Connecting the Dots:

A Brief Survey of Where We Are, How We Got Here, and the Need to Make Sustainability the Cornerstone of Our Economic Renewal Strategy

2008 Environmental Summit

CTLCV

CONNECTICUT LEAGUE OF CONSERVATION VOTERS

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Preface

We enter the 2009 legislative session with a state, national, and global economy in crisis. With a ballooning deficit, competition for a slice of the state budget will be extraordinary.

Yet there is opportunity in crisis – if we are willing to create it and capitalize on it.

Connecticut's approach to planning and implementation has caught up with us. The effects are obvious, from our loss of open space and farmland, the deterioration of our parks, to the dead zone in Long Island Sound, sewage deposits in our rivers, our overfilled landfills, our sick schools, our traffic congestion and decrepit roads and bridges.

As the saying goes, every organization is perfectly designed to get the results it gets. As an enterprise then, the State of Connecticut needs a shakeup.

The business sector has learned the hard way that sustainability investing is essential to creating long-term shareholder value. Certainly that premise holds equally true for state government and creating long-term value for the governed.

Sustainability means "meeting the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity." [1]

If ever there was a time to invest in our environment – our ultimate infrastructure – and a new energy economy, it is now. We must invest for sustainability. Any other path is a dead end.

This document was prepared for panelists at CTLCV's 2008 Environmental Summit. It was intended to provide context, without being prescriptive, for a discussion about ensuring that sustainability becomes a cornerstone of Connecticut's plan for economic renewal and that we invest accordingly.

[1] Derived from The Brundtland Commission, formally the World Commission on Environment and Development, convened by the United Nations in 1983 to address concern about the accelerating deterioration of the human environment and natural resources and the consequences for economic and social development.

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Economic Landscape

In the nine years that CTLCV has hosted an annual Environmental Summit, this year's summit takes place in an economy like none before it. Current estimates project a deficit of $338 million and climbing for the current budget year, $2.7 Billion for 2009-2010, and $ 3.3 Billion for 2010-2011.

Connecticut has lost 7,100 jobs so far this fiscal year, about half of them in October alone. Payroll withholding income tax receipts are down 2.8 percent from a year ago. The state's unemployment rate of 6.5 percent is at a 15-year high. Corporate profits continue to show negative results. Existing home sales are at a 12-year low in the state. [1]

Comptroller Reports Current Year Deficit at $338 Million and Climbing

State Comptroller Nancy Wyman has reported that as of December 1, 2008, the state's projected budget deficit had reached $338 million and is expected to grow by June 30, the end of the fiscal year. Wyman's estimate – which is about $50 million higher than that made by the Governor's budget office - includes the $71.8 million in deficit-mitigation cuts that the General Assembly passed in November.

The Comptroller expects the income tax to bring in about $131 million less than originally budgeted, while the sales tax is projected to drop by about $207 million. [2] Other reports have noted a significant shortfall in petroleum products gross earnings tax revenues as well.

Governor on to Deficit Mitigation Plan 2.0; Pushes for More Fed Funding

Because the deficit estimate now exceeds one percent of total General Fund appropriations for fiscal 2009, the Governor is required by law to submit a new mitigation plan to the legislature.

Expecting a second stimulus package from the US government, Governor Rell has already directed Connecticut state agencies to identify infrastructure projects that are "shovel ready" – including road, bridge, rail and public buildings and economic development and housing initiatives that have received all necessary permits and final designs. "The best way out of the economic doldrums is by literally working our way out – by creating as many jobs as possible, as soon as possible. Investing in worker retraining is critical during an economic slump," Governor Rell says. "We can start work on these projects as soon as they receive funding.

At her December 2 meeting in Philadelphia with President-elect Obama, Rell planned to emphasize that the infrastructure money should be 100 percent federally funded rather than requiring states to come up with the traditional 20 percent match. "States simply do not have the matching funds at this time," the Governor said. [3]

OPM's Take

The Office of Policy & Management's November 2008 Fiscal Accountability Report contains detailed breakdowns of estimated revenues and projected expenditures for the current and next three fiscal years, through 2012.

