

APPENDIX B-24: CONNECTICUT



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CEO Confidence	32
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Overview

Connecticut boasts an increasingly diverse economy and a rich cultural heritage. The state's geography stretches from maritime villages to the bustling business centers of Fairfield County, where a large number of *Fortune* 500 companies make their headquarters. Connecticut continues to view itself as very strong economically.

The fundamentals of its economy: ranked first in the nation in per capita income, in constant dollars, by the US Census Bureau at \$42,104. New Jersey followed Connecticut and Massachusetts at \$ 38,333.¹ While defense and insurance are still hallmarks of companies located in the state, bioscience, software, photonics, pharmaceuticals, medical technology, and tourism have emerged in the areas of commercial and industrial growth. Foreign exports have risen steadily, and today Connecticut companies embark in trade with more than 170 countries worldwide.²

The 20th *Development Report Card for the States* recently used 67 measures to provide a state-by-state assessment of economic development. They assigned grades in three areas: Performance (economic climate for a wage-earner), Business Vitality (economic climate for a business), and Development Capacity (how a state is positioned for the future). The top performers in 2007 were Connecticut and Delaware, the only states to earn straight "A's". Five other states, Colorado, Massachusetts, Minnesota, Utah, and Wisconsin, joined them on the "honor roll" by earning all "A's" and "B's".

In its 2007 ranking of states on a scale of 1-50 (with a ranking of one being the best), *Forbes* listed Connecticut as the 31st best state to do business, down three points from last year's ranking. Below are the comprehensive rankings that factored into *Forbes'* overall listing:

¹ "Personal Income Capital." *State Rankings: Statistical Abstract of the United States*. 1 Feb. 2006. U.S. Census Bureau. <http://www.census.gov/statab/ranks/rank29.html>

² Corporation For Enterprise Development (CFED). *2007 Overview: Development Report Card For The States*. http://www.cfed.org/imageManager/DRC /drc_2007/2007_drc_4_pager.pdf

Connecticut's <i>Forbes</i> Rankings	
Overall Rank	31
2006 Rank	28
Business Costs Rank	44
Labor Rank	8
Regulatory Environment Rank	40
Economic Climate Rank	37

Public Policy

The "State Competitiveness Report (SCR) 2007,"³ a study by the Beacon Hill Institute ranks a state's ability to produce high income, and generally a better quality of life for its citizens. The rankings compare all the states and rank them 1-50 (with a rating of one being the best). In this study Connecticut received a mediocre rank of 25th. Connecticut's ranking in the SCR was largely due to its dismal ranking of 40th in the category of government and fiscal policy.

In August of this year, Governor M. Jodi Rell touted legislation establishing a Responsible Growth Task Force to help guide the state's economic development decision and study state land use laws, policies, and programs.⁴

"We are charting a new, anti-sprawl course for Connecticut," Governor Rell said. "From bond projects to state and federal grant dollars, we want to be certain that public funds for economic development are being spent with responsible growth in mind. Responsible growth policy is now real in Connecticut, and my commitment has never been stronger."

"With this law, we will have at long last real planning throughout Connecticut. Real planning that makes sure that housing developments provide ready access to passenger rail and bus service. Economic growth planning that coordinates the work of our state agencies in the areas of transportation, housing, public health and work force development. Planning that promotes roadway design supporting state and local economic development while preserving the character as well as the walk ability of our communities."

"My goal is to create more attractive, livable, economically strong communities while protecting our natural resources. This law creates a responsible growth panel which will make sure that capital projects are consistent with our statewide plan of conservation and development."

³ David Tureck, Jonathan Haughton, Frank Conte, and Christopher Doyon. *State Competitiveness Report 2007*. Boston: Beacon Hill Institute for Public Policy Research at Suffolk University, 2007. 22. <http://www.beaconhill.org/Compete07/Compete2007State.pdf>.

