



**State Economic Strategic Plan Information Forums
Connecticut Department of Economic and Community Development
Public Hearing -January 8, 2008 - Written Testimony
Submitted by
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Connecticut Economic Development Association (CEDAS)**

As CEDAS' president I wish to thank you for the opportunity to participate in the strategic planning process.

CEDAS is a not-for-profit membership organization committed to advancing the practice of economic development in Connecticut. CEDAS' 200 plus members include economic development professionals working at the local, regional and state levels, members of municipal economic development commissions, representatives from utilities, lending institutions and consultants. CEDAS' Board of Directors is composed of 21 members who are representative of the economic development profession in all regions of the state.

I will address only four of the many issues and challenges important to the development of your strategic plan. Many of these and other issues are very complex and really can't be addressed adequately in a public hearing format. I will only provide a brief overview. However, CEDAS members have significant expertise in these and other issues and our Board of Directors and members would be happy to assist DECD in further research and to help DECD map out further plans and strategies.

Cost of Doing Business

CEDAS members can document that many companies have left the State due to Connecticut's high cost of doing business. Health care insurance and workers comp, personal and real property taxes, unemployment comp and high energy costs make it difficult to retain companies and recruit new companies to the State. The State needs to develop a comprehensive strategy that fully recognizes that the negative impact high costs have on retention and recruitment. These costs make us significantly less competitive. Perhaps we can jointly assess incentives and other programs that can in some way ameliorate this problem. In addition, Connecticut is perceived as a State that is losing companies. One out of state company who decided not to move here told me that so many companies are leaving Connecticut; they are leery about bucking the trend. The State needs to market our successes more widely across the country to help this perception problem.

Workforce Development

Businesses are clearly having difficulty finding qualified workers to fill new positions and to replace retirees. There is a shortage of qualified applicants; high housing costs contribute to the problem. Many candidates lack job readiness skills. Maintaining Connecticut's educated workforce in the face of poverty and increased immigration requires investment and vision.

Education initiatives from improved pre-school to tuition-free community colleges for residents need to be seriously assessed. Any CT workforce strategy must include increasing the supply of affordable workforce housing. In addition, with the state's low population growth, it will be increasingly difficult to replace existing workers, especially those with the most sought-after skills. To remain competitive Connecticut needs to improve and provide training to its existing workforce. According to the Workforce Alliance of Greater New Haven, "Demand for incumbent worker training has far exceeded available resources. State and local workforce professionals estimate that at least \$5 million would be necessary to meet the needs of Connecticut businesses. Other states are investing more heavily in their existing workforce. Massachusetts spent \$107 million on incumbent worker training from 1998-2005. In 2006, Massachusetts funded \$21 million. DECD needs to work closely with the Office of Workforce Competitiveness and the regional workforce boards to develop strategic initiatives in this area.

Brownfields Redevelopment

CEDAS believes that a state-wide and holistic approach to brownfields redevelopment is a prerequisite to returning contaminated properties to productive reuse, creating land for economic development opportunities and improving the quality of life in our communities. We believe that brownfields redevelopment must be a key strategy central to the implementation of any State Responsible Growth Initiative. The Office of Brownfields Remediation and Development is a step in this direction. Last year the Brownfields Task Force recommended \$75 million dollars for Brownfields grants to municipalities, development authorities and non-profits. This funding is critical to move these properties from contamination and blight to productive reuse. Municipalities cannot begin to shoulder the often staggering costs associated with top heavy projects involving significant funding gaps. This level of funding will be required to begin to adequately address gap needed for these projects.

Reassess Economic Development Incentive Program Requirements

The State needs to reassess incentive program requirements and end the auto-pilot pursuit of "adding more jobs" and using job numbers as the major indicator of success. The focus of adding more jobs does little to help residents –especially entry level workers--earn higher incomes and enjoy a better quality of life. The central focus of economic development should shift from adding new jobs to boosting incomes and creating better jobs for all of the state's residents. CEDAS recommends that as a part of this strategic plan, DECD begin a comprehensive review of all tax incentive and financial incentive programs related to economic development. Many of the current programs were created years ago when we did not face the unique challenges we face today. Again, CEDAS will be happy to work with DECD and other state agencies to provide practical input on current programs and discuss how programs can be improved, restructured or replaced.

On behalf of CEDAS, I thank you for the opportunity to provide comments. Again, CEDAS Board and members look forward to further involvement in this strategic planning process and in being solid participants in its implementation. Please do not hesitate to contact me for further assistance.

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