

**Subject:** Monday Morning Group Minutes  
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## CBIA Monday Morning Group

March 14, 2011

Next meeting – Monday, March 21

**Commerce** (Lou Bach)-Tomorrow's public hearing will include discussion on HB-6584 AA Establishing a Manufacturing Reinvestment Account, allowing manufacturers to deduct from their gross income the amount of any contribution to the fund.

Also on the agenda Tuesday is an energy bill **HB-6582** that deals with the solar energy economy. It calls for the DECD, DPUC along with the electric distribution companies, to work on a solar loan program that would allow for on-bill repayment, and would incentivize solar installation.

Please contact Lou Bach at [Louis.Bach@cbia.com](mailto:Louis.Bach@cbia.com) for information regarding Commerce.

**Education** (Lou Bach)- Last week was a big week in Education Committee with a bill to create a single, consolidated office of Early Education & Child Development (**SB-1106**), and this week is no different. **SB-1160** appears at first blush to be a promising proposal, creating a teacher evaluation system and a new means of terminating teachers that fail to satisfy the evaluation and any remedial steps required after that failure. The bill needs serious work, however, and we will present recommendations at the public hearing on Thursday.

Please contact Lou Bach at [Louis.Bach@cbia.com](mailto:Louis.Bach@cbia.com) for information regarding Education.

**Energy** (Kevin Hennessy)- **SB-1** came out in the Energy Committee last week, and is on the public hearing agenda for tomorrow. This bill covers a wide variety of issues:

- It includes a revised version of the merger bill HB-6386 that is being heard today, that calls for DEP & DPUC to merge, creating a new agency DEEP. It includes four goals: 1) the reduction of rates, and lower costs; 2) increased reliability; 3) clean energy; 4) the creation of jobs. CBIA has championed prioritizing our energy policy goals and views this as a very positive measure.
- Reclassifies what qualifies as a Class I renewable source to include all hydropower facilities.
- Adopts California's energy efficiency standards for televisions and other appliances.
- Requires DEEP to conduct a proceeding regarding the development of a new low - income discount rate and to analyze the cost of imposing a utility termination moratorium on households with children younger than two years of age.
- Implements a new residential solar program that can use 1/3 of the money collected by the Clean Energy Fund. Businesses pay the majority of the dollars collected and would be unable to access 1/3 of them set aside for this program. Also creates a new Solar Renewable Energy Credit (SREC) market and requires utilities to contract for solar – This is supposed to be capped at 1% of total retail electricity sales (estimated at approximately \$30 million).
- Invests heavily in other renewable resources via feed-in tariffs and other schemes – i.e. wind, fuel cells, biomass, geothermal, combined heat & power and energy efficiency.
- Includes numerous programs and studies for DEEP to initiate.

Also on the agenda for Tuesday is **SB-1176**. This is the fourth edition of an electric generator tax or windfall profits bill that has come out this session. This one targets 3 different fuel sources: oil, nuclear and coal. It has a sliding scale on the tax based on their output and takes that money to pay back the money that was borrowed to close the budget- deficit last year. It will increase electric rates in CT.

Please contact Kevin Hennessy a [Kevin.Hennessy@cbia.com](mailto:Kevin.Hennessy@cbia.com) for information regarding Energy.

**Environment** (Eric Brown)- With Dan Esty receiving unanimous approval from Executive

and Legislative Nominations Committee last week, he is expected to be confirmed by the House this Wednesday. CBIA testified at the confirmation hearing emphasizing the need to insure other appointments within in the DEP, and the anticipated Department of Energy and Environmental Protection (DEEP), reflect Mr. Esty's commitment to pursuing policies that will promote economic as well as environmental prosperity.

The Governor's bill proposing to establish the DEEP will be the subject of a public hearing today in the Environment Committee beginning at 11 a.m. CBIA's testimony will focus on the need to statutorily declare key principles to guide the new agency that reflect concurrent goals of a healthy environment and economy.

Please contact Eric Brown at [Eric.Brown@cbia.com](mailto:Eric.Brown@cbia.com) for information regarding Environment and Land Use.

