

Office of Legislative Research  
Connecticut General Assembly



# OLR MAJOR ISSUES

2008-R-0022



## TO OUR READERS

Every year, legislative leaders ask the Office of Legislative Research (OLR) to identify and provide brief descriptions of important issues that the General Assembly may face in the coming

session.

This report represents the professional, nonpartisan views of staff in OLR, the Office of Fiscal Analysis (OFA), and the Legislative

Commissioners' Office (LCO) of possible upcoming legislative issues. It does not represent staff suggestions or recommendations. We identified issues based on interim studies; research requests; nonconfidential discussions with legislators, other legislative participants, and agency officials; and our general subject matter knowledge.

OLR compiled this report in consultation with OFA and LCO. Except for the description of the appropriations-related issues, which OFA provided, the issue descriptions were written by OLR analysts. Where appropriate, we provide links to recent OLR reports and other on-line documents that contain additional information about particular issues.

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## **APPROPRIATIONS**

### ***Potential State Budget Adjustments***

OFA's projections indicate potential surpluses of \$264.4 million in FY 08 and \$223.7 million in FY 09. The estimates may change if the level of currently estimated deficiencies grows, energy prices continue to increase, or revenues are adversely affected by any deterioration in economic conditions. The FY 09 projections are based on present law, existing policy commitments, estimated caseload and workload requirements and exclude potential, additional technical current services changes that may be subsequently identified and required beginning in FY 09 along with any new policy initiatives.

Given potential fiscal pressures associated with additional technical current services changes and other new policy initiatives (e.g., criminal justice) in FY 09, several strategies may be considered to increase FY 09 appropriations beyond the existing \$28.2 million room within the spending cap:

- reduce existing FY 09 appropriations and re-appropriate this funding for new initiatives
- obtain an emergency declaration from the Governor along with a three-fifths vote of the House and the Senate to exceed the cap
- transfer identifiable program lapses from FY 08 to reduce appropriation requirements in FY 09

Utilizing the transfer of lapses strategy could exacerbate out-year budget shortfalls projected by OFA to be \$330.6 million in FY 10, \$566.9 million in FY 11 and \$374.4 million in FY 12. The FY 10 through FY 12 shortfalls currently projected are attributable to: (1) the ongoing impact of \$210 million in FY 09 Teachers' Retirement expenditures from FY 07 anticipated surplus that will need to be restored to FY 10 appropriations, (2) \$80 million one-time revenues provided in FY 09 from FY 07 anticipated surplus and a \$16 million revenue transfer from FY 08 to FY 09 that are no longer available in FY 10, and (3) expenditure growth which is anticipated to exceed revenue growth in FY 10 and FY 11.

In addition, the governor and General Assembly will likely negotiate the disposition of the FY 08 surplus for which OFA will provide an updated estimate by early February 2008.

## **CHILDREN AND FAMILIES**

### ***The Department of Children and Families***

Reports of the Department of Children and Families' (DCF) toleration of longstanding problems at some residential facilities where it places troubled kids (e.g., Lake Grove School in Durham) and its tendency to be crisis-driven were examined in a Legislative Program Review and Investigations (PRI) Committee study conducted during the interim. The committee's recommendations are likely to trigger legislative proposals in the upcoming session, particularly directing DCF to (1) better monitor the quality and effectiveness of services its performance-based contractors provide and (2) engage in on-going, department-wide strategic planning.

1. Read the PRI Committee findings and recommendations:

[http://www.cga.ct.gov/2007/pridata/Studies/PDF/DCF\\_Findings\\_and\\_Recommendations.PDF](http://www.cga.ct.gov/2007/pridata/Studies/PDF/DCF_Findings_and_Recommendations.PDF)

### ***Juvenile Justice***

Bills needed to implement the "raise the age" law that the legislature enacted last session are expected to be introduced in the 2008 session. Beginning July 1, 2010, courts will treat many 16- and 17-year old offenders as children rather than adults. The Juvenile Justice Policy and Operations Coordinating Council (JJPOCC), a 28-member committee with representatives from the executive, judicial, and legislative branches; local police; and juvenile justice advocates has been meeting every two weeks during the interim and is expected to make suggestions. These may include (1) raising the mandatory school attendance age, (2) amending the serious juvenile offender laws, and (3) specifying the delinquency or adult criminal court procedures most appropriate for this older group of youngsters.

- Read materials on the council's website, including presentations on topics of interest: [JJPOCC](#)

### ***Status Offenders***

More than 4,000 Connecticut children were referred to juvenile court for truancy, running away, or school or parental defiance in FY 07. These troubled kids are known to be at high risk for chronic behavioral health and substance abuse problems and future delinquent and criminal conduct, yet there are significant gaps in preventive and

treatment services for them. DCF and Judicial Branch officials have been working together to develop programs and the legislature established the Family With Service Needs Advisory Board in 2006 to monitor progress and make legislative recommendations.

It is likely that the legislature will see proposals aimed at equalizing service availability in all areas of the state, particularly (1) community-based programs for high-risk kids who need intensive services and (2) local juvenile review boards that divert kids from court.

- Read materials posted on the board's website, including presentations on topics of interest: [FWSN Advisory Board](#)
- Read OLR's report "*Family With Service Needs – Legislative History*" [2007-R-0256](#)

## **CONSUMER PROTECTION**

### ***Safety***

There are proposals in other states to improve the safety of both imported food and goods, especially those intended for children. There may be proposals to strengthen the state's ability to prevent unsafe goods from being sold in Connecticut.

