

Office of Legislative Research
Connecticut General Assembly



OLR MAJOR ISSUES

2012-R-0479



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 executive branch agencies; and our general subject matter knowledge.

OLR compiled this report on the major issues for the 2013 session in consultation with OFA and LCO. Except for the Appropriations Committee issue description, which was provided by OFA, the issue descriptions below were written by OLR analysts.

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We list the issues according to the committee in whose jurisdiction they primarily fall. Since more than one committee may consider aspects of the same issue, descriptions may overlap. Where appropriate, we provide links to OLR reports and other on-line documents that provide additional information about particular issues.

AGING

Aging in Place

Like many states, Connecticut is confronting a growing elderly population, high nursing home Medicaid costs, and an increasing desire among seniors to remain in their own homes while receiving care (i.e., “aging in place”). A task force established by [SA 12-6](#) may make legislative recommendations to help the state encourage aging in place initiatives that provide seniors with the necessary support services to remain in their own homes as they age, allowing them to delay or avoid entering long-term care facilities.

APPROPRIATIONS

Budget Projections

On November 15, 2012, OFA projected a General Fund deficit of \$320.7 million in FY 13, which represents about 1.7% of total estimated expenditures. In addition, OFA projected deficits over the next three years ranging from \$934.1 million to \$1,138.1 million. For FY 13, the deficit is made up of two components: expenditures and revenue. Expenditures are \$195.7 million higher than originally budgeted and revenues are \$128.1 million less than originally budgeted. Table 1 shows the overall budget outlook for FY 13 through FY 16.

Table 1: Budget Outlook (\$ in millions)

	FY 13	FY 14	FY 15	FY 16
Estimated Expenditures	\$19,335.8	\$20,861.7	\$22,048.7	\$23,070.7
Estimated Revenue	19,015.1	19,723.6	21,032.3	22,136.6
Surplus/(Deficit)	(320.7)	(1,138.1)	(1,016.4)	(934.1)
% of Estimated Expenditures	-1.7%	-5.8%	-4.8%	-4.2%

It should be noted that \$93.3 million is currently available in the Budget Reserve Fund (BRF). However, [PA 12-104](#) requires that, at the Office of Policy and Management's (OPM) request, \$15 million be transferred from the BRF to the General Fund to offset a FY 13 revenue loss from an amendment to the Indian casino compact. As of this writing, this request has not been made although the consensus revenue estimates agreed to by OFA and OPM on November 9, 2012 assumed this transfer. Were this transfer to take place, \$78.3 million is anticipated to be available after the close of the fiscal year to fund a deficit. In addition to the potential BRF transfer of \$78.3 million, it is anticipated that approximately \$3 million of carry-forward funds from prior years will lapse and help to reduce the estimated FY 13 deficit.

The state is scheduled to convert to a Generally Accepted Accounting Principles (GAAP) basis of accounting on July 1, 2013. OPM has indicated that it intends to implement GAAP by creating line items for accruals in each agency rather than incorporating it into agency operational accounting methods. Due to the availability of information on GAAP accruals, our projections for FY 14 to FY 16 include OPM's calculations of these accruals which range from \$85.4 million in FY 14 to \$124.6 million in FY 16.

Spending Cap

The state is under the spending cap in the current year, assuming no FY 13 deficiency appropriations are made. Calculations for the out-years are based on Current Services estimates of all appropriated funds, and assume that expenditure amounts in excess of the cap are not built into the subsequent year's base for cap calculation purposes. Table 2 shows the spending cap figures.

Table 2: Spending Cap Calculations (\$ in millions)

Items	FY 13	FY 14	FY 15	FY 16
Appropriations Allowed by Cap	\$20,685.3	\$21,093.2	\$21,694.0	\$22,396.0
Estimated Expenditures	20,543.0	22,455.1	23,708.7	24,802.2
Over/(Under) the Cap	(142.2)	1,361.9	2,014.7	2,406.2

*The FY 13 total appears to not add up due to a rounding effect.

Long-Term Obligations

Unfunded liabilities are legal commitments incurred during the current or a prior year that must be paid at some time in the future but for which no reserves have been set aside. Connecticut's unfunded obligations are primarily in four areas: (1) bonded indebtedness (debt outstanding), (2) state employees' and teachers' retirement, (3) state employees' and teachers' post-employment benefits, and (4) the GAAP deficit. The state's unfunded liabilities total \$63.9 billion, a decrease of 10.3% from last year's reported amount of \$71.2 billion, primarily due to a decrease in the Other Post-Employment Benefits unfunded liability. Table 3 includes the unfunded liabilities for these four areas.

