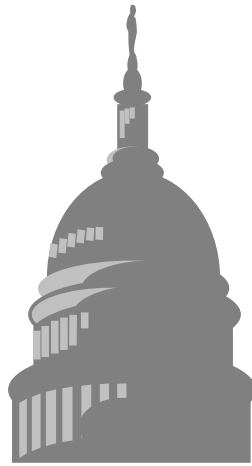


CONNECTICUT ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

A Multi-jurisdictional Agency Of Connecticut State Government



Annual Report For 2022-23

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

November 3, 2023

Advisory Commission on Intergovernmental Relations Membership

Officers

Brendan Sharkey, Chair	Designee of Speaker of the House of Representatives
John Filchak, Vice Chair	Public Member, appointed by Senate President Pro Tempore

Members

Steven Cassano	Designee of Senate President Pro Tempore
James O'Leary	Designee of Senate Minority Leader
Brian Greenleaf	Designee of the House Minority Leader
Kyle Abercrombie	Designee of Commissioner of Econ. and Community Development
Harrison Nantz	Designee of Commissioner of Energy and Environ. Protection
Keith Norton	Designee of Commissioner of Education
Martin Heft	Designee of the Secretary of the Office of Policy and Management
<i>Pending Approval</i>	Nominated by COST and appointed by the Governor
<i>Pending Approval</i>	Nominated by COST and appointed by the Governor
Hon. Mike Walsh	Nominated by CCM and appointed by the Governor
Hon. Laura Hoydick	Nominated by CCM and appointed by the Governor
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Maureen Brummett	CT Association of Public School Superintendents
Matt Hart	CT Association of Councils of Governments
Troy Raccuia	Representative of organized labor, appointed by the Governor
Jeffrey Kitching	Public Member, appointed by the Governor
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	CT Conference of Municipalities
Karl Kilduff	CT Council of Small Towns

Staff

Christine Goupil	Office of Policy and Management
Bruce Wittchen	Office of Policy and Management

To the Connecticut General Assembly:

This is the [Advisory Commission on Intergovernmental Relations'](#) (ACIR's) annual report on its activities through September, 2023. The ACIR believes that experiences during the COVID pandemic and simultaneous economic disruptions of the past few years reveal many challenges but also opportunities for future government operations. The ACIR considers this to be an issue of some urgency because of the continuing role of temporary federal funding in state and local budgets. A fiscal cliff might be on the horizon.

At the time of this report, the ACIR is considering its next steps following an in-person visioning workshop held 9/8/2023. The two central questions going into that workshop were:

- What is ACIR doing, why is it doing it, and what could/should it be doing?
- What actions can/should be taken to achieve ACIR's vision? What are the barriers, opportunities, and timelines?

Members believed it was time to re-assess everything from the make up of the ACIR's membership to how it formulates and conveys recommendations to state and local leaders. The ACIR is considering changes that might be implemented administratively and some that would require legislations. It is critical that the ACIR assess its capabilities, expectations placed on it, and what changes are necessary to enable it to meet rising expectations.

For many years, expectations for the ACIR focused on its annual studies and compilations of state mandates. That work continues as the ACIR takes on new projects, but the ACIR is also considering potential improvements to its long-standing mandate reporting process. The goal is to deliver actionable findings, not just another report. .

The ACIR has initiated the study assigned to it by [SA 23-13, An Act Studying The Consolidation Of Metropolitan Planning Organizations](#). This is a topic of considerable significance, but it is one that few people are aware of. The state's Metropolitan Planning Organizations (MPOs) have a central role in the allocation of large amounts of federal funding. All but two of the state's Councils of Governments (COGs), which serve their member municipalities in a variety of roles, are associated with MPOs and receive a considerable amount of their funding for their MPO role. The ACIR believes it is ideally suited to do that study due to the breadth of interests represented by its members, four of whom are executive directors of MPOs. That work will be discussed in the ACIR's next annual report.

The ACIR's increasingly prominent role is reflected in that and other assignments in recent years. The ACIR also undertakes work within its statutory authority on topics not specifically assigned to it. During the past year, the ACIR developed and circulated a [draft report on property tax restructuring](#). The ACIR is in the process of refocusing that work. The ACIR's growing influence is also reflected in [SA 22-4, An Act Establishing a Task Force To Study Title 7 Of The General Statutes](#), which assigned an ACIR member to what should be a pivotal endeavor.