**Healthcare** (Eric George)- Last week Sustinet (**HB-6305**) passed the Public Health and Insurance Committees. The Public Health Committee did change the bill, but not in a way that improves it (i.e. - it still would create a first-in -the-nation health insurance public option). They were grappling with the thought that they were likely not going to be able to sell Sustinet through the new Exchange that Connecticut has to be set up by 2014. That's because the federal law says that only fully licensed products can be sold through the Exchange--something that Sustinet, if it is self-insured, cannot be. So the Committee added wording to the statute that says Sustinet shall not be considered an unauthorized insurer, in hopes that HHS will accept it and allow it to be sold through the Exchange.

On the Executive Nominations agenda for tomorrow is Tom Leonardi for Insurance Commissioner.

The Insurance Committee 's JF deadline is this Thursday.

Please contact Eric George at [Eric.George@cbia.com](mailto:Eric.George@cbia.com) for information regarding Healthcare.

**Higher Education** (Lou Bach)- At tomorrow's public hearing the Higher Education Committee will hear testimony on a proposal requiring the Department of Higher Education to study and report, by 1/1/12, on issues concerning Connecticut's manufacturing and technology workforce.

Please contact Lou Bach at [Louis.Bach@cbia.com](mailto:Louis.Bach@cbia.com) for information regarding Higher Education.

**Judiciary** (Kevin Hennessy)- The Judiciary Committee has public hearings scheduled for today and Friday, but with no business-related bills.

Please contact Kevin Hennessy at [Kevin.Hennessy@cbia.com](mailto:Kevin.Hennessy@cbia.com) for information regarding Judiciary.

**Labor** (Kia Murrell)- The Labor Committee JF Deadline is on Tuesday. So far, several of the most harmful bills have already been approved, but a few more such as **HB-5460** AAC Captive Audience Meetings are expected to be voted tomorrow.

Last week, the Committee approved **SB-988** AAC Unemployment Trust Fund Solvency by a vote of 6 to 5. Although approved, CBIA and other business groups will be meeting with Committee Chairs to discuss our concerns with the bill and possible amendments.

Please contact Kia Murrell at [Kia.Murrell@cbia.com](mailto:Kia.Murrell@cbia.com) for information regarding Labor.

**Spending & Taxes** (Bonnie Stewart)- The Appropriations Committee continues to work on adjusting the Governor's proposed budget so that it is more to their liking. Subcommittees are holding work group sessions and several of those meetings are taking place this week.

CBIA continues to meet with legislators to encourage them to take advantage of the savings identified by the Regional Institute for the 21st Century and the Commission on Enhancing Agency Outcomes. We encourage others to point to these two groups and their findings and urge legislators to reduce the size of the state budget and the need for increased taxes.

On the tax front, the Finance Committee's Bonding Subcommittee will meet on Monday and Friday of this week. They plan to hear agency presentations on bond needs.

A hearing on tax measures raised by the Finance Committee, other than those proposed by the Governor, has not yet been scheduled. It's unlikely that a hearing will take place prior to the week of March 20th. The Finance Committee did raise several measures of concern to the business community. Two measures we oppose concern imposing a mandatory unitary tax scheme and requiring the release of taxpayer information in certain situations. The committee also raised a couple of measures we support. Those include clarifying the

standard of proof in tax cases and nonresident contractors. We will give you more information on these issues next week.

Please contact Bonnie Stewart at [Bonnie.Stewart@cbia.com](mailto:Bonnie.Stewart@cbia.com) for information regarding spending & taxes.

**Transportation** (Eric Brown)- **HB-6217**, AA Encouraging Private Investment in the Transportation Infrastructure of the State, would provide a critical tool for the state to execute high-priority transportation projects on-time and on-budget through what are known as "design-build" options. CBIA is testifying in support of the bill at today's public hearing of the Transportation Committee.

Please contact Eric Brown at [Eric.Brown@cbia.com](mailto:Eric.Brown@cbia.com) for information regarding Transportation.

For other information, check out "[Inside the Capitol](#)," CBIA's public policy blog.

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