

PA13-45

HB6466

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**JOINT
STANDING
COMMITTEE
HEARINGS**

**COMMERCE
PART 2
344 - 715**

2013

SENATOR LeBEAU: Can we get going please?

REP. PERONE: And then there's that. So we'd like to call our -- our first -- our first speaker will be Catherine Smith of the DECD. Thank you very much.

COMMISSIONER CATHERINE SMITH: Good morning. I'm delighted to be with you all this morning and delighted to be here to talk about a number of bills that are before you and give you our support on a number of things. So I -- with no further ado I think I'll launch right into these.

I will say that there are several in here that I would characterize as tidying up shop and you'll see what I mean because I mean that literally and figuratively when we get to some of those particular bills. But I thought we might start with Senate Bill 838 which is the fund establish -- excuse me -- establishing a fund for bioscience innovation. It's the Governor's Bill. And we fully support it because of the fact that this bill does so much to spur additional growth in one of our very, very highly targeted parts of the economy the biosciences, life sciences, medical devices and all of that.

As you know until we -- a couple of years ago when we started the reinvestment if you will in biosciences we had been on I wouldn't call it a decline but we certainly hadn't been competitive with other states in terms of our investments into bioscience despite what I would say is an incredibly strong platform that we start with based on our very strong university system and the number of great companies that are already here that are in this arena.

SB940
SB941
SB942
SB543
HB6469
HB6356
HB6466
HB6468

criteria?

KATE EMERY: It's roughly the same criteria but there are going to be differences state to state. But the great thing is what it does allow is to -- to have that A standard for an impact investor to say okay this company is for real. They're -- they have this dual purpose of not just making a profit but making a social impact that's going to create jobs that solve community problems.

REP. LAVIELLE: Okay. Thank you very much.

KATE EMERY: Okay. Thanks.

REP. PERONE: Thank you.

Are there any further questions?

Okay. Moving right along.

COMMISSIONER CATHERINE SMITH: We're getting towards the end. You'll be happy to know.

REP. PERONE: Okay.

COMMISSIONER CATHERINE SMITH: House Bill 6466 which is an act clarifying collateral requirements for applicants for financial assistance. In this case one of the tools we have in the -- in the toolbox is to provide grants to companies. Oftentimes these grants are used for example to reimburse companies for training if they're hiring new employees. And yet there is language which is unclear in the MMA act about whether or not collateral is required for a grant like that. This -- this language is very simple.

It would simply say that if you're getting a grant you are not required to have collateral

for a grant particularly through some of those kinds of grants like training are very difficult to get any collateral for.

And instead it would -- it would still hold the applicant responsible for the job creation and all of the other things that we require, State residency, you name it. But the -- the idea of having collateral for something that's not really collateralable is really what we're trying to get at here.

REP. PERONE: Thank you. Any questions on that?
No. Moving right along.

COMMISSIONER CATHERINE SMITH: The next one is House Bill 6468. This would repeal the requirement that we require high performance work organization programs and threshold project requirements in financial assistance programs. It's an optional effort right now for companies and I would say it's sporadic at best if companies actually participate in this.

I believe that most companies are actually doing a lot of the things that are required by these high performance metrics including you know, decentralizing decision making, doing great training for employees, and those kinds of things. We -- we -- when we sort of look at all of the things that we do and this one just didn't appear to be adding much value at this point and we thought this again as part of our let's streamline clean house a bit, this was an idea that we thought might help do that. So pretty simple idea that we're suggesting to you.

REP. PERONE: Okay. Are there any questions on this?

Yeah. I just had one -- one question. So this



Department of Economic and
Community Development

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Catherine H. Smith
Commissioner

**TESTIMONY
SUBMITTED TO THE COMMERCE COMMITTEE
February 28, 2013**

House Bill 6466:

**AA CLARIFYING COLLATERAL REQUIREMENTS FOR APPLICANTS FOR
FINANCIAL ASSISTANCE FROM THE DEPARTMENT OF ECONOMIC AND
COMMUNITY DEVELOPMENT AND CONNECTICUT INNOVATIONS
INCORPORATED**

The Department of Economic and Community Development (DECD) offers the following comments in support of House Bill 6466: AA CLARIFYING COLLATERAL REQUIREMENTS FOR APPLICANTS FOR FINANCIAL ASSISTANCE FROM THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT AND CONNECTICUT INNOVATIONS INCORPORATED.

