

Testimony by

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**SUPPORT
HB5604: AAC REGIONAL EFFICIENCIES**

Chairs Senator Osten and Representative Miller and members of the Planning and Development Committee, I come before you today in opposition to **HB5604: AAC REGIONAL EFFICIENCIES**. Thank you for the opportunity to provide comments.

For more than 45 years, the Capitol Region Council of Governments (CRCOG) has served Hartford and surrounding municipalities -- now 37 towns with almost 1 million residents -- 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.

While in theory the concept of having a baseline of information to track savings of implemented changes for more efficient local government operations makes sense, we believe specific policy goals should be defined first. Thus we have concerns with this bill. With many public services, particularly those that cross multiple departments or levels government, it is often a difficult task to arrive at a baseline cost for a service. We recommend looking at the work of the Federal Reserve Bank of Boston in studies in Connecticut on a state wide basis for Public Health Districts and Public Safety Answering Points to understand the complexity and resources needed to conduct these studies. Further, savings calculations for regional approaches are wholly dependent on individual town operational structures, and will vary widely depending on the current service provision methods.

If the goal is to move toward a regionalization tool, we recommend it have specific policy goals and be done in stages. In our view a good start would be engaging the New England Policy Center to establish a town-by-town operational baseline with activity based costing that would then compare to the outcomes of the implemented solutions. This would require choices of which key services would be included in the framework. Including all services in such a framework would be very expensive. This tool could be refined over time in concert with the Uniform Chart of Accounts.

The linkage of the regionalization evaluation tool to local aid and the methods used to incentivize further efficiencies is premature. Though we are certainly very supportive of encouraging regionalization, it would be better to focus on specific policy goals (e.g. combining back office operations between towns and board of education) than to broadly link the tool without those goals specifically stated.

Implementing operational tools for increasing municipal efficiencies that it takes a great deal of resources to make the change and many times pay for an upgraded approach not previously utilized. For instance, if a town wishes to increase its citizen engagement by using live streaming video of their public meetings, CRCOG has a cooperative contract for a town to use which eliminates the need to procure one on their own and provide moderate cost savings versus other systems (efficiency gained). However, the increased cost of a live streaming video system when there was nothing in place previously translates to an increased cost to the municipality. Therefore, efficiency and increase in service do not always translate to savings. Better services to residents is an important goal as well.

Even in the case of the Nutmeg Network Demonstration Projects we are implementing with the Connecticut Center for Advanced Technology for the state, it is taking major state investment (\$1.8 million) to get five projects and the necessary data center equipment up and running. These investments will reap savings over time, but they can also often lead to immediate savings.

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