



# House of Representatives

General Assembly

**File No. 466**

February Session, 2016

Substitute House Bill No. 5602

*House of Representatives, April 5, 2016*

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING REGIONALISM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-148v of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) Notwithstanding the provisions of any municipal charter or any  
4 special act to the contrary, any municipality may, by ordinance,  
5 establish requirements for competitive bidding for the award of any  
6 contract or the purchase of any real or personal property by the  
7 municipality. Such ordinance may provide that, except as otherwise  
8 required by any provision of the general statutes, sealed bidding shall  
9 not be required for contracts or purchases having a value less than or  
10 equal to an amount established in the ordinance, which amount shall  
11 not be greater than twenty-five thousand dollars. Nothing in this  
12 section shall be deemed to invalidate any ordinance enacted by a  
13 municipality prior to October 1, 1989. Nothing in this section and no  
14 ordinance adopted pursuant to this section shall be construed to limit

15 the ability of a municipality to enter into a contract pursuant to section  
16 4a-53a.

17 (b) Notwithstanding the provisions of the general statutes or any  
18 municipal charter, special act or ordinance, any municipality may  
19 purchase equipment, supplies, materials or services from a person who  
20 has a contract to sell such goods or services to other state governments,  
21 political subdivisions of the state, nonprofit organizations or public  
22 purchasing consortia available through a regional educational service  
23 center or regional council of governments, in accordance with the  
24 provisions of such contract.

25 Sec. 2. Section 4-124s of the general statutes is repealed and the  
26 following is substituted in lieu thereof (*Effective from passage*):

27 (a) For purposes of this section:

28 (1) "Regional council of governments" means any such council  
29 organized under the provisions of sections 4-124i to 4-124p, inclusive;

30 (2) "Municipality" means a town, city or consolidated town and  
31 borough;

32 (3) "Legislative body" means the board of selectmen, town council,  
33 city council, board of alderman, board of directors, board of  
34 representatives or board of the warden and burgesses of a  
35 municipality; [and]

36 (4) "Secretary" means the Secretary of the Office of Policy and  
37 Management or the designee of the secretary; and

38 (5) "Regional educational service center" has the same meaning as  
39 provided in section 10-282.

40 (b) There is established a regional performance incentive program  
41 that shall be administered by the Secretary of the Office of Policy and  
42 Management. On or before December 31, 2011, and annually  
43 thereafter, any regional council of governments, any two or more

44 municipalities acting through a regional council of governments, any  
45 economic development district, any regional educational service center  
46 or any combination thereof may, after consulting with the Connecticut  
47 Center for Advanced Technology, Inc., submit a proposal to the  
48 secretary for: (1) The joint provision of any service that one or more  
49 participating municipalities of such council, educational service center  
50 or agency currently provide but which is not provided on a regional  
51 basis, (2) a planning study regarding the joint provision of any service  
52 on a regional basis, or (3) shared information technology services. A  
53 copy of said proposal shall be sent to the legislators representing said  
54 participating municipalities.

55 (c) (1) A regional council of governments, [or] an economic  
56 development district or a regional educational service center shall  
57 submit each proposal in the form and manner the secretary prescribes  
58 and shall, at a minimum, provide the following information for each  
59 proposal: (A) Service description; (B) the explanation of the need for  
60 such service; (C) the method of delivering such service on a regional  
61 basis; (D) the organization that would be responsible for regional  
62 service delivery; (E) a description of the population that would be  
63 served; (F) the manner in which regional service delivery will achieve  
64 economies of scale; (G) the amount by which participating  
65 municipalities will reduce their mill rates as a result of savings  
66 realized; (H) a cost benefit analysis for the provision of the service by  
67 each participating municipality and by the entity submitting the  
68 proposal; (I) a plan of implementation for delivery of the service on a  
69 regional basis; (J) a resolution endorsing such proposal approved by  
70 the legislative body of each participating municipality; and (K) an  
71 explanation of the potential legal obstacles, if any, to the regional  
72 provision of the service.

73 (2) The secretary shall review each proposal and shall award grants  
74 for proposals the secretary determines best meet the requirements of  
75 this section. In awarding such grants, the secretary shall give priority  
76 to a proposal submitted by (A) any entity specified in subsection (a) of  
77 this section that includes participation of all of the member

78 municipalities of such entity, and which may increase the purchasing  
79 power of participating municipalities or provide a cost savings  
80 initiative resulting in a decrease in expenses of such municipalities,  
81 allowing such municipalities to lower property taxes, and (B) any  
82 economic development district.