⁴ "An Act Concerning Responsible Growth" HB 7090: Connecticut. General Assembly. Planning and Development Committee. <http://www.cga.ct.gov/2007/SUM/2007SUM00239-R01HB-07090-SUM.htm>

The 19-member task force consists of 11 agency heads or their designees, six legislatively appointed members and two members appointed by the Governor. The agencies of the Office of Policy and Management (OPM), the Connecticut Housing Finance Authority, the Connecticut Development Authority, Connecticut Innovations Inc., the Commission on Culture and Tourism, the Office of Workforce Competitiveness and the departments of Agriculture, Economic and Community Development, Environmental Protection, and Public Health and Transportation are all represented on the task force.⁵

The top six legislative leaders each appoint one task force member. The governor appoints two task force members, one being a current or former chief elected official or city or town manager from a municipality with a population in excess of 25,000 and one from a municipality with a population of less than 25,000. The Office of Personnel Management (OPM) secretary or his designee will serve as the chair.⁶

Under the legislation the task force has a deadline of February 15, 2008 to identify responsible growth criteria and standards to guide the State's future investment decisions and submit recommendations to the governor.

By July 1, 2009, in consultation with other agencies, the Department of Economic and Community Development is to create a strategic plan assessing and evaluating the economic development challenges and opportunities for Connecticut. The project will be compared with other states and the region. Also, the plan should include a vision for the future.

The Responsible Growth law also establishes a regional performance incentive program, which encourages regional planning to incorporate compact, transit-accessible, pedestrian-oriented, mixed-use development patterns. The program encourages regional planning authorities to submit proposals to OPM, demonstrating services which may increase the participating municipalities' purchasing power or provide a cost savings that, in turn, leads to lower property taxes.

The bill additionally requires consistency with the plan of Conservation and Development when any state agency authorizes spending more than \$200,000 in state or federal funds on a grant for acquisitions or developments.

Under Governor Rell's leadership, the state has strengthened its Plan of Conservation and Development and requirements for regional and local planning. Governor Rell recently proposed an energy program, "One Thing", emphasizing efficiency and renewal sources that are compatible with the goals of responsible growth.⁷

⁵ "An Act Concerning Responsible Growth."

⁶ "An Act Concerning Responsible Growth."

⁷ Jodi Rell. "Governor Rell Unveils New Statewide Energy Cost Savings Conservation Campaign: 'One Thing.'" Office of the Governor. 11 Jul. 2007

<http://www.ct.gov/governorrell/cwp/view.asp?Q=386122&A=2791>

Regulatory Affairs

Forbes ranks Connecticut as one of the worst regulatory environments in the nation. The state is ranked 40th out of 50 states.⁸ Regionally, Connecticut ranks in the middle of the New England states with New York at 20th, Massachusetts at 29th, and Vermont at 35th. Connecticut ranks higher than New Hampshire at 42nd, Maine at 46th, and Rhode Island at 49th all of who have a worse regulatory environment.

Amid projects, a nearly \$1 billion state budget surplus for the 2007 fiscal year and with a similar amount tucked into Connecticut's Rainy Day Fund, state lawmakers and Governor Rell agreed during this past June's special session on a \$36 billion, two-year budget. While the budget bills fund important initiatives such as education, health care, Brownfield remediation, energy, and housing, the state's spending cap has exceeded in the first year. The new budget does not, however, include any major tax increases.⁹

This year, lawmakers in Connecticut also enacted a measure to further encourage the film industry and created incentives for rehabilitating historic property used for commercial and residential purposes.¹⁰

Initially, both the governor and the majority in the Appropriations Committee supported changing the state income tax, as well as other taxes, in an effort to bring in additional revenues. Most of the proposed tax changes did not pass. While taxes on cigarettes were increased by 33%, to \$2 per pack, lawmakers were persuaded not to increase the state's personal income tax, sales tax, or corporate income tax.

After identifying energy as a priority subject for this year's session, lawmakers eventually approved a wide-ranging energy bill that addresses many of the concerns of the business community. The legislation calls for a long-term energy plan for the state and focuses on both helping Connecticut consumers become more efficient energy users and ensuring that consumers have access to adequate, stable and affordable energy resources.¹¹

Another bill establishes the Responsible Growth Task Force to identify responsible-growth criteria to help guide future state investments and to study land use laws.

