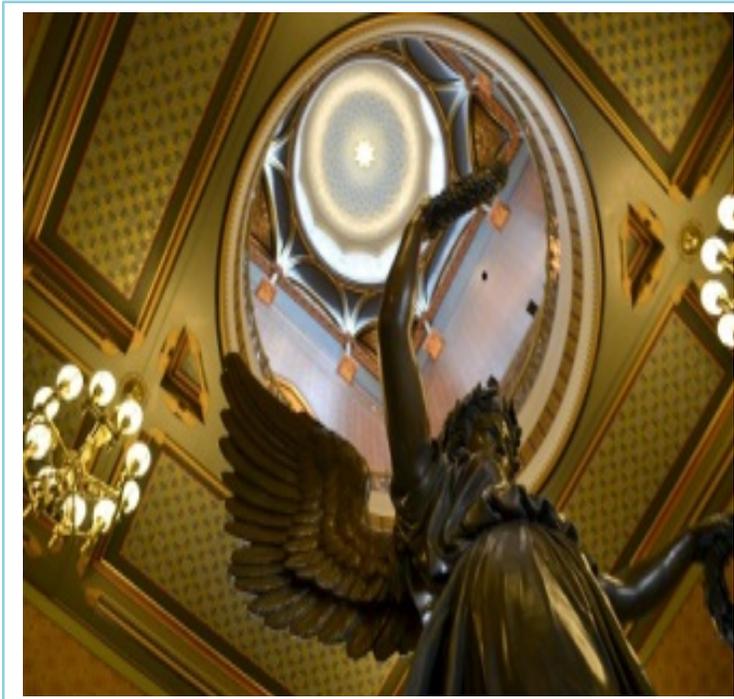


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This report summarizes legislation from recent legislative sessions and discusses related issues that may arise during the 2015 legislative session.

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CHARTER SCHOOLS

What Happened:

In July 2014, the governor directed the State Department of Education (SDE) to (1) review the State Board of Education's existing charter school policies and (2) develop recommendations for improving state oversight of these schools. This order followed media scrutiny of a charter management organization (CMO) operating schools in the state.

SDE completed its [review](#) in August 2014, advising changes in three policy areas: governance and operations, student performance and equity, and public transparency. SDE recommended, among other things:

1. requiring background checks of charter school board members and CMO staff;
2. adopting anti-nepotism policies;
3. developing clear rules governing CMO fees charged to schools;
4. setting clear expectations for student achievement and recruitment of vulnerable student populations, such as special education students and English language learners;
5. requiring agreements between charter schools and CMOs to contain language subjecting CMOs to the same Freedom of Information Act requirements as public agencies; and
6. monitoring schools' compliance with public meeting laws.

What to Look for in 2015:

In the upcoming session, the legislature may consider proposals to codify SDE's recommended policies or other ways to increase the state's charter school oversight. Current law already subjects charter schools to the same federal and state laws governing public schools ([CGS § 10-66dd](#)). However, some organizational and operational aspects remain less accountable to governmental oversight.

Committees Affected: Education

Related OLR Reports:

- [2012-R-0131](#) Characteristics of Charter and Public School Students
[2014-R-0257](#) Comparison of Charter, Magnet, Agriculture Science Centers, and Technical High Schools

Contact: John Moran and Marybeth Sullivan

ENTERPRISE ZONES

What Happened:

The Enterprise Zone program, jointly administered by the state and participating municipalities, offers various tax incentives to businesses that improve real property or start businesses in designated economically-distressed areas. The zones are designated by the economic and community development commissioner based on legislatively specified criteria. Benefits include property tax exemptions (some of which are state-reimbursed) and corporate business tax credits.

Since establishing the program in 1981, the legislature has periodically (1) authorized the commissioner to designate additional zones and (2) changed the criteria used to designate zones. [PA 14-217 \(§ 177\)](#) authorized two additional zones based on criteria tailored for two specific towns (Thomaston and Wallingford). This is a shift from the traditional practice of authorizing a specified number of zones for the commissioner to designate based on broader population and poverty criteria.

After the zones authorized in 2014 are designated, Connecticut will have 19 traditional enterprise zones. The legislature has also created a number of variations on the program (e.g., Enterprise Corridor Zones or Airport Development Zones), which generally provide businesses located in the zones with the same or similar benefits provided to businesses located in traditional enterprise zones.

What to Look for in 2015:

In the past two years, the Commerce Committee heard several bills to increase the number of enterprise zones in the state or create another variation of the program. The legislature may see similar proposals this year, or may consider proposals to expand or better target the zones' benefits.

