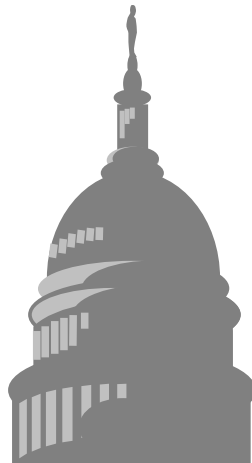


CONNECTICUT ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

A Multi-jurisdictional Agency Of Connecticut State Government



Annual Report For 2021 and Work Plan for 2022

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July 2022

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Karl Kilduff	Council of Small Towns

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 during the past year and its work plan for 2022-23.

The ACIR's work in 2021-22 included [Remote Meetings: Report to the Joint Committees on Planning and Development and Government Administration and Elections](#), which was assigned to the ACIR in Sec. 154 of [JSS PA 21-2](#). Following that report, [PA 22-3](#), made permanent the temporary provisions allowing remote meetings during the COVID emergency.

The ACIR also submitted the [Report on Home Rule and Local Control in CT](#) to the Planning & Development Committee in early 2022. That completed the first phase of what is anticipated to be a larger inquiry into and discussion of the local-state relationship. As noted in the report, the ACIR seeks direction on that from the General Assembly.

Reports like those rely on the considerable time volunteered by ACIR members and others, often working through the Local Government of the Future (LGF) subcommittee. Subcommittee work in 2020 led to an ACIR-proposed change to the [Regional Performance Incentive Program](#) (RPIP) adopted in 2021. The ACIR continues to assign the committee new topics.

This is the third annual report to mention the COVID pandemic. 2020's report noted the onset of COVID and 2021's report described the ACIR's clearinghouse of resources for municipalities. The ACIR has now taken down links to that clearinghouse to allow for updating, redirecting visitors to other state resources in the interim. The ACIR is interested in how insights gained during emergency changes in government operations can guide permanent improvements.

The ACIR continues its long-standing reporting on state mandates, a topic of continuing interest. The ACIR paused its annual reporting on municipal budget adoption experiences, as noted in last year's edition of this report. A decision has not yet been made about resuming that work, which is not required by statute. It might be worthwhile to consider if the effort can be reoriented to address issues that might be of greater interest now.

One final comment is a reminder that the General Assembly received the [final report](#) of the [Task Force to Promote Municipal Shared Services](#) issued its [final report](#) just weeks before COVID shutdowns. It was a collaborative effort of the ACIR and the chairs and ranking members of the Finance and Planning & Development Committees. Expectations for immediate legislative action led to nothing, due to the onset of COVID, but the ACIR hopes it can be revived for consideration by the full legislature in the next legislative session.

The ACIR welcomes comments and questions regarding the work described or proposed in this report. The ACIR is especially appreciative of suggestions that can help guide future activities. Please feel free to contact us, care of Bruce Wittchen, Office of Policy and Management, (860) 418-6323, bruce.wittchen@ct.gov.

Sincerely:



Brendan Sharkey, 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.

Remote Meetings: Report To the Joint Committees on Planning and Development and Government Administration and Elections

A highlight of the ACIR's work in 2021-22 was [Remote Meetings: Report To the Joint Committees on Planning and Development And Government Administration and Elections](#), which was assigned to the ACIR in Sec. 154 of [JSS PA 21-2](#).

The ACIR's report contributed to passage of [PA 22-3](#), making permanent the previously temporary provisions allowing for remote meetings during the COVID emergency. The ACIR's report was based in part on responses to a survey of local officials and others who participate in or are interested in municipal meetings.

The [analysis of survey responses](#) revealed overwhelming support for providing remote access. The ACIR recommended the state not mandate specific approaches and instead provide municipalities the flexibility to decide what is best for them. This is a rapidly evolving area that will require close attention to developments in technology and best practices.

LOCAL GOVERNMENT OF THE FUTURE INITIATIVE

The ACIR launched its Local Government of the Future (LGF) initiative as changes forced by COVID-19 demonstrated new ways of operating government and providing services. Coming at a time of increasing recognition of how the existing structure of government creates barriers, that crisis prompted the ACIR to reimagine government operations that harm people, businesses, institutions, and local governments, while also compounding economic and racial inequities. The ACIR's intergovernmental approach is a natural fit for this effort.

In 2021-2022, the ACIR's LGF Subcommittee, with considerable assistance from others, produced the ACIR's [Report on Home Rule and Local Control in CT](#). The ACIR considers it to be a starting point for a larger discussion and inquiry into the local-state relationship. This is an obvious area of interest for a commission with "intergovernmental" in its name.

ACIR Policy Studies

As discussed in last year's report, the ACIR members have worked with students of UConn's [School of Public Policy](#) and the University of Georgia's [Department of Public Administration and Policy](#). Reports were being completed in 2021-22 and a series of webinars started at that time and is expected to continue in 2022-23.