As you are aware, our mission at DECD is to develop and implement strategies to increase the state's economic competitiveness. We do this by attracting and retaining businesses and jobs, revitalizing neighborhoods and communities, ensuring quality housing, and preserving and promoting cultural and tourism assets.

House Bill 6466 will improve the Agency's ability to effectively and efficiently negotiate business assistance deals, strengthening our efforts to attract and retain businesses and jobs. It was developed in response to the Agency's experience in negotiations with "First Five" applicants and other recipients of DECD financial assistance over the last two years.

The legislation will clarify existing statute by eliminating doubt about the fact that grants do not require collateral as a condition of receiving state assistance, without compromising other requirements, including those regarding residency.

Note that there are significant differences between the terms associated with grants and the terms associated with loans and with tax credits. Grants are typically spent in one year and carry requirements for capital investment or job creation or both. The state is protected against non-performance by including strong "claw-back" provisions in the terms of our grants, and the proposed clarifying language has no impact on that protection.



Department of Economic and
Community Development

Connecticut
still revolutionary

By contrast, a loan given as part of an assistance agreement requires some form of collateral, and carries a long term of repayment, typically ten years. Tax credits are subject to a different set of requirements, which include collateral and forfeiture provisions.

What all our incentives and assistance tools have in common is they provide the Agency and the governor with the tools necessary to compete for the businesses and jobs that our state needs to maintain and strengthen our position in the global economy. The proposed language reflects part of what we have learned as we have pursued our mission, and I urge your support.

Thank you for considering the department's comments.

H - 1154

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VOL.56
PART 5
1361 - 1694**

DEPUTY SPEAKER BERGER:

Will the members please check the board to determine if their vote is properly cast?

If all members have voted, the machine will be locked. And the Clerk will take a tally.

Will the Clerk please announce the tally.

THE CLERK:

Bill Number 6211.

Total Number Voting	142
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Necessary for Passage	72
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Those voting Yea	142
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Those voting Nay	0
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Absent, not voting	9
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DEPUTY SPEAKER BERGER:

The bill passes.

Will the Clerk please call House Calendar Number 120.

THE CLERK:

House Calendar 120, on Page 13, Favorable Report of the joint standing Committee on Commerce, House Bill 6466, AN AX -- AN ACT CLARIFYING COLLATERAL REQUIREMENTS FOR APPLICATIONS FOR FINANCIAL ASSISTANCE FROM THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT AND CONNECTICUT INNOVATIONS, INCORPORATED.

mhr/gbr
HOUSE OF REPRESENTATIVES

175
April 10, 2013

DEPUTY SPEAKER BERGER:

Thank you, Mr. Clook -- Clerk.

The Chair, the dais will recognize House Chair of
the Commerce Committee, Representative Perone.

REP. PERONE (137th):

Thank you, very much, Mr. Speaker.

I would like to urge -- I'd like to make a motion
to bring this bill to the Floor.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Would you like to make a motion for acceptance
of --

REP. PERONE (137th):

Yes, I would.

DEPUTY SPEAKER BERGER:

-- the joint committee's --

REP. PERONE (137th):

I would like to --

DEPUTY SPEAKER BERGER:

-- Favorable Report?

REP. PERONE (137th):

-- make a motion for acceptance of the bill.

Thank you. Good catch, Mr. Speaker.

DEPUTY SPEAKER BERGER:

The motion before the Chamber and the question before the Chamber is acceptance of the joint committee's Favorable Report and passage of the bill.

Will you comment further, Representative Perone?

REP. PERONE (137th):

Yes, thank you, Mr. Speaker.

Essentially, the bill clarifies that applicants seeking grant-funding assistance for any duration of time are not required to provide collateral. This codifies the current practice of the Department of or the DECD and Connecticut Innovations.

Essentially, the -- the -- the bill eliminates the need for collateral to -- to receive a grant.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Thank you, Representative.

Will you comment further on the bill before us?

Will you remark further on the bill before us?

Representative Lavielle, of the 143rd, Ranking Member of the Commerce Committee.

REP LAVIELLE (143rd):

Mr. Speaker, good afternoon.

