

MEMORANDUM

DATE: March 4, 2015
TO: Senator Beth Bye and Representative Toni E. Walker, Chairs, and
Members of the Appropriations Committee
FROM: Stewart "Chip" Beckett III, Chairman, Capitol Region Council of
Governments, Chair, Glastonbury Town Council,
Lyle D. Wray, Executive Director, Capitol Region Council of Governments
SUBJECT: **HB 6824 Changes to the Connecticut Education Network**

Thank you for the opportunity to provide comments on **HB 6824: AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2017, AND MAKING APPROPRIATIONS THEREFOR AND OTHER PROVISIONS RELATED TO REVENUE**, as it relates to the state Department of Administrative Services (DAS).

For more than 45 years, the Capitol Region Council of Governments (CRCOG) has served Hartford and 37 surrounding municipalities and helped them gain significant efficiencies in the spending of taxpayer dollars through a wide variety of cooperative purchasing and other regional service sharing initiatives. We are writing to express our concern over the elimination of DAS operational funding (\$3.3 million) for the Connecticut Education Network (CEN) in House Bill 6824. If there is a need to change the funding model for CEN away from state subsidies, we urge that this be done in a considered fashion and be phased in over time in an orderly way.

For more than the past decade CRCOG and its members have been working on a long list of regional efficiencies for local services from online building permitting to cooperative purchasing. The next "big thing" for efficient service sharing requires high speed broadband internet access and Information Technology sharing over a broadband fiber network for all towns and cities. Access to the Nutmeg Network (also known as CEN) is the backbone of the ability to realize all of the benefits of local government efficiency, including local property tax relief.

The state is mid-way in undertaking a two year plan to connect all participating municipalities to the CEN/Nutmeg Network with state grant funding, in addition to schools, libraries and public safety facilities already on the network. The millions of dollars of investment to connect over 90 Connecticut municipalities reflects the state's acknowledgment of the value of a publicly run broadband fiber backbone for the

purposes of communication, efficient local service delivery, and operational cost savings.

With the support of the Speaker of the House, CRCOG has been working with the Connecticut Center for Advanced Technology, Inc., the CT Council of Small Towns (COST) and the Connecticut Conference of Municipalities (CCM) to launch a program to assist local governments in leveraging the CEN/ Nutmeg Network. There are five state funded demonstration projects developed in the 2014 Municipal Opportunities for Regional Efficiency (MORE) Commission's Regions group underway that will allow towns to benefit from back office functions to achieve cost savings and improve the efficiency of local government operations and service delivery. These demonstration projects depend on the CEN/Nutmeg Network and include local government data storage and back-up/disaster recovery, Voice over Internet Protocol telephones, streaming video, electronic document management, and human resources functions. In addition, plans are being made to develop even more back office services such as GIS mapping and payroll and accounting services.

HB 6824 eliminates state funding for this network. This is not just a matter of eliminating free internet services for schools and libraries; it also eliminates lease and maintenance payments to the state's network fiber vendor which could jeopardize the future of the entire network. This cut in funding also calls into question how the MORE Commission's objectives can be achieved if promising programs, such as the Nutmeg Network, are jeopardized.

We strongly encourage you to restore funding to the Connecticut Education Network and Nutmeg Network. It is a vital backbone of municipal efficiencies through sharing that is just beginning to bear fruit. Do not allow years, and millions of dollars, of investment be put into jeopardy by cutting out the core funding to operate the Nutmeg Network. If there is a need to change the funding model for CEN away from state subsidies, we urge that this be done in a considered fashion and be phased in over time in an orderly way.

CRCOG greatly appreciates the opportunity to provide testimony on this proposed bill and looks forward to providing any additional assistance the Committee may request.