



TESTIMONY OF

TIM GRISWOLD

**FIRST SELECTMAN OF OLD LYME AND FIRST VICE PRESIDENT OF CCM**

To The

**APPROPRIATIONS COMMITTEE**

March 13, 2009

Good morning. I am Tim Griswold, First Selectman of Old Lyme and First Vice President of the Connecticut Conference of Municipalities. I thank you on behalf of towns and cities across the state for giving us this special opportunity to speak directly to you about the economic crisis, the proposed state budget and our ideas for helping towns and cities.

Each year this dialogue is critically important to the residents and businesses we both serve. As officials who have long had to work hard in our own budgets to meet service needs with finite resources, we appreciate the very difficult task before you.

But this year is different – local governments and the State find themselves in the midst of an almost unprecedented economic downturn. CCM members have talked for years about rebuilding the partnership between the State and municipalities. It is no longer a matter of choice: if Connecticut is to survive this downturn with our quality of life intact, we must work together.

We come before you today in this spirit of partnership. Municipal officials are here today to (1) discuss our mutual problems in continuing vital public services in this recession and (2) offer ideas on how you can help preserve what's best about hometown Connecticut's quality-of-life, including our schools, other local services, our businesses and our people.

**THE PROPOSED STATE BUDGET**

Local officials understand that there is a debate here at the Capitol about the actual size of the state budget deficit for the next biennium. While we do not pretend to know what the right figure is, we do understand that the deficit grows with each week and that projections change.

Education funding is a priority in the Governor's proposed budget, and despite the growing deficit, we ask that the Appropriations Committee do the same when you fashion your state budget proposal.

We urge you to at a minimum flat-fund major education grants, particularly the Education Cost Sharing grant (ECS). But let's be clear, flat-funding, in real dollar terms, is a cut. Right now, the State's share of K-12 public education costs is in decline. Under the Governor's proposal it will decline even further to around 39.6%. Today, 64 cents out of every dollar raised in property taxes goes to pay for public education. At least maintaining the present level of state support for regular and special education must be an overarching priority of any state budget proposal.

Overall, the Governor's state budget proposal would mean a reduction of \$45 million in aid to towns and cities, compared to this fiscal year. Her proposals for programs such as PILOT reimbursements, Town Aid Roads, the Pequot-Mohegan Grant and other non-education programs account for \$44 million of that reduction.

Included in the packet we have submitted to you are two detailed analyses of the Governor's proposal—the good and the bad.

## WHAT YOU CAN DO

We know that municipal aid is one of the big pots of money in any state budget. But we urge you to resist the temptation to cut aid to towns and cities. Such cuts would be a false economy, merely transferring the state financial crisis to the local level. It would result in a tax shift to already overburdened property taxpayers.

Of course, the levels of state aid in the budget are of vital importance – but it is only part of a comprehensive approach you can take to help our hometowns. Also important are proposals to diversify municipal revenue sources, provide mandates relief and make government more efficient by encouraging regional cooperation. Some of these proposals are before the Finance and the Planning and Development committees.

We urge you to:

### **At least maintain state aid to towns and cities at current levels.**

- At a minimum, **flat-fund major education grants**,
- Reject the Governor's proposed cuts in aid under the **PILOTs, Pequot-Mohegan and Town Aid Roads** programs (these specific funding cuts total \$28 million, the total proposed reduction for non-education grants is \$44 million);
- Provide state **bond funding for the Local Bridge Program** – funding promised by the State to municipalities was cut in the deficit mitigation package passed February 25.
- **Reject** the Governor's proposal to **reduce reimbursement for school construction** (HB 833, sec.6, Finance), support her proposals to provide bonding for the Clean Water Fund (sec 15), LoCIP (sec. 3), and Urban Act.

- **Reject** her proposals for higher local costs for **Resident State Troopers** (HB 6363, sec. 5), to de-fund single-municipal health districts and cut funding to regional health districts (SB 847) suspend funding for firefighting training, and municipal transportation to certain extracurricular activities (presently provided by RESCs, SB 830 section 18)

### **Relieve spending pressures on towns and cities by providing real mandates relief.**

- Enact proposals for **mandates reform**, including those proposed by the Governor in HB 6388:
  - Enact a statutory **prohibition on new unfunded** mandates unless there is a 2/3 vote of approval in each chamber of the General Assembly;
  - Repeal or delay **in-school suspension** mandate;
  - Relieve municipal responsibility for the **collection and storage of evicted tenants' possessions**;
  - Repeal or amend **FOI Website Posting** law to give municipalities more time to comply (also, allow towns to post notices on line rather than in newspapers);
  - Amend "**Raise The Age**" to eliminate fiscal impact on municipalities, or delay it until such amendments can be worked out;
  - **Allow municipalities to delay**, at local option, undertaking, implementing or phasing- in of **revaluations** (SB 997, Finance; SB 388 and others, P+D)
  - Reform **binding arbitration** (provide for unilateral municipal re-opening of contracts rather than the Governor's proposed two-year moratorium, with subsequent negotiations governed by current collective bargaining and binding arbitration laws.)

### **Create Incentives For Regional and Multi-municipal Cooperation**

- Support the Governor's proposal for **\$50 million in incentive grants** for regional cooperation (SB 833, section 9). **Reject** her proposal that any bonuses for cooperation from TAR or LoCIP come out of existing funds.
- **Reject** proposed **cuts to regional planning organizations**.
- Enact proposals from the **Smart Growth Working Group** that are presently before the Planning and Development Committee that would promote regional cooperation (HB 6585, SB 371, SB 384, HB 6469).

### **Give municipalities more flexibility to raise their own revenues.**

- Enact HB 6561 (Finance) that would **allow municipalities to impose a 1% tax on sales, food, beverages, a 4% lodging tax** and, for distressed municipalities, and a "**land value**" tax.
- Enact HB 6560 (Finance) that would allow municipalities to (i) impose a **surcharge on fees set by statute**, up to the actual cost to the municipalities of providing the service, and (ii) **increase the maximum fine** for ordinance violations from ( ) to \$1,000.

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## SUMMARY

As you make the toughest budget decisions in your legislative careers, please don't balance the state budget on the backs of local property taxpayers.

When members of the public think about the public services that affect their lives, they are generally thinking of services provided by local governments: public safety (police and fire, code enforcement), health, education, roads, solid waste and recycling collection, and more. **Connecticut's quality of life during these hard times depends on maintaining delivery of these important local services.**

Nobody thinks the proposals we have brought before you are easy to accomplish. We know many of them will be unpopular. But we will stand with you as you make the difficult choices that will help and sustain towns and cities – not us, the government officials, not CCM, the organization – but the people and businesses that live and work in Hometown Connecticut.

Thank you, from your partners at the local level of government.

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For more information, please contact Jim Finley or Gian-Carl Casa of CCM at (203) 498-3000.