The initial webinar, cosponsored by the ACIR, UConn, the Capitol Region Council of Governments, and the American Society for Public Administration, was titled [Facilitating Innovation Through Developing and Implementing Best Practices: A Review and Suggested Process](#). It featured the work of UGA MPA student Ryan Miller and was moderated by an ACIR member and two others served on the reaction panel. A [recording](#) is available.

Other studies that have been completed and are ready for presentation include *Targeting municipal aid, municipal need-gap models*, by UConn student Haley Gilman; *Diversification of local revenue sources to overcome over reliance on local property taxes*, by UGA student Ilkka Kauppinen; and *Shared Services*, by UConn student Kylie Bouley.

ACIR COVID-19 Response

As mentioned previously, this is the ACIR's third annual report to mention the COVID pandemic. The ACIR has now taken down links to its clearinghouse that provided guidance intended to assist municipalities in maintaining operations. The ACIR is interested in how insights gained during emergency changes to government operations in

2020-2021 can guide permanent improvements and some specific ideas are discussed elsewhere in this report.

*NEW STATE MANDATES
ON MUNICIPALITIES
REPORTS: 2021*

https://portal.ct.gov/-/media/ACIR/Mandates/Session/ACIR_2021_Mandates_Report.pdf

Following a year in which the onset of COVID brought the most limited regular legislative session in memory, 2021 delivered especially active sessions. In 2021, 31 public acts created or expanded a mandate; only 4 had done so in 2020. The legislative sessions of 2017, 2018, and 2019 yielded 17, 14, and 20, respectively. As noted in the 2021 session mandates report, 2021's total greatly exceeded any recent year. One has to go back to 2011, when 41 bills included new or expanded mandates, or 2007, when 33 did, to find comparable numbers.

Of 2021's public acts, 16 included sections identified as having the impact of a mandate, but not specifically directed at municipalities. Only 3 did in 2020, the first year of COVID. That actually had been similar to previous years, when there were 3, 3, and 5 in 2017, 2018, and 2019, respectively.

The ACIR also tracks instances in which the state reduces and/or eliminates mandates, thereby providing administrative and/or fiscal relief to municipalities. The legislative sessions of 2017, 2018, and 2019 had yielded 11, 4, and 5 public acts, respectively, that reduced mandates. There were seven such acts in 2021 and none in 2020. As the ACIR has noted, over the years, even highly publicized mandate reduction bills often address mandates having little impact.

*COMPENDIUM OF STATUTORY
& REGULATORY MANDATES: 2022*

https://portal.ct.gov/-/media/ACIR/Mandates/Compendium/2022_Compendium_Supplement.pdf

The goal of the session mandates reports described in the previous section 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.

The ACIR is also directed to publish a compendium of all legislative and regulatory mandates. The first full compendium was published in 1998 and a full

compendium is due every fourth year, with an annual supplement due the other three years. The ACIR published its most recent full compendium in early 2020 and this year's supplement was the second of three to be published before the next full compendium is due in 2024.

*MUNICIPAL BUDGET
ADOPTION EXPERIENCES
IN CONNECTICUT*

As described in 2021's annual report, the ACIR paused its annual study and reporting on municipalities' and regional school districts' experiences adopting each year's budget. It appears that work began about thirty years ago with a study to determine if delays in municipal budget adoption processes were associated with particular budget adoption processes. The ACIR tackled the question by surveying towns and school districts and continued doing so without any legislative obligation for nearly 30 years.

The interruption forced by COVID might make this an opportune time to reconsider or reorient this work. Municipal budgets and budgeting processes are likely to face many challenges in the coming years and there might be a better way to study those than the approach designed to answer a different question 30 years ago. The ACIR will appreciate suggestions that can help guide future efforts.

ACIR WORK PLAN FOR 2022-23

Local Government of the Future initiative

As described earlier, the ACIR's overarching goal for Local Government of the Future (LGF) initiative is to reimagine local government operations and intergovernmental relations. It began in late 2020 and, in its initial stage, led to the introduction of three bills, one of those a Governor's bill that ultimately led to a significant change in the state's [Regional Performance Incentive Program](#) (RPIP).

The goal of the LGF initiative is to recommend feasible solutions to specific problems. Heading into the 2022-23 fiscal year, the ACIR has selected three broad areas and is determining a focused area within each for review:

- Municipal data collection
- Maximizing federal funding
- Property tax reform

The interest in data collection is prompted by recognition that the state's data collection efforts impose a burden on municipalities and yet little is done with some potentially worthwhile data. Some of the potentially meaningful data, furthermore, is required to be submitted in a manner not easily used by the state. The right data can help guide state and local decision making and the ACIR intends to develop recommendations that can advance data-driven solutions and reduce data reporting burdens on municipalities.

The ACIR's look at federal funding was prompted in part by references to CT in the Rockefeller Institute's 2022 report on [New York's Balance of Payments with the Federal Government](#). The report's focus was on the fact that NY does more poorly than most states in the ratio of funds the state receives from the federal government relative to the funds the federal government receives from that state. The report indicated that CT does worse than all other states. The ACIR is still crafting its approach, but is focusing on improving the capacity of municipalities, regions, and state agencies to identify and seek federal grants and other funding not currently coming to the state. County governments in other states often are independently eligible to receive federal funding and our regional councils of governments (COGs) had that in mind when they asked the state to seek [county equivalency](#) for COGs.

