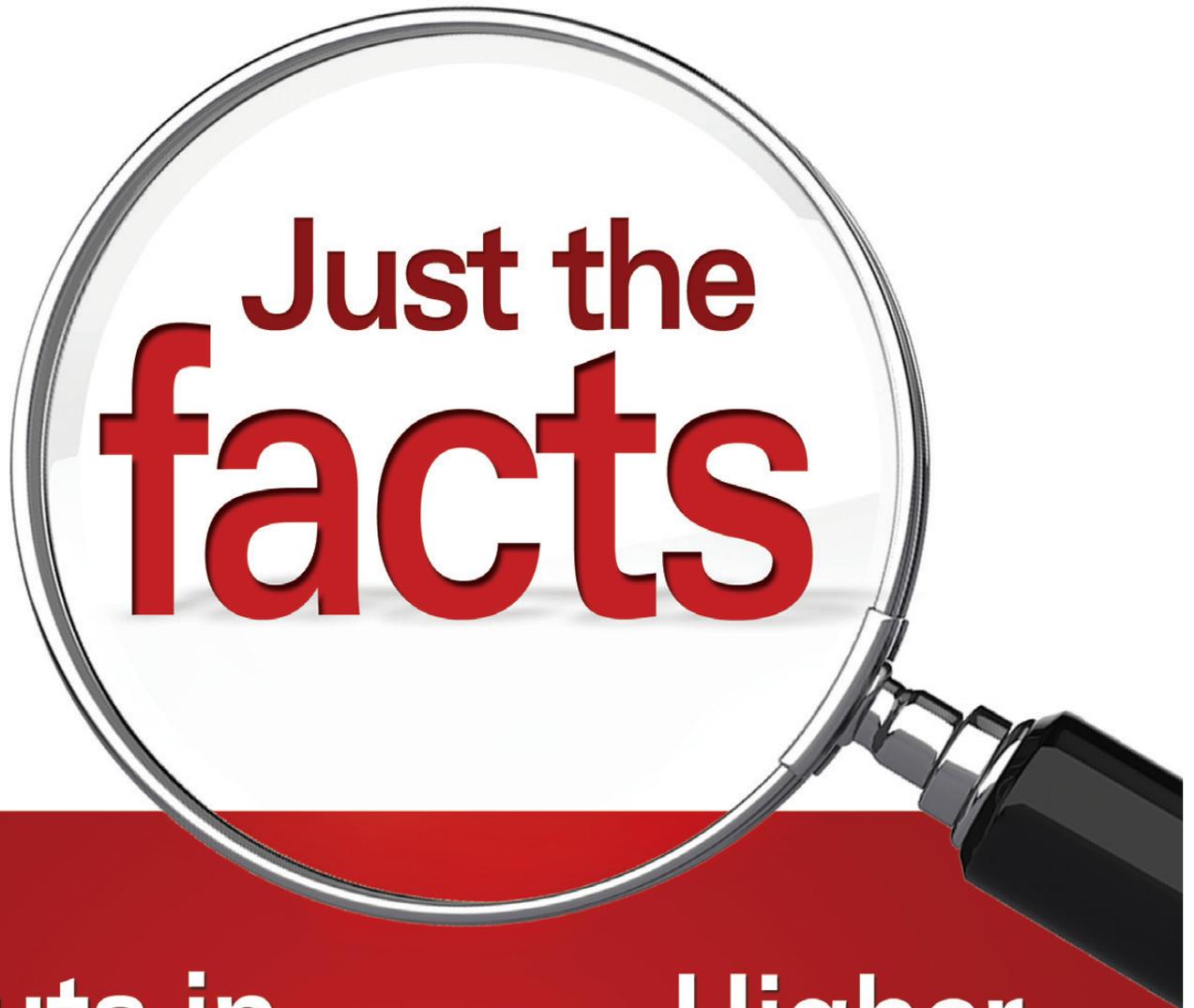


# CCM's 2013 State Legislative Priorities



Cuts in  
Municipal  
Aid = Higher  
Property  
Taxes



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# Preserving the Foundation for a More Prosperous, Competitive Connecticut:

