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FINANCE

Reform prevailing wage

Connecticut's prevailing wage law, §31-53 and §31-53a, applies to local public works contracts. However, the dollar value above which prevailing wage requirements apply in Connecticut has not been indexed to inflation. As a consequence, the law is increasingly being applied to projects for which it was never intended. As the prevailing wage is significantly higher than market rate, this has had the effect of driving up costs to municipalities.

To address this unintended cost escalation, WestCOG recommends that the dollar value at which prevailing wage applies be adjusted to account for inflation since it was first instituted, and that the threshold be automatically indexed to inflation in the future. WestCOG recommends establishing the following thresholds:

- \$1 million for new construction
- \$400,000 for renovation

Objective: relieve a growing yet unintended burden on municipalities and taxpayers by restoring the real value at which prevailing wage applies, and indexing it to inflation for the future.

Add thresholds to DBE/SME set-aside to keep projects on track

Increasing diversity in state contracting is an admirable goal. However, it is not a goal that can be achieved overnight. The short period between the passage of the new DBE/SME set-aside and its effective date, as well as the broad range of projects it covers, means that neither towns nor the state are fully prepared to implement it.

To ensure that this new mandate will not hold up project delivery, potentially costing jobs and driving up costs, WestCOG recommends that the set-aside be adjusted to kick in above the following thresholds:

- \$1 million for new construction
- \$400,000 for renovation

Objective: limit delays and cost escalation by applying the DBE/SME set-aside only to projects that are also subject to the prevailing wage.

FINANCE (continued)

Fix municipal spending cap

A spending cap can promote fiscal restraint. However, unless the cap gives cities and towns the power to control external cost drivers, or provides them with exceptions to cover those drivers, the cap risks penalizing them (and their residents) for factors beyond their control.

To ensure that the new municipal spending cap does not have this consequence, WestCOG recommends that the cap be modified to:

- Exempt costs associated with capital projects; with environmental compliance; with compliance with new mandates; and with changes in costs due to market volatility;
- Suspend the cap in municipalities where state aid to municipalities is frozen or reduced;
- Allow municipalities annually to override the cap by public referendum; and
- Empower municipalities that would exceed the cap to implement service sharing with school districts where there are demonstrable cost savings but no significant impact on educational quality.

Objective: hold cities and towns harmless for costs beyond their control, while bringing more costs under their control (through empowering them to consolidate internally).

Preserve municipal aid

Connecticut's property taxes, which are among the highest in the nation, undermine the state's competitiveness. Given strict limitations on municipal taxing authority, cuts to municipal aid could force increases in property tax rates, causing further deterioration in the state's economy.

WestCOG asks the General Assembly to preserve municipal aid at least at current levels and to resist the creation of any new, unfunded mandates on cities and towns.

Objective: prevent further deterioration in the state's economy by opposing cuts that would result in property tax increases.

LEGISLATIVE PROCESS

Amend the constitution to foster good governance

In recent years, important bills have been postponed until the end of the legislative session and then rushed through as emergency legislation. This inhibits review by legislators and the public, detracting from the quality of the laws enacted and undermining trust in the process.

To promote good governance, WestCOG recommends constitutional amendments that:

1. Require a minimum review period for all bills, proportional to the length of the bill, including for the budget implementer; and
2. Only permit 'emergency legislation' when an official emergency declaration has been made in Connecticut by the state or the federal government.

be considered for adoption.

Objective: restore faith in the legislative process and improve the quality of laws by ending the abuse of emergency designation and providing sufficient time for legislative review.

TRANSPORTATION & INFRASTRUCTURE

Become a leader in broadband Internet through market reforms

WestCOG applauds the Governor's vision for a transportation system overhaul, *Let's Go CT*.

Missing from this vision, however, are provisions to bring Connecticut's information highway up to best-in-class standards. Given how important Internet access is to the economy, this is a serious omission. A state with uncongested highways and fast trains will not grow in the 21st century if its businesses and residents are still hooked up to 20th century connections.

A primary reason for the low speeds and high cost of Internet access is a dearth of competition. In most of Connecticut, residents and business have minimal choice, or no choice at all, for wired broadband Internet. States and countries that have undertaken reforms to create open markets for Internet access have realized lower prices and faster service as a result of new competition.

WestCOG urges the General Assembly to follow these examples and begin a process to reform the regulation of telecommunications service, with the goal of creating a competitive market.

Objective: make Connecticut a leader in high-speed Internet and a leader in the 21st century economy.

Identify actual barriers to transit-oriented development

WestCOG supports transit-oriented development (TOD). However, last year's proposal for an authority empowered to override zoning and to seize property presupposes that municipalities and property owners are the reason why TOD has not taken hold in Connecticut. In WestCOG's view, this is leaping to conclusions. Many other factors, including market conditions, demographics, a shortage of experienced developers, financing, inadequate transit service, and state regulations and statutes, could explain a perceived lack of TOD.