DEPUTY SPEAKER BERGER:

Good afternoon, madam.

mhr/gbr
HOUSE OF REPRESENTATIVES

177
April 10, 2013

REP LAVIELLE (143rd):

A couple of questions for the proponent, if I
may, Mr. Speaker --

DEPUTY SPEAKER BERGER:

Representative --

REP. LAVIELLE (143rd):

-- through you.

DEPUTY SPEAKER BERGER:

-- Perone, could you please prepare yourself.

Representative Lavielle.

REP. LAVIELLE (143rd):

I'm -- thank you, Mr. Speaker.

Through you, Mr. Speaker, what are the
requirements under current law for collateral for
transactions that involve business assistance from
DECD or Connecticut Innovations?

DEPUTY SPEAKER BERGER:

Representative Perone.

REP. PERONE (137th):

Thank you, Mr. Speaker.

Through you, essentially an entity applying for
a, the said grant would be bound by the, an assistance
or, yeah, assistance agreement to -- to really to --
hang on just a sec. They would have to -- they're

restricted by the -- the governance of an assistance agreement issued by the DECD and once approved.

Through you.

DEPUTY SPEAKER BERGER:

Thank you, Representative.

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Mr. Speaker.

Perhaps I'll clarify my question a bit. What types of transactions and for what duration currently require collateral under current law?

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Perone.

REP. PERONE (137th):

These would be the -- the approved projects through -- through the -- the DECD and in, under -- under current statute, currently a one-year or -- or less.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Mr. Speaker.

And those would be only loans under current law that require collateral?

DEPUTY SPEAKER BERGER:

Representative Perone.

REP. PERONE (137th):

Yes, that is correct.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Mr. Speaker.

And does this bill change that at all?

DEPUTY SPEAKER BERGER:

Representative Perone.

REP. PERONE (137th):

No, Mr. Speaker, it does not.

Through you.

DEPUTY SPEAKER BERGER:

Representative Lavielle.

REP. LAVIELLE (143rd):

So it's -- thank you, Mr. Speaker. So it's my understanding that this bill simply clarifies and makes it easier to understand what current law already requires.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Perone.

REP. PERONE (137th):

That is it completely.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Lavielle.

REP. LAVIELLE (143rd):

I'm sorry. I didn't understand. I --

DEPUTY SPEAKER BERGER:

Please repeat --

REP. LAVIELLE (143rd):

-- couldn't hear.

DEPUTY SPEAKER BERGER:

Could you please repeat that answer,

Representative --

REP. PERONE (137th):

Yes.

DEPUTY SPEAKER BERGER:

-- Perone?

REP. PERONE (137th):

Yes, through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, very much, Mr. Speaker.

It is, it is -- and I thank the Representative for his answers. It's my understanding that the bill simply makes the language of current statute clearer than it was. There was some ambiguity as to whether grants or equity investments did or did not require collateral; and, in fact, current law did not require it for them, and the bill makes it clear that that is the case.

So I would, I would urge passage of the bill. It is simply a clarification of what already exists in current law.

Thank you, very much, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Thank you, Representative.

Will you comment further on the bill before us?

Will you remark further on the bill before us?

If not, will staff and guests please come to the Well of the House. Will the members please take your seats. The machine will be opened.

THE CLERK:

House of Representatives is voting by roll. The

House of Representatives is voting by roll. Will members please return to the Chamber, immediately.

(SPEAKER SHARKEY IN THE CHAIR.)

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Will the members please check the board to make sure your vote is properly cast?

If all the members are voted, the machine will be locked, and the Clerk will take a tally.

Will the Clerk please announce the tally.

THE CLERK:

Mr. Speaker, House Bill Number 6466.

Total Number Voting	143
Necessary for Passage	72
Those voting Yea	143
Those voting Nay	0
Absent and not voting	8

SPEAKER SHARKEY:

The bill is passed.

Will the Clerk please call Calendar Number 211.

THE CLERK:

Mr. Speaker, Page 25, House Calendar Number 211,

HB6529

S - 659

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2013**

**VOL. 56
PART 8
2153 - 2500**

Calendar 335, House Bill 6466, Calendar page nine,
Calendar 336, House Bill 6529, Calendar page nine,
Calendar 337, House Bill 5310 and Calendar page nine,
Calendar 338, House Bill 6313. Thank you, Madam
President.

THE CHAIR:

Thank you. Mr. Clerk, page eight.