Table 3: Long-Term Obligations (\$ in billions)

Unfunded Liabilities	Amount
Debt Outstanding	\$19.3
State Employee Retirement System (SERS)	11.0
Teachers' Retirement System	11.1
State Post Employment Health and Life	18.0
Teachers' Post Employment Health	3.0
Generally Accepted Accounting Principles Deficit	1.5
Total	63.9

- Read OFA's Fiscal Accountability Report:

[*Fiscal Accountability Report to the Appropriations and Finance Committees as required by CGS Sec. 2-36b*](#), November 15, 2012

BANKS

Assistance for Homeowners Facing Foreclosure

[PA 12-1](#) from the June Special Session made it easier for homeowners to qualify for the state's emergency mortgage assistance program. However, because the high foreclosure rate continues, the legislature may consider additional ways to help homeowners facing possible foreclosure.

- Read OLR's Reports:

[2010-R-0019](#), *Effects of Foreclosure Crisis in Connecticut*
[2011-R-0331](#), *Foreclosure Mediation Program*

CHILDREN

Childhood Obesity

Childhood obesity is a problem nationally as well as locally. According to the Department of Public Health (DPH), nearly one in six Connecticut kindergarteners and third graders are overweight and almost the same number of kids are obese. The Connecticut Coalition Against Childhood Obesity, which includes 30 member organizations, met in November 2012 to discuss the health implications and policy solutions for this epidemic. The Select Committee on Children may wish to consider some of these solutions during the upcoming legislative session.

COMMERCE

Refocusing International Trade Promotion

With an economic dark cloud looming over Europe, Connecticut's Department of Economic and Community Development (DECD) is making plans to increase trade in new, emerging markets, such as Brazil's and China's. But it takes time and money before trade contacts turn into trade deals. For one thing, businesses must learn the legal and cultural rules for doing business in these nations. Consequently, legislators may consider proposals to establish trade and liaison offices in emerging market nations or send trade missions there.

Playing to Connecticut's Bioscience Strengths

In 2013, the legislature may consider more options for sustaining Connecticut's bioscience industry, which, in 2008, contributed over \$14 billion to the state's economy and employed almost 10,000 people. In 2011, the legislature approved a \$291 million package for Jackson Labs, symbolizing the state's commitment to this industry. But nurturing and sustaining any major industry cluster takes more than capital for new facilities and grants for research and development. It also involves training researchers and technicians and fostering closer collaboration between businesses and colleges and universities.

- Read OLR's Reports:

[2011-R-0365](#), *Connecticut's Bioscience Industry*

[2011-R-0374](#), *Assistance for Pfizer and Jackson Labs*

Regulatory Reform

Environmental regulations are a double-edged sword, protecting the public's health and safety while potentially increasing businesses' operating costs. Since 2010, the legislature has enacted many initiatives that attempt to ease the regulatory burden without compromising environmental protection, including establishing a permit ombudsman position and having qualified professionals certify stormwater general permits. In 2013, the legislature may evaluate the effects of these initiatives and consider new ones.

Capital for Small Businesses

When the subprime mortgage crisis rippled through the financial sector, banks tightened credit, crimping businesses' plans to expand plants, purchase machinery and equipment, and hire more workers. The legislature responded by creating new programs designed to accelerate capital flows, especially to cash-strapped small businesses. Because the demand for credit exceeds the available supply, the legislature may look for ways to replenish the capital flow.

EDUCATION

Education Funding

At \$1.9 billion, the Education Cost Sharing (ECS) program is the largest form of state aid for public education. The current state budget increased ECS funding to Connecticut's towns by \$50 million, with most of the funds going to the districts with the greatest educational need. In 2013, the legislature will consider changes to the funding formula used to distribute ECS aid.

At the start of the 2013 session, the ECS Task Force will present recommendations for formula changes to the legislature. With the budget constraints of recent years, the legislature has not revised or updated the formula since 2007. This year, the task force's recommendations may prompt the legislature to consider formula revisions such as (1) changing the way the formula measures student need (currently it gives extra weight for poverty and English language learners), (2) increasing the per student foundation amount, and (3) making increases in aid contingent on demonstrating student improvement and meeting other conditions. The task force is also considering whether to make funding for magnet and charter schools part of the formula.

- Read OLR's Reports:

[2012-R-0063](#), *ECS Task Force Interim Report*
[2012-R-0101](#), *Education Cost Sharing Formula*

Achievement Gap

Connecticut has one of the largest gaps in student academic achievement between white students and minority students in the country. This has been a growing concern for the legislature and has been the focus of the Achievement Gap Task Force, which is set to release a second round of recommendations in January. The recommendations are likely to include proposals for (1) implementing a master plan to end the achievement gap, (2) improving early childhood literacy, (3) improving programs for English language learners, and (4) lengthening the school day or school year to provide additional class time for struggling students. The legislature will likely weigh the options and decide which ones, if any, should be adopted.