Energy Costs Up 135%. Among the many topics the report covers, OPM notes that state agency energy costs have risen 135% from FY2000 to FY2008; adding more than $70 million to the budget. For state government, residents and businesses alike, higher oil prices have reduced purchasing power, and dampened spending and economic activity.

Bond Ratings Not So Good. Also noteworthy for environmental advocates is OPM's discussion of the state's bond ratings and debt levels. Bond ratings tell investors about the risks of their investments. Lower bond ratings correlate to higher risks and higher costs for the borrower. OPM explains that Connecticut's bond ratings are among the lowest, if not the lowest, among northeast states, depending on the rating agency. Moody's and Standard & Poor's have assigned CT the lowest bond rating of all the northeastern states. In contrast, Vermont's bond rating is high. Fitch rates V T better than CT, but NJ, NY and RI lower than CT.

> Every organization is perfectly designed to get the results it gets.
>
> -Organizational Designer David Hanna

Debt Burden Eating Up the Budget. Connecticut faces significant long-term obligations including debt, unfunded pension liabilities and unfunded post-employment retirement benefits which are estimated to exceed $57 billion in total. Essentially, we're making promises we're in no position to keep.

Connecticut's "debt service expenditures" have doubled since 1997. Debt service will continue to grow and consume a significant portion of the budget. The increase in debt service expenditures significantly limits options for discretionary spending.

At $6,876 per person, CT's debt burden is 4th based on 2006 numbers. This ranking is on a per capita basis only, ignoring personal income. Looking at debt as a percentage of personal income, CT ranks 7th based on 2006 numbers. Taking into consideration personal income and debt issued by other states' counties and other political subdivisions, Connecticut's debt burden drops to 27th based on 2006 numbers.

A View from the Outside: CERC's Take

The Connecticut Economic Resource Center, a nonprofit corporation that provides research, marketing and economic development services to policymakers and utility companies, has presented Benchmarks Reports for the State of Connecticut for several years at its annual conference.[4] CERC is a public-private partnership, funded primarily by utility and telecommunication companies, whose mission is to make Connecticut a more competitive business location.

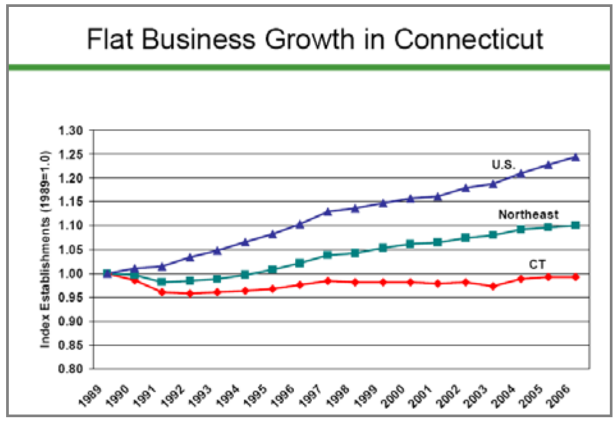
This year's CERC conference, held in November, focused on Connecticut in 2020 based on the fiscal implications of economic and demographic changes. CERC's research team identified five policy areas that significantly impact economic growth – transportation and infrastructure; human capital; urban investment; business investment and affordable housing.

CERC reports that from 1977 to 2006, CT's state budget increased by a factor of 2.3. By 2020, it will likely increase again by a factor of 1.5 from 2006 levels, with the largest share of the budget continuing to go to public welfare and Medicaid, at 31% of the budget in 2020 (up from 26% in 2006 and 19% in 1977).

CERC's findings on Connecticut's economy and the trends that got us where we are not only provide a useful framework for evaluating the costs, benefits and feasibility of various environmental initiatives in our current economic climate, but they support the need to invest in sustainability initiatives. A cursory summary of CERC's findings follows.

Jobs and Business Investments. Connecticut's ability to create jobs has eroded over time. While the rate of new businesses being established in the US and the Northeast has been increasing since 1989, CT is the only state with fewer businesses in 2006 than in 1989. Since businesses and jobs go hand in hand, this is a big problem.

Connecticut's job growth is mostly in lower-paying industries. Wages are expected to decline by 4% by 2020. As economic opportunity continues to weaken, residents and businesses will continue to migrate to other parts of the country for careers and profits.



