

Advisory Commission on Intergovernmental Relations

Friday, April 14, 2023

A recording is available at: https://portal.ct.gov/-/media/ACIR/Meetings/2023/2023-04-14_ACIR_Audio.m4a

Members present: Kyle Abercrombie, Maureen Brummett, John Elsesser, John Filchak (Vice Chair), Sam Gold, Matt Hart, Martin Heft, Laura Hoydick, James O’Leary, Francis Pickering, Brendan Sharkey (Chair), Ron Thomas

Members not present: Carl Amento, Luke Bronin, Steve Cassano, Brian Greenleaf, Karl Kilduff, Jeff Kitching, Harrison Nantz, Keith Norton, Neil O’Leary, Troy Raccuia, Lon Seidman, Mike Walsh

Other participants: Sheila McKay, Brian O’Connor, CJ Strand

OPM staff: Rebecca Dahl, Christine Goupil, Bruce Wittchen

Member vacancies: Nominated by COST: Municipal official: Town of <10,000 population

1. Call to order and overview of telemeeting procedures

Commission chair Sharkey called the meeting to order at 10:36, noting the lack of a quorum. He asked members to consider if they would be interested in scheduling a hybrid meeting at the Legislative Office Building following the session.

2. Approval of the minutes of the [February 3](#) and [March 3](#) meetings.

Due to the lack of a quorum the draft minutes could not be approved.

4. CT Local Government of the Future (LGF) initiative (see notes of [3/28/2023 meeting](#))

- Goals of LGF Initiative

Commission vice chair Filchak noted that some members have not been involved from the beginning of the LGF initiative and recommended summarizing the goals for them. Commission chair Sharkey said the subcommittee should prepare that.

- [Property Tax Restructuring Report](#) and next steps

Commission chair Sharkey described his outreach to legislative leaders. He said this would be a good time for the legislative informational hearing discussed last month and it was suggested that the meeting be scheduled on a day that the House will be in session in late April or early May. He recommended inviting people from other organizations whose work overlaps, including the [School + State Finance Project](#), [CT Conference of Municipalities](#) (CCM), [CT Council of Small Towns](#) (COST), [CT Assoc. of Public School Superintendents](#) (CAPSS), and [CT Assoc. of Boards of Education](#) (CABE).

Commission chair Sharkey said he is disappointed with the lack of recognition of the impact of property taxes. He noted that education funding reform should be seen as property tax reform and added that the ACIR’s report on this is important. Commission member Hoydick recommended that the ACIR invite legislators who are current or former municipal officials and there was a discussion of how broad that category can be. Commission member Sharkey mentioned that

Commission member Hoydick previously emphasized the bipartisan nature of this initiative and recommended concentrating on this when we have a date for the informational hearing.

Commission vice chair Filchak mentioned [HB 6934](#), *An Act Making Adjustments To The Personal Income And The Earned Income Tax Credit And Concerning The Human Capital Investment Tax Credit, Tax Gap Reporting And The Tax Incidence Report*, and said Sec. 6 would modify [CGS Sec. 12-7c](#) to broaden the [Dept. of Revenue Services](#)' (DRS's) [tax incidence reporting](#). He said the broader study would make CT's reporting more like MN's.

- Engagement with RESC and COG directors/chairs re LGF initiative

Commission vice chair offered to convene a meeting of COG and [Regional Education Service Center](#) (RESC) executive directors to look at what can be done together by their organizations and at the municipal general government and education level. There was a discussion of scheduling the meeting soon after the end of the legislative session and of the potential benefits. Commission member Gold said he and former SECCOG executive director met with the executive director of a RESC in their area just once in seven years. He added that he has not met the executive director of another RESC that overlaps his region and said COGs and RESCs do the same things in different worlds.

There was a discussion of how the delivery of services could be reimaged. Commission chair Sharkey mentioned his involvement with RESCs and asked what OPM's role might be. Commission member Heft said OPM can have a seat at the table but mentioned the constraints on OPM involvement. Commission vice chair Filchak noted that RESCs are larger organizations than COGs and mentioned that the bifurcation of local general government and education tends to result in a similar difference at that level. There was a discussion of the higher levels of funding typically available to the education side at the regional and local levels.

