



# Connecticut's Economic Action Plan

Driving inclusive growth

September 30, 2021



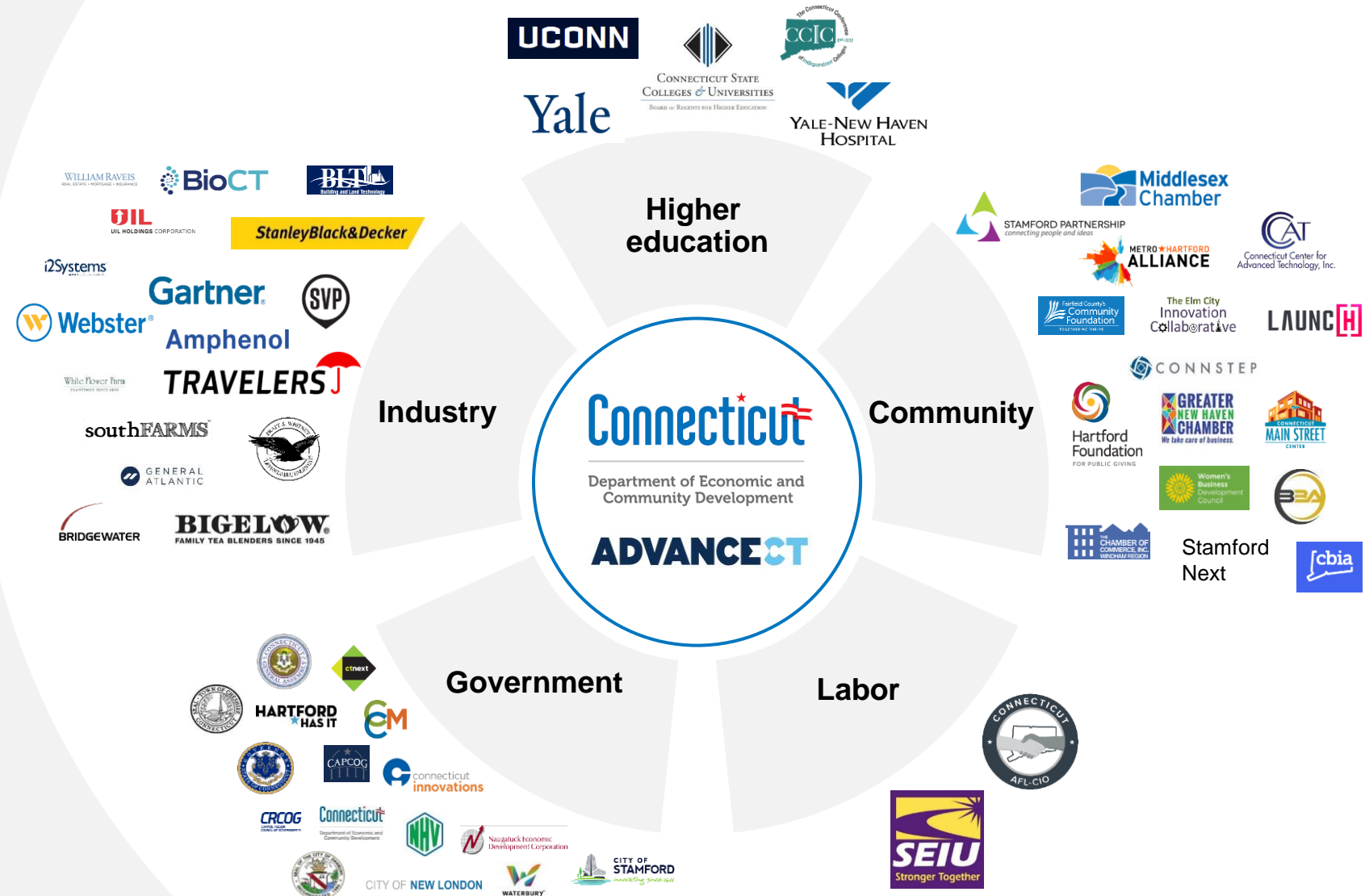
# Your input shaped this action plan

**~1000 survey respondents**  
from all areas of the state and all  
target industries

**90+ stakeholders from 50+  
organizations** interviewed or  
engaged in small group  
discussions

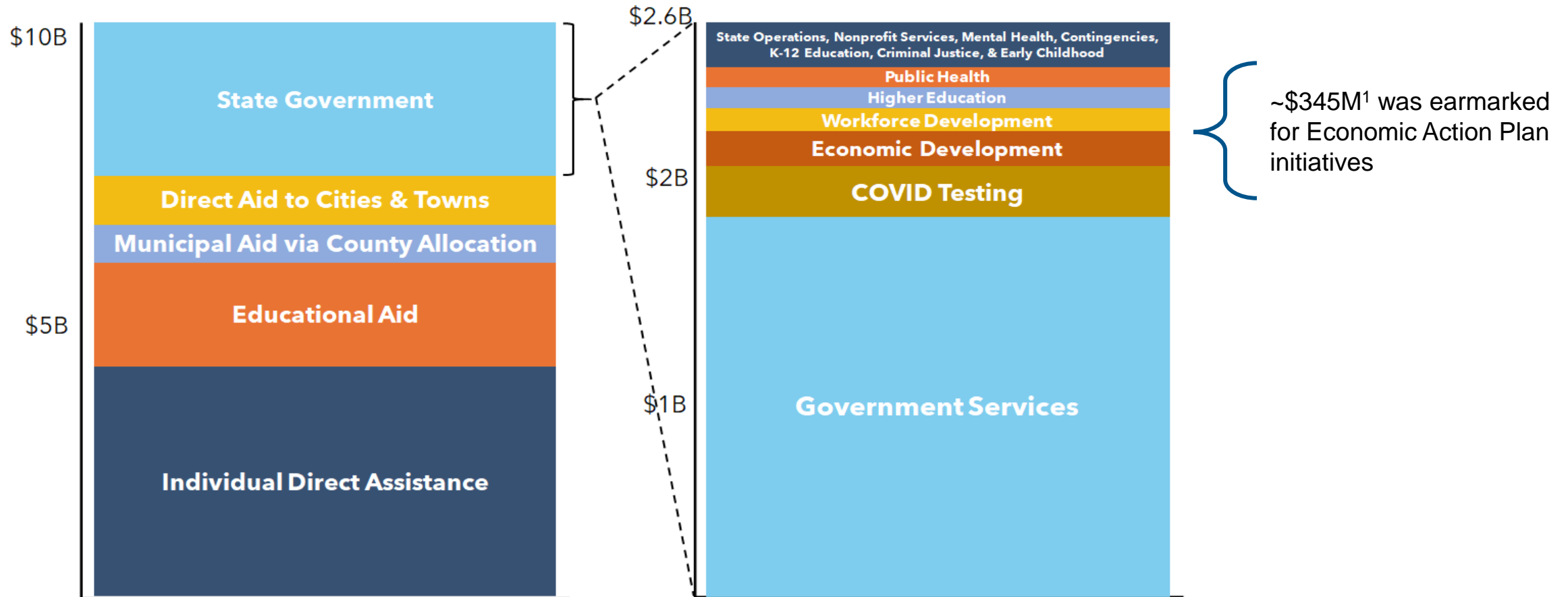
**35+ Advisory Council  
members**

**20+ industry experts**  
interviewed



# EAP was part of the Governor's proposed ARPA plan

**Governor Lamont's Proposed ARPA\* Plan**





# Governor Lamont's Vision

A Roadmap for a Transformative, Equitable, and Healthy Recovery for our State



**Defeating  
COVID-19**

## Themes

Addressing the **public health impacts** of COVID-19 so families can thrive



**Investing in Our  
Future**

## Themes

**21<sup>st</sup> century upgrades and investments in our cities/towns** through infrastructure, expanding home visiting, HHS resident benefits access and broadband expansion

Supporting the **recovery of private providers** through the pandemic

Addressing the **criminal justice impacts** from COVID-19



**Creating A More  
Affordable CT**

## Themes

Supporting **early childhood needs** resulting from the pandemic

Addressing **the K-12 and higher education impacts** of COVID-19

Addressing the **mental health impacts** of COVID-19



**Economic Growth That  
Works For All**

## Themes

Addressing the Economic Impacts of COVID-19 by **restoring jobs, rebuilding our economy, and returning to growth**

Addressing **workforce development needs** resulting from COVID-19



**Modernizing  
State Govt**

## Themes

Modernizing **public health and human services infrastructure**

Department of Public Health **data systems modernization**



# The action plan for inclusive growth is built on 4 pillars

**A thriving,  
inclusive  
CT economy**

1