Committees Affected: Commerce; Finance, Revenue and Bonding

Related OLR Reports:

[2011-R-0307](#) Enterprise Zones
[2011-R-0314](#) History of Changes to the Enterprise Zone Program

Contact: John Rappa and Heather Poole

HEALTH CARE CONSOLIDATIONS

What Happened:

Connecticut, like many states, has experienced increasing consolidation in the health care marketplace. For example, a growing number of physician practices are affiliating with larger groups or hospital systems. Also, a for-profit purchaser sought regulatory approval to acquire five nonprofit hospitals in the state. In early December, the state issued a draft approval with several conditions for one such transaction, but on December 11 the prospective purchaser withdrew its application. (Currently, there is only one for-profit, acute care hospital in the state, Sharon Hospital). These changes have prompted concerns about the impact on patients and the health care workforce.

Last session, the legislature addressed some of these issues in [PA 14-168](#). Among other things, the act:

1. requires parties to certain transactions that materially change the business or corporate structure of a medical group practice to notify the attorney general, for purposes of antitrust oversight;
2. requires certificate of need approval from the Department of Public Health for certain group practice ownership transfers;
3. allows for-profit hospitals or health systems to organize and join a medical foundation; and
4. makes certain changes to the nonprofit hospital conversion review process, including requiring an additional public hearing.

What to Look for in 2015:

This fall, the legislative leaders convened a Bipartisan Roundtable on Hospitals and Health Care to explore these and other changes to the health care marketplace and develop policy recommendations. Based on these recommendations or other proposals, the legislature may consider changes to the oversight of health care consolidations, hospital sales, or related issues (such as facility fees).

Committees Affected: Public Health

Related OLR Reports:

- | | |
|-----------------------------|--|
| 2014-R-0185 | Conversion of Nonprofit Hospital |
| 2014-R-0229 | Nonprofit Hospital Conversion Laws in Other States |
| 2014-R-0238 | Facility Fees and Accountable Care Organizations |

Contact: James Orlando and Nicole Dube

MENTAL HEALTH SERVICES

What Happened:

The Newtown tragedy has prompted increased attention to the provision of behavioral health services, including potential barriers to accessing appropriate services or navigating the landscape of available services. Several pieces of legislation in the previous biennium addressed this issue, particularly in regards to adolescents and young adults.

Children's Behavioral Health Plan

[PA 13-178](#) required the Department of Children and Families (DCF) to establish a comprehensive plan to address Connecticut children's mental, emotional, and behavioral health needs. The plan had to include strategies to prevent or reduce the long-term negative impact of such health issues on children, including (1) offering comprehensive care through a full array of services, (2) enhancing early interventions, and (3) establishing results-based accountability measures to track progress towards the plan's goals. DCF submitted the [plan](#) to the legislature in October 2014.

Task Forces

[PA 13-3 \(§ 66\)](#) created a task force to study the provision of behavioral health services for young adults, particularly focused on people ages 16 to 25. The task force [report](#) included 47 recommendations across three clusters: (1) the capacity of the behavioral health delivery system, (2) access to services, and (3) rights for people with behavioral health issues.

[PA 13-178](#) also created a task force to (1) study the effects of nutrition, genetics, complementary and alternative treatments, and psychotropic drugs on children's mental, emotional, and behavioral health and (2) make recommendations to the governor and General Assembly. The task force issued its [report](#) and recommendations in October 2014.

Medicaid Mental Health Coverage

[PA 14-217 \(§ 220\)](#) required the Department of Social Services to expand mental health coverage by amending the Medicaid state plan to include services provided to Medicaid recipients age 21 or older by the following licensed behavioral health clinicians: psychologists, clinical social workers, alcohol and drug counselors, professional counselors, and marriage and family therapists.

What to Look for in 2015:

Based on the recommendations of the groups mentioned above or other proposals, the legislature may consider changes affecting mental health services for individuals of all ages, including bills that would further improve and coordinate access to such services.

Committees Affected: Children, Insurance and Real Estate, Public Health

Related OLR Reports:

[2013-R-0319](#) Mental Health Services for Teenagers and Young Adults

[2014-R-0150](#) 2013 and 2014 Legislation Affecting Access to Mental Health Services

Contact: Katherine Dwyer, Nicole Dube, and James Orlando

PILOT AND OTHER PROPERTY TAX REFORMS

What Happened:

The legislature debated a number of property tax reform proposals in the previous biennium. It considered, but did not enact, significant changes to the payment in lieu of taxes (PILOT) program. However, it enacted laws providing tax relief to homeowners, development incentives to businesses, and tax breaks to property owners who engage in certain practices, such as preserving agricultural property or installing renewable energy sources.

