January 24, 2019
EXECUTIVE AND LEGISLATIVE NOMINATIONS COMMITTEE PUBLIC HEARING

CHAIRPERSON: Representative Ed Vargas

SENATORS: Duff, Looney, Fasano, Bergstein, Kushner, Formica, Hartley, Moore, Witkos

REPRESENTATIVES: Phipps, Perillo, D'Agastino, DiMassa, Godfrey, Verrengia, Davis

REP. VARGAS (6TH): Good morning everyone. My name is Representative Edward Vargas. I represent the 6th district of the City of Hartford which is in the south end neighborhoods of the City of Hartford. I'm the House Chair of the Executive and Legislative Nominations Committee. I have with me, my House Vice Chair, Representative Phipps, sitting to my left. I also see our Ranking Member for the State Senate, Senator Fasano. Representative Perillo is tied up, so Representative Davis will be standing in for him this morning as temporary Ranking Member. I see Senator Witkos with us and many of my colleagues here from this. State Senator Moore, Senator Kushner, Representative DiMassa and Senator Formica.

There are other members of the Committee that are going to be coming in and out because we have a number of things happening in the building that are tying some of our members up. But today we have three legislative nominees and two executive nominees. But before we get started, I'm going to ask the Clerk to read the safety instructions.

CLERK: In the interest of safety, I would ask that you note the location of and access to the exits in this hearing room. The two doors through which you
entered the room, are the emergency exits and are marked with exit signs. In the event of an emergency, please walk quickly to the nearest exit. After exiting the room, go to your right and exit the building by the main entrance or follow the exit signs to one of the other exits. Please quickly exit the building and follow any instructions from Capitol Police. Do not delay and do not return unless and until you are advised that it is safe to do so. In the event of a lockdown announcement, please remain in the hearing room and stay away from the exit doors until an all-clear announcement is heard.

REP. VARGAS (6TH): Thank you, Mr. Clerk. At this point, I'd like to inform all those present that our usual procedures are to allow the nominee to come forward and sit in the hot chair here and give us an opening statement of why they believe they should be serving on whatever committee, agency or commissionership they've been appointed to. And after which committee members are afforded to ask questions, we do this with each one of the nominees until we finish with all five nominees this morning. And then, if there is anybody from the public who was either sent the communication in writing or wishes to address the committee in person, we afford that opportunity to the public to weigh in on any of the nominees.

Our first order of business is a House Joint Resolution appointing Edward Bailey of Middlefield to be a member of the Materials Innovation and Recycling Authority. Is Mr. Bailey with us today? If not, then we'll skip over Mr. Bailey and go to the second nominee which is Matthew Kelley of Barkhamsted, Connecticut who has been appointed to be a member of the Connecticut Airport Authority.
Board of Directors. Is Mr. Kelley present? Please come forward. And before you take a seat, Mr. Kelley, would you please raise your right hand. Do you promise to tell us the truth and nothing but the truth?

MR. KELLEY: I do.

REP. VARGAS (6TH): Thank you very much, you may take a seat. Make sure the mic is open there. You can start off with your initial statement.

MR. KELLEY: Alright. My name is Matthew Kelly and I'm up for nomination for reappointment to the Board of Directors Connecticut Airport Authority. I've been serving on it for a number of years. A brief history about me, I was born just a few miles from here at St. Francis hospital. I've lived in Connecticut all my 53 years and counting. I have a Bachelors of Science from the Florida Institute of Technology and I also attended Embry Riddle Aeronautical University for accident investigation.

I've worked here in Connecticut under the Department of Transportation and Aviation and now the CAA for the past 21 years. Prior to that, I worked for AMR Combs which is the sister corporation to American Airlines. While under CTDOT, I worked in many departments from finance, special projects, marketing operations. And currently I work in accident investigation, licensing, inspections and I manage two airports directly here in Connecticut, Hartford-Brainard and Waterbury-Oxford Airport.

I've served on the Governor's Aviation Security taskforce a number of years ago and was actually on duty during the 9/11 attacks and apart of the operations. In my non-aviation life, I am married with four children. I serve in my town on a local
board of finance and have done so for 21 years. I've been officer of that Committee for about 16 years. I was first elected as a Democratic town chair in my town of Barkhamsted 19 years ago.

I'm currently on the Board of Directors and I take my role very seriously. I know the importance of transportation in our economy. I bring a very hands on view to our board. Our latest economic impact study identifies nearly $3 billion of total economic impact from our airports. This supports over 23,000 jobs and generates approximately $175 million in state and local taxes.

We are all aware of what goes on at Bradley, all the new flights. We range anywhere 28 to 32 destinations. I bring in a little bit on the GA side, General Aviation side. Just for your information, currently we're seeing a lot of growth at all the GA's. Danielson has a new skydive center. Hartford-Groton has additional hangers and a hotel development. Hartford, additional hangers and T-hangers and Waterbury-Oxford has three additional hanger developments and the construction of a customs and border protection facility which will make that airport international. Windham Airport, the last of the five, we have additional T-hangers under development.

Each and every dollar are from private investors that are looking for a better Connecticut. I'm very proud to be an active part of aviation here in Connecticut and the very large role it plays in our economy. That's why I'm asking you to confirm the remainder of my second term.

REP. VARGAS (6TH): Thank you very much and congratulations on your reappointment to the Airport Authority Board of Directors. We're very happy with
the flight styling and with the European market and making Bradley Field once again an international airport. I was wondering, is there any progress in terms of securing flights, direct flights to Jamaica or are you aware of any initiative?

MR. KELLY: Actually, that's been in discussions. There is nothing solid but we are working on that.

REP. VARGAS (6TH): Well, I hope that that can be part of future of Bradley Field because we have one of the largest West Indian populations in the country. I think it would be great to ultimately get that Caribbean market.

I see you have quite an extensive background and obviously the Speaker has reappointed you for obvious reasons. I really don’t have any further questions but I'll ask my Vice Chair, do you have any questions you'd like to ask?

REP. PHIPPS (100 TH): I'll pass for now.

REP. VARGAS (6TH): Okay. How about our Chair?

SENATOR FASANO (34TH): Thank you, Mr. Chairman. Thank you very much and congratulations on being nominated. There was some talk, I was talking to Senator Looney about the Tweed issue and the Airport Authority. Are you aware of the history between New Haven, East Haven and Tweed?

MR. KELLY: Very much so.

SENATOR FASANO (34TH): And you're aware of the 2009 memorandum of agreement that was signed between the parties?

MR. KELLY: That was just cancelled by unilateral, the canceling. Is that --
SENATOR FASANO (34TH): Yeah. New Haven had sent a letter unilaterally taking the position that nine years ago, there was a breech in the agreement that they claim took place nine years ago but never said anything. And then for the past eight years, had East Haven and New Haven move forward on various parts of the improvement of the airport. And then only after that period of time did the Mayor claim the unilateral breech without ever having a conversation with Senator Looney or myself.

SENATOR LOONEY (11TH): Appropriate timing, I see.

SENATOR FASANO (34TH): Yeah, good timing. And I'm curious whether or not the Airport Authority was aware of the history, which is plentiful, about the relationship with Senator Looney, myself or New Haven delegation of representatives and a lack of conversation that has taken place with respect to us over the airport. Do you guys have any knowledge of that?

MR. KELLY: I personally do just because as I said, I've been here forever. We are looking at all the historic data for the airports. We haven't taken any stance yet as a board or administration. But no, I'm quite aware of basically what has been happening down there for a number of years.

SENATOR FASANO (34TH): I think in your deliberations as you approach this issue which Senator Looney and I only read about, no one ever approached us. Not the Airport Authority has come to us to say, hey we're thinking about this, what are your thoughts. What is the background, what do you know, what do you not know? What litigation is out there, will litigations and abeyance and if the agreement is cancelled there is litigation that was suspended as a result of the agreement. But if the
agreement is cancelled, that litigation comes back. Certainly, the Airport Authority has never reached out to either one of us or any other members of the delegation.

MR. KELLY: This was just raised at, I'm not sure if it was our last meeting or the meeting before, to start discussing. Because we've been asked a number of times whether or not we'd incorporate not only Tweed but also Sikorsky into our family. So, it's just begun discussions about it at the board level.

SENATOR FASANO (34TH): So, I think it might prove some benefit to your board to if not invite the New Haven delegation and the East Haven delegation but at least sit down with Senator Looney and myself who have lived with this issue for many, many years and have a history behind it. And certainly, Senator Looney and myself, as well as others, on that memorandum of agreement, took people for face value and promises and conditions that have been upheld. And a unilateral determination does not void an agreement. There are all sorts of legal principles there. I just wanted to make sure that message got across.

MR. KELLY: No, I will definitely put that forward.

SENATOR FASANO (34TH): On another issue with respect to Bradley. Some of the concerns I hear is that at Bradley, you have the, I call it the cellphone area --

MR. KELLY: Cellphone lot, yes.

SENATOR FASANO (34TH): One of the concerns I've heard from folks and I've experienced myself is have you guys looked at that in terms of having it more well-lit or at least patrolled a little bit. When you go up there and you park, particularly for
people who are just maybe more vulnerable than others, there is a sense of lack of security up there particularly with respect to lighting. They are very aggressive if you're waiting for a passenger to come up to you. They are very aggressive but I think that better lighting up in the area would be something, I think, you should take a look at. I think you guys are doing a great job. I think the improvements at the airport have been terrific. I think that you guys have moved this airport in a very progressive step over the last number of years and I'm very proud of our airport. Thank you and I look forward to having you back where you belong, so thank you.

MR. KELLY: Thank you.

REP. VARGAS (6TH): We've been joined by our Senate Chair and co-Chair. Our Senate Chair is Senator Duff. Any questions you'd like to ask, Senator?

SENATOR DUFF (25TH): Thank you and congratulations on your nomination, sir.

MR. KELLY: Thank you.

SENATOR DUFF (25TH): It's just more of a comment that I've watched the Airport Authority over the last few years since we took it out from under the DOT and made it its own entity. And I've been very, very pleased with the work that has been done especially with Bradley and how that relates going forward with other airports, obviously needs to be worked out.

But I think that this is an exciting role and exciting work that you're doing complicated obviously with many things and many different factors but I certainly support your nomination. And I'm glad that we have the Airport Authority
Board that is working hard on a number of different issues and bringing Bradley, hopefully, to its potential. There is a lot of potential there. There's a lot of potential at many of our airports around the state but especially Bradley, bringing it to its potential. I appreciate your work, thank you.

MR. KELLY: Thank you, Mr. Chairman.

REP. VARGAS (6TH): Vice Chairman Senator Looney.

SENATOR LOONEY (11TH): Thank you, Mr. Chairman and good morning sir. I'm sorry I'm a little late. I think Lenny here was tied up in court in New Haven. What I'd like to join Senator Fasano and Senator Duff in congratulating the Bradley management on the success of reaching out constantly to establish the international part of Bradley International Airport. I think the flight to Dublin, I think, is very, very successful.

I understand from a recent meeting with Mr. Dillon there is potential hope of connecting with British Airways at some point with flights directly to London which, I think, would be a great thing also. As well as the fact that I know he talked at that point potentially on the Dublin flight being made somewhat more seasonal. Because obviously right now, he said the interest in that flight is certainly very high in the peak vacation times, Spring, Summer and Fall; Winter, not so much. And they are concerned about having to provide the subsidies that were agreed to during those months. And if not, then at some point if the British Airways flight got established that there would then potentially be opportunity to fly there and then on to Dublin from there.
So, there would be ways of entering the international market in Europe beyond what we have now. So, I think that's critically important. Are you aware of any other negotiations or offerings or openings in the European market that Bradley is looking to possibly get into?

MR. KELLY: Well, the big one obviously is British Air and that is through co-chairing with Aer Lingus. But we have looked at other destinations, there is nothing rock solid yet. But in the past, we've looked at France, we've looked at different locations. Right now, we're where we're at.