83 (d) On or before December 31, 2013, and annually thereafter, in  
84 addition to any proposal submitted pursuant to this section, any  
85 municipality, [or] regional council of governments or regional  
86 educational service center may, after consulting with the Connecticut  
87 Center for Advanced Technology, Inc., apply to the secretary for a  
88 grant to fund: (1) Operating costs associated with connecting to the  
89 state-wide high speed, flexible network developed pursuant to section  
90 4d-80, including the costs to connect at the same rate as other  
91 government entities served by such network; and (2) capital cost  
92 associated with connecting to such network, including expenses  
93 associated with building out the internal fiber network connections  
94 required to connect to such network, provided the secretary shall make  
95 any such grant available in accordance with the two-year schedule by  
96 which the Bureau of Enterprise Systems and Technology recommends  
97 connecting each municipality, [and] regional council of governments  
98 and regional educational service center to such network. Any  
99 municipality, [or] regional council of governments or regional  
100 educational service center shall submit each application in the form  
101 and manner the secretary prescribes.

102 (e) The secretary shall submit to the Governor and the joint standing  
103 committee of the General Assembly having cognizance of matters  
104 relating to finance, revenue and bonding a report on the grants  
105 provided pursuant to this section. Each such report shall include  
106 information on the amount of each grant, and the potential of each  
107 grant for leveraging other public and private investments. The  
108 secretary shall submit a report for the fiscal year commencing July 1,  
109 2011, not later than February 1, 2012, and shall submit a report for each  
110 subsequent fiscal year not later than the first day of March in such  
111 fiscal year. Such reports shall include the property tax reductions

112 achieved by means of the program established pursuant to this section.

113 Sec. 3. (*Effective from passage*) Notwithstanding the provisions of the  
114 general statutes or any municipal charter or special act to the contrary,  
115 any municipality may enter into a partnership with one or more  
116 municipalities to share the services of one or more resident state  
117 troopers or other law enforcement personnel.

118 Sec. 4. Section 4-66k of the general statutes is repealed and the  
119 following is substituted in lieu thereof (*Effective from passage*):

120 (a) There is established an account to be known as the "regional  
121 planning incentive account" which shall be a separate, nonlapsing  
122 account within the General Fund. The account shall contain any  
123 moneys required by law to be deposited in the account. Moneys in the  
124 account shall be expended by the Secretary of the Office of Policy and  
125 Management in accordance with subsection (b) of this section for the  
126 purposes of first providing funding to regional planning organizations  
127 in accordance with the provisions of subsections (b) and (c) of this  
128 section, [and] then [to] for the purposes of subsection (d) of this section  
129 and finally for providing grants under the regional performance  
130 incentive program established pursuant to section 4-124s, as amended  
131 by this act.

132 (b) For the fiscal year ending June 30, 2014, funds from the regional  
133 planning incentive account shall be distributed to each regional  
134 planning organization, as defined in section 4-124i, revision of 1958,  
135 revised to January 1, 2013, in the amount of one hundred twenty-five  
136 thousand dollars. Any regional council of governments that is  
137 comprised of any two or more regional planning organizations that  
138 voluntarily consolidate on or before December 31, 2013, shall receive  
139 an additional payment in an amount equal to the amount the regional  
140 planning organizations would have received if such regional planning  
141 organizations had not voluntarily consolidated.

142 (c) Beginning in the fiscal year ending June 30, 2015, and annually  
143 thereafter, funds from the regional planning incentive account shall be

144 distributed to each regional council of governments formed pursuant  
 145 to section 4-124j, in the amount of one hundred twenty-five thousand  
 146 dollars plus fifty cents per capita, using population information from  
 147 the most recent federal decennial census. Any regional council of  
 148 governments that is comprised of any two or more regional planning  
 149 organizations, as defined in section 4-124i, revision of 1958, revised to  
 150 January 1, 2013, that voluntarily consolidated on or before December  
 151 31, 2013, shall receive a payment in the amount of one hundred  
 152 twenty-five thousand dollars for each such regional planning  
 153 organization that voluntarily consolidated on or before said date.

154 (d) Beginning in the fiscal year ending June 30, 2016, and annually  
 155 thereafter, funds from the regional planning incentive account shall be  
 156 distributed to the Auditors of Public Accounts to audit private  
 157 providers of special education services, in accordance with section 2-90  
 158 and sections 10-91g to 10-91i, inclusive.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	7-148v
Sec. 2	<i>from passage</i>	4-124s
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	4-66k

**PD**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 17 \$</b>	<b>FY 18 \$</b>
Policy & Mgmt., Off.	GF - Cost; Regional Performance Incentive Account	At least \$366,000	At least \$366,000

Note: GF=General Fund

**Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 17 \$</b>	<b>FY 18 \$</b>
Various Municipalities	Savings	Potential	Potential

**Explanation**

The bill 1) allows Regional Education Service Centers (RESCs) to apply for regional performance incentive grants, 2) requires funding from the regional planning incentive account (RPIA)<sup>1</sup> be provided to state auditors to audit certain accounts, 3) allows municipalities to purchase certain goods and services from certain regional entities, and 4) allows municipalities to share resident state troopers.