- Read OLR's report "Regulating Lead in Children's Toys" [2008-R-0009](#)

### ***Gasoline Prices***

The General Law Committee has studied gasoline price issues for many years and prices continue to climb. The price of a barrel of crude oil recently topped \$100 for the first time. The legislature may consider prohibiting gasoline companies and distributors from setting their prices to dealers based on the dealers' locations. This practice, known as "zone pricing," is common in the industry. It may also consider other approaches, such as mandating "open supply." These proposals seek to eliminate exclusive purchasing agreements between suppliers and retail dealers.

- Read OLR's reports:  
  
    "*Gasoline Pricing*" [2007-R-0401](#)  
  
    "*Zone Pricing*" [2006-R-0319](#).

## ***Heating Oil and Propane Contracts***

The price of home heating oil and propane continues to increase and homeowners are more concerned about how they are charged. There may be a proposal to require new contracts between heating oil and propane gas dealers and their residential customers to be written in plain language and include all terms, conditions, and charges.

## ***The Internet***

***Consumer Privacy.*** There may be proposals to improve an Internet consumer's privacy. These could include restricting an Internet advertiser's ability to track a consumer's activities for marketing purposes and establishing a registry similar to the telephone "Do Not Call List" for consumers who do not want certain information about them on public websites.

***Regulating Social Networking Sites.*** There may also be proposals to require social networking sites like MySpace to verify the age and identity of the people who create profiles or to require them to get parental permission before allowing youngsters to gain access to their sites. The attorney general recently announced that Connecticut and 48 other states have reached agreement with MySpace on steps to better protect children on its website; the legislature may see proposals to mandate these changes by statute or extend them to other Internet site providers.

- Read OLR's report "Legislation Regarding MySpace" [2007-R-0207](#)

## **CRIMINAL JUSTICE AND THE COURTS**

### ***Criminal Justice Reform***

The legislature is likely to respond to the home invasion and murders in Cheshire last summer with reforms of the criminal justice system. This is likely to include harsher penalties for home burglaries and revisions to the burglary statutes. Also, the legislature is likely to make it easier to use repeat offender laws and may expand them or add a new enhanced penalty for certain persistent offenders.

The legislature is also likely to consider ways to improve criminal justice computer systems for better information sharing among criminal justice agencies. It may also change parole eligibility rules, require

certain information for parole decisions, and add members to the parole board and require them to meet professional standards.

The legislature may also consider expanding reentry programs for inmates returning to the community, increasing use of electronic tracking for offenders on supervised release, and hiring more probation and parole officers. It may also address prison capacity and prison medical and mental health services. Other bills may expand the rights of victims and their participation in the criminal justice system, change the laws on self-defense, and impose stricter deadlines for appeals and habeas corpus petitions in death penalty cases.

The legislature may address some of these topics during a special session in January but it is likely that some or all of them will also be considered during the regular session.

- Read bills proposed for the Judiciary Committee's November 2007 public hearing, with OLR analyses and OFA fiscal notes: [Criminal Justice Reform Proposals](#)
- Read OLR's 2007 and 2008 reports on criminal justice topics: <http://www.cga.ct.gov/olr/criminaljustice.asp>

### ***Judicial Openness***

The legislature is likely to consider issues of openness in the Judicial Branch. In 2006, the governor's Commission on Judicial Reform and the Judicial Branch Public Access Task Force issued reports that made recommendations on access to court records and proceedings and Judicial Branch meetings. The Judicial Branch has implemented a number of recommendations.

The legislature is likely to consider the status of these recommendations on issues such as cameras in the courts and Internet access to court records. The legislature may also consider its role in judicial rule-making and how the state Freedom of Information Act applies to the Judicial Branch.

- Read the commission's report and recommendations: [Commission on Judicial Reform](#)
- Read the task force's report and recommendations: [Judicial Branch Public Access Task Force](#)
- Read OLR's reports:

*“Court Openness, Rules, and Operations”* [2007-R-0458](#)

*“Access to Judicial Records, Meetings, and Proceedings”* [2007-R-0034](#)

*“Judicial Branch Public Access Task Force”* [2007-R-0024](#)

## **Bail Reform**

Recent convictions of bail bondsmen have drawn attention to the regulation of the bail bond industry. The legislature may consider proposals on this topic, including bills addressing licensing and oversight requirements for bondsmen, fees charged for bonds, and collection of forfeited bonds.

## **EDUCATION**

### **K-12**

***Desegregation and Interdistrict Magnet Schools.*** In 2003, the General Assembly approved a settlement of the Sheff v. O'Neill desegregation case that committed the state to (1) fund eight new magnet schools in Hartford, (2) double the number of Hartford students participating in the Open Choice program, and (3) increase funding for interdistrict cooperative programs in the Hartford area over four years. That settlement has expired and the state has not met all of these goals. The legislature failed to approve a new negotiated settlement and the plaintiffs have returned to court. It is not clear whether the new settlement will be approved or what, if any, action the court will order, but funding increases and statutory changes could be required.