- Read OLR's Reports:

[2011-R-0301](#), *Achievement Gap in Connecticut and Surrounding States*
[2012-R-0281](#), *Status of Achievement Gap Task Force Recommendations*
[2012-R-0388](#), *Four Commissioner's Network School Turnaround Plans*

Magnet Preschool Funding

Should school districts whose 3- and 4-year-old students go to pre-school programs at an interdistrict magnet school be required to send tuition to the magnet school for educating the child? The state used to insist that they did, but in September the State Board of Education (SBE) voted that, for the current school year, the state will pay instead. The SBE's hand was forced by school districts that asked for a declaratory ruling arguing that since they were not required by law to offer full-day pre-K, the state had no authority to require them to pay tuition for a child whose parents chose to send the youngster out of town. (In August, a state-appointed hearing officer agreed with the plaintiffs.)

But the SBE's funding decision only applies to the 2012-13 school year. That leaves a long-term solution, with its \$4 million price tag, up to the General Assembly.

The situation is further complicated by the fact that all-day pre-K in the Hartford area helps lure suburban white students to magnet schools that help address the *Sheff v. O'Neill* court settlement's desegregation goals. In *Sheff*, the state Supreme Court ruled that racial isolation caused educational inequities for Hartford's minority students. Free all-day pre-K is a major attraction for parents, and it is seen as a strong inducement to get suburban students into magnet schools serving the Hartford area. Possible options for the legislature to consider include requiring (1) the state to pay the tuition; (2) the sending towns to pay; (3) parents to pay, possibly on a sliding scale; or (4) some combination of the above.

- Read OLR's Report:

[2011-R-0454](#), *Comparison of State Laws and Funding for Four Types of Choice Schools*

Sheff Settlement

Under the *Sheff v. O'Neill* school desegregation court settlement, the state is required to meet specific desegregation goals for Hartford public school students. Recently, the State Department of Education (SDE) reported it fell 4% short of the goal of at least 41% of Hartford students attending integrated schools. This means the state and the *Sheff* plaintiffs must now negotiate a new settlement. In the meantime, SDE has submitted a plan to OPM that includes additional funding for *Sheff* solutions but acknowledges that the plan may change depending upon the outcome of the negotiations. In any case, the legislature may face the task of whether to approve (1) actions necessary to work toward the goals of the new settlement, (2) SDE's plan, (3) some combination of the two, or (4) another approach.

SDE's plan, now under consideration at OPM, includes (1) a higher reimbursement for districts that reach certain enrollment thresholds for accepting more Hartford students, (2) opening two new magnet schools, and (3) possibly opening a new charter school. But the legislature must weigh such ideas against the cost of implementing them given the ongoing budget constraints.

If the state fails to comply with the court settlement on *Sheff*, the other alternative is for the courts to mandate a remedy.

- Read OLR's Report:

[2008-R-0368](#), *2008 Sheff v. O'Neill Stipulated Agreement*

ENERGY AND TECHNOLOGY

Storm Response

While Hurricane Sandy resulted in fewer outages than the 2011 storms (Tropical Storm Irene and the October snowstorm) and power was restored more quickly, the effect of three major storms in 14 months will likely prompt proposals to further improve the utilities' preparations for and response to major storms. Among other things, legislation may be proposed to address the vulnerability of electric substations and other key facilities.

- Read OLR's Reports:

[2012-R-0053](#), *Two Storm Panel's Report on 2011 Outages*

[2012-R-0330](#), *PURA Docket on Utility Storm Response*

[2012-R-0488](#), *PURA Decision on Utility Company Outage Performance Standards*

Comprehensive Energy Strategy

[PA 11-80](#) required the Department of Energy and Environmental Protection (DEEP) to prepare a comprehensive energy strategy addressing a wide range of issues. The draft strategy proposes to use gas company ratepayer money and other funds to encourage residents and businesses who heat with oil to convert to natural gas. It also proposes (1) substantially expanding funding of energy efficiency programs, (2) modifying the relationship between utility sales and rates (i.e., "decoupling"), and (3) developing financing programs to make residential renewable energy investments more affordable. The legislature may discuss the energy strategy and consider legislative options derived from its proposals.

- Read DEEP's Draft Comprehensive Energy Strategy:

[2012 Comprehensive Energy Strategy for Connecticut \(draft for comment\)](#), October 5, 2012

- Read OLR's Reports:

[2012-R-0478](#), *OLR Backgrounder: Promoting Natural Gas Use in Connecticut - Potential Benefits, Costs, Risks, and Uncertainties*

[2012-R-0484](#), *DEEP Draft Comprehensive Energy Strategy*

ENVIRONMENT

Coastal Management

In February 2012, the House speaker created a legislative task force to study and make recommendations regarding storm impacts on homeowners and businesses on Connecticut's shoreline. According to its website, the Shoreline Preservation Task Force's mission is to study the effects of climate change on efforts to preserve Connecticut's shoreline. It is charged with reviewing sea-level rise data and identifying solutions that will protect families, keep businesses open, and provide municipalities with tools to address shoreline issues. It is expected that the task force will forward recommendations to the General Assembly for consideration during the 2013 legislative session. Additional proposals about coastal management are anticipated because of the effects of the state's most recent storm, Hurricane Sandy.