Transportation & Infrastructure. By the late 1980s we increased our transportation spending, prompted by the 1983 Mianus River Bridge collapse. But now our transportation investment is below the 50-state average. And with only four percent of CT residents using public transit, including bus, ferry and rail, we're not trying very hard to "drive" people to mass transit either.

- As of 2007, 9% of CT's bridges were structurally deficient and another 25% were functionally obsolete. 48% of our roads are in poor or mediocre condition, and we can expect commercial trucking to increase, also by 48%, by 2020.
- We face a $3.1 billion shortfall through 2017 for road, highway & bridge repairs and improvements. And we've identified $7 billion in new projects.

Human Capital. Prosperity depends on innovation, productivity and highly skilled workers. Human capital is deemed by many to be at the root of our region's competitiveness.

- Connecticut under-produces college graduates in science, technology, engineering and medicine. And we do an excellent job of exporting those we do produce.
- Our trend lines for new and retiring workers are going the wrong way. Retiring workers are on the increase; new workers are on the decline. An aging population has more service needs and produces less revenue in the form of taxes that pay for those services. This is especially problematic because CT relies heavily on the personal income tax, which currently generates 52% of all revenues.
- Businesses say the pool of qualified workers is low.
- The perception builds that CT is not a vibrant place for young workers, and it gets harder and harder to attract and retain them.

Urban Revitalization. Our ailing urban centers have profound implications for our competitiveness. Connecticut has no statewide coordinating entity responsible for focusing on the state's urban centers. Obama is creating a White House Office on Urban Policy.[5] We would be smart to take a coordinated approach in Connecticut too.

Housing. Connecticut's median sales price of $278,000 requires an annual household income of about $80,000 - 90,000 to qualify for a mortgage, but 72% of the jobs that will be created between now and 2014 will pay less than $40,000 per year. Young workers can't afford Connecticut real estate. Those who can't buy or rent here leave for jobs in other states. Our heavy reliance on property taxes to fund municipal government pressures cities and towns to maintain and grow housing stock and value keep pace with costs of services they provide.

CONNECTICUT LEAGUE OF CONSERVATION VOTERS

Legislative & Planning Landscape

Office of Responsible Growth

Governor Rell's Executive Order 15 in 2006 called for an Office of Responsible Growth, the term the Governor coined for Connecticut's version of smart growth. The office is charged with Office of coordinating "state efforts to revitalize cities, preserve the unique charm of our state and build livable, economically strong communities while protecting our natural resources for the enjoyment of future generations."[6]

Public Act 07-239 codified the requirement for a Responsible Growth Task Force, which in turn was charged with identifying responsible growth criteria to help guide the state's future investment decisions and study land use laws, policies and programs, and with submitting recommendations to the Governor by February 15, 2008.[7]

The Responsible Growth Task Force Report [8] defines responsible growth and articulates eight associated principles. "Responsible growth is economic, social, and environmental development that uses land and resources in ways that enhance the long-term quality of life for Connecticut's current and future generations. Responsible growth supports a vibrant and resilient economy and preserves the natural resources upon both of which that quality of life depends. Responsible growth maximizes previous investments in existing infrastructure while preserving distinctive landscapes, historic structures, landmarks, and villages."

Principles of responsible growth are to 1) focus on redevelopment; 2) be fair; 3) expand housing opportunities; 4) concentrate development; 5) provide transportation choice; 6) conserve natural resources; 7) plan regionally; and 8) increase job opportunities in appropriate locations.

Additionally, the report makes nine recommendations, which are for:

