

Office of Legislative Research  
Connecticut General Assembly



**OLR MAJOR ISSUES**

2008-R-0646



**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 budget-related issues, which OFA provided, the issue descriptions were written by OLR analysts. Where appropriate, we provided links to recent OLR reports and other on-line documents that contain additional information about particular issues.

**CONTENTS**

Budget Crisis	2
Banks	4
Children & Families	5
Commerce	6
Consumer Protection	7
Criminal Justice & the Courts	8
Education	9
Environment	12
Finance	15
Government Administration & Elections	17
Health & Human Services	18
Housing	19
Insurance	19
Labor & Public Employees	20
Planning & Development	22
Public Safety	22
Transportation	23
Veterans	26

## **BUDGET CRISIS**

In the 2009 session, the legislature faces projected budget shortfalls for the current and the next two fiscal years. The state's projected budget deficits are exacerbated by a national and international economic recession. Despite deficit mitigation efforts in FY 09, considerable work remains to address ongoing challenges for FY 10 and FY 11.

### ***Deficit Projections***

On November 14, 2008, OFA projected a General Fund (GF) deficit for the fiscal year ending June 30, 2009 of \$391.8 million or 2.3% of the budget. If current services remain unchanged, OFA projects an FY 10 deficit of \$2,495.3 million (13.6% of the budget) and an FY 11 deficit of \$3,215.2 million (16.6% of the budget). The FY 10 deficit projection assumes a revenue decline combined with modest additional current services expenditure requirements.

Increases in four major spending areas make up 63% of the FY 10 current services increase: (1) \$451.7 million for personnel (including fringe benefits); (2) \$182.0 million for Medicaid; (3) \$155.9 million for debt service; and (4) \$83.8 million for Education Cost Sharing (ECS) grants.

### ***Special Session on Deficit Mitigation***

On November 24, 2008, the legislature passed PA 08-1 of the November Special Session (NSS), *An Act Concerning Deficit Mitigation*. The act modified spending and made revenue adjustments to the FY 09 budget. These changes yielded a \$71.8 million net reduction in the anticipated FY 09 GF deficit (\$25.6 million in spending reductions and \$46.2 million in increased revenue to the General Fund). PA 08-1 NSS reduced OFA's projected deficit to \$320.0 million. The FY 09 deficit could be further reduced to \$302.0 million if the governor successfully implements additional savings included in her October 21, 2008 *FY 09 Deficit Mitigation Plan* (savings not already assumed in the OFA projected deficit).

### ***Revenue Projections***

Revenue projections for FY 10 anticipate that revenue will fall by 2.1% from FY 09 levels. FY 11 revenue projections anticipate growth of 1.5% from FY 10 levels. Table 1 below identifies anticipated growth rates and associated dollars in major revenue categories for FY 10 and FY 11.

Table 1: Revenue Projections (amounts in thousands)				
Revenue Source	FY 10		FY 11	
	Growth Rate	Amount	Growth Rate	Amount
<b>Personal Income Tax:</b>				
Withholding	2.2%	\$99,300	4.0%	\$180,700
Estimated Payments	-14.5%	(\$220,000)	0.0%	\$0
Final Payments	-30.0%	(\$467,000)	-18.6%	(\$196,900)
<b>Sales Tax:</b>	1.9%	\$70,000	3.4%	\$125,000
<b>Corporate Tax:</b>	0.0%	\$0	2.0%	\$14,400

### **Major Components of the Budget**

Understanding the major components of the budget is critical in addressing the challenges that lie ahead in the 2009 session. Fifty-five major accounts within the General Fund represent 95% of total General Fund appropriations. Table 2 below identifies the top 10 major accounts within the GF. These 10 accounts represent 77% of the budget.

Table 2: Ten Biggest Components of the Budget	
Agency/Account	FY 09 Appropriation (in millions)
DSS Medicaid	\$3,724.0
Personal Services (statewide)	3,187.4
SDE - Equalization Grants	1,889.2
Debt Service	1,543.9
Other Expenses (statewide)	531.8
OSC - State Employee Retirement Contribution	504.4
OSC - State Employee Health	500.0
OSC - Retired State Employee Health	484.2
DCF - Board and Care for Children - Residential, Foster, Adoption	410.1
DDS - Community Residential Services	383.9
<b>Total top 10 accounts in GF</b>	<b>13,158.9</b>
<b>% of FY 09 GF Appropriation</b>	<b>77%</b>

Another way of looking at the General Fund is to group some of the 55 major accounts into categories and consider each category as a percentage of the budget. This method shows that:

1. 35% are health and human service-related (including Medicaid),
2. 30% are personnel-related (statewide personnel including fringe benefits and workers' compensation), and
3. 18% are related to municipal aid and education, including ECS grants and teacher's retirement contribution.

