PA13-239

SB0842

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GENERAL ASSEMBLY
HOUSE

PROCEEDINGS
2013

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And the Clerk will take the tally.

THE CLERK:

One-thirty-eight, zero, twelve.

DEPUTY SPEAKER RYAN:

Will the Clerk please announce the tally.

THE CLERK:

Yes, Mr. Speaker.

In concurrence with the -- the Senate, Substitute Senate Bill 975, as amended by House "A."

Total Number Voting	138
Necessary for Passage	70
Voting Yea	138
Nay	0
Not voting	12

DEPUTY SPEAKER RYAN:

The bill passes, in concurrence with the Senate.

Are there any announcements or introductions?

Hearing none, will the Clerk please call Calendar Number 689.

THE CLERK:

On Page 33, Calendar Number 689, Favorable Report of the joint standing committee on Finance, Revenue and Bonding, Substitute Senate Bill 842, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE OF

CONNECTICUT -- OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION, ELIMINATION OF THE ACCUMULATED GAAP DEFICIT, RESTORATION [sic] OF ECONOMIC RECOVERY NOTES AND OTHER PURPOSES.

DEPUTY SPEAKER RYAN:

Representative Boukus, you have the floor, ma'am.

REP. BOUKUS (22nd):

Morning, Mr. Speaker, twice in one day.

Mr. Speaker, I move for the acceptance of the joint committee's Favorable Report and passage of the bill in concurrence with the Senate.

DEPUTY SPEAKER RYAN:

The question is acceptance of the joint committee's Favorable Report and passage of the bill in concurrence with the Senate.

Representative Boukus, you have the floor.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Mr. Speaker, the Clerk has Amendment LCO 8783. Will the Clerk please call and may I be allowed to summarize.

DEPUTY SPEAKER RYAN:

Will the Clerk please call LCO 8783, which will be designated Senate Amendment "A."

THE CLERK:

Senate Amendment "A," LCO 8783, introduced by Senator Fonfara, and Representative Widlitz.

DEPUTY SPEAKER RYAN:

The Representative seeks leave of the Chamber to summarize the amendment. Is there objection to summarization? Is there objection?

Hearing none, Representative Boukus, you may summarize the amendment.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Before I do that, I do want to add my thanks and heartfelt support for the people that made this happen. And that is Linda Miller, from OFA; Anne Carroll, from LCO; Senator Fonfara; and our wonderful House Chair of Finance, Revenue and Bonding, Pat Widlitz, for their great leadership on this; Co-chair Andrea Stillman, who did a great job in the Senate yesterday to get it passed; and especially all of the staff, especially Ken Saccente here, who's been working with me since day one and hasn't quit yet -- I -- I consider that a -- a wonderful thing -- and also to all the subcommittee members of the Finance, Revenue and Bonding Subcommittee for your

participation and work to see that this came to fruition.

Never lastly but definitely first in my heart is the Ranking Member, Livvy Floren. Livvy has been a wonderful person to work with over these years. She represents the other side of the aisle, the Republican Party, with a zest and a confirmation for the work that they do, and she has your best interest at heart at all times. And when she speaks, we listen, so I'm especially thankful for the work that she has done.

And to all of you that are in this House that have worked so hard on your bonding requests over the year for both Livvy and myself, we appreciate the work that you have done so that we can move in your best interest. I'd like you to know that we will be visited towns and communities throughout the summer; if you've got something, we'd be happy to listen to you.

With all of that, let me tell you about the bill. This bill authorized state General Obligation Bonds for various projects, capital projects, grant programs, school construction, water quality, and many other areas. It also includes in it some funding to reduce the state's accumulated deficit for GAAP. It

includes the Connecticut Bioscience Innovation Fund finance. It also talks about transfers between departments, DCS, Department of Construction Services and Administrative Services. It's a complete, comprehensive summary, should you read it, OLR.

With all of this, we are most appreciative that we have worked together, and this should be a bill that everyone has a stake in. It's a great bill and it ought to pass.

Thank you, Mr. Speaker.

I also move adoption, because that's important; thank you.

DEPUTY SPEAKER RYAN:

The question before the Chamber is adoption of House Amendment Schedule "A." Will you remark on the amendment?

Could I ask the members of the House to quiet down so we can hear each of the speakers as they tell us about their portion of the bonding package? There may be something in there you want to hear about.

Representative Fawcett, of the 133rd District, ma'am, you have the floor.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

Mr. Speaker, I have the pleasure of presenting to the Chamber this morning information on the Transportation bond package. And it's a great year in Connecticut for transportation advocates, and there's a lot of future investments, short-term and long-term that's coming to all of our communities to improve the quality of our roads and bridges and train infrastructure.

In particular, I just wanted to highlight two projects that are moving forward. One is the investment in the -- the study to expand the interchange between 91 and 84. And many of us travel through that interchange and know that it is crowded and in need of improvements.

Also, we're hoping to move forward in the first steps of investment in the train, Metro-North train infrastructure between New Haven and New York. And a lot of people in Connecticut don't know that with some needed infrastructure investment on those train tracks, we can actually reduce the commute time between New Haven and New York City by nearly an hour. And that the economic investment would be huge for the entire State of Connecticut.

I'm also very proud to share with the people of Connecticut and this Chamber that we are finally moving forward in bringing together a long-term infrastructure investment plan for the state that will look comprehensively at all of our transportation needs.

It is a great packet passage this year, Mr. Speaker, and I urge adoption.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Floren, of the 149th; you have --

REP. FLOREN (149th):

Thank you.

DEPUTY SPEAKER RYAN:

-- the floor, ma'am.

REP. FLOREN (149th):

Thank you, Mr. Speaker.

This legislation was crafted after four full days of testimony from all of our agency Commissioners and their professional staffs. It also had weeks of deliberations and decision-making meetings, conducted in a bipartisan manner, under the leadership of my colleague and very good friend, Representative Betty Boukus and the thoughtful, thorough research, by our

Finance staff, Mary Finnegan, Steve Kitowicz, Linda Miller, and Ken Saccente.

S.B. 842 offers much to admire if not wholeheartedly embrace. The bond bill takes care of deferred maintenance of our state-owned and state-occupied properties and other real assets. We fund education from preschool through college with emphasis on technical training and community colleges. We provide for an increased, affordable housing inventory. We continue our commitment to open-space preservation and protection of the environment. Earmarks have been eliminated. We repair and improve our infrastructure, and we modernize technology by upgrading and integrating programs across all agencies.

The money that we are investing will decrease duplication and increase cost savings. And this is all accomplished below 83 percent of our bond cap.

The General Bonding Subcommittee, their goals have been met, accountability, transparency, prioritization of needs, debt management, and responsible borrowing. However, I understand and I totally appreciate that many of my colleagues have a philosophical belief that Connecticut's bond levels

and debt service are just too high. As Larry would say, I get it.

However, I think that we also have a problem that we often bond to cover operating costs, and I publicly stated awhile ago that I had no ability to support this bond package in one of its earlier iterations. However, I've now realized that we can never let the perfect become the enemy of the good.

The bill before you now represents a blueprint. Not everything contained will actually reach a Bond Commission agenda. The pools of interest funds will be analyzed yearly and removed or reduced when no longer needed. Watchful justification and validity will remain the hallmarks of our General Bonding Subcommittee. Believe me, Betty Boukus leaves no line-item unturned.

I think our bipartisan effort has created this thoughtful and cost-effective document, and I urge adoption.

Thank you.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Scribner, of the 107th District; sir, you have the floor.

REP. SCRIBNER (107th):

Thank you, Mr. Speaker. Good morning.

DEPUTY SPEAKER RYAN:

Good afternoon.

REP. SCRIBNER (107th):

Is it? Wow. It's -- it's been my pleasure to serve on the Finance, Revenue and Bonding Committee for 15 years, and 10 of those years, I've also served as the leader on Transportation Bonding. And it's been, it's been a very challenging time but also a very rewarding time throughout those years, because we've made tremendous strides in improving transportation infrastructure in this state. We've also been successful at convincing the federal government to continue, even though it's been very precarious in recent years, the flow of federal funding that adds a tremendous supplement to what we commit to here in the State of Connecticut.

When we had the Transportation Bonding within the Finance Committee a number of weeks ago, I had concerns about what was presented to the committee, which in effect zeroed out the second year of the budget for bonding commitments, which could have been disastrous for the State of Connecticut in affecting

the flow of our federal funding commitments. I'm pleased to see that that has been what appears to be fully restored. It was something that I spoke to the leaders in the Finance Committee about, and others, and certainly it will benefit the state that we have continued that commitment, which is consistent with the Governor's proposal that he presented to the Legislature back in February.

I certainly encourage the support of all members so that we can continue our long-term commitments to the improvement of our transportation projects throughout the state and would like to thank the others who have been involved in that process for supporting that effort.

Thank you.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Will you remark further on the amendment before us?

Representative Candelora, of the 86th District; sir, you have the floor.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

Mr. Speaker, if I may, a couple of questions to

the proponent of the bill or amendment.

DEPUTY SPEAKER RYAN:

Representative Guerrera, would you prepare yourself for questions.

Representative Candelora, you may proceed.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

Mr. Speaker, I was a member of the --

DEPUTY SPEAKER RYAN:

Oh --

REP. CANDELORA (86th):

-- Bonding Subcommittee.

DEPUTY SPEAKER RYAN:

-- I'm sorry -- that was my mistake -- I'm sorry.

Representative Boukus; I've lost track of what I'm doing. Sorry about that.

Representative Candelora --

REP. CANDELORA (86th):

Thank --

DEPUTY SPEAKER RYAN:

-- proceed.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

As a member of the -- the Bonding Subcommittee

over the last few years, when we hit tough economic times, there's been a concerted effort on the part of the Chairs and the Ranking Members of the subcommittee to sort of clean up bond issuances that might have become stale, no longer necessary, and also to -- to sort of create the philosophy that we need to hone in on making sure we have a competitive grant process and sort of a overall general-bond-fund process that's categorically driven as opposed to driven by maybe specific projects or specific towns or -- or things of that nature. Generally, does this bill continue with the spirit of -- of that good work?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus. And I'm sorry I made that mistake, ma'am, it's the (inaudible) --

REP. BOUKUS (22nd):

That's all right. I can see the similarities; don't worry about it.

Representative, it was great to have you on the subcommittee, and in keeping up with your contributions to us, we are absolutely filled with spirit. Yes, it is the spirit that continues.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

I -- I did want to start out on a positive note because I -- I think that these Chairs have worked very hard to make sure that we respond to the economic market, and I think this has been one area of the budget over the last few years that -- that the Chairs and Ranking Members have risen to the occasion.

The one concern I have in the bill that I just want to address and I have a question on is Section 68 and 69 which deals with our funding our GAAP deficit. And there is bonding to there in the amount of $750 million to achieve that goal. One of the concerns that I have had is making sure that -- that those bond proceeds are specifically going to be used to pay down that deficit. Is there language in this bill that accomplishes that?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Thank you, very much, for that question.

Yes, there is definitely language that's in it. Let's see if we can find it for you. Just a moment, sir. Yes. Mr. Speaker?

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

I think if we turn around and look at Line 1726; what does it say in there?

Excuse me, Mr. Speaker. Could we just hold for just a second; we are looking for it.

DEPUTY SPEAKER RYAN:

The Chamber will stand at ease for a moment, please.

(Chamber at ease.)

Thank you, Mr. Speaker. Sir --

DEPUTY SPEAKER RYAN:

The Chamber will come back to order.

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, sir.

Again, at 1726, the lines there, to apply the net

proceeds of such insurance -- insurance of the reduction of accumulated deficit of State of Connecticut General Fund reported in the audit of financial statements, determined using general, accepted accounting principles -- is that the area that you're referring to, sir?

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

I read that language too, and I -- I agree. I think that section specifically requires that these bond proceeds be issued and used for the purpose of that accumulated deficit. And -- and so as I understand it, you know, we have a -- a GAAP deficit of about 1.2 billion that we've accumulated over time, and I think that what we will do is amortize that deficit over the life of these bonds, and so the proceeds go into the General Fund, into the cash pool, and each year we continue to make payments to reduce that GAAP deficit?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

I could not have said that better myself.

Thank you, Representative.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And I -- I just want to focus in on, too, on Section 69, because I -- I think that this sort of sets up the procedure by which we pay down this deficit. And it's sort of unique to us right now. We're really getting into uncharted waters. And I -- I want to make sure that -- that we're -- we're intending to do what we're actually, what we've written in this bill.

So in the beginning lines, in 1907 and 1908, we're going to begin in, June 30, 2016 through 2028, to appropriate this amount of -- of GAAP deficit. And -- and when I refer to that amortization schedule, that's what this is going to accomplish. And as we're taking that GAAP deficit, amortizing it from June 30, 2016 through June 30, 2028. Am I correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

You are absolutely correct.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And in doing this, I guess it appears that, as I read this, I think that -- that OPM will be the body that will determine the amount of money, that deficit and the amortization schedule, and that -- that the Government Accounting Standards Board is going to be the -- the organization that dictates what the -- the purpose or -- or I guess that would be the board that would dictate the amount of --

REP. BOUKUS (22nd):

-- payments --

REP. CANDELORA (86th):

-- of money that -- that constitutes the GAAP deficit.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes, again you are correct.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And not being familiar with the Governmental Accounting Standards Board, is this is a board that's in existence, that's established through state or is this some sort of a national board?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

If I could have a moment, please, sir.

DEPUTY SPEAKER RYAN:

The Chamber will stand at ease.

(Chamber at ease.)

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

If I --

DEPUTY SPEAKER RYAN:

The Chamber will come back to order.

Representative Boukus.

REP. BOUKUS (22nd):

If I understand you correctly, you're asking if this is a national organization that's looking over this and reviewing and then will be done on a state level, and the answer is yes.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And then in the, in the, I guess in the latter sections which -- which sort of run, you know, through 1924 through, you know, roughly 1936, we have some language where this money is being paid down. And as I read that, it's similar to a mortgage, so we have these payments each year like you'd have on your home mortgage, and this money that we have bonded is going to be applied toward this -- this amortization schedule. And what that language is stating is that

once it reaches zero, which is the hopes it'll do so by 2000 --

REP. BOUKUS (22nd):

-- 28.

REP. CANDELORA (86th):

-- and 28, that we would no longer be obligated to make these payments.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

That is correct, sir.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And then as I see, you know, the language after that, in 1932 through 1946, we're stating that this has to be done, that we can't deviate from this. And -- and I think I, that this is an important issue because we wanted to make sure that these bonds are not soft of decoupled from the intent of paying down this GAAP deficit. And so as I read this, there would

be no way going forward through a budgetary process that this appropriation that is established through OPM under GAAP principles that it can be written in a, in any budget implementers or things of that nature to reduce that appropriation by a majority vote in this Chamber. Am I correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Representative, you are absolutely correct. This Governor and this Legislature wants to be covered under GAAP. We want it to be done effectively. We want this to end. We want the payments to be made on time. We do not them deviated to any other fund, and yes, that's correct.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

I appreciate that answer, and I'm going, I want to put buttons and suspenders on it. So in it, we have the definition of appropriation, which I guess in

Lines 1933 through 1934, it says the General Assembly -- okay -- shall diminish any appropriation hereunder, until such bonds, notes or other obligations together with interest are fully met and discharged.

So when we are not diminishing any appropriation, that would mean that anything under our GAAP principles that would fall under the -- the definition of a, of -- of the, of a GAAP deficit, that I guess each year the Comptroller certainly would be required to track. And we had a budgetary language, I think two years ago that -- that started that process of accounting for this. But anything that remotely falls under that, I guess identification of a GAAP deficit, that that necessarily would become the appropriation by which we are required to fund through these bonds?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

That is correct. And with eyes and ears like yours and the rest of the Chamber, we'll be watching this very carefully to make sure all of that falls to fruition.

Thank you, sir, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And then in the, in the latter part of that section, there is an exception to this rule, and that would be that the Governor would be required to declare the existence of an extraordinary circumstance, and then we would be required to have a three-fifth's vote in order to be able to diminish such appropriation. And as I read this, we don't define extraordinary circumstance, but that language is used throughout our statutes. So would this require, similar to other statutes, that the Governor would have to specify what those circumstances would be in order to justify a derivation from this?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

You are absolutely correct, and we would need to have a -- a clear understanding, a definition of what

these circumstances are. And you and I and others here know how difficult it is to get a three-fifth's vote, so we're going to be sure that it's something we really need to do.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

I don't have any further questions. And I appreciate flushing out those two sections, because those two sections are probably what give me the highest anxiety of this bond package.

As referenced before, just in the, in the earlier questions that were asked, I -- I sincerely do believe that this subcommittee worked very hard, and it isn't just a one-year process. These Chairs and Ranking Members and our -- our predecessors before them created this philosophy of making sure that we treat our bond package appropriately, and that being a prioritizing of philosophies and making sure that when we fund capital projects in the State of Connecticut, that we are funding them based on philosophy and not based on personal wants or requests, no matter how

much they may seem important to an individual.

And I -- I do commend the subcommittee for -- for continuing that. And I think that philosophy had helped provide comfort and allowed me to support the UConn Next Gen proposal that we saw last night. So a lot of times I get up here and speak on the floor about we spend too much money and we need to watch our -- our fiscal house, but I -- I do want to stand here today and say that I am not an individual that would just say government has no place in anything and we need to save every single penny that we can. When we get into tough economic times, government needs to respond to it in a certain way. While I don't believe we've done that on the expenditure side on a year-to-year operational, in the operational sense, I do stand to say that -- that there are, is a philosophy in the subcommittee that has responded, and so we certainly should stand and give credit to where credit is due.

But I also do stand with some reservations. As we create legislation here, we all understand there is a give and take, and so there are some items that might end up in legislation that we don't support. And so you have to weigh it and take the good with the bad.

The concern I have with the GAAP funding that we're doing right now, it truly is, looking at it, is the glass half full or half empty. And I think there's a lot of us in the room that want to stand here and say the glass is half full and that this is a good thing. I could make that case. But I do want to make the case and present how the glass may be half empty, because I, again, think it's important for all of us here to -- to recognize that, because it's that half-empty perspective that is necessary for us to look at, because I think if we look at that perspective, we might have made some very different decisions under the underlying budget that we passed here on Saturday.

About five years ago, I think many of us started to come to realize how our budgetary process works in the State of Connecticut and how we have this common cash pool. And at the sake of standing here as a Representative and sounding a bit fanatical about it, I am going to again speak about that issue a little bit, because it was phenomenal to me that many of us, over the years -- we've operated under this system for well over a hundred years and it might have been under the entire existence of state government -- we've had

the common cash pool. And it's not something that we've all come to realize.

We passed some great legislation in 2010 that started the process of requiring reporting of our common cash pool. And I think it gave us a better sense of how our operating budget works with our bonding budget. And I think we're here today in part as a result of that, because we're now trying to address this GAAP deficit and we've come to realize how bad it really is. Because of the impacts of our cash flow and I think because of those reporting requirements that we had to done, we had to do, it shed light on -- on the issue. And, you know, that light is -- is a significant one.

So what we're doing here today is we are bonding $750 million to pay off a GAAP deficit. And what does that mean? Well, what's happened here is over the course of the years, we've had a -- a balanced budget on paper. But under, because we have not applied these so-called GAAP principles, the State of Connecticut has been spending money at a greater pace than what our revenues were coming in at. And I think, simply put, our, the money going into our checkbook was not enough to pay the bills. So what

has happened is in order to make sure we don't run out of money, we have borrowed from our bond proceeds, temporarily. That money does get returned. It's perfectly legal to do so under the common cash cool -- pool principles.

But I will say what's been frustrating to hear is from the Treasurer's Office to say that this is a day-to-day, typical operation. Now I'm not critical of the fact that we've been doing it, but I need to state on the record that this is not a typical thing to do, to transfer money from our bond proceeds to the operational side of the budget. What's been typical over the last hundred years is the reverse. We have borrowed from our operating budget in order to pay for capital projects, and that made good fiscal sense, because if you don't have to borrow money right way for a capital project and you can take it out of your checkbook, you certainly want to do that because you avoid paying interest. And so that's been the historical trend that we have done over the last hundred years.

What's been extraordinary over the last decade is the fact that we've gone in reverse. We've had to take money from our bonding to use for operating, and

it just accents the fact that we are in extraordinary economic times.

So what we've come to here is in order to sort of slow down that need, because what's driven that need is our GAAP deficit, that's driven the need to borrow money from our bond proceeds to operate government, because basically, on paper, we have not accounted for the amount of expenditures that are really going out on an annual basis.

I think the good news is that up front we have had the Comptroller begin reporting to get a handle of how much that money really is, so whether it's 80 million a year or 500 million a year, we know what that number is and what we need to begin to fund. So I think this $750 million that is being borrowed is going to start paying that deficit. The impact of that will be, I think, with this legislation that, that's, going forward is that we are now going to not have the issues with this common cash pool crunch that we have had over time.

I think it's a double-edged sword there because, you know, what's going to happen now is I've always contended that the borrowing that we've done from our bond proceeds over the last five years, while it might

be legitimate, there is a cost to it. And that cost has been that we've lost the interest on the, those bond proceeds that -- that have been in those accounts, in the STIF accounts and the, and things of that nature. When they've gone toward the operating, we lose that interest. So by borrowing this money, it's going to stop that practice, and our bond proceeds could stay where they belong. They could generate some interest in those accounts that they need, and the money will be there for projects that are necessary.

I -- I think the bad thing here is that we're taking a debt that we sort of owe to ourselves -- it's a soft obligation, what this GAAP deficit is; it's -- it's not real on paper in a sense that that we don't owe it a third party -- we owe it to ourselves. And so what we're trying to do here today is we're borrowing and we're turning it into a hard debt.

I equate it to the Teachers' Retirement Fund when in 2007, we borrowed about $2 billion to infuse into that fund. And it's the same analogy; the benefit of what we did there is that by putting the $2 billion into that pension, in the long run it -- it, we were hoping that it would save money, because if we took

the 2 billion, put it into an account and it generated investment greater than 6 percent -- it may have been 8 percent -- but assuming 6 percent, we would have seen a return on our investment.

We took a bit of a gamble, and I think what happened there is the stock market turned very quickly in 2008, and what ended up happening is I think we've lost some money over the last five years on that investment. We took a risk by trying to fully fund the Teachers' Retirement Fund; I'm not sure it paid off for us. And so I do get a bit nervous with this piece of legislation, because we are taking another risk by bonding $750 million for the GAAP deficit. Is it a risk we should be taking? I'm not sure. In light of where we've been in the past and in light of where we're going, it does give me some pause, because we've moved a lot of, we've moved some stuff into bonding for municipal government.

We've also on Saturday sort of redefined, unilaterally, the way we look at our Medicaid payments. And part of the irony here is that we have mirrored the same statutory language that we have in avoiding -- in not breaking the spending cap. We've mirrored that language here today for the GAAP

funding. And we heard in testimony, when we were taking up the issue of this GAAP financing from our Secretary of OPM, that he was emphatic that we are not going to decouple the payments of our GAAP from this debt obligation. And that gave me some comfort.

But what doesn't give me comfort is when I look at this language, it is the exact same language that we have under our spending cap statute. I think it's, it might be 2-33 under our General Statutes or 2-35. And in that, it requires that two-thirds of the Legislature, after a -- a declaration by the Governor or an emergency, that two-thirds of us need to vote to break the spending cap -- I'm -- I'm sorry -- three-fifths. And we have that same language here; we need three-fifths of the Legislature. And that is an extraordinary number of people.

And what we did on Saturday was we just redefined what we thought an appropriation was in order to avoid that vote. And we have language in here that defines an appropriation. And appreciate the good Representative's answers to my question, to try to make sure that the definition of an appropriation of a GAAP deficit, that intention does not change. I think we've established that pretty well in our discussion

today.

The problem is that if we decide two years from now, four years from now, ten years from now to break our promise and violate this provision, hypothetically, it would be a, it would be a lawsuit that would require us to sort of untangle and say -- and keep our feet to the fire -- and say to the Legislature, the appropriation as defined under this bill meant a GAAP deficit as defined under GAAP principles, which is federally driven under GASB and under the, under the General Accounting Stands Board. And it's great; all that language is right here. But we're sort of potentially faced with the same scenario that we were faced with on Saturday night.

I -- I think we saw a great, in our opinion, a great injustice done by the blatant ignoring of statutory language, and so we sit back, as a Legislature and as the State of Connecticut, wondering if that will bring a -- a legal challenge. And I would hate to be in the same boat under this provision that we're going to go ahead and do something very well intentioned, like that was done in 1991, when we imposed the income tax, which was extraordinary. And even more extraordinary, we had the entire State of

Connecticut take a vote to make it a Constitutional requirement that we impose a spending cap. And I think a lot of good came out of the imposition of that cap.

Over the years we saw government spending stay at a pace that was less than what it would have been, had we had no cap. And I am gravely concerned that we could see the same behavior we saw on Saturday occur two or four or six sessions from now when we determine that we need to use this money for something else. It would take one signature and a quick vote by a majority of the Legislature to maybe frustrate this spirit of this bill and to allow for maybe proceeds to go in an area that maybe it shouldn't otherwise go.

And so that is my concern with what we're doing here today. And I think it -- it is, so it's twofold; it's, number one, making sure that this legislation is written with buttons and suspenders in making sure that we stay on the straight and narrow with this GAAP financing, because it is absolutely an extraordinary thing, what we're doing here today. But, number two, it was sort of extraordinary circumstances, and I think an abdication of a lot of different people that got us in the place that we're here today, and it sort

of, ignoring the common cash pool, ignoring the -- the impacts of what we did with having this GAAP deficit.

And so it concerns me that we are, similar to the Teachers' Fund, we're taking this soft liability and turning it into a hard one. So while in a way we're addressing a GAAP deficit, I think we need to all truly understand that it's, I equate it more to a homeowner that can't pay their mortgage anymore and so what they need to do now is take out a second mortgage. And they're going to take out that second mortgage and use that money to make payments on their first mortgage, in order to -- to make ends meet. And that's going to work for them because everybody knows eventually that money is going to run out and now they're going to have two mortgage payments. So it's going to get us through this next two years, but all of us, all of us need to recognize what this is actually doing. It -- it is only going to delay the inevitable, and that is figuring out a way to somehow make both of those mortgage payments in the next biennium.

So I have many reservations but I do want to certainly commend the Ranking Members and the Chairs for the other pieces that are in this bill. And I

understand sometimes it's necessary to -- to put more than one philosophy into a piece of legislation, but this is a piece of philosophy I think that we all need to look at.

And if anybody does support this, we need to support it reluctantly. We need to swallow hard, because this is not something that we should be proud of, but it is something we all need to be very mindful of in this Chamber. This is a significant, significant, unprecedented piece of legislation that we are embarking upon.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Perillo, of the 113th; sir, you have the floor.

REP. PERILLO (113th):

Good afternoon, Mr. Speaker. Thank you, very much.

I -- I think we often, we often think in terms of the bonding bill as a bill that's about numbers; it's about dollars and it's about cents, but I think in many ways it's more than that. It's about priorities; it's about what we value and what we think is

important here in the State of Connecticut. And it's so easy to lose track of that when inundated with the dollar signs and inundated with the cost and what that impact has on the future financial statements here in the State of Connecticut and the eventual burden we could place on our residents, because we have to pay down that debt at some point.

(Deputy Speaker Ritter in the Chair.)

REP. PERILLO (113th):

So when you really start to get into the nuts and bolts of this bill beyond those dollars, a number of questions have to be raised. And as we dig into the details, I've -- I've generated some, but I -- I hopefully can get some clarify on them, as we truly understand and grasp what is in this budget.

And, if I may, Madam Speaker, through you, I have a few questions to the proponent of the bill.

DEPUTY SPEAKER RITTER:

Please proceed.

REP. PERILLO (113th):

Thank you, Madam Speaker.

I'll start on Line 64, specifically beginning

with Line 1572, 1-5-7-2, and I'll give the proponent an opportunity to find that.

A VOICE:

Section 64, (inaudible).

REP. BOUKUS (22nd):

Madam Speaker, is the Representative referring to Section 64, madam?

DEPUTY SPEAKER RITTER:

Representative Perillo.

REP. PERILLO (113th):

I am referring to Section 64, specifically Line 1-5-7-2.

REP. BOUKUS (22nd):

Oh, 1-5-7-2.

REP. PERILLO (113th):

It's on Page 51.

REP. BOUKUS (22nd):

Uh-huh.

DEPUTY SPEAKER RITTER:

Please proceed, Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Madam Speaker.

This specific area refers to construction contracts, specifically for the removal of

phosphorous, and it's specifically, it states "by municipalities." The question I have, fist and foremost, is: That many of these abatement and rehab projects are really public, private partnerships, and there's situations in which the municipality may advance an agenda for a property that at a given point and time is owned by a private entity. It's not publicly owned; it's privately owned, but it's done in -- in partnership with a municipality.

In instances like this, where a municipality may apply for bond money in order to handle such abatement on property that is privately owned, would those types of projects not be eligible, simply because of the fact that they have to be, that these bond applications have to come from a municipality? I just want to clarify if this has to be publicly owned property or if it can be privately owned property.

Through you, Madam Speaker.

DEPUTY SPEAKER RITTER:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Madam Speaker.

(Deputy Speaker Ryan in the Chair.)

REP. BOUKUS (22nd):

This program, and -- and, by the way, let me, let me make another statement first, if you'll allow me, sir, and that is that this document is moving all the time, and this is one of those that came in at a late hour, with the support of the department and the understanding that they want to get started on this. It's a very important project.

So I would state to you it's my understanding that this construction grants, as stated in the first two lines, is entered into by municipalities. So it would, I would assume at that particular time that the municipality and if it is a private grouping, would be working together on this.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. BOUKUS (22nd):

Thank you.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And I -- I thank the Representative for her answer to the question. I did have a little bit of a

hard time hearing the end of it. It doesn't need to repeated, I guess -- it is a little bit loud in here, so I just wanted to make that statement.

DEPUTY SPEAKER RYAN:

Just give me a second, sir.

I would ask the members of the Chamber to try and keep it down. Representative Perillo is having trouble hearing the answers to his questions, so we'd appreciate it if you take your conversations outside. We know it's the last day; people are excited, can't wait to get out of here, some people. But if you could keep it in a manner that we can hear the answers and, questions and answers, it'd be great.

Representative Perillo.

REP. PERILLO (113th):

Mr. Speaker, thank you, very, very, much.

So just to clarify, I think that I heard that the application would, indeed, have to made by the municipality, but there could conceivably be situations whereby the municipality didn't necessarily own the property but if they were working in partnership, I would imagine some sort of written agreement with a private property owner. Is -- is that clarification correct?

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

That's my understanding.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much; I appreciate that.

My follow-up question to that is that this section of the bill limits projects specifically to the first three that are entered into. Now, is that the first three applications or the first three applications that are approved?

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

These would be the first three applications that are approved, sir.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And, again, I -- I thank the Representative for her answer to the question.

Why would we only limit it to three projects? Is this something that we're just getting off the ground; do you want to see whether it works or does not work? Is this something where we feel as though we have some, perhaps some projects in mind? You know, sometimes we see that; you know, there's something specific we have in mind; we want to fund that specific project in a specific municipality.

It -- it seems like something, this is something that would be quite valuable down the road, and I'm just curious as to why it would be only be limited to three at this point.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

And this is a request from the department to begin with the three, and I think very much the statement that you just made, to take a look at how this would be done.

And thank you, for the question, sir.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Mr. Speaker; I appreciate that.

And hopefully it'll be successful. I think this is something that'd be wonderful if we could spread that out a little bit longer and help some other communities do some rehab that they certainly would need to do.

If I could ask some additional questions, we'll move to Section 74. It is Line 2-1-8-9; this is a new section. The section establishes a Local, Transportation Capital Program; Line 2-1-8-9.

REP. BOUKUS (22nd):

Mr. Speaker?

DEPUTY SPEAKER RYAN:

I'm not sure you've been asked a question.

Do you have a question, sir?

REP. PERILLO (113th):

I -- I do. I just want to make sure that -- that the Representative is prepared.

REP. BOUKUS (22nd):

But Mr. Speaker, if --

DEPUTY SPEAKER RYAN:

Representative.

REP. BOUKUS (22nd):

If -- if it's appropriate, we do have the Transportation Subcommittee Chair here, and if she would like to answer that question, I think it would be more appropriate. But if you want me to take a stab, I can do it too.

DEPUTY SPEAKER RYAN:

Representative Perillo, would you like to redirect your question to --

REP. PERILLO (113th):

I'm --

DEPUTY SPEAKER RYAN:

-- Representative Fawcett?

REP. PERILLO (113th):

I'm happy to do that; yes, sir.

DEPUTY SPEAKER RYAN:

Okay. Representative Fawcett, would you please prepare yourself?

Thank you.

REP. FAWCETT (133rd):

(Inaudible.) Thank you, Mr. Chair. Thank -- thank you, Mr. Speaker.

I was working with Representative Urban on another bill, on a conversation on another bill, I was wondering if the good Representative could restate the question --

DEPUTY SPEAKER RYAN:

I don't --

REP. FAWCETT (133rd):

-- for me.

DEPUTY SPEAKER RYAN:

-- think a question had before offered, yet, so --

REP. FAWCETT (133rd):

Okay.

DEPUTY SPEAKER RYAN:

-- I was just getting you prepared.

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Mr. Speaker, and I will ask my question for the first time.

REP. FAWCETT (133rd):

Okay.

REP. PERILLO (113th):

Again, it's Section 74, beginning at Line 2189. We are creating a Local Transportation Capital

Program. This is new language; I suspect this is a new program, so I am wondering what this does, what funding this makes available. What additional projects could be funded that we do not already fund through bonding?

We have a number of different projects that offer funding for transportation improvements, enhancements, et cetera, so this Local Transportation Capital Program is new, so what does it do differently?

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

I believe it's a shifting of funds to fund the same types of programs we currently fund, but let me just clarify that with staff. Hold on just a second.

DEPUTY SPEAKER RYAN:

The Chamber will stand at ease for a moment.

(Chamber at ease.)

DEPUTY SPEAKER RYAN:

The Chamber will come back to order.

Representative Fawcett.

REP. FAWCETT (133rd):

Okay; thank you, Mr. Speaker.

Yes, I was correct. It is a, it's a renaming of a current fund, and it's just, it's same money we spent before it's now called the "Local Transportation Capital Program," and it will fund the same things it always funded, local improvements in transportation infrastructure.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

So I understand that; so we have an existing program. We are establishing a new one to do the same things. So where in this bill do we eliminate the old one?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

We still have Town Aid Road, which is a similar program, but this is a new allocation of money that

funds similar projects.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker, and I appreciate the answer.

So we are creating a second program that funds these same type of projects, yet we're keeping the old program, which is Town Aid Road. So it begets the question, why are we creating a new program when we already have one; why are we not just funding the old program, the Town Aid Road Program though? I don't understand why we would need two, and I would suspect that if we have two, there would be different parameters or different types of projects that could be funded or different kinds of applications that would be made. I just don't understand that.

And we have so much bureaucracy and we often hear from our municipalities that it is so difficult to navigate the process and obtain the funding they need and get if approvals for their projects, yet it seems to me in the answer that I just received, that we are creating a new program with a new process and new applications and new parameters. So I'm concerned

that we're, by doing this, we're creating a more confusing process to a process that is already somewhat confusing to municipalities. So, again, the question is why do we have these two different programs if they're doing the same exact thing?

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

And thank you for -- to the Representative -- for bringing this question forward.

It was confusing during the public hearing this year when we addressed it. Actually, our Department of Transportation is bringing efficiencies to the process in which they draw down federal funds to pay for local investments in all of our towns' infrastructures. This new program, it's just a name for another, an old program. It's separate from Town Aid Road, which we still get money through a, that -- that grant program, but this new program allows us to draw down federal funds and to simplify the process by which our towns have to apply for that money.

It's actually in a, it's a great efficiency measure and it will actually make it easier for each

of our municipalities to get the investment quicker into our roads and our intersections that need improvements.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And, again, I -- I thank the Representative for her answer to the question.

I'm still confused. I don't see in here where there's any statement as to the simplification of applications; all it says is DOT shall accept applications. I'm assuming those, that application process will be different from Town Aid Road, and as the Representative said, we are not eliminating the Town Aid Road program. And I think she said, also, that the Town Aid Road program does receive federal funding, and if I'm misstating that, I hope she will correct me.

But again, it -- it still begets the question: Why are we doing this new program, why we're creating a brand-new program to fund surface streets, et cetera, the kinds of projects that the

Representative said are very important to communities, and I would agree are very important to communities. But we're setting up an entirely different process to do it.

I haven't yet identified anything that is different that will be funded in this new program versus what is funded in Town Aid Road. And I haven't identified anything in statute or in the proposed bill before us that would actually simplify the process or require that there be some sort of simplification of the process. So my question is: Why can't we just simplify the Town Aid Road process; why does there need to be a creation of the Local Transportation Capital Program? What is precluding us from making a change to Town Aid Road that requires this change here in the proposed bill?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

And, again, I appreciate the question.

This was a very confusing topic for our subcommittee this year, and I'm just now, I'm getting

-- getting reminders of the process, of questions that we went through to get the answers.

So this has nothing to do with Town Aid Road; Town Aid Road is a program that is separate from this. For many, many years, towns have also been able to apply through the state DOT for federal assistance for local improvement programs, but that process, when the towns apply -- apply in -- in concert with our DOT to the federal government is very onerous. There's a lot of paperwork and there's a huge delay on the reimbursement that our towns get -- get, getting the money back into -- into their General Funds of our towns.

What DOT did this year, it's the same program we've always had, but now they are applying directly, DOT is applying directly to the federal government for this money and allowing and creating a state grant process allowing the municipalities to only apply to the state. So DOT is simplifying the process for our municipalities by -- by drawing down federal funds directly and then disbursing them as a, more of a whole state-grant program.

It is a new program but it's all money that we used before. It's almost like it's a redistribution

of money, federal money in a new, with a new process, if that makes sense, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Mr. Speaker.

So, to clarify, this would function, very simply, similar to like a block-grant program, where the federal money comes in and the state is responsible for distributing it?

REP. FAWCETT (133rd):

Our grant says so.

REP. PERILLO (113th):

Is that correct?

REP. FAWCETT (133rd):

It's not a --

DEPUTY SPEAKER RYAN:

Representative Perillo -- Representative Fawcett; excuse me.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

Not exactly a block-grant program because the municipalities would still have to put in applications for very specific projects; for instance, an

intersection in the middle of their town. So they would still apply directly to the state, but again, then the state would turn around and apply to the federal government for that reimbursement and then -- and -- and take and relieve the burden from the municipalities to have to do that paperwork.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Mr. Speaker.

And, again, I thank the -- the Representative for her answer to the question.