Additionally, PA 07-3, June Special Session (JSS), made a significant change in how students attending interdistrict magnet schools are counted for purposes of calculating Education Cost Sharing (ECS) grants for their home districts. One key factor in the ECS formula is each district's count of resident students, weighted for educational and economic need. Previously and in FY 08, students who attend interdistrict magnet schools are fully included in ECS student counts.

Starting in FY 09, the new law reduces this “need student” count by 25% of the number of full-time students from each town who attend interdistrict magnet schools. This change reduces grants for towns with students attending interdistrict magnet schools on a full-time basis.

Although the law established a minimum increase to reduce the financial impact of the modified ECS formula in FY 09, affected districts have expressed concern about the overall funding reduction.

- Read OLR's reports:

*"ECS Formula Change for Interdistrict Magnet School Students"*  
[2007-R-0714](#)

*"New ECS Grants and Minimum Budget Requirements"* [2007-R-0436](#)

*"State-Funded Interdistrict Education Programs – Updated"*  
[2007-R-0222](#)

**High School Curriculum.** PA 07-3, JSS, required the Education Committee co-chairpersons and ranking members or their designees, the education commissioner, the State Board of Education (SBE) chairperson, and the Office of Policy and Management (OPM) secretary to form a committee to study high school graduation requirements. It must report on the study to the governor and the Education Committee by January 15, 2008. SBE has formed a committee to examine the issue and develop recommendations to present to the full board and then to the state legislative task force. Legislation may be needed to implement the recommendations.

**Discipline.** PA 07-66, which becomes effective July 1, 2008, requires student suspensions to take place in school in most cases. Districts have complained that they do not have the resources to implement this law so changes may be required.

- Read OLR's summary of the new law: [PA 07-66](#)

Additionally, recent incidents of and reports on the phenomenon of "cyber bullying" may lead to an expansion of the state bullying law.

**Training for New Teachers.** The increased state and federal emphasis on student achievement and school accountability has put a spotlight on teacher training and effectiveness. With an expected influx of new teachers to replace retiring baby boomers, programs to train and support new teachers in the classroom have drawn legislative attention.

Connecticut's support and assessment program for new teachers is known as the BEST Program. It requires experienced teachers to mentor new teachers in their first years in the classroom and uses portfolios to measure new teachers against state standards. When the program was



established in 1989, it made the state a leader in promoting teacher quality. But when the PRI Committee reviewed the BEST Program during the 2007 interim, it found, among other things, that:

1. state teacher preparation programs have never been comprehensively reviewed to see how they align with the state's teaching standards,
2. state teaching standards have not been formally reviewed for appropriateness since being adopted in 1999,
3. the quality of new teacher mentoring varies widely among school districts and falls especially short in the state's poorest districts, and
4. new teachers have little faith in portfolios as a valid method for assessing new teachers.

The committee recommended several administrative and statutory changes to improve new teacher mentoring and assessment, some of which will require increased financial support from the state. The legislature may consider these recommendations in the upcoming session.

- Read the PRI Committee findings and recommendations:  
[http://www.cga.ct.gov/2007/pridata/Studies/PDF/BEST\\_Findings\\_and\\_Recommendations.PDF](http://www.cga.ct.gov/2007/pridata/Studies/PDF/BEST_Findings_and_Recommendations.PDF)

### ***Higher Education***

***Nanotechnology.*** Nanotechnology is a cross-disciplinary science that combines chemistry and engineering to manipulate matter at the atomic level to produce new properties. It is potentially applicable to manufacturing processes, alternate energy production, information technology, and health care products and processes.

The Office of Workforce Competitiveness and the Department of Higher Education recently issued a report that reviews the progress of the state's efforts to advance nanotechnology development. The report recommends that the state support its growing base of activity in nanotechnology by investing in key infrastructure and targeted development activities. The legislature may consider these recommendations.

**Film Industry.** The legislature may consider new ways to boost Connecticut's emerging film industry. In FY 07 it provided tax credits for shooting movies in Connecticut and developing studios and production facilities here. This year, it may concentrate on helping Connecticut residents obtain the technical and administrative skills the industry needs to make, produce, and distribute films.

**Innovation.** The state can maintain its relatively high standard of living by encouraging people and organizations to constantly develop new, innovative products and techniques. It can do this by encouraging university scientists and business entrepreneurs to collaborate on common problems. In 2006, the legislature authorized programs to recruit eminent faculty and train entrepreneurs. This session, it may consider other ways university research can foster innovation and economic growth.

**UConn Health Center.** Last session, the Higher Education Committee considered the UConn Health Center's proposal to expand the capacity of John Dempsey Hospital and build a replacement facility. The legislature required the Office of Legislative Management to contract with the Connecticut Academy of Science and Engineering to study the proposal in consultation with the Office of Health Care Access. The preliminary report is due March 30, 2008. The legislature may consider proposals based on its findings.

## **ENERGY**

### ***Resources Recovery Facilities***

Connecticut financed its resources recovery facilities from two revenue streams (1) tip fees from municipalities and haulers dumping trash at the facilities and (2) sales of electricity produced by the facilities to the electric companies at state-mandated rates. Five of the six resources recovery facilities in the state (all but the Hartford facility) could end up under private control as their contracts with the companies that operate them expire. The first contract expires this year and the last expires in 2015. This session, the legislature may address the potential impact of private ownership on tip fees and electric rates.

