

# TRANSFORM CONNECTICUT

2023 Policy Solutions



transform > CT

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# LETTER FROM THE CHAIR & PRESIDENT

**F**rom workforce shifts to supply chain strategies to new innovations, Connecticut's economy was fundamentally changed by COVID-19.

As we enter the fourth year of the pandemic, businesses across the state have rewritten their operational playbooks.

They weathered the crisis and embraced disruption by finding opportunities, such as deglobalization and reshoring, technology, and elevating corporate responsibility by making environmental, social, and governance issues a strategic priority.

And now we must take a page from businesses and realize the enormous opportunities our changed world offers.

Connecticut's fiscal health has not been this robust in decades, with record budget surpluses and a maxed-out rainy day fund.

That stable fiscal picture provides a foundation that allows us to unlock Connecticut's tremendous economic potential.

However, that means taking a hard look at our challenges and embracing meaningful change.

Soaring inflation, supply chain disruptions, the state's high cost of living, and the labor shortage crisis remain significant threats to our economic growth.

There are nearly 100,000 job openings in the state, while 85% of employers experience difficulties finding and retaining employees.

The jobs are there. What employers need are the workers to fill those jobs.

CBIA's 2023 Transform Connecticut policy solutions target those challenges, opening doors to opportunity for all communities and residents—tackling the high costs of living and running a business, implementing pathways to rewarding careers, and leveraging the state's many strengths to make our economy more vibrant, robust, and equitable.

These solutions, supported by a bipartisan group of 84 lawmakers—almost half the General Assembly—and a growing coalition of businesses and organizations, are specifically designed to:

- ▶ **Lower** the state's cost of living

- ▶ **Develop and provide** more housing options
- ▶ **Help** residents struggling with student loans
- ▶ **Remove** workforce barriers, including the sales tax on training programs and occupational licensing restrictions
- ▶ **Access** hidden sources of talent such as legal immigration
- ▶ **Ease** the tax burden on small businesses and incentivize investment
- ▶ **Promote** Connecticut as a destination for businesses large and small

Transforming Connecticut demands innovative, creative ideas and broad

collaboration among all stakeholders, public and private sector alike.

Let's work together to build on the momentum of the last few years and develop a sustainable, opportunity economy that benefits all.

**Matt McSpedon**

Chair, CBIA Board of Directors

**Chris DiPentima**

President & CEO, CBIA

BY THE NUMBERS

# Tracking Connecticut's Economy

12-MONTH

Job Growth

**+2.2%**

U.S. Rank #40

NOVEMBER 2022

COVID  
Recovery

**91%**

U.S. 105%

NOVEMBER 2022

Unemployment

**4.2%**

U.S. Rank #41

OCTOBER 2022

Job Openings

**97,000**

Monthly Change -11.8%

NOVEMBER 2022

Labor  
Participation

**64.3%**

U.S. Rank #16

Q3 2022

Cost of Living

**115.4**

U.S. Rank #42

Q3 2022

GDP  
**+2.5%**

U.S. Rank #26

Q3 2022

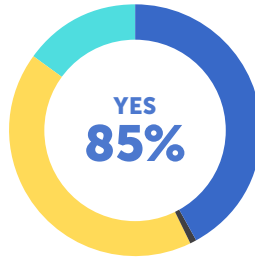
Personal  
Income

**+4.9%**

U.S. Rank #25

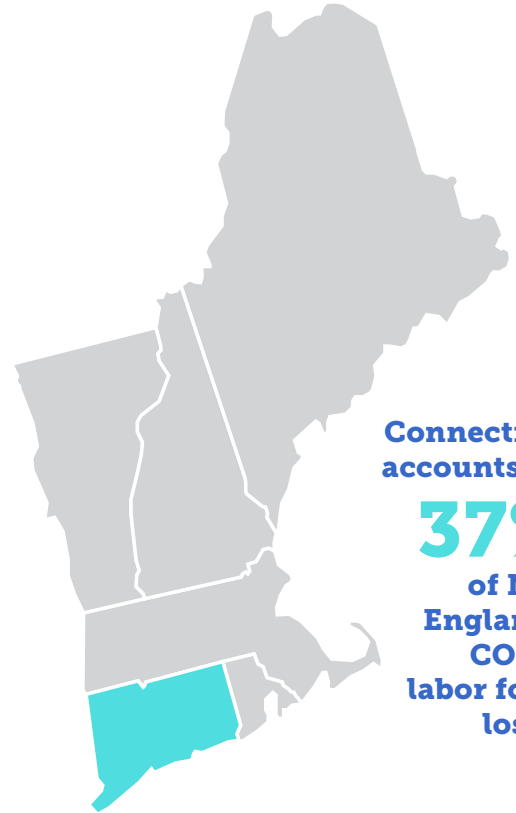
## WORKFORCE DEVELOPMENT

- ▶ **Reduce the number of years** for transferability of out-of-state occupational licenses from three years to one year.
- ▶ **Determine the feasibility** of public universities using H1-B cap exempt visas to promote workforce development, using the Massachusetts model as a guide for filling in-demand jobs (as recommended by the Governor’s Workforce Council’s strategic plan).
- ▶ **Reduce the cost of developing** the workforce of the future by eliminating the sales tax on training programs.