I -- I mean, I'm going to ask a question that may be somewhat ignorant, and I apologize in advance. Line 2194 states that these need to be deemed eligible for federal Surface Transportation - Urban program funding. If the Representative could give some sort of picture as to what that federal Surface Transportation - Urban program funding is; what parameters would encapsulate that urban program? Is it, does it, would it limit the types of municipalities that could apply? Are there certain rural areas that would not apply? I -- I apologize; I don't really know the program, so I'm asking the

question to get some sort of clarity. But it would seem to me that this would, could conceivably preclude a number of our municipalities here in State of Connecticut from applying for funding. So if I could just get some clarity, that would be very helpful.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

That grant is actually specifically for federal roads, Federal Aid Roads.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Okay. Thank you, very much; I appreciate that clarification.

So that's that -- that applies only to that last component of -- of the paragraph, not to all. So state surface roads, local surface roads or the rest of it. Okay; understood. I appreciate that. Thank you, very much.

If we could move to the following section, Section 75, and I believe it relates to this program

that we're discussing. It's Lines, specifically, 2259 and 2260. So it allows, as I read it, it's payment of funds to any municipality or local planning agency for transportation improvements.

So I was under the impression that local planning agencies could apply for transportation improvements right now. What does this language do; what does this language change about the manner in which we are able as a state the distribute funds? Through you, sir.

DEPUTY SPEAKER RYAN:

And I believe it's still, to Representative Fawcett? Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

And this program, similar to the one we were just discussing is a local bridge program that we are able to use federal dollars to bring down money into our communities to help offset the costs of fixes to local bridges. And in this circumstance, we are also trying to simplify the process so the municipalities have less paperwork, more efficiency and more, a quicker reimbursement for funds for those local bridge projects.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Mr. Speaker.

So I don't understand how this is going to make things easier for municipalities. There's probably a very, very rational and reasonable answer; I just don't see what it is.

It seems as though the only thing we're really doing is we're adding that local planning agencies can apply for, apply for this funding. It doesn't say anything about the process. It doesn't say anything about the application procedure. It doesn't say anything about eligibility, other than the fact that we're now allowing planning agencies to do the applications.

How is that going to be easier? Is the expectation that it's going to enable a more regional approach? Is the expectation that it's going to empower regional planners who have more experience in this to do the work? I -- I, just some clarity would be very helpful for me.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

Just allows the local municipalities to access bonds, bond dollars for local bridge programs.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you.

So currently municipalities may not access any money for, for bridge repairs, but this will enable them to. Is that correct?

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

Actually, this new program -- again, renamed program -- increases the amount of bond funding and that towns can access through the program.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

I'm now -- now I'm confused, and I apologize.

The Representative said this is a new program yet Section 75 is old language, and all it does is simply add that payments of funds to any municipality or local planning agency may be made. So this, I don't believe this is a new program; this would just simply enable municipalities and local planning agencies to access the funds. Is that correct?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

I think the best way to describe this program is that we are updating and amending the local bridge program to allow for better reimbursement rates for our municipalities.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Mr. Speaker.

I, and could -- could she clarify? Could you Representative clarify how it does that?

DEPUTY SPEAKER RYAN:

Representative Fawcett. Representative

Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

Mr. Speaker, we are -- as you know, this is a very complex bond package; there was a lot of changes to the, these programs this year, and as the -- the Department of Transportation is seeking the best efficiencies in filing processes for our towns and our municipalities, staff is helping us to look up the exact answer to the Representative's questions. And we are working on that. If he has another question, we're happy to answer it while we are looking for the answer to his previous question.

DEPUTY SPEAKER RYAN:

Representative, would you like to ask another question or do you want us to stand at ease while they look?

REP. PERILLO (113th):

I -- I appreciate that opportunity, but I think that some of my next questions will depend upon the answer to this one. So I'm --

DEPUTY SPEAKER RYAN:

We'll just --

REP. PERILLO (113th):

I'm happy to wait. There's no problem.

DEPUTY SPEAKER RYAN:

Okay; we'll just stand --

REP. PERILLO (113th):

Thank you.

DEPUTY SPEAKER RYAN:

-- at ease until, to give you some time to find the answer.

(Chamber at ease.)

DEPUTY SPEAKER RYAN:

The Chamber will come back to order.

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

And thank you for the Representative's patience as we find the answer to his question.

And it is in the bill; Line 2276, and that section, Section 4, that describes the grant percentage. Under the current program, municipalities can get a reimbursement from 10 percent of the project cost all the way up to 33 percent. In this new process, in the new program, municipalities will be

able to draw down a higher percentage. Between 15 percent and 50 percent of their project cost will be eligible for reimbursement.

DEPUTY SPEAKER RYAN:

Thank you --

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

-- Representative.

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

So to clarify, that change in percentage in the section of the bill that the Representative has mentioned relates back to the previous section in the bill, which refers to municipalities and local planning agencies, because they're different sections of the bill, which is why I ask.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Okay. Thank you, very much; I appreciate the answer to that question.

And while we're on the topic of bridges, if we can move to Section 79 of the bill, beginning at 2388; this is new language.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much; I appreciate it.

As I understand it now, as I read this new language, it refers to, I believe, bridges that are in such disrepair that there is an emergency situation. And as I read this, it allows the Commissioner to expedite and move to the front of the line those bridges that are deemed to be an emergency. This new language puts that judgment in the hands of the Commissioner.

Now, God forbid if there were some sort of accident -- we've seen them here, unfortunately, in the State of Connecticut, you know, fatal and in -- in one instance -- now that the Commissioner of Transportation has that obligation, that responsibility to prioritize and determine which bridges are in an emergent state of disrepair, does

that create a now nonexistent liability in that the Commissioner needs to make that determination? Like I said, God forbid something happened and individuals were hurt and/or killed because there was a bridge failure, and perhaps the Commissioner had denied that that bridge was an emergency, now it would seem to me that we would take on some degree of liability and that the Commissioner made a determination and as a result of that determination repairs were not performed.

So I'm just, I -- I think it's important that we understand whether or not there's additional liability if this language were to be passed, if that could be clarified.

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Fawcett, can you clarify that?

REP. FAWCETT (133rd):

Through -- through you, Mr. Speaker.

No, I, we do not, there is no additional liability for the Department of Transportation or the Commissioner in this language.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Mr. Speaker.

And I -- I respect the answer to the question; I -- I'm not sure that I would agree with it. Any time you give an agency responsibility to do something, the ability to choose, the ability to make a determination, you're giving them the right and the opportunity to make correct decisions and incorrect decisions. It's not unlike -- and we talk about malpractice insurance; it's any time we give a physician the right to make a decision where -- whether it be clinical or otherwise -- they have the opportunity to make a correct decision; they have an opportunity to make an incorrect decision. When they make an incorrect decision, there's always the risk that there will be a legal liability.

Here, we're giving the Commissioner of Transportation the opportunity in statute, the statutory opportunity, and in fact the statutory obligation, to make determinations as to whether or not a bridge is in such a state of disrepair that it is an emergency and that it should be moved ahead in the list of projects requiring repair. It would seem

to me that when we give the Commissioner that right, that opportunity and that obligation to make that determination, that we are inherently creating a situation whereby a decision can be made in error and that there could be bad outcomes from that decision, in this case, a decision not to move a bridge to the front of the line, not to perform emergency repairs on a bridge.

So while I respect the Representative's answer to the question that indeed this would not create an additional liability, I would counter that I think it does, because we, as I said before, we always create that risk, especially with the opportunity that's created here for the Commissioner. We create that risk that poor decisions will be made, not by anyone's fault. Not by anyone's fault. The greatest due diligence in the world is never going to prohibit all manners of error, all manners of failure. But now we're creating one more statutory decision the Commissioner can make, and we're doing it in such a way that a bad decision could lead to a horrible outcome. So I think it's very, very important that we keep these things in mind.

As I said when I first started my remarks, this

isn't just about dollars and cents and numbers, this is about policy. This is about policy. So whenever we change things like this, wherever we give greater authority, as we're doing in this specific section of the bill, I believe we are creating liability. And whether that drives someone's decision to vote yes or vote no on this bill is up to all of us individually, but I think it's something we need to be aware of when we're determining whether or not we're going to cast a yes vote or a no vote. But I don't want to belabor that, and I, again, I appreciate the Representative's answer to the question.

If I could move on, and I'm not sure to whom I should be directing this next question, but I will, I will go ahead and -- and mention it. This is in Section 80 of this bill and is specifically Lines 2460. We're removing some language here, and I'd just like to understand why. As I read this, perhaps this is a question to Representative Boukus rather than Representative Fawcett; and, again, it is Section 80, specifically Lines 2460 and onward.

DEPUTY SPEAKER RYAN:

Representative Perillo, if you'd like to ask your question, I want to see who just jumps up at the

opportunity to be able to answer it.

REP. PERILLO (113th):

Great; and, actually, as I look at it further, this is in reference to bridge repair, so perhaps this is something that Representative Fawcett would like to take on.

Specifically legislative bodies -- it states in current statute -- shall hold at least one public hearing on an eligible bridge project. The language here in this bill brackets that; it removes that language. It removes the requirement that a municipality hold a public hearing on an eligible bridge project.

Here in the Capitol we often talk about transparency. We often talk about the opportunity to give the public an, you know, the opportunity to speak, to be heard, to offer their thoughts and opinions and concerns. Yet as I read this, the requirement for a public hearing on an eligible bridge project is removed, so I'm wondering why we are getting rid of the public hearing requirement that currently exists in statute.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Fawcett, are you able to answer that question?

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

We're actually getting rid of the entire loans' process for this project because municipalities can get better rates on loans directly from private banks than from the state. So that is why no public hearing is needed.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much; I appreciate that.

And -- and I just want to clarify, in Section 80, because I believe Lines 22 -- I'm sorry -- 2448 to, through 2459 do still reference General Obligation Bonds. If I'm misreading it, please, I apologize, but it, I -- I don't see here where we're eliminating the entire loan program. I understand that Lines 2460 through 2484 are, indeed, removed, but it doesn't seem to me as though we're removing the entire bonding program.

If -- if the Representative could point in the language to me where that's entirely removed, I would appreciate it very much.

DEPUTY SPEAKER RYAN:

Representative Fawcett, can we find that section for him?

REP. FAWCETT (133rd):

Through you, Mr. Speaker, yes, we can find that section. Hold on just one second --

DEPUTY SPEAKER RYAN:

Okay.

REP. FAWCETT (133rd):

-- please.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

It, on Line 2448 of the good Representative's package, we are getting rid of the state loan program but not -- they still can get loans from banks.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much, Mr. Speaker.

And I -- I appreciate that reference and I see where that language at 2448 is removed, all the way through 2451. And I will take the Representative at her word that this is intended to eliminate the loan program but then would also obviously enable municipalities to take out loans on -- on the -- the bond market that -- that, I appreciate that, and it certainly does clarify a bit of this language for me.

If we could move on, though, and I -- I do believe this will not be a question for Representative Fawcett; I believe it will be a question for Representative Boukus. And it is in Section 100 of the bill, which is on Page 92 of my copy, specifically down to Line 2891. This is in reference to education funding. And the current statute, as I read it, refers primarily in this section to capital projects. It refers to capital start-up, acquisition costs, the available of high-quality school models, and then what we're adding here is to assist -- this is for what we may use bonds for -- assist in the implementation of Common Core State Standards and assessments. So I'm wondering what that entails.

You know, typically we always talk about capital; capital is easy to understand. We can touch it. We

can see it; that's capital. But I would read this to say that we are now allowing bonding for project work and operational work and the funding of programmatic stuff. And is that not what this does? Because it would seem to me that perhaps staffing and other recurring costs could fall under this, and I don't know if that's the intent, but that is how I read it.

Through you, sir.

DEPUTY SPEAKER RYAN:

Sir, are you referring to Section 103?

REP. PERILLO (113th):

I am referring to Section 103; thank you.

DEPUTY SPEAKER RYAN:

Okay; Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Thank you for the question.

In order to meet the Common Core State Standards, we are assisting municipalities with equipment and -- and programs that will help them all be able to be reporting back the correct information. It's to apply for the testing.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

So, oh, I -- I heard most of that, so just to clarity, and I -- I apologize. Just to clarify --

REP. BOUKUS (22nd):

Yes.

REP. PERILLO (113th):

-- this is meant for capital purchases related to --

REP. BOUKUS (22nd):

Yes.

REP. PERILLO (113th):

-- implementation of Common Core State Standards; this is not meant to implement any sort of programmatic work in terms of salaries, benefits for actual other employees.

DEPUTY SPEAKER RYAN:

Representative --

REP. PERILLO (113th):

Is that correct?

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

You are absolutely correct.

Thank you, sir.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, very much; I appreciate that.

And I -- I appreciate the Representative's answer to the question.

I have no further questions but I -- I just simply want to say that given the financial state -- and this is something that Representative Candelora referred to before -- given the financial state we -- we find ourselves faced with right now, this is an awful lot of money. And it's a lot of money with a lot of detail. It's a lot of money with policy changes, and we can all judge for ourselves whether or not we think these policy changes are important enough to justify the expenditure. I would argue that many of them are not; some of them are very, very worthy.

And I commend the Representatives, especially Representative Boukus who worked so hard on this, because so much of this in here is so very, very valuable. But one has to ask themselves, can we do it all; can we afford to do it all? Should we afford to do it all? Now I would argue no. I would argue that

while in many cases they are investments that are worthy, sometimes they're investments that simply cannot be afforded.

You know, my grandmother always used to say, you know, buy the best that you can afford. And I think there's a lot of truth in that simple statement. And -- and here I think we are certainly buying the best, and I think that's a laudable goal, but in this case buying the best is not affordable. And I would urge all my colleagues here in this Chamber to think long and hard about that reality.

In this case we want the best; we can't afford the best. So in a situation like this that we're faced, I think it might make sense for all of us to reassess the scope and breadth and depth of what's requested in this bond package so that we can really focus on the things in here that are so very important, those things that we truly need. And I think that this bond package goes far beyond that, and I wish we hadn't done that, because there's a lot in here I would love to support; there really is. I just simply cannot support all of it together as a package, and I would urge all of us to consider that balance as we weigh our votes either in the affirmative or the

negative.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Sawyer, of the 55th District; ma'am, you have the floor.

REP. SAWYER (55th):

Mr. Speaker, good afternoon.

DEPUTY SPEAKER RYAN:

Good afternoon, ma'am.

REP. SAWYER (55th):

It was delightful to see your school here today, earlier.

DEPUTY SPEAKER RYAN:

I appreciate you coming up with me to greet them.

REP. SAWYER (55th):

Thank you, sir.

You know, in, those of us as Mr. Speaker and myself represent small, many small towns. Over the years, we have had a certain blessing in the creation of a grant program that has enabled the smallest of towns to be able to do some pretty remarkable projects. The STEAP program, which stands for the Small Town Economic Assistance Program, was put into

place many years ago with the assistance of Speaker Lyons to aid those towns because they were too little to be players in the major grant programs.

The major grant programs, the large cities would have tremendous amounts of needs and that would suck up many millions of dollars at a time, and then these, the towns that would like sometimes a quarter-of-a-million dollars, sometimes a hundred-thousand dollars to get a project done weren't left even with the crumbs. So this General Assembly decided that it was an important move to set aside a certain amount of dollars, and we have been very fortunate in, since the history of this particular program, that we have been able to keep mostly a $20 million package, bond package for about 100 of our small towns to do their requests for. About a hundred of the towns are considered small towns, so this is the program for them. And it's a half-million dollar max, a half-million dollar cap on these programs.

So in my experience, I have seen towns have the ability to do facelifts for their small towns. I have seen them do emergency work, and I have seen them also request assistance for their town municipal buildings, which have been granted and -- and have a huge impact.

Now, in my experience, too, there are some requests currently sitting before the Office of Policy and Management for these Small Town Economic Assistance Programs, and through you, Mr. Speaker, if I might ask the gentle lady who is the Bonding Chairman if she would please care to answer a question on STEAP.

DEPUTY SPEAKER RYAN:

Please proceed, ma'am.

REP. SAWYER (55th):

Thank you.

After that long-winded explanation of what STEAP is, madam, can you tell in this particular package, has the STEAP program received their customary grant of $20 million in one of both of the years?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

First, Representative Sawyer, may I thank you for that in-depth description of STEAP, because sometimes we just take things for granted and we forget what the program is about. Sometimes we're from larger

communities and we really don't know about our smaller communities and how very, very important this is. And as you have stated, this has been a wonderful program and Governors -- including our present Governor -- but prior Governors have recognized this as very meaningful for the economic vitality of our communities, so we've been very pleased to have these grants.

In answer to your question, Governor Malloy has and we as a subcommittee have continued the $20 million each year for projects that people apply for. Governor Malloy is rolling these out, and he will make decisions for these dollars, based on many, many concerns and what needs to be done. And these are coming forth as we speak. So yes, it's a very viable program; it's an excellent program; it's one that we all believe should and will continue.

Thank you for that question, Representative Sawyer.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

I look forward to some of those rolling out

dollars. I know that in one particular town there is a request for money to put city water -- and that's a big expression for us -- is to put any water that's considered city water, to have a municipal water supply for the center of town for their economic development, because there's an expectation that that particular area has a growth potential. So I look forward to rolling out dollars.

And I thank you, very much, because I think we, with this two-year thought process, we know that those dollars go right back into the economy. Much of those dollars [sic] are done with local labor; local labor is used, the local companies are used to help some of these projects in the smallest of towns; thank you, ma'am.

And, Mr. Speaker, if I might, a couple questions to the Representative who does the Transportation Bonding Subcommittee, sir.

DEPUTY SPEAKER RYAN:

I believe that would be Representative Fawcett, so you can -- Representative Fawcett, prepare yourself -- and Representative Sawyer, you can proceed with your question.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

This is my first year on Finance, and it's been a few years, Mr. Speaker, since you and I arrived here, and so it's never a day that we don't learn something. And to be on the Finance Committee was a -- a 180-degree shift from Appropriations that I had served on for years before.

So I got to Appropriations [sic] and when the bonding package came forward, Mr. Speaker, one of the sections that I was very keenly interested in with a 20-year experience on the Transportation Committee, I was fascinated to see in the bond package bill that came through our committee that Transportation was bonded. There's bonding for Transportation issues in the first year of the bond package, and suddenly, in the second year of the bond package, what we're to vote on, it was zeroed out. There was no bonding, no bonding for Transportation.

And if I might have the Representative please clarify the difference between that and what is in the current bond package and what has transpired since then.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank -- thank you, Mr. Speaker; through you.

Yes, that -- that was the case on the day, several months' back, when we as a Finance Committee moved the bond package out of committee. The conversations regarding spending for year two were not completed with DOT at that juncture. Since then, we are, have been so thrilled to work directly with the Governor's Office, and, of course, Commissioner Redeker's Office and get a lot of clarity on their intention, moving forward for long-term infrastructure investment planning for the State of Connecticut. And so, you know, it was just a continuation of that conversation that needed some clarity before that money, that second-year money that the good Representative is referencing was added into the package for this vote today.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker, and through you, sir.

So is the dollars in the second year required for any continuation for projects from the first year?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Through you, Mr. Speaker.

No; I mean, there's no, nothing tied directly to this year that is, enables the second year.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker, and through you.

So is this, so if my understanding is correct because there is a -- this is new language for me today -- these are all, will be considered all new projects moving forward from the second year on?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

I'm not sure I understand the question, all new projects starting in two years?

REP. SAWYER (55th):

Yep.

REP. FAWCETT (133rd):

If the Representative could clarify the question.

DEPUTY SPEAKER RYAN:

Excuse me. Representative Sawyer, could you clarify the question, please?

REP. SAWYER (55th):

Yes, sir.

The dollars that were, we saw in Finance when we originally voted on the package were specific to the first year; they're specific projects. Now that we're looking at new dollars in the second year, are those, so those are new dollars for new projects, ones that we had not seen in the Finance Committee before?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett, did that help?

REP. FAWCETT (133rd):

Yeah; thank you, Mr. Speaker, and through you.

No, I believe that often with such extensive bonding of Transportation infrastructure dollars, the Transportation, the Department of Transportation has extensive autonomy to continue funding projects and continue funding moving projects along. So it is not necessarily that year two is directly related to

brand-new projects; some of that money certainly could be allocated for second and third and fourth and fifth stages of existing infrastructure projects.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker, and through you.

Because that second year didn't have a public hearing, is there any one project, anything that stands out that we should know about on the floor today?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

I -- thank you, Mr. Speaker, and through you -- no, I think the two things that we came to resolution on over the past eight weeks were the intention for the leaders and the Minority Leaders and the Chairs of the Finance Committee to have ongoing meetings with the Department of Transportation from now through the end of this year so that we can continue to get updates on the Transportation infrastructure spending that's occurring.

And we certainly, as I mentioned in the beginning of my presentation about this package, are eagerly looking forward to all of us working with the DOT and we move forward in bringing in a consultant to work with the, with all of us to plan a long-term, to put together a long-term infrastructure investment strategy for the State of Connecticut, going forward.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Sawyer.

REP. SAWYER (55th):

Thank you and through you.

As I -- I sit on the Transportation Committee and I've been very curious, will they, any Transportation Committee members be involved in these discussions, such as the Ranking Member, the -- the Chairman of the committee?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

Yes, very good question. It absolutely is the intention that the Transportation Committee Chairs,

the Finance Committee Chairs and Rankings -- sorry -- Transportation Committee Chairs and Ranking Members and Finance Committee Chairs and Ranking Members would be included in all of these meetings.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, and I appreciate the, her clarification on that and the inclusion of the Ranking Members.

If I might, another question through you to Representative Fawcett. The bond package that passed out of Finance requires that the DOT spend $2 million for a study of long-term investment. And what was brought up to me -- and, again, being new to the committee I went backwards and did a little hunting -- was that this was duplicative; this is a repeat, Mr. Speaker, of a $2 million contract for a study already underway for the same purpose, and that would be to provide comprehensive intermodal plan, looking at the highways and roads, airports, ports, railroads, and other mass-transit systems. There was already the $2 million's contract for that study, and yet it was found in the bond package. So if the, Representative

Fawcett would please clarify for me the, what has transpired.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

Yes, the good Representative is -- is exactly correct. When we moved this bond package out of committee, there was highlighted the $2 million to hire the consultant to work on the long-term infrastructure investment plan for the State of Connecticut. Through -- the conversations that I mentioned before were not finish at that date -- through further conversation with DOT, it was clarified that they were in the process of bringing that consultant on board, and they had the money through a different mechanism and didn't need it highlighted in the bond package this year. So the -- the package before us today, that money has been removed.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

That is a great comfort because $2 million is certainly a large chunk of change and it is a -- a good feeling that we have the clarity that it's two and not four.

Mr. Speaker, in the Governor, in -- in this bill, in Section 40, through you, again it's a Transportation question for Representative Fawcett.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. SAWYER (55th):

Thank you. Thank you, Mr. Speaker.

In Section C it says that the Bureau of Transportation, you know, we have a, not to exceed $143 million -- a very large chunk of change there, Mr. Speaker -- regarding bus and rail facilities, including rights of way, property acquisition and related projects. Is there a major piece in that -- out of the $143 million -- is there a major project in that or is that made up of many smaller projects?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speak -- Speaker.

Several smaller projects.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

And I'm going to ask this one question -- I know that we bring it up on a regular basis -- and that is the issue of bridges. Mr. Speaker, we have a -- a notoriously -- let's be polite here -- poor reputation in maintaining our bridges across the State of Connecticut, and we have a series of bridges that are, come to the top of the list in needing to be repaired and repaired very soon, Mr. Speaker, because of the safety issues, the safety concerns.

Through you, Mr. Speaker, is there a major piece of money -- to Representative Fawcett -- is there a major piece of money in this for bridge repair?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

And -- and thank you, for the question. The conversation around bridge repairs in Connecticut has

been one that has come to the forefront in recent years. And -- and several of us have participated in many meetings where the DOT has highlighted the need for more investment in bridges, both local bridges and state-owned bridges.

And to answer the question, yes, there are specific programs that focus on the bigger -- tend to be bigger -- state-owned bridges and then local capital improvement on bridges in our individual communities, which would be smaller, town road, town bridges, town-owned bridges.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Sawyer.

REP. SAWYER (55th):

Mr. Speaker, and through you. Has that money been increased in this particular package over, for the next two years from what we have spent in the last two years?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

It's about the same.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

And if -- if the gentlewoman knows, has the formula changed for what monies will go out to the towns for their local bridges? Has there been a change in that particular allocation for the money? Because we know that there are certain areas that have, their bridges have risen to the top.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative -- excuse me -- Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

And the Representative highlights, again, an -- an important change that Representative Perillo was asking about. And, yes, there's a percentage reimbursement change that allows our municipal governments, when fixing a local bridge where they used to be able to apply for a between 10 and 33

percent reimbursement, they now will be able to apply for between 15 and 50 percent reimbursement for those local bridge projects.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Sawyer.

REP. SAWYER (55th):

Mr. Speaker, I missed the second part -- I apologize -- in the percentages, because of conversations behind me; if she might repeat that, sir.

DEPUTY SPEAKER RYAN:

Ma'am, would you mind repeating it?

REP. FAWCETT (133rd):

Thank you.

The new reimbursement rate that towns will be eligible for, Mr. Speaker, is between 15 and 50 percent of the local bridge project, so substantially more.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

And just one, final question on that particular

issue: Is there a variable; is there a difference for those towns when they go to apply for this money between a small town and a large city, as to the percentage? Is -- is that the deciding factor between 15 and 50 or is it per project?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

That information is not specified in the bill before us and would be up to the DOT. But the way that I understand the language is the reason the flexibility is given to DOT to be between 15 and 50 percent is so that they can work with each municipality based on need and several other factors to determine what their, what that municipality's reimbursement rate would be.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

So here, now, I guess I have a -- a, now a major little flag that's popped up for me. Do we have a

formula that we'll be voting on -- through you, Mr. Speaker -- that the DOT would be expected to use?

DEPUTY SPEAKER RYAN:

Representative Fawcett.

REP. FAWCETT (133rd):

Thank you, Mr. Speaker.

Again, that information is not in the bond package before us so would be at the discretion of the state Department of Transportation.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

And I thank her for her answer.

You know, we have spent many years giving out money to towns and municipalities for, say, education, and under the ECS, we have a formula. Mr. Speaker, we also have formulas for LOCIP; we have formulas for Town Aid Road; we have different formulas that we use. And so I'm a little startled that there is no formula and there is such a vast difference in the percentage that these towns will be receiving, from 15 to 50 percent. And, oh, by the way, it's left up to the agency.

I appreciate her answer on that because I think that is certainly worth investigating and something that the Transportation Committee should seriously look it. It is difficult in the smallest of towns to the largest of cities to plan if they do not have a -- a concrete way to or an expectation of how much money they can expect.

We know with, we ask for, when we going to do a major road project that we expect 80 percent back from the federal government. We supply 20; they do 80 percent, say if we're doing a project on I-95, if we're doing a project on I-91. In this case where we are going to be boosting up the, these towns -- there are some that are poorer than others -- but what is the factor for poverty, the town, the town wait on and who can afford what?

How much money will they be receiving from the state? What is the poverty factor? We don't know that, and I think as we are looking at -- or the wealth factor; either which way you want to look at it -- where we will be and how we'll be giving out this money, and I believe that we should move that forward in the Transportation Committee next year.

These are all, each and one, every one of these

dollars, Mr. Speaker, are coming out of the taxpayer's pocket, and we need to be good stewards of that money but also exceedingly clear so that -- and I'll say it this way -- favorites aren't played, Mr. Speaker, that we don't have favoritism going on. Certainly I'm not saying that there is that being done now, but I certainly wouldn't like that to be a pall over the department that has been doing such an exemplary job in assisting the municipalities.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Shaban, of the 135th; sir, you have the floor.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

I rise to ask I guess the proponent of the bill or whomever we think is the best person a couple of questions about the Bioscience Innovation Advisory Committee, through you.

DEPUTY SPEAKER RYAN:

I believe that would be Representative Boukus, so please proceed with your question, sir.

REP. SHABAN (135th):

Thank you, Mr. Speaker, and through you.

Taking a look at this, we talked about this Bioscience Innovation Advisory Committee; we had a good discussion about this in the Finance Committee, a few weeks back. And, you know, I -- I came to learn there, and I'm hoping the Representative can confirm for me, that this new committee or just to answer whether or not it'll be part of Connecticut Innovations, a sister agency to Connecticut Innovations; how's that relationship going to work?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Could the good gentleman tell me what line he's looking at, please, sir? Thank you.

REP. SHABAN (135th):

Very good. It --

DEPUTY SPEAKER RYAN:

Representative -- I'm sorry -- Representative Shaban.

REP. SHABAN (135th):

That's okay; that's all right. It starts, I

think, Sections 70 and 71. I'm starting on 1982; 70 and 71 is where that all starts.

DEPUTY SPEAKER RYAN:

Sorry -- Representative Boukus.

REP. BOUKUS (22nd):

Okay. Now that we have it, Mr. Speaker, could he give me his question again, please, sir?

DEPUTY SPEAKER RYAN:

Representative Shaban, could you repeat your question, sir?

REP. SHABAN (135th):

Thank you, Mr. Speaker.

Yeah, the discussion we had in the Finance Committee, it touched upon the relationship of Connecticut Innovations and this new Connecticut Bioscience Innovations Advisory Committee.

Through you, Mr. Speaker, what is their relationship going to be? Is the, is the new Bioscience Innovations going to be part of Connecticut Innovations, work in parallel? How's that going to work?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Mr. Speaker, the Chief Executive Officer -- I'm looking at one, Line 1993, sir -- the Chief Executive Officer and Executive Director of the Connecticut Innovations, Incorporated will serve as the Chairperson of the advisory committee.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Shaban.

REP. SHABAN (135th):

And thank you, Mr. Speaker.

You know, it's a, it seems a little, a little hazy. I saw that too but it's, it, my recollection of the discussion in Finance is that it was a quasi-subsidiary of Connecticut Innovations. And I'm not, frankly, I'm not sure it's really that important because I understand this, the structure is being set up here.

My question is -- is similar to what I had a few weeks ago, is kind of how this thing is going to run in comparison to how we've been operating Connecticut Innovations. And, in particular, I'm going to focus on the intellectual property arrangements that we make

with -- with borrowers.

But moving on just in the bill, itself, we define the term "return on investment"; it's at Line nine -- 1977. The words speak for themselves but the one thing I see missing is licensing fees, unless I misread it; I'll double-check. Yeah; I do not see licensing fees.

Through you, Mr. Speaker, is, does the proponent know why that's not in there or whether or not that's subsumed somewhere else?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Yes; thank you, Mr. Speaker.

I think if we move down to one -- 1979, 80, 81 are all other forms of remuneration to the administrator in return for any financial assistance offers are provided. I think it would be covered under there, sir.

DEPUTY SPEAKER RYAN:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

Well, I'll return to that. I guess it would have to be because it's that specific, but I guess arguably at least for legislative intent and the Chamber's understanding that licensing fees and similar arrangements should in fact or could in fact be covered by that language, which -- which I think is important.

Moving on, still through these couple of sections, at Lines 2050 we see some sometimes familiar language that's sometimes honored in the breach, I think; the Connecticut Bioscience Innovation Fund shall not be deemed an account within the General Fund and shall be used exclusively for the purposes provided in this section.

Through you, Mr. Speaker, is it the proponent's understanding that that is a guarantee, 100 percent, absolute prohibition against sweeping funds from this new fund into the General Fund?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Yes, thank you, Mr. Speaker.

And I thank him for his question.

I think as we started earlier today and we tried to address as we went on other areas, we are very, very concerned with the statement you just made in that funds set aside for a particular whatever should stay with that. And can I say unequivocally that that's what's going to happen? I will tell you -- legislatively intent -- that's what we want to happen. We believe we've covered it enough here so that that's what will happen.

Thank you. Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

And it's, I agree. I agree with the Representative; that is, I think, what we all want to happen, because when you try and do something legislatively for a laudable purpose, such as this and other things, we set up funds that we say, nope, this is separate. But history has proven, again, that we honor that representation often in the breach, whether it's different types of license plates, tobacco money, Special Transportation Funds, and whatnot, et cetera, et cetera. So I -- I raise the issue because it's a

concern. I raise the issue because I think it's important that we highlight on this record and before the state that this fund, should it be created, is supposed to be subject to that insulation. But obviously that is subject to the future whims of this body.

Moving on to the actual, the mission of the Bioscience Innovation, I think that starts, it starts in Section D. It's Lines 2053, but the real mission of the new agency or the fund, I should say, the commission -- no, I guess it's a committee; I think it's called a committee -- starts 2059. And all those things are good. I mean, we, again, we talked about this in the Finance Committee. We're going to set aside money, and it's, it seems to be sort of a, almost like a Connecticut Innovations' model but focused more on bioscience, biomedical engineering, health and, you know, the things listed here. Is that, is that an accurate statement?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes, you're right on target, sir.

DEPUTY SPEAKER RYAN:

Representative Shaban.

REP. SHABAN (135th):

And through you, Mr. Speaker.

Could, isn't it true that Connecticut Innovations now could actually do all these things that we list as the mission of this new committee?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Yes, Mr. Speaker. Yes; the answer is yes.

DEPUTY SPEAKER RYAN:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

And I thank the Representative.

I note, kind of on my last point, that I think we actually have taken some money out of the Connecticut Innovations' fund in the past to help balance our budget. So, you know, to kind of put a gloss on the last point and then the last question, through you, Mr. Speaker, why then if -- if Connecticut Innovations

could do what we say we want these guys to do, why create a separate body?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

We need this as a specific entity for this bioscience consideration. We need to state what we believe should be happening within that commission, the development of these areas. I believe it's a clarify issue, a transparency issue, and that's my best answer.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

And I -- I think --

REP. BOUKUS (22nd):

Well --

REP. SHABAN (135th):

I think that's, probably is the right answer if

it's like, well, maybe we, maybe we can do this, but we want and try and highlight this or post its own, separate flag. And, again, I think, you know, I think some of that is good.

My concerns start really when we talk about the guidelines of how we're going to move forward on applicants applying for funds or assistance. And all, the guidelines, the stated guidelines starts, start in Line 2092, and they work down to 2105. But specific to me, my, to my concern is Item Number 6, return on investment objectives.

Through you, Mr. Speaker, if I'm reading this correctly, the guideline that we want the new committee to set up is not return on investment but a return on investment objectives. And that, to me, seems to be two, different things.

Through you, Mr. Speaker, is there a distinction there or am I reading too much into this?

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

It's my understanding at this point as we start this endeavor that we're not sure what the investments

would be. So return on investment objectives is what we're actually looking for at the moment.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Shaban.

Thank you, Mr. Speaker.

And I, you know, that, you know, there's the rub, as some of us say in this Chamber. You know, one of the concerns that -- that many, that I expressed in -- in the Finance Committee is just -- just that; that, you know, we turn, we throw around the term "investment." We make investments in this; we make investments in that.

And when it's an investment, quote, unquote -- to use a term of art in the Legislative Chamber -- when it's an investment in something like education, like the Next Generation bill we did last night, you could actually justify that or -- or at least I can, that, you know, the -- the return on that investment is the education of our children; in UConn, approximately two-thirds of the kids who go there are Connecticut residents.

You can, you can justify the use of the term investment as a, you know, potential, potentially

attracting, you know, factories, research dollars, that kind of thing. But, again, it, the prime return is educating our children, and that's a core function, in my opinion, a core function of what we as a state government are supposed to do. In fact, I think it's enshrined in our Constitution, one of few states that do that, so that, well the use of the term investment in that model makes some sense.

But here -- here we're investing in bioscience. Bioscience is, you know, medical technologies, DNA research, you know, stem research, all that kind of stuff. The only thing the -- I shouldn't say the only thing -- the most important thing that any of these entities have is their intellectual property, their ideas, their patents.

Unlike Connecticut Innovations, which I was looking at some of their, you know, sample companies, they invest in small factories and sometimes a restaurant and, you know, some, you know, basically going concerns that have hard assets. They have furniture, fixtures and equipment. We can take a security interest, if Connecticut Innovations so chooses, in that furniture, fixtures and equipment. But they could take a security interest in the cash

flow. They can do the things that investors, creditors would normally do and say, all right, I'm going to lend you money, but I'm going to protect ourselves. I'm going to protect our investors. And here, the investors are us, the taxpayers; our investors are our taxpayers. Under Connecticut Innovations, they actually have some tangible assets, potentially to grab.

With this new model for the bioscience, you're not going to have that. Maybe you have some lab equipment, but typically what you have is intellectual property.

So through you, Mr. Speaker, when the new Bioscience Innovation Advisory Committee was being set up, was there any focus or refocus on how we're, how we as a state were going to get an interest in any resulting intellectual property?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Just a moment, please. You're going to love this one.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

The R and D -- to the good Representative -- my understanding is that the R and D is -- is being done. The problem at this point is we're setting up the funding in order to put it forth.

DEPUTY SPEAKER RYAN:

Representative Shaban.

REP. SHABAN (135th):

Well, thank you, Mr. Speaker.

I may -- the question, and maybe I didn't ask it well enough is: Is what consideration with this new committee to the state having a security interest in the resulting intellectual property; what considerations, if any, were taken in connection with this new committee?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

I apologize but I do not have an answer for that.

I'll have to get back to you on it.

DEPUTY SPEAKER RYAN:

Representative Shaban.

REP. SHABAN (135th):

Thank -- excuse me -- thank you, Mr. Speaker.

And -- and it, that's -- that's kind of where me and my concerns peaked when I first heard of this laudable idea, because in one, again, for the reasons I mentioned before, the only thing these companies have is intellectual property; it's not, you know, the security. The security evaporates if the intellectual property goes away or is given to somebody else or sold to somebody else or -- or sold, licensed away from the state.

I know in 2011, that Secretary Barnes asked for a commission to study -- and I actually have a copy of it here -- it's an intellectual property study but for OPM. It was sent out, the request was made in 2011, and the fine folks, some of whom at Connecticut Innovations, I think, issued a report in March of 2012, basically outlining how we as a state protect or don't protect our investments, vis-a-vis intellectual property. And the -- the result, the results of the study, I think, were important and prescient as we

talk about this particular bond package, as especially with this particular committee.

Long story short, the OPM study determined that we lack a comprehensive, centralized, IP management program. Long -- long story short, the study said we need to create a centralized, long-term, coordinated IP management program in order to, among other things, protect our investors and it, and create some actual job growth. Because, here again, you invest in an, you -- you invest in a bioscience company and they create whatever widget, whatever device, whatever formula, and absent real security interests, that IP goes away if that company goes away or moves it out, sells it, licenses it to somebody else.

So for the, to that point, to that point, again, looking at OPM's own study, we note that the University of Connecticut in the last year made all of about $1 million on their intellectual property; that's a million bucks. Attached to the back of the study is a list of other universities, and the state universities in particular, and what they've done. So let's look at New York University in the same time period, doing the same kind of investments we're talking about here -- not all -- but, you know,

similar type of investments talked about here.

