This part of the testimony from our coalition is on how regionalism can address the charge of the Commission to “develop and recommend policies to achieve state government fiscal stability and promote economic growth and competitiveness within the state,” and to “study and make recommendations regarding state revenues, tax structures, spending, debt, administrative and organizational actions and related activities, including relevant municipal activities, to (1) achieve consistently balanced and timely budgets that are supportive of the interests of families and businesses and the revitalization of major cities within the state, and (2) materially improve the attractiveness of the state for existing and future businesses and residents.”

Today, we will share with you (1) specific examples of regionalism and their positive impacts to both the costs of services and the improved efficiencies in the delivery of services and (2) specific recommendations for statutory changes to enhance the use of regional solutions and build regional capacity.

As you are already aware, Connecticut while a small state geographically is extremely fractured in its structure. We have 169 Towns, 8 Counties (at least on paper), 33 Cities or Boroughs, 310 Zip Codes (which most people associate with their home), 6 Core Statistical Areas, 17 Urbanized Areas, 151 State House Districts, 36 State Senate Districts, 5 Congressional Districts, 7 Metropolitan Planning Organizations, 4 Transportation Management Areas, 15 Regional Transit Districts, 5 Homeland Security Regions, 13 Judicial Districts, 22 Judicial Branch Areas, 12 Juvenile Courts, 54 Probate Court Districts, 11 State Police Districts, 585 Fire Departments, 282 Fire Districts, 5 Workforce Development Boards, 9 Labor Market Areas, 8 Service Delivery Areas for Job Training, 8 Workers’ Compensation Districts, 104 911 Locations, 5 Regional Mental Health Boards, 3 Department of Development Services Regions, 12 su-regions for the Department of Mental Health and Addiction Services, 12 CAP Agencies, 6 DCF Regions, 6 Family Support Network Regions, 25 DCF Collaborative Areas, 15 United Way Areas, 6 Regional Education Service Areas, 43 Elementary School Districts, 156 Secondary School Districts, 17 Regional School Districts, 73 Health Departments, 31 Acute Care Hospitals, 6 VFW
Regions and 8 Comprehensive Economic Development Regions\(^1\). This list is not a complete one but it does demonstrate the fractured nature of how we state deliver services locally and on a state basis. Since 1950, Japan has reduced its number of local governments by 70 percent - today having about the same number of local governments as New York. Additionally, the fractured nature of our state as demonstrated above does not take into account service delivery. Connecticut has a multitude of organizations (public and private) often doing the same basic service with little or no coordination.

We are confident that through the increased use of planned regionalism that we can make local and state government more efficient and less costly. The following are a few regional services to show the variety of regional programs currently in place realizing real results:

- **Regional Property Revaluation** - Enabling legislation passed in 2009 allowed regional councils of governments to take on property revaluation. In 2010, NECCOG began the Regional Revaluation Program. Eleven of NECCOG’s then 12 towns as well as the Town of Sprague participated in the initial program cycle (5 years). The Program is estimated to have saved the Region more than $650,000. The program is unique in that each town has 50 percent of its property inspected every five years and that number is used to calculate the other fifty percent - the result being a lessening of the volatility associated with only conducting full inspections every 10 years. The new law also allowed for real dates to be altered so that parcel total could be equalized during a five year period. Beginning in 2016, the second five-year cycle, for the Program began with 14 towns participating and an estimated savings of 47 percent compared to a traditional approach to revaluation. Another benefit to this program is that it provides towns with a specific reval cost compared to the current practice of guessing.

- **Regional Animal Services** - Each town in Connecticut is required to have an animal control person to address issues related to domestic animals. Most small towns and many medium sized towns have only a part-time person covering animal control - which was the case in each of the region’s towns. NECCOG, since 2004, has operated a regional animal services program. The Program began with three towns and now serves 18 towns with 24/7/365 services. To date, the program has placed more than 5,700 animals and no animal has been euthanized due to lack of space. Savings to the participating towns has ranged from 10 to sixty percent. However, more importantly the services to residents and their animals has been markedly improved.

- **Regional Paramedic Intercept Services** - In 1999, NECCOG began a regional paramedic program. The regional program provides approximately 2,200 paramedic transports per year. Paramedic Intercept service, also known as Advanced Life Support (ALS) provides a higher level of care delivered in the field to patients in need. The Region's local ambulance services or Basic Life Support (BLS) are provided by each town and are staffed by EMTs. While EMTs can provide a range of services - they can not provide treatments that one would find in a triage unit of an emergency room. Due to the relatively low volume of medical calls a regional approach to ALS was suggested in 1999.

\(^1\) MORE Commission, http://www2.housedems.ct.gov/more/RegEnt/documents.asp
NECCOG agreed to coordinate and subsidize the program and secured an ALS vendor to provide ALS services. Costs are covered by a transport fee to participating towns and grants from Day Kimball Hospital and Backus Hospital. ALS is a very expensive, cost prohibitive venture for rural ambulance departments - going regional was the only way to maintain this necessary program.

- **Regional Permits** - The Capital Region Council of Governments (CRCOG) Online Permitting program, provided in conjunction with ViewPoint and Municiity Software, enables homeowners and licensed contractors to apply for and receive building permits, track the status of permit applications, and request inspections through cloud based permitting technology. On the front end municipalities can offer a transparent application process and user friendly interface which citizens can access 24/7. On the back end, the program provides municipalities with an intuitive online tool that will help to organize, streamline, and track their permitting operations. Online Permitting solutions facilitate collaboration between departments by centralizing and automating workflows. Benefits of this program include:

  ✓ Citizens can submit requests and payments outside of Town Hall business hours. Citizens are given 24/7 access to the Town Hall interface.
  ✓ Towns can minimize physical resources needed for front office workflows (i.e in person submissions) and accelerate processing times.
  ✓ Towns can utilize analytical data (provided by the software) to get a better understanding of activity within their community.
  ✓ Provides insight into the Town’s operations and streamlines the application process.
  ✓ Provides citizens with real time access to public record information.

- **Cooperative Purchasing** - The Capitol Region Purchasing Council is a cooperative council of over 110 towns and other entities in the State of Connecticut. We have several programs available to members, including the CRPC annual/biennial bids, the ezIQC Job Order Contracting construction program, the IT Services Cooperative, and Energy Consortia.

- **IT Service Cooperative** - The Capitol Region Council of Governments (CRCOG) established an IT Service Cooperative for Connecticut municipalities, boards of education, libraries and other public entities in 2014. This effort stemmed from the desire to fully leverage local government connections to the Nutmeg Network, Connecticut’s public broadband fiber network. The CRCOG IT Services Cooperative
is a combined effort of the CRCOG Service Sharing Initiative, the Capitol Region Purchasing Council (CRPC) and the Connecticut Council of Small Towns (COST). If you are a member of one of these organizations, you can automatically access the CRCOG IT Services Cooperative. If you are not a member of any of these organizations, you can join the Cooperative as an independent organization for a small annual membership fee.

**Back-Office Services** - The Franklin County Council of Governments in Massachusetts has a highly successful program providing business office functions for 14 of its 26 towns. The participating towns are mostly small towns with limited staffing capacity and limited resources. This program allows these towns the services of a fully credentialed staff at a fraction of the costs if they were to attempt to employ a person of equal talent.

