the position of Chief Marketing/Communications Officer under the new Secretary to elevate importance of the CT brand, internal/external communications, and other state initiatives.
- **Bring the Border States to the Table.** Governor-elect Lamont should host a summit with Governors Baker, Cuomo, and Raimondo to raise awareness of our interdependence and commitment to a coordinated collaboration of our collective economic assets and capabilities. Areas for discussion could include, but are not limited to: transportation (high speed rail, freight, tolling); high tech infrastructure (5G); international trade partnerships; regional marketing/promotion; and workforce training/education.

Talent/Workforce Development Recommendations:

- **Expand What Works to Other Regions and Industry Needs.** Expand the nationally-recognized regional sector partnership entitled the Eastern CT Manufacturing Pipeline Initiative built by 30 regional partners in collaboration with General Dynamics Electric Boat (EB) and Eastern Connecticut Advanced Manufacturing Alliance (EAMA). This partnership, highlighted in the Yale Workforce Study, demonstrates how to improve economic development outcomes and transform communities. The project successfully placed 1,200 unemployed and underemployed applicants through a workforce intermediary (Eastern CT Workforce Investment Board) to bridge the communication gap and create cohesion between the employers, technical high schools, comprehensive high schools, CSCU, and training/workforce programs. A limited expansion of the program is underway; the Committee recommends a full, statewide roll-out in manufacturing and other sectors.

- **Fully Commit to Computer Science.** Following code.org’s recommendations, the State should embrace a broad policy framework to provide all students with access to computer and data science education. This measure would require both a new pathway to certify instructors and unlock the backlog of capacity as well as to require computer science to count as a core graduation requirement. Parallel efforts would support certification-based programs, recognizing the viability of non-college pathways to code skill training and workforce development. Additional focus on computer science along with incentives (i.e. loan forgiveness, free transportation) should also be used as talent attraction for professionals, including the recruitment of 18-45 year-olds to settle in Connecticut (deploying the Connecticut Comeback campaign).

Urban Revitalization Recommendations:

- **Invest in the Metropolitan Markets.** Leverage the effectiveness of the Capital Region Development Authority (CRDA)’s structure, process, and expertise to consider replication of a “CRDA-type” agency (or regional level agencies) to support targeted development. The work of the CRDA to stimulate economic development and new investment, develop and redevelop property to attract and retain businesses, and expand housing development to enhance the economic and cultural vitality in the Hartford area is viewed as a successful model.
- **It’s High Time for the High Speed Rail.** Following through on the prior work of the Federal Rail Administration and the Northeast Corridor Commission, the administration should commence discussions with our border states and advance implementation of high-speed New Haven to New York City service, together with high speed links from New Haven to Boston, via Hartford, Storrs and Providence.

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

The most vital action the Governor-elect can take in his first 100 days to create/retain/develop jobs is to be **BOLD** on structural reform in economic development and transportation. Businesses want to remain/grow in Connecticut; they just need to be given a reason to believe that structural change is underway creating stability, predictability, and competitiveness. Below are some of the key steps associated with the re-launch of the economic development program.

- Announce structural changes including specific work flow through Secretary, service-delivery mechanisms and “Grow CT Team” (ED/CD, Housing, Planning, OPM, DEEP and Transportation).
- Visit top employers in Connecticut and top recipients of venture capital, in a collaborative approach with local and regional economic developers.
- Kick off economic development strategy with regional economic development workshop events with elected officials, economic development, planning and related professionals, as well as chambers and affiliated organizations. Consolidate recommendations to inform strategy.
- Pause the current update to the DECD website and launch discovery/marketing effort.
- Develop a database of economic development public spending at state, regional and municipal levels and, from there, assess the need to re-allocate and/or raise additional funding.
- Announce micro-, MBE-, small- and women-owned business entrepreneurial assistance “bootcamps” in each region, leveraging the many existing high-quality programs or launching new programs as needed. Use the same model to amplify Skill Up for manufacturing and focus on underserved or disadvantaged populations.
- Make a public commitment to Computer Science (CS) with every K-12 school offering CS programming within two years and increase visibility / promotion of CS workforce training and code camps.

3. Which goals will require legislation to move forward? Which items can be advanced through the actions of the Administration alone? What is the fiscal impact of these legislative or executive actions?

For recommendations concerning accountability, the Governor-elect is encouraged to use the budget process and administrative mechanisms to re-structure work flow. This would be the case with, for example, creation of the “Grow CT Team”. For recommendations concerning workforce development and talent attraction, the

existing regional boards provide a model to improve service delivery. Investment in computer science programs will require extensive (and needed) efforts to change core curriculum, amend teacher certification requirements and identify funding for certificate programs. For recommendations concerning urban revitalization, regional cooperation and regional models are essential. Creation of CRDA-like entities would entail assessment of existing structures in each region and/or state enabling legislation. High-speed intercity passenger rail will entail budget authority as well as permissions from the MTA, FRA and other passenger rail entities. The extension of service east of Hartford to Providence, through Storrs, will require extensive environmental review as well.

4. Are there specific challenges you can identify with regard to achieving the Lamont Administration's goals, and how would you suggest to address those?

Cities need to have funds for their budgets and must not be penalized for housing the people and institutions that make them dynamic and useful. Fiscal stability will require a bold effort on the part of the next administration. To address these issues, many conversations have focused on consolidations, shared services and even regional property tax equity zones comprised of the center city, inner ring cities and first ring suburbs, and work to create a balance where the effective mill rates would be about the same. As further described in Appendix 3, some of the key steps that would help equalize and stabilize the fiscal health of center cities include fully-funding the existing PILOT to enable sustainable growth of colleges/universities and other non-profits; a new State PILOT fund to enable the creation of much-needed affordable housing; and funding for brownfield remediation.

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

Connecticut is well-positioned between two of the largest innovation centers in the world. Attracting talent, including the surge of millennials as they reach middle age, includes a wide-variety of strategies. The Committee understands that economic development will be focused in key sectors and in strategic places, such as center cities. These cities also have far higher poverty rates and other socio-economic challenges related to supporting the region's social service needs. Breaking down barriers, by connecting residents to employment, providing supports to low-income families, and collaborating to regionalize service delivery, will help lift people out of poverty and make for a more integrated place that grows together.

In addition to the EAMA, the Committee reviewed highly successful programs which should be considered as part of the broader strategy. The subcommittee reports include a number of these strategies including small business programs as well as specific support to increase the number and capacity of women-owned business.

The Committee endorsed the proposed Infrastructure Bank for transportation and economic development.

The Committee wishes to amplify and restate the need for accountability and strategy together with deeper efforts within state agencies and local communities such that a "ground game" is established whereby the economic development team is well-versed by leadership and organized for success.