1. The Governor to formally adopt the definition of Responsible Growth and associated principles developed by the Responsible Growth Task Force and direct all state agencies and quasi-public agencies to use them to develop Responsible Growth criteria and to use them in making decisions impacting both state policy and the expenditure of state funds.
2. The General Assembly and its various committees to formally adopt the definition of Responsible Growth and the principles (developed by the Responsible Growth Task Force and use them in making decisions impacting both the development of legislation and policies and the expenditure of state funds.
3. An advisory group, with a broad-based membership to be created to advise decision-makers on the development of Responsible Growth policies, land use laws and programs going forward.
4. The Interagency Steering Council created under Executive Order 15 to serve as the coordinating body for the development of Responsible Growth policies as well as for continuously improving the review and permitting processes of projects that advance Responsible Growth.
5. A measures matrix to be developed by December 31, 2009, to measure the progress of the state's Responsible Growth.
6. Model municipal zoning regulations be crafted around the Responsible Growth principles developed by this Task Force.
7. The State to support regional coordination of consistency in planning between all levels of government and promote unified development codes at the local level.
8. The State to develop means to review, coordinate and, if consistent with Responsible growth principles, encourage Projects of Regional Significance.
9. State statutes to be amended to authorize municipalities to use Community Benefit Agreements for projects that are consistent with Responsible Growth principles.

> If you don't measure it, you can't manage it.
>
> *- Anonymous*

An informal status report on these recommendations is forthcoming to CTLCV.

Statewide Strategic Economic Plan

Concurrent with the work of the Office of Responsible Growth and related task force, Section 4 of Public Act 07-239 also called for the Department of Economic and Community Development (DECD) to create a strategic economic plan for Connecticut by July 1, 2009:

> The Commissioner of Economic and Community Development, *within available appropriations*, shall prepare an economic strategic plan for the state in consultation with the Secretary of the Office of Policy and Management, the Commissioners of Environmental Protection and Transportation, the Labor Commissioner, the executive directors of the Connecticut Housing Finance Authority, the Connecticut Development Authority, the Connecticut Innovations, Inc. , the Commission on Culture and Tourism and the Connecticut Health and Educational Facilities Authority, and the president of the Office of Workforce Competitiveness, or their respective designees, and any other agencies the Commissioner of Economic and Community Development deems appropriate. [9]

Can you say what our strategy is? If we don't know where we're going, we might end up somewhere else.

-Balanced Scorecard + Yogi Berra

From November 2007 through January 2008, DECD hosted 11 regional forums to involve the public in the planning process. Transcripts, comments and photos from those forums are available online.[10]

DECD also houses the Office of Strategic Competitiveness, an Office of Responsible Development, and an Office of Brownfield Remediation & Development.

State Plan of Conservation & Development

Additionally, state law requires the Office of Policy and Management to prepare a State plan of conservation and development on a recurring five-year cycle. The Plan serves as a statement of the development, resource management and public investment policies for the State. The Plan is used as a framework for evaluating plans and proposals submitted to OPM for review through mandated review processes.[11]

Connecticut Climate Action Plan

2004 legislation called for a multi-sector, comprehensive climate change action plan, with policies and programs to achieve the state's goals for the reduction of greenhouse gas emissions by 2010 and 2020.[12] The resulting *Connecticut Climate Change Action Plan* includes 55 measures to reach the goals of reducing greenhouse gas emissions to 1990 levels by the year 2010 and an additional 10% below that by the year 2020.[13] 2008 legislation made the voluntary goals mandatory and changed the schedule to mandatory greenhouse gas reductions of 10% below 1990 levels by 2020, and 80% below 2001 levels by 2050. The goal for 2010 was abandoned.[14]

The *Climate Change Action Plan* contains policy recommendations on transportation and land use; residential, commercial and industrial energy use; agriculture, forestry and waste emissions; electricity generation; and education. The last progress report was for 2007. The next progress report is due by January 1, 2010.

Governor's Competitiveness Council

Governor Rowland's 1998 Executive Order 13 created the Governor's Council on Economic Competitiveness and Technology (now the "Governor's Competitiveness Council") to help "private sector industry cluster activation and effectiveness, advise and assist the executive and legislative branches of Connecticut state government and the private sector on matters relating to industry cluster economic development and monitor, assess and evaluate the activation and effectiveness of industry clusters in Connecticut." Executive Order 13 called for the council to remain in effect from 1998 to 2001.