## **Workforce**

Broaden the base of skilled workers to meet increasing industry demand

2



## **Communities**

Attract and retain talent by investing in vibrant and affordable communities for all

3



## **Innovation**

Support growth and generate inclusive economic opportunity within CT's most innovative and specialized industries

4



## **Business Environment**

Improve CT's environment and reputation for starting and growing businesses

**16 initiatives, creating ~83K jobs at a state cost of ~\$824M<sup>1</sup> across five years**

# Governor Lamont's Original Plan: \$1.8b total investment creating 83k jobs over 5+ years

*State contribution of \$824M matched by \$938M from the private sector*

High Priority Initiatives	5-yr Total Jobs (K)	Public Funding				Bonding by Year		Leverage	
		Total Bonding (M)	Tax Credit/Grants (M)	ARPA Sources	Total Public Funding	Year 1 - 2 (M)	Year 3 - 5 (M)	Total Private Sector / Other Non-State Funding <sup>1</sup> (M)	Public Cost per Job (K)
Workforce	13	\$40		\$103	\$143	\$40	TBD		\$10
Targeted Small Business Support	14	\$75		\$75	\$150	\$50	\$25	\$100	\$11
CT Brand & Travel/Tourism/Hospitality Support	1			\$42	\$42	\$0	\$0		\$35
Innovation Corridor	15	\$82	\$24	\$30	\$136	\$42	\$40	\$518	\$9
CT Communities Challenge	3	\$73		\$27	\$100	\$36	\$37	\$150	\$40
Greentech Fund	2	\$25		\$25	\$50	\$25	\$0	\$150	\$25
<i>High Priority Total</i>	48	\$295	\$24	\$302	\$621	\$193	\$102	\$918	\$13
<b>Additional Initiatives</b>									
Smart Manufacturing	5	\$20		\$0	\$20	\$20	\$0	\$20	\$4
Broadband for All	N/A	N/A		\$40	\$40	N/A	N/A		N/A
Regulatory Modernization	11			\$3	\$3	N/A	N/A		<1
JobsCT	19	N/A	\$140	\$0	\$140	N/A	N/A		\$8
<i>Additional Initiatives Total</i>	35	\$20	\$140	\$43	\$203	\$20	\$0	\$20	\$5
<b>Total Across All Initiatives</b>	<b>83</b>	<b>\$315</b>	<b>\$164</b>	<b>\$345</b>	<b>\$824</b>	<b>\$213</b>	<b>\$102</b>	<b>\$938</b>	<b>\$9 - \$10</b>