In 2013, using funds from the state Regional Performance Incentive Program, the Capitol Region Council of Governments (CRCOG) commissioned a study of Back Office Service Sharing involving 23 municipalities. From detailed field interviews and data gathering, eight opportunities emerged with the greatest potential for success and savings. In addition, the study highlighted the importance of the state’s Nutmeg Network (broadband fiber connecting municipalities, schools and libraries) and how it could create opportunities for voluntary regional approaches for local service delivery, resulting in significant savings of tax revenue as well as enhancement in the quality of services offered to residents. The eight areas identified as priorities were:

- ✓ Information Technology Services
- ✓ Electronic Document Management
- ✓ Financial Management Systems
- ✓ Human Resources Management
- ✓ Facilities and Asset Management
- ✓ Property Tax Assessment
- ✓ Fleet Maintenance
- ✓ Procurement Expansion

These are a few examples of what is going on now to foster collective or regional action. Much more can and should be done. A recent study by the Federal Reserve Bank in Boston titled “The Quest for Cost-Efficient Local Government in New England: What Role for Regional Consolidation?” looked at Connecticut and specifically at 911 services and Public Health service delivery. Their study estimated that by changing to a regional-based approach (the study used the eight counties) the savings would be “roughly 60 percent.” As to the quality of service, the study concluded that “…consolidation appears to have the potential to shorten the interval between 9-1-1 calls and the dispatch of first responders, an improvement that in turn would tend to have a beneficial impact on survival outcomes and other indicators of service effectiveness.” The Federal Reserve Study also examined the consolidation of health departments. Connecticut currently has 73 health departments ranging from several regional districts to part-time health departments. Service levels and emphasis is not consistent from department to department. The study found that Connecticut has the second highest fragmentation of local health departments in the nation. The study concluded that a regional approach could $25.4 million savings (41.3 percent) compared to the current approach.

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With a clear upside to working together - why are we not seeing more communities seeking inter-town or regional solutions. One key reason relates to revenues. “Constraints on municipal revenue raising and expenditure make local officials averse to inter-local arrangements that might further diminish their power. They are equally reluctant to consider cooperative arrangements with other municipalities involving expenditures because of lingering fears that they may not come out ahead–or that voters will think a neighboring competitor has snookered them. So deep is this fear that some officials avoid cooperative efforts that would benefit their towns if the other municipality appears to get more out of the deal.”

The recent consolidation of the 14 Regional Planning Organization to nine regional councils of governments was done purposely to have in place regions that were accountable to their member towns (COGs are operated by each towns respective CEO). COGs are the building blocks for regionalism in Connecticut. The COGs have a unique position as regional facilitators for establishing the framework for cooperation, providing support, monitoring, evaluating, and disseminating best practices that can be replicated in other COG regions. They offer an established model for regional collaboration and innovation. The State can strengthen existing regional infrastructure/capacity, using COGs (which are political subdivisions of the state), to support regional initiatives and collaboration to take advantage of the existing regional infrastructure and expertise that the COGs can provide.

To foster regional capacity and to enhance the use of regionalism in Connecticut we suggest the following:

1. **Modify Section 2-27 of the General Statutes regarding the charge and membership of the Connecticut Advisory Commission on Intergovernmental Relations**

   The Advisory Commission on Intergovernmental Relations (ACIR), which is administratively part of the Intergovernmental Relations Division of OPM, is uniquely structured to provide a forum for state and local policy leaders to develop initiatives for state/municipal efficiencies. Currently, ACIR consists of 16 appointments representing state government, municipal government and has appointments from each major party and the governor. This proposal would:

   - Add a member to the Commission representing the Regional Education Service centers (RECS);
   - Require ACIR to annually develop priorities and focus areas for grants issued to regional councils of governments in accordance with Section 1-124s (Regional Performance Incentive Program) of the General Statutes;
   - Submit to the General Assembly a report recommending actions to enhance the effectiveness and efficiency in the delivery of services either at the municipal or state level; and,
   - Simplify the current municipal mandate reporting and require that reports be done electronically

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3 [https://commonwealthmagazine.org/politics/let-towns-have-more-power-and-regional-planning-may-follow/](https://commonwealthmagazine.org/politics/let-towns-have-more-power-and-regional-planning-may-follow/)
2. **Modify Section 4-124p of the General Statutes to enable regional councils of governments to borrow funds in the same manner that municipalities, regional education resource centers and regional transit districts are permitted to do**

Currently, regional councils of governments may purchase property and may receive grants. They cannot borrow monies or issue bonds. Such authority would, for those regions wishing to do so, explore more regional projects - including regional infrastructure (sewer, roads, etc).

3. **Create new law that would minimize the issues related to labor contracts and related matter when public services are merged and/or consolidated**

Current law provides no mechanism for the merger or blending of multiple unionized and/or non unionized workers as part of a regionalization of municipal services. Providing for such a transition would remove a significant barrier to the regionalization of services resulting in greater efficiencies and savings. The attached language is based on recently enacted legislation in New Jersey.

4. **Enable Two or more contiguous municipalities for the creation of a Municipal Consolidation Study Commission**

Should one or more towns wish to explore the possibility of consolidation there is currently no mechanism in statute for such an undertaking. This proposal, based on New Jersey law, sets forth a formal process for municipal consolidation.

5. **Modify Section 2-79 to change current practice whereby the state Department of Transportation requires federal funds for local projects and then distributes them through each region to one where each COG receives the funds directly for use in their respective region**

This proposed change would eliminate one administrative step and move funds closer to where they are actually used.

6. **Modify Section 7-137 to enable large municipalities (75,000 or more persons) to act as sub-regions for purposes of economic development**

The intent of this proposal is to enable Connecticut’s largest cities to develop sub-regional economic development commissions with the city (place with more than 75,000 persons) as the hub of such a group.

7. **Modify Section 32-326/327/328 regarding the Regional Economic Development Act**

This modification would tie economic development to a region’s CEDS and broaden the change of initiatives under the Act.

8. **Develop an Efficiency Rating System for the distribution of public transportation funds.**

School bus transportation is among the largest costs incurred by school districts. Washington state, in 2011, adopted a evaluation system for student transportation operations within each school district. The goal of the system is to encourage school districts to operate their student transportation systems in a manner that makes efficient use of state resources. The statistical system used to create the efficiency ratings is called the Target Resource Model (TRM). For districts rated at less than 100 percent efficient, TRM creates a statistical “target district” from actual school districts across the state that have environmental features, size characteristics and workload requirements that are the same or
more challenging and compares the district’s total transportation costs and the number of buses used with this “target.” The target district establishes the expected resource requirements (expenditures and number of buses) that would be needed to achieve a 100 percent efficiency score.

9. Amend Sections 4-66g, 4-66h, 4-66m, 32-329, 8-387 and other discretionary grants currently only available to municipalities.

This modification would enable towns, through their respective regional council of governments to apply for state funds as a region - promoting better coordination of funds between towns and fostering regional solutions.