This is revenue in '08, it's an '08 number, but in '08, New York University, just the university, not even the state, got a $157 million bucks back. Wake Forest University got $60 million; Mount Sinai School of Medicine, 20 million, and the list goes on and on and on.

And here our primary IP driver is the University of Connecticut, i.e., some of the stuff we did last night and, B, some of the stuff we seek to do here today, but we do not have a centralized intellectual property management system as requested and reported to the OPM secretary. So, you know, that's a concern. That's a concern.

Through you, Mr. Speaker, if I may, just on a intellectual property point, and if -- if the, if the Representative knows, has -- well, I guess a better question is: Could this committee, could this committee under the way this is presently structured require or ask for strict -- I'll use, you know strict, strict, quote, unquote -- intellectual property securitization interest or a security interest in any of these investments?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Absolutely, it can. And when they enter into contracts, this would be, by understanding, part of the verbiage that would be there to make sure that we are protected.

Thank you.

DEPUTY SPEAKER RYAN:

Representative Shaban.

REP. SHABAN (135th):

Well, thank you, Mr. Speaker.

And I think they probably can, I can see, yeah, and I agree and thank you. And I think that's important that people know that.

But my concern, again, is that we don't have a policy to show them exactly how to do it. Now, because we do it in different ways, you know, is -- is it like the Ag Station, for instance? They come up with things that should and could be patented, that we don't do it. UConn, as I mentioned, makes a million bucks.

It's funny; UConn actually, we think actually

makes more licensing fees on their Husky logo and sports' jerseys and whatnot than they do on their bioscience stuff, which is insane because, right, that's the direction we're trying to push our flagship university. Our -- our IP contracts to date don't have any provisions for repatriation of the capital, so should that, should that intellectual property be commercialized and -- and create something that actually makes some money.

So, again, as investors, taxpayers, as the investors here, I think that while this -- this part of the, you know, the, this part of this monster bill expresses a laudable goal; I'm concerned again. Here we go again; we're going to throw out a couple-hundred million bucks -- I think with debt service it's going to be over $300 million -- and we do not have a coherent strategy to protect our taxpayers. That's bad planning.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Williams, of the 68th District; sir, you have the floor.

REP. WILLIAMS (68th):

You sound so surprised, Mr. Speaker.

DEPUTY SPEAKER RYAN:

And -- and just looking forward to it, sir.

REP. WILLIAMS (68th):

I thank you; as -- as am I.

Thank you, Mr. Speaker, and -- and good afternoon.

I do have some questions on -- on the underlying package, and I -- I just want to state from the outset that I appreciate very much the work that is put into this effort on an annual basis by both Representatives, Boukus and -- and Representative Floren. We have a lot of work ahead of us, the rest of the day, but the work that they do all year long to try to put together a bond package that is as bipartisan as possible is -- is much appreciated. We don't always get to that goal but I know that their work is in earnest and is -- is very much appreciated by every member of this Chamber, so thank you -- you, to both of you.

Mr. Speaker, with that, a few questions, if I may, to the proponent of the amendment.

DEPUTY SPEAKER RYAN:

Please proceed, sir.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Through you to Representative Boukus, I just was interested in the colloquy between yourself and Representative Sawyer earlier on the issue of STEAP grants and the explanation that you gave, because as you said, all too often people don't really know the various different types of grants and accounts and what's a bond allocation versus a bond authorization and the Bond Commission versus the Finance, Revenue and Bonding Committee; and -- and it's a lot of work to just sort of sift through all of the -- the analogies.

So through you, Mr. Speaker, to Representative Boukus, the bill that is before us creates as -- if I'm correct, and please ask me if, correct me if I'm wrong -- basically creates a menu of items. The menu is the -- the ceiling, if you will. There are no more things that can go into the Bond Commission, that can be approved at the Bond Commission level than the items that are here, but not everything will ultimately pass through the Bond Commission. It's the, it's a floor versus a ceiling, and this year before us is the ceiling. Is that correct?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Thank you, very much, for that question, Representative Williams. It's always a pleasure and I could spend the next two hours explaining the entire process, which I would do with fervor, because it's so important for each of us to know what we're talking about.

We are so pleased, Representative Floren and I and other members of the Finance Committee, which you are an august member, in the fact that we spend a great deal of time taking a look at every program that's here, assessing what has been spent out of that area, what the Representatives and the Senators are telling us are needs in their communities so that we build areas of dollars that, when in fact it's necessary to assess them, they're there. We do not have, we do not name any specific item there. What it is, is an active go-between, between the Chairs, the Ranking Members, the Office of Policy and Management, and the Governor, who finally makes the decision as to

what goes on the Bond Commission agenda each month, which is generally held the fourth Friday of the month but changes according to holidays.

We present to him documents that you, the Legislators, have filled out extensively, because you are the ones that know about the projects in your area. But there are other areas. The Department of Transportation, the Department of Economic and Community Development, all the other areas that are also working on us, Clean Water Fund, all of the other areas that would be going after larger grants for us to consider. So, with all of that, I forgot your question; ask it to me again.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

I was ready for the next two hours, ma'am.

REP. WILLIAMS (68th):

Yeah.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you. Thank you, Mr. Speaker.

And that story is almost as good as the story you told last night about the UConn project, which was a

very heart-felt story and -- and we appreciate your work on that, as well.

So I guess the analogy that I'm trying to use -- and I probably poorly articulated it -- is that the -- the bill that's before us, the -- the bond items that are before us in the, actually in the amendment, in Senate "A," that we're seeking to adopt here essentially represents a menu. And we here in the Legislature get to, get to vote on the menu, but the only person who can order off of the menu, who can take items off of this menu and put them before the Bond Commission not to eat but to vote on is the Governor. Is that correct?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Let's not talk about food. I haven't eaten yet; okay? So use something else.

But you're absolutely correct. The final choice for the Bond Commission agenda is, sits with our Governor and every previous Governor that I've served under.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And so there are items that are in this package which have the, which have the potential to not actually make it to the Bond Commission. In other words, this is the -- the maximum number of things that would make it, but the Governor does not have to under our laws take these items and put them on the Bond Commission, which, of which he has the sole discretion to do that, as -- as you indicated -- have previous Governors. But this Governor is, since he is our Governor now, he is the sole arbiter of what goes on the Bond Commission agenda but he does not have to take everything that we pass. Is that correct?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus --

REP. BOUKUS (22nd):

That --

DEPUTY SPEAKER RYAN:

Boukus -- excuse me.

REP. BOUKUS (22nd):

That is -- Guerrera, Boukus; it's, things are getting really confusing here -- yes, that is absolutely correct.

Thank you.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Come on, it's not her first day here; you know that. You know how to say the names, Mr. Speaker.

So the Governor may also select, if I'm understanding this process correctly, old bond items that have come through old bond packages, five, six, seven, eight, nine, ten years ago. Those people who preceded us here in this building may have very well passed a document like this with items to hopefully be voted on at the Bond Commission level. Those items which have not been voted on at the Bond Commission level from five, six, seven, eight, nine, ten years ago still are on the menu and still may be voted on by the Bond Commission if this Governor were to select them for a vote, even though he was not here at that time. Is that correct?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Yes -- thank you, Mr. Speaker -- yes, that is correct.

DEPUTY SPEAKER RYAN:

Represent -- Representative Williams.

REP. BOUKUS (22nd):

Through you, Mr. Speaker.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Just a few questions on, and I -- I will defer to the Chair as to which member of this Chamber should be speaking on, speaking to the answers to my questions, but just a few questions on some of the specific items, and the first is the STEAP grant allocations, which I believe -- no, I don't know exactly what section they're in, but we can -- oh, that's Section 52.

Should I ask the question, frame the question first and direct it to the appropriate person or would you like to?

DEPUTY SPEAKER RYAN:

I think that would work fine.

Thank you.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Again, sort of a -- a process question as to how, in fact, items ultimately come to be at the end of the day. I noticed in the last year -- so you and I, Representative Boukus, are members of -- of the Bond Commission in different capacities; you, as your, in your capacity as the Bonding Subcommittee Chair and -- and, myself, as the Ranking Member of the Finance, Revenue and Bonding Commission Committee. And it struck me that last year when we voted on STEAP grant allocations, that we voted to approve the entire amount of what I think was $20 million, and I think that same amount is mirrored here today for the coming fiscal year.

It strikes me that there was a different process used this last year when we, at the Bond Commission level, approved STEAP grants than had been done in the past, and I -- I'd certainly stand corrected if I'm misstating that. But we were asked as Bond Commission members to approve the entire list without knowing what was on the list; in other words, I should say

approve the entire allocation without knowing individually which items had come, were being approved. So we were asked to approve $20 million but we didn't know that we were giving $500,000 for a field in Colchester or a $200,000 for some other economic development project, let's say in -- in Waterbury. Waterbury is a bad example because they're not a STEAP-eligible community, but I think you get my point.

Is there anything in this bill, in Section 52 or -- or beyond which speaks to the idea of members of the Bond Commission knowing exactly what the allocations are going to be, what the STEAP grants are going to be, rather than just that total amount of $20 million, if and when that comes for a vote before the Bond Commission? And -- and I ask that question because, you know, at the time, myself and some others were concerned about the fact that we were ceding to the Executive Branch the ability to not only to pick those projects, which they do now and they've always had that ability, but also we were, felt like we were kind of stumbling around in the dark a little bit in voting on this entire allocation but not knowing which was going to go where.

So is there anything in this bill, through you, Mr. Speaker, that would speak to that issue of breaking out the STEAP grants on a line-by-line basis, rather than a total amount?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker; no.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Is that a -- boy, that's a short answer to a very long question, and I apologize for that. So am I correct in understanding that this, what we did last year, the scenario that I just described was a break from the prior tradition?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

I -- I had a break in service, so, no, I don't

remember what happened in -- in a chronological order. But I do know that when we take a look at this package, that we're taking a look at today, when we go to vote on this, we are voting on a $20 million expenditure in STEAP grants, not knowing where the dollars or who is going to be applying for them or where they're going to be going in the months to come.

We're saying that the dollars will be there when, in fact, the applications have been made and when, in fact, they have been reviewed by the powers that be, that they are, include everything we need and they fall under whatever the people are asking for. And then a selection is made from that group by the Governor or they're asked to review them again and come back at another time or for whatever reason, whatever they're asking for does not fall within the requirements.

So we do not see those dollars that are out there; I think that's the best answer I can give you right now. That's what we're seeing.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And -- and thank you for that answer.

I -- I think that is as good of an answer as we can get, based on what we have had before us in the, in the, in the bond bill. It strikes me, though, that if you look elsewhere in the bond bill and you look at previous months', you know, recent Bond Commission agendas, you would see that we have had, we have other items that are broken out very specifically, sometimes down to the single dollar. We may see an item that is worth -- you know, an Urban Act grant or something -- that's worth $637,521; I mean literally down, it couldn't get any closer if we went down to the penny. And so we know exactly how much is going for a particular project.

We sometimes know within that project exactly how much is going for a particular line item within the project, so sometimes we'll see sprinkler repairs and facade improvements and things like that; so we see it broken out at that very, very basic and granular level. And then yet with the STEAP grant allocations, we're saying basically, if I'm -- correct me if I'm misunderstanding this -- Governor, go ahead and take

the $20 million and dish it out however you want. And we, the Bond Commission are going to rubber stamp that and say you have that authority.

And so understanding that you had a break in -- in your service -- and we're -- we're glad to have you back, of course -- I guess my question is: Is there a reason why STEAP grants are different in terms of that level of public scrutiny, prior to the Bond Commission voting, than in these other allocations and other bond authorizations that we see at the Bond Commission level?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

In answer to your question and the wonderful explanation that Representative Sawyer gave to us, that these STEAP grants have a maximum of -- of $500,000, and that many times we're speaking to and assisting very small communities that do not have the large offices as some of the bigger cities might have, and that the other grants that we give are in the millions of dollars and excess of that, that we work

with them and basically they do not come up with a finite number until they are actually giving you forth the bill that was done.

So they're giving approval for the application that they made to benefit their community to, and then work with the department to narrow down exactly what they're asking for, going out and getting the bids wherever they're required, and I think it's just a situation where they just don't have the staff to do that kind of work when they're applying for it.

The rolling out that seems to be happening now rather than all STEAP grants being done at the same time probably is in answer to the fact that communities, again, are putting their applications in at various times. And rather than tying everybody up to one particular time, they just roll them out. So that's my answer.

Thank you.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

So that, actually that does make sense to me from

a logistical standpoint; right? You have a rolling application process where you might have 15 communities put in applications for a whole variety of different amounts of STEAP grants. They're not all, as you indicated, Representative Boukus, a $500,000 request; you could have a $270,000 request, a $300,000 request, a hundred-thousand dollar request, et cetera, and -- and I think that trying to match those dollar amounts up to get them as close to possible to the $20 million number probably is a huge challenge when you look at the fact that they're coming in on a rolling basis and then, more importantly, being awarded on a rolling basis; right? So I -- I think that does make sense from a -- a logistics' and -- and mathematics' standpoint.

I -- I guess though that, again, in the past, I recall -- I hope I'm not misstating this on the record here -- but I believe that in the past those amounts had been made public to members of the Bond Commission prior to us -- not you and I; maybe you, not me because I was not there -- but voting on those allocations. And so I -- I wonder if perhaps at that time applications were not received on a rolling basis and awards were not made on a rolling basis but rather

there was a firm cut-off date for the application and there was a firm date in which they were awarded.

And so it seems to me that from a logistics' standpoint, if we were to change that process from a rolling application and rolling award process to a finite date and a -- a finite application date and a finite award date, that we probably could resolve that and increase the public scrutiny of what those awards are.

And I don't mean that in that there's anything nefarious happening or what have you or anything political happening or what have you, but I do think that members of the Bond Commission who are the final arbiters of this menu that we see in front of us should have the opportunity to review what they're actually voting on in terms of a project rather than a, what essentially amounts in my opinion to a block grant that is given to the Executive Branch to then dish out to the communities.

Having said that, I do support very much the STEAP grant program that we have; I think, as you said earlier, it's a wonderful program that can help small towns who otherwise may not have the resources to put together certain projects. They may not be able to

fit them. They may, those projects may be outside of the scope of what they may do in their general operating budget or something that they cannot go and raise private funds for. Many of our communities have been the beneficiaries of this strong program, and I want it to continue. I want it to continue to be funded. I think that it probably spoke to or resolved an issue that existed many years ago, wherein small towns were not easily able to compete for grant dollars for things that big cities were able to compete for and -- and still are able to compete for. And so I think there is huge value in -- in this program.

I -- I would like to see us at some point increase the public scrutiny of what exactly we're doing. And -- and perhaps it doesn't require a law. Perhaps it -- it just requires that the administration slightly alter their policy from what they had done last year to what we're going to do this year. And -- and maybe we won't have to have a long discussion about this at that Bond Commission meetings when -- when that arises, so I thank you for your answer.

Mr. Speaker, just some questions. And I -- I apologize. There's just some individual questions on

individual projects that are -- are listed here, if I may, through you to whoever is the appropriate person.

In Lines 18 and 19, we are allocating $5 million for the design and implementation of consolidation of Higher Ed systems with the state's CORE system; I should say not to exceed $5 million. Excuse me. Over the years, we've seen a lot of investment in technology upgrades at the Bond Commission level. This certainly is an appropriate capital improvement that is appropriate for something like the Bond Commission and not necessarily something for our general operating budget.

My question, through you, to whoever it's appropriate to is: Had we not done this before in Higher Ed? I understand that we are trying to make all of our software systems throughout state government talk to each other, and that is an incredible challenge in such a large organization like state government here in Connecticut, trying to get all the various departments to be able to talk to each other, to squeeze out inefficiencies and make government work better. I thought that at the, we had done this before, so is this a, an upgrade to the system that currently exists within Higher Ed or is

this an addition; is this bringing Higher Ed into our already existing CORE system?

Through you.

DEPUTY SPEAKER RYAN:

I believe that would go to you, Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

I -- I believe that like any technical upgrades that we do throughout all of our state agencies, one of the agencies or one of the consolidations for Higher Ed sometimes didn't get the attention that it really probably needed. So this is an upgrade for them to bring them in line with other work that's been done over the years.

You are absolutely correct regarding the dollars that are being spent for upgrades as they continue each year. And it's just a cost of doing business. It's important that we have data. It's important that we have information and that this is available to them. So it is an upgrade to Higher Education because the need is there.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And I thank Representative Boukus for that answer.

Similarly, in the next subsection dealing with the design and implementation of the Criminal Justice Information Sharing System, an amount not to exceed $7,900,000, it strikes me that since, in the last few years and -- and a lot of credit is due to a former member of this Chamber, Representative Lawlor for his interest in expanding the capabilities of technology in the Criminal Justice System. And again we've seen items at the Bond Commission level, I'm -- regarding this and similar to this -- I'm curious as to what this does that we have not done in the past.

The Criminal Justice, I seem to recall Criminal Justice information software on our Bond Commission agenda items in the, in the past. Is this design here to link up all of the different systems that we have recently invested in? And I -- I apologize sincerely for getting into the weeds on this, but I -- I, we've seen it a number of times at -- at our level at the Bond Commission, an investment in Criminal Justice

software. And I'm just trying to figure out what does this do. Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

We're going to the -- look for the testimony that was provided to us. We have put a great deal of contributions to the Criminal Justice information area. Where is it here?

A VOICE:

It's continuing the development, so it's the next phase.

REP. BOUKUS (22nd):

It's, and with the dollars that we have already spent and the dollars that we will spend in FY '15, it is a continuation, a -- a phase that is continuing for the information sharing between all law enforcement and Criminal Justice agencies. Criminal Justice community is working to be able to speak to one another, to make sure that they're all able to access information. This is an ongoing expenditure.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

So if I'm to understand that right, then this is a phase-in of a very large software. I believe it's a software acquisition that we didn't do all in one bite; is that generally accurate?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

You are correct.

Thank you, sir.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And so I imagine then that -- and if you don't know the answer to this question, I'm not trying to put you on the spot; I'm just trying to sort of get my mind around how we've deployed these large softwares' acquisitions and -- and certainly understand if you don't know this -- but so if we are making large

capital investments in new systems, as we're doing here, we consider those to be capital expenditures. Anything to do with, like, a technical support or maintenance and that sort of thing, which might be an ongoing, yearly cost, do we fund that at the Bond Commission level, through the bond package or do we fund that through an individual's department's annual appropriation? Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

I think the latter. I think that the capital, we're very much involved with. But the operational or the everyday activity with it is done within the department.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

Thank you, Mr. Speaker.

And I noticed in Line 31 and 32 that we are allocating -- which, you know, I guess it's all based on your perspective -- but relative to the other items that we see, not only through this document but just on this page, a rather paltry sum of $750,000 for

Veterans Affairs. And, again, I -- I see every month Veterans Affairs type things on our Bond Commission agenda. Is, does, is there more money allocated elsewhere in this document for the Department of Veterans Affairs, for renovations and things like that or are, did, have we completed most of the work that we need to do with past allocations?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Thank you for that question.

There are still unallocated dollars that are left in the Commissioner's budget in the tune of 350,337, 1.7 million, and one -- and 176, give or take a few hundred dollars either way. This was a direct request from Commissioner Schwartz. We, as a member of the committee wanted to make sure that this covers the things that she needed to have done there. She was quite adamant that this was all that she needed, in review of what she wanted to do.

(Deputy Speaker Ritter in the Chair.)

REP. BOUKUS (22nd):

And we must, we must compliment Commissioner Schwartz in all the work that she has done in the last five-to-eight years, securing federal dollars and other avenues that help us in the state. So while the dollar amount is smaller than we would think, the reality is that this Governor and other Governors have been doing a great job with our Veterans. And so this is what is needed. This is what has been requested. There are dollars left in the unallocated, so I believe this is adequate.

Thank you, Mr. Speaker -- Miss Speaker -- Miss -- madam.

DEPUTY SPEAKER RITTER:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Madam Chair.

So different to see you from a few moments ago.

And I thank Representative Boukus for that answer.

I -- I actually, 1000 percent agree with Representative Boukus, and Commissioner Schwartz's dedication to this cause is so strong and so well

recognized that it has transcended administrations here. I actually had the, have had the occasion to speak with her on a number of occasions.

She left her purse behind in Watertown one night at a Veteran's function that we were having, and she lives all the way on the other side of the state, perhaps no farther away, there are no places farther away in -- in Connecticut from Watertown, Connecticut than Stonington where she lives, and so we got her purse back to her. And she got a wonderful, little restaurant down in Stonington borough that people should visit, but I guess I -- I digress.

Madam speaker, through you, in Lines 133 through 134, I notice that we're developing, we're allocating a, no more than $2 million for a Juvenile Court building in either Meriden or Middletown, wondering --

REP. BOUKUS (22nd):

How that --

REP. WILLIAMS (68th):

-- how, have we settled on Meriden or Middletown already? Has the department settled on -- on one of those two sites? Is there a location actually in one of those two towns that we are going after or looking to make this, build this project on? Is it a

building? I'm -- I'm just not familiar with, like, how did Meriden and Middletown get so lucky?

Through you.

DEPUTY SPEAKER RITTER:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker [sic].

According to the information we received during our subcommittee meetings, a site was identified in Meriden from state-owned surplus inventory. The site was transferred to the Judicial Branch in January of 2013, and the project will be forwarded to Department of Construction Services.

We have it stated in here just to keep it open, just to keep our options open to make sure that we're able to secure exactly what we're looking for. I hope that answers your question.

Thank you, Madam Speaker.

DEPUTY SPEAKER RITTER:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Madam Speaker.

And -- and thank you, Representative Boukus for that answer.

In Lines 322 through 323 -- and, by the way, I sincerely appreciate the dialogue that we're having here about these items, because, again, if you ever watched a Bond Commission meeting, if you're not a member or if you've ever been a Bond Commission member, you know that we can do these things in very rapid fire. And so I'm trying to vet these issues out now is, I know is very helpful to a lot of us, so I -- I appreciate the answers.

Lines 322 through 323, we're looking to not exceed $50 million to presumably recapitalize the Small Business Express Program. As I recall and either last month or two months ago at our Bond Commission meeting, we increased, I think we reallocated some money from another program, I think it was into the Small Business Express Program because we were so flushed with applications that were coming in for that program that we felt the need, collectively -- and I believe it was a unanimous decision -- to make, reallocate unused funds from somewhere else -- and I -- I don't recall where -- into this program.

REP. BOUKUS (22nd):

MM (inaudible).

REP. WILLIAMS (68th):

Oh, and you have the answer to that question. MMA; right -- or MME, I mean. MMA; MMA is a whole different issue that we have to deal with here -- so the MME account. And we, we sent that into the Small Business Express Program.

Do you know if we have used all those funds up and therefore we need this entire $50 million, I believe it is? And if so, is $50 million enough to recapitalize this program, given how much we had to transfer from MME into this program? Through you.

DEPUTY SPEAKER RITTER:

Representative Boukus.

REP. BOUKUS (22nd):

Yes, thank you, Madam Speaker.

It was -- here we go. It was MAA, the Manufacturing Assistance Act that we did that to. We had such great response to this program, all of us to take great pride in and in joining together to make this available to our small businesses. At this point in time, the $50 million appears to be what was requested and appears to be what is needed at this time.

DEPUTY SPEAKER RITTER:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Madam Speaker.

And I, we could go on for hours about all the --

REP. BOUKUS (22nd):

Oh, we could have fun (inaudible).

REP. WILLIAMS (68th):

About the -- yes, we could. I think we are, though; are we not?

REP. BOUKUS (22nd):

We are.

REP. WILLIAMS (68th):

We could go on and on about the acronyms that we have in -- in state government, so MMA [sic] is where we took that money from, and I -- I thank you for that answer.

This is a program that was almost unanimously supported. I think there may have been one dissenting vote in the October 2012 or 2011 Jobs Session -- I think was 2012 -- Jobs Session and the four legislative caucuses, the House and Senate Republicans and the House and Senate Democrats all supported this program. Again, it was so successful that we had to transfer money in from another account.

I -- I would be surprised if there was anybody in this Chamber or in the Senate who did not have someone either close to them or in their district who directly or indirectly benefited from this program. As we all know, small businesses are the engine of the economy, and given the financial collapse of 2008, wherein many companies were not able through valid, legitimate -- good companies were trying to create jobs -- were not able to access capital from traditional lending sources. We saw the need, I think, to help give them a little shot in the arm. And I'm glass we did and I think that this is a good program.

I hope very much that the $50 million is enough and that we don't have to come back and -- and bring more money into it, as we did last, a few months ago. However, that may be a good problem for us to have on our hands, if in fact we get a lot of applications and we need to do that. So I thank Representative Boukus for her answer.

In Lines 329 through 331, we are dealing with the issue of stem cell research, again in an amount not to exceed $10 million. Is this the part of the ten-year plan that we passed during the Rell Administration, some years ago, I think in 2005? Is this the annual

$10 million allocation that we are making to meet our obligation under that, our annual obligation under that act?

Through you.

(Deputy Speaker Ryan in the Chair.)

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

That is correct. This is our first bond allocation for that; yes, sir.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

I'm sorry, Representative Boukus; this is our first allocation? This is, this is a several-year old, but you mean our first allocation this year?

Through you.

DEPUTY SPEAKER RYAN:

Through you, Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

If I'm correctly remembering, we have not bonded in this area. This -- this is for this year, the $10 million. It will be followed by an additional $10 million in 2015.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And -- and I think, you know, I recall as -- as Representative Boukus and some others do, although, you know, as I look around the Chamber, there's less and less people who may have been here when we voted on that, many years ago, which may mean that some of us have been here -- I guess we're now Veterans -- but as I look at that bill that we passed, there was at the time a lot of interest in the idea of stem cell research but also a lot of political consternation on -- on that issue.

I think we have seen that this program has been successful, that but not for government providing some investment in the area of stem cell research, as we do

in other areas of research and development and bioscience, that there is a, that there would not necessarily be the private investment that we have. So I think this is a good example of leveraging private capital by using public funds to do a public good. And so I appreciate Representative Boukus's answer and interest in this issue.

Mr. Speaker, through you, in Lines 360 through 363, for the State Library, grants and aids of public libraries that are not located in distressed municipalities. I believe this is not a new item. I believe that we have done this for many years, and this is what we might call a recurring item, but never been particularly clear on what we do in terms of grant funding for libraries in distressed municipalities and why we call these out as separate rather than as being all in one.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

There is a separation and there are, there is a category for state, for libraries that are in

distressed communities, and this is the area that is referring to it.

May I just digress for a minute? Representative Williams, this is always a wonderful thing that we do when we have the opportunity to discuss and to bring forth questions. And I just want you to know -- and I know you know already -- that as we listen to you, we are -- are thinking about what we need to do to either make changes or to find additional information for you. So I do appreciate all the comments that you've been making, and hopefully we will have an opportunity to sit down to discuss some of them, to see if we can't help them. And I just had to say that because that's what I do.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

For those who don't know, Representative Boukus and I are competing for the nicest-debate-of-the-year award. I believe thus far we have far surpassed any other debate, so thank you.

REP. BOUKUS (22nd):

I got flowers. Here's some for you to share the flowers (inaudible).

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Through you, so I'm sort of back to an earlier question that I asked. In looking at Lines 478 through 481, there are seemingly the same item that I asked about very early on in our debate, the design and limitation of Higher Ed within the -- the state's CORE system, $5 million and the design and implementation of the Criminal Justice Information Sharing system, not exceeding five-and-a-half million dollars. Are these two separate or I guess four separate allocations or are they listed twice in our bond package for a particular reason?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Thank you, Representative Williams.

As you know, this is a two-year bond package, so what we're looking, what you're looking at right now I believe is the second year, FY '15.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

That does clarify. I did not see the effective date in Section 21, so I appreciate that answer.

And then in 482 and 483 where there's an information technology capital investment program, for the, for this program, are we talking about information technology capital investments in state agencies or how does that work?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

This is part of a five-year plan that is to update and consolidate the state's information technology, IT infrastructure.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you. Thank you, Mr. Speaker.

And thank you, Representative Boukus.

In lines 514 and 515, we are talking about the state matching funds for the military department for anticipated federal reimbursable projects. Does this mean a matching grant; we are putting in the $2 million or we're putting in the up to $2 million for federal matching grants? And, if so, rather than make you answer your question twice, if so, what; are these capital investments? Are they general-repair type things that -- that otherwise the state might do but not for federal money, just sort of a, an explanation on the matching -- matching funds. Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

The answer is that the 2 million is a possible federal match. This is for the armory in Enfield and for the armory in New Britain.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Thank you, Representative Boukus, for that answer.

Lines 526 through 528, with respect to renovations, improvements at the Connecticut Convention Center in Rentschler Field, the amount is not to exceed about $3.7 million. Are these dollars, do we supplement these bond dollars at all with revenue that comes into one of the, either of those two facilities? In other words the ticket sales and the concessions and -- and all the things that are sold and -- and purchased at the Connecticut Convention Center and at Rentschler Field, are those, do those dollars supplement the, this activity that we're doing here or is it solely the responsibility of the state and the, and the state's credit card to finance these renovations and -- and improvements to these two facilities?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Excellent question; I'm going to write it down.

I don't -- oh, wait a minute. This is what happens when you have good support people.

For the annual operating budgets can no longer sustain the increasing capital need from normal wear and tear, therefore, we're requesting the money. So there's your answer, sir.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Chair.

Through you to Representative Boukus, the Department of Education, in Lines 547 through 551, a whole variety of things, the technical high schools that we are doing, and -- and let me say I -- I believe I'd stand in agreement, in advance of this discussion with Representative Boukus and others, that there are a lot of good things happening at our technical high schools.

I think that if you have not, folks, taken the opportunity to visit one of our technical high schools and see the good work that they're doing in terms of educating electricians, future electricians, future plumbers, other tradesmen and women, there is a huge value in what we do there. I think that probably in

many ways we don't properly fund our technical high schools and -- and our Vo-Ag schools and some of the other specialty type schools that we have. And we should be taking a look at reallocating resources in the budget to those schools on an operating basis.

We're here today to talk about capital improvements and capital investments, and so I -- I would just ask specifically in Lines 550 and 551, and some of the things that we're talking about are tools and supplies necessary to update curricula. Oftentimes when we see an item come through the bond package or through the Bond Commission with regard to technical high schools, Vo-Ag schools, et cetera, they are large, capital projects; right? It's we're putting in an elevator or we're putting a new roof on the school or we're building a new kitchen or whatever. The idea of tools and supplies necessary to update curricula strikes me as something like pencils and pens and paper and that sort of thing, which would otherwise be known as operating expenses.

Are we financing operating expenses such as what I just described through this allocation or are we -- or through this authorization -- or are we, or is this something different that I'm not understanding?

Through you.

DEPUTY SPEAKER RYAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker; thank you, Mr. Speaker.

I'm -- I'm not sure, but I think this is related to the common CORE curriculum and that it's more advanced than we -- there's additional testing requirements needed, so that's what I think is happening here, but we'll circle it.

Thank you.

DEPUTY SPEAKER RYAN:

Representative Williams.

REP. WILLIAMS (68th):

Understood, Mr. Speaker.

And thank you, Representative Boukus, for that answer.

Just a few minutes' worth of comments on the issue of technical high schools, and some of the other issues that we've discussed here today -- excuse me. You know, so often we have had a -- a debate here in this Legislature about the different value of different types of education that we provide, whether it's a tradition public education; right? And so many

of us were -- were and are the beneficiaries of traditional public education, and we, it is the responsibility of the state, many of us believe -- and I happen to be one of them -- to help to provide a strong public education system to the students of Connecticut and so that the families of Connecticut can reduce some of their financial burdens in not having to send their child to a -- a private school, a Catholic school, et cetera, if they choose not to do that or if they cannot afford to do that.

We do provide funding for those schools. We provide funding for not just the operating expenses through our ECS formula and through other grants to local school boards and regional school districts, but we provide a large amount of capital improvement money through the Bond Commission on our state's credit card.

And -- and just for the benefit of the Chamber, many people do not necessarily pay attention, the workings of -- of the Bond Commission and pay attention to the bond package that we have here before us. But the bond package can have anything from all of the items that we've discussed here today, things dealing with school roofs and school construction;

those are some of the largest ticket items that we have in terms of the traditional public school systems that we help to fund. But also some of the funding that we provide to charter schools and Vo-Ag schools and Vo-tech schools is found in our bond package and -- and is allocated through the Bond Commission as well, so a lot of good work that gets done here.

Sometimes we have to weed out or attempt to weed out some of the things that we don't feel belong on the state's credit card that we have to pay over time, but we find that we sometimes have those disagreements and sometimes we -- we --, and I would say that if you watch a Bond Commission meeting or a meeting of the finance subcommittees, the General Bonding Subcommittee and the Transportation Subcommittee -- I think you would find that for the most part we find ourselves in agreement on those issues that we should be doing as a state, the obligations that we have as a state, as I said earlier, whether that's public education, providing a good public education system or whether that's public health, whether that's public safety, whether that's infrastructure, et cetera.

I think sometimes we find ourselves delving into negative territory, things that we should not be

funding on our state's credit card, things that are no longer, fit the four categories that I just laid out and we have those disagreements. But I think, by and large, as Representative Boukus said earlier, we do find ourselves in agreement on the obligations that we have as a state, that we should be funding together on our state's credit card, because otherwise they would not be, they would not be done.

In a civilized society, we need to have certain things taken care of, and our taxpayers expect certain things from us. They expect, again, a -- a strong public safety system. They expect to be protected. They expect their roads to be paved. They expect their bridges to be fixed. They expect us to make investments in public health so that we have clean drinking water, so that we have health districts that will monitor and make sure that restaurants and grocery stores, et cetera, meet certain minimal health standards so that people aren't getting sick as a result of that. They expect a lot from us. And we put those things on our state's credit card, and that's part of what you see here before us.

There are also things that we don't necessarily think or that not all of us here in this room think

are priorities for the State of Connecticut. And so I thank Representative Boukus for her work on this. We agree to disagree occasionally, but so often we agree on the, we -- we agree on the issues that we feel the state needs to fund for the projects that we need to capitalize.

I'm proud to work with Representative Boukus and Representative Floren and others, so thank you, both, so much for your hard work.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Lavielle, of the 34th [sic] District.

A VOICE:

No, she's through.

DEPUTY SPEAKER RYAN:

Thank you, ma'am.

Representative Davis is not in his seat.

Representative Giuliano is not in her seat.

Representative Frey is not in his seat.

That -- oh, I'm sorry; I did not mean to skip you, Representative Ziobron but I did. Sorry; so Representative Ziobron, of the 22nd [sic].

REP. ZIOBRON (34th):

Thank you, Mr. Speaker. No offense taken, I can assure you.

I've been really listening intently on this debate, and I've been keeping track of the questions that I had, that other Representatives had, and you'll be glad to know I've crossed them out so I won't be repeating them exactly, Representative Boukus.

But, you know, when I was listening to the debate, Representative Perillo made a statement that really resonated with me, and that was, can we do it all? Can we really do it all? And I thought about that a lot yesterday when we were voting on the Next Generation bill as well, and -- and that's one of the reasons why I couldn't support that, because I knew we had other pressing issues that may be coming in a bill like this.

So I've read it in detail, I've crossed out a lot of our similar questions. I may have some additional ones, and I hope I can approach you and get those clarified.

But thank you, very much, Mr. Speaker, and I appreciate the candor that I just witnessed between the two Representatives. It was very helpful to me as I weigh this debate as well.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, ma'am.

Will you remark further on the amendment before us? Will you remark further on the amendment before us?

If not, I will try your minds. All those in favor, signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER RYAN:

Opposed, Nay?

REPRESENTATIVES:

Nay.

DEPUTY SPEAKER RYAN:

The Chair is in doubt. We'll therefore have a roll call vote.

Staff and guests will please come to the Well of the House. And the machine will be open.

THE CLERK:

The House of Representatives is voting by roll. The House of Representatives is voting by roll. Will members please return to the Chamber immediately.

DEPUTY SPEAKER RYAN:

Have all members voted? Have all members voted? Will members please check the board to see if their vote is properly cast?

If all members have voted, the machine will be locked and the Clerk will take a tally.

THE CLERK:

Ninety-eight, forty-four, eight.

A VOICE:

Thank you.

DEPUTY SPEAKER RYAN:

The Clerk will announce the tally.

THE CLERK:

On Substitute Senate Bill 842, Senate "A."

Total Number Voting	142
Necessary for Adoption	42 -- or 72
Those voting Yea	98
Nay	44
Absent, not voting	8

DEPUTY SPEAKER RYAN:

The amendment passes.

Will you remark further on the bill as amended? Will you remark further on the bill as amended?

If not, will staff and guests please come to the Well of the House. Will the members please take your

seats, and the machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will members please report to the Chamber immediately.

DEPUTY SPEAKER RYAN:

Have all members voted? Have all members voted? Well, will members please check the board to determine if your vote is properly cast?

If all members have voted, the machine will be locked. The Clerk will take a tally.

THE CLERK:

Ninety-nine, forty-three, eight.

A VOICE:

I'm sorry; I couldn't hear.

DEPUTY SPEAKER RYAN:

The Clerk will announce the tally.

THE CLERK:

In concurrence with the Senate, Substitute Senate Bill 842, as amended by Senate "A."

Total Number Voting	142
Necessary for Passage	72
Those voting Yea	99
Voting Nay	43

Absent, not voting 8

DEPUTY SPEAKER RYAN:

The bill passes, in concurrence with the Senate.

Are there any announcements or introductions?

Hearing none, will the Clerk please call Calendar Number 515?

A VOICE:

He's going to need the first copy of those.

A VOICE:

Hold on, we're doing 515 first.

A VOICE:

Oh.

THE CLERK:

Calendar Number 515, on Page 16, Favorable Report of the joint standing Committee on Judiciary, Substitute House Bill 6685, AN ACT ESTABLISHING A TASK FORCE TO STUDY LEGAL DISPUTES INVOLVING CARE AND CUSTODY OF MINOR CHILDREN.

DEPUTY SPEAKER RYAN:

Representative Fox, you have the floor, sir.

REP. G. FOX (146th):

All right. Thank you, Mr. Speaker.

I move for the acceptance of the joint committee's Favorable Report and passage of the bill.

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as indicated and that the Agenda be incorporated by reference in the Senate Journal and the Senate Transcript.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, would move that the single item on Senate Agenda Number 2 which is Emergency Certified House Bill 6705 be placed on our calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

And, Madam President, the first order of business for the evening will be the item on appearing on Calendar Page 6, Calendar 491, Substitute for Senate Bill 842. If the Clerk would call that item, Madam President.

Thank you.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On Page 6, Calendar 491, Substitute for Senate Bill Number 842, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION, ELIMINATION OF THE ACCUMULATED GAAP DEFICIT, RESTRUCTURING OF ECONOMIC RECOVERY NOTES AND OTHER PURPOSES, Favorable Report Committee on Finance, Revenue and Bonding.

