

ORIGINAL

STATE OF CONNECTICUT
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

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STATE ECONOMIC STRATEGIC PLAN DECEMBER 8, 2009

PUBLIC FORUM 6:06 P.M.

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BEFORE: JOAN McDONALD, COMMISSIONER

RE: STATE ECONOMIC STRATEGIC PLAN
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1 . . .Verbatim proceedings of a hearing
2 before the State of Connecticut, Department of Economic
3 and Community Development, in the matter of the State
4 Economic Strategic Plan, Public Forum, held at Norwalk
5 Community College, East Campus, 188 Richards Avenue,
6 Norwalk, Connecticut, on December 8, 2009 at 6:06 p.m. .
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DR. STANLEY McMILLEN: Welcome, everyone.
Thank you for coming. This is the first of four regional
forums that we're going to hold to review the plan and
primarily the initiatives that we have described.

The plan for tonight is to have
Commissioner McDonald give an overview of the plan in
this PowerPoint, and when she is finished with that, we
will commence with your comments, your feedback. Thank
you for coming. Commissioner McDonald?

COMMISSIONER JOAN McDONALD: Okay. Wow,
this is very high-tech for me. Good evening, everybody.
Stan and I and Dave Treadwell and Jane Schneider, who are
here from DECD, really appreciate all of you coming out
in this kickoff of the holiday season as we continue our

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1 dialogue with all of you on Connecticut's Economic
2 Strategic Plan.

3 As Stan mentioned, this is the first of
4 four formal public hearings. We are also presenting the
5 plan to groups around the state. We have already been
6 doing that, and we'll continue to do that in the weeks
7 and months to come.

8 Think back, if you will, to May of 2007.
9 The weather was lovely. The economy was pretty good. It
10 was when I started as the Commissioner of the Department
11 of Economic and Community Development on May 29th of
12 2007.

13 The unemployment rate in the State of
14 Connecticut at that time was 4.2 percent. We were at our
15 highest job numbers in over 20 years at 1.6 million jobs,
16 and the legislature and Governor Rell had -- the
17 legislature had enacted a statute, which Governor Rell
18 proposed and signed, directing DECD to develop an
19 Economic Strategic Plan setting a baseline and looking
20 ahead five, 10, 15 and 20 years.

21 So Stan and I pulled our team together and
22 got right to work, and what a difference almost two and a
23 half years has made as we wound our way through that
24 plan.

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1 So what did we discover in doing the
2 background research? We're going to test everybody here
3 in the room tonight to make sure you've read all of the
4 500 plus pages of the plan.

5 Now in developing the Strategic Plan, we
6 had a lot of spirited discussion internally, because, in
7 some people's mind, you develop a plan, you develop a
8 vision, you develop a strategy and it's 10 pages.

9 What we were required to do in the statute
10 was to look at minimally 15 specific areas and try to
11 solve all of them, and we had to adhere to that statute
12 and also try to use our crystal balls and look ahead 20
13 years, as to what we thought was critical for Connecticut
14 to remain competitive.

15 Some of the things that we found are
16 Connecticut has huge advantages. One determinate is our
17 number of knowledge-base jobs. We score near the top
18 there. We are number two overall of the 50 states
19 according to the Kauffman Foundation's 2008 New State
20 Economic Indicator.

21 Our employment in IT, we're number seven.
22 Our education level for the workforce, we're number four.
23 Our employment in high-wage traded service, we're number
24 two.

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1 One of the things that we read about very
2 frequently in the newspaper and on television is how does
3 Connecticut stand in the global economy? Our job growth
4 in for investment and plant and equipment reflects our
5 competitiveness in our international position.

6 We are tied for first place with South
7 Carolina when it comes to the number of international
8 companies who either have their U.S. headquarters here or
9 a significant number of their subsidiary operations, so I
10 think, as we move the dialogue forward, that is an
11 extremely significant indicator to remember.

12 We do have access to venture capital, and
13 it is something that we are watching very closely. We
14 are a hub for science and technology, but we do have
15 significant challenges I think that many of you are aware
16 of.

17 We don't have sufficient affordable
18 housing. We have an insufficient mass transit system.
19 Many of you have heard me say that in the area of mass
20 transit we're blessed and we're cursed. Like many of our
21 sister states here in the northeast, we do have great
22 rail transit investment, the New Haven line, Shoreline
23 East, our branch lines.

24 Many of you have heard me say that

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1 Cornelius Vanderbilt was the original mind behind
2 transit-oriented development. When you look at how our
3 urban areas and our community centers grew in the early
4 part of the last century, it was around the rail lines,
5 but they're old, and it's much easier to make investments
6 in parts of the country, like the south and the west,
7 where there are wide open spaces, and they don't have to
8 deal with a hundred-year-old catenary.

9 So we have good mass transit, but it's
10 old, and, in many areas, we are not well served in mass
11 transit. And I will also highlight one of the areas
12 that's near and dear to my colleague, Floyd Lefshart. We
13 need to make investments in bus systems and bus
14 operations, as well.

15 We are seeing structural changes in
16 financial services, the auto and defense sectors. I
17 spent a significant amount of my time in the summer and
18 fall grappling with the Pratt and Whitney decision to
19 move up to 1,000 jobs out of the State of Connecticut and
20 what some of those issues are, the workforce, the wage
21 rates that they have to grapple with and the competition
22 that we face, not only internationally, but with other
23 states around the country.

24 Our municipal services are highly

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1 fragmented and duplicative, although, again, I look back
2 to May of 2007 and what many people said to me when I
3 moved here from New York to Connecticut, was that you'll
4 never change the mentality here. It's 169 towns. It's
5 169 fiefdoms, home rule rules.

6 And while we haven't gone as far as many
7 of us would like to go, we have made significant progress
8 in that area, and, at the same time as we're grappling
9 with how to regionalize, some other states and some other
10 counties are looking at do we eliminate county
11 government, so there is no right answer.

12 I think this fiscal crisis and its impact
13 on municipal services has been a great motivator and a
14 great incentive for towns around this state to work
15 together and partner sharing services, and we're doing a
16 lot to try to lead that charge.

17 We have increased our presence in the area
18 of economic development, EDA grants that we're working
19 with the regions on. Two years ago, we had approximately
20 500,000 that the state received. It's now approaching
21 three million.

22 Two weeks ago, we submitted a 10-town
23 regional grant application from Northwest Connecticut for
24 EPA grants for remediation of Brownfields at floodplains,

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1 so we have a menu, and, like I said, we're not there yet.

2 So the economic outlook, again, go back to
3 May of 2007, that rosy picture of 4.2 percent
4 unemployment rate. We had some good news last Friday,
5 when the national rates, the national unemployment rate
6 went from 10.2 percent down to 10 percent, and rather
7 than losing jobs in the hundreds of thousands for the
8 month of November, we only lost 10,000.

9 But I kid my economist friends, including
10 Stan. Many of you know that two years ago Governor Rell
11 paneled the council of economic advisors, and I've been
12 spending a lot of time with them, and I wish I could be
13 an economist.

