

Impact of Governor's Budget Proposal on Town of Simsbury

1. **Financial impact:** aggregate state revenue drops \$19,425 from current year, held flat both years
 - PILOT up \$37,802
 - Indian Gaming \$: down \$18,012
 - TAR: down \$48,816
 - LOCIP (Local Capitol Improvement) : up \$384
 - Public school Transportation: up \$7,631
 - Non-public school transportation: up \$1,208
 - Adult education: up \$379
 - ECS – flat at \$5,367,517
 - State match on school construction cut: top rate now 80%, cut to 65%

2. **Bond Money:** Bond requests passed in legislation but not yet authorized by Bond Commission cut, including money for Simsbury:
 - \$1mln for Ethel Walker
 - \$450 for Meadowoods
 - \$200,000 for Tariffville green and park

3. **Mandate Relief:**
 - Delays juvenile justice initiative to 2012
 - Allows towns and Board of Ed to extend expiring labor contracts to June 30, 2011 at current wages
 - Increases arbitrator's disregard of reserve funds from 5% to 10%
 - Limits topics of collective bargaining to wages, benefits, safety (not work conditions)
 - Does not allow unions to bargain on topic of whether or not to regionalize
 - Allows multi-municipality contract negotiations
 - Prohibits CGA from enacting any mandates unless 2/3 majority approve
 - Allows reports and notices to be posted on web in lieu of newspapers
 - Suspends requirement to post minutes on web until Jan 2010 and then allows 30 days after meetings to make the postings

- Delays in-school suspension rule

4. Regionalization:

- Cuts funding for regional planning agencies (CCROG)
- Establishes regional incentive grants – \$40 mln total, up to \$3 mln grants: must involve 3 or more towns and serve over 50,000 people
- Cuts state subsidies for local boards of health and consolidate health districts
- Regionalizes Community and Social Services Block grants and employment services grant
- 10% bonus in LOCIP money for towns that regionalize
- 10% bonus in TAR for towns that regionalize
- Establishes Municipal Capital Expenditure Purchase (MCEP) grant program for regional purchases of major equipment (\$10 mln)
- Fix impediments to regionalize by allowing just one town attorney to review/approve a joint project and administer the contract, on behalf of all the involved towns

5. Other:

- Towns might get some money from expanded bottle bill: if they collect recyclable bottles and cans at curbside, towns get up to 3.5 cents per container.

Will this be the final budget? **NO**. This budget leaves big gaps.

- Additional \$2.6 billion gap still to close
- Rainy day fund likely to be used up
- This budget makes cuts that won't be sustainable
 - E.g. services to low income seniors on ConnPACE,
 - folks on Medicaid despite federal maintenance of effort requirement for bail-out money
- No new taxes, but many increases in fees and new fees
- Many one-time revenue sources – only 1/3 gap closed by expenditure cuts, 2/3 by one time funds