- Read OLR's Report:

[2012-R-0418](#), *Sea-Level Rise Adaptation Policy in Various States*

Assorted reports about storm preparation and response are available on OLR's [Natural Disaster Focus Area](#) webpage.

Genetically Modified Organisms

Last session, the Environment Committee favorably reported a bill, [HB 5117](#), that, among other things, would have required the labeling of certain foods that are genetically engineered, or have been produced or may have been produced by genetic engineering. After the 2012 session, the House speaker formed a legislative task force to examine the issue of

genetically modified organisms (GMOs) in food and whether food containing GMOs should be labeled. The Environment Committee may be asked again to consider a proposal that would require the labeling of foods containing GMOs or foods produced by genetic engineering.

Hunting

Bills have been proposed to allow Sunday deer hunting in certain circumstances since at least 2006. Most recently, [sSB 83](#) (2012) would have permitted Sunday deer hunting with a bow and arrow. Such hunting (1) would have to be according to DEEP wildlife management principles and practices and (2) could not take place within 40 yards of a blazed hiking trail. And if such hunting was on private property, the hunter would have to receive the property owner's written consent and carry it while hunting. In 2013, the Environment Committee is likely to again consider matters related to deer hunting.

In addition, several local news stories have reported on the increased number of bear sightings in Connecticut. DEEP [reports](#) that from November 2, 2011 to October 18, 2012, there were 2,756 reported bear sightings in the state. This has raised some discussion about whether Connecticut will establish a bear hunting season and the Environment Committee may see proposals for such a hunt.

FINANCE, REVENUE AND BONDING

Business Tax Reform

In recent sessions, the legislature sought to improve the state's business climate, grow its economy, and create jobs. In 2012, the governor formed a Business Tax Policy Task Force to identify specific changes in the state's business taxes that would promote these goals. The legislature may consider the group's proposals, which include (1) phasing out the business entity and minimum corporate income taxes; (2) standardizing apportionment, factor weighting, and sourcing requirements that multi-state companies must use to calculate their Connecticut corporate income tax liability; (3) requiring an annual budget for total tax credits authorized and claimed by businesses; and (4) decreasing the sales tax on consumer and business-to-business purchases.

- Read the Business Tax Policy Task Force’s recommendations:

[*Business Tax Task Force Report: Simpler, Fairer, Smarter & Growing Connecticut's Economy*](#), September 27, 2012

- Read OLR’s Reports:

[*2011-R-0007, Guide to Connecticut’s Business-Related Tax Credits*](#)
[*2012-R-0414, Corporation Tax Income Apportionment Formulas*](#)

Evaluating Tax Expenditures

The legislature may consider reevaluating the costs and benefits of the various tax exemptions, credits, deductions, and other “tax expenditures” that reduce the revenue the state and municipalities collect. Proposals may include (1) reducing or eliminating particular tax expenditures, (2) evaluating their economic impact, or (3) requiring those benefiting from tax expenditures to disclose more information about themselves and their business and employment practices.

- Read OFA’s Report:

[*Connecticut Tax Expenditure Report*](#), January 2012

- Read OLR’s Reports:

[*2012-R-0271, Business Tax Credit Disclosure in Other States*](#)
[*2012-R-0325, State Limits on Business Tax Credits*](#)

Temporary Tax Provisions Expiring

The legislature may be asked to extend a number of temporary tax provisions enacted in 2011 or substitute other measures to preclude state revenue losses in FY 14. These include the (1) 20% corporation tax surcharge expiring at the end of the 2013 income year; (2) electric generation tax expiring on June 30, 2013; and (3) lower limit for tax credits allowed against the insurance premium tax that expires at the end of 2012.

- Read OLR’s Reports:

[*2011-R-0261, 2011 Acts Affecting Taxes*](#)
[*2012-R-0202, 2012 Acts Affecting Taxes*](#)

Motor Fuel Taxes

In 2012, the legislature capped the amount of gross earnings from gasoline and gasohol sales subject to the petroleum products gross earnings tax. In 2013, it will likely consider bills to (1) delay or eliminate an increase in the tax rate from 7% to 8.1%, currently scheduled to take effect on July 1, 2013 and (2) limit the types of petroleum products to which the tax applies.

There may also be proposals to modify the way the state calculates the diesel tax rate. The current calculation method is partially based on the petroleum products tax rate and has led to increases in five of the six years since it was enacted.

- Read OLR's Reports:

[2012-R-0034](#), *Petroleum Products Gross Earnings Tax*

[2012-R-0320](#), *2012 Diesel Tax Increase*

[2012-R-0442](#), *Products Subject to the Petroleum Products Gross Receipts Tax*

GENERAL LAW

Alcohol Pricing

The Competitive Alcoholic Liquor Pricing Task Force, established by [PA 12-17](#), was tasked with examining, reviewing, and analyzing Connecticut's alcoholic liquor taxes, quantity and volume discounts, existing liquor permit restrictions, and minimum pricing and price posting laws. There may be proposals introduced during the 2013 legislative session to alter the alcohol minimum pricing laws based on the task force's findings.

