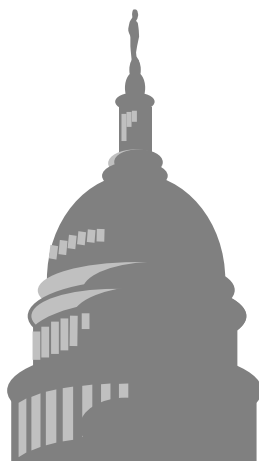


CONNECTICUT ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATION

A Multi-jurisdictional Agency Of Connecticut State Government



Annual Report For 2017 - 2019

*450 Capitol Ave. - MS#54ORG
Hartford, CT 06106
(860) 418-6323*

<https://portal.ct.gov/acir>

July 2020

Advisory Commission on Intergovernmental Relations Membership

Officers

Chair	Vacant
Lyle Wray, Vice-Chair	Connecticut Association of Councils of Governments

Members

Senator Steve Cassano	Designee of Senate President Pro Tempore
Brendan Sharkey	Designee of Speaker of the House of Representatives
James O'Leary	Designee of Senate Minority Leader
Brian Greenleaf	Designee of the House Minority Leader
Tommy Hyde	Designee of Commissioner of Econ. and Community Development
James Albis	Designee of Commissioner of Energy and Environ. Protection
Kathy Demsey	Designee of Commissioner of Education
Martin Heft	Designee of the Secretary of the Office of Policy and Management
Honorable Bob Valentine	Nominated by COST and appointed by the Governor
John Elsesser	Nominated by COST and appointed by the Governor
Scott Shanley	Nominated by CCM and appointed by the Governor
Honorable Marcia Leclerc	Nominated by CCM and appointed by the Governor
Honorable Neil O'Leary	Nominated by CCM and appointed by the Governor
Lon Seidman	Connecticut Association of Boards of Education
Maureen Brummett	CT Association of Public School Superintendents
Richard Hart	Representative of organized labor, appointed by the Governor
Greg Florio	Public Member, appointed by the Governor
John Filchak	Public Member, appointed by Senate President Pro Tempore
Samuel Gold	Public Member, appointed by Senate Minority Leader
Carl Amento	Public Member, appointed by Speaker of House of Representatives
Francis Pickering	Public Member, appointed by House Minority Leader
Ron Thomas	Connecticut Conference of Municipalities
Honorable Rudy Marconi	Designee of the Council of Small Towns

Vacancies

Municipal Official, town of 60,000 or more, nominated by CCM and appointed by the Governor

Staff

Bruce Wittchen	Office of Policy and Management
----------------	---------------------------------

To the Connecticut General Assembly:

In accordance with Subsection (b) of [Sec. 2-79a](#) of the General Statutes, the [Advisory Commission on Intergovernmental Relations](#) (ACIR) submits this report on its activities since the end of 2017.

As this report was being completed, the ACIR launched an effort to assist municipalities in maintaining operations during widespread office closures and quarantines. Local officials developed workarounds and the Governor facilitated such efforts through emergency executive order, but the ACIR recognized a need for a central clearinghouse of available options. The ACIR continues that work, which will be evaluated in the next annual report.

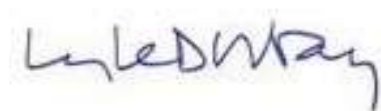
This report covers a period when ACIR reporting on municipal mandates, perhaps the group's most visible work, was suspended by legislation passed during 2017's extended special session. The ACIR, furthermore, delayed its reporting on that year's municipal budgeting because the state's long delay in adopting its own budget disrupted the adoption of many local budgets. The ACIR subsequently issued a single report covering that and the following year's budgets.

2019's [PA 19-117](#) created a new role for the ACIR by establishing the [Task Force to Promote Municipal Shared Services](#). The Task Force was comprised of the members of the ACIR and the chairs and ranking members of the General Assembly's Finance and Planning and Development Committees. While it was the Task Force that submitted the [final report](#), ACIR members led the work groups that conducted the required study and wrote the final report, in consultation with the legislators of the Task Force.

The ACIR also wishes to highlight that [PA 19-193](#), *An Act Concerning Municipal And Regional Opportunities And Efficiencies*, added a new member to the group, representing organized labor. The two positions previously designated for representatives of towns having a population of less than 20,000, furthermore, have been divided into one representing a town of less than 10,000 and other now representing a town of 10,000 – 20,000.