As for property tax reform, many people agree that reform is needed, but any specific change creates winners and losers among the state's 169 municipalities. Opposing parties, variations in wealth and poverty, and other factors

are additional barriers to change, as is the tendency of municipalities to not look beyond their borders. The ACIR's goal is structural change, not 1-time tax relief, and the goal is to develop a framework for focused reform and a transition plan.

The ACIR's work will be guided by recent work of others including the CT Dept. of Revenue Services' [2022 Tax Incidence report](#), 1000 Friends of CT property tax report, [Connecticut Property Taxes – Opportunity for Change](#), as well as the Federal Reserve Bank of Boston's 2013 report, [The Quest for Cost-Efficient Local Government in New England: What Role for Regional Consolidation?](#), which the ACIR has also referenced in previous work.

Task Force To Study Title 7 Of The General Statutes

Although the ACIR is not assigned a direct role, the legislature has included an ACIR representative on the 11-member *Task Force To Study Title 7 Of The General Statutes*, created in [SA 22-4](#). The task force is being organized at the time of this writing, but the ACIR has been interested in the potential for the restructuring Title 7 of the statutes, which contains many, but not all statutes related to municipalities.

ACIR Policy Studies

The ACIR expects to resume the policy study webinar series in 2022-23. Furthermore, it is anticipated that students and faculty from the universities of Connecticut and Georgia will contribute to various aspects of the work the ACIR is planning 2022-23, leading to preparation of further policy studies that can help guide future policy changes.

As previously noted, studies that have been completed and are ready for presentation include *Targeting municipal aid, municipal need-gap models*, by UConn student Haley Gilman; *Diversification of local revenue sources to overcome over reliance on local property taxes*, by UGA student Ilkka Kauppinen; and *Shared Services*, by UConn student Kylie Bouley.

Another study, *Accelerated use of advanced IT for state and local public services*, had to be concluded early because the student took a job out of state, but an early draft will provide a good foundation for continued work on that important topic.

Additionally, ACIR members have been invited to submit a perspectives essay for publication in *State & Local Government Review*, a public administration journal. That essay is in preparation and should help bring further attention to the ACIR's work and, perhaps, attract attention from researchers who might contribute to intergovernmental efforts in CT.

Mandate Research and Reporting

The annual review and reporting of mandates will continue in 2022-23 and the ACIR will continue to consider alternatives to its long-standing approach in classifying mandates and their fiscal impacts. Although it might not begin in 2022-23 has discussed the potential benefits of evaluating a sample of established mandates each year to assess how impacts actually experienced by municipalities compare with those predicted at the time of passage and how different municipalities might experience those impacts differently. That work was expected to begin in 2020 but was interrupted by COVID-19 and the additional workload the ACIR has taken on since then might prevent the ACIR from starting such a review in the coming year.

Municipal Budget Adoption Experience Studies And Reporting

As noted earlier in this report, the ACIR has paused its traditional annual study and report on municipal budgeting experiences, something the ACIR had done for decades although not required by statute. The most recent report began to refocus that work but no plans have been made to restart those studies in 2022-23.

ACIR COVID Assistance

At this time the ACIR does not plan further COVID-19 response work in 2022-23 but, as discussed in other sections of this report and workplan, will continue its consideration of changes made under emergency executive order that should be considered for permanent implementation.

Task Force to Promote Municipal Shared Services

The ACIR's efforts in 2022-23 will be guided in part by the 2019-2020 work of the Task Force to Promote Municipal Shared Services. The task force included the full membership of the ACIR and a bipartisan group of legislative leaders and was established by Sec. 366 of [PA 19-117](#) to "study ways to encourage greater and improved collaboration among the state and municipal governments and regional bodies."

The task force's [final report](#) was issued immediately before the shutdowns of COVID and, as a result, was unable to lead to immediate legislative action. The ACIR will encourage the revival of that report, including but not limited to task force's primary 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 Policy and Planning 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

A crisis like COVID can change expectations and established ways of doing things. Some changes initially implemented through emergency executive orders have already been codified in statute but beneficial changes generally require a more purposeful approach. Various task forces and commissions have failed to gain traction with key recommendations in the past and, having learned from those experiences, the ACIR is especially attentive to concerns that are raised as it crafts recommendations and it looks to concept of change management to help achieve progress.

Other

In late 2021, the ACIR chair and former vice-chair [wrote to the Governor](#) to request funding for additional staff at OPM to support the ACIR's work. The ACIR relies on the

considerable time volunteered by members and others for its research and reporting, limiting the ACIR's capacity for its important work. That request to the Governor also advocated for a policy institute at UConn comparable to the former [Institute of Public Service](#) that had played a very important role in state and local government for many years. The state's approved 2022-23 budget did not provide the desired funding and discussions will continue leading up to the 2023 legislative session and the next biennial budget.