- Read OLR's report "*Resource Recovery Facilities*" [2007-R-0540](#)

## **ENVIRONMENT**

### ***Greenhouse Gases***

Several state environmental groups will push for legislation requiring the state to reduce its greenhouse gas emissions by 10% below 1990 levels by 2020 and by at least 80% below 2001 levels by 2050. This would make mandatory some of the goals the legislature adopted in 2004. California, Hawaii, and New Jersey have enacted similar greenhouse gas emission caps, which are intended to reduce the amount of carbon dioxide and other emissions that contribute to global warming.

- Read OLR's summary of the 2004 legislation: [PA 04-252](#)

### ***Clean Water Fund***

In 2007, the legislature authorized \$90 million each in FY 08 and FY 09 in Clean Water Fund General Obligation (GO) bonds (PA 07-7, JSS). The Clean Water Fund provides grants (from GO bonds) and loans (from revenue bonds) to municipalities to plan, design, and build wastewater treatment plants. There may be proposals this session to authorize similar bonding amounts in future years. The Department of Environmental Protection (DEP) says GO bond authorizations of about \$100 million a year are needed to make the improvements needed to successfully reduce (1) high nitrogen levels in Long Island Sound and (2) contaminants in waterways caused by the discharge of sewage along with stormwater from combined sewer systems.

- Read OLR's reports:

*"Clean Water Financing and the Long Island Sound"* [2006-R-0552](#)

*"Non-Bonding Sources of State Clean Water Funding"* [2007-R-0248](#)

### ***Forests***

Recommendations to improve the sustainability of Connecticut's forests will emerge from the Trees Subcommittee of the Culture, Trees, and Tourism Task Force. Legislative options include increasing forest staff, including foresters; funding an urban forestry program in partnership with the University of Connecticut; and mandating third-party certification for Connecticut state forests.

The subcommittee is also likely to recommend reducing or eliminating the statutory formula that allocates the first \$875,000 in revenues from Connecticut forest timber sales to the general DEP Conservation Fund. The change will increase funding for forest management.

- Read OLR's report "*Virginia Department of Forestry's Integrated Forest Information Resource System*" [2007-R-0361](#)

### ***Saltwater Fishing Licenses***

This legislative session will revisit the saltwater fishing license issue. A freshwater license program already exists in Connecticut, but coastal states outside of New England, New York, and New Jersey have adopted saltwater programs as well. Federal legislation will require Connecticut fishermen to join a national saltwater registry and pay a listing fee by 2011 unless the state enacts its own saltwater fishing program prior to the deadline. Revenues from a saltwater license program will go to the Environmental Conservation Fund, which funds fishing and wildlife programs and marine fishery management.

### ***Other Issues***

Other areas the legislature is expected to revisit include (1) recycling, possibly including another look at expanding the bottle bill to include plastic water bottles; (2) increasing funding for open space land; (3) water allocation and watershed planning issues; and (4) phasing out or eliminating toxic materials such as polybrominated diphenyl ethers (flame retardant chemicals linked to possible liver, thyroid and nervous system damage) that are used in many household products.

- Read OLR's reports:

*"Recycling In Other States"* [2007-R-0085](#)

*"Beverage Container Expansion Questions"* [2007-R-0352](#)

*"Tax Incentives for Donating Open Space Land"* [2007-R-0700](#)

*"State Water Policy"* [2007-R-0639](#)

*"Development Controls to Protect Water Supply Watersheds"*  
[2007-R-0639](#)

## **GOVERNMENT ADMINISTRATION AND ELECTIONS**

### ***Ethics***

Legislative ethics was the topic of much discussion during this past interim, resulting in legislators, the attorney general, and the secretary of the state promising to introduce ethics reform legislation. As the

committee with jurisdiction over ethics, the Government Administration and Elections (GAE) Committee will likely take the lead and propose bills establishing a Legislative Ethics Committee and a code of conduct for legislators, revoking or reducing the pensions of public officials for crimes related to employment, making failure to report bribery a crime, or requiring mandatory ethics training for legislators and staff.

- Read OLR's reports:

*"Failure to Report Bribery"* [2008-R-0053](#)

*"Legislative Codes of Conduct"* [2008-R-0049](#)

*"Connecticut's Legislative Ethics Committee"* [2008-R-0047](#)

*"Legislative Ethics Committees"* [2007-R-0731](#)

*"Ethical Conflict of Interest"* [2007-R-0077](#)

### ***State Surplus Property***

Last fall the GAE Committee rejected the Department of Public Works (DPW) commissioner's proposed contract for the sale of Seaside Regional Center. It is likely that we will see legislative proposals during the 2008 session that make significant changes to the process for disposing of state surplus property, which now consists of state agencies notifying OPM that they no longer need property, transferring custody to DPW, and DPW selling or leasing the property if no other agency requests it and submits a viable plan for its use.

### ***Elections***

The 2007 municipal elections were the first time every town used optical scan voting machines and as a result, the legislature will likely consider proposals to change certain voting procedures. For example, it may require a "zone of privacy" around the new machines or reform recount procedures. The committee may also reconsider 2007 proposals to lower the threshold for filing campaign finance statements electronically, allow for early voting, and enter into an interstate compact to elect the president by national popular vote.