SENATOR LOONEY (11TH): Yeah, I had suggested to Mr. Dillon also that it might be useful to explore flights to Rome since there is such a large Italian-American population in Connecticut that that would seem to be a natural. Also, returning to the more local issue for Senator Fasano and me, the Tweed issue, obviously there was an agreement that was reached back in 2009 at which time with then Mayor DeStefano and Mayor Capone of East Haven and the legislatures representing both New Haven and East Haven.

At the time, myself as the Senator on the New Haven side and then Representative Megna, Senator Fasano on the East Haven side and Representative Lawler. And the concerns at the time was about that the FAA had identified the need for paving runway safety areas. That would be necessary in order to continue to have the flights that were projected to exist at that time. That was agreed to. And in order to lay all of the concerns of the community, the rest of the agreement was then to allow for that paving but not have that include any expansion of the existing runway.
So, I know some people say that well, when you buy a house next to an airport you have to expect some use. Perhaps that would have been true up until 2009 but after 2009, the people living in that area have had a statute to rely upon. All those representatives' votes, then Senator Harp supported that bill and voted for it.

We also have then the concern just a configuration of the area near the airport. The need for if there is ever going to be any provision for an expanded runway. The area has to be looked at in terms of the approachability of any of the streets. Most of the streets on the New Haven side are relatively narrow residential streets, that's a problem. I know that former Senator Larson actually had talked about a plan for reconfiguration of the entire airport to move the tower to potentially to the East Haven side to have the approach way be through Hemingway Avenue and Commerce Street coming in through the East Haven side rather than the New Haven side. And obviously having more pilot payments then go to East Haven because of that and to compensate East Haven.

There has been talk about a community benefits plan. Part of that has been an act in which is the soundproofing. As you know, some of the houses, about one-third of that, I think, has taken place up to now as to what the commitment is going to be. But the need is far more comprehensive than that. It has to include traffic reconfiguration including parking. There are a large number of people who use the airport who park in neighboring streets and take up a space for two or three days at a time rather than park in the airport because it's convenient access on foot from the surrounding areas.
So, there are a whole host of problems. Not so much connected with the commercial flights but with the general aviation flights that come in at different angles over the other parts of the neighborhood and all of that. It seems that the city, for whatever reason, has never really engaged in providing a comprehensive community benefits plan. They were relying upon the lawsuit, I guess. But in the fall of 2017 after the city's lawsuit and the Airport Authority's lawsuit on the grounds of federal preemption to negate the statute that we passed in 2009, I know an attorney representative of the city at that time said it was going to be a slam dunk on the preemption argument but they lost at the Federal District Court.

At that point, the city briefly said, well let's return to a discussion of a community benefits plan for the community but never came up with any substantive details on that. Except last spring, came up with a few brief bullet points on a piece of paper, more of an aspirational statement than a detailed one. So, I suppose that their strategy now is to, since they put in a bill, to overturn the agreement again. But at the same time now are waiting for the results of the appeal at the 2nd Circuit. So, it may be that they feel they won't have to negotiate with us at all if they win at the 2nd Circuit but they may reengage, I suppose, if they lose again at the 2nd Circuit.

But just as a member of the authority, I wanted to give you a little more of a sense of the context of all this now that goes back more than ten years. Obviously, the agreement was embodied in that statute that is now ten years ago, 2009. Of course, there is a whole history that went on for a number
of years before that over uses of the airport and potential additional carriers and the like.

It was interesting, I know I spoke to Mr. Dillon about this when we met a couple of weeks ago. He said that clearly, the primary mission of the Authority is enhancing the interest and use of Bradley as an economic generator in the state. Of course, that's understandable. He even said to me at one point, one of the goals of Tweed would be at some point perhaps if they were to have other routes other than just to Philadelphia where they fly now is to have daily flights potentially to Washington or maybe to Orlando. It was interesting, he said he was skeptical of a flight from Tweed to Washington because he thought that might some how undermine the flights from Bradley to Washington. He said right now it's actually somewhat tenuous and they would regard Tweed as perhaps unwelcome competition if Tweed were able to ramp that up on a significant basis.

So, it seems to me that there are some inherent conflicts between Bradley and Tweed where Tweed to come under the authority of Bradley. It's not really a natural fit, in some ways, because their interests are not necessarily the same.

So, that's why along with Senator Fasano, I was quite surprised to hear of the agenda item regarding this last week. No one had called me, no one had called Representative Paolillo on that side. I don't know if anyone had called Representative Albris, I think he was still in office at the time. But in any case, you can understand our concern over that and obviously the fact that we're not going to allow anything to happen in a vacuum.
MR. KELLY: And what happened with us, I mean that was just like the take off of this. We wanted to basically start a discussion and that would include everybody, legislators and the municipal folks.

REP. LOONEY (11TH): Thank you.

REP. VARGAS (6TH): Yes, Acting Ranking Member Representative Davis.

REP. DAVIS (57TH): Thank you. I'm not sure if the title actually exists but I'll take it. I guess I'm the only House Republican sitting here right now. I did have a couple of questions for you, Mr. Kelly. Thank you for coming here before us and congratulations on your renomination. You joined the board in 2012?

MR. KELLY: Yes sir.

REP. DAVIS (57TH): Okay. And right now, you currently serve as the manager of Brainard Airport and Waterbury-Oxford Airport?

MR. KELLY: Yes sir.

REP. DAVIS (57TH): And is that your full-time position, your paid position?

MR. KELLY: That's my full-time paid position. So, they are inherently --

REP. DAVIS (57TH): Yeah -- conflict, yeah.

MR. KELLY: And what I have done and it's evident in the meeting minutes, I've always recused myself on mainly two items. Anything dealing with privatization or employees. I spoke with the Ethics Commission. They said anything that would have anything to do with my compensation. So, I've done
that religiously. And then I also recuse myself of personnel issues of those above me.

REP. DAVIS (57TH): Thank you. Yeah, I just wanted to get on the record again that those steps have been taken, that the Ethics office has signed off on it and that it is continuing to operate under the err of good ethics for the State of Connecticut. Because obviously, there is that inherent conflict of interest that's built into your appointment by the board and then you having oversight over the executive director, theoretically, in this position.

But otherwise, your resume is certainly stellar for this kind of position and oversight of the entire airport system here in Connecticut other than Tweed-New Haven and I guess in Stratford as well. Thank you for your service to the state and I hope you continue to serve us for a few more years. Thank you, Mr. Chairman.

REP. VARGAS (6TH): Thank you very much. I have a question from my Vice Chair Representative Phipps.

REP. PHIPPS (100th): Good morning, Mr. Kelly. Once again, thank you for your service to the state and I also wanted to congratulate you on this reappointment. I first also wanted to thank Representative Davis for asking about the questions about the conflict. That was one of my first ones but thank you for that.

So, just several other questions regarding what would help the state and help our Commission provide more non-stop flights and direct flights? So, for instance, I know I met my wife because I had direct flight to Kansas City and now that one no longer exists and we wouldn't have met had we not had that opportunity. So, are there solutions to be able to
do that or what can we help out with to make that more of an option?

MR. KELLY: One thing is our location. We have to educate not only our folks that live in the state but just in areas of where Bradley is. So, we do a lot of outreach about that. If you saw the last minutes, we talked about different ways of getting our location out there for Bradley. I, 15 to 18 years ago, attended a freight conference and not a single person could put Bradley where it was and we're 99 miles from Boston and 90 miles from New York City. We're a perfect location for freight. That is a big help for outreach. And the ECD can do some of that. We do it internally with a lot advertising outreach to the different airlines but our market is where we're at. It fluctuates. We've been balancing between 28 and 32 destinations for years. We offer incentives to airlines that come in. Avia (phonetic 27:09) is one of the most recent ones. They're coming in and basically, we give -- we're limited by FAA what we can offer. So, we waive landing fees for a certain time period and gate fees and then we can offer some marketing assistance. That's our biggest way to get into new markets.

REP. PHIPPS (100TH): Are there any solutions for a greater utilization of our smaller airports? What would help out the Tweed and other such airports?

MR. KELLY: Tweed is growing. They've got their airline going on. They've just added Charlotte, North Carolina, I believe, with American. The smaller ones, at the beginning, I listed a number of construction items going on at the airports. My primary airport is Waterbury-Oxford and the growth we have going there is doing very well. With the
customs, that will bring us into another niche of air traffic where aircraft coming back from Europe will stop in Bangor, Maine or Boston or Bradley and then have to start up again and come to Oxford to offload. It will be coming directly back to Oxford. Oxford pretty much sells itself right now, we're doing all right.

Windham and Danielson are smaller airports, yeah, we've got hanger development and the skydive center at Danielson that's going in. Those fit smaller niches so there's not too much more you're going to do. Windham, a little bit more, it's got a longer runway, 4200 feet. There are business opportunities out there, I think, that will come up. Hartford-Brainard, we've got the insurance companies here. They are utilizing it immensely. Our numbers for last December, our operations were up 10 percent or 15 percent over the last year. So, Hartford is doing well.

We've got a developer that is adding a lot of locations or additional hangers. We're going to start revitalizing some of the older hangers at Brainard. And that a Groton-New London we've got the potential and it's not a done deal yet but we do have a contract for a hotel at the airport and then additional hangers. So, there is a lot of stuff going on at the GA's across the board.

REP. PHIPPS (100TH): And one last question. Are there any -- can you tell me about the plans regarding greater access in mass transportation? So, while I appreciate, especially around Bradley, more parking lots being made, I know there is even like a partnership with Sheraton now, being able to park there. But are there any ideas or solutions for being able to like leave your car at home and
park while still being able to get there in an expedient manner.

MR. KELLY: Well, we've got the CONRAC facility going up now and that's car rentals. That's going to be, well, if you've driven up there you see all the construction on the entrance to the roadway. Where the old surface lot was, we're going to be adding a number of parking spaces and that is going to be, you walk out of the car and right across the street you're at the airport.

There is still Lyft and Uber that we have agreements with for if you want to leave your car at home right now, they're driving. We do get a number of people that go to the Windsor Locks train station and then shuttle over by cab. So, there is that option too.

REP. PHIPPS (100TH): Thank you, Mr. Kelly.

MR. KELLY: Sure.

REP. VARGAS (6TH): We have a question from Senator Witkos.

SENATOR WITKOS (8TH): Thank you, Mr. Chairman. Good morning, Matt. I also want to add my appreciation and thanks for the job that the CAA has done with Bradley. Not only with your expansion opportunities but your passenger focus to making sure that folks have a stress free basically experience at the airport. Whether it is now with the relocation of the highway to get in there off of route 20, I found that that is so much easier to navigate now then previously. The expansion of the mass motor vehicle rental facility where the old terminal used to be, I think that is going to be a great improvement.
One of the things I'd like the CAA to consider as you continue on your renovations and/or expansions is many airports have food concessions that are pre-TSA check in. So, that way the family members accompanying them to the airport and there is downtown or lay time, they can spend the time with each other at the airport. We don't offer really that at Bradley because everything is on the other side of TSA so it's basically just a drop off and go. So, if there is ever a chance, while we're expanding the airport, to think about something like that, I'd like to have the board take that into consideration.

For my colleagues on the board, the question was asked by Representative Davis and Representative Phipps about Mr. Kelly's position as an employee of the board and also serving on the board of directors. My office did some investigations and he, in fact, did recuse himself from all those matters so it was very nice to see that you did that. So, I don't have any concern in that respect.

However, the board recently voted on, and I think it was delivered to many of our desks, the Airport Authority's 2019 legislative priorities. One of the priorities is to restructure the retirement plan and the group welfare benefits for unclassified employees. If you could just comment on that because that could be a potential conflict of interest, I believe. If you could just explain your role in that.

MR. KELLY: Certainly. A lot of time as we bring in folks like Kevin Doan who actually not participating in the state employee's benefits. He'll bring in folks and people basically hop airport to airport. So, to attract the best person, you're looking at
more of a cash up front and they're not looking to spend 10 or 15 years in the location. So, we've got folks from Boston that have been down here for a number of years but they most likely will never be here for the 15 years for that. It is strictly unclassified folks, it's not union members for the union jobs. It's just for the managers.