Partnership for Growth

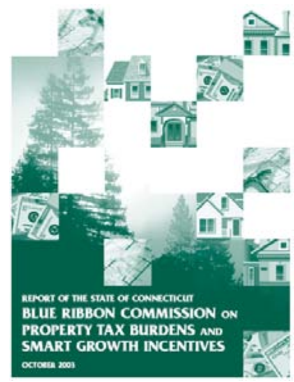
In 1998, the Governor's Council on Economic Competitiveness and Technology issued **Partnership for Growth: Connecticut's Economic Competitiveness Strategy**, addressing industry clusters as a framework for building Connecticut's competitiveness strategy.[15]

In 2004, the Governor's Competitiveness Council released the 132-page **Partnership for Growth II,** intended to spur decisive action by leaders in both the public and private sectors. Partnership for Growth II outlined an agenda to continue Connecticut's "highly successful industry cluster-based economic development strategy. It is a bold agenda—one with the transformative energy to bring about real change, revitalize our state, and deliver important benefits to our residents."[16] How, and to what extent this agenda has been executed is not clear.

Additionally, it is not clear whether the Governor's Competitiveness Council remains intact, who is on the council, what its current agenda, goals and objectives are, or how it fits into the requirement that DECD create a statewide strategic economic plan. The council is mentioned in a 2006 press release, which also notes that Governor Rell's *Next Generation Competitiveness Strategy*, her long-term economic development program, is working.[17]

Blue Ribbon Report on Property Tax Reform & Smart Growth

The "Blue Ribbon Report" came in response to Special Act 02-13, "An Act Concerning a Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives." Finding that fiscal policy and land use policy are inextricably linked and must be addressed together, the report's recommendations were intended to jumpstart a long-overdue and serious discussion among state and local policymakers, business interests, the media, general public, and other stakeholders on what public policy initiatives should be pursued. The Blue Ribbon Report notes that its issues had already been raised and studied to varying degrees in other reports, including: *Connecticut Metropatterns: A Regional Agenda for Community and Prosperity in Connecticut* [Myron Orfield, et al] (2003); *Connecticut Strategic Economic Framework* [the "Gallis" report] (1999); *Connecticut: Economic Vitality and Land Use* (May 2003) from the Connecticut Regional Institute for the 21st Century; *Is Connecticut Sprawling* (2002) by the Regional Plan Association; *Promoting Smart Growth in Connecticut* (2002) by the Harvard Design School; *10 Principles of Smart Growth in Connecticut* (2001) by the Connecticut Conference of Municipalities; and others.



Transportation Planning

In addition to the Department of Transportation and the OPM Office of Transportation Policy, Connecticut has a Transportation Strategy Board.

The Transportation Strategy Board revised and adopted Connecticut's Transportation Strategy in January 2007; see *Moving Forward* .[18] At the same time, the OPM Office of Transportation Policy ensures the coordination of state and regional transportation planning other state planning efforts, in consultation with the Commissioners of Transportation, Economic and Community Development and Environmental Protection.[19]

Planning for Sustainability: Best Practices

California Reaps Economic Benefits from Energy Efficiency Innovation

California's 35 years of leadership on energy and the environment has been extraordinarily effective. Its combinations of environmental and energy efficiency mandates and incentives, along with the technological innovations they spur, have reduced its per capita electricity use to 40 percent below the national per capita average.

But that's not all. California's energy efficiency policies have been good for the economy and good for jobs. Through detailed analysis, a UC Berkeley economic study released in October 2008 concludes that by being more efficient in their use of electricity, California households have saved $56 billion from 1972-2006. Those savings have been redirected to other goods and services, creating about 1.5 million FTE jobs with a total payroll of $45 billion.

> Household reductions in per capita electricity demand are one of the most potent catalysts of efficiency-based economic growth.
>
> *-UC Berkeley Study*

Better still, Californians directed a greater percentage of its consumption to in-state, employment-intensive goods and services, whose supply chains also largely reside within the state, creating a "multiplier" effect of job generation. The same efficiency measures resulted in slower (but still positive) growth in energy supply chains, including oil, gas, and electric power. For every new job foregone in these sectors, however, more than 50 new jobs have been created across the state's diverse economy.

Additionally, the Berkeley study concludes that the state's Draft Scoping Plan for meeting its target on greenhouse gas emissions by 2020 should achieve 100 percent of the greenhouse gas emissions reductions while increasing the Gross State Product (GSP) by about $76 billion, increasing real household incomes by up to $48 billion and creating as many as 403,000 new efficiency and climate action driven jobs.

