

Connecticut General Assembly
Office of Legislative Research



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TO OUR READERS

Every year, legislative leaders ask the Office of Legislative Research (OLR) to identify and summarize important issues that the staff thinks the General Assembly will face in the coming session. This report is our response, which we prepared after consulting with the Office of Fiscal Analysis (OFA). We identified the issues based on interim studies; research requests; conversations with legislators, legislative staff, and executive branch officials; and our subject matter expertise. In presenting these issues, we make no recommendations that the legislature address them.

Because many major issues cut across committee jurisdictions, we have grouped them by subject and listed the committees most likely to address them at the end of each summary. Contact OLR for additional information about these and other potential issues.

An OFA report on revenues for FY 2002-03 will be available on January 31.

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BUSINESS AND LABOR

Whistleblower Protection

Once an employee blows the whistle on their employers' mismanagement, waste, or involvement in illegal activities, the law is supposed to protect him from retaliatory actions. However, recent allegations of retaliations against state employees may lead the legislature to strengthen the law by enhancing penalties for retaliation or beefing up enforcement. **(Government Administration and Elections)**

CONSUMER PROTECTION AND PRIVACY

Consumer Leasing

Consumer leasing has become increasingly popular, but there is some concern that consumer protection laws have not kept pace. States have recently begun enacting laws to protect people who lease consumer products, particularly motor vehicles. However, these laws vary from state to state, provide only limited coverage, and may not cover leases for products other than motor vehicles. The legislature may consider adopting all or part of the Uniform Consumer Leases Act, proposed last year to regulate consumer leases and provide uniform consumer protections throughout the country. **(General Law)**

CRIME

Sex Offender Registry

The legislature is likely to consider proposals to revise Connecticut's sex offender registration law in light of federal court rulings blocking public disclosure and Internet posting of the registry. The federal district and appellate courts found the public notification provisions unconstitutional because they do not distinguish between people at high risk of reoffending and those who are unlikely to do so. **(Judiciary)**

Prison Overcrowding

The legislature may consider proposals to increase the number of beds and convert dormitory space into more conventional and secure cell space as ways to reduce prison overcrowding.

The state's current prison population has increased to historic levels and is at or near capacity. This condition could worsen with the October

2002 expiration of the contract for the nearly 500 Connecticut inmates detained in Virginia. (**Judiciary**)

Firearms

In light of several highly publicized gun cases and the increase in gun sales since September 11, there may be attempts to revisit the gun control issue, focusing on high caliber guns. (**Public Safety** and **Judiciary**)

Address Protection

In an effort to safeguard victims of domestic violence, stalking, and sexual assault, the legislature will likely decide whether to establish an address protection program. The Law Revision Commission has drafted a proposed bill that allows victims to keep their residential address secret by using the secretary of the state's office as their legal agent for mail receipt and service of process. These victims could use the address for the secretary of the state's office as their residential address when completing any state or local government record. (**Government Administration and Elections**)

EDUCATION

Teacher Shortage and Minority Teacher Recruitment

School districts everywhere are having difficulty recruiting teachers and school administrators. Minority teachers are also in short supply. Shortages are especially acute in inner city schools and in subjects such as math, music, world languages, and special education.

The General Assembly may consider (1) ways to encourage retired teachers to go back to work, (2) bonuses to lure new teachers to city schools and shortage subjects, and (3) credentialing flexibility and financial incentives to encourage people to switch to teaching. To increase the pool of minority teachers, the legislature may consider programs to encourage school paraprofessionals to become certified teachers. Proposals for longer-term strategies to encourage interest in educational careers among middle and high school students may also be aired. (**Education** and **Appropriations**)

Interdistrict Magnet Schools

Interdistrict magnet schools are a key component of the state's response to the *Sheff v. O'Neill* school desegregation ruling. But the General Assembly faces many questions about their cost and operation.

High construction and operating costs have limited the number of such schools the state has funded, while demand for the schools among parents and students increases. In the coming session, the General Assembly may have to decide if the state will fund new magnets, how to divide state subsidies among existing schools, whether and how much tuition schools can charge parents, the funding formula for participating school districts, and whether nonparticipating districts should contribute if their students attend a magnet school. (**Education and Appropriations**)

School Construction Costs

The State Department of Education submitted the annual school construction project list for 2002 to the General Assembly on December 15, 2001. The list contains 106 projects with a total estimated cost of \$1.665 billion. The estimated cost for the state reimbursement grants is \$1.093 billion—more than \$500 million over last year's list.