THE CLERK:

On page eight, Calendar 335, House Bill 6466, AN ACT
CLARIFYING COLLATERAL REQUIREMENTS FOR APPLICANTS FOR
FINANCIAL ASSISTANCE FROM THE DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT AND CONNECTICUT INNOVATIONS,
INCORPORATED, favorable report of the Committee on
Commerce.

THE CHAIR:

Senator LeBeau.

SENATOR LeBEAU:

Good afternoon, Madam President.

THE CHAIR:

Good afternoon, Sir.

SENATOR LeBEAU:

I move acceptance of the joint committee's favorable
report and passage of the bill.

THE CHAIR:

The motion is on acceptance and passage. Will you
remark, Sir?

SENATOR LeBEAU:

Thank you, Madam President. This is a relatively
simple bill which clarifies that applicants seeking
grant funding assistance for any duration of time are
not provided to -- are not required to provide

collateral. And -- and essentially this codifies the existing practice of the Department of Economic and Community Development and Connecticut Innovations and therefore it has no fiscal impact. Thank you, Madam President.

THE CHAIR:

Will you remark further? Will you remark further?
Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam -- thank you, Madam President. I appreciate that. And thank you Senator LeBeau for your hard work on this bill. I do stand to raise a couple of concerns. I won't have any questions if you'd prefer to stay in your seat. However this is perhaps the byproduct of a combination of CDA and CI traditionally a lender of last resort or a lender in the more traditional sense, CDA, Connecticut Development Authority and CII which is Connecticut Innovations Inc. which is a more traditional venture capital outfit closely resembling I might add the private sector venture business. And we all know that in the venture business you're dealing with fledgling companies, oftentimes brand new startups and it would not be appropriate to ask for collateral in any sense. What that entity or individual would be doing is looking for equity participation in that company and that's the way business is done in that sector. On the more traditional loan side i.e. Connecticut Development Authority it -- it operates a lot like a private sector bank does. And banks to my knowledge don't offer loans without the requirement of collateral of some sort whether it's you know -- whether it's a claim on -- on some sort of fixed plant and equipment, receivables whatever the case might be they nearly always if not all the time ask for some sort of collateral requirement.

So with this merger between CDA and CDI I know that the different ways of conducting business may get a little entangled and a little bit confusing. One of my big concerns was that when you took those two boards and put them together you would end up with a more -- may be a little bit dysfunctional because you

have two very, very different functions coming from two very different cultural backgrounds intellectually and business experience wise and that that might lead to problems. I think that has been addressed.

I think we have a very good board of directors down there including our own Joe Calico from our neck of the woods who's doing a great job up there at CI. But again it -- it should not be -- it should not be the case that what we do is eliminate the institution's ability to ask for collateral requirements while doing a more traditional lending type financing transaction.

And the reasons for that are fairly obvious but to spend maybe just a couple of seconds on it, CDA is -- which is now part of CI was typically viewed as a lender of last resort. When you're a lender of last resort you by definition have to ask for something in return and that's usually collateral.

It's usually not cash flow because that's typically a problem for a company that's coming to a lender of last resort. And that's why I think it's appropriate for CI if they're doing a traditional lending type transaction whether it's short term or long term unless there are mitigating circumstances.

Maybe they're acquiring a biotechnology company that's a startup company and maybe they just don't have an appropriate amount of capital and they're being compensated in some other form, convertible subordinated debt, equity, whatever the case might be. That would more than suffice in my judgment. But if they're making a straight traditional loan to a company here in Connecticut I think it's only fair to ask for some sort of collateral in return. And that's my -- my only concern on this -- on this bill. Other than that I'm okay with it. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark? Will you remark?
Senator McKinney.

SENATOR MCKINNEY:

Thank you, Madam President. Madam President, I believe the Clerk is in possession of an amendment. That amendment is LCO number 7102. I ask that he please call the amendment.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO number 7102, Senate A offered by Senator McKinney.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Madam President. Madam President, I move adoption of the amendment and seek leave to summarize.

THE CHAIR:

Motion is on adoption. Will you remark, Sir?

SENATOR MCKINNEY:

Thank you, Madam President. Madam President, what this amendment does is it states that if there is an applicant for more than \$5 million of financial assistance from the Department of Economic and Community Development or Connecticut Innovations, that application for assistance -- again we're talking applications in excess of \$5 million, that application for assistance must show a commitment to take reasonable steps to contract with Connecticut businesses for any construction based portion of the projects.