SENATOR WITKOS (8TH): And in your resume, you list yourself as a manager. So, is that a supervisory job that now this would pertain to you or not?

MR. KELLY: Under the FAA, I'm an airport manager. Under DAS rules, I am an airport operations coordinator. So, I do not have the authority to hire and fire that the manager would have. But for FAA purposes, I am the manager of the two airports. It's all in the details. Even though I operate the airports, run the airports, do everything around the airports, I'm not technically in the management role, I'm a unionized member, classified, I should say.

SENATOR WITKOS (8TH): Has it always been that way?

MR. KELLY: No. Years ago, we were considered airport managers and in the early 2000's, DAS was involved and they said we had to remove the airport manager title for, back then, there were four airport managers. Initially, we went to airport operations coordinator one and coordinator two and the coordinator one and two has been dropped, it's just airport operations coordinators.

SENATOR WITKOS (8TH): So, this would not be applicable to you if this was to become law.

MR. KELLY: No, no it would not affect me, no sir.
SENATOR WITKOS (8TH): Thank you. And I also want to applaud you for the fact that I think because of our own classification in the State of Connecticut, we've actually put you at a disadvantage if you wanted to further your career at other airports and maybe other states. Because as you said, the FAA recognizes you as an airport manager but yet in Connecticut we do not. So, I think that is somewhat harmful to somebody's ability to seek other employment or advancements within their field.

I just want to thank you for being willing to be reappointed. Certainly, you have the experience and expertise of somebody that knows firsthand on the inner workings and how to manage an airport. I want to applaud you and I will be supporting your reappointment. Thank you.

MR. KELLY: Thank you.

REP. VARGAS (6TH): Thank you, Senator Witkos. Are there any other members of the Committee that have any questions or statements they'd like to make at this point? Seeing none, I want to thank you for your willingness to serve again. I guess you heard what we'd like to see. We'd like to see more expansion of routes.

MR. KELLY: I've got it written down.

REP. VARGAS (6TH): And respect for the smaller airports and make sure that we get the New Haven delegation involved in anything that has to do with Tweed Airport. Once again, congratulations. Before we let you go, there is one question we ask of all our nominees and that is, is there anything in your past that you believe might prove embarrassing to this Committee, to the Governor or to the State of Connecticut?
MR. KELLY: Absolutely not.

REP. VARGAS (6TH): Well, thank you very much. Have a good day. That brings us to our next nominee who is, this is a Senate Joint Resolution for Mr. Stephen V. Prostor of New Canaan to be a member of the Connecticut Commuter Rail Council. Is Mr. Prostor with us today? Please step up. Before you take a seat, please raise your right hand. Do you promise to tell us the truth and nothing but the truth?

MR. PROSTOR: I do.

REP. VARGAS (6TH): You're welcome to take a seat and you're welcome to make your opening statement.

MR. PROSTOR: Well, thank you and good morning Mr. Chairman, good morning ladies and gentlemen. I'm delighted for the opportunity to meet with you this morning in connection with my appointment five months ago to the Connecticut Commuter Rail Council. I am a 52-year-old married, father of two children living in New Canaan, Connecticut in Fairfield County. I've also been commuting into New York City on Metro-North for the past eight years.

On the professional side, I've been a banker, corporate banker, commercial banker, private banker for 31 years, the last 15 of which with Citi Bank in New York. Having lived in a couple of other cities and states around the country over the years, have been exposed to sort of what's available in terms of mass transit, commuter rail.

Also, my grandfather actually worked for the New York Central Railroad back in the day in Cleveland. So, my family has always been sort of connected to railroads and transportation and have always had that as sort of a hobby.
But really, the reason I raised my hand to volunteer to sit on this council was really nothing more complicated than being a daily user, a customer of the system. And when I looked at the charter of the organization and really the goal of being an advocate for the commuter, for the customer, to be the voice for the commuters to both Metro-North which, of course, we deal with every day, but also Connecticut Department of Transportation and to a lesser extent the MTA. I thought it was a great opportunity for me as a user of the system and also as a voice for the hundreds of professionals and friends and colleagues that I take the train with everyday into the city, to give them a voice.

The New Canaan branch, as you all know, was part of a discussion this past summer in connection with transportation by rail in Connecticut and the transportation fund. I think in terms of those of us who use the system everyday for our livelihood and also the value of our property being a homeowner in New Canaan, it's all sort of tied into the transportation system.

So, after hearing a lot of my friends and colleagues complain about different things or talk about what changes they wanted to see or maybe even the aspirations looking forward in terms of what we want to see the system to be and how can we really improve and benefit not only us specifically but more broadly, Connecticut, I thought it was a great way for me to volunteer and participate in that discussion. And I'll have to say in the last five months that I've been participating in the meetings, it's been an excellent opportunity to share directly with Metro-North, some of the challenges that we have as a commuter, some of the concerns we have, ideas we have in terms of improving on the system.
But also, because we get read into a lot of construction related proposals and things which involve large sums of money. As a banker, as a finance professional for over 30 years and having served on a lot of non-profit boards and business associations in leadership roles, in finance and audit share roles, I've seen probably more PowerPoint decks in 30 years as a banker than you guys would all care to want to know.

So, I'm very accustomed to looking at a lot of these presentations and decks and whether it is a parking garage in Stamford or the Walk Bridge in Norwalk or some of the things that are going on in terms of the Northeast corridor on the main line. I feel like I'm equipped to answer or really to ask the right questions to sort of put pressure on the different organizations, institutions that are charged with sort of spearheading these projects while at the same time, being a voice for the commuter. And giving them insights or perspectives that maybe they hadn't thought of before.

I mean one simple example is just as a New Canaan branch commuter, most of our trains, when they end in Grand Central, end downstairs. Well, for those of us who take it every day, that's like another ten minutes. And so, if I happen to go to Darien and take a mainline train in, it ends up upstairs. So, depending upon what your specific train schedule is or what you're looking for, it can implications in terms of how long it takes you to get to your office.

I think with the trains being slower with all the construction that has been happening, it is having an effect on people. They are voting with their feet either by going to different stations or in
some cases like selling their house and moving. So, I think all of these things are interconnected.

This was an opportunity for me to really participate in that conversation, not just to sort of complain about it to my fellow riders. And to the extent that I can take what I hear from them and pass it on, I hope that it will help Metro-North and Connecticut DOT to make better decisions to keep in mind the customer. And especially as a private banker, as a client basing person myself, a big part of my job is to make sure that the client experience of our clients is exceptional. So, I feel like I'm well-positioned to sort of share those kinds of observations and experiences with the various transportation agencies.

So again, I really appreciate the opportunity to be here today. It's really nothing. I don't have the kind of resume that the prior gentleman had specific to the industry, I really am just a user of the system. To the extent that I can pull on my 30 plus years of credit and lending and finance experience and also not for profit experience serving on different boards to kind of bring that level of scrutiny or advocacy to this council, that's really why I'm here. So, thank you very much for your time and I'm happy to answer whatever questions you may have.

REP. VARGAS (6TH): Thank you for the opening statement, Mr. Prostor. I'm very exciting looking over your background in finance and helping business people get started and looking at financial models. I think you bring a wealth of knowledge to the Railway Council. And being a commuter yourself, brings that grounds up perspective. You are a
legislative nominee so you are our guy on the Railway Council.

For people who don't know this and may be listening in or in the audience, these are non-paid positions so your willingness to volunteer your time to the State of Connecticut for the Railway Council is commendable. I congratulate you on your appointment. It seems like you've already hit the ground running. I believe you'll be a true asset to the Railway Council.

At this moment, I'd like to hand it over to my Senate chair, Senator Duff.

SENATOR DUFF (25TH): Thank you. Thank you, sir, and thank you for coming up here today. It's a long drive, I know, from New Canaan. We appreciate your wanting to serve on the Rail Council. It is a lot of work because it is the arteries that help economic activity here in the State of Connecticut. I think we're all very cognizant of that, especially those of us who represent Fairfield County and I certainly understand in the New Canaan branch which you go out of which certainly needs a little bit of help. We know many of our colleagues here in this room and others in the building are committed to helping that as well.

But in general, kind of on the overall New Haven line and our rail service, you had mentioned the Walk Bridge. I just want to get your thoughts on that and some of the other work that is being done on whether it is the New Canaan branch or some of the other branches and especially the New Haven line as it relates to some of the work and efforts to try and bring up the standard of service.
MR. PROSTOR: Sure. Well, I think a number of the different construction projects all have the correct end goal which is to improve service, improve reliability, to speed up the commute times. And because a lot of the infrastructure, and that bridge in particular being as old as it is, it's like 120 years old. It's a major bottleneck and creates problems at different times of the year depending upon the weather and also when it needs to be opened up to allow river traffic to go through.

So, I think focusing on those parts of the chain that can create a problem or a bottleneck is the right focus. I know that there have been several years of reviews and analysis done and they looked at various options, different types of bridges with different kinds of price points. There are certainly not ending at the cheapest alternative but I think they're also ending with, at least in my opinion, was probably the best alternative which is a very similar bridge to the one that goes over the Harlem River into New York. And something that is going to last way beyond our lifetime which, I think, is the right way to go.

I think from a commuter perspective, while we don't like the train time, travel time to be slower, I do think there is some merit in making it more reliable and more predictable. It's just like if you work for a public company, investors don't like surprises and I think commuters don't like surprises. They want to know if you're on the 6:20 train, you're going to be walking into your office at specific time so that you can make a specific meeting.

What I've seen with some of the slower travel times and some of the disruptions and uncertainty, less reliability, people have again, voted with their
feet by not commuting on the New Canaan branch. They've gone to Darien or Noroton Heights or other or maybe even Stamford to try to take that uncertainty out of the picture. And I know that coming down the pike are new travel times for the whole schedule which are going to be slower to reflect really what the reality of on the ground. And I think commuters are not going to like that but if it's more predictable, that's going to be better. People then know what they need to do if you need to be at your office at 8 in the morning or 8:30 or whatever the case may be.

So, I know from a council perspective, we've been strongly advocating to Metro-North and to the DOT that it's all about communication. Use every form of social media, use emails, use public television, get the word out and over communicate to all the various constituencies so that people know what is happening and why. And then they can make whatever changes or moves they need to make in order to get where they need to be. So, I think communication is really the key.

A lot of these infrastructure projects are way overdue, they need to be done. They're in the process of getting done. As long as, I think, it gets communicated to people then they'll be in a better place than they are right now.

SENATOR DUFF (25TH): Right, thank you, and I appreciate that answer. There has been a lot of delays on infrastructure improvements which we're now dealing with and it is a problem. It used to be in Norwalk you could go from New York to South Norwalk in 57 minutes and now it's an hour and ten so clearly that's a problem and it's going in the wrong direction. But we do need to fix the
infrastructure and that is causing some of those delays. Which we saw yesterday in another article saying that service is going to slow down while they do some additional infrastructure improvements.

Two more quick things. One is, it's important, I think, for the Commuter Council to speak with a voice and one voice. And not to have individual members kind of be out there picking and choosing what their projects du jour are but to speak with a voice. Because I think it's more powerful when the Commuter Council speaks as one collective voice and not everybody trying to be their own agent. So, I would ask you to just keep that in mind and consider that with the other fellow councilmembers as well.

Secondly, you have two new State Senators from, who represent New Canaan, one of whom is here today and the other is Senator Haskell. And I certainly, since you live in New Canaan, to befriend them and to make sure that you're all working together on these issues that are important because they are important to all of us. Not just those two State Senators but for me as somebody who lives on the New Haven line, but to make sure that we're all communicating. As you mentioned, communication is so important. So, Senator Bergstein is going to do a great job, I know, and so is Senator Haskell and certainly make sure that you are in communication with them. Thank you and congratulations on your nomination and thank you for agreeing to serve.

MR. PROSTOR: Thank you.

SENATOR DUFF (25TH): Thank you, Mr. Chairman.