This year's school construction project list would, all by itself, push state bonding to 90% of the \$14 billion statutory debt limit. (The state's total indebtedness as of November 15, 2001 is almost \$11.6 billion or about 83% of the limit). Because of the size of the proposed commitment and its potential to crowd out other state bonding as the cap approaches, the General Assembly may see proposals to limit annual bond authorizations for school construction projects. (**Education and Finance, Revenue and Bonding**)

Indoor Air Quality in Schools

A Connecticut Academy of Science and Engineering study found that many school buildings have poor indoor air quality, caused by such things as leaking roofs, inadequate maintenance, and poor ventilation. Legislation to address the problem was not successful in the last session. But the issue could resurface in 2002. (**Education and Environment**)

ELECTION REFORM

The Voting Technology Task Force, established by PA 01-9, June Special Session might recommend changes to the state's voting system. It will consider the possible impact of legislation pending in Congress and the need to conform Connecticut statutes to proposed federal changes. (**Government Administration and Elections**).

ENERGY AND TECHNOLOGY

Electric Restructuring

Connecticut restructured the electric industry in 1998 to permit competition. Since then, rates have remained stable and Connecticut has avoided the crisis that California endured. But very few customers have chosen competitive suppliers, and currently more than 99% of all customers receive fixed price standard offer service. A working group is investigating a wide range of restructuring issues, including whether to extend standard offer, how to price default service for customers who do not choose a supplier by December 2003, and whether to extend several of the law's environmental provisions to default service. Enron's recent bankruptcy may raise the level of concern regarding these issues.

(Energy and Technology)

Telecommunications Towers

Historically, the Connecticut Siting Council had jurisdiction over some telecommunications towers, while local regulators such as zoning commissions had jurisdiction over others, notably those used to provide personal communications services (PCS). In January 2001, a federal court ruled that, under existing state law, the Siting Council has jurisdiction over all of these towers. In December 2001, the Court of Appeals affirmed this decision. The legislature may (1) reverse the decision by giving local regulators jurisdiction over all of the towers, (2) modify the criteria the council uses to review applications, or (3) take no action. **(Energy and Technology and Planning and Development)**

ENVIRONMENT

"Filthy Five"

It is highly likely that the legislature will again consider the proposal to reduce air pollution from the state's older fossil fuel plants (commonly called the "Filthy Five", although the previous proposals applied to at least six plants). Last year, the governor vetoed PA 01-107, which would have required the plant's to meet existing Department of Environmental Protection (DEP) standards without the use of credit trading.

(Environment)

Mercury Reduction

A proposal to limit the amount of mercury in the environment may be reintroduced this session after failing in 2001. That proposal (HB 6687)

would have established a comprehensive system governing the sales, use, and disposal of a wide range of products containing mercury. It gradually reduced products' maximum allowable mercury content; barred the use of elemental mercury in schools; specifically regulated fluorescent lamps, thermometers, dental amalgam, and other products; and required manufacturers of mercury-added products to develop and implement plans for their collection and recycling. **(Environment)**

MTBE

The DEP may seek to push back the deadline for eliminating the use of gasoline additive methyl-tertiary butyl ether (MTBE) by October 1, 2003. The federal government requires gasoline sold in areas with significant air pollution to contain MTBE or similar additives as a way to reduce smog-causing pollutants. DEP wants to eliminate MTBE from gasoline because it is contaminating the state's water supply. It also says refiners and suppliers need more time to provide a practical alternative to MTBE in the northeast.

Phasing out MTBE will require either a change in federal law or obtaining a U.S. Environmental Protection Agency waiver. DEP believes Connecticut will be in a stronger position to accomplish this if it coordinates its efforts with other northeastern states, many of which are planning to eliminate the additive in 2004. **(Environment)**

FAMILY LAW

The legislature will likely consider bills relating to same-sex marriages and civil unions. These bills will likely include provisions that offer domestic partners the same health insurance and pension benefits that they make available to their employees' spouses.