So again we're talking about applicants for economic assistance from DECD or Connecticut Innovations. We're talking about Connecticut construction jobs and just the construction portion of the project.

Madam President, within the first year of the construction portion that these projects and annually

thereafter anyone who receives such financial aid in existence of \$5 million that has made the commitment to go out and take those reasonable steps to contract with Connecticut businesses shall make a report and file a report with the Department of Labor and the Department of Economic and Community Development. What they must issue in that report, Madam President, they must issue a description of the efforts undertaken by them to contract with Connecticut businesses for the construction related portion of the project.

They must also give a description of the efforts undertaken to encourage contracted businesses to hire Connecticut residents. Again so what we're talking about here is a business who's getting taxpayer dollars. We want that business getting taxpayer dollars to make an effort to hire Connecticut companies, not Massachusetts or Rhode Island or anywhere else. To hire Connecticut companies with respect to the construction portion of the business. We also want to know if when they hire the Connecticut companies if they've taken the steps to encourage and educate those companies about also hiring Connecticut subcontractors and employees from the State of Connecticut.

Imagine if you will that we're giving taxpayer dollars to a company to build a new office building for example and those taxpayer dollars are going to a Massachusetts company or to subcontractors who are hiring Massachusetts employees. That is I think not the optimum result we would want from our economic and community development. Again this isn't a mandate. This doesn't require them to do it.

It just requires them to take reasonable steps. Let me say that again. It doesn't require them to do that. It requires them in their application to commit to taking reasonable steps. I certainly don't think that's objectionable. Madam President, they also -- they also have to -- the names of the businesses who are contracted by the recipient to perform the construction related portion of the projects must also be included in the report to the Department of Labor and the Department of Economic and Community Development.

The number of Connecticut residents employed by the businesses must be included in the report. The percentage of such contracted businesses workforce that are composed of Connecticut residents must be included in the report. The report must also include the number of Connecticut residents employed by such contracted businesses on the project. And lastly the report must include the average wage and benefits paid to construction workers employed by such contracted businesses. Again Madam President, I think this is a good measure.

We've had a lot of debates about whether or not economic development assistance and this comes on the heel of perhaps some exercised remarks on my part last night. But -- but I think we all take seriously the fact that when we give money to companies who apply through the Department of Economic Community Development or Connecticut Innovations that's our -- that's the tax dollars, that's the hard working money of the people of the State of Connecticut.

And so what -- what this amendment says and I hope it has bipartisan support -- says that when you're going to construct something we'd like you to hire Connecticut businesses to construct it. We'd like the subcontractors to be Connecticut businesses. We'd like the employees who work for them to be Connecticut residents. It doesn't mandate it. It doesn't require it. But it says you got to take reasonable steps.

And then it says you need to report to us on what's happening. That report is not an overly burdensome or undue mandate. And Madam President, that is in sum the amendment. I'm sure the good Chair of the Commerce Committee is more than familiar with the amendment because it's a piece of legislation that has been around the Legislature. I don't think it's a piece of legislation that we should see get lost in the rush of the last weeks of session and I look forward to voting on it. And would ask when the amendment be taken it be taken by roll call. Thank you.

THE CHAIR:

Roll call vote will be taken. Senator LeBeau.

SENATOR LeBEAU:

Thank you, Madam President. And I'd like to -- through you, I'd like to thank Senator McKinney for his support of this amendment. And he well knows that conceptually I agree with -- I agree with the amendment. This is a -- I think word for word a bill that came out of the Commerce Committee. However as we've discovered over the last few days there are some issues that are being discussed about this bill with the leadership of the Senate, myself and interested parties and -- and the Governor's Office. And we're trying to -- to work out the problems and the -- the language on this bill.

It's not -- you know when I used to be in the House as you were, Madam President, Richard Balducci the former speaker would say the macaroni is cooked. This macaroni is still a little raw. It's a little al dente for those of us who like it that way. But it's -- this macaroni isn't cooked yet and because it's not I have to oppose this -- this amendment. I look forward to the point where I can join with Senator McKinney and actually pass this as a -- as a Senate bill. Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark? Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President. Madam President, I rise to support this amendment. Surprisingly so because typically in the past bills like this to me seemed a little bit more intrusive than necessary when a business is good and the economy is functioning well. However as we all know and we've been talking about this incessantly, the State of Connecticut is not in good shape. Its economy is not recovering well.