# Actual Funding to Date—Subject to Change

*Reflects FY 22-23 state budget and includes anticipated bond authorizations*

High Priority Initiatives	Public Funding					Bonding by Year		Leverage
	Total Bonding (M)	MAA Grants in Arrears (M)	ARPA Sources (M)	Other Public Funds (M)	Total Public Funding (M)	Year 1 - 2 (M)	Year 3 - 5 (M)	Total Private Sector / Other Non-State Funding <sup>1</sup> (M)
Workforce	\$40	-	\$70	-	\$110	\$40	TBD	-
Targeted Small Business Support	\$50	-	\$25	\$34	\$109	\$50	TBD	\$100
CT Brand & Travel/Tourism	-	-	\$7	\$25	\$32	-	-	-
Hospitality Industry Support	-	-	\$30	-	\$30	-	-	-
Innovation Corridor	\$50	-	-	\$50	\$100	\$25	\$25	\$518
CT Communities Challenge	\$50	-	-	\$50	\$100	\$25	\$25	\$150
Greentech Fund + Future Fund (CI)	-	-	\$75	-	\$75	-	-	\$150
<i>High Priority Total</i>	<i>\$190</i>	<i>-</i>	<i>\$207</i>	<i>\$159</i>	<i>\$556</i>	<i>\$140</i>	<i>TBD</i>	<i>\$918</i>
<b>Additional Initiatives</b>								
Smart Manufacturing	\$20	-	-	-	\$20	\$20	-	\$20
Broadband for All	-	-	\$40	-	\$40	-	-	-
Regulatory Modernization	-	-	\$1	-	\$1	-	-	-
JobsCT	-	\$140	-	-	\$140	-	-	-
<i>Additional Initiatives Total</i>	<i>\$20</i>	<i>\$140</i>	<i>\$41</i>	<i>-</i>	<i>\$201</i>	<i>\$20</i>	<i>-</i>	<i>\$20</i>
<b>Total Across All Initiatives</b>	<b>\$210</b>	<b>\$140</b>	<b>\$248</b>	<b>\$159</b>	<b>\$757</b>	<b>\$160</b>	<b>TBD</b>	<b>\$938</b>

SOURCES: Office of the Governor, Connecticut's Plan for The American Rescue Plan Act of 2021, 2021; DECD and Public Act No. 21-111 (Sec. 13(c)(1) and Sec. 32(c)(1))

1) Jobs forecast has not been re-calculated to reflect actual funding.

# Workforce

● High Priority Initiative

## A Business Leadership

Implement business led strategies that reinvigorate Connecticut's demand-driven approach to workforce development

## B Career and Education Building

Align training and education with occupational demand and career opportunities

## C Equity and Access

Address persistent barriers that undermine access to sustainable work and training arrangements

## D Data and Accountability

Use technology to increase jobseeker accessibility and better understand program outcomes

## Vision

Every CT resident has access to a meaningful career pathway and the support needed to fulfill their aspirations



# Innovation

● Additional Initiative ● High Priority Initiative

## A Innovation Corridor

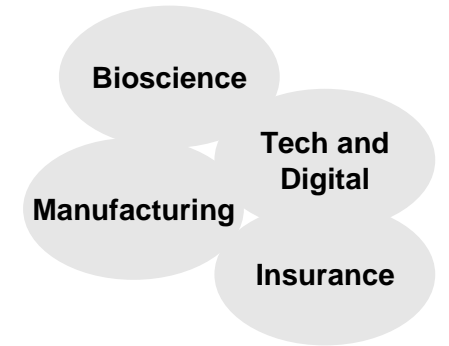
Public and private matching funds to seed transformational, placemaking projects to drive job opportunities, innovation, and business formation in our largest cities. Location determined via competitive application process.

## B Greentech Fund

Advance nascent specialization in clean energy technology by investing in capital improvements and place-based development in greentech hubs.

## C Smart Manufacturing

Create and/or retain 5,000 jobs through training and programs via recapitalization of the Manufacturing Innovation Fund.



## Vision

Support growth and generate inclusive economic opportunity within CT's most innovative and specialized industries

# Communities

## A Targeted Small Business Support

Public and private matching funds to support Connecticut's small businesses, creating/ retaining 14,000 jobs via loans and grants, with at least 50% targeting underbanked and underrepresented business owners.

## B Communities Challenge

Competitive community grant program to spur investment in CT's main streets and the vibrancy of our communities through high-quality, transit-oriented development.

## C Arts and Culture

Funding to help arts and other entertainment organizations that have experienced economic dislocation during the pandemic.

## D CT Broadband for All

\$40M proposal to expand broadband and internet access for all through enhanced mapping, curb-to-home build out, and enhanced connectivity in public spaces.

## Vision

Attract and retain talent by investing in vibrant and affordable communities for all

# Business Environment

● Additional Initiative ● High Priority Initiative

## **A** CT Brand, Travel/Tourism & Hospitality Support

Launch an inclusive marketing campaign to drive tourism and population growth; support the travel, tourism, and hospitality industry.

## **B** JobsCT

Support business attraction and expansion; reward employers that locate and grow in CT, creating 19,000 jobs over five years.

## **C** Regulatory Modernization

Modernize outdated regulations and licensing regulations to improve business friendliness and open new career pathways.

## Vision

Improve CT's environment and reputation for starting and growing businesses

# Our path to impact

Total project funding will include a minimum **1:1 match from private non-profit, and other funding sources**

At least 55% of public funding will come from **funds already budgeted for or from federal sources**

**Rate of return is in excess of 10%**, even if we are only partially successful

The State's investment will be **paid back between 2027-2031**

**Average cost per job is \$9 - \$10K**, vs CT's history of \$15K+ per job



# GWC Workforce Strategic Plan<sup>1</sup>

**Objective:** Establish a framework, which through a series of initiatives and coordinated efforts, expands opportunity for all

## Context and rationale

Despite being highly educated and highly skilled, Connecticut's workforce is aging, with a high retirement rate<sup>2</sup>

- CT ranks 4th in the nation for advanced degrees among the 25+ population.
- 26% of CT's labor force is age 55+ and likely to retire soon, compared to 22% nationally.