PILOT

PILOT reimburses municipalities for a portion of the taxes that would have been paid on tax-exempt (1) state-owned property, (2) Native American reservation and trust land, (3) municipally owned airports, (4) private nonprofit college property, and (5) hospital property. PILOT payments are based on (1) a specified percentage of taxes that the municipality would otherwise collect on the property and (2) the amount the state appropriates for the payments.

In 2014, the legislature considered, but did not enact, two proposals to reform PILOT. [HB 5583](#) would have (1) subjected private nonprofit colleges and hospitals to property taxes over a five year phase-in period and (2) replaced the college and hospital PILOT program with a new state grant program reimbursing colleges and hospitals for part of the taxes they pay to their host municipalities (reverse PILOT). [SB 467](#) would have restructured the PILOT formula by basing each municipality's payment on the percentage of its grand list comprised of all tax-exempt real property.

Homeowner Relief

The legislature allowed towns to (1) extend property tax abatements to the surviving spouses of emergency medical technicians killed in the line of duty ([PA 13-204](#)) and (2) increase the exemption for veterans with disabilities and limited incomes ([PA 13-224](#)).

Business Incentives

The law allows towns to stimulate economic development by fixing the assessed (taxable) value of improved business property for a specified time at the pre-improvement level. The legislature enhanced this incentive by (1) extending it to mixed-use property, (2) decreasing the minimum amount of improvement that must be made to qualify for the tax break, and (3) allowing towns to determine the time period for retail projects in areas they designate ([PA 13-246](#)).

The legislature also (1) loosened the criteria under which towns may give tax breaks for improving property in deteriorated areas ([PA 13-246](#)) and (2) created a pilot program under which towns may allow businesses to pay taxes based on their net profits instead of their property's fair market value ([PA 14-174](#)).

Tax Incentives for Certain Practices or Investments

The legislature enacted laws to (1) expand exemptions for certain renewable energy sources ([PA 13-61](#)) and (2) authorize abatements for certain recycling equipment ([PA 13-285](#)), owning non-agricultural horses ([PA 14-33](#)), and preserving historic agricultural structures ([PA 14-101](#)).

Other Changes

In addition, the legislature (1) allowed towns required to implement a revaluation in 2013 or 2014 to postpone it until, at the latest, the 2015 assessment year ([PA 14-19](#)) and (2) opened to more towns a pilot program under which towns tax land based on its unimproved value, a practice that is intended to stimulate new property improvement and redevelopment in urban areas ([PA 13-247, § 329](#)).

What to Look for in 2015:

The legislature will likely continue debating property tax reform. For example, it may reconsider the 2014 PILOT proposals or other PILOT reforms. It may also consider proposals addressing:

1. a statewide motor vehicle property tax in lieu of separate local taxes;
2. more relief for seniors and other groups on fixed incomes;
3. incentives to stimulate development in economically distressed areas; and
4. recommendations from a tax panel that the Finance, Revenue and Bonding Committee convened this fall to study, among other things, the possibility of (a) creating a tiered property tax payment system for tax-exempt entities and (b) assessing a community benefit fee on tax-exempt property.

Committees Affected: Commerce; Finance, Revenue and Bonding; Planning and Development

Related OLR Reports:

2013-R-0170	Statewide Motor Vehicle Property Taxes
2013-R-0255	State Homestead Exemption and Credit Programs
2013-R-0341	Property Tax Exemptions for Renewable Energy System
2013-R-0355	Local Option Motor Vehicle Property Taxes
2013-R-0434	Property Tax Reform Recommendations and Policy Options

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PRESCRIPTION DRUG ABUSE

What Happened:

Like many other states, Connecticut is facing an increase in the number of emergency room visits and drug overdose deaths involving opioid analgesics (e.g., prescription painkillers such as oxycodone, hydrocodone, and fentanyl). In recent years, the legislature passed several measures to address prescription drug abuse, such as (1) establishing a statewide prescription drug monitoring program, (2) increasing access to opioid antagonists (medication to treat a drug overdose), and (3) enacting an “Overdose Good Samaritan Law.”

Prescription Drug Monitoring Program (PDMP)

[PA 06-155](#) required the Department of Consumer Protection to establish an electronic PDMP to collect prescription information from pharmacies on schedules II through V controlled substances. [PA 13-172](#) expanded the program by requiring prescription information reporting by (1) out-of-state pharmacies that ship or deliver prescription drugs into Connecticut and (2) any other drug dispensing practitioner, such as physicians, dentists, veterinarians, podiatrists, and researchers. However, [PA 13-208](#) exempted from the program’s reporting requirements:

1. hospitals, when dispensing controlled substances to inpatients and
2. institutional pharmacies or pharmacist’s drug rooms operated by Department of Public Health-licensed health care institutions, when dispensing or administering opioid antagonists directly to a patient to treat a substance use disorder.