- Read OFA's reports:  
*"FY 09 - 12 General Fund and Transportation Fund Budget Projections and Fiscal Information"* [FY 09-12 General Fund and Transportation Fund Budget Projections](#)

*"Fiscal Forecast Presentation to the Appropriations and Finance Committees"* [Fiscal Forecast](#)

*"Connecticut's Spending Cap"* [Spending Cap Presentation](#)

- Read OLR's reports:  
*"Legislative History of Balanced Budget Law"* [2002-R-0170](#)  
*"Biennial Budget - Legislative History"* [2003-R-0273](#)

- Read PRI's report:  
*"Connecticut Budget Process, December 2003"*  
[Connecticut Budget Process](#)

## **BANKS**

### ***Financial Crisis***

Governor Rell has expressed an interest in instituting a six-month moratorium on foreclosures in Connecticut. Legislation would be necessary to set out the parameters of any such program. Additionally, in light of the current financial crisis, legislation may be needed to make it easier for banks to merge or acquire other banks to avoid bank failure.

## ***Amendments to Public Act 08-176 and Other Regulatory Issues***

PA 08-176 addressed the growing rate of mortgage foreclosures by establishing mortgage relief programs, a foreclosure mediation program, and increasing regulation in the mortgage industry. The legislature may revisit this legislation and make modifications necessary to achieve its goals.

Additionally, legislation may be introduced to regulate industries that have been born as a result of financial crisis, such as companies that charge fees to negotiate with a lender on behalf of a borrower.

### ***Commission on Nontraditional Loans and Home Equity Lines of Credit***

PA 08-176 also establishes a 13-member Commission on Nontraditional Loans and Home Equity Lines of Credit. The commission must report its findings and recommendations to the Banks Committee by January 1, 2009. It must include recommendations on (1) measures that address nontraditional loans and home equity lines of credit that have a high incidence of defaults and foreclosures and (2) possible restrictions on such loans or certain features of such loans that increase the likelihood of foreclosure or default. Legislation may be needed to implement these recommendations.

- Read OLR's reports:  
*"Comparison of the Federal Housing and Economic Recovery Act to Public Act 08-176,"* [2008-R-0570](#)  
  
*"Foreclosure Prevention Programs in Public Act 08-176 and Public Law 110-289"* [2008-R-0516](#)

## **CHILDREN AND FAMILIES**

The Task Force on Fatherhood established this summer by the speaker will be submitting recommendations for legislation in the 2009 session.

- Read OLR's backgrounder:  
*"Family Composition"* [2008-R-0530](#)

## **COMMERCE**

### ***Cutting Costs Without Compromising Economic Development Services***

The looming budget deficits will likely compel the legislature to find ways to cut costs without compromising service. This is particularly true with respect to economic development, where an “alphabet soup” of agencies and programs have been providing different types of financial and technical assistance to municipalities, developers, manufacturers, entrepreneurs, and investors since the 1970s. The assistance often fulfills needs unaddressed by banks, venture capitalists, and other private sector groups.

The legislature faces a twofold challenge:

1. maintaining the flow of money for grants, loans, and venture capital and technical services to manufacturers and small businesses, and
2. streamlining funding and service delivery without making it harder for businesses and other customers to access it.

Other states have met similar challenges by consolidating services in new public-private partnership organizations, creating cabinet-level positions to oversee and coordinate economic development agencies, or relying on regional planning organizations to deliver services and fund projects.

- Read OLR’s reports:
  - “*Public-Private Economic Development Partnerships*” [2006-R-0019](#)
  - “*Comparison of Connecticut and Tennessee Business Services*” [2006-R-0130](#)
  - “*Regional Economic Development Districts*” [2006-R-0317](#)
  - “*Economic Development Corporations*” [2008-R-0374](#)

### ***Brownfields***

Cleaning and redeveloping abandoned or underused contaminated property (i.e., brownfields) could take on a new urgency if the legislature cuts municipal aid in an effort to balance the budget. Because the local property tax is based on a property’s worth, brownfields generate

relatively little tax revenue for municipalities compared to other property. One way to generate more revenue without raising property tax rates is to clean up and redevelop brownfields.

Since 2006, the legislature has created new organizations, programs, and practices to clean up and redevelop brownfields. In 2008, it might consider giving brownfield remediators and redevelopers more protection from lawsuits.

## **CONSUMER PROTECTION**

### ***Review of Licensing Program Requirements***

There will likely be a review of the Department of Consumer Protection's licensing programs to determine if eliminating, revising, or reducing certain requirements would generate budgetary savings.