The onset of COVID roiled Connecticut's workforce and heightened the urgent need to upskill to meet the needs of a rapidly evolving job market

- The disruption disproportionately impacted lower-income, less-skilled workers
- Annual healthcare workforce demand exceeds 7,000 new workers, with significant shortages in various roles

Workforce is a central tenant to ensuring an inclusive economy that works for every Connecticut resident

- Upskill and reskill a dynamic workforce with focus on the jobs of tomorrow, not the jobs of yesterday
- Establish pathways that provide residents with equitable opportunity while meeting the needs of employers

## Sources of inspiration



HILT is a self organized network of healthcare communities in Seattle-King County who've come together to act on improving access to a skilled healthcare workforce



Tennessee Pathways supports alignment among K-12, postsecondary and industry to provide students with relevant education allowing them to jumpstart their degrees and seamlessly transition into the workforce

## Initiative detail

The GWC Strategic Plan is comprised of four components, which recognize that a robust and inclusive workforce is more than just connecting people with training opportunities

### Business Leadership

- Use Regional Sector Partnerships to forge a business-led workforce agenda that effectively aligns business needs, education and training programs
- Launch talent retention organizations in three cities to drive the retention of undergraduates within the state

### Career Building – Educating Our Workforce

- An integrated statewide career pathways program starts with learning about careers in elementary school
- Utilize sector-based training to address specific workforce shortages and skills mismatches

### Equity Access

- Expanding the Early Child Care Education System will A) support children through critical developmental stages, B) keep parents attached to the workforce, C) increase employer access to qualified workers, and D) lead to future increases in tax revenues and a reduction of public benefits for the state

### Accountability and Data-Driven Management

- Improving online workforce development services will not only improve the user experience but also improve equity of access across these offerings
- The P20 WIN system offers a way to link data longitudinally forming an integrated data system that can aid in policy making decisions

## Inclusive growth elements

Use data platform to investigate racial and gender gaps in training and workforce readiness, as well as barriers to employment faced by people with disabilities and veterans; deploy funding to address these gaps

Include a diverse set of participants, including women, minority, veteran, and disabled business owners and community organizations in underserved neighborhoods

## Five-year impact and cost summary

Direct jobs  
**13K**

Total jobs  
**13K**

Project cost  
**110M**

Public cost  
**110M**

# Workforce: Business Leadership

**Objective: Implement business led strategies that reinvigorate Connecticut's demand-driven approach to workforce development**

## Context and rationale

### CT faces workforce challenges...

- Mismatch between job seekers and job demand observed without enough qualified workers (e.g., healthcare occupations, computer related occupations)
- Limited granular, actionable data to inform decision-making, (e.g., skills demand, training program ROI)
- Poor completion rates across both 2-year and apprenticeship programs

### ...but has numerous assets to build on

- Unique concentrations of industries in regional areas creates pools of common needs to address, (e.g., in aerospace, insurance, business and financial services)
- Engaged and educated workforce (2nd in US on college readiness, 3rd in NAEP reading scores, 6th for higher ed attainment) has potential for strong workforce outcomes
- High commitment and experience in workforce development across the state with numerous smaller successful programs to learn from and/or scale

## Additional Proposals

### Paid internships for 4,000 high school and college students

- College students with internships are 66% more likely to receive employment offers than students without internships

### Career bridge program from 2,000 graduating high school seniors

- Alternative pathway to college for at-risk HS seniors

## Initiative detail

### Build regional sector driven partnerships between business, educators, government and nonprofits

- Identify clear regional sector clusters (e.g., insurance, bioscience) with distinct industry skills needs and engage C-suite business leaders to develop a partnership of companies that ensures the identification of needs is business driven with public partners supporting design and implementation
- Work with K-12 schools, universities, workforce development organizations, human services agencies, economic development agencies, and community organizations to tackle common needs related to workforce readiness
- Create work-based learning programs that align with talent and recruiting strategies

### Launch a credential registry system for secondary, postsecondary, and technical programs that improves educational access and equity, career pathway advancement, and helps sustain a globally competitive workforce

- Research models and best practices in other states to develop a single, statewide solution for uploading and searching credentials

### Promote a skills-based hiring and training environment that provides greater equity and access

- Launch three to five skills-based hiring pilots and agree on a plan to scale skills-based hiring practices
- Establish a working group of key companies and partners to develop skills-based hiring and training strategies

### Retain college graduates by launching talent retention organizations in three cities by 2022

- Grow Connecticut's talent pool by providing more postsecondary students with meaningful internship experiences
- In coordination with AdvanceCT, implement a talent retention program based on Campus Philly's framework
- Launch talent retention organizations in three cities; Hartford, New Haven, and Stamford

### Publish an operational optimization and alignment plan for the workforce development boards by December 2021

- Analyze best practices in WDB coordination in other states and by surveying partners in Connecticut
- Analyze current state and regional WIOA plans to identify additional alignment opportunities

## Inclusive growth elements

Include a diverse set of participants, including women, minority, veteran, and disabled business owners and community organizations in underserved neighborhoods

# Workforce: Career and Education Building

*Objective: Align training and education with occupational demand and career opportunities*

## Context<sup>2</sup> and rationale

### CT is home to leading institutions...

- Including renowned postsecondary institutions among 41 higher education institutions
- Producing nearly one-quarter (24%) of New England's digital tech-oriented degrees and certificates

### ...but has room to address challenges

- In 2017, only 34% of CT's four-year college graduates remained in the state one year after graduation, compared to 42% in MA and 53% in NY
- In an average month, only one out of six active job tech-related job postings are filled (3,288 of 19,149 of unique active tech-related job postings)
- Public financing for training and education is fragmented, with limited transparency on results

### Hard skill gaps remain in industry recognized credentials including:

- Agile Software Development, Python, Automation, Amazon Web Services, APIs, NET Framework, Software Engineering, Java

## Additional Proposals

### Sector training programs to reskill 6,000 displaced workers

- Reskill unemployed individuals to meet current employer demand

## Initiative detail

### Develop an integrated career pathways strategy that effectively responds to today's workforce challenges and opportunities

- OWS to continue to develop strategies and a legislative agenda that supports a statewide integrated career pathways buildout

### Building scalable and sustainable sector-based training strategies that addresses near-term shortages and anticipates emerging needs

- Refocus training dollars to support training for in demand jobs

### OWS will coordinate work-based learning activities at a statewide level that includes the creation of a digital platform to share best practices

- Work with educational partners to develop specific practices for better integrating WBL programming with career pathways

### Accelerate postsecondary access through increased participation in dual credit programs statewide

- Launch a dual credit working group and create an automatic admission program for the state university system

### Develop a modern academic and career advising system in which all high school and public university students have an individualized career and academic plan

- Secure resources to expand CSCU and UConn advising initiatives and introduce career pathway advisors into more middle/ high school systems

