



General Assembly

Amendment

January Session, 2019

LCO No. 10772



Offered by:

REP. KLARIDES, 114th Dist.
REP. CANDELORA, 86th Dist.
REP. O'DEA, 125th Dist.
REP. O'NEILL, 69th Dist.

To: House Joint Resolution No. 170 File No. Cal. No. 722

"RESOLUTION CONCERNING THE BOND COVENANT."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Resolved by this Assembly:

4 WHEREAS, prior to entering into a financial assistance agreement
5 with the state of Connecticut, financial projections for the city of
6 Hartford indicated annual deficits of greater than sixty million dollars
7 and increasing each year; and

8 WHEREAS, the deficit amounts for the city of Hartford were greater
9 than ten per cent of the city of Hartford's overall budget; and

10 WHEREAS, in 2017, the state of Connecticut went through almost
11 four months without a state budget which was the most extensive
12 period of time in the history of the state without a state budget; and

13 WHEREAS, prior to the adoption of a bipartisan budget in October
14 2017, the Office of Fiscal Analysis projected unending annual deficits
15 that approach two billion dollars each year and eclipsing ten per cent
16 of the state's General Fund budget; and

17 WHEREAS, the state's deficits were due in large part to fixed costs
18 including state employee healthcare, retired state employee healthcare,
19 state pension costs and large recent increases in bonded debt; and

20 WHEREAS, on October 25, 2017, and October 26, 2017, the
21 Connecticut State Senate and Connecticut State House of
22 Representatives, respectively, adopted public act 17-2 of the June
23 Special Session, which was a bipartisan budget for fiscal years 2018
24 and 2019; and

25 WHEREAS, the bipartisan budget required months of negotiations
26 and policy decisions to reduce funding in important programs and to
27 make difficult tax and revenue policy changes; and

28 WHEREAS, members of the General Assembly recognized the need
29 to provide financial assistance to the city of Hartford; and

30 WHEREAS, section 1 of the bipartisan budget included within the
31 Treasurer's Debt Service budget under a new line account known as
32 "Municipal Restructuring" twenty million dollars for each year of the
33 budget biennium to help the city of Hartford pay for its debt service
34 obligations; and

35 WHEREAS, section 1 of the bipartisan budget included within the
36 budget of the Office of Policy and Management under an account
37 known as "Municipal Restructuring" twenty-eight million dollars for
38 each year of the budget biennium, twenty million dollars of which
39 would be used as financial assistance for the city of Hartford and eight
40 million dollars of which would potentially be used by a different
41 municipality; and

42 WHEREAS, members of the General Assembly understood that the

43 dollar amounts of state assistance to the city of Hartford was limited to
44 forty million dollars each year and that the time period of such
45 assistance was limited to the two years of the budget biennium; and

46 WHEREAS, the bipartisan budget provides the city of Hartford with
47 more than two hundred sixty million dollars in each year of the budget
48 biennium through grants other than Municipal Restructuring; and

49 WHEREAS, in March 2018, the Secretary of the Office of Policy and
50 Management and the State Treasurer signed a Financial Assistance
51 Agreement with the city of Hartford, wherein, the state will pay the
52 city of Hartford's existing bonded debt, which will commit the state to
53 approximately five hundred fifty million dollars over a period of
54 twenty years; and

55 WHEREAS, the state's commitment in the Financial Assistance
56 Agreement is an extraordinary deviation from the intent of the amount
57 and duration of assistance approved by the General Assembly in the
58 bipartisan budget or any other legislation; and

59 WHEREAS, neither the Secretary of the Office of Policy and
60 Management nor the State Treasurer informed the legislature of such
61 agreement prior to signing such agreement; and

62 WHEREAS, the Financial Assistance Agreement enables the city of
63 Hartford to continue making financially poor decisions and makes
64 permanent the city of Hartford's reliance on extraordinary financial
65 assistance in order to survive;

66 THAT THEREFORE, this General Assembly does hereby restate and
67 reconfirm that the intent of the General Assembly was and is that the
68 pledge made by the state to the city of Hartford for forty million
69 dollars each year for the two years of the budget biennium through the
70 newly created Municipal Restructuring Accounts in section 1 of public
71 act 17-2 of the June Special Session constitutes the sole extraordinary
72 financial assistance committed by the state of Connecticut, and that

73 there was no intent to extend such assistance to include five hundred
74 fifty million dollars over a period of twenty years."