Our unemployment it's still near at eight percent as the country seems to be rebounding and the stock market seems to be rising and it appears that in fact even the federal reserve is thinking about cutting

back on QE3 and there are people that are amazed at that and they're concerned that maybe there's potential for interest rates rising at a historically (inaudible) where they are.

Even our housing sector in other parts of the country seems to be coming back as well. But not here in Connecticut. And in Connecticut we seem to be doing programs that in the past was attracting business and jobs from other states into Connecticut to augment our current job market. But right now it seems to be that a lot of our economic community dollars are going to instate companies either to keep them here in-state or to move them from one place to the other. So it does make more sense than ever for an amendment like this to be taken seriously now particularly because now we are concerned.

If we're spending State taxpayer dollars for instate companies to move employees around then by God we should be concerned about it employing Connecticut residents when our employment rate is so high. When you're attracting businesses from out of state it's typical that they bring a lot of their personnel with them and they would be typically from out of state or there is a particular strength or a particular technology or a particular skill that's not duplicable here. But right here at this point in time this amendment makes sense. And I can't see why there would be problems with this or that there has to be some negotiations around it because this is a bill that really is appropriate for our current economic situation. And I thank the good Minority Leader for bringing it forward. And thank you, Madam President.

THE CHAIR:

Thank you. Will you remark further? Senator Welch.

SENATOR WELCH:

Thank you, Madam President. I also rise in support of this amendment. I think that we all have at least one example in our minds of a very prominent contract that went out of state and that's the infamous New Britain to Hartford bus way and one of the early major contracts going to an out of state contractor. And I

know many people were disappointed in that. But that's just one example. And the reality is there's probably many more and we as a body, we as an institution, we as a State ought to have a better understanding as to what and how many projects are being awarded to out of state contractors.

Why is this so important? Well it's important for a number of reasons. One we want to make sure that our citizens are reaping the benefits of money that we award on contracts. And two if there's an environment that's better than our environment that allows a company's -- allows their companies to compete better than our companies can compete well then we ought to know that too and we ought to be looking at that state and those states policies to have a better understanding as to why their contractors can bid lower than our contractors for state projects. So for both of those reasons and more I will be supporting this amendment. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark? Will you remark?
Senator McKinney for the second time.

SENATOR MCKINNEY:

Thank you. Thank you, Madam President, for the second time. First let me -- let me state that I don't question Senator LeBeau's commitment to this -- this issue. We've had some discussions very recently about it. I thank him for those discussions. I would at least clarify his statement though that there are discussions between Senate leadership and the Governor's Office. There is discussion with the Democratic Senate leadership and the Governor's Office. I've not been contacted and sadly I don't know that anyone on our side of the aisle has been contacted. I think there is a great opportunity for bipartisan cooperation here and I wish we could engage in that.

And lastly, Madam President, I think Senator Welch said it so well I want to repeat what he said. This does not require these companies to hire Connecticut contractors or Connecticut workers. And there have

been controversies, the bus ways and others. And -- and I've had constituents say this is -- you know this is crazy. We're giving them all this government money and when they go out to bid they end up hiring a Massachusetts company or a company from another state. And why shouldn't it be a Connecticut company.

Well if we're going to have a fair bidding process and say a Massachusetts company comes in 20, 25 percent lower than the next highest lowest bidding Connecticut company do we want the taxpayers to foot that extra 20, 25 percent cost increase just to get a Connecticut company? That's a -- that's a pretty interesting policy debate because then you have to ask the question well is a Massachusetts company hiring Connecticut employees or Massachusetts employees because then if it's Massachusetts employees then you have a lot of tax dollars going to the Bay State and not as much coming to Connecticut.

Yet optimally we do want the Connecticut companies to be the ones that win the contracts and we need to know why they're not. And I think Senator Welch said it right. If we continue to go out to bid and we continue to find that the -- the fairest and lowest bids are not Connecticut companies we need to find out why that is. Maybe it's our regulatory environment. Maybe it's our insurance mandates. Maybe it's high taxes. It could be anything, many things that I'm not even mentioning. But we need to know that.