Price Gouging

The law prohibits retailers from raising the price of any item offered for sale in an area covered by a disaster or transportation emergency declaration that the president or governor issues ([CGS § 42-230](#)). In the aftermath of Hurricane Sandy, there may be proposals to expand the scope of the current price gouging laws to include services. Such a bill proposed in response to situations that occurred after Tropical Storm Irene and the October snowstorm failed last year ([SB 60](#)).

GOVERNMENT ADMINISTRATION AND ELECTIONS

Campaign Finance

In 2012, the governor vetoed [PA 12-117](#), which, among other things, would have:

1. expanded reporting, attribution, and disclaimer requirements for entities and individuals making independent expenditures;
2. defined “campaign-related disbursements” and “covered transfers” and established reporting requirements for them; and
3. raised the limits on various contributions from individuals to political committees (known as PACs) and party committees.

This session, the legislature may consider similar legislation to provide for increased disclosure of political spending.

Constitutional Restrictions on Election Administration

In 2012, the legislature passed a resolution ([RA 12-1](#)) proposing a constitutional amendment to (1) remove restrictions on voting by absentee ballot and (2) permit a person to vote without appearing at a polling place on Election Day. The resolution also lifts the constitutional deadlines by which the lists of results (i.e., moderator’s returns) for state officers and General Assembly members must be delivered to town clerks and the secretary of the state (within three and 10 days after an election, respectively). The statutory deadlines remain in place ([CGS § 9-314](#)).

Because the resolution did not pass by a three-fourths vote in each chamber, it will be referred to the 2013 legislative session, where it must again pass each chamber by a majority vote in order to appear on the 2014 general election ballot. If a majority of those voting in the general election approves the amendment, it will become part of the state constitution.

- Read OLR’s Report:

[2012-R-0379](#), *History of Absentee Voting in the State Constitution*

Public Private Partnerships and Confidentiality

The law authorizes state agencies to enter into agreements with private entities to finance, design, construct, develop, operate, or maintain certain facilities (i.e., public private partnership (P3) agreements). However, firms seeking to enter into P3 agreements often insist on maintaining confidentiality, as recently seen with a P3 proposal for the Stamford Transportation Center. The legislature may consider proposed legislation that seeks to balance the principle of open government with the private entities' desire for confidentiality.

- Read OLR's Report:

[2012-R-0002](#), *Public Private Partnership Oversight*

Agency Reorganizations

In the last biennium, the governor proposed, and the legislature enacted, several pieces of legislation to reorganize state government, which resulted in reducing the number of budgeted state agencies from 81 to 60. In 2013, the legislature may consider further reorganization proposals, including a possible merger of the Department of Administrative Services and the Department of Construction Services.

- Read OLR's Report:

[2011-R-0491](#), *2011 Agency Reorganizations*

HIGHER EDUCATION AND EMPLOYMENT ADVANCEMENT

Board of Regents for Higher Education

[PA 11-48](#) reorganized the state system of higher education by establishing a Board of Regents for Higher Education (BOR) to serve as the governing body for the Connecticut State University System, the community-technical colleges, and Charter Oak State College. As part of its oversight of the reorganization, the legislature may address recent issues concerning salary increases in the BOR central office and the employment status of the community college presidents.

Workforce Needs

Section 37 of [PA 11-1](#), October Special Session, requires the Connecticut Academy of Science and Engineering (CASE) to (1) study strategies for evaluating the effectiveness of programs and resources for assuring the state's skilled workforce meets business and industry's current and future needs and (2) report its findings, by January 1, 2013, to the Higher Education, Commerce, Education, and Labor committees. The General Assembly may consider measures that implement CASE's recommendations.

HOUSING

Department of Housing

[PA 12-1](#), June Special Session, established the Department of Housing (DOH) and made it the lead agency responsible for all housing matters. It also established an Interagency Council on Affordable Housing to advise and assist the department's commissioner. The legislature is likely to consider the council's recommendations, due to the governor and committees of cognizance by January 15, 2013, concerning (1) transferring programs from DECD to DOH, including a timeline for implementation; (2) changing the state's housing delivery systems; and (3) prioritizing housing resources.

Increased Rental Housing Demand

Demand in the U.S. housing market appears to be shifting from a preference for owning toward one for renting. This is especially true among young people, immigrants, and individuals who lost homes in the foreclosure crisis. Because of increased demand, rental vacancy rates have dropped and prices have increased.

The legislature may thus look at ways that the state can help finance and develop rental housing, particularly affordable rental housing. For example, it may reconsider legislation increasing the authorized aggregate tax credits for the Housing Tax Credit Contribution program under which businesses qualify for credits in exchange for contributions to nonprofit organizations developing low- and moderate-income housing. It may also consider proposals to rehabilitate and maintain public housing units to prevent them from becoming uninhabitable and the state's affordable housing portfolio from shrinking.