Access to Opioid Antagonists

[PA 12-159](#) allows licensed health care practitioners who can prescribe an opioid antagonist to prescribe, dispense, or administer it to anyone to treat or prevent a drug overdose without being civilly or criminally liable for such action or its subsequent use. Thus, these practitioners can prescribe opioid antagonists to people who are not their patients to help another person experiencing a drug overdose.

Last session, the legislature enacted [PA 14-61](#), which allows anyone to administer an opioid antagonist to a person he or she believes is experiencing an opioid-related drug overdose and provides such a person civil and criminal immunity for the action.

Overdose Good Samaritan Law

[PA 11-210](#) provides civil and criminal immunity to individuals who seek or receive emergency medical care for themselves or another person they reasonably believe is experiencing a drug overdose.

What to Look for in 2015:

This session, the legislature may consider additional issues affecting prescription drug abuse, such as (1) expanding the state's PDMP, (2) regulating "pill mills" (e.g., health care entities that indiscriminately or inappropriately prescribe individuals controlled substances), (3) increasing oversight of physicians' prescribing practices (e.g., random pill counts or mandatory urine testing), and (4) prohibiting substitutions for certain tamper resistant prescription drugs.

Committees Affected: General Law, Judiciary, Public Health

Related OLR Reports:

[2014-R-0229](#) State Strategies for Addressing Prescription Drug Abuse
[2014-R-0233](#) Prescription Drug Abuse

Contact: Duke Chen, Nicole Dube, and James Orlando

PRODUCT STEWARDSHIP

What Happened:

Product stewardship is an approach to waste management in which manufacturers, retailers, and consumers are encouraged or required to assume responsibility for reducing a product's impact on the environment. An example of this approach is a requirement that a manufacturer take back its product when it reaches the end of its useful life.

In 2013, the legislature passed a product stewardship law to manage discarded mattresses ([PA 13-42, as amended by PA 14-170](#)). Under the law, mattress producers, or their designees, must join a nonprofit council that is responsible for developing a program to manage the mattresses. The Department of Energy and Environmental Protection (DEEP) is responsible for approving the program, which is funded through a fee on most mattresses sold in the state. The fee must be no greater than needed to operate the program. Producers who fail to participate in the program are prohibited from selling mattresses in Connecticut.

The procedure outlined in the law is similar to a product stewardship law the legislature passed in 2011 to manage unused architectural paint ([PA 11-24](#)). Other stewardship laws passed by the legislature address electronics ([PA 07-189](#)) and mercury thermostats ([PA 12-54](#)).

What to Look for in 2015:

According to DEEP's product stewardship [website](#), in 2013 the department contracted with the Product Stewardship Institute (PSI), a national nonprofit, for assistance in implementing stewardship programs for products such as carpet, batteries, and packaging. DEEP's website states that the department is working with PSI and various stakeholders on product stewardship legislation for batteries and carpet.

Committee Affected: Environment

Related OLR Reports:

[2001-R-0158](#) Product Stewardship
[2014-R-0264](#) Paint Recycling Program

Contact: Kristen Miller and Janet Kaminski-Leduc

SOCIAL IMPACT BONDS

What Happened:

A social impact bond (SIB) is a partnership between government, private investors, and nonprofit service providers to fund social programs. In this partnership, private investors provide the upfront capital to pay for the services and nonprofit service providers, and the government pays the organization only if the program achieves predetermined performance outcomes.

[PA 12-2 June 12 Special Session \(§ 128\)](#) allowed the Office of Policy and Management (OPM) to enter into an outcome-based performance contract with a social innovation investment enterprise, an arrangement similar to an SIB, for the purpose of accepting funding under a federal grant program. The program authorized grants for adult prisoner reentry program demonstration projects. However, the state did not receive the grant.

In 2014, the Department of Children and Families (DCF) explored the use of a SIB model to fund the provision of substance abuse treatment for parents involved with the child welfare system. The agency requested proposals from intermediary organizations to identify and implement interventions and raise capital from investors to finance operating costs. However, the legislation that would have allowed OPM to authorize DCF (or any other agency) to enter into an outcome-based performance contract with such an intermediary ([SB 105](#)) did not pass the legislature.

What to Look for in 2015:

The legislature may again consider authorizing the use of SIBs. Legislation may allow OPM to authorize any agency to enter into SIBs, or it may specifically apply to the DCF intervention described above. The legislature could also consider SIB legislation in other policy areas, such as the environment.

Committees Affected: Children, Human Services

Related OLR Reports:

[2012-R-0472](#) Social Impact Bonds
[2014-R-0230](#) Environmental Impact Bonds

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