One final comment: PA 19-193 originated in 2019's HB 7192, which originally would have also required the ACIR to issue an annual work plan. That provision was eliminated, but the ACIR believes this report should outline what the group intends to accomplish in the coming year. Some of the planned work discussed by the group during the past year has been deferred as the group responds instead to the pandemic, but the current work plan can be found on pg 9 of this report. The ACIR welcomes suggestions that can help guide its work and please feel free to contact us, care of: Bruce Wittchen, Office of Policy and Management, (860) 418-6323, bruce.wittchen@ct.gov.

Sincerely:



Lyle Wray, Acting Chair

STATUTORY AUTHORITY

The Connecticut Advisory Commission on Intergovernmental Relations (ACIR) is a 24-member agency created by the State of Connecticut in 1985 to study system issues between the state and its local governments, and to recommend solutions as appropriate. The makeup is designed to allow for open discussion across broad jurisdictional lines with a common interest in bettering local government.

As specified in [Section 2-79a of the Connecticut General Statutes](#) (CGS), the role of ACIR is to: (1) serve as a forum for consultation between state and local officials; (2) conduct research on intergovernmental issues; (3) encourage and coordinate studies of intergovernmental issues by universities and others; and (4) initiate policy development and make recommendations to all levels of government.

TASK FORCE TO PROMOTE MUNICIPAL SHARED SERVICES

Sec. 366 of [PA 19-117](#) established the [Task Force to Promote Municipal Shared Services](#), which included the members of the ACIR and the chairs and ranking members of the General Assembly's Finance and Planning & Development Committees. The [final report](#) highlighted seven priority recommendations:

- Shared services should be built on work done previously in the state
- Connecticut, at each level of government, must embrace the application of technology and data innovation
- Expand, within OPM, a government efficiency unit, within the Intergovernmental Planning and Policy Division to provide the bandwidth needed to implement and foster collaboration at each level of government
- Flexible school governance is essential to the function, sustainability and excellence of public education
- Collaborative programs are needed to help local school districts provide cost effective and efficient high quality services for Special Education
- Shared services are needed in mitigating fiscal disparities
- Pilot and incentivize shared services to foster real change

The report identifies those requiring legislative action and those that can be implemented administratively. The report also discusses 30 additional recommendations.

*NEW STATE MANDATES
ON MUNICIPALITIES
REPORTS: 2017, 2018, and 2019*

https://portal.ct.gov/-/media/ACIR/Mandates/Session/ACIR_2019_Mandates_Report.pdf

https://portal.ct.gov/-/media/ACIR/Mandates/Session/ACIR_2018_Mandates_Report.pdf

https://portal.ct.gov/-/media/ACIR/Mandates/Session/ACIR_2017_Mandates_Report.pdf

In accordance with [CGS Section 2-32c](#), the ACIR compiles annual listings of public and special acts that created, expanded, or reduced a mandate on municipalities. In late 2017, after the ACIR had chosen to postpone that year's report so that a single report would include mandates arising in that year's extended special session, a late public act deferred mandates reporting into 2019. The ACIR adopted the 2017, 2018, and 2019 reports in 2019 (See Publications section of this report).

As detailed in those reports, the regular and special sessions of 2017 resulted in seventeen public acts that created or expanded mandates. That was two fewer than in 2016 and nine fewer than in 2015, the previous odd-year long legislative session. In 2018's sessions, fourteen public acts were found to have created or expanded mandates. That was three fewer than in 2017 and five fewer than in 2016, the previous even-year short legislative session.

While the findings of 2017 and 2018 implied a trend of declining mandates, the regular and special session of 2019 created or expanded mandates in twenty public acts. That was six more than in 2018, a short legislative session, but also three more than in 2017's long legislative session. That said, even if the number of new or expanded mandates had declined again the ACIR would point out that it should not be considered an accomplishment. The ACIR believes the focus each year should be on the fact that mandates were created or expanded and, in 2019, it was done in twenty public acts.

In 2017, an additional three public acts were identified as having the impact of a mandate, but not specifically directed at municipalities. That is two fewer than reported in 2016 and five fewer than in 2015. These are identified as "Section C" mandates in the ACIR's separate mandates compendiums. There also were 3 in 2018 and 5 in 2019.

The ACIR has long encouraged the state to provide administrative and/or fiscal relief to municipalities through the reduction and/or elimination of mandates. The 2017 report identified eleven public acts that reduced mandates, which is three more than in 2016 and one more than in 2015, the previous odd-year long session. There were 4 such acts in 2018 and 5 in 2019. While only half as many acts reducing mandates were enacted in 2019 as in

2017's previous long session, the ACIR notes that mandate reductions often have addressed mandates having little impact by themselves.