The RPIA is estimated to have a balance of approximately \$1.7 million at the end of FY 16. However, it should be noted that PA 15-244, the FY 16 and FY 17 budget, eliminates the transfer of any revenue into the account in FY 17. This means that only \$1.7 million will be available for RPIA expenditures in FY 17.

There is a cost to the RPIA associated with requiring grants to be

---

<sup>1</sup> The Regional Planning Incentive Account is a non-lapsing account funded through a portion of the hotel tax and rental car surtax. It primarily funds: 1) grants-in-aid to councils of government (COGs), and 2) competitive grants to COGs and groups of municipalities.

paid to state auditors. It is estimated that the Auditors of Public Accounts would need to hire four auditor positions at a cost of \$366,000 (\$264,000 for salaries plus \$102,000 for fringe benefits) in FY 17 to audit private providers of special education services.

Any cost associated with allowing RESCs to receive RPIA funding would vary based on grant amounts awarded by OPM.

To the extent that municipalities 1) purchase goods and services from regional entities and 2) share resident state troopers, there is a potential savings. Such savings would vary based on the value of the goods purchased, or the provisions of any agreement to share resident state troopers.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5602*****AN ACT CONCERNING REGIONALISM.*****SUMMARY:**

This bill authorizes municipalities, notwithstanding state statutes, municipal charters, special acts, or ordinances, to purchase equipment, supplies, materials, or services from certain entities. These entities are persons that have a contract with a regional educational service center (RESC) or regional council of governments (COG) to sell such goods or services to the state, municipalities, nonprofits, or public purchasing consortia. Existing law, unchanged by the bill, requires municipalities to use competitive bidding procedures for certain contracts funded in whole or in part by the state (e.g., school construction contracts).

The law allows the emergency services and public protection commission to appoint a state trooper to serve as a resident state trooper in a single municipality or adjoining municipalities and specifies municipalities' financial responsibilities with regard to such a trooper (CGS § 29-5). The bill, notwithstanding any statute, municipal charter, or special act, additionally allows non-adjoining municipalities to enter into an agreement to share the services of a resident state trooper or other law enforcement personnel. The bill does not define "other law enforcement personnel" or specify the procedure by which a state trooper may be assigned to serve such municipalities.

The bill also expands the distribution of funds from the regional planning incentive account, which is administered by the Office of Policy and Management (OPM) secretary. It (1) requires that funds from the account be provided to the state auditors to conduct certain audits and (2) allows RESCs to apply for regional performance incentive program (RPIP) grants, which are funded from the account.

---

EFFECTIVE DATE: Upon passage

## **REGIONAL PLANNING INCENTIVE ACCOUNT**

Beginning in FY 16, the bill requires that regional planning incentive account funds be annually distributed to the state auditors for audits of private special education service providers; these audits are required by existing law (see BACKGROUND). Use of the funds for this purpose takes precedence over their use for RPIP grants. The bill retains a requirement that funds in this account first be used for grants to COGs.

Under existing law, RPIP grants provide funds to municipalities and regional entities for (1) jointly performing a service they have been performing separately, (2) a planning study on joint service provisions, or (3) shared information technology services. Municipalities and COGs are also authorized to use these grants to fund capital and operating costs associated with connecting to the statewide high-speed network (i.e., the Nutmeg Network).

The bill additionally (1) makes RESCs eligible for RPIP grants and (2) requires grant applicants to consult with the Connecticut Center for Advanced Technology, Inc. before submitting a proposal to the OPM secretary. The center is an economic development organization that helps public and private entities increase efficiencies and technological competitiveness and improve workforce development.

The bill similarly makes a RESC eligible for RPIP grants for connecting to the Nutmeg Network. It requires OPM to make allocations to RESCs in accordance with the Bureau of Enterprise Systems and Technology's two-year plan for connecting municipalities, COGs, and RESCs. However, it appears that the bureau's schedule, adopted pursuant to PA 13-247 (§ 256), considers only municipalities and COGs.

## **BACKGROUND**

### ***Private Provider Audits***

The law requires the state auditors to examine the records and

accounts of certain private providers of special education services at least once every seven years. A private provider is a private school, agency, or institution, including a group home, that receives state or local funds to provide special education services to any student with an individualized education program or individual services plan written by the student's local or regional board of education (CGS § 10-91g).

**RESCs**

RESCs are regional entities that provide educational services and programs on behalf of boards of education, including special education services; professional development; recruiting; teacher and school employee fingerprinting and background checks; administrative and transportation services for the Open Choice program; and, in some cases, operation of interdistrict magnet schools (CGS § 10-66a et seq.). There are six RESCs in the state: Area Cooperative Educational Services, Capitol Region Education Council, Cooperative Education Services, EASTCONN, Education Connection, and LEARN.

**Related Bill**

HB 5603 (§ 4), reported favorably by the Planning and Development Committee, eliminates, on December 31, 2017, the option to apply for RPIP grants to cover the costs of connecting to the Nutmeg Network.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/18/2016)