## **HEALTH AND HUMAN SERVICES**

### ***Hospital Finances & Quality of Care Improvements***

The governor's Hospital System Strategic Task Force has been examining the financial condition of Connecticut hospitals. Its report is expected to include recommended strategies to stabilize the hospital system and ensure access to quality health care services. Its recommendations, some or all of which the governor may propose to the legislature, are likely to include

1. increasing the amount the state pays for services provided to Medicaid, HUSKY, and SAGA patients to reflect the actual cost of their care;
  2. increasing hospitals' access to funds for infrastructure improvements and helping them pay debt service on this money;
  3. addressing staff shortages through training, recruitment, and retention planning, programming, and incentives;
  4. reducing inappropriate use of hospital emergency rooms while increasing their capacity to provide effective and efficient care; and
  5. revising state health, mental health, substance abuse, and health care facilities planning requirements.
- Read materials posted on the task force's home page, including draft recommendations: [Hospital System Strategic Task Force](#)

### ***Nursing Homes***

***Financial Stability and Patient Care.*** The recent revelations about the Haven Health Care chain have raised concerns about the quality of care and safety of patients in the state's nursing homes, as well as the financial stability of these facilities. The legislature may take action to strengthen the state's inspection, monitoring, and oversight of nursing homes and other long term care facilities. It may also call for increased regulatory activity by the Department of Public Health, as well as establish additional procedures and safeguards to identify problem facilities as early as possible — before residents are put at risk.

***Minimum Staffing Levels.*** The legislature will also likely re-examine minimum nursing home staffing requirements. Current state regulations have been in place since 1981, and are well below national recommendations. For example, the state Public Health Code requires 1.9 hours of direct nursing care per patient per day, while the U.S. Department of Health and Human Services recommends at least 4.10 hours and the National Coalition of Nursing Home Reform (NCNHR)

recommends 4.13. The legislature will likely consider proposals to gradually increase Connecticut's staffing standards until they reach the NCNHR recommended minimum.

***Moratorium on New Beds and Rate Setting.*** Finally, the legislature may wish to take another look at the nearly 20-year-old nursing home bed certificate of need (CON) moratorium to determine whether it remains the best means of controlling Medicaid costs. It may also want to examine the Medicaid rate-setting structure and laws that seem to circumvent it. These need to be examined in the context of the state's long-term care plan, which projects significant (1) reductions in nursing home spending and (2) increases in-home and community-based alternatives.

- Read OLR's report "Nursing Home Bed CON Moratorium" [2007-R-0657](#)

### ***Healthcare Workforce Shortage***

The 2008 legislature will likely continue to explore ways to address the growing and projected shortage of nurses, nursing faculty, and other healthcare professionals in Connecticut.

- Read OLR's reports:  
*"Nursing Shortage"* [2007-R-0579](#)  
*"Connecticut LPN Programs"* [2007-R-0686](#)

### ***Health Insurance***

***HUSKY Managed Care.*** The 2008 General Assembly will likely have to re-examine how the state provides health care coverage to over 300,000 children, caregivers, and pregnant women under the HUSKY program. In November, the governor terminated contracts with the four managed care organizations serving HUSKY clients because they were unwilling to share information about their HUSKY business, which she believed was in violation of the state's Freedom of Information Act. All four providers are providing "no risk" services under contract extensions; three of those extensions expire at the end of March and are likely not to be extended further. (The fourth expires in June 2008.)

This action will force the families served by the terminated plans to move into the remaining plan or be served on a fee-for-service basis. Under fee-for-service, which was the predecessor service delivery model

to managed care, a client can go to any provider that accepts HUSKY patients and the provider gets paid directly by the state. But provider rates have been low for many years and patients have had trouble finding providers willing to treat them. The legislature may consider proposals to increase these rates to ensure patient access.

**Health Care Reform.** Various health care reform initiatives were enacted last session. The General Assembly may consider additional measures to reduce the number of uninsured residents and cost of private health insurance.

- Read OLR's reports:

*"Connecticut Residents Without Health Insurance"* [2007-R-0658](#)

*"HUSKY-Eligible Individuals and Care Utilization"* [2007-R-0259](#)

### ***Energy Assistance Program Shortfalls***

The federal government administers the Low Income Home Energy Assistance Program (LIHEAP), which provides states with block grants to help low-income people pay their winter heating bills. Federal LIHEAP funding has not kept pace with the steep rise in home energy prices and its FY 08 appropriation is frozen at the 2007 level, with an additional \$405 million in emergency funding.

Governor Rell and other northeastern governors petitioned President Bush for some of the emergency funding and Connecticut has since received an additional \$13.6 million. Despite this, Connecticut's heating assistance programs will be unable to maintain current service levels. The legislature may consider reducing program benefits or appropriating state funds to cover the approximately \$10.7 million shortfall.

## **HOUSING**

### ***Affordable and Supportive Housing***

The legislature is expected to debate potential solutions to the shortage of affordable and supportive housing in the state. Options include increasing the budget for new construction projects, increasing the tax credits set aside by the Connecticut Housing Finance Authority for the Supportive Housing Pilots or Next Steps initiatives, and providing incentives for municipalities to develop affordable or mixed housing projects.



