



CCM 2015 Testimony

900 CHAPEL STREET, 9th FLOOR, NEW HAVEN, CT 06510-2807 PHONE (203) 498-3000 FAX (203) 562-6314

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FINANCE, REVENUE & BONDING COMMITTEE

March 9, 2015

Good afternoon, my name is Matt Galligan, Town Manager of South Windsor and President of the Connecticut Conference of Municipalities (CCM). CCM is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent 156 towns and cities, representing over 95 percent of Connecticut's population.

I appreciate the opportunity to testify today regarding the Governor's proposed revenue bill:

SB 946, "An Act Concerning Revenue Items to Implement the Governor's Budget"

CCM is very appreciative that Governor Malloy has maintained a commitment to property taxpayers by sparing major municipal state grants from cuts. As a former mayor, the Governor understands that by saying "no" to municipal cuts, he is saying "yes" to property taxpayers.

Municipal officials appreciate the difficult and unhappy choices you have before you. Indeed, similar tough choices are being examined and debated in town and city halls, too.

SB 946 would, among other things:

- Mandate that towns pay 100% of the costs for the Resident State Trooper Program.
- Increase fees for the disposal of solid waste.
- Sweep local revenue deposited into the Community Investment account – which helps fund such programs related to historic preservation, affordable housing, municipal open space, and farmland preservation.
- Sweep funding from the municipal video competition account – intended to provide property tax relief to certain communities.
- Eliminate funding for Public Educational and Governmental Programming and Education Technology Investment Account (PEGPETIA) – which provides grants to support public, educational, and governmental (i.e. community access) programming.

Some Poorer Towns Lose Money in Budget – Due to Underfunding of Grants

As mentioned previously, the proposed state budget maintains an important commitment to property taxpayers by sparing major municipal state grants from cuts. However, because some state grants (e.g., PILOTs) are not fully funded, 70 communities would receive less funding as a result of shifting grant distributions. Several of these communities are among the poorest in the nation – like Hartford, Bridgeport, Waterbury and New Haven.

Several face many challenges: extremely high unemployment, crime, shrinking grand lists, poverty and educational disparities. Such communities bear a disproportionate burden when it comes to providing services for Connecticut's neediest residents. At the same time, many are regional hubs for economic development, culture and emergency care.

If the State wants to ensure its economic competitiveness, it must start with sustaining its towns and cities. Funding critical local public services come from two primary sources – the property tax and state aid, and it is increasingly clear that sustaining state aid is an essential component to thwarting the municipal over-reliance on the property tax.

Context

SB 946 contains elements that would compound significant fiscal challenges already facing Connecticut's towns and cities – and their property taxpayers. We urge you to place the aforementioned proposals in a broader and important context: SB 946 has been proposed in conjunction with (a) a proposed \$6.5 million cut in the Priority School Districts program, (b) major cuts in Youth Service Bureau grants; (c) several labor-related mandates that would greatly expand workers' compensation and force towns and cities to pay for special mental or emotional benefits; (d) no meaningful mandates relief on the horizon, (e) the proposed elimination of \$12.7 million to towns and cities (Municipal Revenue Sharing Accounts payments) – mid-year – to compensate for an unintended state shortfall, and (f) mid-year cuts municipalities received in, among other things, school-based health clinic funding.

CCM respectfully urges the committee to amend SB 946 to (a) maintain the current local-state funding structure of the Resident State Trooper Program; and (b) restore critical revenue to towns and cities – for the benefit of residential and business property taxpayers.

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If you have any questions, please contact Robert Labanara, State Relations Manager for CCM, at rlabanara@ccm-ct.org.