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

Rapid changes in the prices of home heating oil and propane, and undisclosed fees dealers charge for services such as tank installation and removal, continue to generate consumer complaints. There may be proposals to prohibit certain types of charges and to require contracts between fuel dealers and their residential customers to be written in plain language and include all terms, conditions, and charges.

### ***Gift Cards***

Connecticut's gift card statute prohibits issuers from imposing expiration dates on the cards or charging dormancy or similar fees for periods when there is no activity on a card. But the law was challenged by Simon Properties Group, a mall operator, and the court ruled that federal law would preempt Connecticut's law if it were applied to national banks or their subsidiaries. There may be proposals regulating gift card disclosures regarding their fees, charges, and expiration dates.

### ***Identity Theft***

Last year, a bill died that would have (1) increased the penalties for committing identity theft, (2) restricted the dissemination of Social Security numbers, and (3) allowed identity theft victims to sue for damages if the perpetrator was found guilty of trafficking in personal identifying information, among other things. It is likely that the legislature will again consider ways to prevent identity theft and provide restitution to its victims.

## **CRIMINAL JUSTICE AND THE COURTS**

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

The legislature is likely to consider further reforms to the criminal justice system. These may include altering penalties for repeat offenders, expanding alternative incarceration programs, altering programs to assist offenders' re-entry into the community, increasing the use of electronic monitoring for offenders in the community, and managing the prison population.

The legislature may also consider reforms to the bail bond system, including changes to licensing and oversight of bondsmen, fees charged for bonds, and collection of forfeited bonds.

- Read all of OLR's 2007 and 2008 reports on criminal justice topics: "*2007 and 2008 Report Compilation*" [Criminal Justice](#)

### ***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 and 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](#)



## ***Probate Court Reform***

Complaints continue about the finances, structure, management, and operation of the probate court system. The Legislative Program Review and Investigations Committee issued a report in January 2006 with recommendations for changes to the system. The legislature implemented some of these changes.

The legislature is likely to consider additional reforms to the probate court system this session.

- Read the Program Review and Investigations Committee's Final Report: [Probate Court System Final Report](#)

## ***Sex Offenders***

Under current law, those convicted of sexual crimes must register with the Department of Public Safety. The information is available in an online database that details the offender's town, address, and crime.

The legislature may consider various measures designed to give the state greater control over convicted sex offenders. For example, there may be proposals to tighten reporting requirements, assign each offender a risk level, and restrict the information available online to that of offenders most likely to reoffend.

## **EDUCATION**

### ***Education Aid***

With the state facing large projected deficits for the 2010-2011 biennium, we expect the major education issue to be funding levels and distribution requirements for state education grants to local school districts and towns. This question applies especially to the Education Cost Sharing (ECS) grant, which is the largest source of state aid for municipalities. Other major grants help towns pay for high-cost special education services and placements, school construction projects, school transportation, adult education, and health services for private school students. In addition to education grants to all towns, the state also targets major education funding to poorer students with grants for priority school districts, summer school and after-school programs, and school readiness. Other state funds support charter and interdistrict magnet schools, vocational-technical and agriculture science and

technology programs, and the interdistrict attendance program known as Open Choice, some of which are required under the 2008 *Sheff v. O'Neill* settlement.

### ***Mandates on School Districts***

Education spending makes up the lion's share of municipal budgets and consequently has a direct effect on local property taxes. As a result, reductions in state aid may bring calls to reduce or eliminate state education mandates on local school districts. Possibilities for reconsideration include mandates that school districts (1) pay tuition for students who enroll directly in interdistrict magnet schools; (2) maintain annual enrollment opportunities for students in magnet and agricultural science and technology programs; and (3) as of July 1, 2009, provide in-school rather than out-of-school suspensions for most students with disciplinary problems. The legislature may also consider ways to help school districts operate more efficiently and cooperate with each other to offer programs and services.

### ***Support for New Teachers***

Under legislation passed in 2008, the state's program for support and assessment of beginning teachers will be eliminated as of July 1, 2009. A legislatively created task force is working on recommendations for a new mentoring and support program for new teachers to take the current program's place. The legislature will certainly consider the recommendations the task force must submit at the start of the 2009 when crafting legislation for a new teachers' mentor assistance program.

### ***Teacher Certification***

The Program Review and Investigations Committee will likely submit recommendations arising from its study of the state's teacher certification system. The committee may propose legislation to address how the State Department of Education implements teacher certification, including for out-of-state teachers, and the department's administration of statutory continuing education requirements for teachers.

