The Connecticut Council of Small Towns (COST) supports the intent of proposed bill HB-6919, AN ACT CONCERNING THE ALLOCATION OF STATE GRANTS-IN-AID AND REGIONAL PERFORMANCE INCENTIVE PROGRAM FUNDS.

HB-6919 eliminates the requirement that 30% of state grants-in-aid and Regional Performance Incentive Program (RPIP) funds be allocated to Regional Education Service Centers (RESCs). This bill should be broadened to include elimination of the requirement that 35% of RPIP funds be awarded to RESCs for consolidating various town hall functions.

Last session, Public Act 16-3, Section 191(e), a budget implementer bill, included a provision requiring 35% of RPIP funds to be awarded to regional councils of governments for the purpose of assisting RESCs in consolidating various town hall functions, as follows: “For the fiscal year ending June 30, 2017, and each fiscal year thereafter, each regional council of governments shall receive a regional services grant, the amount of which will be based on a formula to be determined by the secretary, except that thirty-five per cent of such grant moneys shall be awarded to regional councils of governments for the purpose of assisting regional education service centers in merging their human resource, finance or technology services with such services provided by municipalities within the region.”

At the time, COST and other organizations raised concerns that this language suggests that the RESCs are required to merge their finance, IT, and human resources functions with municipalities regardless of whether this is practical or of benefit to the municipality. It also creates a lot of confusion because it references municipalities “within the region” but RESC regions are not consistent with COG boundaries so it is unclear what this means from a practical standpoint.

COST is also concerned that the language adopted last year siphons off already limited funding from the RPIP program, which was designed to assist municipalities with upfront capital costs associated with developing regional shared service programs to increase efficiency and reduce municipal costs. RPIP funds have been significantly reduced over the years and targeting 35% of
the funds to the state’s RESCs for the purposes prescribed in statute doesn’t appear to be consistent with original intent of the program.

This provision is of particular concern because recent state budgets have included a $20 million “MORE Commission lapse” based on the assumption that the MORE Commission recommendations for regional/shared service programs would result in demonstrated cost savings for municipalities. Although municipalities did not realize any savings that could be attributed to MORE Commission recommendations, the governor exercised his right under the lapse to reduce municipal aid by $20 million last year as well as in the previous fiscal year.

COST stands ready to work with lawmakers to develop and support common sense proposals which facilitate the ability of municipalities to voluntarily regionalize various programs and functions in ways that make sense for the communities involved and for our property taxpayers.

*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.*