Porter Hypothesis

In his 1991 Scientific American essay "America's Green Strategy," Harvard Business School professor and economic competitiveness expert Michael Porter introduced a controversial theory that argued that environmental progress and competitiveness are not inconsistent but complementary. The gist is that environmental regulation is good for firms in the long run because it forces them to innovate. Pollution, in Porter's view, is indicative of inefficiency and waste. (This, by the way, is the same Porter whose cluster-based theories of economic development Connecticut has embraced.[20])

> The new paradigm of competitiveness is a dynamic one, based on innovation.
>
> *-Michael Porter*

The Porter hypothesis asserts that, "Appropriately planned environmental regulations will stimulate technological innovation, leading to reductions in expenses and improvements in quality. As a result, domestic businesses may attain a superior competitive position in the international marketplace and industrial productivity may improve as well." Berkeley's California case study essentially says Porter is right.

"Appropriately planned" is the operative phrase here. In situations where regulations have no link to technological innovation, making those regulations more rigorous cannot promote more innovation.

In another piece, Porter lays out the elements of well-designed regulations. The new paradigm of competitiveness, he says, is a dynamic one, based on innovation. Properly designed environmental standards can trigger innovation that may partially or more than fully offset the costs of complying with them.

Environmental laws and regulations need to take three substantial steps: phrasing environmental rules as goals that can be met in flexible ways; encouraging innovation to reach and exceed those goals, and administering the system in a coordinated way. According to Porter, if environmental standards are to foster the innovation offsets that arise from new technologies and approaches to production, they should adhere to three principles.

> First, they must create the maximum opportunity for innovation, leaving the approach innovation to industry and not the standard-setting agency. Second, regulations should foster continuous improvement, rather than lock in any particular technology. Third, the regulatory process should leave as little room as possible for uncertainty at every stage. [21]

In the end, the orientation should shift from pollution control to resource productivity. Success must involved innovation-based solutions that promote both environmentalism and economic competitiveness. [22]

Ohio: Home of Innovation and Opportunity

The State of Ohio has produced an outstanding strategic economic plan, complete with a concise vision, mission, three lead measures of economic outcomes, five main goals each with a set of 15 performance targets—*and* accompanying baseline measures. Ohio is tracking its progress annually to be published in annual scorecard.

One of Ohio's five main goals is to "Invest in Our Regional Assets." That goal embodies targets for using clean energy, revitalizing physical assets, creating hubs of innovation and opportunity, and building sustainable, connected, vibrant communities. At the top of Ohio's list of statewide targeted industries is "advanced energy and environmental technologies." Although an environmental sustainability ethic could be more pronounced in the Ohio plan, it is an excellent framework.[23]

Oakland Sustainable Community Development Initiative

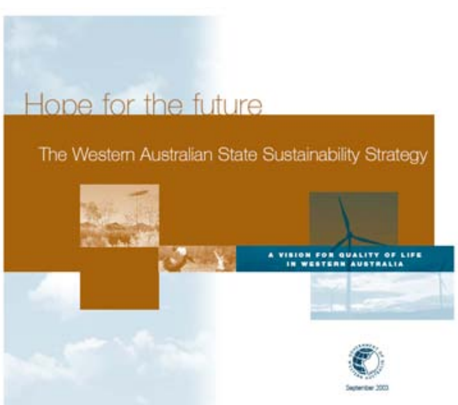
Since 1997 the Oakland, California, a city of nearly 400,000, has used its Oakland Sustainable Community Development Initiative as a framework for sustainable development.

The city reports its progress annually. For example, the 2006 annual report highlighted the economic opportunities of green building. "Compelling research now demonstrates that the integration of green building features into development projects can generate substantial energy, water and materials efficiencies, resulting in reduced operating costs of 20-80% over the life of the building. Reduced operating costs generate increased cash flow, which helps free capital for other investments. There is also a growing body of research that indicates that green buildings improve property values and can capture lease premiums…"[24]

Going further, Oakland's first public workshop for developing an Energy and Climate Action Plan is scheduled for December 2008.