HUMAN SERVICES

Department of Social Services Administrative Capacity

The Department of Social Services (DSS), and the Medicaid program in particular, continue to consume a large portion of the state budget as more and more residents apply for public assistance. Yet the department often has had difficulty administering its myriad of federal and state programs in a timely manner and is currently being sued for these failures. While the department is undergoing a modernization project to alleviate the backlog, which should include an electronic application process, it is not clear when and if this will fully address the problem.

A number of factors could place an even greater strain on agency resources. First, the federal Affordable Care Act's expansion of Medicaid to individuals with incomes of up to 138% of the federal poverty level is set to occur in January 2014. Thousands more will become eligible for assistance on that date. Second, the recession and the weather events of 2011 and 2012 have forced more individuals to reach out to DSS for aid and enrollments have soared. And third, the agency is in the midst of converting its Medicaid program to a "medical home" model.

The convergence of these and other factors could force the 2013 legislature to take a closer look at the department's administrative capacity.

INSURANCE AND REAL ESTATE

Adverse Determinations

Legislation adopted last session ([PA 12-102](#)) expanded the information health insurers must provide to covered persons or their authorized representatives, upon request, when they make an adverse determination (e.g., deny coverage), both in the initial determination and reviews of this determination. It is likely that legislation will be proposed this session to require insurers to continue to cover a patient's medical treatments or medications while his or her appeal of a determination is pending.

Dispute Resolution after Catastrophes

The Insurance Department is likely to submit proposed legislation to establish a formal mechanism for the non-adversarial mediation of disputes between a homeowner and his or her insurer for the settlement of a claim arising under the homeowner's policy following a major catastrophe for which the governor has declared a state of emergency.

Health Insurance Premium Rate Review Process

In 2011, the legislature enacted and the governor vetoed [PA 11-170](#), *An Act Concerning the Rate Approval Process for Certain Health Insurance Policies*. The act would have imposed new requirements on insurers and the Insurance Department with regard to health insurance rates, including requiring a public symposium on certain rate filings. Subsequently, the Insurance Department and healthcare advocate reached an agreement that allows the healthcare advocate to request the department to conduct up to four public hearings per calendar year for insurance rate increases of at least 15% for individual and small group HMO policies. In 2012, insurers requested rate increases that approached but did not trigger the 15% threshold. Legislators may seek to introduce bills in 2013 to codify the agreement, with possible revisions.

JUDICIARY

Certificate of Merit

By law, before filing a medical malpractice lawsuit, a claimant or attorney must obtain an opinion letter from a health care provider similar to the defendant, stating that there appears to be evidence of malpractice (the letter is sometimes referred to as a certificate of merit). In recent years, the legislature has considered bills that would make changes to this requirement, such as expanding the types of health care providers who are qualified to offer the opinion letter. The legislature may again consider this issue.

Common Interest Communities

The legislature may also consider bills addressing various issues that concern condominiums and other common interest communities. For example, last session, the governor vetoed legislation ([PA 12-180](#)) that would have changed the requirement for budget approval for certain large common interest communities. This session, the legislature may

again revisit the law's approval requirements for common interest community budgets. Under existing law, such a budget is approved unless a majority of all unit owners (not just a majority of those participating in the vote) votes to reject it.

Criminal Justice

A number of criminal justice proposals will likely be introduced in the 2013 session. These might include expanding reentry programs for inmates returning to the community, increasing the use of electronic monitoring for offenders in the community, and managing the prison population.

Legislators may propose changes to the risk reduction earned credits law. Inmates can earn these credits to reduce their sentences and become eligible for parole sooner. Such proposals could include changing how inmates qualify for the credits or prohibiting inmates convicted of certain crimes from earning them.

The legislator may debate altering provisional pardons, which relieve an offender of certain barriers to employment because of a criminal conviction. It has considered changing these pardons in recent years and the Sentencing Commission may submit a proposal this year. Proposals include (1) changing their name to certificates of relief from barriers, (2) allowing them to relieve a person of barriers related to public housing, and (3) allowing courts to issue them as well as the Board of Pardons and Paroles.

A recent state Supreme Court case (*State v. Fourtin*, 307 Conn. 186) upheld the Appellate Court's reversal of a man's conviction for sexually assaulting a woman with severe disabilities. The majority opinion concluded that the state failed to prove that the victim was physically helpless (physically unable to communicate her lack of consent), as was required by the statute under which the man was charged. Proposals may be introduced to amend the statutory definition of "physically helpless" or otherwise change the sexual assault laws to afford greater protection to persons with disabilities.

- Read OLR's Report:

[2012-R-0474](#), *Summary of State v. Fourtin*

Drug Free Zones

The Sentencing Commission may submit a proposal on what is often referred to as the “drug free zone law,” which imposes higher penalties for drug crimes near schools, day care centers, and public housing. The legislature has considered bills on this topic for a number of years, including proposals to shrink the size of the zones and eliminate the zones around public housing.