### Improve teacher and student preparedness by partnering with CSCU and UConn to expand K-12 outreach

- SDE will develop a plan for use of ISTE (technology instruction) standards in education preparation

### Improve the Adult Education (AE) system by creating a coordinated, accountable adult literacy system that links Adult Education and relevant partners to develop training programs tailored to students' goals and needs

- Convene a working group including AE, CSCU and WDB to develop plans and goals for a redesign of AE

## Inclusive growth elements

Prioritize underperforming K-12 schools in disadvantaged areas to address the state's large gaps in college and career readiness

Reduce barriers to employment and continuing education by providing wraparound services

# Workforce: Equity and Access

**Objective:** Address persistent barriers that undermine access to sustainable work and training arrangements

## Context<sup>1</sup> and rationale

**The barriers that affect Connecticut's lower-paid workforce are the same that disproportionately affect underserved populations and have only been exacerbated by the COVID-19 crisis**

- Only 11.5% of Connecticut families can afford infant care, which according to federal standards is no more than 7% of a family's income
- Currently, only one fourth of the 100,000 accessing state-funded mental health services are employed, the remainder are unemployed (20%) or not in the labor force (53%)

**Motivated persons with a good job or training opportunity is often thwarted by barriers not of their own making**

- Inadequate transportation services and the cost of personal transit present a significant barrier to and is compounded for those who live in rural locations or work non-standard hours
- The complex and layered nature of social services makes it challenging for families to navigate whether an increase in income will result in more or less total income

## Initiative detail

### Expand capacity of the childcare system

- Redesign the Early Child Care system, which will better serve parents while aligning government, private and philanthropic funding
- Expand the supply of childcare providers through A) securing US DOE CCAMPIS funding, B) promoting Staffing Family Child Care Networks, a low cost, COVID-resilient model of operation, and C) Encouraging our colleges to maximize federal support for student support services
- Align reimbursement rates to the true cost of care

### Reduce transportation barriers

- Expand transit programs to cover individuals enrolled in non-credit bearing workforce training and Adult education programs
- DOT should establish a revenue neutral bulk transit pass program in conjunction with partners to ensure individuals participating in workforce training programs have access to affordable public transit options
- OWS to partner with state's workforce development boards to expand and scale the Rides for Jobs program currently operating in Eastern Connecticut

### Expand access to behavioral health services

- Increase the number of Supportive Employment Services slots for residents with mental health challenges from 2,000 to 4,000
- Pilot an expansion program at selected CMHCs across Connecticut and assemble partners to review findings and develop a robust expansion plan

### Reduce the adverse effects of benefits cliffs

- Adopt the Federal Reserve Bank of Atlanta's Benefits Cliffs tools for use by CT caseworkers and analysts
- Phase 1 will include a benefits cliff policy analysis while Phase 2 will focus on the development of high impact policies based on Phase 1 findings



# Workforce: Data and Accountability

*Objective: Use technology to increase jobseeker accessibility and better understand program outcomes*

## Context<sup>1</sup> and rationale

### **Jobseekers face challenges in navigating the rapid expansion of sources and content**

- They need an easy-to-use online portal to find jobs, education, training, employment, and other services

### **Data from state-sponsored workforce programs is often inaccessible**

- Limited granular, actionable data to inform decision-making (e.g., skills demand, training program ROI)
- Data is rarely presented in a framework that enables comparison
- In some cases, the lack of data is the result of legislation or regulations and in other cases it is due to program data not being collected at all



## Initiative detail

### **Enhance online job-related systems and improve equity of access to these offering**

- The improved system will include information on labor market conditions, career pathway advancement strategies, and lifelong learning opportunities will also provide users with access to regional partners who can offer support
- OWS will appoint an Online Services Project team that will include subject matter experts to create typical user profiles in order to better understand the current experience and develop compelling use cases for new system features

### **Create standard system-wide performance dashboards and ROI templates**

- Establish a framework that enables an “apples to apples” through the establishment of a systemwide dashboard
- Assemble program-level data into a useable format by combining and formatting program-level data from all relevant agencies that allows for a standard process for presenting and analyzing data
- Utilize an expanded P20 WIN system to create a cross-agency data platform that supports net impact and ROI analyses for workforce training programs

### **Redevelop the P20 WIN system to derive labor market insights powered by real-time advanced analytics**

- Leverage federal grant dollars to onboard staff to increase the capacity of its P20 WIN cross-agency analytic team
- Pursue opportunities to participate in data analytics training for key stake holders
- Review technical infrastructure to allow for faster turnaround times for standard data requests and for improved accessibility to data

## Inclusive growth elements

Use data platform to investigate racial and gender gaps in training and workforce readiness, as well as barriers to employment faced by people with disabilities and veterans; deploy funding to address these gaps

# Targeted Small Business Support

**Objective: Public and private matching funds to support Connecticut's small businesses, creating/ retaining 14,000 jobs via loans and grants, with at least 50% targeting underbanked and underrepresented business owners**

## Context and rationale

**CT's women and minorities have historically been under-represented in the state's economy**

- Only ~16% of CT's businesses are minority-owned despite ~33.5% minority population in CT
- In 2018, CT's unemployment rate was 5.5% overall but 9.5% for Black or African-American and 7.8% for Hispanics
- CT ranks 44th in women-owned business growth since 2014

**COVID is disproportionately impacting underserved businesses**

- The five hardest-hit sectors represent 35-55% of revenue for WMBEs in CT, vs 15% of revenue for all firms
- 46% of CT WMBEs had difficulty applying for Paycheck Protection Program (PPP) assistance (compared to 33% of CT SMBs overall)

## Initiative detail

- **SSBCI funding to either 1) directly invest as equity or 2) leverage private sector debt funding as first loss. Maximize private sector capital a goal**
- **Dedicated [CDFI] investment fund set up with mandate to invest in MWBEs and or Economically Distressed municipalities**
- **Grants for technical assistance to accompany investments**
- **Offer loan products that provide no and low-interest as well as first year no payments**

## Progress

**June Sp. Sess., Public Act No. 21-2 made important updates to the Small Business Express (EXP) lending program by establishing a two-pronged model**

