



Testimony
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The Connecticut Council of Small Towns (COST) *supports the intent of SB-311, AN ACT CONCERNING PORTIONS OF THE STATE BUDGET APPROPRIATING AID TO MUNICIPALITIES*, which would require the state to adopt the municipal portion of the budget by March 1 of each year.

According to a report prepared by the Advisory Commission on Intergovernmental Affairs (ACIR), municipalities begin holding meetings to develop local budgets beginning in January or February. This gives towns four to five months to adopt a budget before the beginning of the new fiscal year. The latest a town can adopt its budget and issue tax bills on time is considered to be June 15.

In practice, municipalities have relied on the numbers proposed in the governor's budget to determine the amount of state aid they would receive. However, in years in which the state was facing very difficult, protracted budgetary negotiations, towns faced a lot of uncertainty as to whether the numbers would hold.

In fact, voters in several towns questioned whether they should support budgets because towns would be obligated to spend the amount budgeted even if the level of state aid did not materialize. This may have contributed to the number of towns that adopted their budgets after June 15 in difficult budget years - in 2003, 34 towns adopted their budget after June 15 and in 2008, 23 towns.

Given the state's ongoing fiscal challenges, there continues to be uncertainty regarding whether levels of municipal aid will be decreased or flat-funded as well as how certain categories of aid may be used. This uncertainty has made it difficult for towns to craft sound budgets because state aid to municipalities is a big chunk of the revenues that towns count on to fund critical programs and services, such as education, public safety, and infrastructure.

COST therefore supports the intent of SB-311, however, we believe that April or April 15 would be more workable dates for adopting the municipal portion of the state budget. We look forward to working with lawmakers to discuss how to provide towns and cities with greater certainty regarding municipal aid levels.

COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. Its members are Connecticut towns with populations of less than 30,000.

COST champions the major policy needs and concerns of Connecticut's suburban and rural towns.