- Read OLR's report "Affordable Housing Preservation" [2007-R-0306](#)

### **Affordable Housing and Open Space**

The legislature may also consider options that simultaneously preserve open space and stimulate affordable housing development. Last session, it authorized payments to towns that approve new, compact housing developments near schools, stores, and other complementary uses. This session, it may consider additional local payments for educating the children residing in these developments. It may also consider giving towns tighter control over the design and placement of structures on open space land.

### **The Mortgage Crisis**

Governor Rell's Sub-Prime Mortgage Task Force made several recommendations in its October 2007 final report. Bills will probably be introduced addressing its recommendations, which include a public awareness campaign and new regulatory limits to adjustable rate lending. The legislature is also likely to take up bills addressing the CT FAMILIES program, a refinance mortgage assistance program established by the Connecticut Housing Finance Authority for low-to-moderate income first-time homebuyers with adjustable rate mortgages. The program grew out of one of the governor's task force recommendations, but has not been funded.

- Read the task force report:  
<http://www.ct.gov/dob/cwp/view.asp?a=2226&q=398922>
- Read OLR's reports:  
"Governor's Program to Assist Homeowners with Sub-Prime Mortgages" [2007-R-0713](#)  
  
"Foreclosures" [2007-R-0164](#)

The House Speaker also convened a task force charged with recommending ways to better protect consumers by establishing strict ongoing education requirements for licensed mortgage brokers. (The governor's task force also examined this issue). Although a final report has not been issued yet, it could include legislative proposals imposing continuing education requirements on mortgage brokers.

- Read OLR's report "Education Needed to Obtain a Mortgage Broker License" [2007-R-0073](#)

## IMMIGRATION

The National Council of State Legislatures has been tracking the states' immigration-related legislation for several years now. It reports that in 2007 approximately 1,600 bills were introduced; 244 became law. In Connecticut's 2007 regular and special sessions, legislators introduced bills that addressed immigrant education (the governor vetoed PA 07-135, which made qualified, undocumented immigrants eligible for in-state college tuition rates), public assistance, and citizenship education.

It is likely that this trend will continue in the 2008 session.

- Read OLR's summary of the vetoed act: [07-135](#)
- Read OLR's reports:

*"The Department of Correction and Immigration"* [2007-R-0706](#)

*"PRWORA's Immigrant Provisions"* [2007-R-0705](#)

*"The Real ID Act, Driver's Licenses, and Related Applications"* [2007-R-0659](#)

*"State Versus Federal Power to Regulate Immigration"* [2007-R-0620](#)

*"Public School and Social Services for Non-Citizens"* [2007-R-0512](#)

*"Proof of Citizenship and Medicaid Eligibility"* [2007-R-0387](#)

*"Undocumented Immigrants at the State's Public Colleges"* [2007-R-0258](#)

## INSURANCE

### ***Bolstering Connecticut's Insurance Industry***

There are 1,172 insurance companies licensed to operate in Connecticut. Of those, 106 are domestic insurers (i.e., incorporated in Connecticut). The insurance industry (i.e., insurance carriers and related activities) employs about 66,000 people in Connecticut. The legislature may consider ways to further develop the industry, given its significance to the state's economy.

It may consider bills that establish Connecticut as a domicile for captive insurance companies, increasing the type of insurance business that may be conducted here. (It considered such bills in the last session.) It may also consider changes to the Insurance Reinvestment Act to encourage and attract additional business development.

- Read OLR's report "*Connecticut Insurance Industry*" [2007-R-0375](#)

### ***Interstate Insurance Product Regulation Compact***

The legislature may again consider whether Connecticut should join the Interstate Insurance Product Regulation Compact. The compact is a multi-state agreement that creates a national public authority to receive, review, and make regulatory decisions on insurance product filings according to national uniform standards that the participating states develop and adopt. It covers individual and group products for life insurance, annuities, disability income, and long-term care insurance. Currently 29 states and Puerto Rico have joined.

- Read the compact:  
[http://www.insurancecompact.org/documents/topics\\_compact\\_model.pdf](http://www.insurancecompact.org/documents/topics_compact_model.pdf)

## **LABOR AND PUBLIC EMPLOYEES**

### ***Paid Sick Leave***

In 2007, the legislature considered a bill that would require employers to provide their employees with paid sick leave accruing at a rate of one hour for each 40 hours worked. The legislature considered three versions of the bill with different thresholds (determined by the size of employer).

The Senate passed a version that would apply to all employers with 50 or more employees. The legislature is likely to consider some form of this bill in 2008 to address employee health as well as concerns about sick employees working in food preparation and other settings where there is a potential for the spread of disease.

### ***Workers' Compensation***

The legislature will once again consider whether to provide greater workers' compensation benefits or expand what is covered. Last session there were bills to (1) provide presumptions under the law to cover firefighters and other public safety workers regarding specific diseases and (2) increase compensation commissioners' ability to give discretionary benefits to workers with permanent injuries that diminish

their ability to work. This session it is probable that similar bills will be considered.

- Read OLR's reports:

*"New York's Workers' Compensation Reforms"* [2007-R-0696](#)

*"Connecticut Workers' Compensation Costs"* [2007-R-0173](#)

### ***Opening the State Health Plan to Municipalities***

Some leaders have announced they will introduce a bill to open the state employee health plan to municipalities in order to provide towns with lower health insurance premiums. The idea aims to take advantage of the greater purchasing power of larger insurance pools. Another angle on this issue may involve expanding the existing state-run Municipal Employee Health Insurance Plan (which is not pooled with the state employee plan).