One final comment: just days before the COVID shutdowns of 2020, the ACIR presented the [final report](#) of the [Task Force to Promote Municipal Shared Services](#) to the General Assembly. That report, a collaborative effort by the ACIR and chairs and ranking members of the Finance and Planning & Development Committees, was well received and legislative action was expected to follow. The onset of COVID and all that followed stalled that action and the ACIR looks forward to supporting legislative leaders in reviving and updating those recommendations.

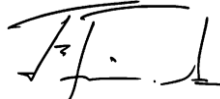
The ACIR welcomes suggestions and questions regarding the work described or proposed in this report, especially suggestions that can help guide future activities. The ACIR's activities have been constrained by the limited staffing available to it since it lost its full-time staff support in

2009, but OPM this year made Policy Development Coordinator and former legislator and first selectman Christine Goupil available on a part-time basis. The ACIR is considering additional options to support the needed work of the ACIR. Please feel free to contact us, care of Bruce Wittchen, Office of Policy and Management, (860) 418-6323, ACIR@ct.gov.

Sincerely:



Brendan Sharkey, Chair



John Filchak, Vice 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.

LOCAL GOVERNMENT OF THE FUTURE INITIATIVE

The ACIR launched its Local Government of the Future (LGF) initiative as COVID forced changes in government operations and service delivery. That demonstration of new approaches, coming at a time of increasing recognition of barriers created by the existing structure of government, prompted the ACIR to reimagine government operations to reduce burdens on people, businesses, institutions, and local governments while reducing economic and racial inequities. The ACIR's intergovernmental approach is a natural fit for this effort.

2023 ACIR VISIONING SESSION

The ACIR held a half-day, in-person visioning workshop on 9/8/2023. The two central questions going into that workshop were:

- What is ACIR doing, why is it doing it, and what could/should it be doing?
- What actions can/should be taken to achieve ACIR's vision? What are the barriers, opportunities, and timelines?

Four priorities were identified:

- Meet in-person meetings some months
- Define and redefine the ACIR's mission and role

- Evaluate and consider potential changes to the current organizational structure. Some examples include:
 - Should ACIR membership include one or more members the General Assembly instead of members of the public appointed by them?
 - Should ACIR membership include someone representing the federal level?
 - Explore options for ACIR members to name a designee to attend in their place.
 - Should some members appointed by the Governor following nomination by the CT Conference of Municipalities or other organizations be appointed directly by those organizations?
 - Should ACIR leadership be voted on by members rather than be appointed by the Governor?
 - Should there be a statutory or other framework for replacing members who do not attend regularly?
- Reevaluate the approach of the ACIR's mandates and other statutory reports.

The ACIR will continue this discussion into 2024.

*PROPERTY TAX REFORM
FOR CONNECTICUT:
A REPORT AND
RECOMMENDATIONS (DRAFT)*

https://portal.ct.gov/-/media/ACIR/Meetings/2023/Draft_ACIR_Property_Tax_Restructuring_Report.pdf

During the past year, the ACIR developed and circulated a [draft report on property tax restructuring](#). That work came out of the ACIR's LGF initiative and was prompted by the lessons learned from the reinvention of the state-regional-local relationship during the COVID-19 pandemic. The ACIR is in the process of reorienting that work, but will continue its focus on the property tax because of the harms resulting from CT's over-reliance on that tax.

The ACIR recognizes that true structural reform of our tax system will require significant initial investment from the state. Surpluses arising from federal funding available only in the short-term have provided a unique opportunity to provide the state investments necessary to reset the baseline for local government finance and develop long-term savings and efficiencies to permanently reduce CT's over-reliance on the property tax.

Over the years, many people and organizations, and commissions have issued reports and recommendations regarding the property tax and potential reforms. Rather than re-invent the wheel, the ACIR assessed that work and, in its draft report, recommended the following actions as being achievable in the short term and necessary for the long-term goal:

1. Increase State Commitment to Special Education
2. Close the Needs-Capacity Gap Among Municipalities
3. Consolidate Services onto Regional Platforms
4. Statutorily Promote Municipal Cost Savings
5. Maximize Federal Funding
6. Diversify Local Revenue Options

The report remains a draft, but it is a draft that has been shared with state leaders and is available to the public. The ACIR is reconsidering its approach with this report, in part because 2023's income tax cut limits the state's ability to immediately reduce some of the most significant burdens that municipalities experience unequally. Property tax reform is a more nuanced goal than an income tax cut.

Many legislators and local leaders have long been interested in reforming the property tax, but short-term federal dollars have temporarily removed much of the pressure. The ACIR believes interest will return with reductions in that funding, which is already being experienced as school districts lay off teachers.