A package of health care reform measures was passed that included several measures consistent with some of the business community's priorities for health care.

⁸ Kurt Badenhausen. "Special Report: The Best States for Business." *Forbes Magazine*. July, 2007.
http://www.forbes.com/business/2007/07/10/washington-virginia-utah-biz-cz_kb_0711bizstates.html

⁹ Jodi Rell. "Budget Highlights: Fiscal Years 2008-2009": Office of the Governor. 6 Jul. 2007.
<http://www.ct.gov/governorrell/cwp/view.asp?a=1809&q=385538>

¹⁰ Jodi Rell. "Governor Rell Travels To Film Set To Celebrate Expansion Of Film Tax Credits In Connecticut." Office of the Governor.
<http://www.ct.gov/governorrell/cwp/view.asp?A=2791&Q=391526>

¹¹ Jodi Rell. "Governor Rell Announces New Energy Initiatives." Office of the Governor. 5 Feb. 2007.
<http://www.ct.gov/governorrell/cwp/view.asp?A=2791&Q=331968>

After two years of approving substantial investments to upgrade Connecticut's transportation infrastructure – including \$1.3 billion in 2005 and \$2.3 billion in 2006 — lawmakers this year considered more modest proposals to keep the momentum going.¹²

Tax Policy

Connecticut has some of the highest tax rates in the country. The State Business Tax Climate (SBTC) is a tool for lawmakers and the media to compare the states' tax policies (with a ranking of one being best). In this index Connecticut placed 38th out of 50.¹³ The index particularly criticized the state's property taxes which placed dead last among all states.¹⁴ Meanwhile, the 2007 Small Business Survival (SBS) index rates a state's public policies according to how friendly a state is toward entrepreneurial activity. In that study the state also placed 38th out of all states and the District of Columbia.¹⁵ The SBS study particularly gave Connecticut exceptionally low marks in property tax with a ranking of 44th and gas tax at 50th.¹⁶

The state's Department of Economic and Community Development lists the following as Connecticut's many tax incentives for businesses interested in locating in this state, including:

- **The Urban and Industrial Site Tax Credit Program**, which is a dollar-for-dollar corporate tax credit of up to 100% of an investment up to a maximum of \$100,000,000.¹⁷
- **Corporate Business Tax Credits:**
 - Financial institutions constructing new facilities and adding new employees can receive a credit of as much as 50% of the tax for up to ten years; may be extended for an additional five years, based on size of the facility and level of employment
 - A corporate business tax credit for companies relocating to Connecticut who hire at least 50 new employees for a minimum of a 12-month period; the tax credit is equal to 25% of the state income tax withheld from the employee's wages and credit applies for five consecutive years
 - A tax credit equal to 30% of the qualified digital media and motion picture production, pre-production and post production expenses in the state that exceed \$50,000

¹² "Act Concerning Implementation of Transportation Infrastructure Improvements For Connecticut's Economic Future" Connecticut General Assembly: HB 6336

<http://www.cga.ct.gov/2007/ba/2007HB-06366-R000732-BA.htm>

¹³ Chris Atkins and Curtis S Dubay. *Background Paper: 2008 State Business Tax Climate Index*. October, 2007. Number 52. The Tax Foundation. 10. <http://www.taxfoundation.org/files/bp57.pdf>

¹⁴ Atkins and Dubay.

¹⁵ Raymond J. Keating. *Small Business Survival Index 2007: Ranking the Policy Environment for Entrepreneurship Across the Nation 12th Annual Edition*. Small Business & Entrepreneurial Council, Washington, DC, November, 2007. 2.

http://sbecouncil.org/Media/pdf/SBSI_2007.pdf?CFID=514256&CFTOKEN=91743709

¹⁶ Keating, 40.

¹⁷ "Tax Incentives." Connecticut Department of Economic and Community Development.