Juveniles and Sentences to Life Without Parole

In response to recent U.S. Supreme Court opinions, changes to juvenile sentencing laws may be considered by the legislature during the 2013 session. In 2010, the Court ruled that the Eighth Amendment prohibits sentencing a defendant younger than 18 to life without the possibility of release for a non-homicide crime. The Court ruled that states must provide a “meaningful opportunity” for release based on demonstrated maturity and rehabilitation (*Graham v. Florida*, 130 S.Ct. 2011). This year, the Court ruled that the Eighth Amendment prohibits automatically imposing a sentence of life without parole on offenders who committed homicides while under age 18. The Court did not categorically bar these sentences, but required consideration of how children are different (*Miller v. Alabama*, 132 S.Ct. 2455).

In Connecticut, juveniles who are tried as adults can be sentenced to life without the possibility of release for committing murder with special circumstances (previously capital felony). The Sentencing Commission is considering how these rulings impact Connecticut’s laws and what changes should be made. The commission will likely submit a proposal to the legislature for consideration this session. Other criminal justice advocates may push for additional changes.

- Read OLR’s Reports:

[2012-R-0045](#), *Summary of U.S. Supreme Court Case on Life Sentences Without Parole for Juvenile Nonhomicide Convictions*

[2012-R-0290](#), *Summary of U.S. Supreme Court Case on Mandatory Life Sentences Without Parole for Juvenile Homicide Convictions*

LABOR AND PUBLIC EMPLOYEES

Unemployment Compensation Fund Solvency

A prolonged period of high unemployment drove the state's unemployment compensation fund to insolvency in October 2009, forcing it to borrow roughly \$1 billion from the Federal Unemployment Account. Federal stimulus legislation provided these loans interest-free through 2010, but Congress has not further acted to extend the interest-free period or delay repayment requirements.

In August 2011, federal law required employers to begin repaying interest on the loans through a special assessment of roughly \$25 per full-time employee. In January 2012, the law required employers to begin repaying the loan's principal through a 0.3% unemployment tax increase. As of September 2012, the state had repaid over \$270 million of the loan with a balance of \$630 million remaining. Due to the reduction in the loan principle and lower interest rates, employers were charged about \$19.50 per full-time employee in the August 2012 Special Assessment to pay interest on the loan. However, employers' unemployment taxes will continue to increase 0.3% annually until the loan is repaid.

The legislature may want to address this situation and any future difficulties with the unemployment compensation fund's solvency by considering ways to (1) pay off the federal loans at a lower total cost, (2) increase the unemployment fund's financing, (3) reduce unemployment benefits, or (4) enact some combination of these.

PLANNING AND DEVELOPMENT

Property Tax Reform

Towns across the state continue to face fiscal stress as their capacity to generate property tax revenue cannot keep pace with the rising cost of providing local services. They often seek more from homeowners and businesses by taxing them at higher rates in order to continue providing the same level of services. As rising property taxes become an increasingly contentious issue for municipalities and the legislature, legislators may consider property tax relief proposals, including:

1. eliminating the property tax, or imposing a statewide property tax, on motor vehicles;

2. shifting the source for funding certain municipal services from a local to a state tax base;
3. freezing or subsidizing property taxes for vulnerable taxpayers, such as the elderly or low-income people;
4. addressing the way municipalities assess property taxes in an attempt to apportion the tax burden more fairly among types of property;
5. restraining increases in property taxes by limiting the amount municipalities can levy; and
6. diversifying municipal revenue by allowing towns to impose other taxes or fees in addition to property taxes.

- Read OLR's Reports:

[2004-R-0095](#), *Property Tax Reform Options*

[2010-R-0484](#), *OLR Backgrounder: Indicators of Municipal Fiscal Stress*

[2012-R-0086](#), *Statewide Motor Vehicle Property Taxes*

[2012-R-0098](#), *Property Tax Revaluation*

PUBLIC HEALTH

Scope of Practice

This session, the legislature may consider changes to the scope of practice for various health professions, including homeopaths, medical assistants, and nuclear medical technologists. Under a process established in 2011, scope of practice review committees created by DPH review and evaluate requests by health care professions seeking to change or establish a scope of practice. The review committees then provide findings to the Public Health Committee.

PUBLIC SAFETY AND SECURITY

Gambling

A September 2011 [ruling](#) by the U.S. Department of Justice (DOJ) appears to clear the way for Internet wagering not involving sports. Many say Internet gaming is an idea whose time has come. Also, last August a U.S. District Court judge in New York ruled that poker is a game of skill

and not chance (*U.S. v. Dicristina*, 2012 WL 3573895 (E.D.N.Y. August 21, 2012)). The legislature may debate legalizing Internet gaming and poker, in light of the ruling, its growing popularity, and what some claim to be a potential source of generating revenue.