10. Modify Section 4-72 to require the governor to identify regional initiatives in each budget presentation

Statutorily the governor is required to prepare the proposed budget in accordance with specific elements as defined in statute. This proposal would require an explaining of program changes for regionalization.

11. Support the federal recognition of regional councils of governments as county equivalents for the state of Connecticut

Current Connecticut law (Conn. Gen. Stat. § 8-31b) states that “a regional council of governments may accept or participate in any grant, donation or program available to any political subdivision of the state and may also accept or participate in any grant, donation or program made available to counties by any other governmental or private entity… [and may] provide any service, activity or undertaking that [any] political subdivision is authorized by law to perform.” Connecticut differs from most states in the absence of county government. What is not widely known, however, is that the federal government is willing to recognize alternate forms of regional governance in states that lack formal county government. The Census Bureau terms these entities “county equivalents.” County equivalents take a variety of institutional forms; what unites them is that they are treated as counties by the Census Bureau and all federal agencies that use Census geographies. What this means in practice is that a) the Census aggregates data for these regions, and, crucially, b) the regions are treated as eligible applicants and recipients for the 80% of federal grant programs that are open to counties. Perhaps because of these advantages, well over 100 county equivalents exist nationwide. Nationwide, federal grants to counties and county equivalents total over $20 billion annually. While local governments can apply to many of these programs, Connecticut municipalities may not be well-positioned to compete against metropolitan and county governments in other states.

Connecticut pays more federal taxes per capita than all but two states yet receives $70 less per capita back from the federal government than the average state. The lack of federal transfers to county governments or equivalents accounts for two-thirds ($45) of this difference. Federal recognition of Connecticut’s regions as county equivalents would create additional vehicles for grants and over time could bring significant new federal funds into the state.

Changing statutory language to allow greater municipal cooperation is a necessary first step. It provides real opportunity for significant savings. The real opportunity is to be aspirational in thinking about the most responsive, transparent and, ultimately, the most efficient long term service delivery model for our state.
In thinking about that, it is useful to remind ourselves about the reasons Aetna and General Electric chose to move their corporate headquarters. It wasn't to move to a lower cost state. It was their response to the transformational change in their industries to data and technology as the new drivers of growth - as Connecticut ranks 10th of all states overall in a 2017 by the Information Technology and Innovation Foundation State New Economy Index measuring: Knowledge Jobs. Globalization, Economic Dynamism, The Digital Economy and Innovation Capacity. Where our state falls short in its’ fiscal stability - ranking just 47th (50th in Budget Balancing, 43 in Government Credit Rating and 37th in Pension Fund Liability) according to the most recent state rankings by U.S. News and World Reports⁴. Another area in need of immediate correction is infrastructure and most specifically transportation and energy where our state ranks 47th and 44th respectively. Of particular note is that we rank 50th in road quality and 49th in electricity price⁵. Our state needs to act creatively and avoid single strategy approaches to move our rankings, which reflect our relative well being, at the nation’s forefront.

Whether it is state, regional or local service delivery, government should be just as aspirational. Creating true e-government through the adoption of technology and transparent data collection innovation isn’t just about cost savings, it is a statement to the business community across the state, the region, the country and the world that Connecticut embraces the generational change thinking about how, in this case, government services will be delivered. Digital government is the future means to deliver affordable and sustainable government services.

Thank you for your consideration of our testimony.

For more Information:

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Attachments:

- Attachment A - Connecticut Fragmentation
- Attachment B - Proposed Legislative Language

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Connecticut

1. **Modify Section 2-27 of the General Statutes regarding the charge and membership of the Connecticut Advisory Commission on Intergovernmental Relations**

Subsection (a) of section 2-79 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage): (a) There shall be a Connecticut Advisory Commission on Intergovernmental Relations. The purpose of the commission shall be to enhance coordination and cooperation between the state and local governments. The commission shall consist of the president pro tempore of the Senate, the speaker of the House of Representatives, the minority leader of the Senate, the minority leader of the House of Representatives, the Secretary of the Office of Policy and Management, the Commissioners of Education, Energy and Environmental Protection, Economic and Community Development, or their designees, and **sixteen seventeen** additional members as follows: (1) Six municipal officials appointed by the Governor, four of whom shall be selected from a list of nominees submitted to him by the Connecticut Conference of Municipalities and two of whom shall be selected from a list submitted by the Council of Small Towns. Two of such six officials shall be from towns having populations of twenty thousand or less persons, two shall be from towns having populations of more than twenty thousand but less than sixty thousand persons and two shall be from towns having populations of sixty thousand or more persons; (2) two local public education officials appointed by the Governor, one of whom shall be selected from a list of nominees submitted to him by the Connecticut Association of Boards of Education and one of whom shall be selected from a list submitted by the Connecticut Association of School Administrators; (3) one representative of a regional council of governments appointed by the Governor from a list of nominees submitted to him by the Regional Planning Association of Connecticut Connecticut Association of Council of Governments; (4) five persons who do not hold elected or appointed office in state or local government, one of whom shall be appointed by the Governor, one of whom shall be appointed by the president pro tempore of the Senate, one of whom shall be appointed by the speaker of the House of Representatives, one of whom shall be appointed by the minority leader of the Senate and one of whom shall be appointed by the minority leader of the House of Representatives; (5) one representative of the Connecticut Conference of Municipalities appointed by said conference; (1) representative of the Regional Education Service Centers appointed by said group and (6) one representative of the Council of Small Towns appointed by said council. Each member of the commission appointed pursuant to subdivisions (1) to (6), inclusive, of this subsection shall serve for a term of two years. All other members shall serve for terms which are coterminous with their terms of office. The Governor shall appoint a chairperson and a vice-chairperson from among the commission members. Members of the General Assembly may serve as gubernatorial appointees to the commission. Members of the commission shall not be compensated for their
services but shall be reimbursed for necessary expenses incurred in the performance of their duties.

(b) The commission shall: (1) Serve as a forum for consultation among state and local government officials; (2) conduct research on intergovernmental issues; (3) encourage and coordinate studies of intergovernmental issues by universities, research and consulting organizations and others; (4) initiate policy development and make recommendations for consideration by all levels and branches of government regarding the efficiencies of state and local services and other related issues; (5) annually develop priorities and focus areas for grants issued to regional councils of governments in accordance with Section 1-124s of the General Statutes. The commission shall issue, from time to time, public reports of its findings and recommendations and shall issue, annually, a public report on its activities.

(c) On or before October 1, 2019 and every four years thereafter, or as the commission deems warranted, the commission shall submit to the General Assembly a report recommending actions to enhance the efficiency in the delivery of services either at the municipal or state level and which lists each existing state mandate, as defined in subsection (a) of section 2-32b, and which (1) categorizes each mandate as constitutional, statutory or executive, (2) provides the date of original enactment or issuance along with a brief description of the history of the mandate, and (3) analyzes the costs incurred by local governments in implementing the mandate. In each report the commission may also make recommendations on state mandates for consideration by the commission. On and after October 1, 1996, the report shall be submitted to the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and budgets of state agencies, planning and development, to any other joint standing committee of the General Assembly having cognizance and, upon request, to any member of the General Assembly. A summary of the report shall be submitted electronically to each member of the General Assembly if the summary is two pages or less and a notification of the report shall be submitted to each member if the summary is more than two pages. Submission shall be by electronic mailing the report, summary or notification to the legislative address of each member of the committees or the General Assembly, as applicable. The provisions of this subsection shall not be construed to prevent the commission from making more frequent recommendations on the efficient delivery of state and municipal services or state mandates.