REP. VARGAS (6TH): Yes, Senator Bergstein, you have the floor.
SENATOR BERGSTEIN (36TH): Thank you. Mr. Prostor, I just wanted to thank you so much for volunteering your time, your expertise, your talent to helping our state resolve the infrastructure problem. And help it to be more competitive economically in our region. I already looked you up in VAN (phonetic 52:10). You are not my constituent, you are Senator Haskell's constituent but we are all neighbors, we are all working for the same objectives. So, I just wanted to express to you my gratitude. I think you have a stellar resume and we need more engaged citizens like you to step up and do this sort of work and partner with us as legislators so that we can achieve the best outcome.

So, I just wanted to extend a warm welcome to you and I really look forward to working with you. I hope that we can set up a meeting because I'd like to hear your specific recommendations about New Canaan. I have spoken with many constituents there and I think I know a lot about what the issues are and I've already proposed some bills to address some. But we can work together and really advance this.

I think also your expertise in finance is greatly appreciated. Because while we all agree that we want faster trains and modern infrastructure, there's also some controversy about how to finance that. So, as you probably know, I've opened that door on that discussion in New Canaan specifically two nights ago. So, I welcome vigorous discussion with you so that we can accomplish this together. Thanks so much for your time.

MR. PROSTOR: That sounds great and I know that I've been talking to the New Canaan town council and the First Selectman. I know a lot of New Canaan has
been around parking related issues, not so much the branch itself. But we all know how important the branch or just the broader system is to real estate values, to business, the economy, opportunity, job creation. I mean, it cuts across a lot of different points so I welcome talking to various constituencies and really sort of bringing all of those concerns, needs, aspirations to both Metro-North and to the DOT.

SENATOR BERGSTEIN (36TH): Great, thank you. And I'm also Vice Chair of Transportation so that really is my wheelhouse. We'll talk.

MR. PROSTOR: Thank you.

REP. VARGAS (6TH): So, our Vice Chair, Representative Phipps, has the floor.

REP. PHIPPS (100TH): So, once again, thank you for taking on this role. I wanted to congratulate you on your appointment. Just several quick questions. And also, I wanted to commend you on your like hyper focus on efficiency. Your anecdote about the ten minutes and noticing the difference, I think it's going to be a really keen eye that the board can use.

But as someone who lives that lives in Central Connecticut, I live in Middletown but I actually commute and work in Stamford. So, I just want to kind of give a quick piece of advice and remember us in Central Connecticut as you're thinking about plans and we're thinking about expansion. The moment that we have the ability to really commute from Hartford to New Haven or Hartford To Stamford or Middletown to New York City, I think that's going to be better for our overall economy. So, just keep Central Connecticut in mind.
But also, as you're in this role, what does the idea or philosophy around equity mean to you and how will bring that approach as you're making decisions?

MR. PROSTOR: Sure. Well, I think specific to the Council, when I think of the word equity, I know that the Council itself really makes an effort to move our council meetings across all the different major cities that are connected in the system, the Metro-North system, per se. Recognizing that each of those, whether it's Bridgeport or New Haven or Stamford, these are our different cities. They've got different makeups, they've got different industries, they've got different constituents, different concerns.

So, I think the Council as a body is making an effort to move our meetings around, create opportunities for the public to participate and to attend and to really listen to what they have to say and then to pass those concerns and needs on to both Metro-North and to the DFT's. So, I think as a body, we're attempting, from an equity perspective, to sort of treat all of the various potential users and markets equally. Just in the five months that I've been on the Council, we've met in New York, we've met in Stamford twice, we've met in Bridgeport, we met in New Haven. So, it has been moving around.

I think personally from an equity standpoint, it cuts across transportation and just mass transit and just a rail system in particular. I think we need to make sure that everyone has equal access. That the system is indifferent as to kind of where you are and recognize that there are people who, to your point, who may get on at New Haven and get off in
Bridgeport. Or get on in Bridgeport and get off at South Norwalk.

There are a number of members on the Council who aren't sort of like the New York commuter like I am going into the city every day. They are using some other part of the system. So, I think something else which, I think, has come up more recently off the Council has been a discussion around, should we be broadening our perspective to think of not only just a rail piece but how does it tie into other parts of the transportation system. Whether it's buses, whether it's other new forms of transportation. Driverless cars coming down the future, should we be spending part of our time as an organization, as a council, taking a step back and looking at it from a bigger picture.

How does this all fit into the overall system. And what opportunities and benefits might there be for Connecticut as a whole if we take a bigger picture, longer term approach. So, that's actually been part of the discussions now over the past couple of months.

REP. PHIPPS (100TH): Thank you.

REP. VARGAS (6TH): Senator Formica has the floor.

SENATOR FORMICA (20TH): Thank you, Mr. Chairman. Thank you, sir, for stepping up. And your resume is certainly stellar and your comments and perspective today, I think, is indicative of the experience that you bring and the big picture and that's what we have to look at beginning with the end in mind.

I represent South Eastern Connecticut; New London and we've been struggling over the years to really get Shoreline East up and running and off the ground. Just as a way of background, I have a
daughter who lives in New York City who regularly commutes to visit. But we have many opportunities in New London with the Coast Guard Museum becoming more and more of a reality every day which will bring tens of thousands of visitors and more employees. The Port of New London is beginning to move forward with a new industry in offshore wind in New England and the United States. So, I think we have a future for that Shoreline East moving forward.

And then to your last point that you made to the good Representative regarding the bigger picture and connectivity, you may not want to talk about this in front of the Bradley guy. We eventually may want to connect a train to TF Green because from our part of the state, sometimes that makes sense. So, I wanted to kind of put that on the table for any response you may have, if you're thinking about that and implore you to keep moving Shoreline East in that direction if you have anything to say about that. Back to you, Mr. Chair.

REP. VARGAS (6TH): Thank you, Senator Formica. Any other members of the Committee wishing to either ask a question or make a statement? Yes, Mr. Prostor.

MR. PROSTOR: I wanted to answer.

REP. VARGAS (6TH): Oh, you wanted to answer, yes, go ahead.

MR. PROSTOR: So, since I'm so new to the council, I can't say there has been many discussions around Shoreline East. It does come up in terms of the on-time performance and some of the challenges that commuters have been having in some of the other parts of the system. But I'm certainly willing to take into account, what you just told me and make
sure that it gets integrated into the next meeting. So, that I get a better feel for where that part of the system is in the conversation and make sure that we're being attentive to the needs and the opportunities in that market. So, I'm happy to do that on your behalf.

SENATOR FORMICA (20TH): Perfect, that's all I can ask. And again, your resume speaks to a very impressive person especially with the most important part of your resume which is the Cub Scout Pack 70 volunteer. So, it was nice to see that so good luck with that. That time goes by quickly, I can tell you that.

MR. PROSTOR: Thank you very much. It does, I've got another year before my son ages out and moves up to scouts.

SENATOR FORMICA (20TH): Thank you very much or your service.

MR. PROSTOR: Thank you.

SENATOR FORMICA (20TH): Thank you, Mr. Chairman.

REP. VARGAS (6TH): Thank you, Senator Formica. I believe Senator Kushner wanted to make a statement.

SENATOR KUSHNER (24TH): Thank you, Mr. Chair and thank you, Mr. Prostor. I do appreciate the comments you made about being a commuter. I, myself commuted to New York for many, many years from Danbury and my husband commuted for 22 years until he recently retired. So, I think having the perspective of a commuter is really important to this.

I do want to encourage you and all of us, to think of commuters within the state. I commuted also to
Hartford from Danbury for many years and I strongly believe that we have not really resolved how we can get around within the state from major cities. To offer better transportation solutions both environmentally sound and also to ease traffic.

But I am particularly concerned today about your view on the Danbury branch which there has been a lot of discussion about extending that to New Milford. I think that's something that's really important to the constituents in my district because many, many people don't just commute to New York, there are options to go to Rooster to commute to New York from the area. But a lot of people are commuting to jobs on the shoreline.

It's really important that we have that service. There has been discussion about cutting it back but there has also been discussion about holding what we have and extending it. I know there are a lot of working people who are not commuting to New York but are really concerned that they have that option. There really aren't any other viable options other than that train line to many of the low wage workers that live in our community. So, I wanted to see what your views are on that issue.

MR. PROSTOR: No, as a branch line representative, I'm really there on the council to represent the branches, not just New Canaan. And I know the Danbury branch, in particular, I have a number of friends and colleagues who live in Wilton and who live in Ridgefield and places that have used that branch to get into the city. And I know it has some unique aspects concerning diesel versus electric. And there has also been a number of service related issues around trees falling on the tracks and crossings not working and things like that.
So, I think each of the branches, I think, play a critical role not only in allowing people to move south or west on the system but also allow workers in the local towns that the branches serve for people to move up the branch to work in town. So, I know that's been a really important factor like in New Canaan. I know the town has done some counts around how many people are doing the reverse commute to actually work in town in the various positions that they have. I know the same case on Danbury so it's clearly extremely important to preserve and maintain the service that we have. To the extent that we can enhance it through better scheduling, more regular scheduling or even extending branches.

Those are all topics which I think are well within the purview of the council. Things that we should be discussing with Metro-North at the appropriate time and would welcome getting involved in helping to make sure those concerns are voiced and put in front of Metro-North and the DOT as it relates to the specific towns or the markets that they serve. So, I'm happy to help with that.

SENATOR KUSHNER (24TH): Comments through you, Mr. Chair. I just wanted to know if the issue of extending to New Milford has come up before the Council and if you have taken a position on it.

MR. PROSTOR: I don't believe so, no, it hasn't come up.

REP. VARGAS (6TH): Thank you, Senator Kushner. Any further statements or questions from Committee members? If not, I want to thank you again, Mr. Prostor for your willingness to serve. It seems to me like we have a two for one here. We have you as a policy person on the Commuter Rail Council and we've wound up with a financial advisor that can
take a look at our business model too and make sure that we're doing things efficiently. Thank you for your willingness to serve on the Railway Council.

I just wanted to pick up a little on what my Vice Chair was speaking about when he talked about equity. There's also that business aspect in terms of making sure that we take care of our smaller contractors, our minority contractors. We try to do the best we can to make sure the small businesses get their fair share on that end of the business model. So, keep that in mind in your deliberations and thank you for your willingness to serve.

Before we let you go, we'll ask you the question we ask all our nominees which is, is there anything you believe in your past that might prove embarrassing to this Committee, to the Governor or to the State of Connecticut?

MR. PROSTOR: No, there is not.

REP. VARGAS (6TH): Well, thank you very much and have a good day.

MR. PROSTOR: Thank you very much. Thank you everybody.

REP. VARGAS (6TH): I'd just like to ask before we proceed if by any chance, we've joined by Mr. Edward Bailey of Middlefield. If Mr. Bailey is not here, that concludes the legislative nominees. I have a request that we take a brief recess so that we can have our business meeting be separate from our nominees for executive positions. So, I will call this meeting into a two-minute recess and then we'll reconvene to take a vote on the two legislative nominees.

(Recess)
REP. VARGAS (6TH): I'm hereby convening the business session for the purpose of acting on the two nominees for legislative appointments that were discussed at the public hearing that we've briefly recessed. The first gentleman was Mr. Matthew Kelly of Barkhamsted who has been appointed to be a member of the Connecticut Airport Authority board of directors. Do I have a motion to that affect?

REP. DIMASSA (116TH): Motion.

REP. VARGAS (6TH): So moved. Do I have a second?

REP. PHIPPS (100TH): So moved.

REP. VARGAS (6TH): All right. So, it has been moved by Representative DiMassa and seconded by Representative Phipps. At this point, I will ask the clerk to take the role.

CLERK: Duff, Vargas.

REP. VARGAS (6TH): Yes.

CLERK: Looney.

REP. LOONEY (11TH): Yes.

CLERK: Phipps.

REP. PHIPPS (100TH): Yes.

CLERK: Fasano, Perillo, Bergstein, D'Agastino, Davis.

REP. DAVIS (57TH): Yes.

CLERK: DiMassa.

REP. DIMASSA (116TH): Yes.

CLERK: Formica.

SENATOR FORMICA (20TH): Yes.
SENATOR KUSHNER (24TH): Yes.