14 There really is no downside to their
15 positions if they make a wrong prediction. They can
16 always find an assumption that changed, or an actuality
17 that changed, but while the economic outlook appears
18 brighter, there are still many structural issues that we
19 have to deal with, and we cannot take some of the good
20 news signs as the fact that we are totally out of this
21 economic downturn.

22 And I think we have to remember to stay
23 focused on what we do in the short-term and then really
24 what do we do in the long run to make sure Connecticut

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1 remains competitive?

2 The plan, it's pretty simple. We have a
3 comprehensive vision. We characterize the baseline using
4 the latest demographic data, and Stan is my expert on
5 those areas, and then we developed actionable creative
6 strategies. Again, some short-term and some long-term.

7 We don't address specific sectors. I
8 think, again, going back to what I said a few minutes
9 ago, which is do you have a small, concise vision and
10 strategy, or do you have a plan that parses out over
11 time?

12 So the cluster strategy that was initiated
13 and was very successful 10 years ago and is still very
14 successful we did not take that path. What we did was
15 establish a framework, so that all sectors can thrive and
16 grow here in the State of Connecticut.

17 And it's pretty simple. We synthesized
18 the separate and distinct goals for each of these
19 categories that you see up on the wall right now into one
20 overarching vision, and it's very straightforward.

21 Connecticut will have a vibrant,
22 diversified and, particularly important, resilient
23 economy that provides the highest quality of life and
24 access to opportunity for all, and it's embodied in all

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1 those different strategic areas.

2 So what did we do once we had all the
3 data? Well part of what we did was, if many of you
4 remember, in January of 2008, we kicked off a series of
5 10 public hearings around the state to get public input
6 and start to develop what we believe are our strategies.

7 So Stan, and I, and the team at DECD, and
8 our colleagues at CBIA, and other forums around the
9 state, we heard from all of you, and we got -- we started
10 out we had something like 150, 200 initiatives,
11 synthesized them a little bit more, and, actually, in the
12 timeline, the day after the Fourth of July weekend, I
13 closed my conference room, spread all the data out on the
14 table, started looking at all the different initiatives
15 that were on the table, and said, okay, we have to make
16 sense of these.

17 We can't just put 150 ideas out there and
18 then see how they fly, because as we said right at the
19 beginning, when we kicked off the ten public hearings, we
20 don't want this to just be a plan that sits on the shelf.
21 We want them to be actionable and be able to make sense.

22 So I would call Stan down and ask him
23 questions throughout the two days, and I synthesized the
24 150 strategies down to about 75, and then I went through

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1 them some more and found where the duplication was. I
2 said, okay, now it's manageable, and then I said, okay,
3 now I'll put on my old English major marketing hat and
4 said, okay, how do we group them, so that they make
5 sense?

6 Talent and technology was pretty
7 straightforward, responsible growth was pretty
8 straightforward, and then we had these oddballs, reform
9 the state budget process, review taxes, and I guess it
10 was about 9:00 at night, the light bulb went off, and, to
11 me, it really synthesized what we need to focus on, which
12 is cultivating competitiveness, and they're initiatives
13 that we really need to take. They're all initiatives
14 that we need to take seriously.

15 There are people that support some, oppose
16 others, but this is what the public discourse is all
17 about.

18 So, to give you a flavor of what they are,
19 we are advocating for a workforce, an education cabinet,
20 using our state universities, state Commissioners, and
21 some of our business organizations to make sure we're
22 focusing on everything.

23 We are proposing a \$100,000,000 student
24 loan pool that will be linked to how long students remain

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1 in Connecticut, or graduates, excuse me, remain in
2 Connecticut. The longer you remain, the more of your
3 loan would be forgiven. That deals directly with the
4 young kids who leave the state. We thought that would be
5 a great incentive.

6 A CTEC fund for the 21st Century. In the
7 State of Connecticut, we do a really good job in the SBIR
8 grant side of the House, and we do a really good job with
9 Connective Innovations in investor and venture capital
10 investment. We have a gap in between to help those
11 companies that really need to get into the pre-seed
12 mezzanine funding, so we are proposing \$25,000,000 to
13 seed that.

14 An Angel Investor Tax Credit, we think
15 that would be a good compliment to our R & D tax credit
16 that we have on the books. When we've been talking about
17 this in some of our forums, about three weeks ago I was
18 at the Global Alpha Forum in Greenwich, and the venture
19 capital world would like us to take a look at not only
20 Angel Investors, but venture capital investment and
21 seeing if the tax credit could apply to them, as well.
22 Again, that's what we're hoping to find out in these
23 forums.

24 A talent and technology consortium is

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1 working with UConn, Yale and Wesleyan to establish more
2 incubator space throughout the state for graduates coming
3 right out and will keep the young people here.

4 And the one area where we did get into a
5 specific sector is an office of clinical trials, which
6 would be funded with between \$8,000,000 and \$12,000,000
7 to consolidate all of the regulatory processes and
8 functions that companies in the bioscience arena need to
9 go through.

10 The one area that I have found in the last
11 two years, two and a half years, that there is such a lag
12 between R & D and commercialization is really in the
13 bioscience arena, and we thought it required some special
14 focus to help that along.

15 Now the fun stuff, I guess the fireworks
16 stuff and initiatives. Examining our tax structure, and
17 there are as many different opinions, as to what the tax
18 structure should be in this state as there are residents
19 in this state, and we feel it is time, coming off the
20 heels of the biggest budget deficit that the state has
21 faced, to really, now that we've gotten through it, to
22 set the table for the future and make sure that we are
23 competitive not only here in the Northeast, but across
24 the country.

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1 Reforming the budget process, I attended
2 this morning the Metro Hartford Alliance, had a panel
3 discussion at their Rising Star Breakfast, which Jim
4 Smith, the President of Webster Bank, and Brian
5 Rehnstrum, who is Managing Partner at Blum Shapiro, have
6 several ideas about how we need to reform the budget
7 process, including instituting gap financing as a state,
8 which we do not have, privatizing many of our functions,
9 which I can't say we took even baby steps this last
10 session.

11 There seems to be a significant amount of
12 support for reforming the budget process. One of the, I
13 think, barriers in reforming the budget process is the
14 results are not immediate. The results will not really
15 start to be realized until four, or five, six years out,
16 and, quite honestly, it's not a sexy issue.

17 There's no built in constituency for
18 reforming the budget process, but it's really something
19 that we have to do.

20 Reducing the number of representatives, we
21 thought, going into 2010, which is a census year for the
22 U.S. Government, it was a good opportunity to take a look
23 at whether the number of representatives that are in our
24 state legislature is equitable with the residents that we

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1 have in this state.

2 In one of my forums, someone said, well,
3 maybe that's something that should be adopted on the
4 local government level, as well, so we're going to add
5 that to the mix.

6 We are proposing \$25,000,000 a year in
7 marketing this state. We do a lot of great things in
8 this state, and we don't tell anybody about it, and it's
9 time that we changed that.

10 Other states are just way far ahead of us,
11 although some of the ones that were way far ahead of us
12 have eliminated their marketing funds in their budget
13 processes, so maybe it's time, with the playing field
14 being level again, to make those investments and
15 promoting regionalism, which is a theme that is
16 recurring.