### Is it difficult to find and/or retain workers?

- Finding only (42%)
- Retaining only (1%)
- Both (42%)
- No difficulty (15%)

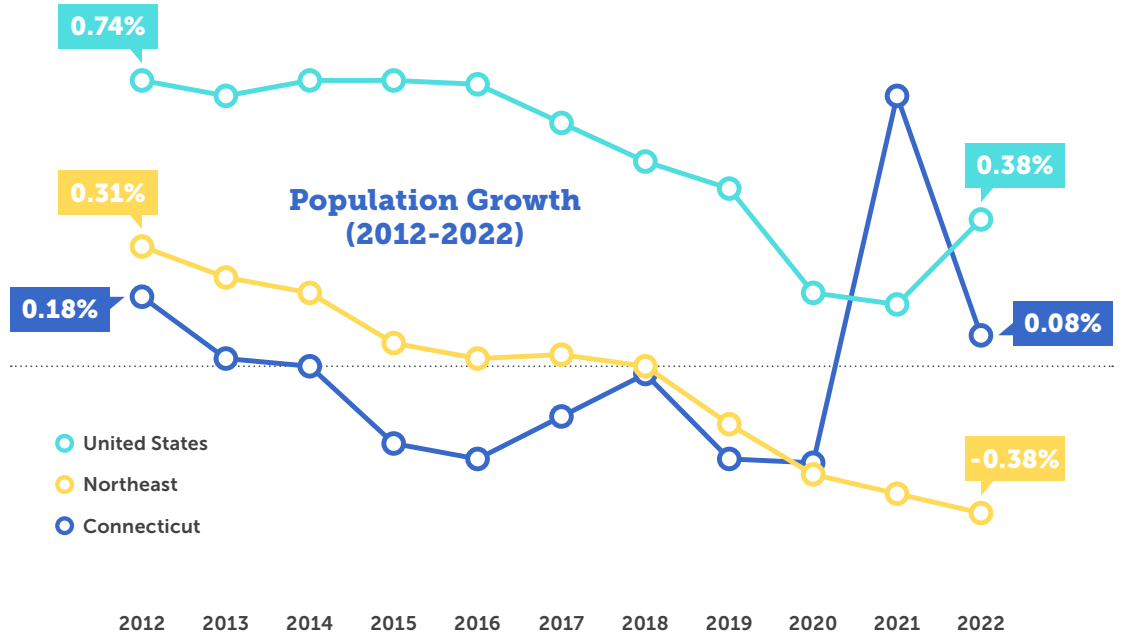


**Connecticut accounts for 37% of New England’s COVID labor force losses**

Sources: U.S. Bureau of Labor Statistics; CBIA/Marcum 2022 Survey of Connecticut Businesses

## COST OF LIVING

- ▶ **Help residents struggling with student loans** by incentivizing employers to provide employees with loan or tuition reimbursement.
- ▶ **Incentivize developers and municipalities** to build workforce housing on former brownfield sites and in opportunity zones.



# COST OF DOING BUSINESS

- ▶ **Make it easier for small businesses** to access and provide affordable health insurance options for employees.
- ▶ **Promote electric grid reliability and energy affordability** by ramping up and optimizing the commercial and industrial energy storage solutions battery incentive program.