REP. VARGAS (6TH): Thank you very much, Mr. Clerk, and we will keep the votes open until 4 p.m. for members who can't be here at this moment.

Our second nominee was Mr. Stephen Foster of New Canaan to be Connecticut member of the Connecticut Commuter Rail Council. Is there a motion on his appointment?

SPEAKER: Looking for approval?

REP. VARGAS (6TH): Yeah, motion for approval. You do? Okay, so we have a motion. Is there a second? Senator Formica seconds it. Any discussion? Seeing none, we will now proceed with a vote, Mr. Clerk.

REP. VARGAS (6TH): Yes.
SENATOR FORMICA (20TH): Yes.

CLERK: Godfrey, Hartley, Kushner.

SENATOR KUSHNER (24TH): Yes.

CLERK: Moore, Verrengia, Witkos, Yaccarino.

REP. VARGAS (6TH): Thank you very much, Mr. Clerk, and we'll keep the votes open until 4 p.m. That will be announced through the PA system. We are going to recess the business meeting so we can reconvene our public hearing because we have two executive nominees for commissionership. So, if there is no objection, I'm recessing the business meeting.

(Recess)

REP. VARGAS (6TH): We're hereby reconvening the public hearing for the purposes of two executive nominations made by the Governor Ned Lamont. The first one is a Senate Resolution and this one is to appoint Scott D. Jackson of Hamden to be Commissioner of Revenue Services. Is Commissioner Jackson with us? There is he. Before you take a seat, please raise your right hand, Commissioner. Do you promise to tell us the truth and nothing but the truth?

MR. JACKSON: I do.

REP. VARGAS (6TH): Please take a seat and as is customary, the floor is yours.

MR. JACKSON: Thank you Senators Duff, Looney and Fasano, Representatives Vargas, Phipps, Perillo and Davis and all honorable members of the Executive and Legislative Nominations Committee. My name is Scott
Jackson. It is a pleasure to come before you today as Governor Ned Lamont's nominee for Commissioner of the Department of Revenue Services, otherwise known as DRS.

I would like to thank Governor Lamont for his trust and confidence in me and allowing for my continued stewardship of the Agency at a time when fair, accessible, equitable and timely collection is so critical to state operations. DRS is the door through which the majority of funds necessary for the state government to operate flow. The funds that build roads and schools, the funds that are used to provide critical services to our youngest and our oldest residents.

This is particularly poignant to me on this day. For the last week, I have been the primary caregiver for my big brother, Craig, who is severely disabled. He goes to work every day at Easterseals Goodwill. I called them last week to change the transportation drop off. He takes a van to work every day. Within two hours of my call to Easterseals, his state caseworker called me to ask if everything was all right and if there was anything they could do to help me and to help my family.

The dollars that walk through the front door of DRS every day allowed that call to happen. And I'm personally grateful to every taxpayer who contributed to maintaining this support apparatus that means so much to us. My resume is before you. DRS is my third stop in state service. I've also worked at the office of Policy and Management and as Commissioner of the Department of Labor over the last few years. With prior service as a three-term mayor of my hometown of Hamden, Connecticut.
In 2012, I was appointed Chairman of the Governor Sandy Hook Advisory Commission following service on other statewide panels including those related to storm response and proposed changes to the technical high school system. Currently, I also serve as chair over the Connecticut Retirement Security Authority board of directors.

Before being renominated, I wrote an email to all DRS employees, easy to do. Hit all DRS in the email and it goes out to everyone. I said that I would be honored to be considered to work beside them but that was the determination of the Governor. I'm fortunate to have had the opportunity to meet so many of the high-quality professional employees of the agency as well as leaders in the practitioner community that works so closely with us. Since my first day at DRS back in June, which was also the day of the agency picnic which allowed me to meet a lot of members of the team, I have certainly learned a great deal. Most of all, I have learned that DRS is a great organization with great people in and surrounding it.

My time at DRS has already spanned a shifting tax landscape from this summer’s Supreme Court Wayfair decision. That happened the day before my first day, to ongoing implications of federal tax reforms. I've witnessed the professionalism and daily dignity offered to our customers, the taxpayer, in response to their questions and to their concerns.

I'm excited for the opportunity to build systems and enhance those interactions in ways that are durable and responsive, always with a taxpayer in mind. My goal is to preside over a state tax administration that moves the management of issues with the best
tax collection agency in the United States of America.

Honorable Members, I believe in superlatives. I intend for the agency to be recognized by our peers as achieving excellence in customer service. To achieve industry best levels of voluntary tax compliance and to develop a robust online presence that allows us to meet taxpayers where they and their needs are.

DRS should be an active player in tax policy leadership and counted on to deliver timely, credible information to the governor to the legislature and to our sister agencies. While DRS prioritizes data safety and taxpayer privacy, our resources and expertise should not be the policy world's best kept secret. The sources and makes of state revenue will always be in close proximity to the ongoing debates in this building.

DRS is uniquely positioned to offer guidance and perspective. I also believe that DRS can contribute meaningfully to Governor Lamont's vision of a state government that is user friendly, accessible, digitally focused and a force for good in all of our neighborhoods.

Yesterday, I reviewed my testimony to this Committee from my time at the Department of Labor a few years ago. It was intensely personal. But I believe it is appropriate to be intensely personal as you can define my skillset from my resume. Agency leadership needs to be more than words on a page. I want you to have confidence that I believe in Connecticut. That I believe in the 550 women and men responsible for the fair collection of $19 billion of tax revenue. And that I will put my
shoulder to the wheel every day to make this agency the very best that it can be.

When I was 17 years old, a tornado walked itself right down my street. It was July 10, 1989. There were government actors who came to our rescue. From Mayor John Kerrison and the Hamden response team to the state police to FEMA. They did not provide merely order, they provided comfort. They made us feel not that they were different than us or better than us but that they were us. It is a nuance distinction but one that I try to practice every day. Whether it be with a member of my team, a practitioner, a colleague or a taxpayer. I do not come to public service by accident but by deliberate actions stemming from that terrible day in July 1989.

I sit before you today because there is no place I would rather be then right here right now giving back to a state and its taxpayers that have given me so much. That has given my family, especially my brother Craig and my son's Max and Eli, so much over so many years.

My uncle, Floyd Little, the 253rd person elected to the NFL hall of fame is one of my hero's, one of my idols and he always has great advice for me. One of his pieces of advice to me was, every morning Scotty, when you get up, you've got to give yourself a checkup from the neck up. And if you don't feel like you're ready to do the job that you have to do, if you don't have a plan for success, you've got to fix it or you've got to walk away from what you're doing. I gave myself my checkup from the neck up this morning and there is no place I would rather be than sitting here and asking for your support in my continued service to the State of Connecticut.
through the position of Commissioner of Revenue Service. Thank you for this opportunity and for your consideration and I'm happy to answer any questions you may have.

REP. VARGAS (6TH): First of all, I want to congratulate you on your reappointment as Commissioner of Department of Revenue Services States of Connecticut. I'm really inspired by your passion and the passion you bring to the position. And the fact that you have been reappointed from one administration to another speaks volumes because every governor likes to bring their own team in. And the fact that Governor Lamont has recognized that you're the best person for the position, tells us that he has great confidence in the job you've been doing and that going into the future that will continue so. I'm very happy for your appointment as commissioner. This is a Senate Resolution, I'll start with my Senate Vice Chair, Senator Looney.

SENATOR LOONEY (11TH): Thank you, Mr. Chairman. Good afternoon, Commissioner.

MR. JACKSON: Good afternoon.

SENATOR LOONEY (11TH): Congratulations on your nomination again. I'm so pleased you'll be continuing on during the Lamont administration just as you did in a number of capacities during the Malloy administration. You've already had an extraordinary career in government in both elected and appointed office although you're still a very young man in your 40's. So, we've known each other since your service in the town of Hamden, prior to becoming mayor when you were the Chief Operating Officer for the State and Economic Development for the City and the Town, Economic Development Coordinator. So, during all those years, you have
committed yourself to public service in a really significant way. I know you had experience prior to that working as a staff member for Senator Liberman for a number of years, right, you were right out of college.

Obviously, the efficient operation of DRS is something on which we all depend. Revenues are the lifeblood of what we debate, what we're concerned about here in putting together budgets, the reliability of budgets, the concern about that. The challenge over the last few years of the fact of the high degree of volatility in the estimates and quarterly portion of our state income tax which we had difficulty predicting and which we try to address by adopting the volatility cap a couple of years ago.

Also, a couple of ongoing challenges. As you know, one of the chronic problems we have always had is the use tax. Obviously, unfortunately it's almost like the honor system. We collect so little of it as a percentage of what should be due. So, I'd like to hear what your plans are to try to step up enforcement in that area. I know there have been a few initiatives where DRS in the past has tried to target some big-ticket items, perhaps being imported from other states or trying to develop reciprocal arrangements with other states regarding jewelry, artwork, things of that nature. But I'd like to just hear the current status of use tax enforcement.

MR. JACKSON: Well, so use tax is not very well understood by those who don’t participate in this tax space but it's as old as the hills, essentially. If you don't pay says tax, you should pay use tax. So, what has happened over the last 15 years or so, I think it's probably about 15 years ago that I
bought my first eBay raincoat, vintage London Fog. That movement has sort of moved away from the space of essentially mail order frequently into the digital space. We do have greater tools at our availability to kind of manage the flow.

So, the legislation that this body passed last year in terms of remote sellers, internet sellers that went into effect on December 1, 2018, is a fantastic tool for us to be able to do that. We also have cooperative agreements with the major credit card companies where we can validate certain information. You're right, it is an honor system. But because of the transformation to a digital economy, it gives us more pathways to track down information, to validate information and to ensure that the fair share is being paid.

Now, you mentioned two things that are actually pretty concerning to me. High value individual sales of things like art and jewelry. Those are a little bit or those can be a little bit harder to penetrate. But because of the way the sort of general tax regime is, is that you are supposed to report it and if you get caught, you get penalized and the penalty is based upon the amount of tax that you avoided. Another thing that we have to do is we have to aggressively educate the consuming public about what their responsibilities are in a very friendly way, what the penalties are, if they fail to live up to their responsibilities.

So, in that regard, I sent out again, an all DRS email and I got return from close to a quarter of our employees saying what are missing, what are we leaving on the table, what should we be doing to make ourselves be a voluntary tax compliant state in the union. Far and away, the number one answer was
we have to come up with more interesting ways to communicate to the taxpayers and give them this information in ways that they can consume it. Be it YouTube videos, be it going out there on the street and actually meeting with chambers and things like that.

So, that's what is going into the workplan for 2019. But we are certainly looking to again, to ensure that our use tax receipts have a basis in reality for the types of transactions that are happening.

SENATOR LOONEY (11TH): Thank you, Commissioner. One other question. The issue of the estate tax in Connecticut, and this is one that we're grappling with. I know I had this conversation with then Commissioner Sullivan more than a year ago. We hear all the time, anecdotal information from financial planners and accountants and the like that many people make their estate planning decisions 7 to 10 years or so before they actually pass away. And it's at that time, they may make a decision to move out of Connecticut if that's an option for them, especially for the very, very wealthy people who have multiple residences already in multiple states and it's easy enough for them to declare one of the others rather than Connecticut as being their principle residence.

The argument that is made is that we actually lose more revenue by losing that person as a Connecticut resident at that time that the amount of revenue that we would have collected from that person from the date of the estate planning decision until the person's actual death 7 to 10 years later in terms of their payment of income tax within the state there. Their sales tax expenditures and also their philanthropic giving within the state would more
than make up for the loss in the state tax if we were to structure our system in a way where we're not collecting or greatly diminish the estate tax.

And at the time, he said we all hear that, we all have anecdotal testimony to that from all the tax planners who tell us that about their clients who come into the offices. He said, we don't have any way of quantifying that in any way. Do you have anything up dated on that or anything new? I know this is a discussion that has to go on within the agency.

MR. JACKSON: Certainly. So, the information that we have to update that actually comes from a sort of strange source. It comes from the behavioral economists. Why do people make financial decisions? How can you effectively use tax policy to guide decisions? And the response is and most of those in the field agree, is that people are going to do what they want to do. You can use policy to shape it around the edges.