### ***Higher Education and Workforce Development***

***Workforce Development for a Changing Economy.*** The state's rising unemployment rate has put a spotlight on workforce development issues. The legislature is likely to consider ways to encourage job growth, particularly in high-skill, high-tech industries. This may include proposals to (1) encourage more students to pursue degrees in high-

technology fields, (2) align higher education programs and curricula with the needs of these industries, and (3) retool the existing workforce to help workers upgrade their skills and move into these fields.

***College Affordability and Access During the Economic Downturn.***

The economic downturn presents a number of challenges for the state's public and private colleges and universities and for students and families seeking higher education. As unemployment rates rise, college becomes more attractive than the job market and laid-off workers need retraining. Colleges will likely see an increase in the number of students applying for financial aid. This issue is further compounded by (1) tightening credit standards that adversely affect a student's or family's ability to secure student loans and (2) the possibility of declining state support for student financial aid programs.

Thus, the legislature faces the challenge of cutting costs while maintaining access to higher education and preparing the state's workforce for a changing economy.

***UConn Health Center.*** Last session, the legislature charged the UConn Health Center (UCHC) with developing a plan to partner with an area hospital or hospitals to support medical education in the state. In November, UCHC announced a principal partnership with Hartford Hospital that will include the development of a University Hospital located on two campuses in Hartford and Farmington. In addition, it announced the creation of the Connecticut Health Collaborative, which will include UConn, Hartford Hospital, St. Francis, the Hospital of Central Connecticut, and Connecticut Children's Medical Center.

The Connecticut Academy of Science and Engineering, which is under contract to act as an independent monitor during the planning process, must deliver its final report on UConn's proposed affiliations to the legislature by January 30, 2009. The legislature will likely consider the proposed partnership and collaborative proposals in the coming session.

- Read OLR's reports:  
*"Interdistrict Magnet School Students from Nonparticipating Districts"* [2008-R-0684](#)  
  
*"Teacher Salary Increases and Performance"* [2008-R-0616](#)  
  
*"Educational Requirements for a Professional Educator Certificate"* [2008-R-0524](#)

*“Teacher Certification Regulations, Education Department Policies and Teacher Assessment Under the BEST Program”* [2008-R-0485](#)

*“Sheff v. O’Neill Stipulated Agreement”* [2008-R-0368](#)

*“Discipline Data for Bridgeport, Hartford, and New Haven”*  
[2008-R-0370](#)

*“New ECS Grants and Minimum Budget Requirement”*  
[2007-R-0436](#)

- Read PRI’s reports:  
*“Beginning Educator Support and Training Program”*  
[http://www.cga.ct.gov/2007/pridata/Studies/PDF/BEST\\_Final\\_Report.PDF](http://www.cga.ct.gov/2007/pridata/Studies/PDF/BEST_Final_Report.PDF)  
  
*“Teacher Certification Program Implementation, Findings and Recommendations”*  
[http://www.cga.ct.gov/2008/pridata/Studies/PDF/Teacher\\_Certification\\_F&R.PDF](http://www.cga.ct.gov/2008/pridata/Studies/PDF/Teacher_Certification_F&R.PDF)

## **ENVIRONMENT**

### ***Bottle Bill***

Legislators are expected to try once more to claim for the state an estimated \$24 million a year from unredeemed beverage container deposits. That money, from the nickel deposits that consumers pay but do not redeem each year on an estimated 500 million bottles and cans, now goes to soda and beer distributors, who say they need it to help run the recycling program. The legislature rejected Governor Rell’s proposal to obtain these unclaimed deposits in the November 2008 special session.

Connecticut’s bottle deposit law does not apply to disposable water bottles, although according to the Beverage Marketing Corporation, annual per capita bottled water consumption in the United States more than doubled from 13.5 gallons to more than 29 gallons in the past decade. Efforts to expand the bottle deposit law to include water bottles have so far been unsuccessful, but could resume in 2009. Legislators may also seek to increase the current nickel deposit to a dime.

- Read OLR’s reports:  
*“Bottle Bill Backgrounder”* [2008-R-0637](#)

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

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

### **Clean Water Fund**

The Clean Water Fund provides grants from General Obligation (GO) bonds to municipalities for planning, design, and construction of wastewater treatment plants. These plants help reduce (1) high nitrogen levels in Long Island Sound and (2) contamination in waterways caused by the discharge of both sewage and storm water from combined sewer systems.

In 2007, the legislature authorized \$90 million each in FY 08 and FY 09 in GO bonds. The Clean Water Fund Advisory Work Group has stated that annual GO bond authorizations of about \$130 million are needed to fund new projects over the next five years. There may well be proposals for this additional GO bonding in 2009.

- 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](#)

### **Toxic Chemicals**

Legislators adopted lead limits for children’s products in 2008, but did not adopt a proposed ban on two other chemical compounds in products meant for children: bisphenol-A and phthalates. Legislators may raise the issue again in 2009.