- DECD will partner with CT Innovations to leverage the Capital Access for Business (CAB) loan guarantee program, which provides lending institutions with a "first loss" guarantee
- DECD will partner with regional community banks to invest in their revolving loan funds to help build capacity for higher risk credit profiles

**Connecticut administered two grant programs targeting small and underserved businesses who were greatly affected by Covid-19**

- The CT CARES Small Business Grant issued \$5,000 grants (a total of \$50M) to 10,000 businesses with 20 employees or less, of which 38% were women-owned, 29% minority-owned, and 3% veteran-owned
- The CT Business Recovery Grant distributed \$10,000 to \$30,000 grants to 2,000 of Connecticut's small to medium sized businesses sustaining the greatest impact from Covid-19, for a total of \$35M in support

## Inclusive growth elements

At least [50%] of funds to be for minority, women, veteran and disabled owned businesses

Work with qualified community lending institutions to increase capital access

Collaborate with existing orgs serving WMBEs in CT

## Five-year impact and cost summary

Direct jobs  
**7K**

Total jobs  
**14K**

Project cost  
**225M**

Public cost<sup>1</sup>  
**125M**

## Sources of inspiration

**Ohio**



**NYC / EDC**



# CT Brand, Travel/Tourism, and Hospitality Support

**Objective:** Launch an inclusive marketing campaign to drive tourism and population growth; support the travel, tourism, and hospitality industry

## Context and rationale

CT has open spaces, smaller cities, top schools & healthcare

- More attractive now than a year ago
- Ranked 5th in quality of life by Forbes
- Progressive healthcare attractive to young families
- Moody's upgrade, first in 20 years, investor confidence is strong

**There is opportunity to capitalize on trends emerging away from densification**

- COVID has increased consumers' prioritization of home size (+22%), outdoor space (+29%), and home offices
- There has been a 96% YoY drop in US passenger flights due to consumer fears of COVID, which may result in increased local tourism
- Workforce shifting to remote, 1 or 2 days in NYC or Boston but the rest of the week in CT



## Initiative detail

**Augment marketing and branding effort to 1) retain the 20,000 + residents who moved here during the pandemic 2) redefine CT's brand post COVID and 3) market urban living with nature next door 4) Compete with surrounding states for remote workforce**

- Leverage local influencers typically young, diverse and entrepreneurial to elevate interest among younger demographics
- Market urban amenities with larger but accessible living and working spaces
- Elevate CT's post-pandemic brand for the benefit of all industry sectors
- Expand reach beyond the current 10%; target a larger diverse audience including recent college grads

### Focus messages on attributes that make CT a competitive location

- **Tourism:** Emphasize large scale venues and hidden gems, with a focus on activities that are "socially distanced" appealing to all residents and visitors
- **Resident quality of life:** Highlight accessible housing amenities (e.g., size, yard, home office) that accompany a move from NYC/ Boston to CT, high quality public education, top-tier progressive healthcare system
- **Business:** Correct misconceptions about CT's business climate, emphasize fiscal stability, industry innovators and green economy

## Sources of inspiration



New York State's 2020 tourism budget was \$3.88 per capita, for a total of \$59.9M



Massachusetts's 2020 tourism budget was \$2.19 per capita for a total of \$12.2M



New Jersey's 2021 Economic Development spending is already over \$2M – competing for business and talent

## Inclusive growth elements

Feature diverse audiences in each campaign

Prioritizing the utilization of WMBE vendors

Emphasize the inclusive, welcoming culture of the state

Ensure marketing campaign highlights tourism, quality of life and business opportunities available across the entire state

## Five-year impact and cost summary

Direct jobs<sup>1</sup>  
**500**

Total jobs  
**1K**

Project cost  
**32M**

Public cost<sup>1</sup>  
**32M**

# Innovation Corridor

**Objective: Fund three transformative projects that spur innovation through large-scale transformational placemaking projects**

## Context and rationale

Connecticut's priority industries and priority metro areas will mutually benefit from clustered, denser innovation corridors.

**Municipalities and local partners are best positioned to identify most catalytic, most realistic placemaking and innovation-spurring projects**

## Sources of inspiration



**CORNELL  
TECH**

NYC used desirable land and \$100M in cash incentives to attract top institutions

The city used a stage-gated process to attract Cornell Tech, culminating in a competitive RFP

Partnership with local universities was encouraged, as was community engagement



RCCF ESD Grants invest \$150M across 10 NY regions to fund capital projects that increase economic activity

## Initiative detail

**Each can apply for \$25M-\$50M grants for comprehensive development projects that utilize community, corporate, or educational partners to create transformational economic development in downtown urban centers**

- Recipients may be public entities or a consortium of public and private partners
- State grants must represent no more than 20% of total project costs
- Applicants must demonstrate how plans will attract development, assist in linking urban centers to transportation systems, and advance equity and inclusion

## Progress

CTNext has made significant investments in place-based innovation assets in CT cities i.e. accelerators/incubators, coding and tech talent programs and dynamic co-working spaces

Four communities, competitively selected in 2017 as Innovation Places (Hartford, New Haven, New London, Stamford) in 2017. Primary industry focus includes: InsurTech, Smart Manufacturing, Biotech, Blue Tech, and Data Analytics

## Inclusive growth elements

Funding conditional on anti-displacement strategy for existing residents

Funding criteria reward positive impact on underserved and marginalized communities

## Five-year impact and cost summary

Direct jobs  
**7K**

Total jobs  
**15K**

Project cost  
**618M**

Public cost<sup>1</sup>  
**100M**



# Communities Challenge

**Objective: Offer competitive community grant funds to spur investment in compact, high-quality, and transit-connected development**

## Context and rationale

**CT struggles to attract and retain residents, in part due to underinvestment in place-based community development**

- Drivers of perceived low quality of life and a lack of urban vibrancy vary by region
- Northwest CT identifies amenities for young talent as a major concern, while Bridgeport ranks housing and transportation as top needs