So, what I mean is you can't -- these folks say that a tax, a singular tax is not a decision making criteria for most people. For some people it may be, it may be even the top criteria. But things like where you live are determined by a gross series of actors. Do you like your cub scout troop? Do you want your kids to go to this school? Is your mother nearby? All of these things get wrapped into where people decide to live.

So, from a strictly black and white numerically based, you know, break out your calculator and figure it out. Where do I maximize the amount of money that I have, they are absolutely right and some people may take that opportunity.
I would argue that we also have to do a better job of reminding people why we're here every single day. Everyone here makes a choice. Anyone of us on any given day could say, I'm out, but we haven't. In fact, in this room, we've committed to being here for a long time because we believe in what we do.

So, I think part of the estate tax question and the estate tax, can the budget be manipulated and this is what you do. Can the budget be manipulated to eliminate the estate tax and kind of pick it up elsewhere in the overall revenues and expenditures, yes it can. At the same time, we have to, I think, adopt some larger principles of behavioral economics and remind people that there is value to this tax transaction. There is a reason why Pontiac went out of business but Mercedes Benz chugged right through the recession. There is a value proposition. As far as I'm concerned, we have the best value to offer, we just don't always talk about it.

SENATOR LOONEY (11TH): Well, thank you, Commissioner. Again, I wanted to commend you for your public service. I think it is so critically important for someone in your position or any responsible position as a director of one of our major state agencies to have the passion for public service that you do. And not to regard the position as merely a bureaucratic position but to view it as a calling to public service in a significant way. So again, congratulations.

MR. JACKSON: Thank you, Senator.

REP. VARGAS (6TH): Thank you, Senator Looney. The floor now goes to Senator Pasano.
SENATOR FASANO (34TH): Thank you, Mr. Chairman. Commissioner, it's good to see you again.

MR. JACKSON: You as well.

SENATOR FASANO (34TH): I want to thank you for the work that you did at the Department of Labor and also as mayor of Hamden. Being next door in North Haven I think that you are definitely committed to civil service and I think you do it very well.

A couple of things. I think when you talk about agency leadership is more than just words on a page, I think that is important. Particularly in the role of DRS where the powers of DRS can be overwhelming for a taxpayer who maybe inadvertently or for some exigent circumstances messes up. Your power could be putting people out of business or bankruptcy et cetera. And I think what is important that you said is we need to keep the taxpayer in mind. I think you've shown that as the Commissioner of the Department of Labor and some issues that we've talked about with respect to DRS on some other matters, I think you've shown that responsibility and that's terrific.

To that end, one of the concerns that I keep hearing about is that we as a legislature made a change in the LLC taxation. Where we tax the LLC profits at a different level to try to make up for the federal government $10,000 limit for state taxes paid and property taxes and so forth. And I think some of the confusion comes in is in the overlapping of LLC's in terms of what is 80 percent. I guess some how you comingle them, you're able to -- so, if I had one LLC that I own with another individual, we both own the same percentages. One makes money, one doesn't. You can net them out and you don't owe taxes. But there could be various factors where
there are some other folks that are involved and you can't net them out.

And I think in the real life, in the complexity of transactions, there is abundancy of confusion as to when it can be netted out, not net out, whether they paid their estimated-on time because that is an impact. I haven't put in a bill but I've seen a bunch of bills flying out there to say, we may need a grace period for some of these issues that may catch people in a penalty situation, in particular, on estimated taxes. And it may be due to confusion of simply not knowing the ramifications.

I'm wondering whether or not the department would have an opinion that if someone inadvertently falls into one of these problems, that they don't get whacked because they did not pay their estimated percentage on time. So, I'm trying to get your view on this. Because in real life, talking to accountants, and I know you've met with a bunch of accountants at some seminar and talked about this briefly. But I think that there is significant confusion and people could end up behind the eight ball.

MR. JACKSON: I've spoken to Connecticut CPA's, I think, on four occasions in group settings. This question has been the question, in fact, the only question. Different versions of it but it's the question. So, the $10,000 cap that you refer to is based on the Federal Tax Cut and Jobs Act. And I think we all recognize that it doesn't take a whole lot in the State of Connecticut to get to $10,000 in state and local taxes. That's not a rich person's space. Those are working people every day.

So, a lot of states tried a few things to get around it and Connecticut did too. And so, what we did,
and I will freely acknowledge, that this solution only works for a narrow slice. It works for the people who are partners, who are part owners of corporate entities. Instead of taking it on your individual return, we created a sort of theoretical framework whereby it would be taxed at the entity level, the business level because there is no state and local tax cap on business expenses.

This happened really quickly. As you guys know, these discussions went well passed the standard budgetary timeframe. So, we are just now, in January, kind of getting out information and sort of sending out the first crush of these things and saying, okay, so here's how you can do it.

It's my hope that we can continue to educate the community. They understand, again, they understand the theoretical framework but these folks don't operate in theoretical spaces, these are CPA's. They want to see it on paper and they want to be able to move pieces of the advocates from one side to the other. So, just because we say it, they need it in writing before they actually say, okay, I get out.

So, that is out. It's out late, I'm not going to lie, because it's very complicated on both sides of the ledger. But it's out and we have one point of contact at the agency to manage questions on it. So, folks that already paid estimated taxes before the law was passed, so how do you go backward and kind of fix this.

The Commissioner of the Department of Revenue Services is allowed certain discretionary authority. One of those pieces of discretionary authority is not to offer blanket waivers. So, what I have said to the CPA's is tell me the story. Every one of
them, you walk me through it and if on a case by case basis I say yeah, the reason this happened this way is because the legislation came out and we tried to do these things retroactively, that makes sense to me and I will sign my name to that thing a hundred times out of a hundred.

So, it is a little bit of a process issue for us but doing the right thing, even if it is more work, is still the path I'd like to follow. To anyone that you or anyone on the Committee or anyone in the legislature hears, we're confused as to how this works in terms of our liability, tell them to call me. Because we've got out internal processes, there's going to be a stack of papers in my in box and I'm going to sign off on them. If they tell me the story that makes sense and if the crux of that story is, we paid, law went into effect and now we're in this retroactive kind of a bind, that's a story that makes sense to me.

SENATOR FASANO (34TH): Thank you, I appreciate that. I just want to say that it would be a pleasure to support your nomination for your position in the Senate here today on a vote. I think you exemplify what it takes to be a Commissioner of the State of Connecticut, all the qualities that you've displayed over the years. So, thank you very much for serving.

MR. JACKSON: Thank you, Senator.

REP. VARGAS (6TH): Thank you very much, Senator Fasano. Any other member of the Committee that would like to speak? Yes, Senator Formica, you have the floor.
SENATOR FORMICA (20TH): Thank you very much, Mr. Chairman. Good afternoon, sir, pleasure to see you again and thank you again for all of your service.

Just as a follow up to Senator Fasano's question, did you indicate, because I have put a bill in for consideration that would waive the penalty for those LLC's that found themselves in a retroactive. Are you saying you would prefer to do it on a case by case basis and not have a statute that would say the bill was signed on May 1 and therefore anything prior to that would be forgiven?

MR. JACKSON: No, I would love to have a statutory basis. But seeing none, but having to respond in real time to these folks, we've created this other process in order to cover that. But this is really going to be a one-year issue. So, I would encourage the folks who think this is important to advance that as early in session as possible so that we can provide some clear resolution in a blanket way to those who are impacted.

SENATOR FORMICA (20TH): Thank you. I'm happy to put your name as a co-sponsor on that. Thank you very much for that clarification. I was somewhat confused by where we were going on that. But thank you very much and thank you for your good service and all you've done.

MR. JACKSON: Thank you, Senator. And, if I may, you said something that I read a few weeks ago that I've taken to heart. When you said about your private business, we are a customer service shop that just happens to sell seafood. I feel the same way about the services that we provide. So, I put that in my tote bag and I will bring it out as necessary. Thank you, sir.
SENATOR FORMICA (20TH): Thank you. Thank you, Mr. Chair.

REP. VARGAS (6TH): Thank you, Senator Formica. We have Representative DiMassa, you have the floor.

REP. DIMASSAS (116TH): Thank you, Mr. Chairman. Obviously, congratulations, Commissioner. It's always good to see you. I do have a question or two but with the leave of the Chair, I did also want to point out two people I know that are in the audience supporting you today. One is Representative Paolillo. I know he wanted to make sure you knew that. I know former Representative Desoto was here, he walked out, but he's obviously supporting you today on behalf of the governor. So, it's good to have both of them here.

I've been very impressed with your comments today. I think it's got a lot to do with the human aspect and with people and how we find solutions that work for everyone. I think you pointed out a great point as far as when we look at the estate tax or we look at the cost of living in Connecticut, it's not just a dollar and cents issue, it's an issue of what value are people getting out of our state, right. So, it's the equivalent of an individual who goes and buys a Rolex watch, right, versus a Timex. Why are they doing it, right? It's not the dollars and cents, they're doing it because they find value.

Obviously, if you want to expand on that you can but I think you make a tremendous point where we have to look at value is legislated, what value we bring to living and working and doing business within Connecticut. I think if the value outweighs the cost, we won't have necessarily those issues of the high net worth individuals moving out. But if you
have any other thoughts on that, I would encourage you to.

MR. JACKSON: I think you laid it out pretty clearly. Now, that doesn't absolve us on the agency level or at the level of government or at the level of legislature about being efficient and effective too. So, we still have to mine every opportunity for a reduction in costs or an increase in value. It's all the same jumble but it's kind of every day hard work and seizing opportunities when they present themselves.

I will tell you that the number one item on the agenda for DRS in 2019 is moving forward with an enhanced tax collection system. We are one of those agencies with a legacy system. So, it's not just about making our work easier, it's about putting data into a system that can then be exfiltrated in a way that is useful to other agencies. It gives us a greater opportunity to have a very robust online presence and sort of a top tier online taxpayer service center that connects directly to the system as opposed to there is sort of an intermediary thing we have. So, if we change one thing there, it's a little bit funky and it takes a long time to test it out to make sure that what we're serving to the public is accurate.

So, these things are all connected. But at the end of the day, yes, you have to make an investment in that technology and the investment is not a small investment. But over time, that is the type of investment that will play out and in the long term, be in the best interest from a value standpoint, both a cost and a value standpoint for the citizens of Connecticut.
REP. DIMASSA (116TH): And the only other question I wanted to ask you is, I know I think it was last year, there were a number of letters sent. I think this kind of goes to Senator Looney's line of questioning a little bit. There were letters sent out, I know that the state received information from a number of online retailers as far as individuals who had not paid sales tax on items. I knew Newegg was one.

I know a few of my constituents got letters, obviously stating that they owed some tax. How did that collection go from your standpoint? What was the response like and going forward, how do you see bridging that gap so we don't have those issues? I know you've touched on it a little bit but if you could expound a little bit more.

MR. JACKSON: Certainly. So, Connecticut in process has been the national leader in terms of managing relationships with remote sellers. So, the legislation went into effect December 1st. On the last day of November, based upon a lot of hard work done by the previous commissioners, Sullivan and Deputy Commissioner Mooney and Jack Kutsukos our Audit Chief and Lou Bucari, our First Assistant Commissioner.

We had already had written settlement agreements with more than 400 of the top 500 remote sellers. We brought the list of the 500 to 1000 and we're doing very well. Now, there is no comparison between number 1 and number 1000 on this list, just to be clear. So, there's a point of diminishing returns after about number 600. They don't meet the thresholds of the law. It doesn't mean we won't reach out to them and ask them to participate because we expect them to grow and we expect them to
meet the thresholds. So, that's how we've been managing that.

You would be surprised as to the level of quality response when you just kind of knock on somebody's door and say, hey here's the circumstance, here is the law, we're not trying to be bad guys but here is the way it's supposed to work. So, you can do it a different way. We might ask you for a list of people you've delivered items to so we can get them on the use tax side. But most companies are not going to want to give up their customer list so it becomes in their overall best interest to comply with the spirit of the law.