State Sustainability Strategy for Western Australia

The Government of Western Australia published its State Sustainability five years ago, in September 2003. Although many aspects of Western Australia government policy had previously addressed sustainability, this was the first time that the government addressed sustainability comprehensively.



One of the six goals of the strategy is to ensure that the way Western Australia governs drives the transition to a sustainable future. The State Sustainability Strategy includes an Action plan that addresses sustainability and business and specifically identifies a responsible agency to undertake each of the 336 actions within the strategy. Western Australia's approach also includes a sustainability roundtable to advise the government, a sustainability code of practice for government agencies, a sustainability assessment, a sustainability policy unit, and regular progress reports for citizens.[25]

Where to From Here?

Connecticut needs *one* vision and *one* plan for economic renewal, and sustainability must be at their core. As shown in the preceding section, other governments have not only created such plans, but they are fully engaged in carrying them out – and very much to their benefit.

WWKD: What Would Keynes Do?

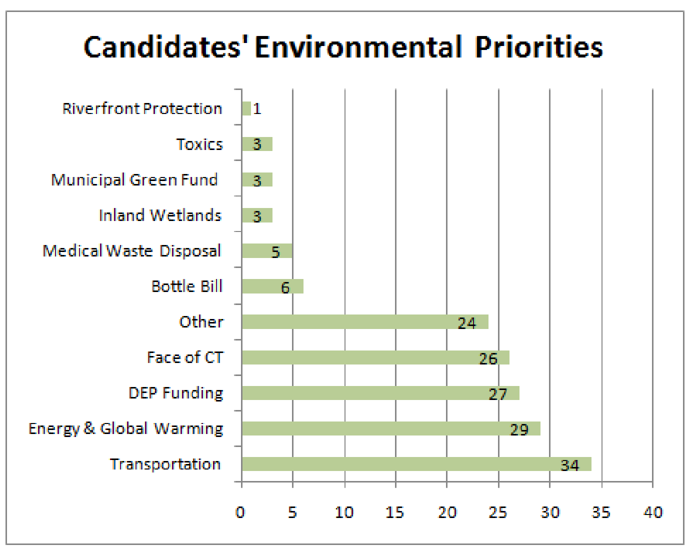
Drawing parallels between our current credit and economic crisis and the country's 1930's era depression, much is being made of the theories of British economist John Maynard Keynes.

As a recent Time magazine article describes:

> "Confronted with the threat that we might be headed for an economic collapse caused by a collapse of demand caused by a collapse of credit, governments seemingly cannot help turning to the remedy formulated by Keynes during the dark years of the early 1930s: stimulating demand by spending much more than they take in, preferably but not necessarily on useful public works like highways and schools.
>
> Keynes' argument was that when private citizens and businesses panicked and hoarded money, the only way to prevent depression was for government to become the spender of last resort.
>
> Contrary to popular belief, Keynesian thinking was not a big part of Franklin Roosevelt's New Deal. Deficit spending and monetary easing were both first put to work in a really big way by the U.S. government in the 1940s--out of wartime necessity, not economic conviction. The economy responded with rapid growth, and after the war, Keynesianism became gospel.
>
> Critics argue that for Keynesian fiscal policy to work, taxpayers have to be awfully shortsighted. Otherwise, they'd see that deficit-financed tax cuts or government spending would eventually have to be paid for, and they'd set money aside for that rainy day--thus counteracting the stimulus. But then again, the U.S. economic boom of the 1980s was at least partly the result of deficit spending. [26]

The downside of Keynesian economic theory is of course that increased government spending adds to the budget deficit. With baby boomers starting to retire and claim Social Security and Medicare benefits, any increase in the national debt will make fulfilling those unfunded promises harder in coming years. And many of us don't care much for the idea of passing a larger national debt to our children and theirs. [27]

But if Government invests smart and those investments get the economic wheels moving again with businesses innovating and hiring, people getting back to work and spending money, the hit to government's bottom line will be lessened.



Don't Eat the Seed Corn

The link between energy and transportation is strong, especially in Connecticut where transportation alternatives to the car are limited. Although gas prices are now at a three-year low after hitting an all time high of $4.39 less than six months ago, we should brace ourselves more volatility.