To the extent that property tax reform does not yet resonate with leaders, associated issues certainly do, such as housing affordability and challenges in delivering municipal services. There also is an increasing recognition of coming disruptions, for instance, in commercial real estate valuations as leases expire with offices empty. ACIR members believe we have yet to see the full impact of a variety of changes that will impact municipalities and the state.

TASK FORCE TO STUDY TITLE 7 OF THE GENERAL STATUTES

https://cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Special+Act&which_year=2022&bill_num=4

Special Act 22-4 created the Task Force To Study Title 7 Of The General Statutes, with one of the eleven positions on the task force being reserved for a member of the ACIR. The Minority Leader of the Senate has appointed ACIR member Sam Gold to the task force, which will look into a topic of long-standing interest to the ACIR.

NEW STATE MANDATES ON MUNICIPALITIES REPORTS: 2022

https://portal.ct.gov/-/media/ACIR/Mandates/Session/ACIR_2022_Mandates_Report.pdf

In 2022, 24 public acts created or expanded a mandate; fewer than the 31 that had done so in 2021 but far more than the 4 that had done so in 2020, the year that the onset

of COVID brought the most limited regular legislative session in memory.

2022's total of 24 exceeded the total for any recent even year, but the ACIR identified 20 or more such acts in three of the five previous even years. We distinguish between even and odd years due to those having short and long legislative sessions, respectively. As noted in the ACIR's 2021 report, that year's total had greatly exceeded the total for any recent long-session odd year.

Of 2021's public acts, 7 included sections identified as having the impact of a mandate, but that are not specifically directed at municipalities. That is much fewer than the 16 that did in 2021, but more than the 3-6 that had done so in the even years of 2010 – 2018. These mandates often result from requirements for higher levels of coverage by group health insurance policies, which affect all employers, not only municipalities.

The ACIR also tracks instances in which a public or special act reduces or eliminates mandates, thereby providing administrative or fiscal relief to municipalities. Five bills passed in 2022 did so, compared with seven in 2021 and zero in 2020. The legislative sessions of 2017, 2018, and 2019 had yielded 11, 4, and 5 public acts, respectively, that reduced mandates. As the ACIR has noted previously, many mandate reductions focus mandates having little impact and even highly publicized mandate reduction bills often do too.

COMPENDIUM OF STATUTORY & REGULATORY MANDATES: 2023

https://portal.ct.gov/-/media/ACIR/Mandates/Compendium/2023_Compndium_Supplement.pdf

In addition to the annual session mandates report described in the previous section of this report, the ACIR is also directed to publish a compendium of all legislative and regulatory mandates. Although both reports address mandates, the annual session report identifies public and special acts that created, increased, or reduced a municipal mandate in a particular year. The compendium described in this section, on the other hand, identifies sections of the state statutes and regulations imposing a mandate. Note that the compendium includes regulatory mandates while annual session reports do not.

The first full compendium was published in 1998 and a full compendium, identifying all known mandates, is due every fourth year. An annual compendium supplement is due the other three years and identifies changes since the previous year's edition. The ACIR published its most recent full compendium in early 2020 and this year's

supplement was the third supplement before the next full compendium, which is due in 2024.

The ACIR is reconsidering its long-standing approach for reporting on mandates. The approach has been to simply catalog mandates, with minimal analysis, due to the daunting scale of work that would be required to analyze all. The ACIR believes a more thorough analysis of even just a few each year might be very informative and actually published some preliminary work in this area back in 1995:

https://portal.ct.gov/-/media/ACIR/Misc_Reports/1995/ACIR_Cost_Estimates_for-Selected_Mandates_1995.pdf

Some of the municipal responses recorded there offer some insights into how mandates can be experienced differently. The ACIR's thoughts about studying mandates in a more focused manner are reflected in Recommendation 9 of the previously mentioned [2020 report](#) of the [Task Force to Promote Municipal Shared Services](#).

Although not specifically mentioned in that task force recommendation, the ACIR believes there is much to be learned from how the impacts of different mandates are associated with differences in municipal population, staffing levels, governance, and other factors.

Whether or not the ACIR is ever "required" to do that, as recommended in the task force report, the ACIR is already considering how to study how municipal experiences with mandates compare with predictions made at the time mandates were enacted and whether such gaps vary according to characteristics of the municipalities. Doing so could be a significant step towards understanding the likely costs future legislative and regulatory actions.