THE CHAIR:

Good evening again, Senator Fonfara.

SENATOR FONFARA:

Good evening, Madam President, it's good to see you this evening.

Madam President, I move for acceptance of the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

Motion is on acceptance and passage.

Will you remark, sir?

SENATOR FONFARA:

Yes, Madam President.

The Clerk is in possession of LCO Number 8783. May he please call and I be permitted to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 8783, Senate Amendment Schedule "A", offered by Senator Fonfara, et al.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

I move adoption, Madam President.

THE CHAIR:

Motion is on adoption.

Will you remark, sir?

SENATOR FONFARA:

Yes, Madam President.

The item before us is an act authorizing and adjusting bonds for the State of Connecticut for capital improvements, transportation, et cetera, and I would like at this point to yield the floor to Senator Andrea Stillman who is the distinguished Senate Chair of the Bonding Subcommittee.

THE CHAIR:

The distinguished Chairwoman of the Bonding Subcommittee, would you like to accept the yield, Ma'am?

SENATOR STILLMAN:

Yes, thank you, Madam President, I do accept the yield.

Thank you, Senator Fonfara, and I appreciate the -- the kind remarks about me. Just as Senator Fonfara said this is our biennial bond bill that comes before us. I think it's rather clear and obvious as to what is in there and its purpose and with that I would like to yield to Senator LeBeau who is the Bonding Subcommittee Chair of Transportation.

And so, Madam President, through you, I would like to yield to Senator LeBeau.

THE CHAIR:

Senator LeBeau, will you accept the yield?

SENATOR LeBEAU:

Madam President, with pleasure, thank you. Good evening.

THE CHAIR:

Please proceed, sir.

SENATOR LeBEAU:

I -- I think I'm going to talk a little bit about what's in the -- the transportation bonding bill. I'm glad to note that we came up with two years of bonding in -- in the bill and that the first year authorizes 706.9 million in STO bonds and the second year $58.8 million in DOT's capital improvement program.

The authorization includes $286 million for bus and rail facilities and equipment and $126 million for DOT's interstate highway program.

I would like to make -- make a few notes that there is some issues regarding having two years and we're pleased that we do have two years of a bonding package at this point. I'd also like to note that there were a couple of small changes that the Legislature made. They're not tremendous changes dollar wise but there were a couple of changes that I -- I think that the people will be pleased with.

In Section 40 of the bill there's a preliminary engineering study to improve and widen the interchange of Interstate 90 -- 91 and 84 in Hartford. Those of you who travel on 91 or 84 especially on the weekends there's -- there's almost always total gridlock or close to total gridlock at that interchange no matter what direction you're headed in, but particularly if you're heading from 91 north and heading over 84 anywhere between Friday afternoon at one o'clock and Saturday and in the -- in the other direction on Sunday or the end of the weekend just absolute backup that goes back five, sometimes seven miles and accidents that occur.

So we want to take a look at that. We've asked, and by putting it in the -- in the package, we've in a sense upgraded the view of that to ensure that that gets looked at.

Also incidentally, and not knowing what was going to happen down in -- down in -- in Bridgeport, we also had a $200,000 for preliminary engineering studies for the upgrades of Metro-North track infrastructure between New York and New Haven.

So we were -- we -- we had a little foresight on that, a little vision. Unfortunately there was an accident

down there but again we were a sense -- in a sense giving a -- a signal to the Department of Transportation to -- to start some studies that needed to be done that we are -- that we are pleased to have started and that they are in this bill.

Through you, Madam President, I think I'm yielding back to Senator Fonfara.

No I'm not yielding back. I guess I'm going to sit down.

THE CHAIR:

Okay at this point I'm going to ask Senator Looney to speak.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, speaking in support of the bill, certainly wanted to commend Senator Fonfara, Senator Stillman, Senator LeBeau and their counterparts in the -- in the House who worked on this but, for the record, just wanted to point out that we do have today a letter from the Treasurer of the State of Connecticut, Denise Nappier, the required certification indicating that the authorizations contained in the proposed legislation will not cause the total amount of indebtedness to the state, as calculated in accordance with Section 3-21 of the General Statutes, as amended, to exceed the limit for such indebtedness set forth in such section.

So in enacting this legislation we will be within our bond cap and not impinging upon the point at which restrictions have to be -- have to be in place. According to the Treasurer's letter that the net indebtedness and percentage of the debt limit is -- is 16 -- something over $16 billion which is 70.4 percent of the debt limit, our debt incurring margin is 6 billion 816 million.

The capacity remaining before the 90 percent limit, which is the point at which restrictions come in place, is 4 and a half billion. So under this letter

from the Treasurer enacting this -- this bill this evening will be within our authorized limits.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark?

Senator Stillman.

SENATOR STILLMAN:

Yes, thank you, Madam President.

I know I was quite brief a moment ago. I do want to thank Senator Looney for making his remarks about the certification by the Treasurer. I know that it's something that we need every year that we make any changes to our indebtedness. But -- and -- and I'll assume there will be some questions.

So -- but just to make it -- it clear that this -- the general government part of this bill does authorize 1.569 billion in fiscal '14 and 1.537 billion in-- in bond authorizations in FY '15.

I also at this point, while I -- I have the microphone, I would very much like to thank Senator Fonfara and Representative Widlitz for their leadership on the Finance Committee. Also I'd like to thank my Ranking Member, Senator McLachlan, who attended all our Subcommittee meetings and was very helpful and Representative Livvy Floren, the Ranking Member from the House, who did the same.

And also our -- our staff, as you know, the folks that staff the Finance Committee are invaluable, Mary Finnegan of course and -- and Billy Taylor who sort of jumped in in the middle of this session has done a -- a fine job. And it also has been a pleasure working with Betty Boukus, my counterpart in the House, and as a subcommittee chair.

And of course we couldn't do this without the input of OPM and so I -- I do thank Secretary Barnes and Jean Kroll Cossa and Steve Kidowitz who have been very helpful and understanding of our positions as we have put this bill together and -- and the bill really is one that sort of lays out our -- our capital budget for the state.

I think, in the scheme of things, it's -- it's a very responsible package. It -- it does not have any earmarks for special projects. We stopped doing that several years ago but it does provide some money, through the authorization, so that projects can hopefully be acted upon in the -- in FY '14 and '15.

So thank you very much, Madam President. That concludes my remarks for now. Thank you.

THE CHAIR:

Thank you.

Will you remark?

Good evening again, Senator Frantz.

SENATOR FRANTZ:

Good evening, Madam President.

What I'd like to do, through you, Madam President, is ask Senator Stillman a couple of questions but -- but first what I'd like to do is thank you for your fine work on this package here and Senator Fonfara and all the staff members, Marie Finnegan included who has a way of sort of keeping people focused on the issues at hand and all of the other leadership who were involved in this package.

It is a lot of money. It is -- it is $1.5 billion in fiscal year '14 and $1.6 billion in fiscal year '15 and the STO bond authorizations for '14 are 707 million and for fiscal year '15 589 million and clean water fund bond authorizations of 380 million, 332 million, '14 and '15, respectively.

So I do have a few questions given the size of the -- the authorizations here.

Through you, Madam President.

THE CHAIR:

Please proceed, sir.

SENATOR FRANTZ:

Thank you.

And Senator Stillman, through you, Madam President, the first question I have for you which is one of the first things that shows up in the analysis is the GAAP deficit financing bond issuance of $750 million. We all believe that becoming GAAP compliant is a noble cause and absolutely something that we should have been doing all along. We haven't and it continues to be postponed every time there is a gesture which is -- is really amounted to nothing more than a gesture because it always gets postponed.

We were serious about it it seemed like at the beginning of the session two years ago and here we are pushing it down the road. But in the meantime what we're doing is we're issuing bonds for $750 million. Is there a -- a reason why we're doing 750 million all in one fell swoop in this package here?

Through you, Madam President.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President, thank you very much.

I -- I sort of anticipated some questions about the GAAP process so I want to thank Linda Miller for her -- giving me some information so that I -- I could share it with everyone if -- if there were questions such as the one that you've raised, Senator Frantz.

So Linda's really been a valuable member of the team as well. Actually the -- the $750 million will -- it will be -- it will not be in one fell swoop. There is a schedule starting in FY '16 of $72 million in debt service and 34 and a half million in -- in what we would actually -- if it's less than that, it's -- no 34 and a half million dollars in cash that will be set aside so we can slowly pay off those bonds.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

Through you, Madam President, thank you for that answer. I -- I would make the -- the argument that I know it's a low interest rate environment and it -- it is enticing at this particular point to look at the capacity of the state to borrow that kind of money right now to take care of a problem that we all want to -- all want to fix but -- but it does add a significant amount to the quote/unquote balance sheet of the State of Connecticut.

And -- and through you, Madam President, second question, this is on the bioscience innovation fund of $200 million in general obligation bonds between -- they're going to be issued between fiscal year '13 and fiscal year '22. The amendment on this initiative allows for up to 5 percent of the allotted funding for administrative expenses.

Is that something that's -- that's new as a concept because to -- to me it is, with a few exceptions, as -- as money is allocated and bonded for CI, in the old -- in the old days CDA and other economic development agencies such as that, the -- the administration, expenses and -- and marketing expenses and other expenses were picked up by those organizations, quasi-public or -- or agencies of the State of Connecticut.

Is this a new concept, through you, Madam President?

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Through you, Madam President, I don't believe so. I -- you know I -- this is my first year as the Bonding Subcommittee Chair so it's the first time I -- in several years that I've been embrace -- embroiled I should say in this process but I do not believe it is the first time.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam President.

Thank you for that answer, Senator Stillman. And moving on as expeditiously as we can, if we go to Section 2a, subparagraph 3, there is in fiscal year '14 $50 million and in fiscal year '15 $25 million allocated for information technology capital investment program.

I -- I tend to get a little spooked when we're talking about IT budgets without specifics and I'm not going to ask for specifics tonight but I am going to ask for your level of comfort that this bonding package, which is pretty significant for the IT budget, is something that you feel comfortable with.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President.

Through you, there are several IT sections within this bill. Could you be, through you to Senator Frantz, if you could -- could hone in on that a little bit more I'd appreciate it.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

You know I certainly can however what I would like to do is -- is to keep it at the macro -- macro level and just ask if -- if you're comfortable with it because it's a relatively new line item for -- for me and -- and all of us and probably you as well. But -- but as long as you feel comfortable with the amount of money that's being allocated in general for the IT capital investment program that -- that would make me very happy.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President.

Through you, yes I do.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

If Senator Stillman feels good about that than I feel better and can sleep better tonight.

Through you, Madam President --

THE CHAIR:

That is important, sir.

SENATOR FRANTZ:

Thank you, Madam President.

And again through you, Section 51, urban action program, 50 million in fiscal year '14 and 50 million, the same, in fiscal year '15. What does that do and I apologize that I have not had a chance to run through this with a fine tooth comb yet. What does that do and do you feel comfortable with that, Senator Stillman?

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Yes, thank you, Madam President.

I -- I appreciate that. Those are -- that's our line item for urban action grounds which are distributed to municipalities upon request and approval of the Governor for either emergency needs or distressed municipality projects and there is, I believe, a balance in that fund right now and I believe the numbers -- the new numbers that are added to that are more than adequate.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

Through you, Madam President, thank you for that answer and moving down to the next section of interest is Section 53, capital equipment purchase fund is 40 million for fiscal year '14 and 35 million for fiscal year '15.

Is this the traditional -- through you Madam President, the traditional kind of equipment that we're looking at for, you know, roadway maintenance, snow plows, pavers, graders, as -- as well as -- as well as land acquisition and other -- other purposes like that?

Through you, Madam President.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President.

Through you, yes that is approximately what we set aside every year for capital equipment purchases by the state. It could be copiers, it could be, as you suggested, snow plows or things like that although I think that comes out -- that might even come out of the transportation end of things.

But as we know the agencies in the state sometimes have a variety of -- of needs as equipment wears out and so that provides us the resources for that.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

And through you, Madam President, thank you for that answer. Just a follow-up to that particular question. The -- the funds are disbursed through the different agencies and the oversight exists at those different agencies of how the money is allocated and spent?

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President.

Through you, that is correct. There is usually a schedule -- a -- sort of a schedule that's developed by OPM with the input from their respective agencies.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

Through you, Madam President, thank you for that answer and moving on to Section 2c, it looks like subparagraph 2, this is the development -- this is $29 million devoted to the development including acquisition and equipment of a new thermal facility, including expansion of the distribution pipeline, for the capitol area district heating and cooling system here in Hartford.

Is -- not knowing too much about that particular planned project, do you feel comfortable that that is enough money for that project and that there won't be cost overruns that they will -- and that they will not be back asking for additional bond issuances or assistance in any form?

Through you, Madam President.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Thank you.

Through you, Madam President, yes we had a presentation in the Bonding Subcommittee to the list of items that are here under the Department of Administrative Services. We currently, as -- as you probably know, Senator, have our many state offices not far from the capitol but -- but certainly within a few blocks and we do have an opportunity to save some money by upgrading our pipeline system and distribution and a new thermal facility will help lower our energy costs here in the state.

I believe the project has been planned already and now it's time to continue to acquire the needed equipment and make that a reality so we can save the taxpayers some money down the road.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

And through you, Madam President, I appreciate the answer for that question as well. Moving along quickly here to Section 2h, subparagraph 2, there is $35 million allocated to the Capital Region Development Authority for alterations, renovations and improvements to the XL Center in Hartford.

I think we all remember when the roof collapsed many, many years -- decades ago. It's an old facility and it is in need of -- of great repair and great attention and again my question for you, through you, Madam President, is $35 million enough? It strikes me as perhaps a little bit low.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President.

Through you, the XL Center does need a little bit of work and OPM has assured us that that authorization will be adequate to make sure that we can have the safest XL Center that we can here in Connecticut.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam President.

Thanks for those answers and moving along to Section 13f, Section 32e, the stem cell research fund is $10 million for fiscal year '14 and $10 million for fiscal year '15. What -- wasn't there some money that was originally in the budget?

Through you, Madam President.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Yes, thank you, Madam President.

Yes this is -- this is again these areas that we are trying to continue to grow. We've been setting money aside for stem cell research for several years. This is continuing that schedule and this -- I don't -- Senator Frantz, are you referring to the bioscience line item within the budget because the numbers are somewhat similar and certainly we know the bioscience innovation fund, which is -- which is -- which as we know will help to develop our bioscience industry here in Connecticut, will give us an opportunity to foreign resources to continue research and job growth in the bioscience area.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Okay thank you, Madam President.

Thank you for that answer and -- and the answer is yes we think we know exactly what happened and where that came from.

Moving along to one other -- maybe two other -- two other areas. If we go to Section 2 (1), subparagraph -- or subsection 3, we're looking at Tunxis Community College feasibility study. I know that there has been a great deal of attention paid there and that's great, well deserved, but there's a feasibility study for the acquisition of property of $250,000.

Don't want to nickel and dime anybody but that's still a fair amount of money for a feasibility study. Again do you feel comfortable with that?

Through you, Madam President.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Yes, thank you, Madam President.

Through you, as a matter of fact Representative Boukus, my co-chair on the Subcommittee, had received some information and thought that in light of the fact that our community colleges are beginning to play a much larger role, or their role is growing in terms of -- of preparing our folks in Connecticut for good jobs, especially in pre-manufacturing, Tunxis has a wonderful program and we want to make sure apparently there's some property nearby and so we want to study that and see if we can't use that property to help grow that pre-manufacturing workspace.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

Thanks for those answers and -- and I agree with you it's a noble wonderful cause and -- and they should get the kind of resources that they need and as long as you feel comfortable with the quarter of a million dollar feasibility study I am okay with that too.

Moving along, Section 40, Section -- Section 40 for fiscal year '14 development and improvement of general aviation airport facilities including grants made to municipal airports, but not including Bradley International Airport, of $2 million in both the fiscal years.

Has that been -- has that been vetted to make sure that because the Connecticut Aviation Authority -- Airport Authority has been going through a transition they're not quite there 100 percent and it may take another couple of months to -- to get there. Is it -- is it okay to just grant the money despite the fact that they're still going through this transition?

Through you, Madam President.

THE CHAIR:

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President.

If I may yield to Senator LeBeau, that's his part of the bond package. I believe he can answer that question more accurately than I can.

So with that, Madam President, I yield to Senator LeBeau.

THE CHAIR:

Senator LeBeau, will you accept the yield, sir?

SENATOR LeBEAU:

Yes I would, Madam President.

May I ask the -- the questioner, the good Senator, what section of the bill he's on?

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Absolutely you may ask that question.

Through you, Madam President.

THE CHAIR:

Please proceed.

SENATOR FRANTZ:

And it is Section 40 and it is $2 million for each of the fiscal years.

THE CHAIR:

Senator LeBeau.

SENATOR LeBEAU:

Yes and the specifics of the question are, Madam President?

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Through you, Madam President, the specifics are because the CAA is going through its transition and

has not completed that transition to a fully autonomous quasi-public authority, it -- it is -- I just want to check to make sure that it has been vetted, that it is okay to transfer these funds to the municipal -- to -- to the General Aviation Airports that are owned by the state.

That there -- there are no complicating factors. You -- you would think not but just to make sure that it has been vetted, that's virtually the question.

THE CHAIR:

Senator LeBeau.

SENATOR LeBEAU:

Through you, Madam President, thank -- thank you.

I -- I believe so through the Department of Transportation. I -- and I think there are some -- one might say some rough spots in the transition from the DOT to the CAA and I think some of these dollars may help ease some of those potholes in the -- in the runway.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Good to hear, music to my ears, Senator, and thank you, Madam President, for your help in getting answers to that question.

I -- I am done with my -- my questioning but would like to make a point about -- about state borrowing and that is that, although we are clearly under our bonding cap, it is ever more important for us to, particularly given the environment that we're in, to be cognizant of how much we are borrowing.

And we know that the statutory formulas and the other kinds of formulas that guide us in terms of borrowing money and putting it on the state balance sheet are -- are there for a reason to keep us fiscally

responsible. Sometimes we don't fully understand exactly how they got to be and -- and why the numbers and the formulas and the math is set up the way that it is and currently we have a limitation on the state in terms of how much money they can borrow which is in -- in statute and it -- it says that the -- the total amount of bonds, notes or other evidence of indebtedness payable from general -- from general fund tax receipts authorized by the General Assembly but not -- but which have not been issued and the total number of such indebtedness which has been issued and remains outstanding to exceed is one and six-tenths times the total general fund tax receipts of the state for the fiscal year in which any such authorization will become effective.

So how that came about I'm not sure. It may be more arbitrary than we all are assuming at this point but I think in the interest of us being fiscally responsible and not asking too much of state government, I have an amendment which would bring that 1.6 factor down to 1.5 and would like to, through you, Madam President, introduce that amendment.

And if the Clerk has amendment LCO Number 8821, I'd like for him to call that.

THE CHAIR:

Mr. Clerk.

Excuse me, we are on Amendment A, sir, and we're on Senate Amendment A so until we vote on that.

SENATOR FRANTZ:

You know what, Madam President, that's what happens when you walk in three seconds late. I apologize about that.

THE CHAIR:

(Inaudible) I was four.

SENATOR FRANTZ:

We're on Amendment A so I'll -- I'll -- if everybody can remember what I said I will withdraw the proposal at this point and I will end my questioning.

Thank you.

THE CHAIR:

Thank you, sir, and we'll go back to you again.

Is this on Senate "A" Senator Kane?

SENATOR KANE:

Indeed it is, Madam President.

THE CHAIR:

Please proceed, sir.

SENATOR KANE:

Thank you very much.

My question is in regard to the GAAP deficit financing so I'm not quite sure who I would address my question to but whoever is willing to take on that portion.

THE CHAIR:

Senator Fonfara, I think the way he put his hands in leadership I think it's him.

SENATOR KANE:

Any takers? Senator Fonfara, if I may, through you, Madam President, ask about the accumulated general fund deficit under general accepted accounting principles if you will.

Through you.

THE CHAIR:

Senator Fonfara, would you like to answer?

SENATOR FONFARA:

Was that a question, Madam President, through you?

THE CHAIR:

I -- I'll ask the Senator to repeat it.

SENATOR KANE:

I -- I will repeat it. My question, through you, Madam President, was if Senator Fonfara could tell us the amounts of accumulated general fund deficit under GAAP.

Through you.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, the gentleman is referring to the historic GAAP deficit. It's $1.2 billion.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And could Senator Fonfara tell us what -- how much of that 1.2 billion are we financing in this amendment.

Through you.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, as I understand it, it's $750 million.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And the remainder of that balance, the difference between the 1.2 and the 750 million, what are we doing to address that figure?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

If the Senate could stand at ease for a moment, Madam President.

THE CHAIR:

The Senate will stand at ease, sir.

(Chamber at ease.)

THE CHAIR:

Senator Kane.

SENATOR KANE:

Madam President, I'll re -- I'll withdraw my question. You know the --

SENATOR FONFARA:

I can answer the question, Madam President, through you.

THE CHAIR:

Senator Fonfara, please proceed then, sir.

SENATOR FONFARA:

This is the portion, the 750 million, is what we are capitalizing and the rest is being paid for through cash -- by cash.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And that is supposed to be $30 million a year I believe. Is -- is that your understanding as well?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, yes.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And the budget bill that we took up yesterday actually delayed that payment of GAAP for -- for the next two years in the biennium budget. Is that true?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, yes.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And the delay and the issuance of these bonds my understanding is going to cost the state taxpayers an additional $218 million of interest. Is that your understanding as well?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, I believe that is accurate.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

I thank Senator Fonfara for answering my questions as the good Chairman of the Finance Committee. I appreciate that.

Madam President, we are -- or we do have, as Senator Fonfara indicated, a $1.2 billion accumulated general fund deficit according to GAAP. Under this proposal we are bonding for $750 million of that and delaying the remaining portion of that $1.2 billion.

In fact, in the budget we passed yesterday, we are delaying that -- kicking that can down the road if you will a little bit further and further to the cost of $218 million in interest costs for this policy.

So, Madam President, I rise in opposition to this amendment for many reasons and I understand certainly we -- there are capital projects and there are projects we need back home in our districts. There are buildings, there are roads, there is school projects certainly that we need but what we're doing is borrowing for an accounting practice that we say we are going to implement, almost four years ago, that we have yet to implement.

We say we wish to pay off but yet we're going to put the can -- kick the can down the road a little bit further and we say that we're going to save the taxpayers' money when in -- actually it's going to cost us an additional $218 million. I don't believe this is good fiscal policy. I do stand in opposition to this policy and will be voting no.

Thank you.

THE CHAIR:

Thank you.

Will you remark further?

Senator Boucher.

SENATOR FONFARA:

Madam President.

THE CHAIR:

Sorry, Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam Chair.

I'd just like to respond to the gentleman by saying that with respect to the points of what we're doing

here with respect to bonding, for the first time we are actually taking on -- head-on this Governor of ours, Governor Malloy, and the Legislature is embracing his commitment to address historic GAAP and GAAP going forward.

For the first time in my years in this Legislature, which are many now, we are addressing this issue head-on. Yes we're capitalizing a significant portion of it but what that does is it locks us in -- it locks us in to a payment schedule because of the bond covenant.

We must pay the cash and -- to -- and also the debt -- the debt service on that obligation. For the first time we're not only committing to it but we're locking it in because of the debt service obligation that we are taking on.

That -- so we're saying we're going to be responsible for not only what we do going forward, we're not just going to talk about it but we're doing it. We've put aside money to do that and go -- in terms of historic GAAP for the first time addressing it in a serious way and not ignoring it any longer.

I -- I think that's a -- that's a responsible approach to addressing a long standing problem that this state has faced.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark?

Senator Boucher.

SENATOR BOUCHER:

Thank you very much, Madam President.

Madam President, I stand actually to support both sides of this question and this issue this evening. I am, like my -- some of my colleagues, concerned about the high level of debt service right now. Eleven

percent of this very large state budget is part of our interest payments and debt service and that possibly the direction we're going this year may bump this number up to substantially higher than that number and it does give us some pause and concern in that arena.

But at the same time I really want to commend the Chairs of our subcommittee, particularly in the area of Education, that have done such a great job and also for the Subcommittee on Transportation as was just mentioned by Senator LeBeau and also Senator Stillman. I think they have highlighted important issues that we must address in our transportation infrastructure.

We've had some serious problems as of late but we've also built on very old infrastructure by trying to upgrade both the rail cars that we have and our infrastructure as well and they need much more and certainly in our education area there's some very significant and important projects and/or programs that need to be supported as well.

So although there may be some areas of this bonding package that some of us find difficult to support this evening, it does not belie the fact that we strongly support and commend the efforts that have been made by the -- particularly these two subcommittees. It's greatly appreciated.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark?

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President.

I -- I believe the -- the questions have been certainly important ones and I know that we will take a vote shortly on this amendment so with that I'd like

to ask for a roll call vote. I do not believe that was requested yet.

Thank you.

THE CHAIR:

And -- and a roll call will be had after discussion.

Will you remark? Will you remark?

If not, roll call vote will be had now.

Mr. -- Mr. Clerk, will you call for a roll call vote and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Senators please return to the Chamber. Immediate roll call on Senate Amendment Schedule "A" has been ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted, the machine will be closed. Mr. Clerk, will you please call the tally.

THE CLERK:

Senate Amendment Schedule "A" for Senate Bill 842.

Total Number Voting	35
Necessary for Adoption	18
Those voting Yea	21
Those voting Nay	14
Absent and not voting	1

THE CHAIR:

Senate "A" passed.

Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam President, for remembering and it would I think now be appropriate to bring up the amendment that I was going bring up before. I won't go through it again but for anybody who was not here before and has walked in this is an amendment that addresses the factor, the formula, that allows us to establish a debt limit or a borrowing capacity for the state and traditionally it, and in statute, it is 1.6 times or one in six tenths the --

THE CHAIR:

Excuse me, Senator Frantz.

Thank you very much.

Senator Frantz, please continue.

SENATOR FRANTZ:

Thank you, Madam President.

And it is currently one in six tenths and what this amendment would do is bring it to one in five tenths or one and a half percent.

So if it's okay with you, Madam President, the Clerk has LCO Number 8821.

THE CHAIR:

Mr. Clerk, will you please call the amendment.

THE CLERK:

LCO Number 8821, Senate Amendment Schedule "B", offered by Senators McLachlan and Frantz.

THE CHAIR:

Do you want a copy?

I'm sorry, also can you get a copy for Senator Fonfara please.

A VOICE:

Of the amendment?

THE CHAIR:

Of the amendment.

Senator Frantz, do you want to explain the amendment slowly?

SENATOR FRANTZ:

Yes, 8821 and -- and I move adoption of the amendment and seek to summarize, Madam President.

THE CHAIR:

The motion is on adoption.

Will you remark?

SENATOR FRANTZ:

Yes, thank you, Madam President.

So as I stated before this brings the factor down from 1.6 to 1.5 which is a -- a very important thing for all of us to consider because right now we're in an ideal interest rate environment for borrowing in that interest rates are at their historic lows with respect to the entire history of this nation and have been there for quite some time.

Now that may be reversing pretty quickly here as of -- in fact just a few days ago. So I -- I understand the -- the interest in borrowing more money at this -- more money at this particular point because interest rates are low but that will change and when it does change (inaudible) ultimately a ladder. They need to be replaced to keep our debt in place and our interest costs and debt service costs overall will go up. They are currently at about 11 percent of our overall total budget. They will go up substantially if the normal cycle of interest rates is -- you know plays out to be the -- the scenario that we all expect at this point. It's going to get very, very expensive here.

So what I'd like to do is yield to Senator McLachlan who is the originator of this amendment and -- and I -- I take my hat off to him for coming up with a great idea to -- to further our sense of fiscal responsibility here in the Capitol.

So I'd like to yield my time, through you, Madam President, to Senator McLachlan.

THE CHAIR:

Senator McLachlan, will you accept the yield, sir?

SENATOR McLACHLAN:

I do accept the yield. Thank you, Madam President.

THE CHAIR:

Please proceed, sir.

SENATOR McLACHLAN:

Madam President, I stand in support of this amendment. I'd like to thank Senator Frantz for his input on this and certainly the issue before us I think is appropriate time to have this discussion.

Today the State Treasurer issued the letter which she is required to under state statute to certify the indebtedness of the state bonds before the State of Connecticut. The certificate of indebtedness calculation includes a multiplier which is, to simplify, basically determines what's the maximum amount that we in state government should be bonding. How much debt should we hold at one -- any given time?

This bill before us seeks to change the maximum amount of bonding indebtedness for the State of Connecticut. Why would we want to do this? Well you may recall in 2010, 2012 and even in early this year there were discussions about bond ratings for the State of Connecticut and in past years we've had downgrades in the bond rating.

Now a downgrade in the bond rating is no different than an individual getting a lower credit score and a

higher interest rate on their home mortgage or on their car loan or on their credit card and it works that way for state government too.

The bond rating agencies would look favorably I believe, in fact I'm absolutely positive, they will look favorably on the State of Connecticut making a policy decision to lower the maximum amount of outstanding debt. So what does that mean?

Well the Treasurer's letter says that we still have available to us, sort of on our self-imposed credit line if you will, meaning we're telling ourselves this is the maximum amount of money that we should borrow, the current state statute says that we can still borrow about $1.7 billion. That's after we approve the bond package before us today which I assume will be approved.

The calculation change, this multiplier change which is part of this amendment, says to ourselves and to the bond rating agencies we're making a policy decision here and the new calculation means that the available amount on our credit line, after this change, is $379 million, not 1.7 billion.

Now I suspect that some people will say well we can't do that. We really need to keep a whole year's value of anticipated bonding -- new bonding obligations available to us which is, some would say, the 1.7 billion. That leaves us another year of bonding ahead in case of an emergency of course.

But what people don't think about often in the bonding picture for the State of Connecticut is we have hundreds upon hundreds of millions of dollars of bond authorizations that have been sitting out there for years, many, many years in some cases, that were never used and what does that mean? It means that if you need State of Connecticut more than what I'm proposing we should have available to us now, if you need more money to borrow, then cancel some of those unused bond obligations that you have out there now.

Madam President, this is an appropriate course for this Legislature to take the State of Connecticut. It is a responsible course to insure that we are given

good bond ratings in the future given the challenges that we face elsewhere in the budget.

And, Madam President, it even meets the Connecticut Treasurer's own statement on her website that says quote the optimization of the State's credit rating is critical to obtaining low rates in the future.

Madam President, this is a good example, a very simple change but a monumental change in credit policy that we place upon ourselves that will be good for the State of Connecticut and good for the residents of Connecticut.

Madam President, I urge adoption.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Senator Stillman, sorry.

SENATOR STILLMAN:

Thank you, Madam President.

I rise in opposition to this amendment. Senator McLachlan just mentioned about canceling projects that have been on the books a little too long. As a matter of fact this bill does just this -- just that. It does cancel almost $100 million in previously authorized projects.

We worked very hard on the subcommittee level making sure that those projects that are not, you know, not going to see the light of day, so to speak, that have been sitting around for awhile, are not going to materialize. I -- again I think this is a responsible package. I think the 1.6 that we've been using for years is appropriate and I urge rejection of the amendment.

Thank you.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam President.

I would respectfully ask for a roll call vote.

THE CHAIR:

A roll call vote will be taken.

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

I'd like to rise in opposition as well to the amendment and just state, in addition to what Senator Stillman just indicated, that right now, even with the adoption of the amendment, we'd be well below that new cap. Today we are at 83 percent of the cap and -- for FY '14 and 82 percent for FY '15.

In addition to that I -- I don't believe that Senator McLachlan, who's a -- a serious minded gentleman, would -- would think that we should adopt a policy of this significance on the run, if you will. This is a more appropriate discussion to have during the session. I don't believe there was a proposal brought before the committee to vet this idea to get public testimony on it, to have discussions among the members and I welcome it. I think it's an appropriate one going forward but I respectfully would request that the Chamber turn back this amendment for today and -- and allow us to have that discussion going forward.

Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark?

If not, Mr. Clerk, will you call for a roll call vote on Senate "B". The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Senators please return to the Chamber. Immediate roll call on Senate Amendment Schedule "B" has been ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted, the machine will be closed. Mr. Clerk, will you please call the tally.

THE CLERK:

Senate Amendment Schedule "B" for Senate Bill 842.

Total Number Voting	35
Necessary for Adoption	18
Those voting Yea	14
Those voting Nay	21
Absent and not voting	1

THE CHAIR:

Senate "B" has failed.

Will you remark further? Will you remark further?

If not, Mr. Clerk, will you call for a roll call vote and the machines will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Senators please return to the Chamber. Immediate roll call has been ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted, the machine will be closed. Mr. Clerk, will you

please call the tally.

THE CLERK:

Senate Bill 842, as amended.

Total Number Voting	35
Necessary for Adoption	18
Those voting Yea	21
Those voting Nay	14
Absent and not voting	1

THE CHAIR:

The bill passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President --

THE CHAIR:

Ladies and gentlemen, sorry, Senator Looney is trying to speak. If we can keep the conversation down so I can hear.

Thank you very much.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

First of all an item to be removed from the foot and that is --

THE CHAIR:

Thank you.

Senator Looney, please proceed.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, an item to be removed from the foot and to be marked passed temporarily and that item is Calendar Page 38, Calendar 448, Senate Bill 1149. Would move to remove that item from the foot and mark it passed temporarily.

THE CHAIR:

So ordered.

SENATOR LOONEY:

In addition, Madam President, on a bill upon which we took action earlier today which was Calendar Page 25, Calendar Number 141, Senate Bill 1138, move for suspension for immediate transmittal of that item to the Governor.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

And on the matter just enacted, the bonding bill, Senate Bill 842, would move for immediate transmittal to the House.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Good. Thank you, Madam President.

Madam President, if we might stand at ease for -- for a moment.

THE CHAIR:

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budget. I mean, there's a budget that needs to be balanced and just doing it the right way we can actually grow the business rather than really damage it the way restricting the tax credits would.

REP. WIDLITZ: Well, I thank you for giving us a proposal, an alternative to look at. Many times people just come in and say well, we don't like that, it won't work, but you've given us something very interesting to think about and I appreciate that.

KEVIN SEGALLA: Great. Thank you.

REP. WIDLITZ: Thank you.

KEVIN SEGALLA: Thank you very much.

REP. WIDLITZ: Okay. Next is Lisa Bassani, followed by Matt Santacroce. Good afternoon, Lisa.

LISA BASSANI: Thank you to the Committee Members for allowing me to testify. My name is Lisa Bassani. I'm the Project Director for the Working Lands Alliance, and I'm here to speak in favor of components of the bond package in Senate Bill 842, specifically Section 61 and 13(c) of the bill.

The Working Lands Alliance is a broad-based statewide coalition dedicated to preserving Connecticut's farmland. We include such organizations as American Farmland Trust, the Connecticut State Grange, Connecticut Forest and Park Association, End Hunger Connecticut and the Connecticut Farm Bureau among others.

The top priority of our diverse coalition is to ensure that the state's Farmland Preservation Program has the financial resources to permanently protect at least 2,000 acres of productive farmland a year, helping us to reach

our statewide goal of 130,000 acres of protected farmland.

To this end, we strongly support the $20 million in bond funds authorized in Section 61 of Senate Bill 842 for the Farmland Preservation Program.

This is a program that provides funding for the state to purchase development rights on farmland that meets the state's program criteria for the size of the farm, prime and imported soils, and contiguity to other parcels.

And most importantly in this economic climate, this program has leveraged federal, local and private dollars for farmland protection. In 2010 and 2011, Connecticut received nearly $5 million and $6 million respectively from the federal government through the Farm and Ranchlands Protection Program, which provides important cost-sharing dollars for our state's farmland preservation effort.

With the annual $10 million investments that are authorized in this bill, the Department of Agriculture can continue to build upon the momentum that we've gained in recent years as funding has increased and there's been a steady pipeline of dollars every year. This is a hugely important component of running a successful program like this.

Consistent and robust annual funding provides important reassurance to landowners who are looking to participate in this voluntary program, to be sure that if they enter into this, enter into a deal with the state to preserve their farmland, that the funding will be there at the end to preserve their land.

And this in turn ensures that the Department will have a steady pipeline of prime and important farmland to preserve for this program and that it will continue to make steady gains toward its farmland preservation goals.

In addition, I'm here to testify in support of Section 13(c) of this same bill, which will provide funding for the Connecticut Department of Energy and Environmental Protection's Open Space and Watershed Land Acquisition Program.

This program, which provides matching funds to municipalities and land trusts for the purchase of farmland and open space is a valuable complement to the Farmland Preservation Program and it allows some towns to preserve programs that might not meet that criteria but still have prime and important farmland soils and still are an important component to their communities.

So with that, I thank you for what is allocated in this bill and I'm available for any questions.

REP. WIDLITZ: Thank you. I followed a car to Hartford from the shoreline this morning. The car in front of me had a bumper sticker, No Farms, No Food, and I think that pretty much says it.

LISA BASSANI: Thank you.

REP. WIDLITZ: Are there questions? Thank you very much for your testimony.

LISA BASSANI: Thank you very much.

REP. WIDLITZ: Matt Santacroce followed by Jim Ginetti. It's always nice to have you back with us, Matt.

higher than the New England average and 22 percent higher than those consumers in Rhode Island pay just over the state border.

We find it difficult to understand how the state who wants to lower electric prices for its residents and businesses would put this tax on, which clearly has the opposite effect.

Businesses that operate in Connecticut and those that might consider investing here are looking very carefully at what is done with this tax. Our investors who are both university endowments and pension funds, some of which are cited in this state, have asked our company, which is headquartered in Hartford, why are we staying here, especially since we plan to double our workforce in the next year or two.

And the state is being watched to see if it fulfills its promise to end this tax in the end of June of this year, rather than starting it up again in July of this year. Thank you very much.

REP. WIDLITZ: Thank you very much for your testimony, and I see that you've attached a copy of that letter to which you referred in your testimony, which for Committee members is scanned into the testimony at the Committee's website.

Are there questions from the Committee? Thank you very much for your testimony.

JIM GINNETTI: Thank you very much.

REP. WIDLITZ: Patrick Johnson, just under that 1:00 o'clock deadline. It's because of Betty Boukus.

PATRICK JOHNSON: Good afternoon, everybody. I'd also like to introduce Anne Ruwet who's a

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colleague of mine from the Central Connecticut Arc who is has very similar testimony so we thought we'd share the platform this morning. I had the lowest number, so it's my testimony. Anyhow.

Good afternoon, my name is Patrick Johnson. I'm President of Oak Hill. Oak Hill is a large community nonprofit organization with 1,400 employees in over 100 sites in 58 towns throughout the state. We provide services to people with multiple and severe disabilities, primarily developmental disabilities and currently have 400 people in our residential program 24 hours a day.