That's why this information and report is so important. I -- I do have a suspicion that one of the reasons why this may not be the favored bill of the administration is that the report would show that a lot of this work is going to companies out of state. And -- and that would highlight the fact that Connecticut is not as competitive or is not as open for business as some people are saying it is. And so that's why this is an important bill. It does not require them to hire the Connecticut businesses but it does require them to make a commitment and reasonable efforts to try and then to issue a report so we can all find out what's happening.

Hundreds of millions of dollars are going out the door every year to these projects. We ought to have all of

the information. All of the information about how every penny of every dollar is spent. How it's spent, who it's spent on, who it's spent by because these are taxpayer dollars. And that's why this is so important. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark? Will you remark? If not, Mr. Clerk, will you call for a roll call vote. The machine will be opened.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the Chamber. Immediate roll call on Senate A ordered in the Senate.

THE CHAIR:

Senator Meyer, your vote please. Thank you.

Have all members voted? If all members have voted the machine will be closed. Mr. Clerk, will you please tell us -- call the tally.

THE CLERK:

Senate Amendment A for House Bill 6466.

Total Number Voting	36
Necessary for Adoption	19
Those voting Yea	15
Those voting Nay	21
Those absent and not voting	0

THE CHAIR:

The amendment fails. Will you remark further? Will you remark further? Senator Linares.

SENATOR LINARES:

Thank you. Thank you, Madam President. I rise for the purpose of an amendment.

THE CHAIR:

Please proceed, Sir.

SENATOR LINARES:

Thank you, Madam President. Would Clerk -- would the Clerk please call LCO number 7221.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO number 7221, Senate B offered by Senator Linares.

SENATOR LINARES:

Thank you, Madam.

THE CHAIR:

Senator Linares.

SENATOR LINARES:

Thank you, Madam President. I move the amendment and seek to summarize.

THE CHAIR:

The motion is on adoption of the amendment. Will you proceed, Sir?

SENATOR LINARES:

Yes, Madam President. And I would like a roll call vote on this amendment as well.

THE CHAIR:

A roll call vote will be taken.

SENATOR LINARES:

Excellent. This amendment would basically allow any taxpayer -- it's very simple, any taxpayer who is

interested in donating money to a local community college for the purpose of a student receiving a certificate related to manufacturing, would allow that taxpayer a ten percent -- ten percent tax credit on the total contribution so long as that contribution meets our -- is above the minimum of \$2,500. The purpose is to encourage donations to local community colleges and to encourage students to enter into the manufacturing industry to learn and to increase job growth in the State of Connecticut. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark? Will you remark?
Senator -- Senator Witkos.

SENATOR WITKOS:

Thank you, Madam President. I rise in strong support of the amendment. Around the circle we've talked about trying to enhance our manufacturing that we're looking for more and more workers in that field. And as we know as the economy -- we struggle in our economy the admissions to our community college systems as we meet with the -- the presidents are just burgeoning at the seams because we have so many folks going to community colleges. And maybe some of those reasons are for purely economic reasons.

So anytime that we give our students of all ages that attend community college the ability to receive additional financial assistance while providing a meager ten percent tax credit if you will for somebody who makes a donation over \$2,500 as the good Senator from the 33 District had brought up. I think it's a good thing for our State. And I urge the Chamber's adoption of the amendment. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark further? Senator LeBeau.

SENATOR LeBEAU:

Thank you, Madam President. I'd like to ask a few questions to the proponent of the amendment.

THE CHAIR:

Please proceed, Sir.

SENATOR LINARES:

Thank you, Madam President.

SENATOR LeBEAU:

Good afternoon, Senator. How are you today? :

SENATOR LINARES:

Excellent. How are you?

THE CHAIR:

Through me, Sir.

SENATOR LINARES:

Oh, through you.

SENATOR LeBEAU:

Through you -- through you, Madam President, how is the good Senator?

THE CHAIR:

He looks fine.

SENATOR LeBEAU:

Good. He does look fine. Thank you. Let me just ask a direct question on this, Senator. How are we going to pay for this?

THE CHAIR:

Senator Linares.

SENATOR LINARES:

Well thank you for the question good Senator. I think the purpose of -- the ultimate purpose of this amendment would be to create jobs in the private sector and ultimately have more jobs in the private sector. I believe more revenue coming into the State would add more taxpayers would be the purpose. Thank you, Madam President. Through you.