Vermont is the only state that currently has a civil union law, entitling same-sex partners to the same legal benefits, protections, and responsibilities under Vermont law as are granted to spouses in marriage. In Connecticut, the state and several local, municipal, and private sector employers already offer "spousal" benefits to domestic partners. **(Judiciary)**

HEALTH CARE

Financial Condition of Hospitals

Cost shifts among payers; increased competition, particularly from outpatient surgical centers; inadequate Medicaid reimbursements;

federal funding cuts; increased pharmacy and technology costs; and labor shortages, particularly among nurses all pose financial challenges to the state's 31 hospitals. The Commission on the Future of Hospital Care in Connecticut has been reviewing these and other factors for two years and will be making recommendations to the General Assembly in February. They may include:

- providing hospitals with more resources to attract and retain staff through salaries, training, and improved working conditions;
- establishing more community-based treatment systems as an alternative to hospital care;
- creating a data base that would permit a more detailed picture of hospital financial issues than is currently possible;
- increasing Medicaid rates for specialist services in order to encourage more physicians to participate; and
- establishing a state health care quality performance measurement programs for all state-licensed facilities. **(Public Health)**

Department of Mental Retardation Group Homes

Recent newspaper reports of circumstances surrounding the deaths of Department of Mental Retardation (DMR) group home clients have raised questions about DMR's oversight and support. The media reports suggest that DMR may not always conduct an adequate autopsy when a group home client dies and has consistently failed to inform the public (and sometimes families) about such deaths and its investigations of them. At a December legislative hearing on these issues, the growing discrepancy between staff salaries at DMR group homes and privately operated homes it funds was cited as contributing to staffing shortages, insufficient client oversight, and DMR's lengthy waiting list.

Creating an independent agency, like the Child Fatality Review Panel, to investigate the deaths of all DMR clients has been suggested as one remedy. Legislators may also review the laws governing the confidentiality of information about group home patients. And they may again discuss narrowing the salary gap between public and private group homes. **(Public Health)**

Nursing Homes

The Program Review and Investigations Committee just completed a major study of the Medicaid rate setting system for nursing homes. Staff's major recommendations include more frequent re-basing of rates

and use of a simplified “case-mix” system to ensure that the severity of a nursing home resident’s needs is factored into reimbursements. They also recommend more planning for long-term care needs and establishment of a review panel. Although staff suggested a July 1, 2003 start date for the first two recommendations, the legislature may wish to direct the executive branch to undertake the needs assessment and review panel during the upcoming session. **(Human Services)**

HOUSING AND ECONOMIC DEVELOPMENT

Housing

The legislature will probably consider additional funding to construct new affordable housing or rehabilitate existing public housing. Last session it approved significant funding for several major new housing initiatives, including supportive housing for people with mental illness and other special needs.

The legislature may also consider ways to reduce the tension between elderly and disabled tenants in state-funded elderly housing projects.

Lastly the legislature will likely see bills to modify the affordable housing appeals procedure. The procedure makes it easier for developers to challenge local decisions rejecting proposed affordable housing projects. **(Housing)**

Cultural Heritage and Tourism

The General Assembly may again see proposals to provide additional funding for the state’s historical sites and museums. Attractions, like these, claim that cuts in federal humanities funding may cause them to reduce visiting hours, cut staff, forgo capital improvements, and curtail efforts to develop new exhibits and attractions. The General Assembly may also see proposals to improve the way the state markets and promotes all of its tourism assets. **(Commerce)**

International Trade

Finding foreign markets for products and services helps companies weather economic downturns. But many small and medium size companies lack the staff and expertise to research foreign markets, develop business contacts there, negotiate contracts with foreign distributors, and comply with foreign laws and customs. University business departments have some of the expertise businesses need to complete a trade deal, and the legislature may consider proposals to

make that expertise available to small new-to-export companies.
(Commerce)

Tracking Results

A 2001 auditor's report found that the Department of Economic and Community Development (DECD) needs to improve the way it monitors the companies, nonprofit agencies, and municipalities it finances and hold them accountable for meeting job creation goals and objectives. Consequently, the General Assembly may see bills requiring DECD to strengthen its monitoring practices. **(Commerce and Labor and Public Employees).**

Sprawl/Smart Growth

More states are trying to manage the spread of new development in ways that do not clog highways, consume open spaces, undermine established urban centers and neighborhoods, and cause municipalities to spend more on building new infrastructure. The legislature will again see "smart growth" proposals, including stronger measures to implement the State Plan of Conservation and Development and incentives for using existing infrastructure, preserving open spaces, and revitalizing inner city neighborhoods. **(Planning and Development and Environment).**