17 Lastly, in the responsible growth area is
18 elaborating and making statutory the Responsible Growth
19 Cabinet. Creating a Connecticut Port Authority. As we
20 go into the next round of federal deliberations on how
21 federal funds for transportation initiatives are
22 allocated, we are at a disadvantage by having three
23 separate Port Authorities in this state. We think it
24 makes sense to have one, and that should be coupled with

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1 a Maritime Investment Fund.

2 Expanding Bradley, collaborating with
3 Boston and New York airports, we are proposing that
4 Bradley be set up as a separate airport authority, as
5 well, similar to the Connecticut Port Authority.

6 Lastly, stealing a page from
7 Massachusetts, creating a responsible growth for the 21st
8 Century Fund. What the State of Massachusetts did
9 approximately eight or nine years ago was they took all
10 of their discretionary money that goes through the state,
11 and they put it into one fund, so that would be like our
12 STEEP Program(phonetic), our small cities money, our
13 water and sewer money that goes through DEP, our TOD
14 money. We have a lot of money.

15 If we put it all together and allocated it
16 and incented towns that regionalize and make investments
17 in transit-oriented development and Brownfields
18 redevelopment, we could get a lot done in this state.

19 So that's a flavor. It's not all 65
20 initiatives, but there's a lot more in there, and what's
21 next? We released the plan in September of this year.
22 The Governor directed us to conduct public hearings
23 around the state. As I said at the beginning, this is
24 our first one, so you're kind of our Petri dish.

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1 We are limiting speakers to three minutes.
2 We're asking that you be specific, if you can. We can
3 bend the rules a little bit and have it iterative, if
4 that makes sense, and you can always provide comments by
5 e-mail at our website.

6 What we're doing is seeking to get input
7 as we flesh out the strategies, as I mentioned, and
8 prioritizing the strategies. Most of them have a
9 significant cost to them. Some of them require
10 legislative changes, some of them we're going to start to
11 implement administratively, and this is where we are in
12 the process.

13 We have submitted them as part of our
14 legislative packet, and we'll see what happens in the
15 legislative session moving forward. So, with that, I
16 will turn it over to Stan to -- did I turn it off? Turn
17 up the lights, and we will start the -- there we go.
18 Okay. You got that A.V. training, Stan.

19 DR. McMILLEN: So when you come up to
20 speak, for the transcription service please spell your
21 last name, stand here, and speak into the microphone.

22 COMMISSIONER McDONALD: Don't all jump at
23 once.

24 DR. McMILLEN: Well we have a list.

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1 COMMISSIONER McDONALD: We have a list. I
2 know.

3 DR. McMILLEN: Mr. Alex Knopp, please.

4 MR. ALEX KNOPP: I think there are some
5 elected officials here, if they wish to go first.

6 COMMISSIONER McDONALD: Okay.

7 DR. McMILLEN: We were just taking them in
8 the order that you signed in, but that's fine.

9 COMMISSIONER McDONALD: Okay. Senator
10 Boucher? You want to go last?

11 SENATOR TONI BOUCHER: Sure.

12 COMMISSIONER McDONALD: Okay.

13 Representative Reeves, do you want to start?

14 MS. PEGGY REEVES: Right here?

15 COMMISSIONER McDONALD: Yup.

16 MS. REEVES: Okay. My name is Peggy
17 Reeves, R-E-E-V-E-S, a State Rep. representing Wilton and
18 Norwalk. I want to thank you for all the work you have
19 done in this. I think this is great.

20 My comments, I guess, are related to one
21 of the advantages Connecticut has, which you mentioned in
22 your PowerPoint demonstration, which is the strong health
23 care industry. I guess my caveat would be that, as
24 things change and we go forward with health care reform,

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1 this strong advantage may not be such a strong advantage,
2 especially if we dismantle the way that health delivery
3 is done, and, also, certainly our insurance industry may,
4 in fact, be a deterrent to our future growth, so I think
5 that's something we need to think about.

6 If we study the way health care is
7 delivered throughout the world, we will see that, in
8 fact, very few use for profit industries. They use
9 sometimes a combination. Very often, it's government,
10 single payer, so it's just something that we should
11 consider as we go down the road. Thank you.

12 COMMISSIONER McDONALD: Thank you.

13 DR. McMILLEN: Thank you.

14 MR. CHRIS PERONE: Hi.

15 COMMISSIONER McDONALD: Hi.

16 MR. PERONE: State Representative Chris
17 Perone. I just wanted to --

18 COURT REPORTER: Can you spell your last
19 name?

20 MR. PERONE: Yeah. P, as in Peter, E-R-O-
21 N-E, 137, Norwalk. I just wanted to say a couple of
22 things. First of all, thank you for all the hard work
23 that you put into this. It's a massive effort, and in
24 going through it, looking at the ideas, and looking at

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1 how you've really gone above and beyond to try to cover
2 every conceivable way that we could really grow and
3 accelerate out of this recession as a state and try to
4 put us on a more fiscally-sound footing, is a great
5 effort.

6 In working with my colleagues, I feel it's
7 incumbent on us to make sure that we understand all the
8 recommendations, and that's why we're reaching out to
9 other economists and other business leaders, including
10 our Hartford Metro Alliance and the Fairfield County
11 Business Council and everybody in between.

12 Specifically, though, I think that one of
13 the things that -- it's in the background. You're
14 talking about things that create fireworks, and you talk
15 about redoing, looking at tax reform, and I think we have
16 a structural hold on our deficit, or on our budget,
17 rather, and that has to be addressed, but I think the
18 cost of energy is going to be something that is going to
19 be part of our -- it's really what I think accelerates
20 small businesses demises, or I think that, if we don't
21 really get a better handle on where we're going with our
22 energy policy, that, you know, we're going to be really -
23 - we're really going to be doing a disservice to groups
24 that we want to help, industry we want to help.

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1 I just wanted to say thank you for your
2 efforts, and this is where I think we -- energy and
3 health care, but since Representative Reeves covered
4 health care, I think it's really incumbent on us to focus
5 on energy, as well. Thank you.

6 COMMISSIONER McDONALD: Okay.

7 DR. McMILLEN: Thank you.

8 COMMISSIONER McDONALD: Senator Frantz,
9 are you speaking?

10 MR. SCOTT FRANTZ: Good evening. My name
11 is Scott Frantz. I represent the 36th Senate District,
12 which is all of Greenwich, about half of Stamford, about
13 two-thirds of New Canaan.

14 COURT REPORTER: Excuse me. Please spell
15 your last name.

16 MR. FRANTZ: Frantz, F-R-A-N-T-Z. Sorry.
17 There's about nine different ways to spell that.

18 COURT REPORTER: Thank you.

19 MR. FRANTZ: The first thing I want to say
20 is that we are blessed. Those of you who do not know the
21 Commissioner, Commissioner McDonald, we are blessed to
22 have you in the state and, also, you, Stan. You do an
23 extraordinary job given the constraints, not only
24 statewide, but, also, agency wide, and the way typically

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1 state government works here in Connecticut and most other
2 states throughout the country.

3 We're dealing with someone who sits on
4 more Boards and Commissions than I have fingers and also
5 runs an agency, which is not an easy agency to run,
6 especially given the broad mandate, given the constraints
7 and so on and so forth.