- Read National Conference of State Legislatures (NCSL) report on bisphenol-A: [NCSL on bisphenol-A](#).
- Read Centers for Disease Control fact sheet on phthalates: [CDC on phthalates](#)

### **Face of Connecticut**

The Face of Connecticut is a comprehensive approach to preserve and protect farmland, open space, and historic sites and develop brownfields. With the state’s financial resources limited, legislators and advocates may try and make the case in 2009 that investing in brownfield development is one way for the state to ensure future economic growth and job creation.

- Read OLR's PA Summary:  
*"AAC the Face Of Connecticut Steering Committee, the Preservation Of Farmland, a Municipal Grant Program For Development Projects, Loans for Brownfield Purchasers and Tax Exemptions for Open Space Land Held by or for Certain Corporations"* [PA 08-174](#)

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

With the state seeking additional sources of funding for the Department of Environmental Protection, the legislature may look again at the idea of a marine fishing license. The state already requires a license to fish in fresh water, but recent proposals to create a similar license for marine fishermen have not met with success. Revenues from a saltwater license program would go to the Environmental Conservation Fund, which funds fishing and wildlife programs and marine fishery management. Federal law requires state fishermen to join a national saltwater registry by 2011 unless the state enacts its own saltwater fishing program before then.

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

Several of the state's resources recovery plants will or may become privately owned in the years to come. The legislature may seek to address the possible impact this will have on solid waste disposal costs for towns, and for achieving the state's recycling goals.

- Read the Program Review and Investigations Committee's September 2008 report on Resources Recovery Facilities Ownership: [Resources Recovery Facility Ownership Briefing](#)

### ***Riverfront Protection***

Bills to increase protections of inland wetlands areas (HB 5603) and lands adjacent to rivers (SB 362) failed to win legislative approval in the 2008 session. These bills, or variants of them, may resurface in 2009.

- Read OLR's Bill Analyses:  
*"HB 5603"* [Bill Analysis 2008 HB 5603](#)  
  
*"SB 362"* [Bill Analysis 2008 SB 362](#)

## **FINANCE**

### ***State Revenue***

Connecticut's revenue is falling, leading to projections of major General Fund deficits for the current fiscal year (FY 09) and the next three fiscal years (FY 10 – 12). On November 14, 2008 OFA projected a net decline of \$446.0 million (2.6%) in FY 09 General Fund revenue from the levels assumed in the FY 09 adopted budget (see BUDGET CRISIS above). OFA also projected a further drop of 2.1% from already reduced levels in FY 10 followed by a small increase of 1.5% in FY 11. The projections are for slow growth or actual declines in the state's major taxes: income, sales, and corporations.

Faced with these revenue shortfalls, the legislature could see proposals for increasing tax rates; tax surcharges; reducing or eliminating exemptions, credits, and deductions; and extending taxes to new items, services, and activities. These proposals may be tempered by concerns about slowing consumer and business activity in the state as a result of the global economic crisis. In addition, revenue declines may be offset by additional federal aid from a proposed national stimulus package that may be passed in early 2009.

### ***Bonding***

Debt service on bonds cost the state more than \$1.54 billion or 10.6% of the General Fund budget in FY 09. Since debt service is a fixed cost, it reduces the legislature's spending discretion and, in a time of projected budget deficits, crowds out other programs. In 2009, the legislature may be torn between calls to stimulate the state's economy by funding large infrastructure projects and an urge to pull back on borrowing to reduce long-term costs and pressure on future budgets.

### ***Special Transportation Fund***

Like the General Fund, the Special Transportation Fund (STF) is experiencing revenue declines from the economic slowdown, the consequent drop in oil prices and reduced gas sales as people drive less. OFA is currently projecting that the STF's FY 09 revenues will be \$84.6 million lower than budgeted and that the fund will see an operating deficit of \$73.2 million. Though deficits can be offset for a time by the fund's cumulative surplus, OFA is projecting the fund's cumulative balance will go into deficit in FY 10 as expenditures continue to outpace

revenues. Because the STF pays for transportation infrastructure improvements, its finances may constrain the state's ability to use such projects to stimulate the economy (see TRANSPORTATION Below).

### ***Municipal Finances***

The state's fiscal position, the slowing economy, and tight credit markets will put pressure on municipal finances. If the legislature is forced to freeze or reduce municipal aid, it will put pressure on local budgets and property taxes. To help mitigate this effect, the legislature may consider diversifying municipal revenue by allowing towns to impose other taxes or fees in addition to property taxes. It may also call for towns to cooperate more to reduce overall expenses for providing services. Finally, the legislature may see calls to eliminate property tax exemptions and extend the higher rate for the municipal real estate conveyance tax, which is currently scheduled to expire on July 1, 2009.

