



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

PLANNING AND DEVELOPMENT COMMITTEE
FEBRUARY 23, 2009

TESTIMONY OF

*MICHAEL J. CICHETTI, DEPUTY SECRETARY
OFFICE OF POLICY AND MANAGEMENT*

IN SUPPORT OF
GOVERNOR'S BILL NOS. 6387 (AAC THE SMALL TOWN ECONOMIC ASSISTANCE PROGRAM)
6388 (AA PROVIDING MANDATE RELIEF TO MUNICIPALITIES) AND 6389 (AA PROMOTING
REGIONALIZATION)

Good afternoon Senator Coleman, Representative Sharkey, and distinguished members of the Planning and Development Committee. I'm Michael J. Cicchetti, Deputy Secretary of the Office of Policy and Management and I'm here to speak in support of three of Governor M. Jodi Rell's proposed bills, the enactment of which will provide our cities and towns with relief from unfunded state mandates and encourage efficiencies and municipal cost savings through regionalization.

As you know, Governor Rell believes that the fiscal crisis that Connecticut is facing offers opportunities for reducing the cost of government at both the state and local levels. She has proposed the mandate relief measures in Governor's Bill No. 6388 to allow our cities and towns to experience real cost savings. Municipal leaders have consistently identified the current statutory requirement that towns remove, store and sell at auction the possessions of evicted tenants, as one of the more costly unfunded state mandates; the Governor's bill would repeal this requirement. The Governor is proposing to delay in-school suspension requirements until the 2012 school year. More importantly, Governor's Bill No. 6388 would give a town or a local board of education the ability, between July 1, 2009 and June 30, 2011, to extend an expired or expiring collective bargaining contract, while also providing long overdue and lasting binding arbitration reform.

The Governor's bill provides municipalities up to 30 days to post minutes on their websites, and suspends the requirement that they do so until January 1, 2010. This requirement has been particularly burdensome to our smaller towns, some of which have ceased operating their websites simply because they cannot comply with the current 7-day timeframe for such postings. Governor's Bill No. 6388 also allows towns to avoid the cost of printing the annual town report, by providing for its dissemination in other, less expensive formats. It would also allow towns to post various notices and other information on their websites, in lieu of publishing them in a newspaper. Governor Rell's proposed bill would also provide state agencies with the same ability, while requiring them to facilitate the receipt of electronic reports from municipalities, so as to reduce administrative costs for both levels of government. Finally, as she did last year, the Governor is proposing a prohibition on the enactment of any new unfunded mandate on municipalities unless 2/3 of the members of both chambers of the General Assembly vote in the affirmative.

Governor Rell believes that regionalization provides opportunities for significant savings to municipalities that act cooperatively, and that such cooperation should be encouraged and rewarded. She is also aware that one of the impediments to municipalities joining together to

provide a required service is the up front cost of investing in the infrastructure and equipment necessary to do so. To encourage more towns to achieve greater efficiencies by providing for joint service delivery, Governor's Bill No. 6389 establishes two new grant programs to assist municipalities in offsetting these costs: the \$40 million Regional Incentive Grant and the \$10 million Municipal Capital Expenditure Purchase Grant. Additionally, this bill would reward towns that regionalize services, even those that do so without assistance from these new programs, with a three-year bonus in their LoCIP and Town Aid Road grants. Governor's Bill No. 6389 would also remove administrative impediments preventing them from joining together to purchase goods or provide services. This is consistent with recommendations that town officials and the Property Revaluation Work Group have made.

Finally, Governor's Bill No. 6387 will allow multiple towns to apply for and receive funding for a joint project under the Small Town Economic Development Program (STEAP). For STEAP-eligible projects that towns jointly undertake, this provision would serve to reduce their administrative costs. It would also reduce state costs administrative costs associated with project reviews and approvals.

There are extraordinary economic problems with which we must grapple in the months ahead. State and local government are confronting anticipated reductions in revenue coupled with rising costs. Providing municipalities with relief from unfunded state mandates, enacting reforms to a binding arbitration system that often compels towns to incur expenses they cannot afford, and promoting regionalization as a means of reducing local costs through greater efficiencies is imperative. To that end, I request your support Governor's Bill Nos. 6387, 6388 and 6389.

Thank you. I'll be happy to answer any questions you may have.