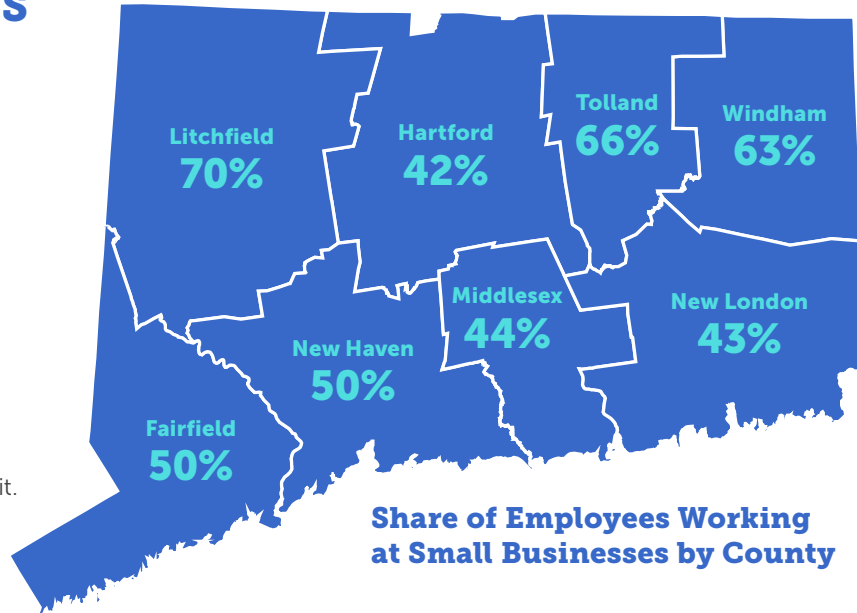
2022  
**AMERICA'S TOP STATES FOR BUSINESS**  
**CONNECTICUT**

RANK	CATEGORY	GRADE	RANK	CATEGORY	GRADE
8	Education	B+	26	Access to Capital	C-
11	Business Friendliness	B	39	Infrastructure	D
14	Workforce	B	43	Cost of Living	F
17	Life, Health & Inclusion	C	45	Cost of Doing Business	D
25	Technology & Innovation	C+	47	Economy	F

Source: CNBC's America's Top States for Business 2022

## SMALL BUSINESS RELIEF

- ▶ **Restore the pass-through entity tax credit** to its original level, returning more than \$53 million that struggling small businesses can use to invest and grow.
- ▶ **Promote the development** of new products and create a level playing field for small businesses by allowing them to take advantage of the R&D tax credit.
- ▶ **Preserve our efficient workers' compensation system** by encouraging prompt return to work and streamlining dispute resolutions, while providing fair benefits and high-quality care.



**Share of Employees Working at Small Businesses by County**

**360,127**  
small businesses  
in Connecticut

**99.4%**  
of Connecticut  
businesses

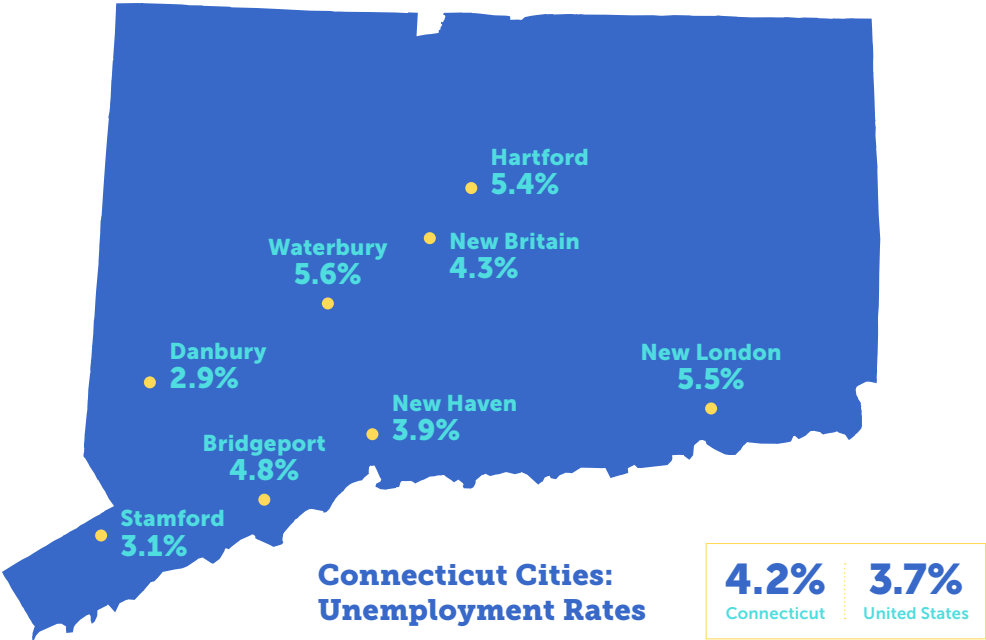
**741,920**  
small business  
employees

**48.2%**  
of Connecticut  
employees



# INVESTMENT

- ▶ **Make necessary investments** in the state’s unemployment trust fund to address pandemic solvency issues and protect against future recessions.
- ▶ **Support economic growth and job creation** by protecting intellectual property and promoting early- and mid-stage private and public investment in the life sciences and medical device sectors.
- ▶ **Incentivize business investment** by extending net operating loss carry forwards from 20 to 30 years.