PROPERTY TAXES

General Tax Relief

Property taxes are a perennial issue facing the General Assembly. Some believe that property taxes place a heavy burden on middle-income homeowners, while others claim they foster urban blight and suburban sprawl. Bills to establish graduated income tax credits for property tax payments, authorize cities to tax residential buildings at lower rates than the land they sit on, and minimize the need to develop open spaces as a way to keep taxes down might be considered. **(Finance, Revenue and Bonding and Planning and Development)**

Targeted Relief

State law grants relief to elderly and disabled people whose incomes are below certain levels, with the state reimbursing towns for property tax revenue they lose because of these programs. Bills to increase the minimum benefit levels for the elderly tax relief program and to extend

relief programs to all low-income people might be proposed. (**Finance, Revenue and Bonding** and **Planning and Development**)

Fiscal Disparities

Tax and fiscal disparities among towns may generate proposals for regional taxation or revenue sharing for major developments, such as malls and stadiums, that affect more than one town. Proposals for a statewide mill rate for motor vehicles to reduce incentives for residents of high tax towns to evade motor vehicle property taxes could be discussed. (**Finance, Revenue and Bonding** and **Planning and Development**)

PUBLIC ASSISTANCE

Assistance for Legal Immigrants

Last year, the legislature voted after considerable debate to continue offering state-funded public assistance benefits to certain legal immigrants ineligible for federal aid. However, the enabling legislation (PA 00-2, JSS) prohibits the Department of Social Services (DSS) from taking new applications after June 30, 2002. (**Human Services**)

Welfare Reform and Safety Net

The legislature may again see proposals to help families who are scheduled to come off of state assistance. The 2001 legislature (1) limited to three the number of extensions DSS could grant to people who reach the 21-month time limit in the Temporary Family Assistance program and (2) established an absolute five-year limit on cash assistance benefits, with one exception. Although the legislature approved a DSS plan to reserve a portion of its Social Services Block Grant allocation to help these individuals, no specific services were offered. In the meantime, the state's homeless shelters continue to operate at or above capacity and families with children occupy a greater percentage of shelter beds.

The legislature may also see proposals to help people receiving cash assistance secure jobs by meeting their childcare and transportation needs. (**Human Services**)

Vending Services in Public Buildings

A 50-year-old-plus state law giving the Board of Education and Services to the Blind (BESB) first right of refusal on all vending services (e.g., machines and cafeterias) in federal, state, and local buildings may come up for legislative review. BESB has been aggressively taking over

more and more vending sites throughout the state and many local organizations are concerned that they are losing valuable sources of revenue. BESB has a multi-year contract with a single vendor to run these sites, whose revenues help blind people run these businesses and provide them with fringe benefits, such as health insurance. The 2002 General Assembly may be asked to limit the agency's reach with respect to vending operations. (**Human Services**)

SENIORS

ConnPACE

Last year, the legislature expanded the ConnPACE program by increasing its income limits and required DSS to apply for a federal Medicaid waiver, which, if approved, will raise them even more on July 1, 2002. This session DSS will ask the legislature to approve the waiver application. The legislature may also consider more adjustments, including helping higher income people with very large prescription drug bills. (**Aging**)

Assisted Living

The legislature may see proposals to help income-strapped seniors stay in private assisted living facilities by allowing them to use Medicaid money to pay for the assisted living services and state rental assistance or State Supplement funds to pay for room and board. In prior sessions, the legislature allowed assisted living services to be provided to low- and moderate-income seniors in five yet-to-be-built demonstration projects, as well as those in state-subsidized elderly congregate projects and federally subsidized elderly housing projects. (**Aging** and **Housing**)

Personal Care Assistants

The legislature may see proposals authorizing consumer-directed personal care assistant (PCA) services under both the Medicaid- and state-funded portions of the Home Care program. Currently, Medicaid allows some elderly and disabled clients to hire their own PCAs and train them to meet their specific needs. (**Aging**)

STATE REVENUES

Budget Shortfalls

Anticipated budget shortfalls for FYs 2002 and 2003 will focus the legislative spotlight on state revenues. Balancing the budget will likely prompt review of previously enacted tax reductions and tax credits.