<http://www.ct.gov/eecd/cwp/view.asp?a=1097&q=253522>

- 5% credit for fixed capital investment in tangible personal property
 - 5% credit for investments in human capital: employee training, childcare facilities and subsidies, and a donation to higher education for advancement of technology
 - 10% credit for increased investment in machinery and equipment for companies with 250 or fewer full-time permanent employees in CT; 5 % credit for companies with 251 to 800 full-time permanent employees in Connecticut 1% to 6% of R&D expenditures based on the amount of such expenditures and size of company
 - 20% of the R&D expenditures in CT in the current income year exceeding R&D expenditures of the prior taxable year
 - Unused R&D credits can be carried forward and, for companies with gross income of \$70 million or less, can be sold to the State for 65 % of their value
 - Credit equal to 100% of property taxes owed and paid on electronic data processing hardware peripheral equipment and software; credit may be applied against certain other CT taxes
 - 25% credit for any increase in grants to institutions of higher learning for R&D related to technology advancement over the average grants provided during the preceding three years
 - 100% credit against the premium, corporation or income tax for investment over ten years in an investment fund creating insurance-related facilities and jobs
 - 100% credit for Small Business Administration loan guarantee fees paid by companies with less than \$5 million in gross receipts¹⁸
- **Corporate Business Tax Exemptions**
 - All insurance companies, Connecticut incorporated and non-Connecticut incorporated
 - Corporate income, insurance premium and sales and use taxes for certain banks, insurers and investment companies locating in the Hartford Financial Service Export Zone that conduct all business with non-US persons
 - Capital gains from the sale of protected open space or Class I or II water company land to the state or certain entities
 - Non-US corporations whose sole activities in CT are trading stocks, securities or commodities of their own account¹⁹
 - **Corporate Sales Tax Exemptions**
 - 100% on (a) machinery used in the manufacturing of finished products or in the bio-technology industry and (b) materials, tools and fuel used in the manufacture or fabrication of finished products
 - In the biotechnology industry, 50% on machinery, tolls fuels and equipment that may not meet the requirement for the 100 % exemption
 - 100% on computer and data processing services beginning July 1, 2002; declining 1% annually from current 3%

¹⁸ “Tax Incentives.”

¹⁹ “Tax Incentives.”

- 100% on repair, replacement and component parts for manufacturing machinery
 - 100% on calibration services, registration and compliance services related to ISO 9000 and personnel training services offered by colleges or universities
 - 100% on vehicles powered by alternative fuels, vehicle conversion equipment and alternative fuel filling station equipment
 - 100% on fuel and electric power used in manufacturing or to heat a manufacturing facility provided that 75% usage test is met
 - 100% of the cost of services related to creating and maintaining a Web site
 - 100% of the cost of aircraft, repair, parts and services on aircraft exceeding 6,000-lbs. maximum takeoff weight
 - 100% on safety apparel worn by employees
 - 100% on goods purchased inside or outside CT for use outside CT providing all conditions are met²⁰
- **Real & Personal Property Tax Exemptions**
 - 100% for five years on newly acquired and installed machinery and equipment eligible for five to seven year depreciation
 - 100 % for inventories
 - 30-100% from the increase assessment for personal property for manufacturers and 20-50 % for eligible real property improvements can be offered by towns for two to seven years, depending on the investment amount
 - 100% for unbundled software, machinery & equipment that will be exempt under 12-81 (72) once installed and used
 - 100% for five years on new commercial motor vehicles weighing over 26,000 lbs. that are used to transport freight for hire and all new commercial vehicles weighing over 55,000 lbs.²¹
- **Targeted Investment Community (TIC) Benefits**
 - Five year, 80% real property and personal property tax abatements for manufacturers. Five year, 40-80% real property and personal property abatements for service, telecommunications and computer related providers, depending on amount invested
 - Five year, 50-80% tax abatements for personal property when part of a process technology upgrade, depending on the asset acquired
 - Manufacturers or firms conducting R&D related to manufacturing and newly constructed distribution facilities may be eligible to receive a state corporate business tax credit of 25% for ten years
 - Corporate business tax credit ranging from 15-50% for ten years is available to certain selected service, telecommunications and computer-related facilities based upon the number of jobs created²²

²⁰ “Tax Incentives.”