For over the past two decades the average cost of living adjustment to our state contract has been less than one percent per year for twenty years and for the past five years our funding has been flat.

We're grateful to Governor Malloy for the one percent COLA starting in January of this year. It softens the blow of a net loss this year as well.

The last time we received a rate increase gasoline was $1.87 a gallon. No reasonable person could assume that this is sustainable.

Needless to say we balance our budgets on the backs of people who have not had a wage increase in five years and now possibly seven, and there have been capital projects that have not been addressed.

We're grateful to Governor Malloy for recommending a $40 million bond package over the next two fiscal years. This is very important. It will address some vital needs in the private, nonprofit sector to upgrade our

aging infrastructure and address new program and safety needs.

For example, it is just a matter of time until we have a real disaster, with services now being provided in group homes and other settings. Severe storms have moved from inconvenient to perilous and life threatening.

During recent storms, sites were rendered inaccessible and mild weather immediately following the storms was the saving grace. Permanent automatic generators for backup power would go a long way to address this significant risk.

We currently pre-position portable generators in central locations for many of our sites, but this has significant drawbacks and challenges getting them to where they are needed and keeping them fueled at great risk to our residents, maintenance, mechanics and staff.

In addition, after decades of use, wear and tear and deferred maintenance, buildings become antiquated, energy inefficient and potentially unsafe. Demands for new technology such as electronic record keeping, new communications equipment, assisted technology, monitoring equipment and other capital investments present a huge challenge for the majority of private nonprofit agencies who have been driven to the financial tipping point by chronic under-funding.

Please support Senate Bill 842 making available these critically needed funds. I thank you for your support and your public service.

REP. WIDLITZ: Thank you. Anne, it's nice to have you back. Could you just identify yourself for the record?

ANNE RUWET: Yes, I'm Anne Ruwet, CEO of CCARC and it's the first time I've actually testified before this Committee. I know I've sat on that side before.

But I do want to echo the comments. You have my written testimony. As you know, in the private, nonprofit sector efficiency is our name. We've always been told that we're probably the most creative in terms of finding not only administrative efficiencies but certainly in the provision of our services for the most vulnerable citizens of Connecticut.

So I thank you. We support the $40 million that are in the new bonding money for, in Governor's 842. I remember that bell.

REP. WIDLITZ: Thank you very much for your testimony. Questions? Representative Piscopo.

ANNE RUWET: Ut-oh.

REP. PISCOPO: Just wanted to thank you for coming and for your testimony. It's great to see you again, Anne and thank you very much.

ANNE RUWET: Thank you, Representative Piscopo.

REP. WIDLITZ: Thank you very much. Oh, okay, Betty? Representative Boukus.

REP. BOUKUS: Yes, very quickly. Thank you for your testimony. Thank you for waiting this morning. But more importantly, thank you for the work that you do every day for those people young, and old, not-so-old, who come to you for services and you certainly do do a lot with what you have.

I'm hoping that we'll be able to expand some of the needs that you have under the Governor's proposal should this 842 go as stated.

So thank you for bringing us up to date on that and thank you for the work that you do.

ANNE RUWET: Thank you.

PATRICK JOHNSON: Thank you very much.

REP. WIDLITZ: Thank you. At this time, we have allotted a half hour, I'm going to say half hour for President Herbst from UConn to testify and at the end of the half hour, we'll revert back to the list of people who have signed up in the order in which they have signed.

Also, we really can't have people blocking the doors. There is an overflow Room 2D if you'd like to listen in there, but please keep those doors clear. In case of emergency, that's one of our requirements. President Herbst.

SUSAN HERBST: Good afternoon.

REP. WIDLITZ: Good afternoon. It's nice to have you here with us.

SUSAN HERBST: Thank you. It's great to be here and I am for the record, Susan Herbst, President of the University of Connecticut. SB840

Co-Chairs, Ranking Members, Members of the Committee, thanks for having us here today and for your support of the University of Connecticut. Your tremendous investments in UConn are the reason why we are a top choice for Connecticut students and are ranked 21st among public research universities in the nation.

My statement today is similar to the detailed remarks I delivered to the Bonding Subcommittee last week, so I'll be brief.

The primary reason that I came to UConn is how well supported it's been by this Body over many years. We are so very fortunate that our

REP. MORIN: Yeah. That's what I, I wasn't sure and I really wanted to hear that. And you know, I think ultimately we have a tough decision to make, but you and other people have come and taken your stance and I appreciate that.

I am a bit nervous when we look at going out, so far out and making this type of commitment myself, so I just wanted to thank you for being here.

STEVE SACK, JR.: Yeah, me being in the business, I don't look out more than 12 to 24 hours. That's all you can look out.

REP. MORIN: Thank you, sir. Thank you Madam Chair.

REP. WIDLITZ: You're welcome. Any other questions? Thank you very much for being here this evening.

STEVE SACK, JR.: Thank you. Ron Cretaro, followed by Ed Mone and Carol Polifroni.

RON CRETARO: Senator Fonfara, Representative Widlitz and Members of the Finance, Revenue and Bonding Committee, my name is Ron Cretaro, the Executive Director of the Connecticut Association of Nonprofits. The Association represents more than 500 not-for-profit organizations statewide. SB842

I'm here today to talk about the bond package. The proposed bond package contains many promising investments potentially affecting nonprofit organizations and education environment, job creation like the Small Business Express Program, healthcare, housing and human services.

I particularly want to focus on Section 13, which allows proceeds of bonds to be used for grant in aid for nonprofit health and human

service providers that contract with various state agencies.

Secretary Barnes before the Appropriations Committee and the Bonding Subcommittee of this Committee has suggested that in a perfect world, nonprofit contractors with the state for health and human services would receive inflationary increases in their contracts and rates.

However, due to the state's difficult fiscal situation, there's been only a one percent increase in the past four years and the proposed biennial budget reflects no further proposed increases.

Section 13 would allow nonprofit health and human service organizations to invest new funds in capital infrastructure projects that include but not limited to renovating existing facilities, upgrading information technology systems, ADA compliance, improving energy systems, purchasing vehicles and other improvements.

These capital projects will help lower administrative costs, improve efficiency and improve the delivery of serviced.

What distinguishes this new resource from previously authorized bond funds to individual state agencies is that these funds would be accessed and expedited in streamline fashion similar to how the state treats the STEAP program with small towns.

The guidelines do need to look at how to address the lien issue and traditional bond programs. There's a 10-year lien attached to any bond project that a nonprofit receives. That's not the case in all state bonding programs, but it has been, but some of the

purposes for which these bond funds, this bond pool is being proposed, has useful life of less than ten years, so we would certainly want to look, explore how we can address that.

The proposed bond fund would authorize $20 million in both Fiscal year 14 and 15 for a total of $40 million. The potential funding would free up existing operating funds for direct services to clients, your constituents, and would help relieve a backlog of overdue facilities improvements.

In the past, many nonprofits would have to seek commercial financing to undergo large capital improvements such as creating electronic medical record system or undertake a traditional longer term capital fundraising campaign.

This proposal is unique and unprecedented nonprofit bond fund pool, which will enhance the nonprofit sector to serving our communities, making them safer and healthier places to live for all citizens.

It also will strengthen the state's partnership with nonprofits and I would ask your support of this innovative proposal. Thank you.

REP. WIDLITZ: Are there questions? Could you elaborate a little bit on, I'm a little confused. You said something about the life of some of these projects would be less than ten years?

RON CRETARO: When you get into providing funding for technology, some of the technology is obsolete within a short time, so that's one of the proposed uses for some of the, you know, for the various aspects of this bond pool fund.

REP. WIDLITZ: Okay, the reason I ask is, usually bond funds are capital projects that go out about 20 years or so.

RON CRETARO: That's right.

REP. WIDLITZ: But thank you for the clarification. Are there any further comments? Questions? Thank you very much. Next is Ed Mone, followed by Carol Polifroni. I hope I'm not killing these names. Not here? Jeff Bridges, followed by Robert Mallozzi. Oh, I'm sorry. Who do we have here? You didn't sit down fast enough so I called the next name. You are Carol?

CAROL POLIFRONI: Yes, I am.

REP. WIDLITZ: Okay. Good evening, Carol.

CAROL POLIFRONI: Good evening, Committee Chairpersons and Committee people. I'm Carol Polifroni. I'm Professor of Nursing at the University of Connecticut School of Nursing and I am President of the American Association of University Professors at UConn.

Thank you for holding this hearing and for bearing with us through this long day that you have had and the graciousness that you've shown to all of us.

Today I speak in conceptual support of Senate Bill 840 NEXT GENERATION CONNECTICUT. You have my written testimony and so I just want to highlight a couple of things.

First, AAUP applauds the bold leadership of Governor Malloy and President Susan Herbst in putting forth this legislation. In our opinion from AAUP, STEM is at the beginning and at the intersection of all of everything within society, whether we speak about personalized medicine and genomics, whether it's about the rising seas and potential shoreline

Thank you for allowing me to testify before you. I wish you well on your deliberations during this legislation, and I was going to ask you, Madam Chairperson if I could indulge you for 30 seconds more because there's a second piece of legislation I just wanted to touch on very briefly.

REP. WIDLITZ: Well, I think you've waited all day to testify, so we could give you --

MICHAEL MILONE: Well thank you very much. I'll be brief. It's SB 842. It's a bond authorization provision to increase the grant for phosphorous from 30 percent to 50 percent.

Currently, Cheshire is embarking on an upgrade to our wastewater treatment plant, which is a $32 million project. Phosphorous represent $7.2 million of that $32 million.

We are a prison town and the prison is responsible for about 30 percent of the discharge of effluents to our facility, yet the prison, the Department of Correction is unwilling to renegotiate their agreement with our town and are not providing any support in the way of state revenue for that upgrade, unlike other communities that have agreements that do have that provision.

Consequently, the additional state aid through this 30 to 50 percent increase in phosphorous would help us immensely and would provide us with a modicum of relief and I would urge you to support it. Thank you very much for your time. I appreciate it.

REP. WIDLITZ: You are most welcome. Thank you for waiting all day to testify, and we do have a bill dealing with that other issue that we will be hearing.

MICHAEL MILONE: I know. Thank you.

REP. WIDLITZ: Okay, next on the list is J. Larry Renfro. No? Moving on to what looks like Rocky Benso? Amy Paterson? Great, followed by Barbara Gilbert, David Gable, Jeff Shaw, and Sandy Breslin. Good evening.

AMY PATERSON: Good evening. Thank you very much, Representative Widlitz, Senator Fonfara and Members of the Committee. For the record, I'm Amy Paterson and I'm the Executive Director of the Connecticut Land Conservation Council, and I am here this evening to provide testimony on behalf of CLCC and the conservation community in support of three sections of Senate Bill Number 842.

I did submit written testimony, and so I will limit my oral testimony here to just one of those sections, but Section 13 is for $10 million in bond funding for the DEEP open space grant program.

Section 21 is for the DEEP rec and natural heritage trust program, and Section 61 would be for the bond funding for the Department of Agriculture's Farmland Preservation Program.

And all three of those programs are critically important to our state conservation goal and to the land conservation community that we represent here today.

Just by way of background, CLCC is the umbrella organization for the conservation community. We work with land trusts, conservation commissions and other government entities, landowners and other conservation organizations throughout the state to restore the strength and viability of conserved land.

We provide training and education, technical assistance and grant funding and we advocate here at the Capitol on their behalf.

With respect to Section 13, which again is for the bonding for the open space grant program, just by way of background, the state has set a goal to preserve 21 percent of the land area, or over 633,000 acres by 2023, and this was statutory enabled in 1997, with 10 percent being preserved by the state and 11 percent by others, including, and that would mean land trusts, municipalities and water companies.

And at the rate that we are going, it's clear that the state will fall short of the 21 percent goal unless it makes a commitment to provide consistent funding for open space acquisition.

Section 13 providing for the $10 million bond funding for the open space grant program is the only state matching grant program for land trust towns and water companies seeking to protect open space, forest and farmland. It's funded through bonding such as this and the Community Investment Act, and it usually covers about 50 percent of the purchase price of a property.

The program has supported the purchase of 380 properties totaling 240,362 acres in 120 communities since 1998 and continues to foster strong collaboration among state and local governments.

Boy, that went so fast, and I'm only doing one section.

I just want to close by saying how important, again, this grant program is to our communities in the state. We're not making it. It started out with two grant rounds a year and now it's down to one grant round a year and even then, we've missed two grant rounds because of inconsistent funding.

Consistency and a level of funding is key to what we can do to meet that 21 percent goal.

I will share with you that at a recent meeting with Commissioner Dan Esty from DEEP, he had reiterated his commitment to once again bringing that grant round once a year. It is the question that I get from every land owner, from every land trust and town that I meet with, and I meet with them all the time, when are we going to have a grant round?

They're ready. They're waiting. They want to help the state and this bond funding will go a long way to making sure that the state meets its 21 percent on land conservation. Thank you. Thank you, again.

REP. WIDLITZ: Thank you very much for your testimony. Are there questions? Okay, thank you. All right next is Barbara Gilbert. Is Barbara here? David Gable. Jeff Shaw? I know Jeff is here, followed by Sandy Breslin, Radenka Maric, Robert Burbank, Bill Bahler, Betsy Patterson. We'll see who is still here. Good evening, Jeff.

JEFF SHAW: Good evening. Senator Fonfara, Representative Widlitz and distinguished Members of the Finance, Revenue and Bonding Committee, my name is Jeff Shaw, Project Director of the Nonprofit Human Services Cabinet.

The Cabinet is a coalition of 20 associations and individual organizations, which have been in existence since the early 1980s.

I'd like to express the Cabinet's support for Senate Bill 842 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.

Specifically, Section 13 allows the proceeds of the sale of bonds to be used as new grants in aid specifically for nonprofit health and human service providers.

As you are all aware, many nonprofit organizations are faced and continue to face enormous fiscal challenges, having severely reduced programs and services in response to the previous rescissions in November as well as the recent modifications in December.

These cuts forced some of these community providers to close their doors and others are concerned they might follow suit due to the anticipated reductions and further eliminations.

With the anticipated shortfall in the next biennium, federal sequestration and another debt ceiling booming, nonprofits are looking for new revenue sources to not only maintain, but to expand quality services and programs. The proposed bond fund is a resource that will help nonprofits achieve this objective.

As you heard earlier, Secretary Barnes had suggested that in a perfect world, nonprofit contractors with the state for health and human services would receive inflationary increases in their contracts and rates.

However, due to the state's fiscal situation, there has been only a one percent increase in the past four years and the proposed biennial budget reflects no further proposed increases.

The proposed Section 13 would allow nonprofit health and human service organizations to invest new funds in capital infrastructure projects that include but are not limited to, renovating existing facilities, upgrading information technology systems, enhancing ADA

compliance, improving energy systems, purchasing vehicles and other improvements. These capital projects will help lower administrative costs, increase efficiency and improve the delivery of services.

What distinguishes this new resource from previously authorized bond funds to individual state agencies is that these funds would be accessed in an expedited and streamlined fashion, similar to how the STEAP grant works.

These funds would have the capability to address needs and emergencies quickly and provide incentives for improving business practices.

The proposed bond fund would authorize $20 million in both Fiscal 14 and 15, for a total of $40 million over the biennium. The potential funding would free up existing operating funds for direct services to clients, your constituents, and would help relieve a backlog of overdue facilities improvements.

In the past, many nonprofits would have to seek commercial financing to undergo a large capital improvement project. The example we like to talk about is creating electronic medical records. So obtaining that commercial loan would require withdrawing a significant amount of money to pay off the debt at the expense of current services.

So simply put, the proposed bond fund would enhance the nonprofit sector's commitment to serving our communities and making them safer and healthier places to live for all citizens.

I strongly urge this Committee and the Legislature as a whole to support this proposal. In doing so, you will enable the

nonprofits to protect the safety net. Thank you.

REP. WIDLITZ: Thank you, Jeff. Are there any questions or comments? Congratulations on the new job. Well done.

JEFF SHAW: Thank you.

REP. WIDLITZ: Okay. Sandy Breslin I do not see in the room. Radenka Maric? Robert Burbank? Bill Bahler? Betsy Patterson? Ah, here we go. Thank you for waiting to give your testimony. Good evening.

BETSY PATTERSON: Good afternoon. I'm Betsy Patterson, Mayor of the Town of Mansfield and I'm here today with our Town Manager, Matt Hart and Matt will lead off.

MATT HART: Good evening, everyone, and thank you for your time tonight. We're here to express a couple of our concerns regarding the Governor's proposed budget and state grants to cities and towns. SB843

Mansfield, you know, we're very proud to be home to UConn's main campus in Storrs. As such, we're very reliant on state revenue. Out of our $45 million budget, approximately $17.6 million comes from state revenue, primarily the ECS and the PILOT grant.

The first item we want to touch on has been talked a lot about earlier today and that's the Governor's proposed motor vehicle property tax exemption. For Mansfield that amounts to $1.8 to $2 million a year and if that is approved, our Council would need to decide whether or not to reduce spending by that amount, or shift that cost onto other real estate taxpayers.

But it's not that clean, and that shift could really have a very negative impact on some of

JOINT
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FINANCE
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AND BONDING
PART 2
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Connecticut Farm Bureau Association
775 Bloomfield Ave., Windsor, CT 06095-2322
(860) 768-1100 • Fax (860) 768-1108 • www.cfba.org

March 4, 1013

Testimony in Opposition to: Support of: SB No. 840 AN ACT CONCERNING NEXT GENERATION CONNECTICUT and SB No. 842 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION, AND OTHER PURPOSES.

Submitted by: Henry N. Talmage, Executive Director, Connecticut Farm Bureau Association

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The following testimony is submitted on behalf of the Connecticut Farm Bureau, a statewide nonprofit membership organization of over 5,000 families dedicated to farming and the future of Connecticut agriculture.

Senator Fonfara, Representative Widlitz members of the Finance, Revenue and Bonding Committee,

The Connecticut Farm Bureau supports SB No. 840 AN ACT CONCERNING NEXT GENERATION CONNECTICUT. We are especially supportive of efforts contained in the bill that will allow for expansion, modernization and enhancement of the College of Agriculture and Natural Resources. In it's role as Connecticut's Land-Grant institution the programs of the College of Agriculture and Natural Resources are important not only to the agricultural community, but to every resident of Connecticut.. Our need for teaching, research and extension education in all fields relating to agricultural production, processing and marketing, as well as environmental quality, will increase at a more rapid pace in the future. Therefore, the maintenance and development of a strong and effective College of Agriculture and Natural Resources with the capacity to meet the growing needs of modern Connecticut agriculture is essential as agriculture continues to be an important part of Connecticut's economy and landscape.

The Connect Farm bureau also supports SB 842 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION, AND OTHER PURPOSES. In particular the Connecticut Farm Bureau supports bond funds for the continuation of the Connecticut Department of Agriculture's Farmland Preservation Program (FPP). Since 1978 the program has permanently protected over 40,000 acres of CT's best farmland through the purchase of development rights and the use of deed restrictions. The consistent allocation of bond funds for the program has allowed the program to make steady and significant progress towards the goal of protecting 130,000 acres of Connecticut farmland. Bond funds have also allowed the state to leverage its investment by working with local municipalities and the USDA Farm and Ranchland Preservation Program (FRPP) thereby making our scarce resources stretch to protect more farms. The result has been that more farms are in business today than would have been without the program and more farmland is permanently available for farming. Therefore, the Connecticut Farm Bureau strongly supports the bonding contained in SB 842 for the Farmland Preservation Program..

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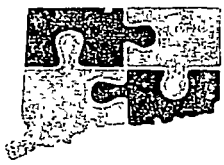

CONNECTICUT ASSOCIATION of NONPROFITS | ...to serve, strengthen and support Connecticut's nonprofit community.

Testimony before the Finance, Revenue and Bonding Committee

In support of SB 842, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES

March 4, 2013

Senator Fonfara, Representative Widlitz, and distinguished members of the Finance, Revenue, and Bonding Committee, my name is Ron Cretaro, Executive Director of the Connecticut Association of Nonprofits. The Association represents more than 500 nonprofit organizations statewide of which 275 are contractors providing health and human services with various state agencies. I would like to express CT Nonprofits' support for S.B. 842, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES. Section 13 allows the proceeds of the sale of bonds to be used as new grants-in-aid specifically for nonprofit health and human service providers.

Secretary Barnes, before both the Appropriations Committee & Bonding Subcommittee of this Finance, Revenue and Bonding Committee, has suggested that in a perfect world, nonprofit contractors with the State for health and human services would receive inflationary increases in their contracts and rates. However, due to the State's difficult fiscal situation, there has been only a 1% increase in the past four years and the proposed Biennial Budget reflects no further proposed increases.

The proposed section (13) would allow nonprofit health and human service organizations (exempt under Section 501c3 of the Internal Revenue Code of 1986) to invest new funds in capital (infrastructure) projects that include but not limited to renovating existing facilities, upgrading information technology systems, enhancing ADA compliance, improving energy systems, purchasing vehicles, and other improvements. These capital projects will help lower administrative costs, increase efficiency and improve the delivery of services.

What distinguishes this new resource from previously authorized bond funds to individual State agencies is that these funds would be accessed in an expedited and streamlined fashion similar to how the State treats Small Towns through the Small Town Economic Assistance Program (STEAP). These funds will have the capability of addressing needs and emergencies quickly. It is our desire that these funds may also be available absent current lien requirements of traditional nonprofit bond programs and/or have some consideration of lien forgiveness or reduction when a program or facility is forced to close due to withdraw of federal or state funds outside the control of the individual provider organization. We are finding state agencies, due to policy or system changes, choosing to no longer utilize programs for which they previously asked provider organizations to open and operate. We feel that short of termination of contract for cause such as

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poor performance there ought to be consideration of some form of lien mitigation where a lien is required.

The proposed bond fund would authorize $20 million in both FY14 and FY15, for a total of $40 million over the biennium to the Office of Policy & Management. The potential funding would free up existing operating funds for direct services to clients, your constituents, and would help relieve a backlog of overdue facilities improvements. In the past, many nonprofits would have to seek commercial financing to undergo a large capital improvement, such as creating an electronic medical records system or undertake a traditional longer term capital fundraising campaign. Obtaining a commercial loan requires withdrawing a significant amount of money to pay off the debt at the expense of the services. The proposed bond fund would help nonprofits.

This proposed unique and unprecedented nonprofit bond fund pool will enhance the nonprofit sector's commitment to serving our communities, making them safer and healthier places to live for all of our citizens. It will also strengthen the State's partnership with its nonprofit community. I would ask this committee and the legislature as a whole to support this innovative proposal.

Testimony by Michael A. Milone
Town Manager, Cheshire
State Finance, Revenue and Bonding Committee
Monday, March 4, 2013
Legislative Office Building

Re: SB-842 – An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes

Honorable Committee Members, good day and thank you for allowing me to testify. My name is Michael A. Milone, I am the Town Manager for the Town of Cheshire, and I am here to speak in support of provisions in SB-842 which increase bond authorizations for the Clean Water Fund.

A key element in this critical bond authorization legislation is the provision to increase the grant for phosphorous removal projects from 30% to 50%.

The Town of Cheshire is about to go out to bid for the upgrade to our Wastewater Treatment Plant at an estimated cost of $32.150 million, the largest capital expense incurred in our Town's history. Imbedded in this appropriation is an estimated $7.2 million to address the State's mandated phosphorous reduction strategy. Five years ago we were mandated by the State to reduce nitrogen, which we implemented at a cost of $7 million. Consequently, Cheshire will have committed approximately $14.2 million to meet two environmental state mandates, which will impose a significant debt burden on our financial operation and force us to defer other critically important infrastructure capital projects. While we understand the importance and benefit of these environmental initiatives, it does create an unfair financial burden on residents in the affected municipalities.

This unfair financial burden has been significantly exacerbated by the fact that Cheshire is the host community to the second largest prison in the state and 25% - 30% of the total effluent treated at our Wastewater Treatment Plant is discharged by this prison. The Department of Corrections, in spite of their extensive reliance on our Waste Water Treatment facility, has refused to renegotiate our prison agreement to assist in the $32.150 million cost of the Plant upgrade. Yet they agreed to partner with other prison towns for similar Wastewater Treatment Plant capital projects.

Additionally, the Department of Corrections has refused to pay a user charge back-billing of $1.5 million incurred because their waste flow meter malfunctioned and many years of flow were underreported.

Finally, compounding this continuing financial burden, the Governor has proposed a budget that would eliminate the PILOT-State Property which would result in a $2.3 million revenue loss to Cheshire as a host to a state prison.

So, in summary, we are faced with a state mandated phosphorous reduction plan costing $7.2 million, a refusal by the State Department of Corrections to share in the cost of a Waste Water Treatment Plant upgrade of $32.150 million, a refusal by DOC to pay the $1.5 million due in user fee back-billings, and the loss of a prison PILOT payment of $2.3 million.

Consequently, we are facing a confluence of significantly damaging and costly financial burdens around our Wastewater Treatment Plant, so I urge your committee to consider some modicum of financial relief by funding the phosphorous portion of the Clean Water Fund at 50%.

Thank you for allowing me to testify before you, and I wish you well in your deliberations this legislative session.

M./Town Manager/Testimony 3-4-13 re Clean Water Fund

TESTIMONY

FINANCE COMMITTEE

March 4, 2013

Governor's Nonprofit Bonding

S.B. 842

GOOD MORNING (AFTERNOON), MY NAME IS PATRICK JOHNSON AND I AM PRESIDENT OF OAK HILL. OAK HILL IS A LARGE COMMUNITY NONPROFIT ORGANIZATION WITH 1,400 EMPLOYEES AND OVER 100 SITES IN 58 TOWNS THROUGHOUT THE STATE. WE PROVIDE SERVICES TO PEOPLE WITH MULTIPLE AND SEVERE DISABILITIES, PRIMARILY DEVELOPMENTAL DISABILITIES AND CURRENTLY HAVE 400 PEOPLE IN OUR RESIDENTIAL PROGRAM 24 HOURS PER DAY.

FOR OVER THE PAST TWO DECADES THE AVERAGE COST OF LIVING ADJUSTMENT TO OUR STATE CONTRACTS HAS BEEN LESS THAN 1% PER YEAR FOR 20 YEARS AND FOR THE PAST FIVE YEARS OUR FUNDING HAS BEEN FLAT. WE ARE GRATEFUL TO GOVERNOR MALLOY FOR THE 1% COLA STARTING IN JANURY OF THIS YEAR. IT SOFTENS THE BLOW OF A NET LOSS THIS YEAR AS WELL. THE LAST TIME WE RECEIVED A RATE INCREASE GASOLINE WAS $1.87 PER GALLON. NO REASONABLE PERSON COULD ASSUME THAT THIS IS SUSTAINABLE.

NEEDLESS TO SAY WE BALANCE OUR BUDGETS ON THE BACKS OF PEOPLE WHO HAVE HAD NO WAGE INCREASES IN 5 YEARS AND NOW POSSIBLY 7 AND THERE HAVE BEEN CAPITAL PROJECTS THAT HAVE NOT BEEN ADDRESSED. WE ARE GRATEFUL TO GOVERNOR MALLOY FOR RECOMMENDING A $40 MILLION BOND PACKAGE OVER THE NEXT TWO FISCAL YEARS. THIS IS VERY IMPORTANT AND WILL ADDRESS SOME VITAL NEEDS IN THE PRIVATE NONPROFIT SECTOR TO UPGRADE OUR AGING INFRASTRUCTURE AND ADDRESS NEW PROGRAM AND SAFETY NEEDS. FOR EXAMPLE IT IS JUST A MATTER OF TIME UNTIL WE HAVE A REAL DISASTER. WITH SERVICES NOW BEING PROVIDED IN GROUP HOMES AND OTHER SETTINGS SEVERE STORMS HAVE MOVED FROM INCONVENIENT TO PERILOUS AND LIFE THREATENING. DURING RECENT STORMS SITES WERE RENDERED INACESSIBLE AND MILD WEATHER IMMEDIATELY FOLLOWING THE STORMS WAS THE SAVING GRACE. PERMANENT AUTOMATIC GENERATORS FOR BACK UP POWER WOULD GO A LONG WAY TO ADDRESS THIS SIGNIFICANT RISK. WE CURRENTLY PREPOSITION PORTABLE GENERATORS IN CENTRAL LOCATIONS FOR MANY OF OUR SITES BUT THIS HAS SIGNIFICANT DRAWBACKS AND CHALLENGES GETTING THEM TO WHERE THEY ARE NEEDED AND KEEPING THEM FUELED AT GREAT RISK TO OUR RESIDENTS, MAINTENANCE MECHANICS, AND STAFF.

IN ADDITION, AFTER DECADES OF USE, WEAR AND TEAR AND DEFERRED MAINTENANCE BUILDIJNGS BECOME ANTIQUATED, ENERGY INEFFICIENT, AND POTENTIALLY UNSAFE. DEMANDS FOR NEW TECHNOLOGY SUCH AS ELECTRONIC RECORD KEEPING, NEW COMMUNICATIONS EQUIPMENT, ASSISTIVE TECHNOLOGIES, MONITORING EQUIPMENT, AND OTHER CAPITAL INVESTMENT PRESENT A

HUGE CHALLENGE FOR THE MAJORITY OF PRIVATE NONPROFIT AGENCIES WHO HAVE BEEN DRIVEN TO THE FINANCIAL TIPPING POINT BY CHRONIC UNDERFUNDING. PLEASE SUPPORT SENATE BILL 842 MAKING AVAILABLE THESE CRITICALLY NEEDED FUNDS. THANK YOU FOR YOUR SUPPORT AND PUBLIC SERVICE!

Patrick J. Johnson Jr.

President, Oak Hill

120 Holcomb St.

Hartford, CT 06112

johnsonp@ciboakhill.org

860-769-3801

TESTIMONY PRESENTED TO THE FINANCE, REVENUE AND BONDING COMMITTEE
March 4, 2013

Benjamin Barnes
Secretary
Office of Policy and Management

Testimony Supporting Senate Bill No. 842

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES

Senator Fonfara, Representative Widlitz and distinguished members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony on Senate Bill No. 842, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes.

This bill authorizes new general obligation (GO) bonds totaling $1.49 billion in fiscal year 2014 and $1.6 billion in fiscal year 2015, Clean Water Fund revenue bonds totaling $380.4 million in fiscal year 2014 and $332 million in fiscal year 2015 and Special Tax Obligation (STO) bonds for transportation purposes totaling $706.5 million in fiscal year 2014 and $588.8 million in fiscal year 2015.

Some of the more significant authorizations in this bill include:

- $285 million for grants and $712.4 million for revenue bonds to provide subsidized low interest loans under the Clean Water Fund;
- $511.3 million in FY 2014 and $474.2 million in FY 2015 to meet the commitments of the school construction program;
- $100 million over the biennium for the Urban Act Program;
- $40 million over the biennium for the Small Town Economic Assistance Program;
- $86.4 million in each year of the biennium in enhanced funding for the Local Capital Improvement Program;
- $13.4 million over the biennium to continue implementation of the Criminal Justice Information System;
- $10 million in each year of the biennium for farmland preservation;
- $20 million in each year of the biennium for open space preservation;
- $75 million over the biennium for information technology investments to enhance state agency efficiency and effectiveness;
- $79.3 million over the biennium for Community College System building projects;

- $64.5 million to upgrade and replace aging equipment for state police radio communication systems;
- $70 million in each year of the biennium for development and rehabilitation projects for affordable housing;
- $30 million in each year of the biennium to revitalize the state's public housing portfolio;
- $20 million in FY 2014 for the successful supportive housing program;
- $20 million in each year of the biennium for brownfield redevelopment;
- $100 million in each year of the biennium for Economic Development and Manufacturing Assistance;
- $100 million over the biennium to continue the Small Business Express Program;
- $40 million over the biennium for capital investments in facilities of the state's nonprofit providers;
- $30 million over the biennium for energy microgrids to support critical infrastructure;
- $22.5 million over the biennium for start-up investments in Sheff magnet schools;
- $26.5 million over the biennium for early childhood education facilities;
- $231 million over the biennium to fully fund DOT's priority projects under the Fix-it-First initiatives to repair the state's roads and bridges;
- $15 million in FY 2014 for a new and improved Local Bridge program;
- $45 million in each year of the biennium for a Local Transportation Improvement Program;
- $60 million in each year of the biennium for Town Aid Road grants.

The projects and programs included in this bill will help to achieve the Governor's goals for jobs and the economy through smart investments in the state's infrastructure, economic development initiatives and continued support for municipalities.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the committee support this bill.

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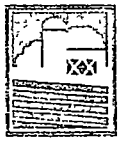

Working Lands Alliance
A Project of American Farmland Trust

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Testimony in support of SB 842
Finance, Revenue, and Bonding Committee
Submitted by: Lisa Bassani, Project Director, Working Lands Alliance
March 4, 2013

Senator Fonfara, Representative Widlitz, and Committee members:

The Working Lands Alliance appreciates this opportunity to submit testimony in **support of SB 842**, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation, and Other Purposes, specifically Sections 61 and 13c of this bill.

The Working Lands Alliance is a broad-based, statewide coalition dedicated to preserving Connecticut's farmland, and includes such organizations as American Farmland Trust, the CT State Grange, CT Forest & Park Association, End Hunger CT!, and the CT Farm Bureau, among many others. The top priority of our diverse coalition is to ensure that the state's Farmland Preservation Program has the financial resources to permanently protect at least 2000 acres of productive farmland a year, helping to move Connecticut closer to its goal of 130,000 acres of protected farmland.

To this end, we strongly support the $20 million in bond funds authorized in section 61 of SB 842 for the Farmland Preservation Program (FPP). This program provides funding for the state to purchase development rights on farmland that meet the program's criteria for prime and important soils, size, and contiguity to other farm parcels. Most importantly, the state bond funding leverages federal, local, and private dollars for farmland preservation. In 2010 and 2011, for instance, CT received nearly $5 million and $6 million respectively in federal funding through the Farm and Ranchlands Protection Program, which provided important cost-sharing dollars for the state's farmland preservation efforts.

With the annual $10 million investments authorized in this bill, the Department of Agriculture can build upon the momentum gained over the past few years and continue to meet landowner demand for the program. To date, the state has preserved nearly 40,000 acres through this program.. Over the past five years, the state has protected 56 farms, totaling 6,143 acres. The Department of Agriculture has another 53 farms in various stages of the Program's review process, with 11 of these farms totaling another 1,068 acres near completion.

Consistent and robust annual funding is critical to the success of this program, and we are grateful to Governor Malloy and to members of this committee for this sustained investment in farmland preservation. Consistent funding provides

important reassurance to landowners interested in preserving their land that funding will be there to complete the deal. This, in turn, ensures that the Department will have a steady pipeline of prime and important farmland to protect through this program, and that the state continues to make gains towards its overall farmland preservation goals.

Overall, these state-level investments in farmland protection are necessary to sustain a viable agricultural industry in CT, which is a growing and important part of our state's economy – accounting for $4.6 billion in output in 2010 and over 26,700 jobs in the state. The protection of our finite farmland base through this program is making land more affordable for new and beginning farmers, and ensuring continued availability of local and healthy food.

In addition, the Working Lands Alliance supports the bond funding allocated in section 13c of SB 842 for the CT Department of Energy and Environmental Protection's Open Space and Watershed Land Acquisition Program. This program, which provides matching funds to municipalities and land trusts for the purchase of farmland and open space, is a valuable complement to the Farmland Preservation Program, protecting farmland that may not meet the FPP's criteria but is nonetheless productive and important to the local community. Last year alone, these bond funds provided important matching funds for the protection of farms and prime soils in places such as Gunther Farm in Tolland and Stillmeadow Farm in Southbury.

These two programs, which leverage federal, local, and private dollars, preserve the farms and forestland that are an important part of our state's economy and our local heritage. These are the investments that will pay dividends for years.

On behalf of the Working Lands Alliance, I urge the Committee to act favorably on SB 842.

Governor's Bill No. 842,
Committee on Finance Revenue and Bonding
March 4, 2013

The Connecticut Construction Industries Association, Inc. is the most diverse commercial construction industry trade association in Connecticut. Formed over 40 years ago, CCIA is an organization of associations, where all sectors of the commercial construction industry work together to advance and promote their shared interests. CCIA members have a long history of providing quality work for the public benefit.

CCIA is comprised of nine divisions, including the Associated General Contractors of Connecticut, Inc.; The Connecticut Road Builders Association, Inc.; The Connecticut Environmental and Utility Contractors Association, Inc.; The Connecticut Ready Mixed Concrete Association, Inc,; and Connecticut Asphalt and Aggregate Producers Association. CCIA has more than 300 members statewide, including contractors, subcontractors, suppliers, and professional organizations that service the construction industry.

CCIA supports the bond authorizations in this bill because those investments not only create jobs and economic activity over the short term, those investments will also create the infrastructure to support economic activity, educate our workforce, protect our environment, ensure the safety of the traveling public, and maintain our quality of life for years to come.

During the discussion regarding the American Recovery and Reinvestment Act (ARRA), Congress identified infrastructure investments as agent of jobs and economic growth. According to the Associated General Contractors of America (AGC), an additional $1 billion invested in nonresidential construction would add $3.4 billion to the Gross Domestic Product, $1.1 billion to personal earnings, and create or sustain 28,500 jobs.

One significant impediment to Connecticut's recovery has been a decelerating construction industry. While the state economy has been struggling, the construction industry continued to decline and shed jobs. For example, in 2012, the construction industry in Connecticut lost an additional 100 jobs from the previous year, ranking Connecticut 28th in the 12-month gain or loss.

This bill provides revenue bond authorizations for many construction projects across various state government programs. This can accelerate the economic activity the construction industry can provide and go a long way to ensure our prosperity into the future.

Please contact Don Shubert, President of CCIA, at 860-529-6855, if you have any questions or if you need additional information.

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Public Hearing – March 4, 2013
Finance, Revenue and Bonding Committee

Testimony Submitted by Commissioner Jim Redeker
Department of Transportation

Governor's S.B. 842 - An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes.

The Department of Transportation (ConnDOT) is pleased to support Governor's S.B 842, AA Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes.

ConnDOT has made great strides in becoming an organization which is focused on results, performance and transparency. During the last biennium, the Department achieved major accomplishments such as the opening of the Q-Bridge, the groundbreaking of CTfastrak, initiating the redevelopment of the service plazas, the advancement of the New Haven-Hartford-Springfield Rail Program, and ongoing improvements to the rail system. As we move forward, recently passed transportation initiatives include state legislation (Public Act 12-70) that requires the utilization of alternate project delivery methods (such as Design-Build or Construction-Manager-at-Risk), and federal legislation (MAP-21) mandating the implementation of a comprehensive transportation asset management plan. These initiatives, combined with the ongoing demands of the Department's mission, will test our resourcefulness, but we are committed to delivering a transportation system and infrastructure that the citizens of Connecticut expect and deserve.