There may be proposals to increase the cigarette tax, extend previously enacted tax phase-outs over longer periods to avoid larger revenue losses, and eliminate some corporation tax credits and sales tax exemptions. **(Finance, Revenue and Bonding)**

STATE-TRIBAL ISSUES

Many legislators have expressed concern that the state could see more Indian-owned casinos if the tribes seeking federal recognition receive it. For this reason, the legislature may consider legislation on state-tribal issues. **(Public Safety)**

TERRORISM

Public Health Threat

The legislature will likely strengthen the state's public health infrastructure to respond to widespread bioterrorist attacks. It might accomplish this by amending existing laws or adopting model legislation proposed by a group of national organizations, including the National Conference of State Legislatures. Connecticut's brush with anthrax clearly demonstrates the possibility for bioterrorist attacks. While our public health system responded vigorously to an isolated incident, thankfully, it has not been tested by a widespread attack. **(Public Health)**

Law Enforcement

The legislature is likely to review existing criminal laws and procedures to see whether they are adequate to deal with terrorist threats. It might also consider ways to prevent terrorism and respond to it, including protecting state facilities, infrastructure, utilities, and emergency management procedures. **(Judiciary)**

Office of Emergency Management

The security risks posed by the September 11 attacks may cause the legislature to direct the Office of Emergency Management to amend the state's emergency management plan to address emergencies from terrorism, including bioterrorism. **(Public Safety)**

Transportation Security and Privacy

The recent terrorist attacks utilizing the American aviation system have increased attention on improving the security of the transportation infrastructure. A national identify card is one security option under discussion. In order to avoid a contentious debate on this issue, the federal government may request or require states to revise their driver licensing systems to accommodate uniform types of identifying information through magnetic stripes or barcodes. While these technologies can include digitized information such as fingerprints or other types of biometric identifying data, no state has yet gone that far. Should this issue materialize, it will most likely shift the security versus privacy debate from the federal to the state legislatures.

(Transportation, Judiciary, Government Administration and Elections, and Appropriations)

TRANSPORTATION

State Transportation Strategy

The legislature may act upon the Connecticut Transportation Strategy Board's initial statewide transportation strategy assessment, which the board must submit in January for review and approval. Created in 2001, the board must review plans submitted by five regional "Transportation Investment Areas" and incorporate some or all of their recommendations into a statewide strategy that looks to integrate the state's transportation decisions with considerations like state and regional economic growth, quality of life, mobility, and the safety and security of the transportation system.

The January submission is the board's initial strategy assessment; it must submit a final version in December 2002. The legislature's response to the initial strategy recommendations will have a great influence on the board's subsequent deliberations. The board must revise and update its strategy at least every two years. Determining what these strategic improvements will likely be, what they will cost, how they will be determined, and how the state can fund them in the current economy will be some of the most important issues the strategy will raise for legislative debate. **(Transportation; Appropriations; Finance, Revenue and Bonding; Commerce; and Planning and Development)**

Motor Vehicle Emissions and Safety Inspections

The Transportation Committee may have to review proposed motor vehicle emissions inspection contracts under a 2001 law. The current

contract expires on July 1, 2002. Last year, the legislature gave the motor vehicles commissioner broad discretion in designing any new emissions and safety inspection programs. Changes to the current centralized, single-contractor emissions inspection program could involve retaining a centralized system, moving to a decentralized system, or a hybrid approach combining elements of both.

But PA 00-180 prohibits the commissioner from contracting with an independent contractor, or amending an existing contract, without first submitting it to the Transportation Committee for its review and recommendations. He must either incorporate those recommendations in the contract or explain in writing why they are not in the state's best interests. The commissioner will have to comply with this requirement if he decides to use some form of centralized inspection or approve a contractor to provide inspection services at authorized dealers or repairers. But it is not clear if he must comply if he moves toward a completely decentralized system using only dealers or repairers that do not contract for their inspection services.

The commissioner must submit a report to the Transportation Committee in February that examines and makes recommendations on the feasibility of performing safety inspections on certain vehicles in conjunction with emissions inspections. (**Transportation, Environment, and Appropriations**)

Drunk Driving

Federal law requires Connecticut to reduce its .10% blood alcohol content standard for drunk driving to .08% by October 2003 or see its federal highway funds withheld or diverted. Some construction funds have been diverted (but not lost) into the highway safety grant program because some other parts of Connecticut law do not conform to the federal directive. The directive has shifted much of the drunk driving debate from policy to financial issues in the last two years.

Connecticut already has among the most stringent penalties for both first and repeat drunk driving offenders of any state in the country, but other aspects of its law are still likely to generate considerable legislative interest and debate. (**Transportation, Judiciary, and Appropriations**)

JR:eh