²¹ “Tax Incentives.”

²² “Tax Incentives.”

- **Enterprise Zone Benefits (within enterprise zones and designated non-TIC municipalities)**
 - Manufacturers and certain service firms may obtain a 50% corporate business tax credit for ten years; must meet specific hiring thresholds and investment requirements
 - 100% - three year corporate tax credit followed by a 50% - seven year credit for businesses created after January 1, 1997; must employ (a) 375 or more with 40% residing in an Enterprise Zone, or (b) fewer than 375 with 150 residing in an Enterprise Zone²³
 - **Enterprise Corridor Zone Benefits**
 - Selected communities bordering Route 8 and I-395 are eligible for full Enterprise Zone level benefits²⁴

Innovation

The New Economy Index²⁵ (NEI) rates the states according to advancements in innovation (with a rating of one being best). In this study, Connecticut ranked exceptionally well at 6th in the nation. In addition the SCR ranks Connecticut especially high for technological innovation at 4th out of all 50 states.²⁶ A large part of the state's high ranking is an emphasis on building an educated workforce.

STEM Education

In October 2005, Governor M. Jodi Rell hosted academic and business leaders to launch a statewide initiative to encourage student interest in STEM: Science, Technology, Engineering, and Math educational programs.²⁷ Policymakers and business and educational leaders identified critical issues related to advancing STEM education. This dialogue resulted in a comprehensive plan designed to improve student achievement to better meet Connecticut's workforce needs. Last year, Governor Rell established the Early Childhood Research and Policy Council, noting that global competitiveness begins even before school starts.²⁸

²³ "Tax Incentives."

²⁴ "Tax Incentives."

²⁵ Robert Atkinson and Daniel K. Correa. The 2007 State New Economy Index.: Benchmarking Economic Transformation in the States. Innovation Technology and Innovation Foundation. February, 2007. 13. http://www.kauffman.org/pdf/2007_State_Index.pdf

²⁶ Tureck, et al, 22.

²⁷ Jodi Rell. "Governor Rell, Educators, Business Leaders Meet To Discuss Science, Technology, Engineering, and Math." Office of the Governor. 5 Oct. 2005
<http://www.ct.gov/governorrell/cwp/view.asp?A=1761&Q=305644>

²⁸ Jodi Rell. "Governor Rell Creates Early Childhood Research and Childhood Research and Policy Council." Office of the Governor. 7 Feb. 2006.
<http://www.ct.gov/governorrell/cwp/view.asp?A=2425&Q=309860>

Postsecondary Education

Connecticut is a leader in bridging the gap between what is being taught to students and what is needed by industry through its Business and Industry Services Network, a collaborative program that links business, state government, and education to train and produce a highly skilled workforce.²⁹

Regional Growth

Governor Rell and the General Assembly passed legislation calling for a state economic strategic plan and regional development plans that promote responsible growth and regional cooperation.³⁰ The law complements recent Brownfield remediation legislation, which calls for five pilot projects for remediation and development. It also builds on Connecticut's initiatives to promote regional economic growth by bolstering STEM education and leveraging its institutions of higher learning.

In addition, Connecticut is making significant investments in transportation and identifying locations for transit-oriented development to expand regional connections and to expand to new markets for Connecticut's goods and services.³¹

Workforce

Connecticut receives a relatively high ranking when it comes to its workforce. The SCR ranks the quality of its workforce in its "Human Resources" category. In this category, Connecticut ranks 10th in the country.³² A significant factor supporting Connecticut's strong workforce ranking is Connecticut's strong showing in the number of adults in the workforce at 14th and for workers with a high school degree at 17th.