Transportation is responsible for 27% of our greenhouse gas emissions.[28] Slow moving, bumper-to-bumper traffic wastes time and diminishes Connecticut's quality of life. In fact, in CTLCV's 2008 survey of General Assembly candidates, *Transportation and Mass Transit* emerged as the top environmental priority.

In the Hartford *Courant's* view, "legislators should avoid a $5 million cut in transportation funding that was proposed as part of Governor Rill's first deficit mitigation plan. That is eating the seed corn. Transportation is what makes economic growth possible….Indeed, now is the time to invest in transportation.

The Climate for Change is Now

Al Gore's November 2008 Op-Ed in the New York *Times*, *The Climate for Change,* sums up our opportunities nicely:

> Economists across the spectrum agree that large and rapid investments in a jobs-intensive infrastructure initiative are the best way to revive our economy in a quick and sustainable way. Many also agree that our economy will fall behind if we continue spending hundreds of billions of dollars on foreign oil every year.
>
> But here's what we can do – now: we can make an immediate and large strategic investment to put people to work replacing 19th century energy technologies that depend on carbon-based fuels with 21st-century technologies that use fuel that is free forever: the sun the wind and natural heat of the earth.
>
> In the 35 years since Richard Nixon launched Project Independence to beat our foreign oil addiction, our dependence on foreign oil has doubled from 1/3 to 2/3.
>
> About 40% of the US's CO2 emissions come from buildings. Stopping that pollution will free up a lot of money for homeowners and businesses to spend on things that add a little more value. [29]

Connecticut can join, or even co-lead with California, a nationwide effort to retrofit buildings with better insulation and energy efficient windows and lighting. Smart, unified, comprehensive policies that promote innovation could spur new technology that the rest of the world wants and needs badly.

Working with Connecticut colleges and universities on technology transfer initiatives could build and attract a science, math and engineering brain trust.

A comprehensive approach to workforce training programs, such as those being developed now at Gateway Community College, could build the trades for installing green building technologies and systems.

Providing monetary incentives to homeowners and businesses for energy efficiency upgrades would put those tradesmen and women to work, let building owners redirect their savings on utility costs to other goods and services, and reduce greenhouse gas emissions to boot.

Good leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.

Execution is everything.

-Jack Welch

As the Hartford *Courant* has noted, the country on several occasions has strengthened its infrastructure during times of economic crisis. We have such a crisis now. To quote incoming White House chief of staff Rohm Emanuel, it would be a shame to waste it."[30]

The climate for change *is* now.

[1] Comptroller's press release (December 1, 2008), at www.osc.state.ct.us/public/pressrl/2008/december01.htm
[2] *Ibid.*
[3] Governor Rell's press release, at www.ct.gov/governorrell/cwp/view.asp?A=3293&Q=428952
[4] CERC 2008 Research & Policy Conference Materials, at http://cerc.com/Content/Conference.asp.
[5] Office of the President Elect, at http://change.gov/agenda/urbanpolicy_agenda/

[6] OPM Office of Responsible Growth, at http://www.ct.gov/opm/cwp/view.asp?a=2990&q=385462
[7] Public Act 07-239, http://www.cga.ct.gov/2007/ACT/PA/2007PA-00239-R00HB-07090-PA.htm
[8] Report of the Responsible Growth Task Force to Governor M. Jodi Rell, February 4, 2008, at http://www.ct.gov/opm/lib/opm/igp/org/rgtf_report_2-4-08.pdf
[9] Public Act 07-239, §4, at http://www.cga.ct.gov/2007/ACT/PA/2007PA-00239-R00HB-07090-PA.htm
[10] DECD web page for State of Connecticut State Economic Strategic Plan, at www.ct.gov/ecd/cwp/view.asp?a=1096&q=398012.
[11] See Conn. Gen. Stat. §§16a-24 --16a-33 and Conservation and Development Policies Plan 2005-2010, at www.ct.gov/opm/cwp/view.asp?a=2990&q=383182.
[12] 2004 Conn. Pub. Acts 252, codified at Conn. Gen. Stat. §22a-200a.
[13] 2005 Connecticut Climate Action Plan at http://ctclimatechange.com/StateActionPlan.html.
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