- Read OLR's reports:
  - "Lottery Revenue"* [2008-R-0672](#)
  - "Income Tax Deduction for Medical Expenses"* [2008-R-0591](#)
  - "Backgrounder on State Tax Amnesties"* [2008-R-0595](#)
  - "State Fuel Taxes and Exemptions"* [2008-R-0525](#)
  - "Film Industry Tax Credit"* [2008-R-0410](#)
  - "State Income Tax on Pensions"* [2008-R-0413](#)
  - "State Tax Changes, 1990-2008"* [2008-R-0408](#)
  - "State Income Tax on Nonresidents Gambling Winnings"* [2008-R-0673](#)
- Read OFA's reports:
  - "Connecticut Tax Expenditure Report, January 2008"* [CT Tax Expenditure Report, January 2008](#)
  - "Connecticut's Capital Budget Report, January 2007"* [Capital Budget Report 2007](#)
- Read PRI's report:
  - "Connecticut's Tax System, January 2006"* [CT Tax System, January 2006](#)



## **GOVERNMENT ADMINISTRATION AND ELECTIONS**

### ***Government Administration***

Given the budget deficit, the legislature may see proposals concerning government efficiency, consolidation, and reorganization.

### ***Early Voting***

Currently 31 states permit no excuse, in-person early voting at election officials' offices and, in some states, other satellite locations. Connecticut is not one of them. Connecticut allows only electors with a valid reason for doing so to cast their votes before an election by submitting an absentee ballot. The Government Administration and Elections (GAE) committee and the legislature may review proposals to amend the state constitution to allow for no-excuse early voting.

### ***Campaign Finance***

The 2008 state election was the first time all legislative candidates could choose to run under the state's public financing system, known as the "Citizens' Election Program." The GAE Committee and the legislature may consider proposals to address programmatic problems and restructure grants under the program to reduce costs.

### ***Election Administration***

The committee will likely consider several elections-related issues, including some that it heard during the 2008 session. For example, it may again hear proposals to (1) change the process for filling U.S. Senate vacancies and (2) lower the threshold for filing campaign finance statements electronically. The committee may also review proposals for enhanced voter privacy when using the relatively new optical scan voting machines.

### ***Ethics***

The committee may review ethics legislation introduced, but not enacted, in past sessions, including such changes as expanding the list of people required to file statements of financial interests, increasing the threshold for lobbyist registration, and prohibiting public officials from taking official actions that benefit their employers.

## **HEALTH AND HUMAN SERVICES**

### ***Improving the Health Care System and Access to It***

Two task forces created by 2007 legislation, the HealthFirst Connecticut Authority and the Statewide Primary Care Access Authority are scheduled to make their recommendations to the General Assembly in December. The HealthFirst Authority has been examining ways to expand state residents' access to affordable health care, improve quality, contain costs, and pay for any changes it suggests. It has been considering pooling arrangements; value-based plan design; employer and individual mandates; medical home, chronic disease management, and provider pay-for-performance programs; and electronic prescribing medical record systems, among many other issues. It may recommend creating a quasi-public agency to set policy for, and administer aspects of, its recommended reforms.

The Primary Care Access Authority's mission is to develop a system of universal primary care for state residents that can be implemented by July 2010. It is taking an inventory of the state's primary care workforce and physical infrastructure and may also recommend ways to enhance that workforce and infrastructure.

In addition, various advocacy groups may produce their own plans for health care system reform.

### ***HUSKY and Charter Oak Health Plan***

The HUSKY program and new Charter Oak Health Plan have experienced a considerable amount of turmoil during the last several months as the Department of Social Services (DSS) has attempted to transition HUSKY recipients back into full-risk managed care, while at the same time placing Charter Oak members in these plans. Concerns about the adequacy of provider networks is the main issue that the advocates have raised, with gaps evident in certain parts of the state.

Some have called for DSS to issue a new request for proposals that would separate the two programs, which a 2008 bill attempted unsuccessfully. They believe that de-linking the programs will make one or the other more attractive to providers.

The 2009 General Assembly will likely be called upon to address this issue to ensure that accessibility to health care for HUSKY recipients and the previously uninsured is not jeopardized.

- Read OLR's report:  
"HUSKY and Medicaid" [2008-R-0615](#)

### ***Social Service Programs and The Economic Downturn***

Many of the human services programs, in particular Medicaid, consume significant portions of the state's budget. Yet the economic climate here may place even greater demands on these programs if the recession deepens. The 2009 legislature could be faced with cutting some of these programs, such as by reducing eligibility or benefit levels. It may also need to increase funding levels to ensure that the programs can accommodate new enrollees.