## **PLANNING AND DEVELOPMENT**

### ***Statewide Comprehensive Planning***

The legislature may consider new proposals to strengthen the state's capacity to plan and implement comprehensive policies and programs. Several state agencies currently identify, analyze, and address long-term economic and social trends that could affect the state's quality of life, but their separate analyses could generate competing or conflicting strategies.

The proposals may include new ways to coordinate or integrate these planning efforts. The legislature's PRI Committee, whose staff studied the issue this year, has recommended creating the Council on Connecticut's Future to develop a planning process for setting a direction for Connecticut's future.

- Read the PRI Committee findings and recommendations:  
[http://www.cga.ct.gov/2007/pridata/Studies/PDF/State\\_Planning\\_Findings\\_Recommendations.pdf](http://www.cga.ct.gov/2007/pridata/Studies/PDF/State_Planning_Findings_Recommendations.pdf)
- Read presentations made at PRI's November 2007 forum "*Models for State Planning*"  
<http://www.cga.ct.gov/pri/StatePlanningForumAgenda.htm>
- Read OLR's report "*Strategic Planning in Virginia*" [2007-R-0638](#)

### ***Intergovernmental Land Use Planning***

The legislature may also consider the relationship between state, regional, and local land use planning agencies. While local agencies ultimately decide what gets built and where, state policies influence choices about where to build homes, stores, and factories. New laws already require state development dollars to promote compact development where roads, sewers, bus stations, and other supporting infrastructure already exist. But implementing these laws requires planning agencies at all levels to coordinate their efforts. Consequently, the legislature may consider ways to strengthen that coordination.

### ***Brownfields***

Contaminated mills and factories threaten public health; undermine local tax bases; and encourage development in rural, undeveloped areas. In 2006 and 2007, the legislature created new organizations, programs, and practices to clean up and redevelop brownfield property. An interim task force will report to it in February on the effectiveness of these changes and recommend best practices that have worked in other states.

- Read OLR's report "*New York and Connecticut's Brownfield Clean-Up Tax Credits*" [2008-R-0019](#)

## **PUBLIC SAFETY**

### ***Firearms***

In light of the Virginia Tech shootings and several other highly publicized gun shooting cases, the legislature may seek to further strengthen the state's gun control laws.

- Read OLR's reports:

*"Case Statistics for Firearms Violations"* [2007-R-0442](#)

*"Summary of State Gun Laws"* [2007-R-0369](#)

The state is currently facing lawsuits over the lengthy appeals process (up to 20 months by some accounts) for gun owners whose permits have been revoked or denied. The legislature may seek to address this issue by setting deadlines for completing appeals.

### ***Electronic Defense Weapons***

Increasingly law enforcement agencies are using electronic defense weapons, including Tasers, supposedly as a non-lethal alternative to deadly force. But in the light of a few highly publicized deaths and aggressive marketing of the weapons to the civilian market, critics are questioning their use.

After a highly publicized death in Canada, Amnesty International has urged authorities to suspend the use of Tasers, saying it has documented as many as 16 Taser-related deaths in Canada. The legislature may seek to regulate the use of the weapons by requiring law enforcement agencies to develop policies, procedures, and standards for their use.

- Read OLR's report *"Taser Use Guidelines"* [2007-R-0068](#)

## **TAXES**

### ***Property Taxes***

Property taxes are the main source of revenue for cities and towns but tax increases are becoming an increasingly contentious issue both for municipalities and the state. In 2007, the General Assembly created a

Property Tax Cap Commission to study proposals to limit the annual growth in municipal property taxes. The commission's report may suggest property tax relief proposals. In addition, the governor has said she will reintroduce her 2007 proposal to limit property tax growth.

Other possible proposals include: (1) expanding the circuit breaker program; (2) eliminating the property tax, or imposing a statewide

property tax, on cars; (3) allowing towns to impose other types of taxes or fees; and (4) encouraging municipalities to deliver services on a regional basis.

- Read OLR's reports:

*"Property Taxes in Connecticut Compared to Other States"*  
[2007-R-0018](#)

*"Property Tax and Municipal Powers"* [2007-R-0462](#)

*"Property Tax Relief for Seniors"* [2008-R-0005](#)

### **State Earned Income Tax Credit**

The legislature may once again consider proposals to create a state earned income tax credit (EITC) for low-income residents and to restructure or eliminate the state estate tax. In 2007, the governor vetoed PA 07-248, which would have (1) established a refundable state EITC equal to 20% of the federal EITC and (2) revamped the estate tax to eliminate a "cliff" that allows an estate valued at \$2 million or less to escape the tax entirely while imposing the full tax on every dollar of an estate valued at more than \$2 million.

- Read OLR's report *"State Earned Income Tax Credits"* [2007-R-0053](#)
- Look for OLR's report examining a state EITC's impact on
  1. the number of Connecticut residents living in poverty,
  2. local economies,
  3. labor force participation,
  4. members of the armed forces, and
  5. children in low-income families, which will be filed with the governor and the Human Services, Appropriations and Finance, Revenue and Bonding committees by February 1, 2008 and posted online at <http://www.cga.ct.gov/olr/>

### **Other Income Tax Deductions**

The General Assembly may also see proposals for additional state income tax deductions, such as a medical expense deduction that

mirrors the federal deduction for medical expenses that exceed 7.5% of income or a deduction for the cost of long-term care or other health insurance premiums.