Maintain Funding Commitments to Towns & Cities, Reform Education Finance, Modify Onerous Mandates, and Protect the State-Local Partnership



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## CCM State Legislative Priorities

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“First, do no harm.” This ancient admonition is also the plea of Connecticut towns and cities in 2013. CCM urges the Governor and the General Assembly to protect the revitalized State-Local Partnership that has developed over the last two years. **Despite the fiscal challenges facing the State, let’s not turn back the clock by balancing the state budget on the backs of municipalities and local property taxpayers.** At a minimum, maintain – at current levels – revenue sharing and funding to municipalities during the next biennium. Healthy towns and cities are the foundation of a more prosperous and competitive Connecticut.

While long-term recovery is the goal in this stalled economy, mere survival remains the order of the day for towns and cities. Municipalities across our state provide the public services that matter most to our people and businesses. The State has made considerable efforts over the past two years to help municipalities stay afloat during the most challenging fiscal time since the Great Depression. Connecticut residents and businesses would be hurt badly if such investments were withdrawn.

Now is the time to **reform our broken and inequitable education finance system.**

Now is the time to **provide reasonable and meaningful relief from onerous state mandates.**

Now is the time to **encourage inter-municipal and regional cooperation.**

Towns and cities are doing their part. Municipalities across our state have enacted painful budget cuts and are making preparations for additional cuts. Deep cuts in services and massive layoffs have occurred in Connecticut’s central cities – with the prospect of additional cuts and layoffs on the horizon.

**Maintain current state funding commitments. Ensure that every town and city has the means to provide a world-class PreK-12 public education. Free up precious local resources by enacting meaningful mandates reform. Continue to encourage municipal collaboration. Such bedrock state investments will ensure that municipalities can help our young people and others find jobs, participate in civic affairs, and lead productive lives. The quality of life and future of our great state depend on it.**



Reforming PreK-12 public education *finance* is key to property tax reform in Connecticut. Chronic state underfunding of PreK-12 public education is the single largest contributor to the overreliance on the property tax in our state. The ECS grant alone is underfunded by over \$700 million. Special-education costs are now approaching \$2 billion per year and impose staggering per-pupil cost burdens on host communities. Connecticut is the most reliant state in the nation on property taxes to fund PreK-12 public education.

1. **Correct state underfunding of regular education programs by:**
  - Increasing the **ECS foundation level** to reflect the real cost of adequately educating students tied to a statutorily identified cost index.
  - **Increasing the State Guaranteed Wealth Level (SGWL).**
  - Using more current and accurate **data to measure town wealth and poverty.**
  - Using free and reduced-price meal eligibility instead of Title I as a more accurate **student poverty measure.**
  - Phasing in **full funding of the grant over a reasonable period of time.**
  
2. **Correct state underfunding of special education programs by:**
  - Decreasing the **Excess Cost reimbursement threshold** to at most 2.5 times the district's average per-pupil expenditure.
  - Paying 100 percent of **marginal costs for severe-needs students**, statewide, without equalization.
  - Shifting the **burden of proof** to the plaintiff in due process hearings (as is the case in most other states).

3. **Correct state underfunding of school districts with significant student-performance challenges by:**
  - Increasing funding for **categorical grants.**
  - Expanding **school district and school eligibility for these programs** to ensure that all performance gaps are addressed.
  - Expanding **state technical assistance** to such districts.
  
4. **Account for the wide disparities in municipal service demand (municipal overburden) by:**
  - Adding a component to the ECS formula to **equalize for municipal service demand** and corresponding impacts on municipal budgets.
  
5. **Reduce the cost burden of costly unfunded and underfunded state education mandates by:**
  - Reviewing the continued appropriateness of such **mandates** and modifying or eliminating them as needed. Stop using the MBR to make up for chronic state underfunding of PreK-12 public education.
  
6. **Continue to meet the statewide need for school construction and renovation by:**
  - Maintaining the State's unparalleled funding commitment to ensure that aging schools are renovated and replaced to meet school district needs and higher technology and quality standards.