### **HOUSING**

The legislature will likely see proposals to expand affordable housing opportunities, particularly in the current economic downturn with increasing foreclosures, while preserving existing units (e.g., the state financed housing portfolio). The legislature's Responsible Growth Working Group's Economic Development Subgroup will make recommendations in the near future to preserve existing housing in smart growth locations and emphasize the ongoing need for affordable housing.

Additionally, the affordable housing appeals procedure that allows developers to appeal to Superior Court if a zoning board or commission denies an affordable housing application may again generate competing proposals to both to weaken and strengthen its provisions.

- Read OLR's reports:  
"Affordable Housing Land Use Appeals Procedure" [2008-R-0056](#)  
  
"Affordable Housing Land Use Appeals Procedure and Deed Restrictions" [2008-R-0614](#)

### **INSURANCE**

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

As in recent sessions, the Insurance and Real Estate Committee and the legislature may 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, 33 jurisdictions have joined the compact. For more information, visit the compact's website at: <http://www.insurancecompact.org/>.

- Read OLR's report:  
*"Freedom of Information under the Interstate Insurance Product Regulation Compact Versus Connecticut Law"* [2008-R-0210](#)

### ***Cost and Adequacy of Health Insurance Policies***

The legislature may consider bills that would require a cost-benefit analysis of existing and proposed health insurance benefit mandates (laws requiring an insurance company or health plan to cover specified benefits, health care providers, and eligible patient populations). It may also consider adding or revising benefit mandates. Opponents of mandates believe the laws increase the cost of insurance, while advocates argue they make health insurance more comprehensive.

- Read OLR's report:  
*"Proposed and Enacted Mandated Insurance Benefits in Connecticut and Medicare Benefits"* [2008-R-0326](#)

## **LABOR AND PUBLIC EMPLOYEES**

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

In each of the last two years, 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. In each of these years, the Senate passed a version that would apply to all employers with 50 or more employees, but the House did not vote on it.

The legislature is likely to consider some form of this bill in 2009 to address concerns about (1) employee health and (2) sick employees working in food preparation and other settings where there is a potential for the spread of disease.

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

House leaders say they will introduce a bill to open the state employee health plan to municipalities in order to provide towns with the option of joining the state plan to insure their employees at a lower premium. The idea aims to take advantage of the greater purchasing power of the large state employee insurance pool.

Last session the legislature passed PA 08-183 to open the state employee plan to municipalities and other employers. It was vetoed by the governor and the legislature did not attempt to override the veto.

- Read OLR's reports:  
*"State Employee Health Insurance Programs Open to Local Government Employees"* [2008-R-0067](#)  
  
*"Impact of Pooling State and Local Employees for Health Insurance"* [2008-R-0463](#)  
  
*"Contractual Obligations Regarding State Employee Health Insurance Pool"* [2008-R-0108](#)

## ***Bullying in the Workplace***

In each of the last two sessions, the legislature has considered legislation to prohibit bullying in the workplace. The bills were intended to prohibit workplace harassment, intimidation, humiliation, or verbal abuse that a reasonable person would consider offensive and that is unrelated to the employer's legitimate business. They would give those who suffer from bullying the right to bring their employer to court to seek redress.

This year, some legislators are considering bringing a narrower version of the bill that would only cover state employees.

- Read OLR's report:  
*"Bullying and the State Zero Tolerance Policy for Workplace Violence"* [2008-R-0623](#)

## **PLANNING AND DEVELOPMENT**

### ***Smart Growth***

During the interim, a group of legislators, together with representatives of municipalities, developers, and land use organizations, formed a working group to address the issue of smart growth. The working group focused on economic development, land use, regional efficiency, and tax policy. Its recommendations include (1) establishing a consensus definition of smart growth and a state policy that smart growth will be a guiding principle for policy makers and practitioners in development decisions, (2) encouraging higher density commercial and residential development, (3) establishing and fund a long-term planning program for the state and increasing the resources of the OPM Planning Division to develop and oversee the resulting state strategic plan, (4) increasing the resources of the Office for Responsible Growth to provide greater technical assistance and support to municipalities in advancing smart growth principles, and (5) creating special land use court. The group is also considering recommendations to broaden municipal taxing authority and to allow municipalities to tax land and improvements at different mill rates. For more information, see the working group's website at: [Smart Growth Forum](#).

## **PUBLIC SAFETY**

### ***Firearms and the Second Amendment***

Now that the U.S. Supreme Court has held that the Second Amendment protects an individual's right to bear arms separate and apart from military service, the legislature may choose to look at whether any of the state's gun laws impermissibly burden the exercise of this right. This may include looking at registration requirements, background checks, waiting periods for purchasers, places where guns may be carried, and the kinds of people allowed to possess guns.