Commission vice chair Filchak mentioned local requests for part-time financial assistants and said COGs could provide that but asked if RESCs should instead. Commission member Gold mentioned his municipalities' interest in the efficiency of school transportation and he pointed out that school transportation is the largest form of public transportation. He recommended looking at areas of overlap. Commission member Pickering cautioned against reinventing the wheel and said other states do these things. He recommended the proposed meeting be approached as a meet-and-greet without attempting to force an outcome. There was a discussion of the disagreement between the boundaries of various regional entities and of the pressure to find creative solutions. Commission chair Sharkey said this discussion will continue at the 4/25 LGF subcommittee meeting.

3. [School + State Finance Project](#) discussion with C.J. Strand

The group returned to Item 3 following the arrival of CJ Strand of the [School + State Finance Project](#). Commission chair Sharkey welcomed him and said the organization is on the front line in reevaluating education funding. CJ provided an overview of the organization and its roles, mentioning its work regarding CT's [education cost sharing](#) (ECS) formula and describing how the formula works, noting the state is in a 10-year phase in process.

CJ Strand described features of [HB 5003](#), *An Act Concerning Education Funding In Connecticut*, highlighting the potential fiscal cliff as temporary federal funds end and he said that if that funding is not replaced the result will be a reduction in services or increased property taxes. He noted that special education is not addressed directly but mentioned that the [Task Force to Study Special Education Services and Funding](#) being formed now is on a parallel track. Commission chair Sharkey said addressing special education funding is the first recommendation of the ACIR property tax restructuring report but not necessarily the first to be tackled. He said the focus is on equity and restructuring the relationship between the state and towns.

Commission chair Sharkey said the state has abdicated its special education responsibilities, pointing out that the ECS formulas would work well but are not fully funded, creating inequalities. He asked if HB 5003 can be recast as also being property tax reform. CJ Strand agreed that it would also accomplish that and said it can be discussed. Commission chair Sharkey mentioned the informational hearing proposed to be held at the legislature and said there is a potential role for the School + State Project. He agreed that things will become worse after additional federal funding ends.

John Filchak mentioned the detailed [fiscal note](#) for HB 5003 and asked CJ Strand if the School + State Project agrees with the findings. CJ said the organization helped with it and highlighted the impact of needs on the outcome of a needs-based ECS calculation. They are very close with their final analyses, but the result is a very large number. He also acknowledged that efforts to reduce income taxes impact what can be done regarding property taxes, but added that CCM is doing a great job with its messaging about this.

Commission chair Sharkey said he is not shocked by the expected cost; that's the level of commitment needed by the state. Commission member Thomas said he sees this being an important part of property tax reform and noted the concerns about the fiscal cliff following loss of federal funds. Brian O'Connor added that the current rate of inflation leads to even flat funding meaning falling behind. He also mentioned current issues regarding tuition and [open choice](#). Commission chair Sharkey asked how the administration responded to the HB 5003 fiscal note and Brian O'Connor said OPM questions whether the state can afford it and it is sustainable.

There was a discussion of how the Governor seems to be approaching this and balancing needs. Commission chair Sharkey said the administration seems interested in other recommendations of the ACIR report but the administration is focused on the income tax and sees education proposals as being a cost, not as property tax relief. Commission member Heft provided an overview of how education funding is treated in the Governor's budget. It follows the legislation without accelerating the phase in. Commission Sharkey said he hopes the School + State Project can participate in the ACIR's work and CJ Strand said they are interested.

5. Membership update, if any

There was no membership update.

6. Other Old Business

- Legislative update
 - HB 6670, [An Act Studying The Consolidation Of Metropolitan Planning Organizations](#)
 - Other legislation of interest

Commission vice chair Filchak said HB 6670 is just a proposal for a study at this point and there was a discussion of flaws in the proposal and its fact sheet. Commission member Heft said he had contacted the Governor's office following the ACIR's discussion last month and said who can be contacted. Commission chair Sharkey will contact him. Commission vice chair Filchak said questions regarding the number of MPOs are not new and this study is an opportunity to set the record straight and educate people on this topic.