When they do that, our brick and mortar mom and pops are now operating at an even playing field and that is very important to us. Our job is not to pick or make winners and losers. Our job is to enforce what comes out of this body and enforce it in a fair way. And if we think that something isn't operating as fairly as we think, then it is our obligation to come forward and say, we might want to take a look at this or are you looking at this, let us help you, let us review the language and make sure that by fixing one thing we're not technically breaking ten other things. And that's really the role that we want to play right now.

REP. DIMASSA (116TH): Perfect. Well, thank you and congratulations again. Thank you, Mr. Chairman.

REP. VARGAS (6TH): Thank you, Representative DiMassa. The Committee Vice Chair Representative Phipps has the floor.

REP. PHIPPS (100th): I also want echo congratulations on your nomination. I've been following you since I was a local official myself
back in 2007. Your commitment to public service is unquestionable so I congratulate you and thank you for offering to continue to do the work.

Following Senator Formica's question, are there any other legislative solutions or statutes that would help do your work and that would be better for Connecticut that you would recommend?

MR. JACKSON: We have a series of recommendations, most of them are technical. So, I believe in trying to achieve clarity. Now, I do have a lot of attorneys and accountants who work in my building and their definition of clarity may be different from my definition of clarity. But for example, there are things in statute that say you have one month. Well, I don't like a month because a month is a fungible definition of time. So, how about we call a month 30 days. So, those are some of the types of things that we put forward.

There is one thing that folks in the agency have felt very strongly about and I understand it. So, we walk through the door more dollars then end up staying because we issue refunds and sometimes, we issue big refunds. And sometimes, we issue big refunds because a provider somewhere raises their hand and says, wait, I'm not sure that this service was taxable and they may be right but they've collected the tax. And now we issue them a refund, where does that go.

So, I think this is a question that has come before this body on a couple of occasions. We think the fair thing is if you collect a tax and we issue you a refund, you should reimburse that trust tax to the people who paid it. It can get tricky, I'm not going to sugar coat that. But especially if this is coming off a subscriber base or something like that,
we think in the interest of equity, that makes sense.

If you buy a sweater at the store down the street and decide tomorrow, eh, I don't like this sweater, you go back to the store, you return it, you get the price plus the tax back because those dollars were just held in trust on behalf of the State of Connecticut. They didn't belong to the payer, it didn't belong to the seller, they were held in trust and we're trying to complete the circle on refunds. So, that's probably the item that is the least technical but the most philosophical that we have in our package.

REP. PHIPPS (100TH): And you mentioned best practices. Are there any model states that you would say are doing it right and what could we copy from them?

MR. JACKSON: One thing I love about government is we are not Coca-Cola. We do not keep a recipe in a vault. If something goes well, we shout it from the rooftops. So, I'm fortunate to participate in a couple of national associations. The software package that we're going to utilize is used in more than 30 other jurisdictions. So, that is going to provide us a tremendous window into process improvements that other states and large tax and jurisdictions have utilized. So yeah, we go out there to conferences. We learn, we bring it back and then we teach. That is our motto.

REP. PHIPPS (100TH): What will constituents notice different now that you've had, I think, over six months under your belt in this role. Is there anything that we would feel or notice?
MR. JACKSON: This is a work in progress. But as you may know, executive agencies are moving to what is known as the portal for web services. It is intended to be dynamic whatever people are looking for on any day, it kind of rises up in the ranks as to how to find it.

So, I think the first thing that you'll notice or that the constituents will notice is, you know what, you don't go to DRS anymore. At some point, you pull out your phone or you jump on your computer and you say, I've got to figure out this tax thing. So, we have this system that is dynamic but it is being monitored by our folks to make sure that it is acting in real time and not in some sort of a delay mode.

So, the ability to get answers to the questions you're looking for right now without going through a whole series is probably the most significant thing that the end user, the taxpayer will see or has seen in the last couple of months.

REP. PHIPPS (100th): And just two more questions. So, my wife finished her PhD at the University of New Hampshire, a state that has no sales tax. And in Connecticut, we also have, I would say a relatively high sales tax. It all goes by definition of sales tax, some of them are a more aggressive tax. We also have numerous exemptions. Through the lens of equity, how could we make our sales tax process and systems more equitable.

MR. JACKSON: That's a great question. My colleague in New Hampshire went to Trinity so she has great affinity for the State of Connecticut. The policy determinations necessary in that regard are really in your hands, sir. There is no magic button solution. There is at play in a lot of smaller
states what is known as streamlined sales tax. It doesn't work for us, it doesn't work for us mathematically or operationally. That's not a path that we think makes sense for the State of Connecticut. Partially because we actually have a much narrower sort of sales tax regime than most places because we don't have local add on taxes and we don't have county taxes that kind of stack back into it.

There is a reason for the exemptions, right? I remember spending a whole lot of my paycheck on diapers. Now, the fact is I needed the diapers anyway plus 6.35 percent or not, I still needed to buy the diapers. But it is a very fair argument about the regressivity at some level. And so, I think there are some larger ways to maybe take a look at it which may be to flatten out the base on sales tax and maybe look at some sort of credit at the back end on annual filings.

Of course, you are kind of giving money to get it back later if you were to do so but I think those are the types of conversations that might need to be had. Because sales tax is a huge component of the budget, $4.5 billion will come in on sales tax this year. So, modifications need to be carefully made. It is our second largest revenue coming through the door.

REP. PHIPPS (100TH): And to your point, I agree. I would also say that if it meant that I would have to pay a higher sales tax or a new sales tax to my accountant in order for my neighbor to have a lower sales tax for their child's diapers, I personally would be okay with that. But I'm not going to get too deep into the woods on policy.
And just a last question and you've mentioned it several times and you've mentioned equity several times. Can you just speak more to how equity plays out in the work and are there any other suggestions for us to make sure that we can aid you in doing equitable work for our constituents.

MR. JACKSON: The bulk of the revenue that comes in is through voluntary tax compliance, people doing their best to do the right thing, trying to do the right thing. Sometimes they hit the mark, sometimes they miss the mark by a little bit and we might have to show them where they missed and how that can be resolved which is typically not a big deal.

There is a group that might try to say oh, well let's see if I don't do this, let's see if anybody catches me. We spend a lot of time in that group. But if they get caught, they say oh, yeah, you got me, here's your check. Then there is the group who will try to avoid at all costs. They will sprint away and we spend again, a significant amount of resources on those groups.

My intent is to bring some of the people in the middle group back into the fully compliant group. Say, it's just not worth the risk of getting caught afterwards because that's going to come with penalties and interest. In terms of what you can do to help, it would be very helpful and I'm not naïve to the way sessions play out. I know there are a lot of new actors and I get that.

But to the extent that we can be a sounding board, not on policy decisions, although we will if you ask. But on the technical language so that we don't have to come back next year with additional technical fixes. I would deeply appreciate it if the legislation and the professional staff here
would just run language by us as it is available so we can make sure that whatever is presented to the full body is really ready to go.

REP. PHIPPS (100TH): Thank you. And as, I think, the first nominee that the Governor has put for us and I think that's a really good choice. I think this is going to be indicative of the high caliber and you'll lead our state to the next level. So, I appreciate you coming.

MR. JACKSON: Thank you, sir.

REP. VARGAS (6TH): Thank you, Representative Phipps. Yes, we have a comment by Representative Davis. You have the floor.

REP. DAVIS (57TH): Thank you, Mr. Chairman. Thank you, Commissioner for being here and congratulations on your renomination to this position. I will say, I give an awful lot of credit to you. You jumped in at a very interesting time for the Department of Revenue Services. Major changes were made right before, literally right before you took your position. Although there have been some bumps and certainly working with the accountants and trying to work through those, it has been fairly well received. As Ranking Member of the Finance Committee, I have not received a significant amount of complaints from my colleagues or from constituents about how you've handled stepping in that role. So, I congratulate you on that and thank you for that. I think you did a great job.

I do operate in the realm of taxes as Ranking Member of the Finance Committee so I won't ask too many policy questions. But stepping into your role as well, there were some high-level personnel issues at the Department of Revenue Services that were kind of
well-documented in the press. I'm just wondering, have we moved on from that? Is that still an issue that's ongoing in the Department of Revenue Services?

MR. JACKSON: We have reordered the structure somewhat to mitigate those. This is something that, you know, I've learned a little bit about along the way with all of the jobs. Which is that and, in fact, I made a candid comment to at the time, Governor Elect Lamont, that the job of Commissioner is a lot more HR than a lot of people would expect and so, your nominees should know that.

So, active management of human resources is something that I have tried to endeavor. We continue to move the ball forward. In any workplace, you're going to have some level of conflict. The goal is to nip it in the bud early. It's to show fairness and equity in the resolution of the issue, to attempt to mediate as necessary. But people spend more time at the job then they do at home. So, things will emerge and you just really have to keep your eye on it. So again, we've made some structural changes and we continue to process the work.

REP. DAVIS (57TH): As far as your sister agency in the federal government, the IRS being shut down right now mostly, what kind of impact is that going to have on our state collection of taxes for the 2018 year? I can foresee a specific issue with federal employees that we just recently passed legislation for to help that maybe didn't get paid in that last week of the year and how is that going to impact their W-2's and their processing of state taxes here in the State of Connecticut.
MR. JACKSON: From an operational standpoint, it is going to have minimal, and by minimal, I mean less than a .1 percent impact on our operations. Our personal income which is $10 to $11 billion, the bulk of what comes in, the starting number on that in Connecticut is the Federal AGI. So, as a matter of practice, people like to do their federal first and then move that number over. So, even if they're not in a position to submit it, they'll still have that number. If something changes, just like what happened last year or two years ago or ten years ago, something changes they can always file and amended return.

There are some data transfers that we have with IRS sort of as a cross check validation. That's going to have to be put on hold but that's really the only area in which we have any specific operational difficulty because IRS, their doors may be closed right now.

REP. DAVIS (57TH): Just one more. With the tax season under way right now, obviously scammers are a big issue for many of our constituents and we get a lot of calls about that. And stepping into the role as Commissioner kind of just recently, what efforts have you been putting forth to try to get the word out on any potential scams and to prevent those scams from happening. Obviously, working towards making sure that our systems are secure as well.

MR. JACKSON: Right. So, the scam that is most common for us is paid preparers who tweak the EITC component of the return to maximize EITC returns. Sometimes, it goes to the individual, most times it goes to them. So, that's the scam. One thing that was put into effect effective January 1 of this year is all paid preparers who are not licensed CPA's or
attorneys and a few other sort of licensed categories, need to register with us. So, we will have the ability if we see a return that looks strange, we can then check the other returns from that preparer based upon this registry and kind of put together a case file that is going to be a whole lot more robust than it would have been even a year ago.

So, that is the primary case. As always, we hold a lot of data and a lot of people want access to it. So, just from an attacking the system standpoint, we and DAS Best collaborate every day on making sure that the system is protecting the data in a way that the citizens expect. We are subject to what is known as Publication 1075 in IRS publication as to what does your data protection profile look like, and we exceed it all the time.

So, we are protective of the data, we are constantly looking out for intrusion attempts and we've gotten pretty good at picking up that EITC scam when it comes through the door. But instead of doing it on a one return basis now, we can kind of spread that out and add a little bit more heft to going after the folks who are doing the wrong thing.

REP. VARGAS (6TH): Thank you, Representative Davis. Any further questions or comments from Committee members? Yes, Senator Looney.

SENATOR LOONEY (11TH): Thank you, Mr. Chairman. Just one follow up. In your commentary, Commissioner, you mentioned your legendary uncle, Floyd Little. I had the great pleasure of meeting him on the day that the Floyd Little Athletic Center was commissioned when it opened next to Hill House High School, his alma mater, which he graduated in '61. He was telling me at the time that his
experience in the NFL, the great challenge was during, I believe the nine years that he was the star running back for the Denver Broncos, he played with about 20 different quarterbacks which explains why he was about the only genuine offensive threat that they had during those years. So, he was able to basically get all that experience of trying to excel without much support during all those years. So, I hope that you won't have to have that experience and that there will be enough support for your agency for all of the efforts that we're counting on you to make.