*COMPENDIUM OF STATUTORY
& REGULATORY MANDATES: 2020*

https://portal.ct.gov/-/media/ACIR/Mandates/Compendium/2020_ACIR_Mandates_Compendium.pdf

The focus of the session mandates reports described previously is to identify every public and special act adopted in that year's legislative session(s) that created, increased, or reduced a mandate on municipalities. The compendium, on the other hand, is a listing of all existing sections of the state statutes and regulations that impose a mandate.

Beginning in 1998, CGS Section 2-79a assigned the ACIR to produce a full compendium every fourth year and, in each of the three intervening years, to produce a supplement identifying any changes to the compendium that year. The ACIR had submitted annual supplements in early 2015, 2016, and 2017 and a full compendium would have been due in 2018, but it was postponed by the previously described deferral enacted in a 2017 special session. The ACIR published a new full Compendium in February 2020.

When it undertook the delayed full compendium, the ACIR instituted some significant changes. Prior to this edition, the ACIR listed each time a statute imposing one common category of mandate had been revised, even if the revision did not affect the mandate. Many have been revised multiple times, some even in a single year. As a result, descriptions of certain mandates could be multiple pages, even for relatively inconsequential mandates.

Given the ease with which legislative history can now be found online, the ACIR eliminated the lists of statutory changes and added guidance for finding that and other information on the legislative website. Not only did that change help eliminate nearly 300 pages from the compendium; it also saved a significant amount of staff time that previously was spent cross-checking whether legislation including no mandate impacted sections of text previously identified as imposing a mandate. The ACIR believes time previously spent on that is better spent on other activities.

**MUNICIPAL BUDGET
ADOPTION EXPERIENCES
IN CONNECTICUT:
2017-18 and 2018-19**

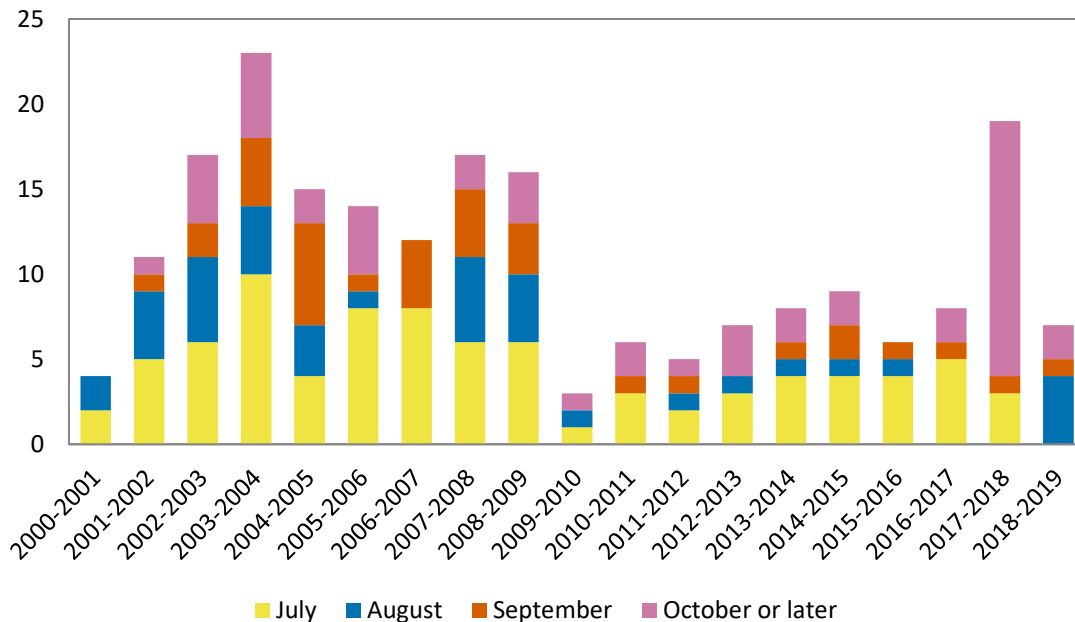
https://portal.ct.gov/-/media/ACIR/Budgets/2017-2019_Municipal_Budget_Adoption.pdf

The ACIR has for many years surveyed the 169 Connecticut municipalities and 17 regional school districts to evaluate their experiences adopting each year’s budget. (See Publications section of this report).