**Just the facts**  
  
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**State Underfunding of Education = Higher Property Taxes**



## Enact Mandates Reform

There are currently over 1,200 state mandates on towns and cities in Connecticut. Most of these state mandates are unfunded. They burden residential and business property taxpayers with significant costs and siphon precious resources from local services. The State should eliminate or modify unfunded and underfunded mandates.

1. Enact a Constitutional amendment or **prohibition to prohibit the passage of unfunded or underfunded state mandates without a 2/3 vote of both chambers of the General Assembly.**
2. **Allow municipalities to defer revaluations** to (a) provide savings from the cost of conducting them, and (b) provide a measure of relief to hard-pressed residential property taxpayers.
3. Require the **Mortgage Electronic Registration Systems (MERS) to file mortgage assignments with municipal clerks** to (1) enable homeowners facing foreclosure to know who owns their homes

and (2) prevent MERS from avoiding recording fees that costs municipalities and the State tens of millions of dollars each year.

4. **Modify state-mandated compulsory binding arbitration laws** under the Municipal Employee Relations Act (MERA) and the Teacher Negotiation Act (TNA) to make the process fairer for towns and cities and their property taxpayers.
5. **Amend the State's prevailing wage rate mandate:** (a) adjust the thresholds for renovation construction projects from \$100,000 to \$400,000; (b) adjust the thresholds for new construction projects from \$400,000 to \$1 million; and (c) index both thresholds for inflation thereafter.
6. Modify the requirements for posting legal notices in newspapers to allow municipalities the **ability to publish notice of the availability of a particular document on their website**, instead of having to publish the entire document.



## Encourage Intermunicipal and Regional Collaboration

State financial and technical assistance incentives for increased intermunicipal and regional collaboration should be maintained. The new Regional Performance Incentive Grant – funded through a share of the state Hotel Tax and state Car Rental Tax – is a great foundation upon which to build stronger incentives and support for cooperative efforts. Providing towns and cities with the tools and authority to deal with service delivery, revenue, and other issues on a regional basis would result in increased efficiencies.

1. Maintain state financial and other incentives for cost-effective intermunicipal and regional cooperation. Empower Councils of Government (COGs) to:
  - **deliver services** on a regional basis;
  - **negotiate multi-municipal master**

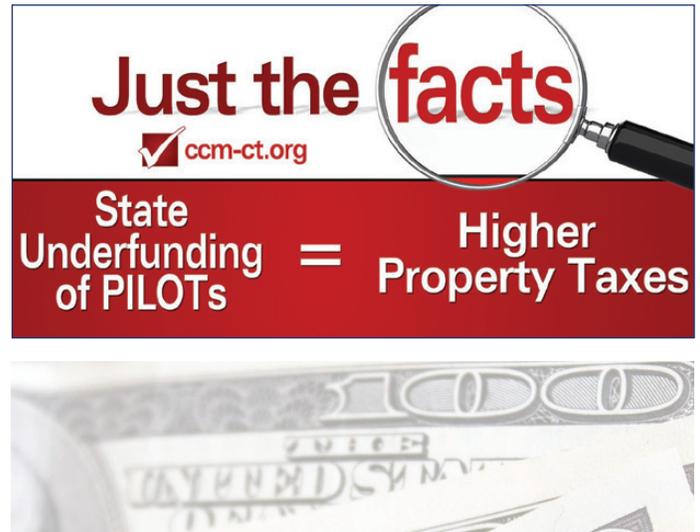
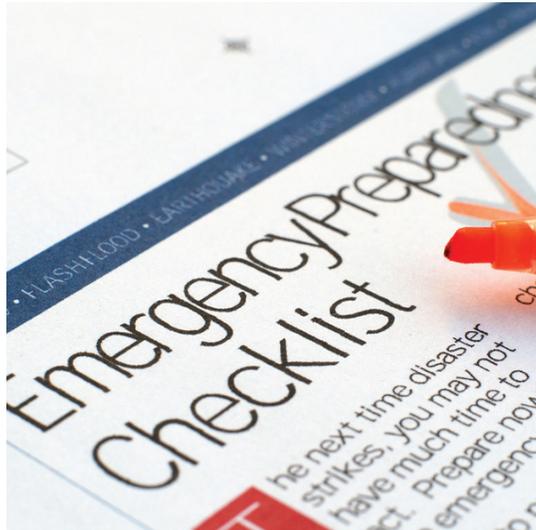
**contracts** with municipal employee and teacher unions; and