MR. JACKSON: I have learned in the last six months that there is ample support within the agency. One other quick Uncle Floyd story was, Tom Jackson, the ESPN announcer was sort of his mentee when he joined the Broncos in the mid-seventies. And my Uncle's advice to him as to how to be successful was, he said look, you've got an on off switch underneath your arm. The key is to turn it on and then rip the switch out. That's what we do. We are on all the time, we go every day and we try to provide excellence in every way, shape and form.

REP. VARGAS (6TH): Any further questions or comments from Committee members? If not, I want to thank Commissioner Jackson again for being here and answering the questions of the Committee members. Once again, I want to congratulate you on your reappointment as Commissioner of the Department of Revenue Services and wish you all the best and success.

MR. JACKSON: Thank you very much.

REP. VARGAS (6TH): Thank you. Before you leave, we have one question we ask all our nominees. We ask people not to take this personal but it's part of
our procedure. Is there anything in your past that would prove embarrassing to the Committee, to the Governor or to the State of Connecticut?

MR. JACKSON: No sir.

REP. VARGAS (6TH): Well, thank you very much and good luck to you. That brings us to our final nominee for this public hearing. That is another Governor's Commissioner, Amy Porter of Coventry has been appointed Commissioner of Rehabilitation Services and she is here for her confirmation. Before you take a seat, would you please raise your right hand. Do you swear to tell the truth and nothing but the truth?

MS. PORTER: I do.

REP. VARGAS (6TH): All right, please be seated. Commissioner Porter now will be afforded an opportunity to make an initial statement. The floor is yours.

MS. PORTER: Thank you and good afternoon Representative Vargas and distinguished members of the Executive and Legislative Nominations Committee. As Representative Vargas said, my name is Amy Porter. I am so pleased to be considered for reappointment to the position of Commissioner of the Department of Rehabilitation Services. We have a great agency and our work is critically important. So, I'm eager to be able to continue building on our state's commitment to older adults and to people with disabilities.

I'd like to thank Governor Lamont for nominating me to continue as Commissioner of this great agency. I'm really honored by his support. I also want to thank you, the legislature, for your ongoing support of our mission and the folks that we serve, both
older and adults and people with disabilities. It is really in partnership with the legislature that our agency was created and we've shaped a really strong aging and disability infrastructure in Connecticut and I look forward to continuing that partnership and continuing our evolution.

I would like to thank the Committee for the opportunity to talk about our agency, brag a little bit about our agency and out my nomination. You do have my written testimony so I'll cover just a few points and then hopefully be able to answer any questions that you have.

Our agency was created in July 2011 and I was appointed as the agency's first agency head in January 2012. I have been with the State of Connecticut for almost 20 years. Prior to that, I was in the State of New Hampshire working for the state there in disability services. Our agency was originally created as a disability services agency but recently, we have a wonderful addition of aging services as part of our agency.

Being able to build that kind of aging and disability model is similar to what exists in the federal government. I have no doubt that Connecticut is going to be a national model for aging and disability services moving forward.

DORS provides a diverse set of services that generally fall into five areas, five kind of groupings. We have lots of individualized services but typically they are in the areas of employment, education, independent living, access and advocacy. Again, all for individuals with disabilities and older adults in Connecticut.
To provide these services, we have about 450 positions and we have a budget of just under $100 million. About three quarters of that budget is federal funding. I'd like to share just a few of our accomplishments to give you a more concrete picture of some of the impact of our agency.

In just the last year alone, our staff and our many contractors throughout our system achieved a great deal. Over 43,000 social security disability claims were processed. More than 33,000 beneficiaries received information about Medicare coverage and other critical benefits. 1.8 million meals were served to over 20,000 older individuals in their homes and in their communities. And almost 2000 caregivers received respite care and other caregiver services.

Over 2000 people with disabilities and older adults either entered employment or were able to maintain their employment with the support of our agency. 4400 people received assistive technology services to either increase their independence or their employment or access to services. We had almost 1000 children who are blind or have a visual impairment that received educational and independent living services from our agency. We advocated for residents of nursing homes, residential care homes and assisted living facilities by responding to approximately 3000 complaints.

We have an incredible staff in our department. We have caring, professional staff in all of our programs and I'm honored to be considered for reappointment and to have the opportunity to continue to work with the great staff and the great partners that we have in our system. I appreciate your consideration of my nomination to lead the
Department of Rehabilitation Services again and thank you for your time. I'm happy to respond to any questions that you may have.

REP. VARGAS (6TH): Thank you very much, Commissioner Porter. I have had the privilege of speaking to you prior to this hearing and I know you have the experience. You have been doing the job now for a number of years. As I said to the previous nominee, the fact that you have been renominated again to head the agency by a new administration speaks for itself. Your experience with the elderly and also your academic qualifications having a doctorate and master's degree shows that you have the knowledge and the expertise in this field of human services. Especially when it comes to rehabilitation services and making sure that every citizen in Connecticut has the opportunity to be productive and lead productive lives. So, I thank you for your service.

At this point, I will open it up for comments or questions from my fellow Committee members. I'll start with my Vice Chair. Any questions or comments?

REP. PHIPPS (100TH): Once again, congratulations. Obviously, your work speaks for itself on both as a reappointment but also as a founder of the work. So, just really quick questions on specifically around, I think, there was a streamlining for deaf individuals and individuals that are hard of hearing. I know when we name things that often gives it power and sometimes, we would have consolidations. Those particular nuances of their challenges and issues sometimes get lost. Can you speak to how we ensure that those voices are still
coming forward and the work that we do for those individuals?

MS. PORTER: Yes, definitely, thank you for the question. Yes, we closed our DORS interpreting services program. They are private entities that provide sign language, interpreting services throughout the state. There are still some concerns around that. So, with the legislature, there is a new board, advisory board for individuals who are deaf and hard of hearing.

And really, the purpose of the advisory board is to help look at some of those issues, advise state agencies on how to improve services, specifically for individuals who are deaf or hard of hearing. Interpreting services being one of those services but others as well, just access issues. DORS itself continues to have, we have services, employment services for individuals who are deaf and we have a counselor specifically who works with individuals who are deaf.

But those bigger issues, the systemic issues around access are things that we're trying to tackle on the board. The board is incredible. It is a very wide, diverse group of individuals who are deaf, individuals who are hard of hearing, individuals from the interpreting community, presidents from different deaf organizations in Connecticut. Really coming together to try to think about how can we look at our services differently. The group has been very focused on the legislative session and looking at some legislative proposals which they are just starting to share with legislators.

Also, the board has asked, and I'm a co-chair of the board. The board has asked the Department of Administrative Services to come in and talk about
how the interpreting services contract works in the state. They're actually scheduling two meetings for volunteers from the board over the next two weeks to talk about when they go back out for competitive procurement, what should that look like, what issues should they consider.

So, the board is great. There is a lot of really helpful information to share with the legislature with the Executive Branch and with one another on the board.

REP. PHIPPS (100TH): And how has the current federal shutdown affected your work and our constituents needs?

MS. PORTER: We have been very fortunate with the shutdown. The agencies that provide the bulk of our funding, I said that 75 percent of our budget is federal but most of that comes from the Social Security Administration, the U.S. Department of Education's Rehab Services Administration, the Administration on Community Living, they were all funded for the year. So, those impacts, we have our budgets, there are personnel that we're able to talk to. The impacts are pretty minimal. There are regulatory slowdowns, things like that, but we're able to still provide our services. We have access to our grant awards so we were fortunate in being able to continue to provide those critical services.

REP. PHIPPS (100TH): Last question that I'm going to ask every appointee and nominee that comes in front of this Committee. How does equity play within your work and how do we ensure that there is racial equity, gender equity, so on and so forth?

MS. PORTER: Yeah, I think equity is critically important to us. A lot of the issues that we deal
with around disability issues in general, do folks have access. We have a cross disability agency so trying to make sure that there is equity for the various populations that are there that people can get access to services regardless of age, regardless of race. So, equity is built in to everything that we do.

I think taking that model, taking the idea of aging and disability services together and saying, we really need to just look at an individual and what is that individuals functional need. What are the services that we have that we can provide or connect somebody to regardless. It's just based on that functional need so that's a model that we've trying to build.

I think in both the disability and the aging communities, there were questions about that. Is that a good fit, does it make sense. But after having a lot of those conversations, people, our partners seem to be comfortable with that in trying to help us think about how we can move that forward.

REP. PHIPPS (100TH): Thank you, Commissioner.

REP. VARGAS (6TH): Thank you, Representative Phipps. I'll now open it up for any other Committee member that wishes to either ask a question of our nominee or make a comment. If not, I want to thank Commissioner Porter for her service. With your academic qualifications and your work experience and your commitment and passion for the job, I'm sure that residents of Connecticut will be well served.

Before we let you go, we have final question we ask of all our nominees. That is, is there anything that you believe in your past that might prove
embarrassing to this Committee, to the Governor, to the State of Connecticut?

MS. PORTER: No sir.

REP. VARGAS (6TH): Well, if that's the case then thank you very much and good luck and success in your role.

MS. PORTER: Thank you.

REP. VARGAS (6TH): That brings us to the end. At this point, it is customary for us to allow anybody from the public that wishes to speak regarding any of our nominees. If there is no one from the public that would like to speak on this, I'd ask the Clerk is there any written communication regarding any of the nominees? If not, then we will then close the public hearing and reconvene in two or three minutes for our business portion of the meeting. Thank you.

(Recess)

REP. VARGAS (6TH): Okay, I'm hereby opening the business portion of our meeting for the purposes of a vote on the two nominees for executive positions. The first one is a Senate Resolution so on this one we'll have a roll call vote of our State Senators. There are a couple in the room which is good. I will reiterate that we're keeping the vote open until 4 p.m. An announcement will be made through the PA system.

So, for the purposes of action today, the first one is Commissioner Scott D. Jackson of Hamden who has been reappointed to the position of Commissioner of Revenue Services. Do I have a motion?

SENATOR WITKOS (8TH): So moved.
REP. VARGAS (6TH): It has been properly moved by Senator Witkos. Do I have a second?

SENATOR FORMICA (20TH): Second.

REP. VARGAS (6TH): Properly moved by Senator Formica. So, since this is a Senate Resolution, will the Clerk please call a roll of the Senate members of the Committee.

CLERK: Duff, Looney, Fasano, Bergstein, Formica.

SENATOR FORMICA (20TH): Yes.

CLERK: Hartley, Kushner, Moore, Witkos.

SENATOR WITKOS (8TH): Yes.

REP. VARGAS (6TH): That concludes the roll call here but like I said, the vote will be open until 4 p.m. and an announcement will be made. Now we'll pass on to the House Resolution which is the confirmation of the appointment by Governor Lamont of Commissioner Amy Porter of Coventry to be Commissioner of Rehabilitation Services. This is a reappointment also. Do I have a motion to that affect?

REP. PHIPPS (100TH): Motion for approval.

REP. VARGAS (6TH): Yes. So, we have a motion by Representative Phipps. Do we have a second?

REP. DAVIS (57TH): Second.

REP. VARGAS (6TH): Seconded by Representative Davis. This being a House Resolution, the Clerk will call a roll of all House members to the Committee.

CLERK: Vargas.

REP. VARGAS (6TH): Yes.
January 24, 2019

EXECUTIVE AND LEGISLATIVE 11:00 a.m.

NOMINATIONS COMMITTEE PUBLIC HEARING

CLERK: Phipps.

REP. PHIPPS (100TH): Yes.

CLERK: Perillo, D'Agastino, Davis.

REP. DAVIS (57TH): Yes.

CLERK: DiMassa.

REP. DIMASSA (116TH): Yes.

CLERK: Godfrey, Verrengia, Yaccarino.

REP. VARGAS (6TH): With those two nominations and the votes on those two, that concludes the business before the Committee. We will recess until 4 p.m. to allow our busy members throughout the building to be able to cast votes on these resolutions. Thank you, Mr. Clerk, the meeting is recessed until 4.

(Recess)