The composition of Connecticut's labor force has undergone dramatic change in the last fifty-plus years. Three percent of the employment was in agriculture in 1950, while 49% was in manufacturing, and 48% was in services. By the turn of the century, only 1% was in agriculture, 21% was in manufacturing, and 78% in services.³³

Connecticut's current lead in per capita income has been built over the years on the productivity of the state's workforce. Connecticut's service sector and other non-manufacturing productivity exceeded US productivity throughout the last decade.³⁴

Connecticut's labor force unemployment rate fell at the end of the 1990s to 3.1%, well below the national rate of 4.3% for the same period. At the end of the last century,

²⁹ "Special Services For Business and Industry." Connecticut Community Colleges.
http://www.commnet.edu/services/special_services.asp

³⁰ "An Act Concerning Responsible Growth."

³¹ "An Act Concerning Responsible Growth."

³² Tureck, et al, 22.

³³ Connecticut Department of Economic and Community Development. "Ch. 6 Labor Force."
[1999.Connecticut Market Data.](http://www.ct.gov/eecd/cwp/view.asp?a=1106&Q=251006#ch6)

³⁴ Connecticut Department of Economic and Community Development: [1999.Connecticut Market Data](http://www.ct.gov/eecd/cwp/view.asp?a=1106&Q=251006#ch6)

Connecticut experienced the highest non-farm employment and the lowest unemployment rate recorded by the state in a decade.³⁵

Education

According to the US Chamber of Commerce's "*Leaders and Laggards: A State by State Report Card on Educational Effectiveness*" study, Connecticut performs especially well in providing secondary education to its residents. In this study, Connecticut was one of only ten states to receive an overall rating of an "A" for the quality of its education system.³⁶ In particular the state won high marks for the quality of their teachers. These teachers are required to pass subject matter tests, thereby ensuring that students will be learning from an individual with subject matter expertise.³⁷

According to the National Center for Education Statistics, Connecticut's expenditures per pupil in elementary and secondary schools outpace New England and the US. Further, Connecticut is noted for having the second highest percentage of its population with a bachelor's degree or higher.³⁸

Additionally, there are more than 45 colleges and universities in the state, ranging from community colleges offering two-year degrees and job training programs to world-class research institutions. The state also boasts being home to the US Coast Guard Academy.

Connecticut's educational leaders have become active participants in state and local development initiatives. Education highlights include:

- The National Assessment of Educational Progress ranked Connecticut fourth- and eighth-grade students well above the national achievement average in math, reading, science and writing³⁹
- Connecticut is home to some of the nation's most prestigious colleges and universities. Among National Universities, Yale University is ranked as the 3rd best school in the nation.⁴⁰ Additionally, the University of Connecticut is solidly within the nation's top 100 national universities.
- Among liberal arts schools, Wesleyan was ranked 11th in the country, while Trinity and Connecticut colleges made the list of top 100 liberal arts schools in the country.⁴¹

³⁵ Connecticut Department of Economic and Community Development: *1999 Connecticut Market Data*

³⁶The Institute for a Competitive Workforce. *Leaders and Laggards: A State by State Report Card on Educational Effectiveness*. US Chamber of Commerce, 2007.
<http://www.uschamber.com/icw/reportcard/default>

³⁷ US Chamber of Commerce.

³⁸ "Expenditure Per Student By State and Local Governments." National Center for Education Statistics.
<http://www.ct.gov/eecd/lib/eecd/20/14/md9910-1.xls>

³⁹ "State Profiles: Connecticut." National Center for Education Statistics. 22 Mar. 2006
<http://nces.ed.gov/nationsreportcard/states/profile.asp>

⁴⁰ "America's Best Colleges 2008: National Universities." *US News and World Report*. 2007.
http://colleges.usnews.rankingsandreviews.com/usnews/edu/college/rankings/rankindex_brief.php

⁴¹ "America's Best Colleges 2008: Liberal Arts." *US News and World Report* 2007.
http://colleges.usnews.rankingsandreviews.com/usnews/edu/college/rankings/rankindex_brief.php

- University of Connecticut ranked number one among public universities in the northeast in 2000 according to the college guide published by *US News & World Report*

Cost of Market Entry

The Milken Institute releases an annual study in which it ranks the states with the highest cost of doing business on a scale of 1-50 (with a ranking of 50 being best for business).⁴² In this study, Connecticut was given a dismal ranking with the 4th highest cost of doing business.⁴³ Similarly, the 2007 Small Business Survival (SBS) Index⁴⁴, ranked state policy according to its benefits to business (this time with a ranking of one being best), also gave Connecticut an overall poor ranking at 38th place. The main reasons for the low rankings are largely due to state tax and regulatory policy.