Due to the prolonged state budget process in 2017, the ACIR chose to delay that year’s study because of the resulting delays in many municipalities’ own budgeting. By the time it seemed reasonable to conduct the survey regarding that budget year, the following year’s budget adoption cycle was well underway. To avoid further burdening them, the ACIR chose to address both fiscal years with a single survey conducted in late 2018.

The following figure illustrates how unusual the 2017-18 budget adoption process had been for some municipalities. It is routine for many municipalities to adopt their budget before the state adopts its budget so, as usual, a large majority of municipalities adopted their budget on-time. Those that did not, however, were historically late in adopting their budget, with fifteen adopting their budget in October or later. That was less than 10% of the state’s municipalities, but a much larger proportion than in other recent years.

Number of Budgets Adopted after the Beginning of Fiscal Year



The ACIR's survey revealed that 67 municipalities adopted their 2017-18 budget by referendum and 69 did so for their 2018-19 budget years, a decline from the 72 that did so for 2016-17. Eight municipalities required three or more votes to adopt their 2017-18 budgets and eight did in 2018-2019. Only 1-2 had required so many votes the previous two years and only 4-5 did in other recent years. The 2017-18 state budget delay undoubtedly had an impact that year.

The ACIR's report noted that 34 municipalities reduced their budget in 2017-18 and 36 did in 2018-19, both of which were more than twice as many as had done so in previous years. Both years, a majority of municipalities increased their budget, by up to 3%.

Locally derived revenues are largely generated by property taxes so, if a municipality's budget increases more quickly than the value of taxable property increases, property tax rates will increase, all else being equal. The ACIR found that municipal budgets have tended to grow at a higher rate than municipalities' grand lists of taxable property. Recently, in fact, the rate of budget growth exceeded the rate of grand list growth by a factor of two or more in 100 of the state's 169 municipalities. Taxable property grew at a higher rate than budgets in only 29 municipalities.

The ACIR also studies budgets of the state's regional school districts and the results for 2017-18 and 2018-19 were consistent in many ways with those of recent years. In 2018, however, five of the seventeen districts required a 2nd vote, the first time so many have since 2008. Also, in 2018, for the first time since 2008, as many as three districts adopted their budgets after the beginning of June.

Overall, the regional districts' budgets increased by only 0.4% in 2018-19, a notable slowing of budget growth. None of the districts increased their budget by as much as 2% and only four had an increase exceeding 1%, although each of those approached or exceeded 1.9%. Previous ACIR reports have sometimes commented on the frequency of regional district budgets having increases of just under 2%. That said, the small budget increases of FY 2018-19 are without recent precedent.

Through the 2018-19 budget year, the ACIR has studied and reported on local government budget experiences for twenty-nine years. The compilation of such information might enable a more comprehensive examination of the local budget adoption process than would otherwise be possible.

The ACIR has not yet sought information regarding 2019-2020 budgets. As the COVID-19 pandemic arrived, the group was exploring collaboration opportunities to streamline the process by which municipalities submit

budget-related information to various state agencies and programs. Given the financial impacts being felt now and the uncertainty regarding future revenues and expenses, it might be appropriate to reconsider the approach of the ACIR's municipal budget research and reporting.

WORK PLAN FOR 2020

The ACIR intends to continue with its required annual review and reporting of mandates and with its traditional, but not statutorily mandated reporting on municipal budgeting.

As noted in the transmittal letter accompanying this report, the ACIR has set aside other planned work to provide guidance for municipalities in maintaining operations during widespread office closures and quarantines. The ACIR is doing this in part by developing a central clearinghouse of possible solutions. That work continues to evolve.

One activity planned for 2020 that has been postponed to accommodate more pressing work is a new approach for the study of mandates. The plan is to do a more rigorous analyses of a sample of existing mandates. The goal is to determine the actual impact of a selected set of mandates on municipalities and how they compare with predicted impacts. This would complement the reporting currently required by statute and possibly inspire a new approach in how that work is done.

The ACIR is especially interested in identifying factors that can account for variations in the impact of a mandate on different municipalities. CGS 2-79a authorizes the ACIR to make more frequent recommendations on state mandates and, in the coming years, the ACIR hopes to do so. It is too soon to know if it will begin in 2020 as was expected.

Finally, the ACIR had for many years selected an annual topic for research, hosted a symposium, and published its findings in a public report. That practice ended a number of years ago because of the reduced availability of OPM staff to support such efforts. By streamlining its mandate and budget review processes, the ACIR is freeing time for new efforts and welcomes suggestions for future work regarding intergovernmental relations.