8 And having had the pleasure of working
9 with you for many years now, I can tell you you're a gem,
10 and we hope you stick around in Connecticut, because we
11 sure can use you.

12 The budget numbers, as most of you know,
13 are not fantastic going forward. We're looking at about
14 just shy of a half a billion dollar deficit this year,
15 and we're looking at an unknown for next fiscal year.

16 We know, for a fact, that the minimum
17 deficit that we're expecting in 2011 is 2.4 at this
18 point. It could be worse. Maybe better, but about 2.4,
19 and then it ratchets up to in excess of three billion
20 dollars after that per year for at least the next two
21 years.

22 My take on this is that economic
23 development works. I was just with a company the other
24 day in the financial services business. You granted them

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1 about I think it was 1.5 million dollars in tax
2 abatements to keep the firm in Connecticut, and it had to
3 do with sales and use tax relief and some other credits
4 that you gave them relating to new equipment that they
5 were putting into their facility.

6 In the time that it took to get that
7 approved, which was approximately two months, the CFO,
8 who is a brilliant man, had determined that he had paid
9 it back to the State of Connecticut 1.2 times I think it
10 was. Something like that. Two months is pretty darn
11 quick for an agency.

12 The point that I have is our tax structure
13 it's got to change in order for us to hang onto the
14 companies that you and other organizations involved with
15 economic development create over the course of time.

16 When you're talking about a new company
17 through seed capital investment, venture capital, more
18 mature company financing, traditional debt type
19 financing, we need to figure out a way not only to make
20 it a more friendly state, period, but the tax structure
21 is so important, not just the corporate tax, but, also,
22 the income tax, because real human beings run those
23 companies, real human beings work at those companies,
24 and, at the end of the day, if a tax situation is not

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1 working for them, they pick up and leave. We're close to
2 the border here. I can tell you a half a dozen companies
3 right now which would be devastating if we lost them.
4 They employ hundreds and one in excess of 1,000 people,
5 and they're on the fence. They didn't like what happened
6 this last session.

7 Whatever you can do to help us in the
8 legislature to keep those tax rates low will be a boon
9 for the state. Thank you.

10 COMMISSIONER McDONALD: Thank you.

11 DR. McMILLEN: Thank you.

12 COMMISSIONER McDONALD: Senator Boucher,
13 you said you wanted to wait until the very end, or you
14 want to come now? You can come back if you want. We
15 said we limited it, but since we have, you know -- we can
16 be flexible. Like I said, this is our first one, and
17 we're willing to be flexible.

18 SENATOR BOUCHER: Well thank you for
19 coming here as your first one. I think it's very
20 appropriate, actually, because the landscape of
21 Connecticut has changed tremendously.

22 I actually have spent over 43 years in
23 Connecticut growing up in the Naugatuck Valley, which was
24 a highly industrial area, and watched as many of those

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1 industries closed up shop and went away, because the cost
2 structure was so high. That cost structure, quite
3 frankly, is some of the legacy costs that we have in
4 Connecticut.

5 It's almost like a GM problem that we have
6 in our manufacturing industries, but, also, in the State
7 of Connecticut's government, as well, so it is important
8 to recognize that we no longer will have the kind of cost
9 structure to allow certain basic manufacturing to
10 continue, so we have to look at other areas and not
11 decenterize those that are growing or have grown here
12 recently, and I am concerned about that.

13 We are not 50 out of 50 business climate
14 for no reason, and, unfortunately, it has to rest not in
15 your department. I know that you've tried very hard to
16 improve that. It rests with us in the legislature, and
17 it rests with the leadership in the House and Senate,
18 and, so, we do need to take a look at that.

19 I think there have been some experiments
20 done, one by the previous speaker, on the film industry
21 and providing tax credits. It was amazing how instantly
22 those credits made a change and brought in, in fact, some
23 very new and current films that are out there right now.

24 In fact, I think the Town of Redding,

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1 which is in my district, I have seven towns, and they are
2 actually, as a town, got together to go and see the film
3 that was actually formed in their Putnam Park and in that
4 region, so tax credits do work.

5 There are those in the legislature that do
6 not believe that. They feel that that's corporate
7 welfare. I happen to be one of those that disagree. I
8 also disagree that some of our industries should be
9 allowed to go away, such as the health care area.

10 Not everyone agrees that a single payer is
11 the best approach, and that's going to be the ultimate
12 result. In fact, I believe that keeping health care in
13 the private sector and having many payers advantages the
14 patient, as well as the cost environment that's out
15 there.

16 We have seen costs go through the roof
17 when government takes control of it, and it also
18 increasingly gets mismanaged and bureaucratic over time.
19 There's no question that energy costs are an issue, and
20 transportation is critical, and transportation
21 improvements will help to create a good business
22 environment.

23 In the past, we've been designated as the
24 possibility of becoming the cul-de-sac of New England,

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1 and we hope that that is not the case. I think that now
2 that we're recognizing we need to put massive investment
3 in mass transit and we're doing that now and becoming
4 more seamless with our neighboring states is critical.

5 I travel all over the country in my
6 private sector job, and I've enjoyed being able to get
7 from the airport in Atlanta to downtown communities for
8 \$1.50 or \$2.00. Charlotte, North Carolina, has a new
9 links program that connects their suburban communities
10 with all of the jobs inside.

11 The areas that I think that we need to
12 concentrate on is no question the technology area and,
13 also, biotech and the pharmaceutical area, but we also
14 should think about retaining the financial services jobs
15 that we currently have, because they're in danger of
16 going away, and, again, tax policy is one of those things
17 that is a driver of that.

18 We are the location where we have in this
19 part of Fairfield County some of the most active
20 investment firms, hedge fund industries, venture firms
21 that are giving funds to start up companies and so forth,
22 but increasingly they are becoming incentivized to leave
23 and go elsewhere, and they're really easy to do.

24 Those are typically very small businesses

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1 with a tremendous amount of assets and funding, but most
2 of them are partner level individuals of few staff, and
3 those partner level individuals will take a look at the
4 new tax structure being targeted at them and decide they
5 can pick up their computers and go elsewhere, so we
6 should be smarter about that and think about, as was just
7 said by my colleague, about the corporation tax, the
8 income tax, which is a critical component.

9 The millionaire's tax, which other states
10 have started to shrink, instead of grow, or institute, or
11 reinstitute, because they have found that leaders of
12 corporations will tend to move their operations elsewhere
13 if it becomes too onerous for them to be there, and, with
14 that, they take the large number or small number of jobs,
15 whichever they may be.

16 It is appropriate for you to be here to
17 recognize that a quarter of Connecticut, 895,000 people,
18 pay nearly half of the taxes and the revenue of the
19 state, and that has changed over the many 40 plus years
20 that I've been here.

21 It used to be where most of the jobs were
22 in the central part of Connecticut in the Hartford
23 general region, and now those jobs increasingly are in
24 this more densely populated Fairfield County. It's no

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1 longer the bedroom community, as seen by its commuting
2 public, that it's now from 8:00 a.m. to 9:00 a.m. more
3 coming in from New York State to work in Connecticut
4 versus going out of state, and that demographic speaks
5 volumes and should be considered when we're investing in
6 transportation dollars and, also, support and venture
7 funds and whatever the state can do to increase that.