THE CHAIR:

Senator LeBeau.

SENATOR LeBEAU:

Thank you, Madam President. And thank you, Senator for that answer. Unfortunately I think you're talking about a scholarship which would be a long time in before we had any payoff on that so it certainly wouldn't pay itself off in the same fiscal year that we're talking about paying for it which would be -- which would start on July 1.

So I have to oppose this amendment on the grounds that there are no funds to pay for it. It's not in the budget. And that although it may have merit I don't -- I don't know whether this bill -- this was heard as a bill either. It certainly has -- has an interesting idea. I'd like to look at it I think probably the Higher Education Committee should be looking at it specifically because I don't think it really relates to -- although in the end it would help create I don't think it's specifically a -- a jobs bill. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark? Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President. I stand in firm support of the amendment before us. Senator Linares has what I believe is a unique idea to engage Connecticut citizens in a scholarship program for manufacturing students. You know the Naugatuck Valley Community College has a terrific new manufacturing program.

There are others in this State. But this program is bringing to Connecticut employers qualified future employees.

And the idea that Senator Linares has here will fit very well with the students at Naugatuck Valley Community College. I know that there are several students that are my constituents in that school that are struggling to pay for their education. And having new scholarship opportunities would be a terrific idea and I applaud Senator Linares's effort. Thank you, Mr. President.

(Senator Duff in the Chair.)

THE CHAIR:

Thank you, Senator. Senator Welch.

SENATOR WELCH:

Thank you, Mr. President. I also rise to support this amendment. This is a great concept. I'm ashamed I didn't think of it myself. I've been one upped by the young Senator here but I think that probably bodes well for his career if he keeps coming up with great ideas like this. I think most of our communities are supported by -- by community colleges. Tunxis is one that serves the 31st and we obviously have a -- a strong and excellent rich in history manufacturing base in the 31st.

But one of the things I think we're all experiencing is a rise in cost of education and that's not just at educations like -- or excuse me, institutions like the University of Connecticut but we're also starting to see it in community colleges. So this would be an excellent way to make sure that we are providing for those who want to better themselves, who want to meet the needs of the workforce because even in these times of high unemployment we still have needs. And unfortunately we are not meeting those needs because we are not adequately training our workforce. So I rise to support this amendment and I would urge the Chamber's support as well. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator. Will you remark further on the amendment? Will you remark further on the amendment? If not, Mr. Clerk, please announce pendency roll call vote. The machine will be opened.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the Chamber. Immediate roll call on Senate B ordered in the Senate.

Immediate roll call ordered in the Senate. Senate Amendment Schedule B. Senators please return to the Chamber.

THE CHAIR:

Have all members voted? If all members have voted please check the board to make sure your vote is accurately recorded. If all members have voted the machine will be locked. The Clerk will announce the tally.

THE CLERK:

Senate Amendment Schedule B for House Bill 6466.

Total Number Voting	36
Necessary for Adoption	19
Those voting Yea	14
Those voting Nay	22
Those absent and not voting	0

THE CHAIR:

Amendment fails. Will you remark further on the bill? Will you remark further on the bill? If not -- Senator LeBeau? No. Take a roll call vote. Mr. Clerk, please announce the pendency of a roll call vote. The machine will be opened.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the Chamber. Immediate roll call ordered in the Senate.

THE CHAIR:

Have all members voted? If all members have voted please check the board to make sure vote is accurately recorded. If all members have voted the machine will be closed and the Clerk will announce the tally.

THE CLERK:

House Bill 6466.

Total Number Voting	36
Necessary for Adoption	19
Those voting Yea	22
Those voting Nay	14
Those absent and not voting	0

THE CHAIR:

Bill passes. Mr. Clerk.

THE CLERK:

On page nine, Calendar 336, House Bill number 6529, AN ACT INTEGRATING MUNICIPLATIES INTO THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT ELECTRONIC BUSINESS PORTAL, favorable report of the Committee on Commerce.

THE CHAIR:

Senator LeBeau.

SENATOR LeBEAU:

Good afternoon, Mr. President.

THE CHAIR:

Good afternoon, Sir.

SENATOR LeBEAU:

I move acceptance of the joint committee's favorable report and passage of the bill.

THE CHAIR: