

Planning and Development Committee

JOINT FAVORABLE REPORT

Bill No.: SB-869

AN ACT CONCERNING COMMUNITY INVESTMENT BOARDS AND

Title: NEIGHBORHOOD ASSISTANCE.

Vote Date: 3/2/2021

Vote Action: Joint Favorable

PH Date: 2/19/2021

File No.: 82

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

N/A

REASONS FOR BILL:

Senate Bill 869 aims to require municipalities to establish community investment boards, and to establish a state commission to increase accountability of funding to nonprofit providers. Establishing community investment boards would allow communities and neighborhoods more direct access to state funds and may create greater transparency for the community. Further, state oversight of non-profit finances would ensure state funds are used efficiently.

RESPONSE FROM ADMINISTRATION/AGENCY:

N/A

NATURE AND SOURCES OF SUPPORT:

Sen. Paul Cicarella- 34th District: Voiced support that residents know their communities best, and thus should have control over some state funds for their towns. Further, involving community members would increase transparency of where funds go, and would allow the community to direct funding where it may be needed most. Testimony claims state funds are too often used politically. It is claimed that with the bill's structure, "...state funds would be dispersed between priorities identified by Community Investment Boards (CIBs), priorities identified by municipal government, and priorities jointly agreed upon by community investment boards and municipal legislative bodies." Already established neighborhood revitalization zones shall be designated as community investment boards. Additionally, testimony states there should be oversight on non-profits to ensure they use state funds in a

cost-effective manner. The bill would create a bipartisan commission to review such requirements.

NATURE AND SOURCES OF OPPOSITION:

Kevin Alvarez, Director of Legislative Affairs- City of New Haven: Voiced opposition that while community input is good, testimony claims 869 would have severe adverse effects for New Haven. The testimony interprets the bill as allowing city governments to control 1/3 of funds received by the state, with most funds being controlled by unelected boards appointed by the chief executive. It is believed that PILOT, MRSA, and ECS are underfunded, and the testimony encourages funding increases for PILOT. According to testimony, \$40 million in current state aid would be given to unelected authority, which for reference is a similar dollar amount to New Haven's entire police spending.

Donna Hamzy, Advocacy Manager of Connecticut Conference of Municipalities (CCM): Voiced strong opposition, stating, "CCM is concerned that this legislation is encouraging an unelected group of community members to make decisions on critical state funding to our cities without any oversight by city government. We (the testifier) are also concerned with the lack of detail around what such requirements would be, who would establish such requirements and how such requirements would be set."

Jeff Shaw, Senior Director of Public Policy & Advocacy, The Alliance: Voiced support of the intent, but questioned logistics. Testimony shows that the intent of the bill is supported, but there is concern as to which grants would be used, and whether the bill would pull funding away from grants already supporting essential programs. Testimony claims the Neighborhood Assistance Act (NAA) already serves a critical role with tax credits for businesses which fund tax-exempt nonprofits. It is further claimed the NAA program has been regularly oversubscribed in total number of donations and amount pledged, as businesses are capped at \$5 million in tax credit per year. The testimony is concerned that 869 may pull funding away from programs such as those associated with NAA.

Reported by: Colin Savino

Date: 3/14/2021