Rather than propose a solution to a problem whose cause has not yet been identified, WestCOG recommends that the General Assembly commission a study to quantify the market for TOD in Connecticut and to identify what barriers there are to meeting those demands. The purpose of the study would be to inform legislation—legislation that, because it would be based in science, would have a greater likelihood of leading to successful TOD creation.

Objective: enable Connecticut to become a leader in TOD by giving its legislators the information they need to craft science-based policies that respond to the actual barriers to TOD.

ENERGY

Expand opportunities for virtual net metering

Connecticut's virtual net metering program, which allows electric customers to lower their bills and to become energy independent by generating energy off-site has proven so popular that the program has reached its statutory cap and is no longer accepting new projects from municipalities. The closure of the program removes a key driver in the development of local clean energy industry and in the redevelopment of landfills and other contaminated properties.

WestCOG recommends building on the success of the virtual net metering program by:

1. Increasing its cap to \$40 million; and
2. Exempting projects that are sited in brownfields from the cap.

These changes will enable the program to meet the strong demand that exists, as well as provide a powerful incentive for the transformation of municipal liabilities into energy and tax generators.

Objective: enable municipalities to lower electric bills, promote resilience, and generate clean energy by enabling more cities and towns to use virtual net metering.

HOUSING

Modify §8-30g to incentivize more affordable housing

WestCOG shares the common goal of increasing the supply of affordable housing in the region. Unfortunately, Connecticut's affordable housing law, §8-30g, does not fully count all types of housing subject to an affordable housing deed restriction as affordable. This unequal treatment has the perverse effect of disincentivizing the creation of affordable housing as well as the renewal of such restrictions.

To stimulate the creation of new affordable housing in the region, and to preserve the region's existing affordable housing stock, WestCOG recommends that §8-30g be updated to credit fully all deed-restricted senior housing, supportive housing, and housing in Incentive Housing Zones towards municipal obligations under the law.

Objective: stimulate the creation of new affordable housing by treating all forms of housing equally under §8-30.

Enable towns to require all housing to follow health/safety regulations

Recent court decisions have undercut communities' ability to limit housing development in areas, such as public water supply watersheds and floodplains, that are critical to the health of their residents and to the protection of property. Such irresponsible growth can increase the risk of water supply failures and flooding, for instance, or create the need for expensive facilities such as treatment plants and flood control systems.

To ensure that new housing does not create unacceptable risks to existing residents and property, WestCOG urges the General Assembly to amend the Connecticut General Statutes to:

1. Prioritize the provision of safe drinking water and flood protection above housing; and
2. Empower municipalities to require that all housing, including that developed under §8-30g, to abide by local land use regulations when constructed in an area that has been identified by the local or state Plan of Conservation and Development as containing resources that are critical to drinking water and flood protection.

Objective: protect health and property by giving municipalities the power to protect critical resources from housing development.

SOCIAL SERVICES

Regionalize drug abuse and mental health services

A patchwork quilt of various state-funded organizations provides drug abuse and mental health services. These include Regional Action Councils, Mental Health Boards, Health Districts, and Regional Education Service Centers. While many of these organizations do a good job, there is a need to improve coordination among them to ensure that people do not slip through the cracks and to see that resources are being deployed in the most effective and efficient manner possible.

Given the epidemic of drug overdoses, WestCOG strongly urges the General Assembly to:

1. Create a task force to investigate and develop a plan to address and reverse the problem of heroin and opioid abuse;
2. Dedicate seized drug asset proceeds to the implementation of evidence-driven strategies, specifically including those recommended by the task force; and
3. Review and, where recommended, restructure how drug abuse and mental health services are provided.

Objective: save lives by improving coordination among drug abuse and mental health organizations.

TRANSPORTATION

Modernize and extend the Danbury Branch Line

Connecticut's focus on the Metro-North New Haven Line has enabled massive ridership growth and economic boom in Lower Fairfield County. The flipside of this emphasis, however, has been neglect of the branch lines. The consequences of this neglect have been a reduction in service, with corresponding stagnation in ridership, disinvestment in historic city and town centers, and economic underperformance. With highways congested and few opportunities to add capacity, and transit use growing nationwide, the time is right to reinvest in the state's rail branches.

To connect residents with jobs, spur investment in city and town centers, WestCOG asks that the Danbury Branch Line be extended to New Milford and that the line be modernized with new track as needed and electrification along its entire length.

Objective: increase economic opportunity and revitalize city and town centers by electrifying and extending the Danbury Branch Line.