Source: Connecticut Department of Labor



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# POLICY PLEDGES

The following members of the General Assembly—a bipartisan group representing both major political parties—signed the Transform Connecticut pledge prior to the 2023 legislative session.

In signing the pledge, they support policy solutions that address the worker shortage crisis—policies designed to transform the state for the long-term by building a sustainable opportunity economy that emphasizes affordability, meaningful careers, and a positive business climate.

## STATE SENATE

State Senator	Towns Represented
<b>Eric Berthel (R-Watertown)</b>	Bethel, Bethlehem, Bridgewater, Brookfield, Middlebury, Oxford, Roxbury, Seymour, Southbury, Washington, Watertown, Woodbury
<b>Jorge Cabrera (D-Hamden)</b>	Ansonia, Beacon Falls, Bethany, Derby, Hamden, Naugatuck, Woodbridge
<b>Paul Cicarella (R-North Haven)</b>	Durham, East Haven, North Branford, North Haven, Wallingford
<b>Christine Cohen (D-Guilford)</b>	Branford, Durham, East Haven, Guilford, Killingworth, Madison, Middlefield, North Branford
<b>Jeff Gordon (R-Woodstock)</b>	Ashford, Chaplin, Coventry, Eastford, Ellington, Hampton, Stafford, Thompson, Tolland, Union, Vernon, Willington, Woodstock
<b>Stephen Harding (R-Brookfield)</b>	Bethlehem, Brookfield, Canaan, Cornwall, Goshen, Kent, Litchfield, Morris, New Fairfield, New Milford, North Canaan, Salisbury, Sharon, Sherman, Torrington, Warren, Washington, Winchester
<b>Joan Hartley (D-Waterbury)</b>	Middlebury, Naugatuck, Waterbury
<b>Henri Martin (R-Bristol)</b>	Bristol, Harwinton, Plainville, Plymouth, Thomaston
<b>Cathy Osten (D-Baltic)</b>	Columbia, Franklin, Hebron, Lebanon, Ledyard, Lisbon, Marlborough, Montville, Norwich, Sprague
<b>Lisa Seminara (R-Avon)</b>	Avon, Barkhamsted, Canton, Colebrook, Granby, Hartland, Harwinton, New Hartford, Norfolk, Simsbury, Torrington
<b>Heather Somers (R-Mystic)</b>	Griswold, Groton, North Stonington, Plainfield, Preston, Sterling, Stonington, Voluntown

## STATE HOUSE

State Representative	Towns Represented
<b>Tim Ackert (R-Coventry)</b>	Bolton, Columbia, Coventry, Lebanon, Tolland
<b>Raghib Allie-Brennan (D-Bethel)</b>	Bethel, Danbury
<b>Christopher Aniskovich (R-Clinton)</b>	Clinton, Killingworth, Westbrook
<b>Jill Barry (D-Glastonbury)</b>	Glastonbury
<b>Mitch Bolinsky (R-Newtown)</b>	Newtown
<b>Pat Boyd (D-Pomfret)</b>	Brooklyn, Eastford, Hampton, Mansfield, Pomfret, Woodstock
<b>Seth Bronko (R-Naugatuck)</b>	Naugatuck
<b>Bill Buckbee (R-New Milford)</b>	New Milford
<b>Patrick Callahan (R-New Fairfield)</b>	Danbury, New Fairfield, New Milford, Sherman
<b>Vincent Candelora (R-North Branford)</b>	Durham, East Haven, Guilford, North Branford

State Representative	Towns Represented
<b>Devin Carney (R-Old Lyme)</b>	Lyme, Old Lyme, Old Saybrook, Westbrook
<b>Christie Carpino (R-Cromwell)</b>	Cromwell, Portland
<b>Jay Case (R-Winsted)</b>	Colebrook, Torrington, Winchester
<b>Rachel Chaleski (R-Danbury)</b>	Danbury
<b>Holly Cheeseman (R-Niantic)</b>	East Lyme, Montville, Salem
<b>Robin Comey (D-Branford)</b>	Branford
<b>Julio Concepcion (D-Hartford)</b>	Hartford
<b>Michelle Cook (D-Torrington)</b>	Torrington
<b>Francis Cooley (R-Plainville)</b>	Farmington, Plainville, Southington
<b>Laura Dancho (R-Stratford)</b>	Stratford
<b>Lucy Dathan (D-New Canaan)</b>	New Canaan, Norwalk
<b>Mark DeCaprio (R-Lebanon)</b>	Bozrah, Colchester, Franklin, Lebanon