8 Your voice should be heard more regularly
9 with regards to these issues on how we're going to more
10 diversify the state's revenue base, because,
11 increasingly, it's less diversified. A lot more of it is
12 tied to the wings of Wall Street, either up or down.

13 If we have a more vital economy and we can
14 use targeted tax credits to do that. And whether it's
15 both financial incentives, but, also, building an
16 infrastructure, where many other communities and states
17 will provide lab space, other technical space, that is
18 very low cost for generating new start up companies.

19 And, also, I would implore you to work
20 with our higher educational institutions, as well, the
21 Yales of the world, the Trinitys, the UConns, the various
22 state university systems, to partner with them as they
23 come up with really new, good innovative ideas, if
24 there's a way to provide and support, financial support

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1 for those innovators and to have them be located here.

2 And to revisit the live here, learn here
3 concept of getting our college graduates a foothold in
4 the housing market might be also a good thing.

5 I think I've gone on rather long enough,
6 and we'll be listening to other speakers as they come
7 forward, but thank you for coming here. I appreciate it.

8 COMMISSIONER McDONALD: Thank you.

9 DR. McMILLEN: Thank you.

10 COURT REPORTER: One moment, please.

11 DR. McMILLEN: Alex?

12 MR. KNOPP: My name is Alex Knopp, K-N-O-
13 P-P. I had the privilege to serve as the Mayor of
14 Norwalk and a State Legislator for 15 years, and,
15 currently, I'm a visiting lecturer at the clinic at the
16 Yale Law School and Director of the Center for Public
17 Service and Social Justice at Yale. Thank you very much
18 for coming and for the many thoughtful ideas in this
19 report.

20 I'm here tonight to address the issue of
21 talent and technology. The report, among other things,
22 has two very clear premises that I think are accurate.
23 First, that Connecticut is moving toward a knowledge
24 economy, and, second, that we have the worst achievement

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1 gap in the country.

2 The issue I want to address tonight is how
3 do we try to come up with solutions dealing with those
4 two premises? I look upon the issuance of their report
5 as really a major opportunity to look at new ways to
6 address what has really been an intractable problem, not
7 just in Connecticut, but in many urban areas, in terms of
8 the urban achievement gap.

9 In particular, what I want to suggest is
10 that a major unanswered question in urban education in
11 Connecticut is what is the cost of meeting the
12 educational goals that you have set out in this report,
13 and those goals, I think, are excellent, and they're
14 listed on page 531, which are, "Insure all Connecticut
15 children are ready for kindergarten, increase high school
16 completion rates, particularly in urban areas, close the
17 achievement gap in reading and math, and increase the
18 adult literacy rate."

19 My question is, how much would it cost to
20 accomplish those goals, and I think those are, as I said,
21 superb goals. What we've lacked in the state up until
22 your report is a vehicle to explore and research this
23 issue.

24 It seems to me that without knowing the

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1 cost of meeting this goal, then this may well just become
2 another oratory expectation that doesn't have any real
3 bite to it. I think there is an excellent state
4 precedent that you have endorsed in your report, which is
5 the high school redesign project.

6 When the State Department of Education
7 submitted its legislation for the high school redesign
8 program, the legislation included a request for an
9 appropriation to cost out all of the elements in the high
10 school redesign, so that if the legislature chooses to
11 support it and the State Department of Education chooses
12 to implement it, as you recommend in your report, it will
13 know almost to the dollar generally what to expect, in
14 terms of the impact on the state budget.

15 My request to you is to add to your report
16 under the workforce and education cabinet duties a
17 similar request to cost out the accomplishment within
18 reason of the educational goal that you have recommended.

19 I think the workforce and education
20 cabinet is an excellent idea, because it will bring
21 together a lot of different state agencies that often act
22 as separate silos that don't interact enough and that
23 will have, especially with the involvement of UConn, the
24 expertise, in terms of achievement gap research, to come

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1 up with a meaningful estimate.

2 About 25 states have successfully
3 conducted what's called a costing out study, and the
4 costing out study essentially looks at the different
5 elements of coming up with successful educational
6 outcomes.

7 In Connecticut, as you know, this is
8 currently based on the education cost sharing formula,
9 which comes up with a basic cost per student and then
10 adds certain weights. An ELL student would get .25
11 percent additional. A child living in poverty gets an
12 additional amount. An urban school district with
13 concentrated poverty gets an additional amount and so on.

14 The problem is that these, up until now,
15 have, by and large, all been guesses, well-intentioned
16 guesses and well-meaning guesses, but guesses,
17 nonetheless.

18 So if, for example, before 2006, the State
19 added .10 percent additional costs for an ELL student and
20 then, after the Governor's ECS Task Force increased that
21 to .25 percent, well I think that was a move in the right
22 direction. Was it enough? Well we really don't know.

23 Now, in some states, these cost sharing,
24 these cost studies have been done as a result of

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1 litigation. In other states, they've been done as
2 involuntary initiative by the legislature to try to deal
3 with this issue.

4 So my request is that you add to the
5 duties of the workforce education cabinet a costing out
6 study related to the education goals you have in your
7 report, and my concern is that if you don't include this
8 in your recommendations, there's no other entity that
9 will regard it as its responsibility to take that on.

10 Now by asking you to add the costing out
11 study, I'm not suggesting that it need to be funded at
12 100 percent in year one. Obviously, other states,
13 especially in the current climate, have found a way to
14 phase in, but the point is this.

15 What is the target that you're phasing in
16 toward, and, having served in the legislature, I know
17 that, by and large, it's been an arbitrary and capricious
18 decision about funding education, and it ought to be
19 based on more research. I think your workforce education
20 cabinet is the right vehicle for doing that.

21 In addition, you've also proposed a Blue
22 Ribbon Task Force. I served on the last one that the
23 legislature created in 2003, and I think it's important
24 for that body also to know what is the local education

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1 funding requirement based on the costing out study,
2 because, obviously, the cost of funding K through 12
3 education is the largest in almost every community in the
4 state and has the biggest impact on local property taxes,
5 so it's hard to see how we can really reform the state's
6 tax structure without knowing what the cost of local
7 education ought to be in order to accomplish to educate
8 the economical that you have rightfully set out.

9 So I'll submit a written statement,
10 telling you what the other states have done, just to be
11 clear. When I was Mayor, I drew in with other urban
12 Mayors and school districts to bring a lawsuit against
13 the state, because I believe that the state has a
14 constitutional duty, as well as an economic
15 responsibility, as you have said, to provide a K through
16 12 education that does close the achievement gap.

17 I'll let you also know about where these
18 costing out studies have been done successfully. Again,
19 I think -- I look upon your report as a great opportunity
20 to get this additional information.

21 We haven't had the right combination of
22 departments coming together to deal with these questions,
23 and I say there is a clear precedent. Just take a look
24 at the high school redesign legislation, duplicate that

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1 for K through 12, or preschool through 12, so that your
2 goals can be met and we'll know what we're dealing with.
3 Thank you very much.