Commission member Gold said there is no need for the bill. He said the CT Dept. of Transportation (DOT) understands MPOs and works closely with them now, not like in the past. He is surprised this bill came out now. Commission member Pickering said MPOs are on the same page with each other and mentioned factual errors and misunderstandings in the proposal. Commission member Gold said the formation of his COG involved the first merger of MPOs in the nation and described federal-level discussions of MPOs. Commission chair

Sharkey said he will contact the Governor's office and report back to this group. Commission member O'Leary said the study that would be assigned to the ACIR would require a lot of work and there should be funding for the study.

- Potential for collaboration with UConn [Inst. for Municipal and Regional Policy](#) (IMRP)

There was no update and Commission member Hart noted that he is an adjunct with [UConn's School of Public Policy](#) said he will discuss it with Prof. Alkadry, director of the school that includes the IMRP, and report back to the ACIR.

7. New business or any other municipal, regional, or state matters for ACIR consideration

Commission member Hart questioned how towns are using federal funds and said many are unwilling to provide the local match. The upcoming safe streets funding round will be telling. Commission chair Sharkey asked if this should be an LGF discussion or a discussion of the full ACIR and Commission member Hart recommended the latter. He said the requirement for a 20% match imposes extreme financial pressure and even reducing it to 10% would be good. Commission member Hoydick suggested this be discussed at CCM, COST, COGs, and MPOs. She noted the challenges and recommended doing it together.

Commission vice chair Filchak mentioned past discussions of this topic. He said the 20% match can be cost-prohibitive for small towns and noted that some grants have large minimum grant amounts. The state could leave hundred of millions on the table. Commission chair Sharkey asked if the ACIR should take this on, perhaps form a committee to review it. Commission vice chair Filchak said the state surplus is said to be off-limits and the federal agencies will not change their rules.

There was further discussion of the impact of the federal match requirement and of the possible benefit of increasing awareness of this and of engaging with the administration. Commission member Thomas suggested working on this between ACIR meetings and Commission member Pickering pointed out the resource demands to submit applications. He added that DOT relies on consultants to do that, but at a cost.

Commission vice chair Filchak noted that it is April 14 and the session ends soon. He asked about scheduling a special meeting of the ACIR with leaders of the Transportation and Finance Committees and DOT Commissioner. Commission chair Sharkey said help is needed for determining who to invite to such a meeting and recommended scheduling such a meeting in the coming weeks. Commission vice chair Filchak suggested DRS Commissioner Boughton, due to his role regarding infrastructure.

Commission chair Sharkey said the ACIR must have solutions in mind that it can request, highlighting that funds for matches are a big number while assistance with grant writing is a smaller number. We should provide a fully-formed package to the legislature and recommended meeting to formulate a plan. Commission member Pickering asked if the discussion should focus on specific dollar amounts or on needs more broadly. He mentioned his concern about expectations for towns to have skin in the game and noted that state dollars dedicated to local matches would bring federal dollars at a 4-1 ratio.

There was further discussion of who to include in such a conversation and Commission member Hart pointed out that Massachusetts is paying the local match for federal grants there. There was further discussion of advantages of that approach and Commission member Gold said federal dollars could replace bonded state dollars for various projects. There was a discussion of contacting DRS's Steve Nocera, who is involved with the federal infrastructure funding. Commission vice chair Filchak recommended doing this within two weeks and Commission chair Sharkey recommended a meeting be scheduled the morning of 4/28.

8. Future Discussion/presentations

- Town of Chester Governance Committee Study: [Report](#) and [Presentation](#)

Commission chair noted the interest in this study and in the a recent article by Tom Condon but said other things are pressing.

9. Additional public comments (if any)

There were no additional comments.

10. Upcoming meetings:

Commission chair Sharkey read the upcoming meeting dates, noting the possible meeting on 4/28.

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| • Tuesday, April 25, 2023, 10:30 am | Subcommittee |
| • Friday, April 28, 2023 | Possible special meeting to be determined |
| • Friday, May 5-, 2023, 10:30 am | Full ACIR |

11. Adjourn

The meeting adjourned at 12:07.

Minutes prepared by Bruce Wittchen, OPM