Governor Malloy's budget is an investment in our transportation infrastructure, recognizing that our roads, bridges, ports, airports, buses, ferries, and trains are essential to the economic well-being of our state and our nation. The Governor's recommended Capital Program includes new Special Tax Obligation Bond Authorizations of $706.5 million in fiscal year 2014 and $588.8 million in fiscal year 2015. It is estimated that with these resources, the Department will leverage $1.2 billion in federal funds. As we move in to the next biennium we will continue to face fiscal uncertainty at the federal level, making it vital that Connecticut's commitment to transportation remain strong.

The Governor's recommended Capital Program allows the Department to work with the Administration to set clear priorities for allocating limited financial resources to a long list of important, but competing, capital needs. This investment will enable the Department to address more projects, which in turn will enable the Department to create and maintain more jobs while continuing to preserve the infrastructure during the next biennium.

The Governor's proposal provides $60 million in both fiscal years 2014 and 2015 to continue Fix-It-First priority bridge repair. The Fix-It-First Bridge program includes the cost of rehabilitating, reconstructing, repairing or replacing bridges which have been identified as being in poor or fair condition and in need of repair. In addition, the Governor's proposed budget includes $55 million in fiscal years 2014 and 2015 to continue Fix-It-First priority road rehabilitation, reconstruction and

preservation projects which will help to address our State's aging infrastructure. This investment supports the Department's commitment to implement a preservation program focused on a state of good repair for our infrastructure assets. At its core is a commitment to dedicate a certain level of funding each and every year to address pavement and bridge conditions utilizing Asset Management principles and performance metrics.

The Governor's budget includes $68.8 million in fiscal year 2014 and $68.9 million in fiscal year 2015 in Special Tax Obligation Bonds for capital resurfacing and related reconstruction projects. It is anticipated that this investment in our infrastructure will create 1,050 jobs and repave approximately 200 miles of state roads. The majority of the funds are utilized for the Vendor-In-Place (VIP) Resurfacing Program. Vendor-in-Place refers to a contract where the vendor supplies all materials, labor and equipment to perform a work function complete in place. The most common one is the VIP paving contract where the vendor supplies the asphalt, paving equipment, trucking and labor and we pay for the services by the ton in place.

The Governor's budget also includes an increase of $100 million in interstate bonds in fiscal year 2014 to enable the Department to move forward with major initiatives such as the continued widening of I-84 through to the Route 8 interchange, while continuing to complete smaller projects that are vital to preserving the conditions and safety of our infrastructure.

The Governor's recommended Capital Program places an increased emphasis on municipal aid, with new bond authorizations of $15 million in the first year for a revitalized Local Bridge Program and $45 million in each year for Local Transportation improvements. The budget also proposes that the Town Aid Road grant program increase from $30 million to $60 million annually. This would be the largest investment in this Program in the state's history, reinforcing the Governor's commitment to a strong state and local transportation infrastructure.

Finally, regarding the Department's transit capital program, the Governor's 2014 and 2015 budget includes $143,000,000 per year for Bus and Rail facilities and equipment that will provide funding for capital projects necessary to support two commuter railroads, and Transit operations in eight urban areas and 13 active transit districts. To support transit services, this funding will provide for the necessary bus replacements statewide, improvements to the CT Transit Hartford Maintenance Facility, as well as the construction of a Waterbury Bus Maintenance Facility. To support commuter rail services, this funding is vital to continue to maintain and improve the New Haven Line infrastructure, continued implementation of the New Have Line Positive Train Control and the Signal System Replacement Project, as well as the ongoing New Haven Line station improvement program. In addition, this funding will provide for the power distribution improvements to support the use of M-8 rail cars in the Shore Line East commuter rail service, and a new north side boarding platform will be constructed at the Madison Shore Line East rail station which will include a pedestrian bridge and expanded parking.

Governor Malloy's proposals provide a balanced approach to addressing the multi-modal needs of Connecticut's transportation system. The Governor's budget includes a targeted influx of funding in a few key areas to support both State and municipal transportation initiatives, ensuring that Connecticut's transportation system enhances the general quality of life in the State, supports economic development, increases productivity, and moves people and goods in a safe, efficient manner.

ConnDOT looks forward to working with you to implement a biennial budget that provides for the continued preservation and improvement of the State's transportation system that the citizens of Connecticut deserve.

For further information or questions, please contact Pam Sucato, Legislative Program Manager for the Department of Transportation at (860) 594-3013.

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Joint Committee on Finance, Revenue and Bonding, March 4, 2013

Testimony of Howard Rifkin on SB 842, An Act
Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes

Sen. Fonfara, Rep. Widlitz, Sen. Frantz, Rep. Williams, and Members of the Committee:

I'm Howard Rifkin, the Executive Director of the Partnership for Strong Communities (PSC), a statewide nonprofit policy and advocacy organization dedicated to preventing and ending homelessness, expanding the creation of affordable housing, and fostering best practices in community development.

I am here to testify on Senate Bill 842, as it relates to the proposed capital funds for the Governor's FY14-15 Housing Initiative. The PSC strongly supports the commitments to affordable and supportive housing and housing incentive zones, and the sustained investments in public housing revitalization in the proposed biennial budget.

The PSC staffs and manages the Reaching Home Campaign, the statewide effort to prevent and end homelessness. Reaching Home is guided by a large and diverse Steering Committee working across systems, such as housing, health, education, job training, and food insecurity and includes key members of state and local government, the business community, and others. Over the past year, the Reaching Home Campaign developed action plans for implementing the *Opening Doors– CT Framework.* Opening Doors – CT is aligned with the federal *Opening Doors Plan to Prevent and End Homelessness.*

The goal is to develop a coordinated statewide housing assistance system with a range of housing options and supports, use data and research to target these resources effectively, bring best practices to scale, and meet the identified demand. Through an extensive planning process, we have determined the estimated supply and demand for housing assistance, in order to end homelessness among veterans and people who are chronically homeless in five years, and children, youth and families in 10 years. The following resources proposed in this bill represent significant advancements toward meeting these demands:

- **Affordable Housing.** Authorization for $136 million in capital funding over the biennium ($68 million in each year) to develop or rehabilitate affordable housing across the state and increase the affordable housing options for workers, young professionals, and low-income families.

- **Public Housing Revitalization.** Authorization for $60 million in bonding ($30 million in each year) as years two and three of a ten year commitment of $300 million to preserve and upgrade this housing, bringing deteriorated and vacant units back on line.

- **Supportive Housing.** Authorization for $20 million to develop 100 new units of supportive housing

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The Governor has requested appropriations to annualize 300 new RAPs (rental assistance subsidies) to combine with the Public Housing units to ensure an adequate ongoing revenue stream to prevent future deterioration. Access to deeply subsidized affordable housing is central to efforts to prevent and homelessness. Both of these funding sources will be critical for addressing the needs of at-risk families and individuals and providing for additional units targeted to those who are homeless.

Appropriations have also been requested to annualize $1 million for rental assistance subsidies and $1 million for services to complete the Supportive Housing model for the 100 units of development. Supportive housing is a successful and cost-effective approach to addressing homelessness by creating permanent affordable housing with services. There is overwhelming evidence that supportive housing leads individuals and families from homelessness to stability and success, and it reduces their use of high-cost public services like emergency rooms (ER), prisons, and nursing homes.

PSC also staffs and manages HOMEConnecticut, a statewide campaign aimed at increasing the stock of affordable housing in Connecticut. The focus is on creating more affordable housing options to improve economic growth and opportunity. The Governor proposes **$1 million for Housing Incentive Zones** in the Capital Budget. The funding will go toward financial incentive payments that help municipalities plan for and create mixed-income housing. Mixed-income housing is critical to attracting and retaining young professionals, working families, retirees, and people in public service jobs. There are some 50 communities looking at the possibility of creating Incentive Housing Zones. This funding would provide them with the technical assistance and planning support necessary to do so.

We strongly encourage you to support these critical investments, especially in light of the affordable housing crisis that we are facing and drastic cuts at the federal level.

Thank you very much.

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LeadingAge Connecticut

Testimony to the Finance, Revenue and Bonding Committee

Presented By Mag Morelli, President

March 4, 2013

In Support Of Senate Bill 842, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and other Purposes

Good morning Senator Fonfara, Representative Widlitz, and members of the Committee. My name is Mag Morelli and I am the President of LeadingAge Connecticut, a membership organization representing over 130 mission-driven and not-for-profit provider organizations serving older adults across the continuum of long term care including housing for the elderly, home care and skilled nursing facilities Our members are sponsored by religious, fraternal, community, and municipal organizations that are committed to providing quality care and services to their residents and clients. Our member organizations, many of which have served their communities for generations, are dedicated to expanding the world of possibilities for aging.

On behalf of LeadingAge Connecticut, I would like to testify in support of Senate Bill 842 and specifically in support of the Governor's continued commitment to housing development, including the expansion of congregate and elderly housing with services; his proposal to continue to assist in the restructuring, diversifying and/or downsizing of existing nursing homes as part of the long term care rightsizing effort; the proposed development of the new concept of adult family homes; and the additional grants-in-aid funding for accessible home modifications for persons transitioning from institutions to homes under the Money Follows the Person program.

Affordable Senior Housing with Services

There is a growing demand for affordable senior housing units across the state as demonstrated by the lengthy waiting lists being maintained by our elderly housing site members. The waiting lists are reflective of the success of our state's nationally praised model of providing affordable community based services to congregate and elderly housing residents. This model of bringing services to the affordable elderly housing sites has allowed older adults to age in place and remain in their housing units for a longer period of time. Unfortunately, the shortage of available units is thwarting efforts to provide other older adults with the same opportunity.

Linking affordable senior housing with services is one of the answers to our state's quest to balance the long term care system. Connecticut has already developed several nationally acclaimed models of housing with services including allowing assisted living services to be delivered within our state congregate and HUD 202 housing sites and the four pilot affordable assisted living demonstration sites. We have excellent models – we just need to develop more sites to make more units available. Governor Malloy's proposal to fund additional housing development would allow for the possible development of congregate and elderly housing and we support its passage.

The State's Long Term Care Rightsizing Initiative: Nursing Home Diversifying, Downsizing and /or Modernization

LeadingAge Connecticut is very pleased that the Governor has not abandoned the nursing home as Connecticut pursues its recently released rightsizing strategic plan for our long term care system. The nursing home is a very important element of the long term care continuum and we strongly support the Governor's initiative to provide the resources needed to assist in restructuring, diversifying and/or downsizing existing nursing home buildings.

The proposed additional investment of state and federal funds can help more nursing home providers re-evaluate their current business models and if necessary, restructure, diversify, or redesign their services, buildings and campuses. **Just as importantly, we would ask the state to expand the opportunity and allow the use of these funds to *modernize* the nursing homes that will remain within the strategic plan so that we can provide this necessary level of care within a design and service model that consumers are demanding.** Modernization efforts will allow nursing homes to create both the models of care that are desired by consumers and the systems of integrated care that will be required in the new landscape of health care reform. Greenhouse models, culture change modifications, energy efficiencies, electronic health records, transportation systems and other capital improvements should be allowable within the system of grants, loans and funding

Home Modifications and Adult Family Homes

LeadingAge Connecticut supports the proposed additional $1 million in bonding to fund grants-in-aid for home modifications that will allow individuals who require a nursing home level of care to return to and remain in the community. We also support the $1 million in funding proposed for the development of adult family homes. This concept is new to the state and is very promising as a new model of care and possibly as an alternative use for existing nursing home or residential care home structures.

LeadingAge Connecticut continues to encourage the state to *strengthen* and *invest in* the long term care system and to provide the opportunity and environment for individual providers to transform our system of aging services one solution at a time. ***The time is now to look toward innovative solutions and begin to create the future of aging services.***

Thank you for this opportunity to provide this testimony and I would be happy to answer any questions.

Mag Morelli, LeadingAge Connecticut, 1340 Worthington Ridge, Berlin, CT 06037 (860)828-2903 mmorelli@leadingagect.org

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CONNECTICUT Land Conservation Council

Testimony in Support of S.B. No. 842
To the Finance, Revenue and Bonding Committee
Submitted by: Amy Blaymore Paterson, Esq., Executive Director
March 4, 2013

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Connie Manes
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Tom ODell
CT Association of Conservation and Inland Wetland Commissions

David Sutherland
The Nature Conservancy

Humphrey Tyler
Lyme Land ConservationTrust

STAFF
Amy B. Paterson, Esq
Executive Director

Senator Fonfara, Representative Widlitz, and members of the Committee:

Please accept this testimony on behalf of the Connecticut Land Conservation Council in strong support of ***Sections 13, 21 and 61*** of ***H. B. No. 842: An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes***, which authorize bond funding to support critical state land conservation programs.

The Connecticut Land Conservation Council (CLCC) works with land trusts, other conservation and advocacy organizations, government entities and landowners to increase the pace, quality and scale of land conservation in Connecticut while assuring the perpetual, high quality stewardship of conserved lands in the state. As Connecticut's umbrella organization for the land conservation community, CLCC focuses on building land trust capacity and sustainability, leading a unified land conservation voice for public policies that support land conservation, and engaging broad constituencies to foster a deep understanding of the benefits and need for land conservation. CLCC is guided by a Steering Committee with statewide representation.

Status of Land Conservation in Connecticut

The state's goal to preserve 21-percent of Connecticut's land area or 633,210 acres by 2023 (the "21% goal") was created by the legislature in 1997, with recommendations that 10-percent be acquired by the state and 11-percent by "others" (land trusts, towns, and water authorities). However, based upon the state's estimate of the number of acres conserved to date, it is clear that the state will fall short of the 21% goal unless it makes a commitment to provide consistent funding for open space acquisition.

Open Space and Watershed Land Acquisition (OSWLA) Program

S.B. 842, Section 13 provides for $10 million in bond funding for the Department of Environmental Protection (DEEP) open space grant program. The OSWLA grant program is the only state matching grant program for land trusts, towns and water companies seeking to protect open space, forestland and farmland. Funded through bonding and the Community Investment Act (CIA), the OSWLA program provides for a grant which typically covers 50 to 65-percent of the purchase price for a property.

This program has supported the purchase of 380 properties totaling 24,352 acres in 120 communities since 1998 and continues to foster strong collaboration amongst state and local governments, land trusts and private landowners. The 2012 grants which were recently announced by Governor Malloy would permanently protect another 2,730 acres.

The state's investment in land acquisition through the OSWLA program has leveraged millions of matching municipal, federal and private dollars in return. Even during these years of

tumultuous economic times, residents have consistently approved open space bonding referenda at the polls and otherwise voiced their support for land protection.

Yet, despite the strong public support for land conservation, the OSWLA program has been cut back from two grant rounds to one per year, with no funding released for the program in 2009 and 2011. Furthermore, the level of OSWLA funding, which annually falls short of the needs of the program, is chronically threatened by attempts to siphon funds from the CIA account into the general fund or to fund unrelated programs. This reduction in the level and consistency of funding has seriously impacted the conservation community's efforts to acquire and protect land – at a time when land values are low and affordable. Indeed, CLCC is contacted on a regular basis by organizations, towns and landowners that, but for a lack of reliable funding, would be ready to move forward with conservation projects in their communities.

In a recent meeting with DEEP Commissioner Esty, he reiterated his desire and commitment to return to a predictable schedule of annual grant rounds – which would better enable towns and land trusts to strategically plan, effectively negotiate and budget annually for conservation transactions. The bonding authorized by Section 13 of S.B. 842 will not only enable Commissioner Esty to begin to follow-through on his commitment but will provide the state's conservation partners – its land trusts and towns – with the funding that they need to plan for and pursue high caliber conservation projects throughout the state.

Recreation and Natural Heritage Trust Program (RNHT)

S.B. 842, Section 21 authorizes $10 million in bond funding for DEEP's RNHT Program – the agency's primary program for the acquisition and management of land for the state's system of parks, forests, wildlife and other natural open spaces. Consistent, annual funding through the RNHT program is critical to the state's ability to meet its own share (65,903 acres) of the 21% goal. Like the towns and land trusts with which it partners, DEEP also has a list of properties in the queue which is seeks for conservation purposes. The bond funding authorized by Section 21 of this bill will enable the agency to continue to move forward with its conservation priorities.

Farmland Preservation Program (FPP)

S.B. 842, Section 61 authorizes $10 million in annual bond funding for the Department of Agriculture's (DoAg) FPP – which enables the agency to preserve farmland by acquiring development rights to agricultural properties. To date, the FPP has preserved over 40,000 acres constituting approximately 30% of DoAg's goal of preserving 130,000 acres. More than half of these acres are classified as prime and important farmland soils. As with the OSWLA grant program, the state's investment in the FPP has leveraged significant matching dollars.

In conclusion, the public is committed to protecting open space and farmland because of the obvious benefits such lands provide to our environment, our quality of life and our economy. To that end, we are grateful to Governor Malloy for recognizing the importance of continuing to fund these three important state programs, which are essential to the state's ability to meet its conservation goals and protect the resources that make our towns more attractive for people to live and for businesses to operate.

On behalf of the Connecticut Land Conservation Council and our conservation partners in every town throughout the state, we respectfully urge the Commission to support Sections 13, 21 and 61 of S.B. 842, and thank you again for this opportunity to present our comments.

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Testimony of David Sutherland - Director of Government Relations
Before the Finance, Revenue, and Bonding Committee - March 4, 2013

In Support of Bonding for THE CLEAN WATER FUND.

On behalf of The Nature Conservancy's 24,000 members in Connecticut, I want to thank this committee for its past support for the Clean Water Fund, and urge you to support the Governor's recommendations for the program in Bill 842. We would recommend that the funding levels for General Obligation bonds be increased by $15 million for FY14, perhaps by moving such sum from the FY15 proposal, in order to achieve the proper mix of GO and Revenue Bonds in FY14.

The involvement of unions, the Connecticut Construction Industries Association, the Council of Engineering Companies of Connecticut, and other business interests speaks to the extreme effectiveness of this program in creating high-quality jobs. I wish to address its critical role in maintaining and improving the quality of our rivers and Long Island Sound.

The amount of developed area in the State of Connecticut increased by 14.87% from 1985 (527,277 acres) to 2002 (605,709) acres (UCONN - CLEAR). The expansion has resulted in an increase of 21.70% in impervious surfaces over the same time period. Impervious surfaces are roads, driveways, parking lots roofs and other surfaces through which rainwater does not pass into the ground. Rather, much of this stormwater runoff is concentrated into drainage systems which are directed into streams or sewage systems if combined.

This increase in developed area and impervious surface has resulted in additional sewage and stormwater runoff that has likely outpaced system capacity and technology. Research across the nation indicates that water quality and stream health decline when impervious surface in a watershed exceed 10% due to increased runoff and inadequate stormwater management. As the amount of impervious surface exceeds 25%, impacts on water quantity and quality often become severe. Currently, there are 10-20 watersheds in Connecticut with impervious surfaces at or above the 25% threshold with many more above 10%.

(over)

Many of our rivers need the help this bill would provide. Research conducted by the Connecticut DEP indicated that 45% of the waterbodies (202) in the State do not fully support their designated uses per the Connecticut Water Quality Standards. Impaired designated uses include conditions that are detrimental to "aquatic life support", "shellfishing", "fish consumption", and human "recreational contact". Clearly, the national goal declared by Congress via the federal Clean Water Act "to provide for the protection and propagation of fish, shellfish, wildlife, and recreation in and on those waters" is not currently being met in far too many watersheds here in Connecticut.

One of primary recipients of excess sewage effluent and stormwater runoff from all of Connecticut's watersheds is Long Island Sound. Of particular concern is the increased supply of nutrients to the Sound from point sources (sewage outflow, stormwater discharge). One of the key components of the increased nutrient loading is nitrogen. Nitrogen has long been recognized by EPA's Long Island Sound Study as a principal threat to the life supporting systems of the Sound. Elevated levels of nitrogen fuel a biological response that eventually results in hypoxia - lower dissolved oxygen in the water column (< 3 mg/l) and even anoxia - a virtual total lack of oxygen (< 2 mg/l) across large expanses of the Sound. The current standard in Connecticut waters of the Sound is > 5 mg/l. Lower dissolved oxygen levels in the water column alter food webs and whole ecosystems of the Sound by directly killing bottom dwelling plant and animals (i.e., lobsters) resulting in dead zones devoid of marine life. While great steps have been taken to reduce nutrient loading, further effort is needed.

Investment in upgrades in sewage treatment facilities and innovative solutions for stormwater are needed to reduce current and prevent further impacts to Connecticut's rivers and Long Island Sound and keep pace with continuing development.

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The Nature Conservancy
Protecting nature. Preserving life.™

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SB842

Testimony of David Sutherland – Director of Government Relations
Before the Finance, Revenue and Bonding Committee – March 4, 2013

In Support of Bonding for the DEP's two Open Space Programs

On behalf of The Nature Conservancy, I would like to express our appreciation for this committee's support in the past for the DEP's Recreation and Natural Heritage Trust Program, and Open Space and Watershed Matching Grants program, and urge you to include new authorizations for these programs in your Capital budget. It is vital to remember during these times of mounting fiscal challenges and state deficits that our two most popular State Parks were purchased under very difficult economic circumstances.

In 1919, as 60,000 Connecticut men returned home from World War I, the state faced many serious fiscal troubles. The numbers of tubercular patients and former soldiers requiring state agency services were increasing far beyond the capacity of state facilities. The state, because of financial and labor challenges, had deferred any road maintenance for four years, leaving a backlog of crucial work that had to be funded. Against this backdrop, the 1919 General Assembly approved a $178,000 *($2.3 million in today's dollars)* appropriation to acquire and construct facilities at Hammonasett Beach. Today, with over one million visitors each year, Hammonasett is the flagship of our state park system, and provides a significant percentage of the limited public access to Long Island Sound.

In 1931, Connecticut, like the rest of the nation, was in the throes of history's most notorious economic depression. While state revenues plummeted, unemployment and demands on state services and institutions soared. Despite this dire economic climate, the General Assembly appropriated $125,000 *($1.8 million in today's dollars)* to purchase and develop Rocky Neck State Park in East Lyme. Anyone visiting Rocky Neck during the summer now has to wonder where the crowds of bathers, more than 400,000 each year, would go if not for the foresight of the 1931 General Assembly.

Even under serious financial conditions, Connecticut's governors and legislatures have realized that preserved natural lands are an essential component of the services a government provides its citizens. For many people, our state parks and forests provide the only opportunity their families have to hike a wooded trail, swim in a lake or Long Island Sound, or cast a fish line into a stream.

With many state capital projects, a delay in or elimination of funding during tough times is frustrating and inconvenient, but the building or road can still be completed when funds do become available later. With our prime open space parcels, however, a delay in funding often means the property will be lost for public use forever.

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These two open space programs have benefited communities throughout Connecticut. They have funded projects in at least 27 of our 32 Distressed and Targeted Municipalities in the past 12 years.

This year, our state faces a serious fiscal crisis. As our leaders confront brutally hard budget decisions, we hope they will continue to provide bond funds for the state's open space programs so that our generation will not lose its Hammonasetts and Rocky Necks, and can continue to build on a vital heritage and responsibility that our predecessors did not neglect even in their most difficult times.

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Nonprofit Human Services Cabinet

Testimony before the Finance, Revenue and Bonding Committee

In support of SB 842, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES

March 4, 2013

Senator Fonfara, Representative Widlitz, and distinguished members of the Finance, Revenue, and Bonding Committee, my name is Jeff Shaw, Project Director of the Nonprofit Human Services Cabinet. The Cabinet is a coalition of twenty associations and individual organizations which has been in existence since the early 1980's. I would like to express the Cabinet's support for S.B. 842, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES. Section 13 allows the proceeds of the sale of bonds to be used as new grants-in-aid specifically for nonprofit health and human service providers.

As you are all aware, many nonprofit organizations have faced, and continue to face, enormous fiscal challenges, having severely reduced programs and services in response to the previous rescissions (Nov. 2012) and recent budget modifications (Dec. 2012). These cuts forced some of these community providers to close their doors, and others are concerned they might follow suit. With the anticipated shortfall in the next biennium, federal sequestration, and another debt ceiling debate looming, nonprofits are looking for new revenue sources to not only maintain, but to expand quality services and programs. The proposed bond fund is a resource that will help nonprofits achieve this objective.

Secretary Barnes, before both the Appropriations Committee & Bonding Subcommittee of this Finance, Revenue and Bonding Committee, has suggested that in a perfect world, nonprofit contractors with the state for health and human services would receive inflationary increases in their contracts and rates. However, due to the state's difficult fiscal situation, there has been only a 1% increase in the past four years and the proposed biennial budget reflects no further proposed increase.

The proposed section (13) would allow nonprofit health and human service organizations (exempt under Section 501c3 of the Internal Revenue Code of 1986) to invest new funds in capital (infrastructure) projects that include but not limited to renovating existing facilities, upgrading information technology systems, enhancing ADA compliance, improving energy systems, purchasing vehicles, and other improvements. These capital projects will help lower administrative costs, increase efficiency and improve the delivery of services.

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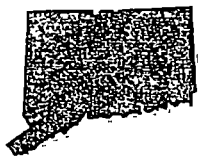

Nonprofit Human Services Cabinet

What distinguishes this new resource from previously authorized bond funds to individual state agencies is that these funds would be accessed in an expedited and streamlined fashion similar to how the state treats small towns through the Small Town Economic Assistance Program (STEAP) program. These funds will have the capability of addressing needs and emergencies quickly. Another important component to this capital improvement initiative, that is not reflected in the current language, is to include lien forgiveness and/or lien waivers that excuses nonprofits from responsibility for bonding project liens where the state agency no longer decides to fund or utilize the contracting facility or program, or where funding is withdrawn for reasons beyond the control of the contracting provider. This Cabinet has found that state agencies, due to policy or system changes, have chosen to no longer utilize programs for which they previously asked provider organizations to open and operate. The Cabinet feels that short of termination of contract for cause such as poor performance there ought to be consideration of some form of lien mitigation where a lien is required.

The proposed bond fund would authorize $20 million in both FY14 and FY15, for a total of $40 million over the biennium to the Office of Policy & Management (OPM). The potential funding would free up existing operating funds for direct services to clients, your constituents, and would help relieve a backlog of overdue facilities improvements. In the past, many nonprofits would have to seek commercial financing to undergo a large capital improvement, such as creating an electronic medical records system or undertake a (traditional) longer term capital fundraising campaign. Obtaining that commercial loan requires withdrawing a significant amount of money to pay off the debt at the expense of the services.

Simply put, the proposed bond fund will enhance the nonprofit sector's commitment to serving our communities and making them safer and healthier places to live for all of our citizens. It will also strengthen the state's partnership with its nonprofit community. I strongly urge this committee and the legislature as a whole to support this proposal. In doing so, you will enable our nonprofits to protect the safety net. Thank you for the opportunity to testify and I welcome any questions.

Thank you.

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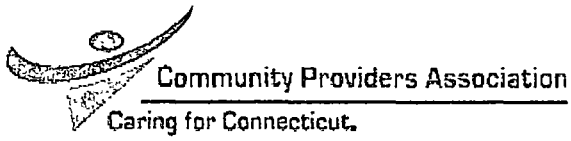

Finance, Revenue & Bonding Committee

March 4, 2013

SB 842 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES

Testimony of Mary Anne O'Neill

The Connecticut Community Providers Association is pleased to submit testimony in support of Governor's Bill 842, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES. CCPA represents community-based nonprofit organizations who serve children, adults and families who are experiencing mental health or substance use disorders, as well as providers who serve those with intellectual and other disabilities. Our provider members are the heart of the safety net.

Senate Bill 842 Authorizes the Office of Policy and Management to make grants-in-aid to private, nonprofit health and human service organizations that are exempt under Section 501(c)(3) of the Internal Revenue Code for alterations, renovations, improvements, additions and new construction, including health, safety, compliance with the Americans with Disabilities Act and energy conservation improvements, information technology systems, technology for independence and purchase of vehicles. The bill provides $20 million in bond funds for this purpose in each year of the biennium.

This funding is sorely needed by CCPA member organizations for structural improvements to facilities and for investment in new technology. As many of you know, nonprofit providers are not allowed to maintain a capital reserve fund, so they do not have ready access to funding for these necessary investments. This funding will allow nonprofit providers to make critically needed repairs and improvements to their facilities, benefitting the health and safety of their clients.

CCPA appreciates the opportunity to comment on this important bill.

CCPA

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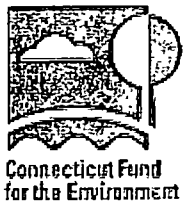


Testimony of:
Save the Sound, a program of
Connecticut Fund for the Environment

In Support of Governor's S.B. 842

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.

Before the Finance, Revenue and Bonding Committee

March 4, 2013
Submitted by Leah Lopez Schmalz

Connecticut Fund for the Environment is a non-profit organization that, along with its regional program Save the Sound, works to protect and improve the land, air and water of Connecticut and Long Island Sound on behalf of its 5,500 members. We develop partnerships and use legal and scientific expertise to achieve results that benefit our environment for current and future generations.

Dear Senator Fonfara, Representative Widlitz, and members of the Finance Revenue and Bonding Committee:

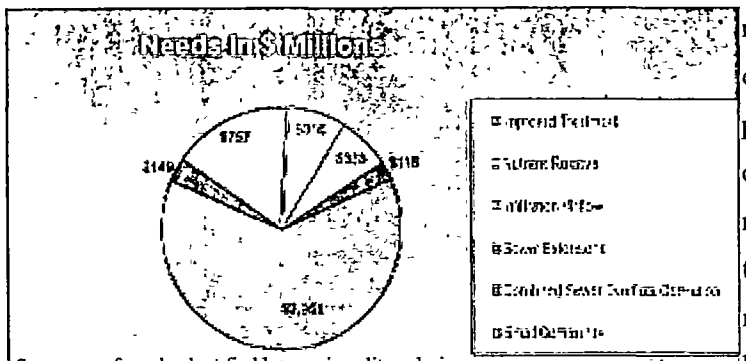
Save the Sound, a program of Connecticut Fund for the Environment submits this testimony in support of Governor's S.B. 842, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes. Sections 62 & 63 provide new authorizations for the Clean Water Fund that will maximize job creation while providing public health protections and environmental benefits to Long Island Sound.

***Clean Water Fund*: Section 62 and Section 63**

This bill would enhance the rebuilding of Connecticut's Clean Water Fund ("CWF") by authorizing $285 M in general obligation bonds and $712.4 M in revenue bonds for the biennium. In addition to funding critical water quality projects like separating combined sewer overflows ("CSOs") and upgrading sewage treatment facilities, this increase would *create between 22,000 and 35,000 direct and indirect jobs* and support the struggling traditional shellfishing and tourism industries that rely on the health of Long Island Sound.

1) The Clean Water Fund Need

The Clean Water Fund is the primary mechanism for upgrading sewage treatment plants, and related infrastructure, throughout the state. While over 600 projects in 114 municipalities have been funded with over $2.2 billion, the Connecticut Department of Energy and Environmental Protection (CTDEEP) estimates that the current need is substantial: $4.7 B in costs were identified by municipalities in response to CTDEEP 2011/2012 call for projects. Furthermore, the agency has noted that $5.8 billion may be required over the next twenty years to adequately meet our sewage infrastructure demands. Many of these projects, like combined sewer overflow separation ($3 B needed) and secondary treatment upgrades ($1.4 B needed) are legally required and bind both our municipalities and the state. Smaller towns have sewer extension and decentralized wastewater treatment needs ($148 M); and older pipes statewide are disintegrating and in need of repair (infiltration and inflow needs: $336 M). Additionally, new issues are looming. For example:



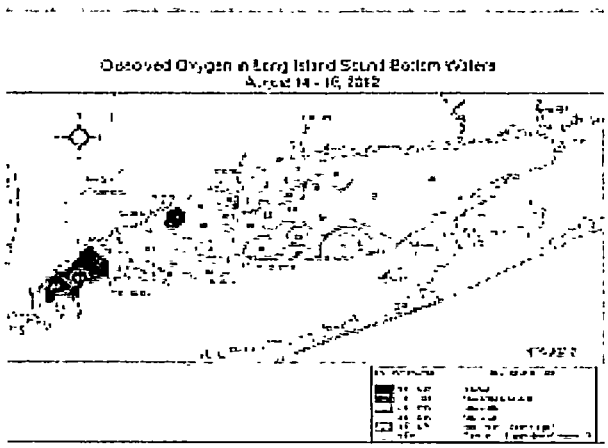
Summary of needs identified by municipalities during DEEP's 2011/2012 Clean Water Fund call for projects

- A number of plants have not yet moved forward on nitrogen reduction construction to comply with the 2014 nitrogen removal requirements and 28 facilities in the state must comply with phosphorus removal requirements ($336 M needed).
- Increasing water quality regulations under the Clean Water Act's Phase II requirements could increase demands on the CWF as towns and cities move beyond sewage treatment discharge and are forced to confront stormwater run-off (at least $100 M).
- Storms Irene and Sandy demonstrated the need to enhance the resiliency of our wastewater infrastructure in the face of climate change. Sea level rise and storm inundation threaten numerous plants along the coast. Reports after Sandy indicated seven of the state's sewage pumping stations were forced to discharge raw sewage into nearby waterways during the storm and four sewage treatment plants were flooded or inundated with water forcing them to resort to primary disinfectant treatment. Furthermore, Stamford's POTW had operational issues with their treatment system which included losing solids, low UV dosage, and loss of clarifiers. Funding to modify pump stations and electrical systems will be necessary and

planning for future expansions and plant sites, in light of climate change, is critical. As of now, there are no final cost estimates.

2) The Benefit of Investing in Clean Water

The vision for healthy Connecticut waters that sustain a vibrant wildlife population, promote the local fishing and dining industry and support tourism with open and clean beaches has the added benefit of producing high quality jobs. Currently public health and wildlife vitality is put at risk by two problems: CSO flow and excess nitrogen. Public health is threatened by the two billion gallons of raw sewage that is discharged into our water ways every year from CSOs. These ongoing releases result in closed beaches and shellfish beds. Similarly, excess nitrogen discharges lead to low oxygen levels that stretch from New Haven to New York City and jeopardize wildlife and submerged habitats. This condition is largely caused by inadequate denitrification processes at treatment plants. Both CSO separation and nitrogen reduction are required by law and both can be managed with adequate resources, like funding through the Clean Water Fund.



While these are projects that ultimately protect human health and the environment, including the $8.5 billion/year economic-driver Long Island Sound, they are also short and long term job producers and enhancers. Authorizations for FY 2014 and FY 2015 are expected to create between 22,000 and 35,000 jobs.[1] And once certain projects are complete, existing industries can begin to grow job capacity. For example, once Bridgeport's CSO separation is finished local shellfishing companies will again be allowed to farm prime state beds that are currently closed by raw sewage discharges on 50% of harvestable days.

3) The Clean Water Fund History

The Clean Water Fund traditionally pooled federal and state funds to ensure that towns and cities could afford to undertake sewage treatment projects to protect the health of its citizens and to meet legal obligations to clean up Connecticut's rivers and Long Island Sound. Despite

[1] *How Infrastructure Investments Support the U S Economy Employment, Productivity and Growth* http://www.americanmanufacturing.org/wordpress/wpcontent/uploads/2009/01/peri_aam_finaljan16_new.pdf.; and Connecticut's formula of 21 jobs for each $1M spent on water infrastructure.

years of tremendous progress, the slow erosion of the Clean Water Fund began with the decline of Federal Capitalization Grants/Clean Water State Revolving Fund investments. It escalated to a collapse in 2002/2003 when the state eliminated funding to the program.

Thankfully, legislators pulled the CWF back from the brink in 2008, and put Connecticut on the right path to a clean water future. While the authorizations in the last few years are some of the largest in the fund's history, it will take consistent levels of substantial funding to repair the damage done from the five years of funding reductions and rescissions.[2] For example, despite the significant allocations in 2008, 2009 and 2012, there are CSO problems that are shovel ready, but nonetheless remain unfunded. Insufficient investments will force the state to fall behind on its commitments to safe beaches and healthy waters while sacrificing federal money and local jobs. In fact, based on CTDEEP data, inadequate long-term CWF commitments could result in lakes and streams remaining impacted by sewage-laden water from combined sewer overflows for 100 years beyond the 2020 deadline and a delay in the clean-up of Long Island Sound.

The value of a well-financed CWF to protect the public's health is clear. Over 80 miles of stream and 266 square miles of harbor fail to meet water quality standards, nearly 250 basements a year are inundated with sewage backup, and over 200 days of beach-going are lost or hampered by pathogen worries each spring and summer. The projects funded through the Clean Water Fund will not only help restore these waterways, they will create economic benefits and job growth. Failure to adequately invest in the CWF is a failure the state simply cannot afford.

In closing, Clean Water Funding makes Connecticut a better place to live and do business. We urge you to ensure clean water and green jobs remains a priority for the state by supporting Governor's S.B. 842.

Thank you for your consideration

Sincerely,

Leah L. Schmalz,
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[2] CTDEEP's Clean Water Fund Dilemma Report http://www.ct gov/deep/lib/deep/water/municipal_wastewater/cwf_a_g_report.pdf

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Testimony in Support of Govenor's Bill No. 842

Good morning Senator Fonfara and Representative Widlitz and Senator Frantz and Representative William and members of the Finance Committee. My name is Anne Ruwet and I was privileged to serve in the legislature and was a member of the Finance Committee in years past, so I would first like to thank you for your service.

I am here today as the CEO of CCARC, Inc., an agency in New Britain, Connecticut that aspires to "make dreams happen" for the over 200 people who are developmentally disabled that depend on our services. I am providing testimony to support the Governor's Bill No. 842, specifically the $40 million to establish a new state bond pool specifically designated for nonprofit community-based providers. This pool will provide opportunities for nonprofit providers to invest in projects that will achieve new efficiencies to lower administrative costs and improve the delivery of services. This funding would help CCARC on a few critical projects that have been delayed due to the lack of available funds. The installation of a generator for our 22,000 square ft. facility on Slater Road is one example that could assist our many clients and families with emergency evacuation during storms when power outages

occur. Many of our vulnerable clients with disabilities would have shelter during these emergency events. There are many other potential uses for this funding that could help to provide financial relief and efficiencies inclusive of relief of debt payment and refinancing; upgrades of information technology, etc. CCARC has been a provider of services to people with disabilities and their families since 1952. We appreciate that the Governor continues to recognize that agencies such as CCARC are the state's "safety net" and added this new funding pool to his proposed budget. Thank you for the opportunity to share my testimony.

OFFICE OF
THE SELECTMEN
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FINANCE, REVENUE & BONDING COMMITTEE TESTIMONY
SENATE BILLS 843 &842

Senator Fonfara, Representative Widlitz members of the Committee thank you for this opportunity to submit testimony to you today regarding enabling legislation for portions of Governor Malloy's proposed biannual budget. My name is Ralph Eno. I am First Selectman in the Town of Lyme and a member of the Connecticut Council of Small Towns Board of Directors whose position is also represented in my following remarks.

