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To: Appropriations Committee  
From: John Simone, President & CEO  
Date: February 20, 2013  
Re: Governor's Bill No. 6357, "An Act Implementing the Budget Recommendations of the Governor Concerning Education"

Senator Harp, Representative Walker and members of the Appropriations Committee. I am here to testify regarding Bill no. 6357 that recommends diverting \$4 million from Community Investment Act (CIA) funds to the Department of Education for the purposes of the healthy foods initiative.

As President & CEO of the CT Main Street Center (CMSC), I represent 62 members who are in all eight counties in urban, suburban and rural communities. CMSC is a statewide non-profit organization inspiring innovation and entrepreneurship to strengthen communities, grow jobs and build a better Connecticut. Our mission is to be the champion and leading resource for vibrant, sustainable Main Streets as foundations for healthy communities. We teach communities to manage their downtowns using a national place-based revitalization model that has a proven track record in over 2,000 American towns. We know that downtowns are the most complex real estate asset to manage and, like any mall, require ongoing management to thrive.

Our members are well positioned to support the challenging work of rebuilding a sustainable economy in Connecticut. Since June 2007, while the State and nation experienced losses in businesses and jobs, our designated programs saw a 30% net increase in jobs, a 22.5% net increase in new businesses and a 77% increase in private investment. And these jobs are created where they are needed the most, as 80% of our designated Main Street programs are in low-to-moderate income neighborhoods.

The Community Investment Act was established in 2005 with extraordinary bi-partisan leadership and the support of thousands of citizens. Its intent is simple and pure – dedicated funding from land-use transactions for land use initiatives – open space, farmland and dairy farm preservation, affordable housing and historic preservation. It has never been part of the general budget and should not be used to resolve general budget challenges. It should also not be used for non-land use initiatives like the healthy foods initiative. Perhaps it may be easier to envision how wrong this concept is by looking at it in reverse. What if it was proposed to take \$4 million from the school lunch program to rehabilitate historic buildings? I would think the response from school lunch proponents would be swift and full of outrage – and rightfully so.

We face significant budget challenges at all levels of government. But this is a classic case of robbing from Peter to pay Paul. We are deeply challenged to increase our revenues while controlling, if not reducing, our costs to grow sustainably. One technique is to identify dedicated revenue streams, like CIA funds, to fund specific activities. These investments can be tracked and the returns measured. Since 2006, 2,000 jobs have been created in the affordable housing and historic preservation sectors due to CIA projects.

Allowing CIA funds to be used for non-land use initiatives and to try and solve a state budget problem sets the wrong precedent and sends the wrong message to voters. With the strong likelihood of less federal funds coming to the state and our own fiscal challenges, we will need to find new ways to pay for our collective needs. One looming example is transportation funding for both fixing aging roads and bridges and to build and maintain more transportation choices that will allow us to compete in the 21<sup>st</sup> century. As

many states are doing, we need to find ways to dedicate revenues from sources such as the gas tax, or sales tax or tolls to help pay for our transportation needs. If we voters continue to see that dedicated funding sources have no permanency or guarantees not to be raided for other purposes, how likely are we to support increased revenues for our sorely needed transportation investments moving forward?

CIA funds are also used to support our Preservation of Place grant program for our members. These highly sought-after competitive grants provide a source of funding for new initiatives that can be integrated into, and leverage, more comprehensive preservation and revitalization programs. Since 2007, we have granted \$316,130 in CIA funds that has leveraged \$769,427 in total project budgets.

CIA is a nationally recognized program that provides resources for the best kind of sustainable development and the protection of some of Connecticut's most precious assets – preserving our pristine open spaces and farmlands while directing development into our historic town centers close to jobs and choices for housing and transportation.

Please leave the CIA funds intact and do not dilute them for a completely unrelated, albeit important, initiative.