- **make land use decisions** on regionally-significant projects.
2. Encourage regional cooperation and local efficiencies by at least funding the **Regional Performance Incentive Grant** at the FY 12 level of \$8.6 million. The fund was gutted in December 2012, as part of the Deficit Mitigation package. Previously, the grant funded only a small percentage of proposals.
  3. **Reinvest in planning and technical assistance capacity at OPM** to assist RPOs and municipalities in collaborative efforts.
  4. **Provide that DEMHS conduct a comprehensive after-action report within 60 days** of any major emergency that includes review of, and feedback from,

various state agencies, regional entities, and towns and cities. Focus should be on performances on communication, information sharing and overall emergency management structures before, during, and after such storms.

5. Improve municipal access to, and governance of, the state “**Nutmeg Network**”. This statewide broadband

network is the backbone for all future operations and information sharing, and can serve as the major platform for regionalism. **Ensure network has (a) a more efficient, precise governance structure with municipal representation, and (b) equitable connectivity rates for municipalities to allow for all intra- and inter-municipal connections.**



**Provide Targeted Assistance to Struggling Towns and Cities**

Connecticut’s poorer cities and towns are home to many of those hardest hit by the Great Recession. These places face many challenges: extremely high unemployment, crime, shrinking grand lists, poverty and educational disparities. Despite state budget woes, we cannot allow our struggling towns and cities to founder. Targeted investments like at least maintaining PILOT reimbursements and revenue sharing will yield huge benefits to these communities – and Connecticut – for years to come.

1. **Diversify the municipal revenue base** by at least maintaining newly established local-state revenue sharing partnerships. This reduces municipalities’ reliance on the property tax to meet current service needs.
2. **Establish a long-term, stable solution to maintain state reimbursements for the Manufacturing Machinery & Equipment (MM&E) PILOT.**
3. Substantive **early childhood education**

**investments to help close the Achievement Gap.**

4. Business **incubators to encourage the establishment and retention of small and moderate-size companies**, especially those owned by residents.
5. Create **a state bonding pool for small municipal borrowings** to avoid the cost of issuance for projects under \$1 million. Could be modeled after the state local bridge program with a ten-year promissory note.
6. Maintain **current levels of funding for the STEAP and Urban Act grants**, and ensure the timely disbursement of state funds by streamlining the necessary paperwork. The paperwork could mimic that for LoCIP funding.
7. Provide state **financial and technical assistance to combat recidivism.**

# Just the facts

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Cuts in Municipal Aid = Cuts in Local Services

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# CCM: THE STATEWIDE ASSOCIATION OF TOWNS AND CITIES



The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities. CCM is an inclusionary organization that celebrates the commonalities between, and champions the interests of, urban, suburban and rural communities. CCM represents municipalities at the General Assembly, before the state executive branch and regulatory agencies, and in the courts. CCM provides member towns and cities with a wide array of other services, including management assistance, individualized inquiry service, assistance in municipal labor relations, technical assistance and training, policy development, research and analysis, publications, information programs, and service programs such as workers' compensation and liability-automobile-property insurance, risk management, and energy cost-containment. Federal representation is provided by CCM in conjunction with the National League of Cities. CCM was founded in 1966.

CCM is governed by a Board of Directors, elected by the member municipalities, with due consideration given to geographical representation, municipalities of different sizes, and a balance of political parties. Numerous committees of municipal officials participate in the development of CCM policy and programs. CCM has offices in New Haven (headquarters) and in Hartford.

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