



TESTIMONY
of the
CONNECTICUT CONFERENCE OF MUNICIPALITIES
to the
APPROPRIATIONS COMMITTEE

April 5, 2011

Good afternoon, on behalf of CCM -- Connecticut's statewide association of towns and cities -- my name is **Art Ward, Mayor of Bristol**. Thank you for the opportunity to speak before you regarding S.B. No. 452, "An Act Concerning State Mandates".

CCM supports this bill, but urges the Committee to support meaningful relief from existing mandates THIS YEAR.

S.B. 452 would enact a statutory prohibition to against the passage of *new* unfunded state mandates without a 2/3 vote of both chambers of the General Assembly.

A statutory prohibition would (a) place the burden of proof on the State to demonstrate why a mandate is needed, and (b) present the General Assembly with the issue of municipal reimbursement up-front, as the issue of enactment is debated. The legislature, through use of a "notwithstanding clause", may avoid full or even partial reimbursement for a new or expanded mandate if there are compelling public policy reasons to do so. Still, this needed reform would require the General Assembly to inject cost-benefit analyses into debates on state mandates yet provide the State with the needed flexibility to enact truly necessary mandates.

There are over 1,200 state mandates imposed on Hometown Connecticut and their residential and business property taxpayers. Relief from current mandates is important to the recovery of municipalities during this unprecedented fiscal crisis.

Local government supports the objective of many mandates -- but opposes the State's failure to pay for them.

At a time when towns and cities are struggling mightily to continue to provide needed services to residents and businesses, immediate -- not only future -- mandates relief should be a priority.

Recent Mandates Relief – the State Giveth Relief & Taketh Away

CCM recognizes that the General Assembly has a growing reluctance to impose or expand unfunded mandates. This Committee, mindful of its special statutory obligation to analyze and act on proposed unfunded mandates (CGS 2-32b), has been sensitive to this issue.

However, while the legislature provides mandates relief on one matter, *one year* – it sometimes considers *adding administrative burdens* regarding the same mandate the *very next year*. For instance, PA 10-171, provides mandates relief to municipalities by, among other things, eliminating the mandate that requires towns and cities to transport the possessions of evicted tenants (municipalities are still required to store such possessions).

However, this year, the Housing Committee favorably reported a bill, H.B. 6464, which adds administrative burdens regarding tenant evictions. It would require that towns and cities reimburse landlords for the cost of removing and delivering possessions of evicted tenants from the proceeds of a sale at auctions of such possessions. There are rarely any proceeds. Instead of further *removing* towns and cities from what is essentially a landlord-tenant issue, municipalities are pushed further *into* the process. According to OFA, Connecticut is the only state out of 37 researched that requires towns and cities to be involved in this process.

In truth, comprehensive mandates relief has not occurred.

In fact, modest proposals to update prevailing wage thresholds, which have not been raised in 20 years, and to improve the efficiency and effectiveness of the municipal binding arbitration mandate continue to be blocked due to special interest pressure.

Recent Studies

Municipal mandates reform is an often studied, but seldom acted-upon issue. Among the recent studies are:

- “Compendium of Statutory and Regulatory Mandates on Municipalities in Connecticut,” Connecticut Advisory Commission on Intergovernmental Relations (ACIR) (2011)
- Municipal Opportunities and Regional Efficiencies (M.O.R.E.) Commission (2010)
- “How to Spell Relief,” CCM (2010)
- “Governor’s Commission on Un-Funded Mandates” (December 2006)
- “Binding Arbitration for Municipal and School Employees,” Legislative Program Review and Investigations Committee (2005)
- “Prevailing Wage Law in Connecticut,” Legislative Program Review and Investigations Committee (1996)

Considering that municipalities are facing a fiscal crisis not seen in generations, towns and cities need mandates relief *THIS YEAR*.

Connecticut towns and cities empathize with the State. Facing massive deficits, municipalities have already made hard choices like budget cuts, employee layoffs and tax hikes -- and are girding for more tough choices. In our central cities, the situation is increasing grave and dire. Deep cuts in services and massive layoffs have occurred in these communities -- with more cuts and layoffs to come. Municipalities must still provide the services residents depend on such as education, public safety and infrastructure maintenance, regardless of the economy.