**Even after COVID, Main Streets will likely continue to be critical areas of focus for new and existing residents:**

- >70% of US residents indicate they will not reduce their prior preferences towards physical retail, restaurants, and live events
- 40-60% of SMBs in Main Street industries such as retail, accommodation, and food services are “highly concerned with the sustainability of their business,” highlighting the need for effective state support

## Sources of inspiration



MassDev's TDI assigns Fellows to distressed Gateway Cities to coordinate transformative place-based investment



RCCF ESD Grants invest \$150M across 10 NY regions to fund capital projects that increase economic activity



The CA AHSC Program awards \$1-30M grants for affordable housing, public infrastructure, and

streetscape

SOURCE: Twin Cities Metropolitan Council, Metropolitan Council, Retrofitting Suburbia (Dunham-Jones and Williamson, 2011), MassDevelopment, MassINC, New York Empire State Development, New York Governor's Office California AHSC, McKinsey & Company COVID-19 US SMB Financial Pulse Survey (May 8-13); CT Small business survey conducted 4/29 – 5/12; Estimated as 50% at 1:1 funding match and 50% at 2:1

## Initiative detail

**Offer challenge grant funds ranging in \$1M - \$10M at a 1:1 funding ratio for economically Distressed Communities and 2:1 for non-distressed to spur community innovation and investment in high-quality development supporting**

**Main Streets and strategic urban cores**

**Funded projects must demonstrate that they will:**

- Improve convenience, livability, and appeal of CT communities
- Densify commercial or residential development near transit hubs
- Provide project area residents with greater access to and/or opportunities for employment
- Attract private sector redevelopment of adjacent commercial or residential properties
- Regional (e.g., metro area) collaborations are encouraged; municipalities are encouraged to partner with each other to create broader impact and strengthen their applications

**Municipalities can apply for funding for either development or pre-development**

- Pre-development grants fund site design, financial feasibility analyses, and market studies
- Development grants fund capital improvements of up to \$10M
- To encourage partnership, awards from the Communities Challenge cover no more than 20-40% of project costs
- DECD will assign regional coordinators to help municipalities access and use funds

## Inclusive growth elements

Funding conditional on anti-displacement strategy for existing residents

50% of funding to be in Distressed Communities

## Five-year impact and cost summary

Direct jobs

**2K**

Total Jobs

**3K**

Project cost

**250M**

Public cost<sup>1</sup>

**100M**

<sup>1</sup> Public cost is comprised of \$100M in bonding, timeframe of bonding is TBD

# Greentech Fund

**Objective: Advance nascent specialization in clean energy technology by investing in capital improvements and place-based development**

## Context and rationale

With the highest average retail electricity price in the US, energy is expensive in CT

CT has a growing clean energy sector with a large employment footprint

- The sector employs ~44K workers (2.6% of labor market); jobs grew 4.3% since 2017
- CT is home to the nation's first green bank, Connecticut Green Bank, and the Fraunhofer USA Center for Energy Innovation at UConn

CT is a national leader in fuel cell and wind

- CT ranks 5<sup>th</sup> in total fuel cell patents
- In 2015, CT's 600+ fuel cell and hydrogen supply companies realized ~\$700M in revenue
- As of 2017, Bridgeport is home to the largest fuel cell power project in North America
- 19% of CT's electric load is under contract with offshore wind, compared with 5% NY, 13% MA

## Sources of inspiration



MassCEC is a state-linked agency in MA that invests ~\$44M<sup>1</sup> annually in the clean energy economy, funded by ratepayer surcharges



NYRSDEA's 10-year, \$5B Clean Energy Fund operated four portfolios: market development, solar industry, investment (NY Green Bank), and research/innovation

## Initiative detail

Connecticut Innovations (CI) to manage a new fund that would invest in companies focused on renewable energy, sustainability, and other disruptive green technologies. Fund would make equity investments and be no less than [25]% of the capital structure of any company.

- **Growth capital for clean technology:** Direct equity investment, administered by a third-party, in the state's most promising early-stage and growth-stage clean technology companies, with a focus on wind energy and fuel cells

## Inclusive growth elements

Funded projects must demonstrate creation of living-wage jobs

Set targets for support of energy sector businesses owned by women, minorities, veterans, and people with disabilities

## Five-year impact and cost summary

Direct jobs  
**1K**

Total jobs  
**2K**

Project cost  
**175M**

Public cost  
**25M**

# Smart Manufacturing Campaign

**Objective:** Accelerate modernization through technical support and workforce training

## Context and rationale

### CT is a leader in advanced manufacturing

- 4,000+ enterprises exporting \$17B per year
- Strengths in aerospace, electrical equipment, and ship and boat building

### However, many CT manufacturers face modernization barriers

- Top modernization needs are R&D testing and production integration assistance
- 70% of manufacturers have <20 workers, and 35% of workers are over the age of 55
- Smaller firms face challenges modernizing due to capacity and capital constraints
- CONNSTEP assists manufacturers, but is at a remove from research emerging from CCAT and UConn Tech Park

## Initiative detail

### Redesign and relaunch the existing Manufacturing Innovation Fund

- The relaunched \$10M fund will focus on small manufacturers' workforce training needs
- Approximately \$3M will fund capital investments for manufacturers with under 150 Connecticut employees, with the required match ranging from 2:1 to 4:1 depending on the company's size

## Inclusive growth elements

Fund will identify solutions to improve transportation between underserved urban communities and manufacturers

Loan guarantee may also be used to finance employee equity ownership (e.g., ESOPs), broadening the base of wealth

## Sources of inspiration



Public-private partnership that supports >50% of manufacturing base in New York region, became 75% self-funded within 2.5 years due to demand for unique services

## Five-year impact and cost summary

Direct jobs  
**3K**

Total jobs  
**5K**

Project cost  
**40M**

Public cost<sup>1</sup>  
**20M**

# CT Broadband for All

**Objective:** *Ensure all Connecticut residents have access to expanded and affordable broadband*

## Context and rationale

**Broadband is a key enabler for working and learning from home, reskilling, and finding new jobs**

- 51% of companies are WFH during quarantine, and >80% of residents enjoy working from home<sup>1</sup>
- Streamlined job applications through the internet reduce labor market discouragement by >50%<sup>2</sup>