(d) Commencing on or before the second Wednesday after the convening of the 1997 regular session of the General Assembly, and every year thereafter except a year in which a report is filed pursuant to subsection (c) of this section, the commission shall submit to the General Assembly a supplement to the report required in said subsection (c) identifying any new mandates adopted and any mandates changed in the previous year.
(e) The Office of Policy and Management shall provide such staff as is necessary for the performance of the functions and duties of the Connecticut Advisory Commission on Intergovernmental Relations. Such persons may be exempt from the classified service.

2. Modify Section 4-124p of the General Statutes to enable regional councils of governments to borrow funds in the same manner that municipalities, regional education resource centers and regional transit districts are permitted to do.

Subsection (a) of Section 4-124p of the general statutes is repealed and replaced with the following: (Effective on passage): Each regional council of governments established under the provisions of sections 4-124i to 4-124p, inclusive, shall be a body corporate and politic. The board of a regional council of governments shall be a regional governance authority acting on behalf of the state of Connecticut and shall have the power to sue and be sued, to receive and disburse private funds and such prepaid and reimbursed federal, state and local funds as each member municipality may authorize on its own behalf, to employ personnel, to enter into contracts, to purchase, receive, hold and convey real and personal property and otherwise to provide the programs, services and activities agreed upon by the member municipalities. The board of a regional council of governments shall have authority, within the limits prescribed by this part and as specified by the written agreement of the member municipalities, to establish policies for the regional council of governments, to determine the programs and services to be provided, to employ staff including a director of the regional council of governments, to prepare and expend the budget and, within the limits authorized under this section, to provide for the financing of the programs and projects of the regional council of governments. is authorized to receive for its own use and purposes any funds from any source including the state and federal governments and including bequests, gifts and contributions made by any individual, corporation or association. Any town, city or borough participating in a regional council of governments shall annually appropriate funds for the expenses of such council in the performance of its purposes. Such funds shall be appropriated and paid in accordance with a dues formula established by the regional council of governments. Such council may withhold any services it deems advisable from any town, city or borough which has failed to pay such dues. Within the amount so received, a council may engage employees, and contract with professional consultants, municipalities, the state and the federal governments, other regional councils of governments and other inter-town, regional or metropolitan agencies, or with any one or more of them, and may enter into contracts from time to time to carry out its purposes. Any such contract shall be approved by action of the regional council of governments in a manner prescribed by the council. The accounts of any regional council of governments shall be subject to an annual audit under the provisions of chapter 111 and such council shall file an annual report with the clerks of its member towns, cities or boroughs, with planning commissions, if any, of members, and with the Secretary of the Office of Policy and Management, or his designee.
(b) (NEW) For the purpose of carrying out or administering a regional council of
governments project, program or other function authorized under this section or refinancing
existing indebtedness or funding debt service reserve or project reserve funds, a regional
council of governments may, without limiting its authority under other provisions of law, borrow
temporarily in anticipation of receipt of current revenues and issue bonds, notes or other
obligations payable from or secured by any one or more of the following: (1) A pledge, lien,
mortgage or other security interest in any or all of the income, proceeds, revenues and
property, real or personal, of its projects, assets, programs or other functions, including the
proceeds of grants, loans, advances, guarantees or contributions from the federal government,
state or any other source; or (2) a pledge, lien, mortgage or other security interest in the
property, real or personal, of projects to be financed by the bonds, notes or other obligations.

(c) (NEW) Bonds, notes or other obligations issued under this section may be issued in one
or more series, shall bear such date or dates, be in such form, mature at such time or times, be
payable at such place or places whether within the state or without, bear interest at such rate
or rates, be in such denominations and form, with coupons attached, or registered, be fully
negotiable, contain such conversion and redemption provisions, such other terms, covenants
and conditions and be issued and sold in such manner as the regional council of governments,
by resolution of the board of such council determines, and may be payable at such time or
times not exceeding twenty years from the date of issuance. Such bonds, notes or other
obligations shall not constitute an indebtedness within the meaning of any debt limitation or
restrictions and shall not be obligations of the state of Connecticut or any municipality, and
each such bond, note or other obligation shall so state on its face. Neither the officers or
members of the board of any regional council of governments nor any person executing the
bond, note or other obligations shall be personally liable thereon by reason of the issuance
thereof.

(d) (NEW) A regional council of governments may issue notes in anticipation of the receipt
of proceeds from the sale of such bonds. If such notes are issued, the provisions of sections
7-378 and 7-378a, relating to the terms and conditions of issuing and renewing such notes,
shall apply.

(e) (NEW) Each pledge, agreement or assignment made for the benefit or security of any
bonds, notes or other obligations issued under this section shall be in effect until the principal
and interest on the bonds, notes or other obligations for the benefit of which the same were
made have been fully paid, or until provision is made for the payment in the manner provided
in the resolution or resolutions authorizing their issuance. Any pledge or assignment made in
respect of such bonds, notes or other obligations secured thereby shall be valid and binding
from the time when the pledge or assignment is made; any income, proceeds, revenues or property so pledged or assigned and thereafter received by the regional council of governments shall immediately be subject to the lien of such pledge, without any physical delivery thereof or further act; and the lien of any such pledge or assignment shall be valid and binding as against parties having claims of any kind in tort, contract or otherwise against the regional council of governments, irrespective of whether such parties have notice thereof. Neither the resolution, trust indenture, agreement, assignment or other instrument by which a pledge is created need be recorded or filed, except for the recording of any mortgage or lien on real property or on any interest in real property.

(f) (NEW) A regional council of governments may enter into contractual agreements, including trust indentures or agreements with trustees, for the collection, investment and payment of pledged or assigned income, proceeds, revenues or property, the establishment of reserves, covenants and agreements for the benefit of the trustee or the holders of any bonds, notes or other obligations, and such other terms and conditions which are reasonable to delineate the respective rights, duties, safeguards, responsibilities and liabilities of the regional council of governments, holders of bonds, notes or other obligations and the trustee or assignee. Any such agreement may provide for the pledge or assigning of any assets or income from assets to which or in which the center has rights or interest, the vesting in such trustee or trustees of such property, rights, powers and duties in trust as the center may determine, which may include any or all of the property, rights, powers and duties of any trustee appointed by the holders of any bonds, notes or other obligations, or limiting or restricting the rights of any holder of any bonds, notes or other obligations, or limiting or abrogating the right of the holders of any bonds, notes or other obligations to appoint a trustee, or limiting the rights, powers and duties of such trustee, and may further provide for such other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of any bonds, notes or other obligations and not otherwise in violation of law, including the acceleration of payment in the event of a default.