4 DR. McMILLEN: Thank you, Mr. Knopp.

5 COMMISSIONER McDONALD: Thank you.

6 DR. McMILLEN: Douglas Muckell?

7 MR. DOUGLAS MUCKELL: Good evening. My
8 name is Douglas Muckell, M-U-C-K-E-L-L. I'm a 30-year
9 resident in the State of Connecticut, and I'm a CPA, and
10 I work for one of Connecticut's largest companies in
11 their Tax Department.

12 When I decided to come here tonight, and I
13 have a brief piece of input, which is less than three
14 minutes, when I came here tonight, reading the website of
15 the Governor's, I was under the impression that she was
16 going to be here, not to diminish your capacity,
17 Commissioner, because I did want to have my views -- I
18 thought I'd have the opportunity to speak to her
19 directly, but I'll take this forum, especially with you,
20 and I know there's some state senators and reps here.

21 COMMISSIONER McDONALD: And we do report
22 back to her.

23 MR. MUCKELL: Okay. Yes, I figured you
24 might. Hopefully, on a day-to-day basis.

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1 COMMISSIONER McDONALD: Yes.

2 MR. MUCKELL: This particular piece of
3 input would probably require very, very prompt action.

4 COMMISSIONER McDONALD: Okay.

5 MR. MUCKELL: And, again, I wrote this as
6 though I was speaking to the Governor, so I'll try to
7 adapt it accordingly.

8 I'm here to make a suggestion that would
9 generate 400 Connecticut jobs each and every 16 months
10 and would also improve both the health care and education
11 in the State of Connecticut. Clearly, I felt that those
12 goals were in line with your vision and your mission.

13 Before I speak to the specifics of that
14 suggestion, just indulge me for a second with a
15 hypothetical analogy. If I was standing here as the CEO
16 and used the example of Pratt and Whitney, but if I was
17 standing here today as the CEO from and out-of-state
18 company and I was standing here deciding to relocate my
19 company and add 400 jobs to the State of Connecticut, I
20 think that that would be viewed very favorably by the
21 Commission, and it would probably make top news around
22 the state.

23 I believe, further, if I were to announce
24 that not only would I provide those 400 jobs immediately,

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1 I would also guarantee that I'll be able to supply
2 another 400 jobs each and every 16-month period into
3 perpetuity, I think that the response would be euphoric.
4 What I'm here tonight is to discuss that exact
5 suggestion.

6 Connecticut has a program that generates
7 400 jobs every 14 months and improves both health care
8 and education. The program is the current LPN nursing
9 program that is currently offered in 10 Connecticut
10 vocational schools.

11 The program has been in existence for over
12 50 years and graduates 400 LPN nurses every 16-month
13 period and employs 40 RN nursing instructors. The
14 program is critical to help mitigate the Connecticut
15 nursing shortage.

16 Many of the 400 LPN graduates are single
17 mothers, who become self-supporting, obtain self-
18 supporting jobs in the 40,000-dollar-a-year range with
19 full benefits after completing that 16-month training
20 program.

21 These jobs obviously increase Connecticut
22 revenues via increased income tax and sales tax on
23 purchases. They also lessen State Social Services costs
24 by allowing these graduates to become self-supporting

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1 taxpayers.

2 This LPN program was listed or is listed,
3 I should say, as a program to be cut, and, to the best of
4 my knowledge, I think it has been cut in the Governor's
5 budget deficit mitigation plan that was issued the day
6 before Thanksgiving on November 24, 2009, a little less
7 than two weeks ago, I guess.

8 It was not a decision that was publicly
9 discussed or debated, because it was listed as a program
10 that was under the Governor's own authority to cut, and I
11 think, because it wasn't discussed and debated, they came
12 to a very, very bad conclusion.

13 The budget deficit mitigation plan lists a
14 savings of 1.7 million from the elimination of this
15 program, and we also point out that because the 40
16 nursing instructors are guaranteed under contract to
17 their full salary and benefit all the way to July 1,
18 2011, that's 18 months from now, this program is fully
19 funded, so July 1, 2011.

20 Therefore, I do not understand the
21 creative accounting that proposes a budget savings of 1.7
22 million, since all instructors, as I previously stated,
23 are to be paid in full until July 1, 2011.

24 Also, the incoming class was to have paid

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1 an average of \$6,000 in tuition, which would have
2 generated an additional 2.4 million dollars in revenue,
3 which, because the 400 incoming students are scheduled to
4 start in a few weeks from now, that money won't be
5 received if this program, in fact, is cut.

6 In addition, I don't believe that the
7 savings include the increase in tax revenues generated by
8 every graduating class entering the workforce. I
9 estimate that an increase in tax revenue would be about
10 1.5 million annually and to increase every 16 months, so
11 an additional 1.5 million every sixteenth month, just
12 growing and growing and growing, where the cost of the
13 program of course is fixed.

14 In conclusion, I believe cutting the
15 program will, in fact, increase the budget deficit by 3.9
16 million and have dramatic social costs, negative social
17 costs to the incoming students in the state.

18 Why is this an excellent program? I think
19 I've already kind of discussed that. As I stated, many
20 of the 400 LPN graduates are single mothers that are able
21 to obtain self-supporting jobs at the 40,000-dollar range
22 with full benefits.

23 It is unconscionable and tragic that such
24 a vital job producing program be cut, especially in light

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1 of the current nursing shortage. To cut such a program
2 is the most anti-stimulus decision I can imagine.

3 I'd like to suggest that before, you know,
4 hypothetical job producing ideas, you know, are explored
5 as part of this Commission's mission, that one of the
6 first orders of business would be to stick to a plan
7 that's tried and true and has been in existence for 50
8 years.

9 This is a program that just keeps on
10 giving, so to speak. It provides 400 jobs each and every
11 16-month period. And here is where I was going to appeal
12 to the Governor for immediate action, but, you know, I'd
13 just like to say that if, in fact, immediate action is
14 not taken, the program, I fear, is cut, even that is kind
15 of odd, because there's a conflicting rumor.

16 There hasn't been any formal notification,
17 although I'm told that there had been letters that went
18 out to the incoming students. I'm not even sure if
19 that's factual.

20 COMMISSIONER McDONALD: I'm not sure if it
21 is either.

22 MR. MUCKELL: And I direct you there was a
23 good editorial piece that appeared in last Sunday's
24 Waterbury Republican, which kind of summarized a lot of

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1 things I just said. I think it was kind of a different
2 tilt, but, basically, all the facts that I discussed.

3 I guess I'm here to just say that I was
4 going to ask the Governor, herself, you know, for
5 immediate action and decisive action to kind of step in
6 and kind of readdress this thing, because, again, it's
7 going to make the deficit worse, and it's going to lose
8 jobs.

9 Again, if Pratt and Whitney was a good
10 example for you, about that losing 1,000 jobs, and that
11 caught your attention, I'm saying that this is even worse
12 than that, and I would really appreciate it if you would
13 consider it at the same level of that kind of crisis,
14 because I fear that if immediate attention is not given
15 to this in a matter of literally days, because the
16 incoming class is coming in I think on January 20th, so
17 if there's either a miscommunication, if the thing can't
18 get reversed, it's just it's gone.

19 Once it gets dismantled and the teachers,
20 it's not going to come back. If they increased the
21 tuition from \$6,000 to \$10,000, I think it would be self-
22 sufficient.

23 COMMISSIONER McDONALD: I did hear
24 something along those lines on the radio just before I

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1 came in, so I don't know what the status of the program
2 is right now, but I will absolutely, if you give --

3 MR. MUCKELL: Yeah. If you don't mind, I
4 put my personal contact information on the bottom of
5 this.

6 COMMISSIONER McDONALD: I'll personally
7 take it to the Governor tomorrow.

8 MR. MUCKELL: So, again, it was written to
9 be addressed to the Governor, so you have to kind of take
10 it a little out of context.

11 COMMISSIONER McDONALD: Absolutely.

12 MR. MUCKELL: But if you don't mind?

13 COMMISSIONER McDONALD: We will personally
14 get it to her.

15 MR. MUCKELL: Okay. Thank you.

16 COMMISSIONER McDONALD: Thank you.

17 MR. MUCKELL: Maybe I might have the word
18 --

19 COMMISSIONER McDONALD: Absolutely.

20 MR. MUCKELL: Thank you.

21 COMMISSIONER McDONALD: Thank you.

22 DR. McMILLEN: Mr. Settelmeyer?

23 MR. PAUL SETTELMAYER: Thank you. My name
24 is Paul Settelmeyer. I'm the Chairman of the

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1 Southwestern Regional Planning Agency. I've been an
2 active participant for the past 20 months in developing a
3 regional Comprehensive Economic Development Strategy,
4 CEDS, for the region running from Greenwich to Stratford.

5 This regional CEDS was recently submitted
6 to the federal Economic Development Agency, EDA, for
7 their review and approval. While I'm involved with SRPA,
8 my comments this evening are my own and do not represent
9 the opinions of SRPA or other transportation groups that
10 I am affiliated with.

11 My bullet point comments will be limited
12 to the sections I have reviewed. Page four, I would like
13 to compliment you on the vision statement on page four.
14 Pages six, eight, 23 and 528, all other pages, the plan
15 comments on housing in multiple sections of the report,
16 and the general observation is that the plan seems to
17 focus on the development of new mixed use and mixed
18 income housing.

19 I believe you should include comments on
20 the need to maintain and rehabilitate the existing
21 housing stock from affordable housing, especially those
22 units financed by CHFA, which is a general policy and
23 does not currently permit rent sufficient to maintain the
24 projects they have financed.

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1 At a housing conference in Hartford last
2 year, it was mentioned that housing authorities across
3 the state have to take hundreds of units a year off the
4 market, because of inadequate funding to maintain them.

5 Page seven, in the fifth bullet point, you
6 note the capital cost and increase in annual operating
7 expenses needed to maintain the public bus system in
8 Connecticut. I think it would be informative if you
9 could provide an estimate of the capital costs and annual
10 operating subsidy required to meet the goals of bullet
11 point three relating to the New Haven to Springfield
12 commuter rail service.

13 Pages 10, 11 and 25, the report documents
14 the graying of Connecticut's population, the size of the
15 health care industry and the need to target multiple
16 educational programs, but I do not see mentioned the need
17 to expand or increase the number of nurses, a need
18 arising from the integrated review of the three areas I
19 just mentioned.

20 Supporting the need for programs to train
21 nurses you comment on on page 22 on the challenges.
22 Also, you add the challenges of providing adequate health
23 care and social services, which ties into the need for
24 more nurses.

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1 Pages 12 and 13, I will comment on areas
2 relating to venture capital later. Page 14, I detect a
3 note of concern at the top of page 14 about the
4 possibility of disconnecting customers at peak times.

5 I voluntarily participated in a program
6 that permits my electrical provider to remotely
7 disconnect my electricity for short periods of time in
8 the summer. I think it is an intelligent, useful program
9 that CL&P offers.

10 I am impressed by page 16 through 21. I
11 am impressed by the summary and overview of Connecticut's
12 competitiveness. It is focused, targeted, and the major
13 issues are adequately documents.

14 Page 24 and 535, the government section on
15 page 24 and .5 and on 523, I concur with your
16 observations on the need to promote inter-municipal
17 cooperation and service sharing, but note with a regret
18 that the legislator turned down the Governor's proposed
19 40 million funding for developing projects targeted to
20 meet shared needs of two or more municipalities. There
21 will be a need for strong legislative educational
22 programs relating to this point.

23 Page 26 references made to the state's POC
24 and regional CEDS. I would like to see an expanded

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1 effort by DECD to incorporate regional POCDs and regional
2 CEDs into the part of the plan's action goals. Page
3 531.1, in moving for the establishment of a workforce and
4 educational cabinet, I would like to encourage you to
5 proactively state who and what agency should be
6 designated the lead agency or the department responsible
7 for this.

8 Page 532, I would like to see the specific
9 designation of an implementing party in point number
10 four. Page 532.9, if funding for the loan pool came from
11 the state pension funds and state charter commercial
12 banks, what would be the source of repayment? If the
13 loans are forgiven, if the extended residency requirement
14 is satisfied, will the state fund the forgiveness?

15 Page 533, I think there may be a header
16 missing to introduce this section. Page 533, top
17 paragraph, third and fourth sentence, the third sentence
18 references 190 million and 20 million. The fourth
19 sentence seems to be a follow through and references 117
20 million. I think the transition between these numbers
21 could be clearer.

22 I would also be interested in knowing if
23 the investment gains, if any, by CI are retained by CI
24 and rolled into the expanded pool for funding new

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1 investment opportunities.

2 I've got a couple more bullet points with
3 your permission.

4 COMMISSIONER McDONALD: Yes.

5 MR. SETTELMEYER: Page 533.1, I notice the
6 funding source listed for different programs seems to be
7 the same. I think the well has or may run dry, soon run
8 dry if the plan is expecting these organizations to be
9 the recurring source for funding public initiatives.

10 On a relative note, you do not indicate a
11 funding source for .2. The International Opportunities
12 Program listed as needing 25 million.

13 Page 533.4, conceptually, I like this
14 proposal, but the reality of the proposal being
15 implemented is slim. Page 534, appreciate and encourage
16 the concept of establishing the position of -- ombudsman
17 within the SBIR.

18 Page 537.4, I am not sure I understand the
19 point on allowing municipalities to participate in the
20 decision making process on new developments. It seems to
21 me that they are currently involved in this process
22 through their Planning and Zoning boards.

23 My last comment, page 537 and 538, would
24 encourage you to add a point under the topic Responsible

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1 Growth, which permits and encourages participation by
2 regional agencies in developing regional POCDs and
3 regional CEDS. Thank you for considering my comments.

4 DR. McMILLEN: Thank you, sir.

5 COMMISSIONER McDONALD: Thank you.

6 DR. McMILLEN: David Kooris.

7 MR. DAVID KOORIS: It's David Kooris, K-O-
8 O-R-I-S, Vice President of the Regional Plan Association.
9 Thank you, Commissioner and Stan, for making the trek
10 down here for the opportunity to speak.

11 I'll submit more detailed written
12 comments, but I think I want to just kind of talk about
13 one overarching theme that we're certainly very happy
14 with and the level to which responsible growth has been
15 incorporated in the plan and want to talk a bit more
16 specifically about how that can evolve into a regional
17 thinking about coordinated economic development
18 transportation and environmental thinking.

19 First, I just want to say that we're very
20 happy to see that it didn't take an industry-specific
21 approach and, rather, an infrastructure and a business
22 environment approach to enable different industries to
23 have the environment necessary to thrive.

24 We're very excited about solidifying the

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1 smart growth cabinet, and I want to make sure that the
2 fund concept, which we're very supportive of, has very
3 clear metrics and criteria that are used and possibly
4 even be expanded in other departments of the state, and
5 specifically talk about the integration between
6 transportation and economic development and state
7 investment in infrastructure, whether it's transportation
8 infrastructure or building infrastructure, where we
9 locate our state facilities.

10 And the idea that this fund could be used
11 to assist regions, either regional planning
12 organizations, if they're at the appropriate scale, or
13 incentivize regional planning organizations to work
14 together, if that's the appropriate scale, to make sure
15 that economic development planning is occurring in
16 coordination.

17 And I'll use, you know, there's any number
18 of projects that we can use as an example, whether it's
19 the bus way, or New Haven/Springfield line, or any of the
20 branch lines, or even the northeast corridor along the
21 coast, that we think not just about individual nodes
22 along those systems, but look at the system more
23 comprehensively, and that's the real advantage that we
24 can bring to the municipalities as the state and as the

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1 regions and provide municipalities with the resources
2 necessary to both understand how they can capitalize on
3 these infrastructure investments and, also, have the
4 tools necessary to put the framework in place to
5 capitalize on them.

6 I would argue that some of this money, you
7 know, the regional planning money would be a necessary
8 component of the infrastructure planning, but that local
9 implementation grants would be contingent upon
10 municipalities willingness to make the decisions, whether
11 it be through zoning or their own infrastructure and
12 capital programs, to maximize the benefits of these state
13 investments.

14 As we have limited resources to build new
15 transit systems, build new stations, etcetera, we want to
16 make sure that we're getting the biggest bang for our
17 buck and want to give municipalities both the tools and
18 the incentives that they require to make sure that local
19 land use decisions and development decisions are done in
20 keeping with those infrastructure investments.

21 In keeping sort of in line with this, you
22 know, as I look in some of the larger cities around the
23 state at some of the development projects, there's a
24 point at which development projects kind of go beyond the

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1 scale of individual projects and kind of hid that
2 threshold of city building.

3 I think there's a more active role that
4 the state can be playing, much as you're doing at the
5 state level with infrastructure at the local level,
6 putting the street grids in place, providing some level
7 of infrastructure, whether it's pooled centralized
8 parking, other various aspects that kind of break these
9 projects down into smaller, bite-sized pieces.

10 It's analogous in many ways to the Battery
11 Park City example, where the public realm and
12 infrastructures put in place that creates the environment
13 that reduces risk for private investment and also
14 increases the likelihood of success and completion,
15 because of the scale of the sections then left to the
16 private sector.

17 Certainly, an aspect of this plan that
18 we're very happy with is the emphasis on universities and
19 other kind of innovation centers and the idea that there
20 could be a designation.

21 There's something in the plan about
22 transit-oriented development zone designation. We're
23 very interested to see exactly how that will take place,
24 but a parallel process could be sort of a centers of

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1 innovation designation, and the idea of transforming, you
2 know, capitalizing on existing employment centers and
3 slowly transforming our centers of employment to quality
4 neighborhoods and bringing balance to those communities.

5 And I think I'll just close. We'll submit
6 more written. As I said, I'll just close with one aspect
7 that kind of troubles us, the idea of a referendum for
8 zoning. It certainly puts an additional hurdle. As
9 difficult as rezoning is already, I'd rather see the
10 state provide resources and education strategies to
11 facilitate the rezoning process, rather than the
12 referendum. Thank you.

13 DR. McMILLEN: Thank you.

14 COMMISSIONER McDONALD: Everyone who has
15 signed up to speak has spoken. Is there anybody else who
16 would like to offer comments? Anybody have any
17 questions?

18 MS. AMANDA KENNEDY: Is there a stated
19 deadline for written comments?

20 COMMISSIONER McDONALD: No. There isn't a
21 stated deadline. The absolute earliest that the deadline
22 would be is our last public hearing, which is --

23 DR. McMILLEN: January 25th.

24 COMMISSIONER McDONALD: January 25th. We

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1 haven't decided whether that's the end, or whether we'll
2 extend it further. Again, we anticipate that, as we
3 receive the comments and initiatives get fleshed out in
4 the context of the upcoming legislative session, things
5 we might be able to do administratively we'll just keep
6 rolling them out and moving them forward.

7 To the point about some of the dollar
8 amounts, you know, Paul, to your point, they're starting
9 points, so, in some instances, we may, if we find
10 endorsement of particular initiatives, scale them down
11 from a cost standpoint to start them up, so those are all
12 things that we're going to continue to evaluate as we
13 move the process forward. Senator Boucher?

14 COURT REPORTER: Excuse me.

15 COMMISSIONER McDONALD: Oh, you have to
16 come down, because -- it's never that easy.

17 SENATOR BOUCHER: Just a question on your
18 process.

19 COMMISSIONER McDONALD: Sure.

20 SENATOR BOUCHER: As you conclude your
21 various hearings, now will this translate into a
22 legislative package that you'll be bringing before us in
23 February 1 we're getting started, and will that go
24 through the Commerce Committee first, or Revenue,

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1 Financing and Bonding? How will it manifest itself?

2 COMMISSIONER McDONALD: That's a very good
3 question. I don't know, definitively, how we'll do it.
4 We're still grappling with is it one big piece of
5 legislation? Is it several? Does each initiative merit
6 its own piece of legislation?

7 I think it will be somewhere in the
8 middle. We're also evaluating grouping initiatives
9 together, so that whether they're in the three areas that
10 we've put the initiatives in, or whether it's six
11 groupings, you know, we're still going back and forth
12 with what the best approach for gaining success will be,
13 but our goal is to have at least some of these
14 initiatives before you in the legislature in the 2010
15 session, so that they can be deliberated.

16 SENATOR BOUCHER: It might seem, just on
17 the blush, maybe the grouping idea might be a good one.

18 COMMISSIONER McDONALD: Right.

19 SENATOR BOUCHER: So that you can, like a
20 three-legged stool, that they all fit together, should
21 fit together, but if any of them can stand on their own
22 and they're excellent proposals, then they can go to
23 those various committees individually, I guess.

24 That's just an early observation. Of

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1 course, you'll make your decision, but we're looking
2 forward to it, and I think it's been a long time in
3 coming, and I think we do need a new economic strategy
4 into the next decade. Thank you.

5 COMMISSIONER McDONALD: Thank you.

6 Thanks. Okay.

7 DR. McMILLEN: We'll take a break, I
8 guess, for 10 or 15 minutes and see if anybody else comes
9 and reconvene. Thank you.

10 COMMISSIONER McDONALD: Thank you,
11 everybody, for coming. Thanks.

12 (Whereupon, the hearing adjourned at 7:23
13 p.m.)

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Paul Landman
President

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