**Broadband access and adoption in CT is not distributed equitably**

- ~1.7M CT residents do not access the internet at broadband speeds<sup>3</sup>
- Many residents lack affordable broadband options (46% of residents with access must pay \$60+ / month)<sup>4</sup>

## Initiative detail

**The COVID-19 health crisis has heightened the need to close the digital divide and to ensure equitable access to high-quality internet access by;**

- Building quality statewide GIS capacity for broadband mapping and economic development to support remote work, health, and education
- Supporting curb-to-home build out of broadband cable in low-income communities
- Expanding and improving connectivity in public spaces

## Progress

- The Everybody Learns Initiative made CT the first state in the nation to close the K-12 digital divide exacerbated by COVID-19 pandemic by distributing over 141,000 laptops and 12,000 hotspots to students throughout the state
- The Get Connected bilingual marketing campaign from Oct-Dec 2020 educated and encouraged householders in areas with low adoption rates to sign up for low-cost broadband service for health, work, and education purposes
- The Lamont Administration has proposed House Bill 6442, An Act Concerning Equitable Access to Broadband, to establish a framework for achieving universal access to broadband internet, as described above

## Sources of inspiration



Minnesota set up an Office of Broadband development with state funding and clearly defined goals for broadband expansion



California set up a Broadband Council as a forum for state agencies to share key info and collaborate on broadband expansion

Task force is broken into 5 key groups that focused on strategic areas (e.g., Strategic Corridors, Surplus Equipment, etc.)

## Inclusive growth elements

Focus access initiatives on underserved regions of the state, and adoption initiatives on lower-income residents

Expand broadband coverage to increase the range of jobs available to residents in underserved communities

## Five-year impact and cost summary

Direct jobs

**N/A**

Total jobs

**N/A**

Project cost

**40M**

Public cost<sup>5</sup>

**40M**



# Regulatory Modernization

**Objective:** Eliminate pain points to improve the perception and reality of doing business in Connecticut

## Context and rationale

### CT's complex regulatory environment burdens entrepreneurs

- Highest cost to incorporate of any state: \$455
- Standard time to incorporate is 12-20 business days, compared to 2 days in best-in-class states
- CT has the 18th largest number of occupations requiring licenses
- CT received an "F" in regulation in Thumbtack's 2019 small business survey

### Regulatory processes are decentralized, difficult to navigate, and outdated

- CT's 169 municipalities each control their own zoning, land-use, and permitting
- Only 5% of CT's 2000+ forms can be completed online; statutory requirements exist for use of fax, payment by check, and other outdated processes

## Sources of inspiration

Within three years, British Columbia's "red tape review" program reduced regulation by 1/3



## Initiative detail

### OTG will identify a regulatory "czar" to improve state's regulatory processes:

- Collaborate with leaders of prioritized regulatory agencies and leaders in target industries and small business organizations to identify major pain points
- Support regulation modernization at other agencies, modeled on DEEP's "20 by 20"
- Work with DECD to set target business friendliness metrics (e.g., time to incorporate) to measure the success of regulatory modernization efforts
- Continue reduction of unneeded occupational licensing requirements and identify new areas to improve (e.g., analyzing compliance burdens, reducing number of occupational categories)

**AdvanceCT and DECD will support outreach as necessary and publicize business friendliness improvements**

## Progress

**A revamped Business One-Stop site launched in July 2020 where entrepreneurs can easily find everything they need to start or manage their business in Connecticut**

## Inclusive growth elements

Set ambitious target for outreach to MWBEs and businesses owned by veterans and people living with disabilities

Include impact assessment for MWBEs and businesses owned by veterans and people living with disabilities in comparative burden analysis

## Five-year impact and cost summary

Direct jobs

**6K**

Total jobs

**11K**

Project cost

**1M**

Public cost<sup>1</sup>

**1M**

# JobsCT

**Objective: Restructure incentives to create a straightforward path to rewards for job creation and establish a business concierge that centralizes business expansion, retention and recruitment efforts**

## Context and rationale

**CT's existing tax incentives for businesses are costly, difficult to access, and inefficient at creating jobs**

- Business attraction programs such as First Five Plus do not calculate incentives in a standardized or transparent way
- Business tax credits are difficult to use; the cumulative volume of stranded tax credits in CT exceeded \$1.8B in 2016
- Credits are also costlier than the US average, with an average CT expenditure of ~\$25K per job created



## Sources of inspiration



JobsOhio created a business attraction team in 2011 led by industry experts. Since then, they have closed deals on 65% of all projects for which they submit an offer

## Initiative detail

**DECD will restructure incentives to be standardized, transparent, and performance-based:**

- Capital investment will be incentivized through the urban and industrial reinvestment tax credit and/or sales and use tax exemptions

## Progress

HB 6440, An Act Concerning the JobsCT Tax Rebate Program, has been introduced in 2021 as a simple, transparent, targeted, earn-as-you-grow incentive program for businesses to expand in or relocate to Connecticut

- If a company creates at least 25 jobs in two years, it will receive a 25% rebate on state employee withholding taxes in years 3-5 or 3-7
- If a company is located in an Opportunity Zone or distressed municipality, the rebate is 50%

**CERC has rebranded as AdvanceCT and established a business recruitment team, including a concierge service with support for businesses interested in moving to or expanding their presence in CT**

- Industry-specific teams are accountable for recruiting and retaining target sector businesses
- Staff assists companies with zoning and permitting processes for new developments
- Concierge staff certifies sites and publicizes them on *Sitefinder*, including details such as electricity, water, sewage, internet, and transportation availability

## Inclusive growth elements

Only offer incentives for jobs paying 110% of area median income

Set recruitment targets for minority job creation

Offer additional incentives for jobs created in an Opportunity Zone or Distressed Municipality

## Five-year impact and cost summary

Direct jobs  
**10K**

Total jobs  
**19K**

Project cost  
**140M**

Public cost<sup>1</sup>  
**140M**