(g) (NEW) Any regional council of governments may obtain from a commercial bank or insurance company authorized to do business within or without this state a letter of credit, line of credit or other credit or liquidity facility, for the purpose of providing funds for the payment of such bonds, notes or other obligations required by their terms or by the holder thereof to be redeemed or repurchased at or prior to maturity or for providing additional security for such bonds, notes or other obligations. In connection therewith, a regional council of governments may authorize the execution of reimbursement agreements, remarketing agreements, standby bond purchase agreements, agreements for the purpose of moderating interest rate fluctuations and any other necessary or appropriate agreements. If a regional council of governments is required to draw upon any such credit facility, the amount of each loan made
pursuant to such credit facility shall be repaid by the council as provided in such agreement with the provider of the credit facility, but no later than the last date on which the bond, notes or other obligations secured thereby would be required to mature by law. Such regional council of governments may pledge or assign or mortgage any of its income, proceeds, revenues or properties authorized by this section to secure its bonds, notes or other obligations to secure its payment obligations under any agreement entered into pursuant to this section.

(h) (NEW) Bonds, notes or other obligations issued by a regional council of governments under the provisions of this section are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, credit unions, building and loan associations, investment companies, savings banks, banking associations, trust companies, executors, administrators, trustees and other fiduciaries and pension, profit-sharing and retirement funds may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or municipality of the state for any purpose for which the deposit of bonds or obligations of the state is now or may hereafter be authorized by law.

(i) (NEW) A regional council of governments shall be considered an agency of the state for purposes of subdivision (14) of subsection (d) of section 42a-9-109.

3. Create new law that would minimize the issues related to labor contracts and related matter when public services are merged and/or consolidated

(NEW) (Effective from passage) (a) When two or more municipalities contract, through a regional council of governments, for a shared service using existing municipal public employees then the agreement shall include an employment reconciliation plan as described in subsection (b) of this act. Any such agreement shall recognize and preserve the seniority, tenure, and pension rights of every full-time employee who is employed by each of the participating local units and who is in good standing at the time the agreement is adopted, and none of those employees shall be terminated, except for cause; provided, however, this provision shall not be construed to prevent or prohibit a merged regional service entity from reducing its workforce as provided by law for reasons of economy and efficiency. Any shared service shall be deemed in furtherance of the public good and presumed valid, subject to a rebuttable presumption of good faith on the part of the governing bodies entering into the agreement.

(b) An employment reconciliation plan shall be subject to the following provisions: (1) a determination of those employees, if any, that shall be transferred to the regional council of
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governments, or terminated from employment for reasons of economy or efficiency, subject to
the provisions of any existing collective bargaining agreements within the local municipal units;
(2) any employee terminated for reasons of economy or efficiency by the regional council of
governments providing the service under the shared service agreement shall be given a
terminal leave payment of not less than a period of one month for each five-year period of past
service as an employee with the local municipal unit, or other enhanced benefits that may be
provided or negotiated. For the purposes of this section, “terminal leave payment” means a
single, lump sum payment, paid at termination, calculated using the regular base salary at the
time of termination. Unless otherwise negotiated or provided by the employer, a terminal leave
benefit shall not include extended payment, or payment for retroactive salary increases,
bonuses, overtime, longevity, sick leave, accrued vacation or other time benefit, or any other
benefit. In addition, a reconciliation plan shall address the following implementation issues: (1)
a timetable to establish a timetable of significant events and goals to be achieved for
implementing the consolidation plan; (2) duplicate positions, including those held by tenured,
certified officers, listing those positions proposed to be abolished for reasons of economy,
efficiency or other good cause and listing those positions proposed to be merged; variations
from existing statutes or agency regulations that may not have anticipated a phase-in or
consolidation of services. When variations are proposed, they shall be submitted to the
Secretary of the Office of Policy and Management who shall refer it to the agency with
oversight responsibility. After due consideration, the responsible agency is empowered to
waive such law or rules if a waiver is found reasonable to further the process of consolidation.
Where no such agency exists, the Secretary of the Office of Policy and Management shall act
on behalf of the State. These requests shall be acted on within 45 days of their receipt by an
agency, and they shall be deemed approved, subject to approval of a consolidation proposal
by the municipalities, by the end of that time unless the agency has responded with a denial,
conditions that must be met in order for it to be approved, or an alternative approach to
resolving the matter; and the apportionment of any existing debt between the participating
municipalities and the responsibility for pre-consolidation debts.

(c) Whenever a regional service is establish through a regional council of governments that
includes employees covered by one or more collective bargain agreements the terms and
conditions of the existing contracts shall apply to the rights of the members of the respective
bargaining units until a new contract is negotiated, reduced to writing, and signed by the
parties as provided pursuant to law.

(d) An employment reconciliation plan shall be filed with the Commissioner of the
Department of Labor prior to the approval of the shared service agreement. The department
shall review it for consistency with this section within 45 days of receipt and it shall be deemed
approved, subject to approval of the shared service agreement by the end of that time, unless
the department has responded with a denial or conditions that must be met in order for it to be approved.

4. **Enable Two or more contiguous municipalities for the creation of a Municipal Consolidation Study Commission**

   (NEW) (Effective from passage) (a) Two or more contiguous municipalities may petition the Secretary of the Office of Policy and Management for the creation of a Municipal Consolidation Study Commission. The petition, to be sufficient, shall be signed by the chief elected official and the registered and qualified voters of the municipalities in a number at least equal to 10% of the total votes cast in those municipalities at the last preceding general election at which members of the General Assembly were elected.

   (b) The Secretary of the Office of Policy and Management shall provide application forms and technical assistance to any municipality desiring to apply to the Secretary of the Office of Policy and Management for approval of a consolidation plan or the creation of a Municipal Consolidation Study Commission.

   (c) An application to create a Municipal Consolidation Study Commission shall propose a process to study the feasibility of consolidating the participating municipalities into a single new municipality or merging one into the other. The application shall include provisions for (1) the means of selection and qualifications of study commissioners; (2) the timeframe for the study, which shall be no more than three years, along with key events and deadlines, including time for review of the report by State agencies, which review shall be no less than three months; (3) whether a preliminary report shall be issued in addition to the final report; (4) whether the development of a consolidation implementation plan will be a part of the study; (5) the means for any proposed consolidation plan to be approved; either by voter referendum, by the governing bodies, or both; and (6) if proposed by a representative group of voters, justification of that group’s standing to serve as the community advocate for the consolidation proposal.

   (d) An application to the Secretary of the Office of Policy and Management for consideration of a consolidation plan or to create a Municipal Consolidation Study Commission shall be subject to a public hearing within each municipality to be studied, and a joint public hearing in a place that is easily accessible to the residents of both or all of the municipalities.

   (e) After approval of a plan by the Secretary of the Office of Policy and Management, it may be amended upon petition to the Secretary of the Office of Policy and Management by the applicant. Based on the nature of the amendment, the Secretary of the Office of Policy and
Management may decide to hold a public hearing in any of the municipalities affected by the plan, or at a regular meeting, or both.

(f) Every Municipal Consolidation Study Commission shall include a representative of the Office of Policy and Management as a non-voting representative on the commission and the executive director(s) of the regional councils of governments as a non-voting representative on the commission in which such municipalities are located. The representative shall not be a resident of a municipality participating in the study. The Office of Policy and Management shall prepare an objective fiscal study of the fiscal aspects of a consolidation and shall provide it to the commission in a timely manner. The regional councils of governments shall provide study commission staffing and relayed support.