State Representative	Towns Represented
<b>Tom Delnicki (R-South Windsor)</b>	South Windsor
<b>Mike Demicco (D-Farmington)</b>	Farmington
<b>Keith Denning (D-Wilton)</b>	New Canaan, Ridgefield, Wilton
<b>Michael DiGiovancarlo (D-Waterbury)</b>	Waterbury
<b>Jason Doucette (D-Manchester)</b>	Glastonbury, Manchester
<b>Charles Ferraro (R-West Haven)</b>	Milford, Orange, West Haven
<b>Marty Foncello (R-Brookfield)</b>	Bethel, Brookfield, Newtown
<b>Jaime Foster (D-Ellington)</b>	East Windsor, Ellington, Vernon
<b>Jane Garibay (D-Windsor)</b>	Windsor, Windsor Locks
<b>Bob Godfrey (D-Danbury)</b>	Danbury
<b>Joe Gresko (D-Stratford)</b>	Stratford
<b>Irene Haines (R-East Haddam)</b>	East Haddam, East Hampton, Salem
<b>Carol Hall (R-Enfield)</b>	East Windsor, Enfield

State Representative	Towns Represented
<b>Rick Hayes (R-Putnam)</b>	Killingly, Putnam, Thompson
<b>Maria Horn (D-Salisbury)</b>	Canaan, Cornwall, Goshen, Kent, Norfolk, North Canaan, Salisbury, Sharon, Torrington
<b>Greg Howard (R-Pawcatuck)</b>	Ledyard, North Stonington, Stonington
<b>Eleni Kavros DeGraw (D-Avon)</b>	Avon, Canton
<b>Kathy Kennedy (R-Milford)</b>	Milford, Orange
<b>Rachel Khanna (D-Greenwich)</b>	Greenwich, Stamford
<b>David Labriola (R-Oxford)</b>	Naugatuck, Oxford, Southbury
<b>Liz Linehan (D-Cheshire)</b>	Cheshire, Hamden, Wallingford
<b>Tracy Marra (R-Darien)</b>	Darien, Norwalk
<b>Cristin McCarthy Vahey (D-Fairfield)</b>	Bridgeport, Fairfield
<b>Kathleen McCarty (R-Waterford)</b>	Montville, Waterford
<b>Ben McGorty (R-Shelton)</b>	Shelton, Stratford, Trumbull

State Representative	Towns Represented
<b>Stephen Meskers (D-Old Greenwich)</b>	Greenwich
<b>Mary Mushinsky (D-Wallingford)</b>	Wallingford
<b>Ron Napoli Jr. (D-Waterbury)</b>	Waterbury
<b>Tammy Nuccio (R-Tolland)</b>	Ashford, Tolland, Vernon, Willington
<b>Tom O’Dea (R-New Canaan)</b>	Darien, New Canaan, Stamford
<b>Melissa Osborne (D-Weatogue)</b>	Simsbury
<b>Al Paolillo Jr. (D-New Haven)</b>	New Haven
<b>Corey Paris (D-Stamford)</b>	Stamford
<b>John-Michael Parker (D-Madison)</b>	Durham, Madison
<b>Cara Pavalock-D’Amato (R-Bristol)</b>	Bristol
<b>Joe Polletta (R-Watertown)</b>	Waterbury, Watertown
<b>Chris Poulos (D-Plantsville)</b>	Southington
<b>Karen Reddington-Hughes (R-Woodbury)</b>	Bethlehem, Litchfield, Morris, Warren, Woodbury

State Representative	Towns Represented
<b>Geraldo Reyes (D-Waterbury)</b>	Waterbury
<b>Jason Rojas (D-East Hartford)</b>	East Hartford, Manchester
<b>Dave Rutigliano (R-Trumbull)</b>	Trumbull
<b>Farley Santos (D-Danbury)</b>	Danbury
<b>Tony Scott (R-Monroe)</b>	Easton, Monroe, Trumbull
<b>Travis Simms (D-Norwalk)</b>	Norwalk
<b>Jonathan Steinberg (D-Westport)</b>	Westport
<b>Gary Turco (D-Newington)</b>	New Britain, Newington
<b>Derell Wilson (D-Norwich)</b>	Norwich
<b>Kerry Wood (D-Rocky Hill)</b>	Rocky Hill, Wethersfield
<b>David Yaccarino (R-North Haven)</b>	North Haven
<b>Tami Zawistowski (R-East Granby)</b>	East Granby, Suffield, Windsor Locks
<b>Lezlye Zupkus (R-Prospect)</b>	Bethany, Cheshire, Prospect, Waterbury

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