First, I want to be on the record as being opposed to SB 843 which would eliminate the property tax on motor vehicles with assessed values of twenty thousand dollars and under. This would be severely injurious to municipalities. In Lyme, such a measure would carve almost 28 million dollars out of our grand list. Further, there is no prospect of recovering this loss other than by increasing the tax burden on real estate. The unintended consequence here is that many homeowners, particularly the elderly, could bear a disproportionate share of this redirected levy necessitated to compensate for the loss of motor vehicle generated revenue. This will not lighten the workload of assessors either as has been claimed in some quarters. Not only will they still have to maintain and update motor vehicle lists, but now they will have to pro-rate the tax on vehicles with market values higher than 28-thousand dollars making for more work instead of less.

Next, I would like to express my appreciation for efforts to increase Education Cost Sharing, Town Aid Roads and LoCIP funding. These have been long sought COST objectives. It seems however that these increases are being accomplished by eliminating other state municipal aid programs. My concerns are that municipal spending options could be compromised as the state's funding increases are line item specific and, in addition, a significant amount of the new revenue comes from borrowing. I am inclined to question whether it is sustainable over a protracted period of time.

Thank you all for your time and consideration. I am available at any time to field questions or comments any members of the Committee may have.

#3

FINANCE REVENUE & BONDING COMMITTEE

March 4, 2013

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 92% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

Senate Bill 843 *"An Act Concerning Revenue Items to Implement the Governor's Budget"*
Senate Bill 842 *"An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes"*

Good morning, my name is Jim Finley, Executive Director & CEO CCM. The proposals before you today would implement several of the Governor's initiatives outlined in the proposed state budget. In their entirety, municipal officials have serious concerns over the policy and fiscal impact these proposals would impose on Hometown, Connecticut. **If enacted, these bills could dismantle Connecticut's critical local-state partnership and in doing so – raise local property taxes, cut municipal services, and cause municipal employee layoffs.**

Towns and cities are looking to the Finance Committee to modify these proposals to protect municipal revenues and to not shift the burden of the State's deficit onto our already overburdened local property taxpayers.

Why, you may ask, is there such a disconnect between how the administration describes their budget proposal and the way it is viewed by mayors and first selectmen? The simple answer is while the intent is that municipalities would be "held harmless" – **the reality is that there would be a shift in aid that impacts the use of funds and would result in a loss of at least $128 million in unrestricted, general-fund revenues to municipalities.** This is particularly true of LoCIP and TAR funds, which are restricted to capital-specific projects and may not be included in general-fund revenues. Municipal aid dollars shifted to pay for chronic state underfunding of PreK-12 public education and restricted capital purposes cannot be used to pay for police officers, firefighters, and other municipal employees and services. Add the proposed loss of over almost $700 million in car tax revenue[1], and homeowners, businesses and vital municipal services get shafted.

[1] The Connecticut Association of Assessing Officers (CAAO) estimates that the revenue generated from the motor vehicle tax in the current year, including supplemental tax bills, would total more than $700 million See town-by-town attachment.

Simply put, the proposed state budget would cut or eliminate:

1. PILOT: State-Owned Property (-$74 million): This nation-leading PILOT program, enacted in 1969, is designed to partially reimburse host municipalities for the loss of property tax revenue due to the state-mandated property tax exemption on state-owned real property. The program would be erased from the statute books and the funding eventually folded into the Education Cost Sharing (ECS) grant.

2. Mashantucket and Mohegan Fund (-$56 million): This seminal revenue-sharing program to provide local property relief, funded by a portion of Native American slot machine revenues, would be slashed.

3. PILOT Manufacturing and Equipment (-$48 million): The assault on this PILOT program to partially reimburse host municipalities for state-mandated property tax exemptions on manufacturing equipment began last year with a proxy MME Transition grant. The proposed budget kills the program.

4. Municipal Revenue Sharing Grant (-$43 million): Governor Malloy's groundbreaking new program to share a portion of the increased state sales and state real estate conveyance taxes to provide local property tax relief is eliminated after only one year of existence.

5. Public School Transportation Grant (-$25 million): This grant program to assist municipalities in paying for public school transportation is eliminated.

6. PILOT DECD (-$2.2 million): This PILOT program to partially reimburse municipalities for revenue lost from state-mandated property tax exemptions on developments operated by housing authorities would be eliminated.

7. Priority School District Grant (-$76 million): Funding for this program that helps our poorest school districts would be slashed by 62%.

8. Motor Vehicle Property Taxes (-$520 million in municipal revenue): The Governor proposes to eliminate the local property tax on most motor vehicles (those with assessed values of $20,000 or less) beginning in FY 15. The concentrated burden of the regressive property tax would then be shifted to homeowners and businesses.

The proposed state budget makes profound and negative changes to the state-local funding partnership. It substitutes state priorities for those of local government. It substitutes state micromanagement for municipal flexibility. It disproportionately hurts our poorest towns and cities.

By eliminating 3 out of 4 payments-in-lieu-of-taxes (PILOT) programs, the proposed state budget would turn the clock back 40 years and terminate state funding responsibility for state-mandated property tax exemptions. It would immediately establish $128 million in new unfunded state mandates, leaving other local property taxpayers and host municipalities holding the bag.

While these proposals would increase bond funding for the Town Aid Road Grant (+$30 million) and Local Capital Improvement Programs (+$56 million; expands permissive uses and allows reimbursement retroactively

for FY 13 expenses), and would increase conditional education aid to our 30 lowest performing school districts, the bottom line is that towns and cities are losing at least $128 million in unrestricted general municipal aid and would suffer a devastating loss in car tax revenue.

Today, 62 cents out of every local property tax dollar goes to pay for PreK-12 public education. The State is underfunding the Education Cost Sharing Grant by over $720 million dollars. In most communities, the education portion of the municipal budget exceeds 70%. Funding education has long been a municipal priority, to the detriment of non-education services. It's had to be because the State has chronically underfunded it.

The non-education side of municipal budgets has actually shrunk in real dollar terms over the last decade as towns and cities have diverted precious resources to pay for increasing education costs. Forty years of litigation have underscored the fact that the State has repeatedly failed to meet its state constitutional responsibility to adequately fund PreK-12 public education. The proposed state budget pays for increased, targeted education funding by eliminating PILOT reimbursements, state revenue sharing, other general municipal aid and diverting or cutting categorical education programs.

Cities and towns are asking their state-partners for help – **and urge the Committee to amend SB 843 and SB 842** so that the State upholds its commitment to critical municipal revenue – and ensures that we do not compound our already overreliance on the local property tax.

If you have any questions, please contact Jim Finley, Executive Director & CEO of CCM, at jfinley@ccm-ct.org or (203) 498-3000.

Impact on Municipalities: Overview

On February 6, 2013, Governor Malloy proposed his FY2014 state budget. The budget calls for combined General Fund and Transportation Fund expenditures of $21.4 billion. This equates to an increase of $1.2 billion (5.8%) over the current budget and a projected 9.7 percent increase over the biennium.

Overall, municipal aid would be increased by $46.1 million (1.5%) in FY2014 versus FY2012. The budget includes a $139.5 million (5.3%) increase in education funding for FY2014, compared to the current year. Non-education funding would be decreased by $93.4 million (-20.6%).

Education Grants

The budget includes education grants totaling $2.76 billion in FY2014. Below are changes to statewide totals for major education grant programs.

- **Adult Education**: $21.0 million (increase of $8,225)
- **Education Cost Sharing**: $21.4 billion (increase of $132.6 million)
- **Excess Cost-Student Based**: $139.8 million (no change)
- **Magnet Schools**: $270.4 million in FY2012 (increase of $28.1 million)
- **Non-Public School Transportation**: $3.6 million (no change)
- **Public School Transportation**: $5.0 million (decrease of $19.9 million)
- **Priority School Districts**: $46.1 million (shift of $75.8 million to new Office of Early Childhood)
- **Vocational Agriculture**: $6,485,565 (increase of $1.4 million)

ECS and PILOT: State-Owned Property

ECS grants would be increased by a total of $132.6 million (6.6%) in FY2014. This change includes a $50.8 million increase in the ECS grant that will be based on a new formula. The following are changes to the formula.

- The foundation is increased from $9,867 to $11,754.
- Free and Reduced Priced Lunch (FRPL) eligibility will replace Title I as a poverty measure and be weighted at 30 percent.
- Limited English Proficient (LEP) students are eliminated.
- The minimum aid ratio is reduced from 9 percent to 2 percent. The minimum aid ratio for Alliance Districts is 10 percent.
- Household income data will be replaced by more current data. Census Bureau per capita Income (PCI) and median household income (MHI) is replaced by MHI produced and updated annually through the Department of Economic and Community Development.

In addition, $73.6 million of the increased ECS funding would come from the elimination of the PILOT: State-Owned Property grant. The grant, established in 1969, would be eliminated from statute. The FY2013 grant amount that each municipality received would be paid as an additional ECS grant in FY2014. This portion of the ECS grant (equal to the dollar amount lost in the PILOT: State-Owned Property) can be used to supplant the municipal appropriation to boards of education, or other purposes, and will not be subject to the Minimum Budget Requirement (MBR) in FY14.

OPM Secretary Ben Barnes told the Education Committee that it is the administration's intent after FY14 to eliminate the PILOT program and fold the funding into the ECS grant.

The balance of the ECS increase would go toward funding for charter schools.

Alliance Districts would have to apply for their ECS increases (aside from the PILOT amount) in the same manner in which they did in FY2013.

Other Education Funding

The Transportation of Public School Children grant ($24.9 million) would be eliminated and replaced with an incentive program that distributes $5.0 million statewide to districts that have regional transportation plans and apply for funding.

Funding of $75.8 million for Priority School District grants would be eliminated and shifted to a School Readiness & Quality Enhancement grant in the new Office of Early Childhood in FY2014.

Minimum Budget Requirement

Municipalities must budget at least the same amount for education for FY2014 as they did for FY2013. Reductions up to 0.5% of the budgeted appropriation are allowed for any of the following, though a district may select only one option.

- Lower enrollment (reduction of $3,000 per student) or permanently closing a school.
- Documented cost savings resulting from regional efficiencies.
- A district with no high school paying for fewer students to attend high school outside the district - reduction of its budgeted appropriation by the full amount of its lowered tuition payments.

Non-Education Grants

Non-education grants would total $359.1 million in FY2014, a decrease of $93.4 million from FY2013. Within that decrease are significant changes and, in some cases, elimination of grants. Below are changes to statewide totals for major non-education grant programs.

- **Pequot-Mohegan Fund**: $0.0 ($56.4 in funding eliminated)
- **PILOT State-Owned Property**: $0.0 (shift of $74 million in funding to ECS and program eliminated from statute)

- **PILOT: MME/Manufacturing Transition Grant**: $0.0 ($48 million in funding eliminated)
- **Municipal Revenue Sharing Bonus Pool**: $0.0 million ($47 million in funding eliminated)
- **PILOT DECD**: $0.0 ($2.2 million in funding eliminated)
- **DECD Tax Abatement**: $0.0 ($1.7 million in funding eliminated)
- **PILOT Colleges & Hospitals**: $115.4 million each year (no change)
- **LoCIP**: $86.4 million (increase of $56.4 million in bond funding)
- **Town Aid Road**: $60.0 million (increase of $30.0 million, bond-funded through the Special Transportation Fund)

Pequot-Mohegan Grant and Local Capital Improvement (LoCIP) Program

The Pequot-Mohegan Fund is reduced from $61.8 million to $5.4 million. These funds will be distributed to the following:

- The five municipalities near the casinos (Ledyard, Montville, North Stonington, Norwich and Preston);
- Municipalities in the Southeastern Connecticut Regional Council of Governments;
- And distressed municipalities in either the Northeastern Connecticut or Windham Regional Councils of Government.
- The balance, $56.4 million, will go into the General Fund. A total of $56.4 million in bond funding will be added to the LoCIP grant, and the allowable uses for LoCIP will be expanded to include the following.
- Bikeways and greenways
- Technology upgrades, including those for public access like e-portals, kiosks, etc.
- Land acquisition, including open space and costs involved in making land available for public uses
- Technology related to implementation of SDE's Common Core Curriculum standards
- Snow removal equipment (for FY2014 and FY2015 only)
- Improvements to public safety other than operations (for FY2014 and FY2015 only)
- Regional cooperation, other than operations and equipment that can't be expected to last 20 years (for FY2014 and FY2015 only).
- Security upgrades for municipal buildings and schools (added in December special session)

The proposal also allows municipalities that have made capital expenditures in FY13 to apply for retroactive LoCIP reimbursement for such expenditures.

Municipal Aid Adjustment

Funding of $47.2 million is provided for a new grant called the Municipal Aid Adjustment Grant/Hold Harmless. This grant would be provided to hold towns and cities harmless overall from changes to municipal aid.

Please note that while the intent is that municipalities are held harmless, the shift in aid will impact uses of funds and result in losses of at least $128 million in unrestricted, general-fund revenues to municipalities. This

is particularly true of LoCIP and TAR funds, which are restricted to capital-specific projects and may not be included in general-fund revenues.

Please see the Appendix A for information on additional non-education grants.

Other Programs and Funding

Below is the proposed funding for several programs.

- **STEAP** grants are funded at $20 million in FY2014, the same as FY2013.
- **Urban Act** grants are funded at $50 million in FY2014, the same as FY2013.
- The **Regional Performance Incentive Program** is funded $9.2 million in FY2014, an increase in funding of $600,000 from FY2013.
- Bond funding for **school construction** are $511.3 million in FY2014, a decrease of $81.0 million from FY2013.
- General obligation bonds for the **Clean Water Fund** will total $67 million in FY2014 compared to $94 million in FY2013. Revenue bonds for the Fund will be increased to $380.4 million in FY2014 from $238.4 million in FY2013.
- The **Local Bridge Fund** would receive funding of $15 million and will change from loans to grants.
- The budget provides $10 million for **Open Space Acquisition** grants and another $10 million for the **Recreation and Natural Heritage Trust** program.
- There is an additional $45 million for the **Local Transportation Capital Program**. This provides state bond funds in lieu of federal transportation dollars for which local governments now apply through the Department of Transportation. The new grants would match the anticipated level of federal funding, which would then be used for the State's own program.

Motor Vehicle Property Taxes

Sections 15-17 of SB 843 would eliminate the motor vehicle property tax on vehicles assessed at $20,000 (full value of $28,571 or less), except for rental cars, beginning in FY15. Projected municipal revenue loss is expected to exceed $520 million. Beginning July 1, 2013, municipalities would have the option of enacting the exemption. Beginning July 1, 2014, towns would be required to implement the exemption. This exemption is estimated to result in lost revenue of about $700 million to municipalities. To ease the implementation of the proposed motor vehicle tax exemption, sections 15-17 would allow municipalities scheduled to conduct a revaluation on the October 1, 2014 or October 1, 2015 grand lists to advance conducting their revaluations to the October 1, 2013 grand list, without adjusting their statutory schedules.

APPENDIX A: Breakdown of Municipal Grants
Under Governor's Proposed FY2014 Budget

Total Education and Non-Education Grants

	Current Year FY2013	Proposed FY2014	Proposed FY2014 v. FY2013 Change:	
			$	%
Education and Non-Education Aid	$3,072,875,289	$3,118,986,073	$46,110,784	1.5%

- More -

Education Grants

	Current Year FY2013	Proposed FY2014	Proposed FY2014 v. FY2013 Change: $	%
Adult Education	$21,025,690	$21,033,915	$8,225	0.0%
After School Program	$4,500,000	$0	-$4,500,000	-100.0%
Bilingual Education	$1,916,130	$1,916,130	$0	0.0%
Education Cost Sharing	$2,007,594,057	$2,140,230,922	$132,636,865	6.6%
Excess Cost - Student Based	$139,805,731	$139,805,731	$0	0.0%
Health Serv for Pupils Private Schools	$4,297,500	$4,297,500	$0	0.0%
Interdistrict Cooperation	$10,131,935	$4,346,369	-$5,785,566	-57.1%
Magnet Schools	$242,361,711	$270,449,020	$28,087,309	11.6%
Non-Public School Transportation	$3,595,500	$3,595,500	$0	0.0%
OPEN Choice Program	$22,090,956	$35,018,594	$12,927,638	58.5%
Priority School Districts	$121,875,581	$46,057,206	-$75,818,375	-62.2%
School Breakfast Program	$2,220,303	$2,300,041	$79,738	3.6%
School Readiness Quality Enhancement	$4,100,678	$0	-$4,100,678	-100.0%
School Readiness and Quality Enhancement	$0	$75,867,825	$75,867,825	--
School to Work Opportunities	$213,750	$213,750	$0	0.0%
Transportation of School Children	$24,884,748	$5,000,000	-$19,884,748	-79.9%
Vocational Agriculture	$6,485,565	$6,485,565	$0	0.0%
Young Parents Program	$229,330	$229,330	$0	0.0%
Youth Service Bureaus	$2,989,268	$2,989,268	$0	0.0%
Total Education Grants	**$2,620,318,433**	**$2,759,836,666**	**$139,518,233**	**5.3%**

- More -

Non-Education Grants

	Current Year FY2013	Proposed FY2014	Proposed FY2014 v. FY2013 Change: $	%
Community Services	$87,707	$0	-$87,707	-100.0%
DECD Payment in Lieu of Taxes	$2,204,000	$0	-$2,204,000	-100.0%
DECD Tax Abatement	$1,704,890	$0	-$1,704,890	-100.0%
Distressed Municipalities	$5,800,000	$5,800,000	$0	0.0%
Housing/Homeless Services	$637,212	$0	-$637,212	-100.0%
Human Resource Development- Hispanic Pgms	$5,337	$0	-$5,337	-100.0%
Local Capital Improvement Program	$30,000,000	$86,429,907	$56,429,907	188.1%
Local & District Departments of Health	$4,662,487	$4,676,836	$14,349	0.3%
Manufacturing Transition Grant	$47,616,194	$0	-$47,616,194	-100.0%
Municipal Aid Adjustment/Hold Harmless	$0	$47,221,132	$47,221,132	--
Municipal Revenue Sharing Bonus Pool	$42,791,162	$0	-$42,791,162	-100.0%
Pequot-Mohegan Fund	$61,779,907	$5,350,000	-$56,429,907	-91.3%
PILOT: Colleges & Hospitals	$115,431,737	$115,431,737	$0	0.0%
PILOT: State-Owned Property	$73,641,646	$0	-$73,641,646	-100.0%
Prop Tax Relief Elderly Circuit Breaker	$20,505,900	$20,505,900	$0	0.0%
Prop Tax Relief Elderly Freeze Program	$390,000	$390,000	$0	0.0%
Property Tax Relief for Veterans	$2,970,098	$2,970,098	$0	0.0%
Reimb Property Tax-Disability Exempt	$400,000	$400,000	$0	0.0%
Services to the Elderly	$44,629	$0	-$44,629	-100.0%
School Based Health Clinics	$11,543,438	$9,973,797	-$1,569,641	-13.6%
Teen Pregnancy Prevention	$144,321	$0	-$144,321	-100.0%
Town Aid Road	$30,000,000	$60,000,000	$30,000,000	100.0%
Venereal Disease Control	$196,191	$0	-$196,191	-100.0%
Total Non-Education Grants	**$452,556,856**	**$359,149,407**	**-$93,407,449**	**-20.6%**

For more information on the state budget and how it impacts municipalities -- visit the CCM website at www.ccm-ct.org.

If you have any questions, please call George Rafael or Jim Finley of CCM at (203) 498-3000.

March 4, 2013

CHANGE IN GENERAL FUND REVENUE (UNRESTRICTED) IN FY14 UNDER THE GOVERNOR'S PROPOSED BUDGET

By Town	
Town	Change in Unrestricted GF Revenue
Andover	(60,384)
Ansonia*	(896,705)
Ashford	(140,312)
Avon	(186,166)
Barkhamsted	(99,928)
Beacon Falls	(124,234)
Berlin	(241,001)
Bethany	(123,769)
Bethel	(225,805)
Bethlehem	(48,313)
Bloomfield*	(865,717)
Bolton	(116,354)
Bozrah	(107,814)
Branford	(354,473)
Bridgeport*	(11,109,234)
Bridgewater	(18,484)
Bristol*	(2,332,891)
Brookfield	(178,667)
Brooklyn	(343,355)
Burlington	(103,991)
Canaan	(33,908)
Canterbury	(146,430)
Canton	(155,616)
Chaplin	(143,241)
Cheshire	(2,239,735)
Chester	(114,421)
Clinton	(180,494)
Colchester	(238,381)

By Amount	
Town	Change in Unrestricted GF Revenue
Hartford*	(11,508,928)
Bridgeport*	(11,109,234)
New Haven*	(10,113,180)
Waterbury*	(9,199,498)
New Britain*	(6,114,659)
Danbury*	(3,761,840)
Middletown*	(3,242,119)
East Hartford*	(2,851,778)
Suffield	(2,851,128)
Meriden*	(2,783,700)
Stamford*	(2,703,402)
West Haven*	(2,691,679)
New London*	(2,604,842)
Hamden*	(2,456,500)
Bristol*	(2,332,891)
Manchester*	(2,300,083)
Norwich*	(2,261,274)
Cheshire	(2,239,735)
Norwalk*	(1,966,627)
Windham*	(1,711,181)
Somers	(1,680,758)
Enfield	(1,543,470)
Groton (Town of)	(1,461,995)
Newtown	(1,082,127)
Windsor Locks*	(1,007,725)
West Hartford	(935,859)
Ansonia*	(896,705)
Naugatuck*	(892,401)

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By Town	
Town	Change in Unrestricted GF Revenue
Colebrook	(26,774)
Columbia	(125,136)
Cornwall	(15,860)
Coventry	(196,767)
Cromwell	(220,627)
Danbury*	(3,761,840)
Darien	(174,099)
Deep River	(124,889)
Derby*	(597,781)
Durham	(134,196)
Eastford	(96,473)
East Granby	(136,146)
East Haddam	(176,959)
East Hampton	(228,162)
East Hartford*	(2,851,778)
East Haven*	(791,637)
East Lyme	(463,982)
Easton	(58,791)
East Windsor*	(324,699)
Ellington	(250,542)
Enfield	(1,543,470)
Essex	(117,775)
Fairfield	(656,723)
Farmington	(275,124)
Franklin	(62,228)
Glastonbury	(336,055)
Goshen	(31,414)
Granby	(171,075)
Greenwich	(477,672)
Griswold	(204,414)
Groton (Town of)	(1,461,995)
Guilford	(224,327)
Haddam	(92,350)
Hamden*	(2,456,500)
Hampton	(53,414)
Hartford*	(11,508,928)

By Amount	
Town	Change in Unrestricted GF Revenue
Montville	(877,362)
Milford	(873,522)
Bloomfield*	(865,717)
Windsor*	(818,589)
Vernon*	(815,194)
East Haven*	(791,637)
Fairfield	(656,723)
Stratford	(654,543)
Torrington	(617,563)
Derby*	(597,781)
Killingly*	(556,710)
Newington	(537,265)
Wethersfield	(534,566)
Rocky Hill	(523,893)
Wallingford	(513,568)
Southington	(494,346)
Greenwich	(477,672)
Mansfield	(473,634)
East Lyme	(463,982)
Shelton	(435,647)
North Haven	(406,722)
New Milford	(402,041)
Preston	(371,839)
Branford	(354,473)
Trumbull	(350,866)
Putnam*	(344,655)
Brooklyn	(343,355)
Glastonbury	(336,055)
East Windsor*	(324,699)
Plainfield	(309,527)
Stafford	(308,984)
Watertown	(288,359)
Plainville	(284,746)
Farmington	(275,124)
South Windsor	(264,185)
Seymour	(259,513)

By Town	
Town	Change in Unrestricted GF Revenue
Hartland	(56,358)
Harwinton	(79,247)
Hebron	(152,364)
Kent	(33,733)
Killingly*	(556,710)
Killingworth	(72,308)
Lebanon	(190,293)
Ledyard	(216,365)
Lisbon	(112,575)
Litchfield	(121,132)
Lyme	(22,433)
Madison	(164,976)
Manchester*	(2,300,083)
Mansfield	(473,634)
Marlborough	(88,042)
Meriden*	(2,783,700)
Middlebury	(139,522)
Middlefield	(124,026)
Middletown*	(3,242,119)
Milford	(873,522)
Monroe	(209,605)
Montville	(877,362)
Morris	(30,200)
Naugatuck*	(892,401)
New Britain*	(6,114,659)
New Canaan	(127,516)
New Fairfield	(163,925)
New Hartford	(168,525)
New Haven*	(10,113,180)
Newington	(537,265)
New London*	(2,604,842)
New Milford	(402,041)
Newtown	(1,082,127)
Norfolk	(36,214)
North Branford	(193,472)
North Canaan	(124,081)

By Amount	
Town	Change in Unrestricted GF Revenue
Winchester*	(257,323)
Ellington	(250,542)
Berlin	(241,001)
Colchester	(238,381)
Simsbury	(235,907)
Woodstock	(228,252)
East Hampton	(228,162)
Waterford	(227,453)
Bethel	(225,805)
Guilford	(224,327)
Wolcott	(222,345)
Cromwell	(220,627)
Orange	(216,970)
Ledyard	(216,365)
Tolland	(215,973)
Plymouth	(215,383)
Monroe	(209,605)
Stonington	(209,510)
Southbury	(206,482)
Griswold	(204,414)
Westport	(204,073)
Ridgefield	(203,799)
Thompson	(202,810)
Coventry	(196,767)
North Branford	(193,472)
Lebanon	(190,293)
Avon	(186,166)
Clinton	(180,494)
Brookfield	(178,667)
East Haddam	(176,959)
Darien	(174,099)
Portland	(171,341)
Granby	(171,075)
Oxford	(170,301)
New Hartford	(168,525)
Voluntown	(168,385)

By Town	
Town	Change in Unrestricted GF Revenue
North Haven	(406,722)
North Stonington	(127,912)
Norwalk*	(1,966,627)
Norwich*	(2,261,274)
Old Lyme	(68,181)
Old Saybrook	(128,229)
Orange	(216,970)
Oxford	(170,301)
Plainfield	(309,527)
Plainville	(284,746)
Plymouth	(215,383)
Pomfret	(134,365)
Portland	(171,341)
Preston	(371,839)
Prospect	(162,054)
Putnam*	(344,655)
Redding	(69,511)
Ridgefield	(203,799)
Rocky Hill	(523,893)
Roxbury	(20,870)
Salem	(111,284)
Salisbury	(32,891)
Scotland	(61,928)
Seymour	(259,513)
Sharon	(28,983)
Shelton	(435,647)
Sherman	(36,769)
Simsbury	(235,907)
Somers	(1,680,758)
Southbury	(206,482)
Southington	(494,346)
South Windsor	(264,185)
Sprague	(105,252)
Stafford	(308,984)
Stamford*	(2,703,402)
Sterling	(140,258)

By Amount	
Town	Change in Unrestricted GF Revenue
Thomaston	(165,930)
Wilton	(165,417)
Madison	(164,976)
New Fairfield	(163,925)
Prospect	(162,054)
Canton	(155,616)
Hebron	(152,364)
Willington	(148,055)
Canterbury	(146,430)
Chaplin	(143,241)
Ashford	(140,312)
Sterling	(140,258)
Middlebury	(139,522)
East Granby	(136,146)
Pomfret	(134,365)
Woodbury	(134,353)
Durham	(134,196)
Westbrook	(131,667)
Old Saybrook	(128,229)
North Stonington	(127,912)
New Canaan	(127,516)
Columbia	(125,136)
Deep River	(124,889)
Beacon Falls	(124,234)
North Canaan	(124,081)
Middlefield	(124,026)
Bethany	(123,769)
Litchfield	(121,132)
Essex	(117,775)
Bolton	(116,354)
Chester	(114,421)
Lisbon	(112,575)
Salem	(111,284)
Bozrah	(107,814)
Sprague	(105,252)
Burlington	(103,991)

By Town	
Town	Change in Unrestricted GF Revenue
Stonington	(209,510)
Stratford	(654,543)
Suffield	(2,851,128)
Thomaston	(165,930)
Thompson	(202,810)
Tolland	(215,973)
Torrington	(617,563)
Trumbull	(350,866)
Union	(45,028)
Vernon*	(815,194)
Voluntown	(168,385)
Wallingford	(513,568)
Warren	(16,841)
Washington	(30,581)
Waterbury*	(9,199,498)
Waterford	(227,453)
Watertown	(288,359)
Westbrook	(131,667)
West Hartford	(935,859)
West Haven*	(2,691,679)
Weston	(70,498)
Westport	(204,073)
Wethersfield	(534,566)
Willington	(148,055)
Wilton	(165,417)
Winchester*	(257,323)
Windham*	(1,711,181)
Windsor*	(818,589)
Windsor Locks*	(1,007,725)
Wolcott	(222,345)
Woodbridge	(98,362)
Woodbury	(134,353)
Woodstock	(228,252)
Total	(128,038,938)

By Amount	
Town	Change in Unrestricted GF Revenue
Barkhamsted	(99,928)
Woodbridge	(98,362)
Eastford	(96,473)
Haddam	(92,350)
Marlborough	(88,042)
Harwinton	(79,247)
Killingworth	(72,308)
Weston	(70,498)
Redding	(69,511)
Old Lyme	(68,181)
Franklin	(62,228)
Scotland	(61,928)
Andover	(60,384)
Easton	(58,791)
Hartland	(56,358)
Hampton	(53,414)
Bethlehem	(48,313)
Union	(45,028)
Sherman	(36,769)
Norfolk	(36,214)
Canaan	(33,908)
Kent	(33,733)
Salisbury	(32,891)
Goshen	(31,414)
Washington	(30,581)
Morris	(30,200)
Sharon	(28,983)
Colebrook	(26,774)
Lyme	(22,433)
Roxbury	(20,870)
Bridgewater	(18,484)
Warren	(16,841)
Cornwall	(15,860)
Total	(128,038,938)

Source: CCM Calculations

*Alliance District

Notes

1. The Governor has stated that, despite the changes to municipal aid, his budget proposal will hold all municipalities harmless. For CCM's analysis, however, the following grants are considered restricted revenue and are not included in the totals.
   - ECS increases are required to be spent on education, so these are excluded.
   - Adult Education is a reimbursement that gets directed to boards of education to cover a portion of state-mandated expenditures.
   - LoCIP and TAR are restricted to capital-specific projects and other uses and are not considered unrestricted revenues.
2. For this analysis, unrestricted, general fund revenue is considered to include the following:
   - PILOT: State-Owned Real Property
   - PILOT: Private Colleges & Hospitals
   - Mashantucket Pequot & Mohegan Grant
   - Public School Pupil Transportation
   - Non-Public School Transportation
   - Priority School Districts
   - DECD/DOH: Tax Abatement
   - DECD/DOH: PILOT
   - Manufacturing Transition Grant
   - Municipal Revenue Sharing Bonus Pool
   - Hold Harmless Grant
3. The Governor's FY13 budget rescissions and the General Assembly's FY13 mid-year budget cuts would be continued into future years.
4. The PILOT: State-Owned Property grant, established in 1969, is eliminated from statute. The FY13 grant amount that each municipality received will be paid as an additional ECS grant in FY14. This portion of the ECS grant can be used to supplant the municipal appropriation to boards of education or for other purposes and will not be subject to the Minimum Budget Requirement in FY14. OPM Secretary Barnes testified that the intent is to treat the PILOT funds as ECS funding after FY14.
5. Governor seeks expanded rescission authority to include 5 percent in unilateral cuts to "municipal aid." H.B. 6533 (Section 1, b, c, and e) would repeal "aid to municipalities" exemption from rescission authority.
6. Governor proposes eliminating the motor vehicle property tax on vehicles assessed at $20,000 (full value of $28,571 or less), except for rental cars, beginning in FY15. Projected municipal revenue loss is expected to exceed $520 million. Governor's proposal would make such property tax exemption available by local option in FY14 (S.B. 843, Section 17).

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If you have any questions, please contact CCM's George Rafael (grafael@ccm-ct.org) at 203-928-9077 or Jim Finley (jfinley@ccm-ct.org) at 203-804-6895.

Office of Fiscal Analysis			
Estimated Impact of Governor's Motor Vehicle Property Tax Exemption Proposal			
MUNICIPALITY	ESTIMATED MOTOR VEHICLE LEVY LOSS	ESTIMATED SUPPLEMENTAL MOTOR VEHICLE LEVY LOSS	TOTAL
ANDOVER	$ 668,213	$ 61,350	$ 729,563
ANSONIA	$ 2,213,285	$ 249,460	$ 2,462,746
ASHFORD	$ 801,805	$ 71,150	$ 872,954
AVON	$ 4,008,443	$ 464,261	$ 4,472,705
BARKHAMSTED	$ 627,067	$ 53,162	$ 680,229
BEACON FALLS	$ 1,117,551	$ -	$ 1,117,551
BERLIN	$ 4,007,197	$ 423,291	$ 4,430,488
BETHANY	$ 1,162,159	$ 126,975	$ 1,289,134
BETHEL	$ 2,932,733	$ 325,904	$ 3,258,636
BETHLEHEM	$ 595,939	$ 60,014	$ 655,952
BLOOMFIELD	$ 4,264,615	$ 452,359	$ 4,716,974
BOLTON	$ 1,041,935	$ 94,476	$ 1,136,411
BOZRAH	$ 460,277	$ 579,722	$ 1,039,999
BRANFORD	$ 4,851,825	$ 599,354	$ 5,451,179
BRIDGEPORT	$ 15,211,462	$ 2,212,653	$ 17,424,114
BRIDGEWATER	$ 267,833	$ 26,701	$ 294,534
BRISTOL	$ 9,392,546	$ 1,046,946	$ 10,439,492
BROOKFIELD	$ 2,994,448	$ 280,382	$ 3,274,830
BROOKLYN	$ 1,046,557	$ 103,203	$ 1,149,760
BURLINGTON	$ 1,882,735	$ 193,748	$ 2,076,484
CANAAN	$ 162,110	$ 14,804	$ 176,914
CANTERBURY	$ 703,275	$ 63,769	$ 767,044
CANTON	$ 1,917,089	$ 217,271	$ 2,134,360
CHAPLIN	$ 423,218	$ 44,224	$ 467,442
CHESHIRE	$ 5,410,461	$ 592,942	$ 6,003,402
CHESTER	$ 562,544	$ 60,268	$ 622,812
CLINTON	$ 2,065,600	$ 220,532	$ 2,286,132
COLCHESTER	$ 2,684,532	$ 330,908	$ 3,015,440
COLEBROOK	$ 286,309	$ 22,676	$ 308,984
COLUMBIA	$ 1,042,493	$ 89,748	$ 1,132,241
CORNWALL	$ 186,521	$ 17,763	$ 204,285
COVENTRY	$ 2,091,027	$ 210,901	$ 2,301,927
CROMWELL	$ 2,512,139	$ 314,470	$ 2,826,608
DANBURY	$ 9,644,903	$ 1,281,048	$ 10,925,951
DARIEN	$ 2,619,774	$ 347,370	$ 2,967,144
DEEP RIVER	$ 729,847	$ 82,769	$ 812,616
DERBY	$ 1,979,781	$ 172,277	$ 2,152,058
DURHAM	$ 1,770,008	$ 171,762	$ 1,941,771
EASTFORD	$ 262,013	$ 24,312	$ 286,324
EAST GRANBY	$ 1,268,517	$ 126,020	$ 1,394,537
EAST HADDAM	$ 1,315,509	$ 129,757	$ 1,445,266
EAST HAMPTON	$ 2,289,356	$ 226,137	$ 2,515,493
EAST HARTFORD	$ 10,191,589	$ 993,871	$ 11,185,460
EAST HAVEN	$ 4,412,722	$ 437,351	$ 4,850,073
EAST LYME	$ 2,540,631	$ 220,980	$ 2,761,610
EASTON	$ 1,968,327	$ 172,172	$ 2,140,499
EAST WINDSOR	$ 1,964,427	$ 231,971	$ 2,196,399
ELLINGTON	$ 2,891,876	$ 289,107	$ 3,180,983
ENFIELD	$ 7,102,038	$ -	$ 7,102,038
ESSEX	$ 987,944	$ 95,828	$ 1,083,772

Office of Fiscal Analysis			
Estimated Impact of Governor's Motor Vehicle Property Tax Exemption Proposal			
	ESTIMATED MOTOR VEHICLE LEVY LOSS	ESTIMATED SUPPLEMENTAL MOTOR VEHICLE LEVY LOSS	TOTAL
FAIRFIELD	$ 9,939,659	$ 1,271,411	$ 11,211,071
FARMINGTON	$ 4,380,916	$ 505,283	$ 4,886,198
FRANKLIN	$ 330,422	$ 24,874	$ 355,297
GLASTONBURY	$ 7,546,807	$ 851,709	$ 8,398,516
GOSHEN	$ 402,822	$ 35,911	$ 438,733
GRANBY	$ 2,341,879	$ 224,307	$ 2,566,186
GREENWICH	$ 6,850,099	$ 1,007,442	$ 7,857,541
GRISWOLD	$ 1,670,732	$ 131,063	$ 1,801,796
GROTON, TOWN	$ 3,723,438	$ 476,449	$ 4,199,887
GUILFORD	$ 3,583,467	$ 371,267	$ 3,954,734
HADDAM	$ 1,718,502	$ 160,324	$ 1,878,827
HAMDEN	$ 10,221,124	$ 1,194,648	$ 11,415,772
HAMPTON	$ 301,164	$ 28,797	$ 329,962
HARTFORD	$ 18,181,891	$ 3,014,214	$ 21,196,105
HARTLAND	$ 323,754	$ 32,069	$ 355,823
HARWINTON	$ 1,101,628	$ 101,759	$ 1,203,386
HEBRON	$ 2,113,898	$ 189,276	$ 2,303,174
KENT	$ 303,382	$ 36,567	$ 339,949
KILLINGLY	$ 1,743,057	$ 176,722	$ 1,919,779
KILLINGWORTH	$ 1,196,212	$ 116,673	$ 1,312,885
LEBANON	$ 1,124,511	$ 99,291	$ 1,223,802
LEDYARD	$ 2,351,499	$ 258,846	$ 2,610,346
LISBON	$ 529,338	$ 45,016	$ 574,354
LITCHFIELD	$ 1,418,618	$ 138,977	$ 1,557,595
LYME	$ 274,374	$ 25,239	$ 299,613
MADISON	$ 2,810,485	$ 318,188	$ 3,128,673
MANCHESTER	$ 10,103,168	$ 1,137,929	$ 11,241,097
MANSFIELD	$ 1,795,518	$ 190,096	$ 1,985,614
MARLBOROUGH	$ 1,388,738	$ 127,896	$ 1,516,634
MERIDEN	$ 9,069,750	$ 954,519	$ 10,024,269
MIDDLEBURY	$ 1,639,759	$ 166,528	$ 1,806,287
MIDDLEFIELD	$ 952,604	$ 87,267	$ 1,039,871
MIDDLETOWN	$ 6,999,368	$ 835,230	$ 7,834,598
MILFORD	$ 8,324,081	$ 1,186,808	$ 9,510,890
MONROE	$ 4,109,396	$ 436,439	$ 4,545,834
MONTVILLE	$ 3,027,729	$ 244,169	$ 3,271,898
MORRIS	$ 380,922	$ 37,101	$ 418,023
NAUGATUCK	$ 5,179,799	$ 599,849	$ 5,779,648
NEW BRITAIN	$ 8,293,011	$ 1,163,958	$ 9,456,970
NEW CANAAN	$ 3,136,381	$ 414,228	$ 3,550,609
NEW FAIRFIELD	$ 2,498,729	$ 284,291	$ 2,783,020
NEW HARTFORD	$ 1,230,592	$ 111,371	$ 1,341,963
NEW HAVEN	$ 12,441,162	$ 2,064,373	$ 14,505,535
NEWINGTON	$ 6,316,043	$ 648,294	$ 6,964,337
NEW LONDON	$ 2,398,492	$ 363,375	$ 2,761,866
NEW MILFORD	$ 4,619,225	$ 520,958	$ 5,140,183
NEWTOWN	$ 4,925,707	$ 550,631	$ 5,476,338
NORFOLK	$ 249,592	$ 25,745	$ 275,336
NORTH BRANFORD	$ 2,749,096	$ 294,886	$ 3,043,982
NORTH CANAAN	$ 434,106	$ 47,682	$ 481,788