(g) A consolidation plan or report of a Municipal Consolidation Study Commission shall include: (1) a timetable for implementing the consolidation plan; (2) duplicate positions, including those held by tenured, certified officers, listing those positions proposed to be abolished for reasons of economy, efficiency or other good cause and listing those positions proposed to be merged.

(h) The following policies may be considered and implemented under an application for approval of a consolidation plan, and may be included as part of a study: (1) creation of a consolidation implementation plan to establish a timetable of significant events and goals to be achieved as part of a consolidation study; (2) a phase-in of a consolidation over a fixed period of time. Such a plan shall be subject to review and approval of the Finance Board prior to it being approved by the governing bodies or subject to voter referendum; (3) variations from existing State law or State department rules that may not have anticipated a phase-in or consolidation of services. When variations are proposed, they shall be submitted to the board which shall refer it to the agency with oversight responsibility. After due consideration, the referee agency is empowered to waive such law or rules if a waiver is found reasonable to further the process of consolidation.

(i) The apportionment of existing debt between the taxpayers of the consolidating municipalities, including whether existing debt should be apportioned in the same manner as debt within special taxing districts so that the taxpayers of each consolidating municipality will continue to be responsible for their own pre-consolidation debts.

(j) Once a consolidation has been approved by the affected municipal governing bodies, the Secretary of the Office of Policy and Management shall create a task force of State departments, offices and agencies, as it deems appropriate, and representatives of affected negotiations units, to facilitate the consolidation and provide technical assistance.
5. Modify Section 2-79 to change current practice whereby the state Department of Transportation requires federal funds for local projects and then distributes them through each region to one where each COG receives the funds directly for use in their respective region.

Section 2-79 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage): (a) The Commissioner of Transportation shall establish a local transportation capital program to provide state funding, in lieu of specific federal funding available, to any municipality or local planning agency regional councils of governments for transportation improvements to any state or locally maintained roadway or facility that is deemed eligible for federal surface transportation urban program funding. For the purposes of this program, project eligibility is extended to include local major and minor collector roads in rural areas. Regional Councils of Governments may waive the requirement of federal eligibility by a unanimous vote of such Council’s municipal membership.

(b) The commissioner may request the authorization of special tax obligation bonds of the state to establish such state funding. In the absence of state funding in any year, specific and eligible federal transportation funding shall remain available to meet the needs of eligible local roads. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds.

(c) The Department of Transportation Any regional council of governments shall accept and process eligible project applications for such state funding for any eligible recipient, based on project priorities through the appropriate guidelines established by such regional council for governments. Any such state funding shall be provided to the recipient regional council of governments through guidelines developed by the Department of Transportation. The regional councils of governments shall be responsible for developing a financial plan and maintaining a program fiscal budget for their respective COG.

(d) A portion of such state funding shall be available to the regional councils of government to administer the program, including assisting member municipalities in the preparation of project applications.

(De) Any transportation improvement funded pursuant to the program established in this section will have a service life of approximately twenty years.

(Ef) Notwithstanding any other provision of the general statutes, this program, when improvements are on a locally owned roadway or facility, shall not be deemed to be a proposed state action, activity or critical activity for the purposes of sections 25-68b to 25-68h, inclusive.
6. Modify Section 7-137 to enable large municipalities (75,000 or more persons) to act as sub-regions for purposes of economic development

Section 7-137 of the general statutes is repealed and the following is substituted in lieu thereof (Effective on passage): Any two or more towns, cities or boroughs having economic development commissions may, by ordinance adopted by each of them, join in the formation of a regional cooperative economic development commission, provided at least one municipality joining such regional economic commission shall have a population of at least seventy-five thousand. The area of jurisdiction of the regional cooperative commission shall be coterminous with the area of the municipalities so joining. Any municipality which has joined in the formation of a regional cooperative commission may thereafter withdraw by the adoption of an ordinance to that effect. The economic development commissions of the municipalities comprising the regional cooperative commission shall jointly determine the membership of the regional cooperative commission. A regional cooperative commission shall have the same duties and authority, in respect to its area of jurisdiction, as a municipal commission has in respect to the municipality. Each municipality may annually appropriate to a regional cooperative commission a sum which, in addition to any amount appropriated to its municipal commission, will not exceed one-twentieth of one per cent of its last-completed grand list of taxable property.

7. Modify Section 32-326/327/328 regarding the Regional Economic Development Act

Section 32-326 of the general statutes is repealed and the following is substituted in lieu thereof (Effective on passage): (a) It is hereby found and declared that there exists in this state a great and growing need for additional public and private capital improvements and acquisitions and project development that will promote economic diversification, stability and growth; that such improvements, acquisitions and projects are a particularly effective investment of state funds because of their relative immobility in an increasingly global economy; that such improvements, acquisitions and projects are particularly needed in communities and regions experiencing significant military, commercial and industrial job losses and economic dislocation; and that regional cooperation in the planning and development of such improvements, acquisitions and projects is desirable and should be encouraged; and therefore, it is necessary and in the public interest and for the public good that the provisions of sections 32-325 to 32-330, inclusive, are hereby declared a matter of legislative determination.

Section Section 32-327 of the general statutes is repealed and the following is substituted in lieu thereof (Effective on passage): As used in sections 32-325 to 32-330, inclusive, 32-23ww and 32-23xx:
(1) “Act” means the Regional Economic Development Act.

(2) “Agency” means any regional economic development commission formed under sections 7-136 and 7-137, other regional development commission or corporation formed under any other provision of the general statutes or any special act, federal economic development district, established under 42 USC 3171 or any regional council of governments organized under sections 4-124i to 4-124p, inclusive, except that for purposes of financial assistance for greenways projects, “agency” means a municipality or other organizations.

(3) “Commissioner” means the Commissioner of Economic and Community Development.

(4) “Eligible project” means (A) a public or private improvement or acquisition which, in the sole judgment of the commissioner as determined and declared in that region’s comprehensive economic development strategy, will significantly enhance economic diversification, stability, growth or scientific knowledge in the region where the project is to be located, and includes a “business development project” as defined in subsection (a) of section 32-222 or greenways projects or (B) an application for a grant under section 32-23ww or 32-23xx. (i) In determining eligibility with regard to an application submitted for an eligible project under subparagraph (A) of this subdivision before June 21, 1994, the commissioner shall also evaluate the project in accordance with a one-hundred-point scale as follows: Fifteen points based on such criteria as the commissioner may from time to time establish, fifteen points for projects located in targeted investment communities, up to twenty-five points for projects in regions where fifty per cent or more of the member municipalities within any planning region participate and fifteen points for every two thousand manufacturing jobs that the region has lost or, in the judgment of the commissioner, is scheduled to lose between July 1, 1989, and July 1, 1996, up to a total of forty-five points. (ii) In determining eligibility with regard to an application submitted for any eligible project under this subdivision on or after June 21, 1994, the commissioner shall also evaluate the project in accordance with a one-hundred-point scale as follows: Fifteen points based on such criteria as the commissioner may from time to time establish, fifteen points for projects located in targeted investment communities, up to twenty-five points for projects in regions where fifty per cent or more of the member municipalities within any planning region participate and fifteen points for every two thousand manufacturing jobs that the region has lost or, in the judgment of the commissioner, is scheduled to lose between July 1, 1989, and July 1, 1996, up to a total of twenty-five points, and ten points if the project consists of an application for a grant under section 32-23ww or 32-23xx, up to a total of twenty points.

(5) “Manufacturing jobs” means jobs at a business that is located, in whole or in part, in Connecticut and that has a North American Industrial Classification code of 311111 through 339999; a business engaged in research and development directly related to manufacturing; a business engaged in the significant servicing, overhauling or rebuilding of machinery and equipment for industrial use; an agricultural enterprise engaged in value-added production or agricultural biotechnology; or any establishment or auxiliary or operating unit thereof, as
defined in the North American Industrial Classification Manual, which the commissioner determines will materially contribute to the economy of the state by creating or retaining jobs, exporting products or services beyond the state's boundaries, encouraging innovation in products or services, adding value to products or services, or otherwise supporting or enhancing existing activities that are important to the economy of the state.

(6) “Eligible project cost” means the total cost in dollars of an eligible project.

(7) “Financial assistance” means grants, extensions of credit, loans, other investments, or guarantees of any of the foregoing, or any combination thereof, or any guaranty of any pool of such loans determined by the commissioner to be necessary or appropriate to establish or maintain a secondary market for such loans.

(8) “Regional economic development plan” means a comprehensive economic development plan prepared in accordance with 13 CFR 303.7 plan prepared by an agency that identifies, and which may rank, in order of priority, eligible projects for which the agency intends to apply for financial assistance under section 32-325, and includes an economic development plan developed as contemplated by section 32-7, federal economic development district, established under 42 USC 3171 or any regional council of governments.

(9) “Planning region” means any planning region of the state recognized by the commissioner and established in connection with the development of any regional economic development plan, federal economic development district, established under 42 USC 3171 or any regional council of governments.

Section 32-328 of the general statutes is repealed and the following is substituted in lieu thereof (Effective on passage): (a) An agency A region may apply for financial assistance under this section by submitting a regional economic development plan one or more projects as contained in that region’s comprehensive economic development strategy to the commissioner, with a request for financial assistance for one or more projects identified in the plan. The commissioner may also propose eligible projects, in amounts not to exceed one-third of the funds available under sections 32-325 to 32-330, inclusive, for financial assistance under this section, after submitting such proposal to the agencies within the planning region in which the project is to be located and consulting with such agencies as to the appropriateness of such project under any applicable regional economic development plan that region’s comprehensive economic development strategy.

(b) The commissioner may fund not more than ninety per cent of total project costs in targeted investment communities, not more than seventy-five per cent of total project costs in the case of a project in a region that includes a targeted investment community or federally distressed community or and not more than sixty-six and two-thirds per cent of total project costs in the case of a project in a region that does not include a targeted investment community.
(c) Financial assistance may be provided to municipalities and other organizations to develop greenways, including, but not limited to, transportation-related greenways supported by the Federal Transportation Equity Act for the 21st Century, as amended from time to time. The amount of any grant shall be as follows: (1) For transportation greenways projects that are part of interstate greenways, not more than twenty per cent of the project cost; (2) for transportation greenways projects that are local spur or interstate greenways or that are inter-town greenways projects, not more than ten per cent of the project cost; and (3) for greenways that are not transportation greenways, not more than half of the capital costs of the project.

(d) The total financial assistance under sections 32-325 to 32-330, inclusive, for any agency or project region shall not exceed twenty million dollars of state funds plus any federal funds that the commissioner applies to the project.

9. Amend Sections 4-66g, 4-66h, 32-329, 8-387 and other discretionary grants currently only available to municipalities.

Subsection (b) of Section 4-66g of the general statutes is repealed and replaced with the following (Effective on passage): (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Office of Policy and Management for a small town economic assistance program the purpose of which shall be to provide grants-in-aid to any municipality or group of municipalities regional council of governments, provided the municipality and each participating municipality that is part of a group of municipalities regional council of governments is not economically distressed within the meaning of subsection (b) of section 32-9p, does not have an urban center in any plan adopted by the General Assembly pursuant to section 16a-30 and is not a public investment community within the meaning of subdivision (9) of subsection (a) of section 7-545. Such grants shall be used for purposes for which funds would be available under section 4-66c. No group of municipalities regional council of governments may receive an amount exceeding in the aggregate five hundred thousand dollars per participating municipality in such group region in any one fiscal year under said program. No individual municipality may receive more than five hundred thousand dollars in any one fiscal year under said program, except that any municipality that receives a grant under said program as a member of a group of municipalities regional council of governments shall continue to be eligible to receive an amount equal to five hundred thousand dollars less the amount of such participating municipality’s proportionate share of such grant. Notwithstanding the provisions of this subsection and section 4-66c, a municipality that is (1) a distressed municipality within the meaning of subsection (b) of section 32-9p or a public investment community within the meaning of subdivision (9) of subsection (a) of section 7-545, and (2) otherwise eligible under this subsection for the small town economic assistance program may elect to be eligible for said program individually or as part of a group of municipalities regional council of governments in lieu of being eligible for financial assistance under section 4-66c, by a vote of its legislative...
body or, in the case of a municipality in which the legislative body is a town meeting, its board of selectmen, and submitting a written notice of such vote to the Secretary of the Office of Policy and Management. Any such election shall be for the four-year period following submission of such notice to the secretary and may be extended for additional four-year periods in accordance with the same procedure for the initial election.

Section 4-66h of the general statutes is repealed and replaced with the following (Effective on passage): (a) There is established an account to be known as the “Main Street Investment Fund account” which shall be a separate, non-lapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Department of Housing for the purposes of providing grants not to exceed five hundred thousand dollars to municipalities with populations of not more than thirty thousand or municipalities eligible for the small town economic assistance program pursuant to section 4-66g for eligible projects as defined in subsection (d) of this section or regional councils of governments. Municipalities or regional councils of governments shall apply for such grants in a manner to be determined by the Commissioner of Housing. Said commissioner may contract with a nonprofit entity to administer the provisions of this section.

(b) In awarding such grants, the commissioner shall determine that an eligible project advances the municipality’s or region’s approved plan pursuant to subdivision (2) of subsection (d) of this section. Such advancements may include, but need not be limited to, zoning and design guideline development; facade or awning improvements; sidewalk improvements or construction; street lighting; building renovations, including mixed use of residential and commercial; landscaping and development of recreational areas and greenspace; bicycle paths; and other improvements or renovations deemed by the commissioner to contribute to the economic success of the municipality.

(c) A grant received pursuant to this section shall be used for improvements to property owned by the municipality or participating municipalities, except the municipality or regional councils of governments may use a portion of the proceeds of such grant to provide a one-time reimbursement to owners of commercial private property for eligible expenditures that directly support and enhance an eligible project. The maximum allowable reimbursement for such eligible expenditures to any such owner shall be fifty thousand dollars, to be provided at the following rates: (1) Expenditures equal to or less than fifty thousand dollars shall be reimbursed at a rate of fifty per cent, and (2) any additional expenditures greater than fifty thousand dollars but less than or equal to one hundred fifty thousand dollars shall be reimbursed at a rate of twenty-five per cent.
(d) For the purposes of this section:

(1) “Eligible expenditures” include expenses for planning, cosmetic and structural exterior building improvements, signage, lighting and landscaping that is visible from the street, including, but not limited to, exterior painting or surface treatment, decorative awnings, window and door replacements or modifications, storefront enhancements, irrigation, streetscape, outdoor patios and decks, exterior wall lighting, decorative post lighting and architectural features, but do not include (A) any renovations that are solely the result of ordinary repair and maintenance, (B) improvements that are required to remedy a health, housing or safety code violation, or (C) nonpermanent structures, furnishings, movable equipment or other nonpermanent amenities. Eligible expenditures also include reasonable administrative expenses incurred by a nonprofit entity or regional councils of governments contracted with by the Department of Housing to implement the provisions of this section.

(2) “Eligible projects” means projects that are part of a plan previously approved by the governing body of the municipality or regional councils of governments to develop or improve town commercial centers to attract small businesses, promote commercial viability, and improve aesthetics and pedestrian access.

Section 4-66m of the general statutes is repealed and replaced with the following (Effective on passage): (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five million dollars.

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Secretary of the Office of Policy and Management for the purpose of providing grants-in-aid under the inter-town capital equipment purchase incentive program established pursuant to subsection (c) of this section.

(c)(1) There is established an inter-town capital equipment purchase incentive program to provide grants to municipalities or regional councils of governments for participating towns in their regions to acquire, on and after October 1, 2011, by purchase or by lease, equipment and vehicles necessary to the performance or delivery of a required governmental function or service.

(2) Grant funds may be used for acquisition costs of (A) equipment with an anticipated remaining useful life of not less than five years from the date of purchase or entry into a lease, including, but not limited to, data processing equipment that has a unit price of less than one
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thousand dollars, that a municipality or region covered by a regional council of governments uses in the performance or delivery of a required governmental function or service, and (B) a maintenance vehicle, pick-up truck, tractor, truck tractor or utility trailer, as each said term is defined in section 14-1, or any other similar type of vehicle that a municipality or region covered by a regional council of governments uses in the performance or delivery of a required governmental function or service. Each grant shall be not more than eighty per cent of the total acquisition cost of such equipment or vehicle, or three hundred seventy-five thousand dollars, whichever is less.

(3) Not later than September 1, 2011, the Secretary of the Office of Policy and Management shall develop guidelines to establish (A) the procedures to apply for and the administration of the inter-town capital equipment purchase incentive program, (B) criteria for the expenditure of grant funds and the method of allocation of a grant among the municipalities or regional councils of governments that jointly acquire or lease equipment or a vehicle set forth in subdivision (2) of this subsection, and (C) prioritization for the awarding of grants pursuant to this section, including, but not limited to, any limits in a given time frame on (i) the number of times a municipality may apply, or (ii) the dollar amount of grant funds a municipality may receive, pursuant to this section.

(4) Not later than October 1, 2011, and annually thereafter, the Secretary of the Office of Policy and Management shall publish a notice of grant availability and solicit proposals for funding under the inter-town capital equipment purchase incentive program. Municipalities or regional councils of governments eligible for such funding pursuant to the guidelines developed under subdivision (3) of this subsection may file applications for such funding at such times and in such manner as the secretary prescribes. The secretary shall review all grant applications and make determinations as to which acquisitions to fund and the amount of grants to be awarded in accordance with the guidelines developed under subdivision (3) of this subsection.

10. Modify Section 4-72 to require the governor to identify regional initiatives in each budget presentation

Section 4-72 of the general statutes is repeated and the following is substituted in lieu thereof (Effective on passage): (a) The budget document shall consist of the Governor's budget message in which he or she shall set forth as follows: (1) The Governor's program for meeting all the expenditure needs of the government for each fiscal year of the biennium to which the budget relates, indicating the classes of funds, general or special, from which such appropriations are to be made and the means through which such expenditure shall be financed; and (2) financial statements giving in summary form: (A) The financial position of all
major state operating funds including revolving funds at the end of the last-completed fiscal year in a form consistent with accepted accounting practice. The Governor shall also set forth in similar form the estimated position of each such fund at the end of the year in progress and the estimated position of each such fund at the end of each fiscal year of the biennium to which the budget relates if the Governor's proposals are put into effect; (B) a statement showing as of the close of the last-completed fiscal year, a year by year summary of all outstanding general obligation and special tax obligation debt of the state and a statement showing the yearly interest requirements on such outstanding debt; (C) a summary of appropriations recommended for each fiscal year of the biennium to which the budget relates for each budgeted agency and for the state as a whole in comparison with actual expenditures of the last-completed fiscal year and appropriations and estimated expenditures for the year in progress; (D) for the biennium commencing July 1, 1999, and each biennium thereafter, a summary of estimated expenditures for certain fringe benefits for each fiscal year of the biennium to which the budget relates for each budgeted agency; (E) a summary of permanent full-time positions setting forth the number filled and the number vacant as of the end of the last-completed fiscal year, the total number intended to be funded by appropriations without reduction for turnover for the fiscal year in progress, the total number requested and the total number recommended for each fiscal year of the biennium to which the budget relates; (F) a statement of expenditures for the last-completed and current fiscal years, the agency request and the Governor's recommendation for each fiscal year of the ensuing biennium and, for any new or expanded program, estimated expenditure requirements for the fiscal year next succeeding the biennium to which the budget relates; (G) an explanation of any significant program changes requested by the agency or recommended by the Governor; (H) an explanation of any program changes for the regionalization of municipal or state supported services recommended by the Governor; (I) a summary of the revenue estimated to be received by the state during each fiscal year of the biennium to which the budget relates classified according to sources in comparison with the actual revenue received by the state during the last-completed fiscal year and estimated revenue during the year in progress; and (I) such other financial statements, data and comments as in the Governor's opinion are necessary or desirable in order to make known in all practicable detail the financial condition and operations of the government and the effect that the budget as proposed by the Governor will have on such condition and operations. If the estimated revenue of the state for the ensuing biennium as set forth in the budget on the basis of existing statutes is less than the sum of net appropriations recommended for the ensuing biennium as contained in the budget, plus, for the fiscal year ending June 30, 2014, and each fiscal year thereafter, the projected amount necessary to extinguish any unreserved negative balance in such fund as reported in the most recently audited comprehensive annual financial report issued by the Comptroller prior to the start of the biennium, the Governor shall make recommendations to the General Assembly in respect to the manner in
which such deficit shall be met, whether by an increase in the indebtedness of the state, by the imposition of new taxes, by increased rates on existing taxes or otherwise. If the aggregate of such estimated revenue is greater than the sum of such recommended appropriations for the ensuing biennium plus, for the fiscal year ending June 30, 2014, and each fiscal year thereafter, the projected amount necessary to extinguish any unreserved negative balance in such fund as reported in the most recently issued annual report of the Comptroller published in accordance with section 3-115, the Governor shall make such recommendations for the use of such surplus for the reduction of indebtedness, for the reduction in taxation or for other purposes as in the Governor's opinion are in the best interest of the public welfare.