Support Mandates Relief THIS YEAR

To provide meaningful mandates reform during the most challenging fiscal crisis since the Great Depression, CCM urges the Committee to be bold and support the following reforms:

- **Amend the State's prevailing wage rate mandate [CGS 31-53(g)]:** (a) adjust the thresholds for renovation construction projects, from \$100,000 to \$200,000; (b) adjust the thresholds for new construction projects, from \$400,000 to \$800,000. The current thresholds have not been raised since 1991. This proposal, SB 990, was not acted on by the Labor and Public Employees Committee.
- **Modestly modify state-mandated compulsory binding arbitration laws** under the Municipal Employee Relations Act (MERA) and the Teacher Negotiation Act (TNA) by (a) requiring that all neutral municipal arbitrators be members of the American Arbitration Association, per HB 6409 (no action taken in the Labor Committee), and (b) preventing an arbitration panel from considering a municipal reserve fund balance when determining municipalities' financial capability, per SB 989 (no action taken in the Labor Committee).
- **Eliminate the Minimum Budget Requirement (MBR)** that prevents municipalities from finding savings and efficiencies in board of education budgets. The Education Committee favorably reported HB 6385, which provides minimal relief for local governments in meeting the minimum budget requirements (MBR). While this proposal is a step in the right direction, it does not go far enough to provide the relief local governments need as it only allows for reductions if student enrollment has decreased. **MBR should be eliminated** for FYs 12-13 to allow municipalities to find reasonable savings for their property taxpayers, **or at the very least provide for reductions if certain cost savings or efficiencies can be achieved**, as proposed originally in HB 6431. CCM supports ensuring that state education aid is spent on education - *every community in Connecticut already spends more on K-12 public education than they receive from the State.*
- **Allow towns and cities to post legal and other notices on their websites, rather than in newspapers.** This is a costly -- and unnecessary -- unfunded state mandate.

At the very least, state law should be amended to allow municipalities the ability to publish notice of the availability of particular documents on their website, instead of having to publish entire documents in newspapers.

It is estimated that this 20th century law costs small towns several thousands of dollars annually, while the costs to larger cities can be as much as hundreds of thousands of dollars per year. Times have changed, technology has changed, and so too have the habits and practices of our population. Most newspapers have recognized that their future is online. A proposal, HB 6339, which would relieve municipalities of the mandate to post legal notices in newspapers, was favorably reported by the Planning and Development Committee.

- **Allow municipalities that are scheduled to conduct a property revaluation – particularly physical -- in 2011 and 2012, the option to delay that revaluation for at least one year**, as a reasonable response to the uncertainties of the current market. A similar option to defer was passed by the Legislature in 2009.
- **Postpone the high school reforms passed last year (PA 10-111)**. PA 10-111 mandates numerous graduation and curriculum requirements. The law should be postponed until state funding can be directed to pay for these new costs. This proposal, HB 6498, has been favorably reported by the Education Committee.
- Amend Public Act 10-171 to **clarify that wireless telecommunications companies** that had been assessed by the State, but are now to be assessed by municipalities -- **will continue to pay their taxes in the same year** in which the property is assessed (i.e. if on 10/1/10 grand list, they pay in FY10-11). This proposal, HB 6292, was favorably reported by the Planning and Development Committee.
- Clarify the **statutory definition of "department head"** for purposes of excluding such personnel from collective bargaining.
- Repeal CGS 10-66c which requires **school districts to pay for the costs of special education for any Charter School student** who resides in the district.
- **Repeal the statute that requires one union for the uniformed employees of municipal police departments and municipal fire departments**. Present law requires rank and file employees and supervisors to be in the same union – which has a chilling effect on management authority.
- Establish a minimum threshold of at least 1,000 work-hours of services before **part-time, temporary, or seasonal employees are eligible for unemployment benefits**.

Conclusion

Please have the courage to act this year. A statutory prohibition against unfunded state mandates – and relief from current mandates (S.B. No. 452), are sorely needed.

Connecticut's local property taxpayers – residential and business – can no longer afford to have state officials sit on the sidelines and ignore the need for comprehensive mandates reform.

Our local property taxpayers deserve no less.

Thank you.

##

If you have any questions, please contact Jim Finley (jfinley@ccm-ct.org) or Ron Thomas rthomas@ccm-ct.org at (203) 498-3000.