Office of Fiscal Analysis			
Estimated Impact of Governor's Motor Vehicle Property Tax Exemption Proposal			
	ESTIMATED MOTOR VEHICLE LEVY LOSS	ESTIMATED SUPPLEMENTAL MOTOR VEHICLE LEVY LOSS	TOTAL
NORTH HAVEN	$ 4,814,748	$ 549,386	$ 5,364,134
NORTH STONINGTON	$ 892,505	$ 77,691	$ 970,196
NORWALK	$ 13,547,777	$ 1,814,611	$ 15,362,388
NORWICH	$ 4,786,864	$ 590,668	$ 5,377,532
OLD LYME	$ 1,167,890	$ 120,294	$ 1,288,184
OLD SAYBROOK	$ 1,225,134	$ 130,192	$ 1,355,326
ORANGE	$ 3,393,277	$ 370,883	$ 3,764,160
OXFORD	$ 2,345,504	$ 228,591	$ 2,574,095
PLAINFIELD	$ 1,620,667	$ 156,625	$ 1,777,292
PLAINVILLE	$ 3,607,754	$ 349,664	$ 3,957,417
PLYMOUTH	$ 2,525,759	$ 227,016	$ 2,752,775
POMFRET	$ 601,445	$ 59,108	$ 660,552
PORTLAND	$ 1,929,775	$ 176,674	$ 2,106,448
PRESTON	$ 621,459	$ 65,568	$ 687,027
PROSPECT	$ 1,809,626	$ 163,468	$ 1,973,093
PUTNAM	$ 897,935	$ 98,893	$ 996,828
REDDING	$ 1,866,146	$ 208,458	$ 2,074,604
RIDGEFIELD	$ 4,405,950	$ 580,440	$ 4,986,390
ROCKY HILL	$ 3,531,469	$ 403,824	$ 3,935,292
ROXBURY	$ 286,169	$ 27,437	$ 313,607
SALEM	$ 843,335	$ 71,383	$ 914,718
SALISBURY	$ 319,281	$ 33,960	$ 353,241
SCOTLAND	$ 292,227	$ 27,596	$ 319,823
SEYMOUR	$ 3,142,295	$ 286,272	$ 3,428,567
SHARON	$ 260,614	$ 27,658	$ 288,272
SHELTON	$ 6,217,606	$ 599,708	$ 6,817,314
SHERMAN	$ 487,525	$ 48,776	$ 536,301
SIMSBURY	$ 5,111,158	$ 586,780	$ 5,697,938
SOMERS	$ 1,562,986	$ 156,101	$ 1,719,087
SOUTHBURY	$ 2,886,710	$ 319,828	$ 3,206,537
SOUTHINGTON	$ 8,259,856	$ 782,321	$ 9,042,177
SOUTH WINDSOR	$ 5,386,896	$ 544,521	$ 5,931,417
SPRAGUE	$ 440,775	$ 53,219	$ 493,994
STAFFORD	$ 2,338,457	$ 221,412	$ 2,559,868
STAMFORD	$ 20,083,977	$ 2,882,510	$ 22,966,487
STERLING	$ 445,511	$ 48,918	$ 494,429
STONINGTON	$ 1,859,109	$ 198,884	$ 2,057,993
STRATFORD	$ 9,767,429	$ 1,099,755	$ 10,867,184
SUFFIELD	$ 2,331,078	$ 237,101	$ 2,568,180
THOMASTON	$ 1,576,638	$ 136,173	$ 1,712,811
THOMPSON	$ 1,261,757	$ 120,926	$ 1,382,683
TOLLAND	$ 3,200,407	$ 323,308	$ 3,523,715
TORRINGTON	$ 6,287,454	$ 676,328	$ 6,963,782
TRUMBULL	$ 7,376,585	$ 657,327	$ 8,033,912
UNION	$ 158,174	$ 11,297	$ 169,471
VERNON	$ 5,349,528	$ 582,299	$ 5,931,827
VOLUNTOWN	$ 379,929	$ 42,033	$ 421,961
WALLINGFORD	$ 7,625,286	$ 830,047	$ 8,455,333
WARREN	$ 157,317	$ 13,845	$ 171,162
WASHINGTON	$ 390,839	$ 39,705	$ 430,544

Office of Fiscal Analysis			
Estimated Impact of Governor's Motor Vehicle Property Tax Exemption Proposal			
	ESTIMATED MOTOR VEHICLE LEVY LOSS	ESTIMATED SUPPLEMENTAL MOTOR VEHICLE LEVY LOSS	TOTAL
WATERBURY	$ 14,291,420	$ 1,967,646	$ 16,259,065
WATERFORD	$ 2,595,267	$ 250,525	$ 2,845,792
WATERTOWN	$ 3,709,484	$ 396,791	$ 4,106,275
WESTBROOK	$ 990,064	$ 83,046	$ 1,073,110
WEST HARTFORD	$ 13,049,326	$ 1,665,396	$ 14,714,722
WEST HAVEN	$ 6,738,756	$ 878,051	$ 7,616,807
WESTON	$ 2,510,285	$ 362,452	$ 2,872,737
WESTPORT	$ 5,052,908	$ 715,505	$ 5,768,413
WETHERSFIELD	$ 5,057,491	$ 510,558	$ 5,568,049
WILLINGTON	$ 884,252	$ 79,684	$ 963,936
WILTON	$ 3,636,655	$ 460,891	$ 4,097,546
WINCHESTER	$ 1,474,612	$ 162,145	$ 1,636,757
WINDHAM	$ 2,813,026	$ 337,057	$ 3,150,083
WINDSOR	$ 4,964,181	$ 609,236	$ 5,573,417
WINDSOR LOCKS	$ 3,869,520	$ 1,203,405	$ 5,072,926
WOLCOTT	$ 2,742,339	$ 261,292	$ 3,003,630
WOODBRIDGE	$ 2,508,250	$ 263,212	$ 2,771,462
WOODBURY	$ 1,726,029	$ 177,437	$ 1,903,466
WOODSTOCK	$ 1,173,819	$ 99,466	$ 1,273,285
TOTALS	$ 563,748,117	$ 66,501,335	$ 630,249,453
			$ -
BOROUGH			
Borough of Jewitt City (Griswold)	$ 38,513	$ 3,461	$ 41,974
Borough of Groton Long Point	$ 12,375	$ 1,226	$ 13,601
Borough of Danielson (Killingly)	$ -	$ -	$ -
Borough of Bantam (Litchfield)	$ -	$ -	$ -
Borough of Litchfield	$ -	$ -	$ -
Borough of Woodmont (Milford)	$ -	$ -	$ -
Borough of Newtown	$ -	$ -	$ -
Borough of Fenwick (Old Saybrook)	$ -	$ -	$ -
Borough of Stonington	$ 11,920	$ 1,574	$ 13,494
BOROUGH TOTALS	$ 62,807	$ 6,261	$ 69,069
			$ -
OTHER POLITICAL SUBDIVISIONS			
Barkhamsted FD	$ 37,533	$ 3,166	$ 40,698
Bloomfield, Center FD	$ 72,923	$ 7,667	$ 80,590
Bloomfield, Blue Hills FD	$ 106,395	$ 10,273	$ 116,668
Enfield FD #1	$ 252,561	$ 22,789	$ 275,350
Enfield Hazardville FD #3	$ 104,327	$ 8,886	$ 113,213
Enfield - North Thompsonville FD#4	$ 113,710	$ 10,068	$ 123,778
Enfield - Shaker Pines FD #5	$ 43,889	$ 3,712	$ 47,601
Enfield Thompsonville FD #2	$ 253,538	$ 29,170	$ 282,708
Groton, City	$ 186,757	$ 21,104	$ 207,861
Groton, Center FD	$ 18,622	$ 2,123	$ 20,745
Groton, Long Point Assoc Inc.	$ 12,375	$ 1,226	$ 13,601
Groton, Mumford Cove Assoc.	$ 689	$ 59	$ 748
Groton, Mystic FD	$ 61,366	$ 6,573	$ 67,938
Groton, Noank FD	$ 14,045	$ 1,367	$ 15,413
Groton, Old Mystic FD	$ 54,969	$ 5,020	$ 59,990
Groton Poquonock Bridge	$ 270,237	$ 34,897	$ 305,133

Office of Fiscal Analysis			
Estimated Impact of Governor's Motor Vehicle Property Tax Exemption Proposal			
	ESTIMATED MOTOR VEHICLE LEVY LOSS	ESTIMATED SUPPLEMENTAL MOTOR VEHICLE LEVY LOSS	TOTAL
Groton, W. Pleasant Valley FD	$ 18,645	$ 2,633	$ 21,279
Middletown So Fire	$ 247,722	$ 25,698	$ 273,420
Midddletown Westfield	$ 92,399	$ 11,283	$ 103,683
New Hartford - Pine Meadow	$ 2,165	$ 168	$ 2,334
Plainfield - Central Village FD	$ 24,874	$ -	$ 24,874
Pomfret Fire District	$ 26,173	$ 2,124	$ 28,297
East Putnam Fire District #1	$ 19,775	$ -	$ 19,775
Simsbury FD	$ 167,868	$ 18,773	$ 186,641
Stafford, Stafford Service District	$ 35,182	$ 3,577	$ 38,759
Stonington, Pawcatuck FD	$ 44,162	$ 4,439	$ 48,601
OTHER POLITICAL SUBDIVISION TOTALS	$ 2,282,904	$ 236,793	$ 2,519,696
GRAND TOTALS	$ 566,093,828	$ 66,744,389	$ 632,838,217

March 1, 2013

CHANGE IN GENERAL FUND (UNRESTRICTED) MUNICIPAL REVENUE BY LEGISLATIVE DISTRICT IN FY14 UNDER THE GOVERNOR'S PROPOSED STATE BUDGET**

House District	Town	Change in GF Revenue
1	Hartford*	($11,508,928)
	Total	($11,508,928)
2	Bethel	($225,805)
2	Danbury*	($3,761,840)
2	Newtown	($1,082,127)
2	Redding	($69,511)
	Total	($5,139,283)
3	Hartford*	($11,508,928)
	Total	($11,508,928)
4	Hartford*	($11,508,928)
	Total	($11,508,928)
5	Hartford*	($11,508,928)
	Total	($11,508,928)
6	Hartford*	($11,508,928)
	Total	($11,508,928)
7	Hartford*	($11,508,928)
	Total	($11,508,928)
8	Columbia	($125,136)
8	Coventry	($196,767)
8	Vernon*	($815,194)
	Total	($1,137,097)

Senate District	Town	Change in GF Revenue
1	Hartford*	($11,508,928)
1	Wethersfield	($534,566)
	Total	($12,043,494)
2	Bloomfield*	($865,717)
2	Hartford*	($11,508,928)
2	Windsor*	($818,589)
	Total	($13,193,234)
3	East Hartford*	($2,851,778)
3	East Windsor*	($324,699)
3	Ellington	($250,542)
3	South Windsor	($264,185)
	Total	($3,691,204)
4	Andover	($60,384)
4	Bolton	($116,354)
4	Glastonbury	($336,055)
4	Manchester*	($2,300,083)
	Total	($2,812,876)
5	Bloomfield*	($865,717)
5	Burlington	($103,991)
5	Farmington	($275,124)
5	West Hartford	($935,859)
	Total	($2,180,692)

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House District	Town	Change in GF Revenue
9	East Hartford*	($2,851,778)
9	Manchester*	($2,300,083)
	Total	($5,151,861)
10	East Hartford*	($2,851,778)
	Total	($2,851,778)
11	East Hartford*	($2,851,778)
11	Manchester*	($2,300,083)
11	South Windsor	($264,185)
	Total	($5,416,046)
12	Manchester*	($2,300,083)
	Total	($2,300,083)
13	Glastonbury	($336,055)
13	Manchester*	($2,300,083)
	Total	($2,636,139)
14	South Windsor	($264,185)
	Total	($264,185)
15	Bloomfield*	($865,717)
15	Windsor*	($818,589)
	Total	($1,684,307)
16	Simsbury	($235,907)
	Total	($235,907)
17	Avon	($186,166)
17	Canton	($155,616)
	Total	($341,782)
18	West Hartford	($935,859)
	Total	($935,859)

Senate District	Town	Change in GF Revenue
6	Berlin	($241,001)
6	Farmington	($275,124)
6	New Britain*	($6,114,659)
	Total	($6,630,784)
7	East Granby	($136,146)
7	Enfield	($1,543,470)
7	Granby	($171,075)
7	Somers	($1,680,758)
7	Suffield	($2,851,128)
7	Windsor*	($818,589)
7	Windsor Locks*	($1,007,725)
	Total	($8,208,891)
8	Avon	($186,166)
8	Barkhamsted	($99,928)
8	Canton	($155,616)
8	Colebrook	($26,774)
8	Granby	($171,075)
8	Hartland	($56,358)
8	Harwinton	($79,247)
8	New Hartford	($168,525)
8	Norfolk	($36,214)
8	Simsbury	($235,907)
8	Torrington	($617,563)
	Total	($1,833,373)
9	Cromwell	($220,627)
9	Middletown*	($3,242,119)
9	Newington	($537,265)
9	Rocky Hill	($523,893)
9	Wethersfield	($534,566)
	Total	($5,058,470)
10	New Haven*	($10,113,180)
10	West Haven*	($2,691,679)
	Total	($12,804,859)

House District	Town	Change in GF Revenue
19	Avon	($186,166)
19	Farmington	($275,124)
19	West Hartford	($935,859)
	Total	($1,397,149)
20	West Hartford	($935,859)
	Total	($935,859)
21	Farmington	($275,124)
	Total	($275,124)
22	New Britain*	($6,114,659)
22	Plainville	($284,746)
	Total	($6,399,404)
23	Lyme	($22,433)
23	Old Lyme	($68,181)
23	Old Saybrook	($128,229)
23	Westbrook	($131,667)
	Total	($350,509)
24	New Britain*	($6,114,659)
24	Newington	($537,265)
	Total	($6,651,924)
25	New Britain*	($6,114,659)
	Total	($6,114,659)
25	New Britain*	($6,114,659)
	Total	($6,114,659)
27	Newington	($537,265)
	Total	($537,265)
28	Wethersfield	($534,566)
	Total	($534,566)

Senate District	Town	Change in GF Revenue
11	Hamden*	($2,456,500)
11	New Haven*	($10,113,180)
	Total	($12,569,680)
12	Branford	($354,473)
12	Durham	($134,196)
12	Guilford	($224,327)
12	Killingworth	($72,308)
12	Madison	($164,976)
12	North Branford	($193,472)
	Total	($1,143,752)
13	Cheshire	($2,239,735)
13	Meriden*	($2,783,700)
13	Middlefield	($124,026)
13	Middletown*	($3,242,119)
	Total	($8,389,580)
14	Milford	($873,522)
14	Orange	($216,970)
14	West Haven*	($2,691,679)
14	Woodbridge	($98,362)
	Total	($3,880,532)
15	Middlebury	($139,522)
15	Naugatuck*	($892,401)
15	Waterbury*	($9,199,498)
	Total	($10,231,421)
16	Cheshire	($2,239,735)
16	Prospect	($162,054)
16	Southington	($494,346)
16	Waterbury*	($9,199,498)
16	Wolcott	($222,345)
	Total	($12,317,977)

House District	Town	Change in GF Revenue
29	Newington	($537,265)
29	Rocky Hill	($523,893)
29	Wethersfield	($534,566)
	Total	($1,595,724)
30	Berlin	($241,001)
30	Southington	($494,346)
	Total	($735,347)
31	Glastonbury	($336,055)
	Total	($336,055)
32	Cromwell	($220,627)
32	Portland	($171,341)
	Total	($391,968)
33	Middletown*	($3,242,119)
	Total	($3,242,119)
34	Colchester	($238,381)
34	East Haddam	($176,959)
34	East Hampton	($228,162)
	Total	($643,502)
35	Clinton	($180,494)
35	Killingworth	($72,308)
35	Westbrook	($131,667)
	Total	($384,469)
36	Chester	($114,421)
36	Deep River	($124,889)
36	Essex	($117,775)
36	Haddam	($92,350)
	Total	($449,435)
37	East Lyme	($463,982)
37	Salem	($111,284)
	Total	($575,267)

Senate District	Town	Change in GF Revenue
17	Ansonia*	($896,705)
17	Beacon Falls	($124,234)
17	Bethany	($123,769)
17	Derby*	($597,781)
17	Hamden*	($2,456,500)
17	Naugatuck*	($892,401)
17	Woodbridge	($98,362)
	Total	($5,189,752)
18	Griswold	($204,414)
18	Groton (Town of)	($1,461,995)
18	North Stonington	($127,912)
18	Plainfield	($309,527)
18	Preston	($371,839)
18	Sterling	($140,258)
18	Stonington	($209,510)
18	Voluntown	($168,385)
	Total	($2,993,839)
19	Columbia	($125,136)
19	Franklin	($62,228)
19	Hebron	($152,364)
19	Lebanon	($190,293)
19	Ledyard	($216,365)
19	Lisbon	($112,575)
19	Marlborough	($88,042)
19	Montville	($877,362)
19	Norwich*	($2,261,274)
19	Sprague	($105,252)
	Total	($4,190,890)
20	Bozrah	($107,814)
20	East Lyme	($463,982)
20	Montville	($877,362)
20	New London*	($2,604,842)
20	Old Lyme	($68,181)
20	Old Saybrook	($128,229)
20	Salem	($111,284)
20	Waterford	($227,453)
	Total	($4,589,146)

House District	Town	Change in GF Revenue
38	Montville	($877,362)
38	Waterford	($227,453)
	Total	($1,104,815)
39	New London*	($2,604,842)
	Total	($2,604,842)
40	Groton (Town of)	($1,461,995)
40	Ledyard	($216,365)
	Total	($1,678,360)
41	Groton (Town of)	($1,461,995)
41	New London*	($2,604,842)
	Total	($4,066,837)
42	Ledyard	($216,365)
42	Montville	($877,362)
42	Preston	($371,839)
	Total	($1,465,566)
43	North Stonington	($127,912)
43	Stonington	($209,510)
	Total	($337,422)
44	Killingly*	($556,710)
44	Plainfield	($309,527)
	Total	($866,236)
45	Griswold	($204,414)
45	Lisbon	($112,575)
45	Plainfield	($309,527)
45	Sterling	($140,258)
45	Voluntown	($168,385)
	Total	($935,158)
46	Norwich*	($2,261,274)
	Total	($2,261,274)

Senate District	Town	Change in GF Revenue
21	Monroe	($209,605)
21	Seymour	($259,513)
21	Shelton	($435,647)
21	Stratford	($654,543)
	Total	($1,559,307)
22	Bridgeport*	($11,109,234)
22	Monroe	($209,605)
22	Trumbull	($350,866)
	Total	($11,669,705)
23	Bridgeport*	($11,109,234)
23	Stratford	($654,543)
	Total	($11,763,777)
24	Bethel	($225,805)
24	Danbury*	($3,761,840)
24	New Fairfield	($163,925)
24	Sherman	($36,769)
	Total	($4,188,340)
25	Darien	($174,099)
25	Norwalk*	($1,966,627)
	Total	($2,140,726)
26	Bethel	($225,805)
26	New Canaan	($127,516)
26	Redding	($69,511)
26	Ridgefield	($203,799)
26	Weston	($70,498)
26	Westport	($204,073)
26	Wilton	($165,417)
	Total	($1,066,619)
27	Darien	($174,099)
27	Stamford*	($2,703,402)
	Total	($2,877,500)

House District	Town	Change in GF Revenue
47	Canterbury	($146,430)
47	Chaplin	($143,241)
47	Franklin	($62,228)
47	Hampton	($53,414)
47	Lebanon	($190,293)
47	Lisbon	($112,575)
47	Norwich*	($2,261,274)
47	Scotland	($61,928)
47	Sprague	($105,252)
	Total	($3,136,633)
48	Colchester	($238,381)
48	Lebanon	($190,293)
48	Mansfield	($473,634)
48	Windham*	($1,711,181)
	Total	($2,613,489)
49	Windham*	($1,711,181)
	Total	($1,711,181)
50	Brooklyn	($343,355)
50	Eastford	($96,473)
50	Pomfret	($134,365)
50	Union	($45,028)
50	Woodstock	($228,252)
	Total	($847,474)
51	Killingly*	($556,710)
51	Putnam*	($344,655)
51	Thompson	($202,810)
	Total	($1,104,175)
52	Somers	($1,680,758)
52	Stafford	($308,984)
	Total	($1,989,742)
53	Ashford	($140,312)
53	Tolland	($215,973)
53	Willington	($148,055)
	Total	($504,340)

Senate District	Town	Change in GF Revenue
28	Easton	($58,791)
28	Fairfield	($656,723)
28	Newtown	($1,082,127)
28	Weston	($70,498)
	Total	($1,868,140)
29	Brooklyn	($343,355)
29	Canterbury	($146,430)
29	Killingly*	($556,710)
29	Mansfield	($473,634)
29	Putnam*	($344,655)
29	Scotland	($61,928)
29	Thompson	($202,810)
29	Windham*	($1,711,181)
	Total	($3,840,702)
30	Brookfield	($178,667)
30	Canaan	($33,908)
30	Cornwall	($15,860)
30	Goshen	($31,414)
30	Kent	($33,733)
30	Litchfield	($121,132)
30	Morris	($30,200)
30	New Milford	($402,041)
30	North Canaan	($124,081)
30	Salisbury	($32,891)
30	Sharon	($28,983)
30	Torrington	($617,563)
30	Warren	($16,841)
30	Winchester*	($257,323)
	Total	($1,924,636)
31	Bristol*	($2,332,891)
31	Harwinton	($79,247)
31	Plainville	($284,746)
31	Plymouth	($215,383)
	Total	($2,912,266)

House District	Town	Change in GF Revenue
54	Mansfield	($473,634)
	Total	($473,634)
55	Andover	($60,384)
55	Bolton	($116,354)
55	Hebron	($152,364)
55	Marlborough	($88,042)
	Total	($417,144)
56	Vernon*	($815,194)
	Total	($815,194)
57	East Windsor*	($324,699)
57	Ellington	($250,542)
	Total	($575,241)
58	Enfield	($1,543,470)
	Total	($1,543,470)
59	East Windsor*	($324,699)
59	Enfield	($1,543,470)
	Total	($1,868,169)
60	Windsor*	($818,589)
60	Windsor Locks*	($1,007,725)
	Total	($1,826,314)
61	East Granby	($136,146)
61	Suffield	($2,851,128)
61	Windsor*	($818,589)
	Total	($3,805,864)
62	Barkhamsted	($99,928)
62	East Granby	($136,146)
62	Granby	($171,075)
62	Hartland	($56,358)
62	New Hartford	($168,525)
	Total	($632,031)

Senate District	Town	Change in GF Revenue
32	Bethlehem	($48,313)
32	Bridgewater	($18,484)
32	Middlebury	($139,522)
32	Oxford	($170,301)
32	Roxbury	($20,870)
32	Seymour	($259,513)
32	Southbury	($206,482)
32	Thomaston	($165,930)
32	Washington	($30,581)
32	Watertown	($288,359)
32	Woodbury	($134,353)
	Total	($1,482,708)
33	Chester	($114,421)
33	Clinton	($180,494)
33	Colchester	($238,381)
33	Deep River	($124,889)
33	East Haddam	($176,959)
33	East Hampton	($228,162)
33	Essex	($117,775)
33	Haddam	($92,350)
33	Lyme	($22,433)
33	Old Saybrook	($128,229)
33	Portland	($171,341)
33	Westbrook	($131,667)
	Total	($1,727,100)
34	Durham	($134,196)
34	East Haven*	($791,637)
34	North Haven	($406,722)
34	Wallingford	($513,568)
	Total	($1,846,123)

House District	Town	Change in GF Revenue
63	Colebrook	($26,774)
63	Goshen	($31,414)
63	Norfolk	($36,214)
63	Torrington	($617,563)
63	Winchester*	($257,323)
	Total	($969,288)
64	Canaan	($33,908)
64	Cornwall	($15,860)
64	Goshen	($31,414)
64	Kent	($33,733)
64	North Canaan	($124,081)
64	Salisbury	($32,891)
64	Sharon	($28,983)
64	Torrington	($617,563)
	Total	($918,433)
65	Torrington	($617,563)
	Total	($617,563)
66	Bethlehem	($48,313)
66	Litchfield	($121,132)
66	Morris	($30,200)
66	Warren	($16,841)
66	Woodbury	($134,353)
	Total	($350,838)
67	New Milford	($402,041)
	Total	($402,041)
68	Watertown	($288,359)
68	Woodbury	($134,353)
	Total	($422,712)
69	Bridgewater	($18,484)
69	Roxbury	($20,870)
69	Southbury	($206,482)
69	Washington	($30,581)
	Total	($276,417)

Senate District	Town	Change in GF Revenue
35	Ashford	($140,312)
35	Chaplin	($143,241)
35	Coventry	($196,767)
35	Eastford	($96,473)
35	Ellington	($250,542)
35	Hampton	($53,414)
35	Pomfret	($134,365)
35	Stafford	($308,984)
35	Tolland	($215,973)
35	Union	($45,028)
35	Vernon*	($815,194)
35	Willington	($148,055)
35	Woodstock	($228,252)
	Total	($2,776,601)
36	Greenwich	($477,672)
36	New Canaan	($127,516)
36	Stamford*	($2,703,402)
	Total	($3,308,589)
	Statewide Total	($128,038,938)

House District	Town	Change in GF Revenue
70	Naugatuck*	($892,401)
	Total	($892,401)
71	Middlebury	($139,522)
71	Waterbury*	($9,199,498)
	Total	($9,339,020)
72	Waterbury*	($9,199,498)
	Total	($9,199,498)
73	Waterbury*	($9,199,498)
	Total	($9,199,498)
74	Waterbury*	($9,199,498)
	Total	($9,199,498)
75	Waterbury*	($9,199,498)
	Total	($9,199,498)
76	Burlington	($103,991)
76	Harwinton	($79,247)
76	Litchfield	($121,132)
76	Thomaston	($165,930)
	Total	($470,300)
77	Bristol*	($2,332,891)
	Total	($2,332,891)
78	Bristol*	($2,332,891)
78	Plymouth	($215,383)
	Total	($2,548,274)
79	Bristol*	($2,332,891)
	Total	($2,332,891)
80	Southington	($494,346)
80	Wolcott	($222,345)
	Total	($716,690)

House District	Town	Change in GF Revenue
81	Southington	($494,346)
	Total	($494,346)
82	Meriden*	($2,783,700)
82	Middlefield	($124,026)
	Total	($2,907,726)
83	Berlin	($241,001)
83	Meriden*	($2,783,700)
	Total	($3,024,702)
84	Meriden*	($2,783,700)
	Total	($2,783,700)
85	Wallingford	($513,568)
	Total	($513,568)
86	Durham	($134,196)
86	Guilford	($224,327)
86	North Branford	($193,472)
86	Wallingford	($513,568)
	Total	($1,065,563)
87	North Haven	($406,722)
	Total	($406,722)
88	Hamden*	($2,456,500)
	Total	($2,456,500)
89	Bethany	($123,769)
89	Cheshire	($2,239,735)
89	Prospect	($162,054)
	Total	($2,525,558)
90	Cheshire	($2,239,735)
90	Wallingford	($513,568)
	Total	($2,753,302)
91	Hamden*	($2,456,500)
	Total	($2,456,500)

House District	Town	Change in GF Revenue
92	New Haven*	($10,113,180)
	Total	($10,113,180)
93	New Haven*	($10,113,180)
	Total	($10,113,180)
94	Hamden*	($2,456,500)
94	New Haven*	($10,113,180)
	Total	($12,569,680)
95	New Haven*	($10,113,180)
	Total	($10,113,180)
96	East Haven*	($791,637)
96	New Haven*	($10,113,180)
	Total	($10,904,817)
97	New Haven*	($10,113,180)
	Total	($10,113,180)
98	Branford	($354,473)
98	Guilford	($224,327)
	Total	($578,799)
99	East Haven*	($791,637)
	Total	($791,637)
100	Middletown*	($3,242,119)
	Total	($3,242,119)
101	Durham	($134,196)
101	Madison	($164,976)
	Total	($299,172)
102	Branford	($354,473)
	Total	($354,473)

House District	Town	Change in GF Revenue
103	Cheshire	($2,239,735)
103	Southington	($494,346)
103	Wallingford	($513,568)
	Total	($3,247,648)
104	Ansonia*	($896,705)
104	Derby*	($597,781)
	Total	($1,494,486)
105	Beacon Falls	($124,234)
105	Derby*	($597,781)
105	Seymour	($259,513)
	Total	($981,528)
106	Newtown	($1,082,127)
	Total	($1,082,127)
107	Bethel	($225,805)
107	Brookfield	($178,667)
	Total	($404,472)
108	Danbury*	($3,761,840)
108	New Fairfield	($163,925)
108	New Milford	($402,041)
108	Sherman	($36,769)
	Total	($4,364,575)
109	Danbury*	($3,761,840)
	Total	($3,761,840)
110	Danbury*	($3,761,840)
	Total	($3,761,840)
111	Ridgefield	($203,799)
	Total	($203,799)
112	Monroe	($209,605)
112	Newtown	($1,082,127)
	Total	($1,291,732)

House District	Town	Change in GF Revenue
113	Shelton	($435,647)
	Total	($435,647)
114	Derby*	($597,781)
114	Orange	($216,970)
114	Woodbridge	($98,362)
	Total	($913,113)
115	West Haven*	($2,691,679)
	Total	($2,691,679)
116	New Haven*	($10,113,180)
116	West Haven*	($2,691,679)
	Total	($12,804,859)
117	Milford	($873,522)
117	Orange	($216,970)
117	West Haven*	($2,691,679)
	Total	($3,782,170)
118	Milford	($873,522)
	Total	($873,522)
119	Orange	($216,970)
119	Milford	($873,522)
	Total	($1,090,491)
120	Stratford	($654,543)
	Total	($654,543)
121	Stratford	($654,543)
	Total	($654,543)
122	Shelton	($435,647)
122	Stratford	($654,543)
122	Trumbull	($350,866)
	Total	($1,441,055)
123	Trumbull	($350,866)
	Total	($350,866)

House District	Town	Change in GF Revenue
124	Bridgeport*	($11,109,234)
	Total	($11,109,234)
125	New Canaan	($127,516)
125	Wilton	($165,417)
	Total	($292,932)
126	Bridgeport*	($11,109,234)
	Total	($11,109,234)
127	Bridgeport*	($11,109,234)
	Total	($11,109,234)
128	Bridgeport*	($11,109,234)
	Total	($11,109,234)
129	Bridgeport*	($11,109,234)
	Total	($11,109,234)
130	Bridgeport*	($11,109,234)
	Total	($11,109,234)
131	Naugatuck*	($892,401)
131	Oxford	($170,301)
131	Southbury	($206,482)
	Total	($1,269,184)
132	Fairfield	($656,723)
	Total	($656,723)
133	Fairfield	($656,723)
	Total	($656,723)
134	Trumbull	($350,866)
134	Fairfield	($656,723)
	Total	($1,007,590)

House District	Town	Change in GF Revenue
135	Easton	($58,791)
135	Redding	($69,511)
135	Weston	($70,498)
	Total	($198,800)
136	Westport	($204,073)
	Total	($204,073)
137	Norwalk*	($1,966,627)
	Total	($1,966,627)
138	Danbury*	($3,761,840)
138	New Fairfield	($163,925)
138	Ridgefield	($203,799)
	Total	($4,129,564)
139	Bozrah	($107,814)
139	Montville	($877,362)
139	Norwich*	($2,261,274)
	Total	($3,246,449)
140	Norwalk*	($1,966,627)
	Total	($1,966,627)
141	Darien	($174,099)
141	Norwalk*	($1,966,627)
	Total	($2,140,726)
142	New Canaan	($127,516)
142	Norwalk*	($1,966,627)
	Total	($2,094,143)
143	Norwalk*	($1,966,627)
143	Westport	($204,073)
143	Wilton	($165,417)
	Total	($2,336,117)
144	Stamford*	($2,703,402)
	Total	($2,703,402)

House District	Town	Change in GF Revenue
145	Stamford*	($2,703,402)
	Total	($2,703,402)
146	Stamford*	($2,703,402)
	Total	($2,703,402)
147	Darien	($174,099)
147	Stamford*	($2,703,402)
	Total	($2,877,500)
148	Stamford*	($2,703,402)
	Total	($2,703,402)
149	Greenwich	($477,672)
149	Stamford*	($2,703,402)
	Total	($3,181,074)
150	Greenwich	($477,672)
	Total	($477,672)
151	Greenwich	($477,672)
	Total	($477,672)
	Statewide Total	($128,038,938)

Source: CCM Calculations

*Alliance District
**Revenue losses do NOT include motor vehicle tax losses.

Notes

1. The Governor has stated that, despite the changes to municipal aid, his budget proposal will hold all municipalities harmless. For CCM's analysis, however, the following grants are considered restricted revenue and are not included in the totals.
   - ECS increases are required to be spent on education, so these are excluded.
   - Adult Education is a reimbursement that gets directed to boards of education to cover a portion of state-mandated expenditures.
   - LoCIP and TAR are restricted to capital-specific projects and other uses and are not considered unrestricted revenues.
2. For this analysis, general fund revenue is considered to include the following:
   - PILOT: State-Owned Real Property
   - PILOT: Private Colleges & Hospitals
   - Mashantucket Pequot & Mohegan Grant

- Public School Pupil Transportation
- Non-Public School Transportation
- Priority School Districts
- DECD/DOH: Tax Abatement
- DECD/DOH: PILOT
- Manufacturing Transition Grant
- Municipal Revenue Sharing Bonus Pool
- Hold Harmless Grant

3. The Governor's FY13 budget rescissions and the General Assembly's FY13 mid-year budget cuts would be continued into future years.
4. The PILOT: State-Owned Property grant, established in 1969, is eliminated from statute. The FY13 grant amount that each municipality received will be paid as an additional ECS grant in FY14. This portion of the ECS grant can be used to supplant the municipal appropriation to boards of education or for other purposes and will not be subject to the Minimum Budget Requirement in FY14. OPM Secretary Barnes testified that the intent is to treat the PILOT funds as ECS funding after FY14.
5. Governor seeks expanded rescission authority to include 5 percent in unilateral cuts to "municipal aid." H.B. 6533 (Section 1, b, c, and e) would repeal "aid to municipalities" exemption from rescission authority.
6. Governor proposes eliminating the motor vehicle property tax on vehicles assessed at $20,000 (full value of $28,571 or less), except for rental cars, beginning in FY15. Projected municipal revenue loss is expected to exceed $520 million. Governor's proposal would make such property tax exemption available by local option in FY14 (S.B. 843, Section 17).

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If you have any questions, please contact CCM's George Rafael (grafael@ccm-ct.org) at 203-498-3063 or Jim Finley (jfinley@ccm-ct.org) at 203-804-6895.

JOINT
STANDING
COMMITTEE
HEARINGS

PLANNING AND
DEVELOPMENT
PART 2
337 - 680

2013

SB 842
HB 5800

PLANNING & DEVELOPMENT COMMITTEE

February 13, 2013

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 92% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities

CCM *supports* HB 5725 *"An Act Concerning the Statewide Phosphorus Reduction Plan".*

This bill would modify state statutes by outlining a collaborative state-wide plan, between the Department of Energy & Environmental Protection (DEEP) and affected municipalities, to address phosphorus reduction in Connecticut.

CCM has been appreciative of DEEPs willingness to-date to meet with affected municipalities and their representatives to have an active dialogue on individual permits, which certainly will impact all municipalities in the end. Much progress has been made in these discussions, and several communities are poised to have their permits go out for public notice.

However, CCM continues to have concerns about. (1) the significant costs that meeting the phosphorus reduction requirements could pose to towns and cities, and (2) credible questions that have been raised as to the reliability of the science that has been employed to develop the current strategy.

As municipalities continue to struggle in this down economy, and are now facing substantive cuts in state aid, municipalities are concerned that even after investing millions of dollars in plant upgrades there is no guarantee that the methodology will prove to meet the desired outcome.

CCM recently submitted comments to DEEP supporting a collaborative process, as outlined and submitted by the Connecticut Municipal Nutrient Group (see attached), urging DEEP to·

- *Establish a collaborative process to fully vet the issues still unresolved pertaining to the phosphorus reduction strategy - identifying and agreeing on the best scientific approach, viable options for compliance, timeframe for compliance, etc We are confident that the process engaged for negotiating and establishing the state's stream flow regulations is a model that will work for phosphorus as well*

Passage of his bill would further guarantee that such a process is engaged, and ensure a balanced approach and agreed upon measures to achieve the needed goals

CCM will also be supporting two other bills before the General Assembly that will compliment this bill and move our state forward with addressing phosphorus and ensuring clean water: SB 842 (FIN) which would, among other things, provide a substantive investment into the Clean Water Fund for meeting the financial needs of projects across the state; and HB 5800 (ENV) which would increase the grant percentages for phosphorus projects to 50%, from the current 30%.

Clean water is a statewide issue and necessitates a statewide approach.

CCM urges the committee to ***support*** this bill

★ ★ ★ ★ ★

If you have any questions, please contact Kachina Walsh-Weaver, State Relations Manager of CCM
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