## **TRANSPORTATION**

### ***Implementation of Federal “Real ID Act” Requirements***

In 2005, Congress passed sweeping legislation that will have major implications for the way in which state and local governments must issue identification cards. This legislation, called the “Real ID Act,” primarily affects the way states must issue their drivers’ licenses and non-driver photo identification cards. Failure to comply with the federal requirements means that federal agencies will not accept state-issued identification documents for such purposes as boarding aircraft.

The law requires states to comply with the new requirements by May 2008. The final implementing federal regulations were issued by the Department of Homeland Security on January 11, 2008. States will be able to get an extension of the compliance deadline, initially to the end of 2009, and ultimately until May 11, 2011 provided they meet certain compliance benchmarks. However, the decision to request a compliance extension must be made within the next two to three months.

Although Connecticut has already adopted several statutory changes to accommodate Real ID, more will be required. One significant change will be the way licenses are issued to non-citizens. Compliance with the Real ID Act is also likely to have significant budget implications for certain state agencies.

- Read OLR’s reports:

*“The Real ID Act, Drivers’ Licenses, and Related Applications”*  
[2007-R-0659](#)

*“Possible Implementation Issues For Connecticut Relating To New Federal Requirements For State Drivers’ Licenses And Identification Cards”* [2005-R-0491](#)

*“New Federal Requirements For Issuing Drivers’ Licenses And Identification Cards Under Public Law 109-13”*  
[2005-R-0482](#)

### ***Organization and Function of the Department of Transportation***



The way the Department of Transportation (DOT) operates has come under increased scrutiny following major problems encountered with a major widening project on I-84. This scrutiny has come from a special audit of that project, a task force appointed by the governor to examine the department's organization and operations, and legislative hearings. This is likely to result in several legislative proposals some of the most significant of which may include proposals to divest DOT of responsibility for operating Bradley International Airport and place it under an independent authority and to significantly change DOT's organizational structure relative to its responsibilities to provide public transportation services and projects, or to remove these functions from it entirely.

- Read OLR's report "Transportation Agency Organization in Other States" [2007-R-0028](#)

### ***Highway Safety Issues***

Highway safety issues are an area of intense legislative activity in any session and will be again in 2008. Although Connecticut's fatal accident rate is among the nation's best, recent tragedies involving several teens and a tragedy narrowly averted involving a runaway truck on Avon Mountain have focused interest on improving it even further. This interest drives many initiatives on areas like teenage driving, drunk and drugged driving, inattentive driving, speeding, truck safety, photo-based enforcement of speeding and red light violations, and identifying problem drivers. Interest may also continue in expanding the hours the truck weight and safety inspection facilities operate.

Motorcycle safety is of some interest due to the fact that Connecticut motorcycle riders represent a higher percentage of the state's total traffic fatalities than in any other state. Extending mandatory seat belt use requirements to all vehicle occupants rather than only those in the front seat may be considered, as well as protections for child occupants. Another area of potential interest could be establishing requirements for drivers renewing their licenses, either for all drivers or for those who reach certain ages.

- Read OLR's reports:

*"Ignition Interlock and Employment-Related Driving Permit Requirements for Alcohol-Related Offenses in NY, MA, etc"* [2007-R-0545](#)

*"Hand Held Cell Phone Violations"* [2007-R-0260](#)

*“Truck Weight Inspection Stations”* [2006-R-0076](#)

*“Speed Bumps and Speed Humps”* [2006-R-0567](#)

*“Truck Weight Safety Operations in Connecticut and Related Questions”* [2006-R-0015](#)

*“Explanation and Assessment of the Significance of Connecticut’s Inclusion on the “Fatal 15” List of States With Regard to Alcohol Involved Traffic Fatalities”* [2006-R-0014](#)

### ***Following Up on Major Transportation Initiatives***

The legislature continues to make major investments in transportation. In 2005, the legislature approved a funding plan exceeding \$ 1 billion for some of these high priority initiatives, including purchase of almost 350 new rail cars for the Metro North rail commuter service. In 2006, it provided more than \$ 2 billion in additional potential funding for the New Haven-Hartford-Springfield commuter rail service, the Hartford-New Britain Busway, possible passenger rail service from Danbury to New Milford, new rail stations, and many other initiatives. In 2007, it made more investments, including creation of a “fix-it-first” program for state roads and bridges; an initiative to begin funding transit-oriented development projects; expanding service on the Shore Line East rail commuter service; and investments in bicycles as a transportation alternative. Funding these and new initiatives will likely continue to be a legislative priority.

Managing travel demand and transit-oriented development potential are likely to remain of high interest. Any discussions of travel demand management almost always include the debate over bringing tolls back to Connecticut highways. Whether tolls are a viable policy option in the short term remains uncertain, given the constraints states still face under federal law, but the toll debate will nonetheless occupy a prominent position among the issues the 2008 legislature may discuss in this area.

- Read OLR’s reports:

*“Noise Barrier Funding and Relative Effectiveness”* [2006-R-0775](#)

*“Summary of Major Provisions of Connecticut/Metro North Rail Car Purchase Agreement”* [2006-R-0678](#)

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