According to the SBS Index, when it comes to taxes Connecticut is consistently rated in the mid to higher brackets among all the states. For example, Connecticut is ranked 19th when it comes to personal income taxes⁴⁵, 31st on corporate income taxes⁴⁶, and 44th on property taxes.⁴⁷ Connecticut's utility ratings compound the problem of low rankings by having next to the worst ratings when it comes to the cost of electric⁴⁸ and gas services.⁴⁹

These high taxes are beginning to worry Connecticut business leaders. A 2007 Connecticut Business and Industry Association (CBIA) survey of business leaders allowed business leaders to identify their largest concern when it came to doing business in the state.⁵⁰ Twenty-four percent of them identified personal income tax and ranked it as the largest tax problem.⁵¹ Meanwhile property taxes on real estate at 21%, corporate income tax at 17%, unemployment compensation taxes at 15%, and personal property taxes at 12% also remained significant concerns.⁵²

Unfortunately, Connecticut does not fare much better when it comes to regulatory policy. In March of this year, Northeast Utilities released a study comparing costs on nine industries in Connecticut versus seven other states.⁵³ According to the study,

⁴² "2007 Cost of Doing Business Index." Milken Institute. December, 2006.

<http://www.milkeninstitute.org/pdf/2007CostofDoingBusiness.pdf>

⁴³ Milken Institute.

⁴⁴ Raymond J. Keating. *Small Business Survival Index 2007: Ranking the Policy Environment for Entrepreneurship Across the Nation 12th Annual Edition*. Small Business & Entrepreneurial Council, Washington, DC, November, 2007. 2.

http://sbecouncil.org/Media/pdf/SBSI_2007.pdf?CFID=514256&CFTOKEN=91743709

⁴⁵ Keating, 28.

⁴⁶ Keating, 30.

⁴⁷ Keating, 31.

⁴⁸ Keating, 36.

⁴⁹ Keating, 40.

⁵⁰ John R. Rathegeber and Carl R. Johnson. *2007 Survey of Connecticut Businesses*. Connecticut Business and Industry Association. March, 2007.

http://www.cbiam.com/newsroom/surveys/2007/BlumShapiro_07.pdf

⁵¹ Rathegeber, 7.

⁵² Rathegeber.

⁵³ Global Insight. *Business Costs in Connecticut: How Do They Stack Up?: A Report for Northern Utilities*. March, 2007. <http://www.cbiam.com/2images/home/CT%20business%20costs.pdf>

Connecticut has higher costs compared to other state competitors in workers' compensation and health care.⁵⁴ Additionally, the CBIA indicated for the 4th straight year, health care benefits were ranked as the top cost concern of respondents at 50%. Payroll, energy at 11% and workers' compensation costs at 9% were other significant cost concerns for respondents.⁵⁵

Seventy percent of Connecticut executives replied that the value they receive for their tax dollars is extremely low and out of proportion with the taxes they pay, and that policy-makers will have to do more. Sixty-five percent said they would like to see the state do more to encourage economic growth by reducing the cost of doing business in Connecticut, reducing taxes and offering tax credits (46%), improving transportation and infrastructure (30%), improving the state's regulatory climate (25%) and encouraging business investment (22%).⁵⁶

As in all states, Connecticut businesses are hoping the General Assembly will avoid doing anything to drive up worker's compensation costs, and do something to control or reduce health care and taxes. Without these changes, the state will become even less competitive.

⁵⁴ Global Insight, 4.

⁵⁵ Rathegeber and Johnson, 7.

⁵⁶ Rathegeber and Johnson.