- Read OLR's Reports:

[2011-R-0476](#), *OLR Backgrounder: Current Connecticut Gambling Issues*

[2012-R-0077](#), *Questions on Internet Gambling and Keno*

Firearms

Growing concern about the increase in gun violence throughout the country may spur the legislature to review the state's gun laws and address gun control issues.

- Read OLR's Reports:

[2011-R-0074](#), *Firearm Registration*

[2011-R-0137](#), *OLR Backgrounder: Firearm Preemption Issues - Does Connecticut Law Preempt Municipal Firearm Ordinances?*

[2012-R-0061](#), *Gun Violence Reduction in Small U.S. Cities*

Electronic Defense Weapons

Increasingly, police are using electronic defense weapons, including Tasers, which are intended to be a non-lethal alternative to deadly force. The legislature may look at creating statewide standards for their use in light of (1) the increasing number of Taser-related injuries, (2) increasing use of the weapons, and (3) the aggressive marketing of the weapons to the civilian market.

- Read OLR's Reports:

[2012-R-0038](#), *Summary of National Institute of Justice: Study of Deaths Related to the Use of Conducted Energy Devices*

[2012-R-0463](#), *Stun Guns and Firearms*

State Police Staffing

Amidst controversy, during the 2012 June Special Session the legislature removed the minimum 1,248 state police staffing requirement and authorized the Department of Emergency Services and Public Protection commissioner to determine and set the staffing level. The Program Review and Investigations Committee must submit a report by January 9, 2013, giving him standards to use to set the level. The legislature may revisit this issue during the 2013 session.

- Read OLR's Reports:

[2012-R-0071](#), *Summary of Case Challenging Number of State Police Troopers*

[2012-R-0112](#), *History of State Police Staffing Statute*

[2012-R-0118](#), *Number of Connecticut State Police Officers on Force*

Filming of Police Activity

A [statement](#) by the U.S. DOJ has made it clear that federal law protects citizens' rights to videotape police officers performing their official duties. Legislation to allow people to sue police officers who try to stop such filming failed in both the 2011 and 2012 sessions ([SB 245](#) and [sSB 1026](#), respectively). The legislature may again address the issue this year.

TRANSPORTATION

Red Light Cameras

Proposals allowing towns to install red light cameras will likely resurface in the 2013 session. The cameras would record vehicles that run red lights and the photographs would be used as evidence in ticketing violators. Proponents say the cameras would improve safety; opponents argue that the cameras raise privacy concerns. Other arguments revolve around how effective the cameras are in reducing crashes and whether they would be used more to raise revenue than improve safety.

Bills that would have allowed towns that met certain population thresholds to install red light cameras failed in both the 2011 and 2012 sessions ([sSB 706](#) and [sHB 5458](#), respectively).

- Read OLR's Reports:

[2010-R-0073](#), *Red Light and Speed Cameras*

[2011-R-0113](#), *Red Light Camera Enforcement Cases*

[2011-R-0285](#), *Traffic Enforcement Cameras*

[2012-R-0213](#), *Traffic Calming Measures Used in Conjunction with Red Light Cameras*

Tolling Route 11

Bills that would have established temporary tolling to pay for an 8.5 mile extension of Rt. 11 failed in both the 2011 and 2012 sessions, but the proposal is likely to be back on legislators' calendars in 2013. The previous bills ([HB 6200](#) and [SB 289](#), respectively) would have allowed the state to use the toll revenue to extend Rt. 11 from Salem to I-95 in East Lyme and Waterford. The measures failed, in part, because opponents expressed concern that their passage would open the door to tolling on other highways in the state.

A Department of Transportation (DOT) study of the proposed Rt. 11 extension may come into play in 2013. DOT and its consulting firms are conducting an environmental impact and engineering study of the proposed extension, as well as looking into the feasibility of using electronic tolling to pay for all or part of it.

- Read OLR's Reports:

[2009-R-0122](#), *Understanding Tolls in Connecticut*

[2010-R-0446](#), *Running Out of Gas: The Future of Transportation Finance*

VETERANS' AFFAIRS

Employment

Studies suggest that employment for veterans will become an urgent issue as the nation's involvement in Iraq and Afghanistan winds down and more people look for civilian employment after completing their military service. Some states have introduced programs to address the concern. Last session, the legislature raised [sSB 251](#), which would have

established the Unemployed Armed Forces Member Subsidized Training and Employment Program to provide grants to subsidize businesses' costs in hiring unemployed veterans. Similar legislation may be proposed during the 2013 legislative session.

Homelessness

Veterans consistently represent 10% of people staying in Connecticut's emergency shelters and transitional housing programs, according to the Connecticut Coalition to End Homelessness. During the 2012 legislative session, a Veterans' Affairs Committee bill ([HB 5374](#)) would have established a foster home pilot program to provide transitional housing opportunities to homeless veterans and their families. This year, the legislature may again see this proposal and weigh other options to provide housing for homeless veterans.

- Read OLR's Report:

[2012-R-0495](#), *Homeless Veterans and Programs*

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