- Read OLR's report:  
"Summary of *D.C. v. Heller*" [2008-R-0578](#)

### ***Assault Weapons***

In light of a case involving an eight-year-old who shot and killed himself at a "Machine Gun Shoot and Firearms Expo" at the Westfield Sportsmen's Club in Massachusetts, the legislature may reexamine its laws governing assault weapons and machine guns, particularly as they relate to minors.

- Read OLR's report:  
"Shooting Range Safety Standards" [2008-R-0624](#)

## **TRANSPORTATION**

### ***Status of the Special Transportation Fund (STF)***

Although the STF is currently in an annual deficit status, its cumulative surplus has been sufficient to result in a net surplus at the end of the fiscal year. Based on current estimates, the cumulative surplus will be exhausted in FY 09 and a deficit of more than \$70 million is projected. The STF funds most of the state's transportation programs, with the exception of Bradley International Airport. The fund's status has been further affected in recent months by smaller-than-expected revenues from the petroleum products gross receipts tax, due largely to falling gasoline prices. The legislature may have to address the STF's solvency at some point during the next session.

- Read OFA's reports:  
"FY 09 - FY 12 General Fund and Transportation Fund Budget Projections and Fiscal Information, November 14, 2008"  
[November 14, 2008 Projections and Fiscal Information](#)  
  
"Fiscal Forecast Presentation to the Appropriations & Finance Committees, November 18, 2008" [Fiscal Forecast 2008](#)

### ***Implementing 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 the purchase of almost 350 new rail cars for the Metro North rail commuter service and construction of a major new car maintenance facility in New Haven. The new rail cars should begin to arrive in mid-2009. In 2006, the legislature 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, expanded bus services, 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 new initiatives, as well as many others, may become a major issue for the legislature, particularly the car maintenance facility, the estimated cost of which has more than doubled to over \$1 billion since the authorization for it was approved in 2005. How to implement them within a financially constrained environment will likely continue to be a legislative priority as well as a major challenge.

- Read OLR's reports:  
    "*New Haven-Hartford-Springfield Rail Service Project*" [2008-R-0489](#)  
  
    "*Summary of Major Provisions of Connecticut/Metro North Rail Car Purchase Agreement*" [2006-R-0678](#)

### **Tolls and "Congestion Pricing"**

The legislature has funded a study by the Transportation Strategy Board to look at issues and options relating to tolls as a way to manage congestion and raise revenue. This congestion pricing study is due for submission to the board by its study consultant in February 2009. Federal law restricts ways in which states may utilize tolls, particularly on the Interstate Highway System. Once the study is completed, it is likely to provide impetus to a debate on tolls in the legislature.

- Read OLR's report:  
    "*Revenue From Tolls in Northeastern States*" [2006-R-0700](#)

### **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, highway safety issues are an annual focus of legislative interest.) Major legislation affecting teen drivers was adopted in 2008, but many other issues like drunk and drugged driving, inattentive driving, speeding, truck safety, photo-based enforcement of speeding and red light violations, and identifying problem drivers come up virtually every legislative session. 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. Additionally, 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.

Finally, whether small electric-powered motor vehicles known as “neighborhood electric vehicles” should be allowed to operate legally on public roads may become an issue in the next session. Interest in these types of vehicles increased when the cost of gasoline reached all-time highs earlier this year. The legislature last considered a bill on low speed vehicles in 2005.

- Read OLR’s reports:
  - “*DUI-Connecticut Law*” [2008-R-0512](#)
  - “*Summary and Explanation of the Three Legislative Proposals of the Drunk Driving Work Group*” [2008-R-0150](#)
  - “*Low Speed Electric Vehicles*” [2008-R-0432](#)
  - “*Neighborhood Electric Vehicles*” [2008-R-0479](#)
  - “*Open Container Laws*” [2008-R-0128](#)
  - “*Right-Turn-on-Red Pedestrian Fatalities*” [2008-R-0336](#)
  - “*Speeding Fine Comparison for Connecticut, New York, Pennsylvania, and Virginia*” [2008-R-0027](#)
  - “*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](#)
  - “*Vision Screening for Drivers’ License Renewals*” [2008-R-0051](#)
  - “*Truck Weight Inspection Stations*” [2006-R-0076](#)
  - “*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](#)

## **VETERANS**

An extensive federal report has concluded that roughly one in four of veterans of the 1990-91 Gulf War suffer from Gulf War illness. That illness is a condition now identified as the likely consequence of exposure to toxic chemicals, including pesticides and a drug administered to protect troops against nerve gas. The legislature may look at ways to help Connecticut veterans get more help with this issue.

JH:df