

# 2001 MAJOR ISSUES

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## TO OUR READERS

Every year, legislative leaders ask the Office of Legislative Research (OLR) and the Office of Fiscal Analysis (OFA) to provide brief background on important issues we think the General Assembly will face in the coming session. This report is our response. It represents the professional, nonpartisan views of OLR and OFA staff derived from interim studies, research requests, nonconfidential discussions, and subject expertise. The issues listed here are not staff suggestions or recommendations.

Because many of the major issues cut across committee jurisdictions, we have grouped them by subject. But at the end of the descriptions, we also list the committees most likely to address them.

For additional information about these or other legislative issues, contact OLR (240-8400) or OFA (240-0200). And check the Major Issues online through the session for updated links to nonpartisan background reports, bills, and other information about the issues.

## TOP ISSUES

### **BUDGET AND SPENDING CAP**

Funding deficiencies and current or additional services without exceeding the state's spending cap.

### **STATE AID TO EDUCATION**

Distributing Education Cost Sharing (ECS) aid to towns and paying for special education.

### **PRESCRIPTION DRUG COSTS**

Ensuring access to medications and managing rising drug costs in state medical benefit programs.

### **MENTAL HEALTH SERVICES**

Improving access and prevention, revamping the children's mental health system, and promoting state agency collaboration.

### **TRANSPORTATION**

Addressing the economic and environmental costs of traffic and providing affordable public transit, a world-class airport, and improved ports.

### **VOTING PROCEDURES**

Replacing outdated machines, distributing electoral votes, and handling presidential and military ballots.

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## BUSINESS AND LABOR

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### *Paid Family Leave*

The U.S. Labor Department finalized regulations last summer to allow states to pay unemployment compensation benefits to parents who take leaves of absences to care for newborn or newly adopted children. The General Assembly will likely be asked to consider legislation allowing paid parental leave in Connecticut. **(Labor and Public Employees)**

### *Job Training*

By January 1, 2001, PA 00-192 requires the Office of Workforce Competitiveness to recommend to the General Assembly the most effective system for delivering job-training services to Connecticut residents. Depending on the recommendations, the General Assembly may be asked to consider altering the present system. **(Labor and Public Employees)**

### *Unemployment Compensation*

Thanks to a surging economy and low unemployment rate, the state's Unemployment Compensation Trust Fund has been taking in significantly more revenue than it has been paying out in benefits. Employer organizations may seek tax reductions while labor and other organizations are likely to ask for increased or expanded benefits. **(Labor and Public Employees)**

## CHILDREN

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### *Children's Mental Health*

Last session, the General Assembly initiated a restructuring of the state's children's behavioral health system in an effort to remove bottlenecks, make it more community-based and coordinated, maximize federal funding, and assure that state funds were used in the most effective way. The departments of Children and Families (DCF) and Social Services (DSS) plan to pool federal and state dollars currently spent on children with serious emotional disturbances and change how they purchase services for them. The proposed changes may provoke controversy among providers and clients who could bring the issues to the General Assembly.

The Governor's Blue Ribbon Commission on Mental Health, in an attempt to bring home emotionally disturbed children placed in out-of-state facilities, recommended legislation to prevent towns from using zoning regulations to keep facilities for such children out of their communities. **(Human Services, Children, Appropriations)**

### *Guardianship Subsidies*

When a relative becomes a guardian for a child who has been in DCF foster care for at least a year, he or she can receive a monthly subsidy of up to \$745. But when a relative assumes guardianship through the

probate court for a child who has not been committed to DCF, he or she receives only \$333 a month as a “child-only” unit under the DSS’ Temporary Family Assistance program. Probate court-appointed guardians, many of whom are grandparents, and their advocates have been part of a legislative working group that may propose ways to provide greater financial and other types of support. **(Human Services)**

### *Child Advocate Oversight*

Newspaper reports and legislative hearings raised questions about whether placing the Child Advocate’s Office in the Executive Branch hinders its ability to investigate independently how state agencies provided care and services to children, especially in controversial cases. The General Assembly may see proposals to move the Advocate’s Office to the legislative or judicial branch of government. **(Judiciary)**

## **CONSUMER PROTECTION AND PRIVACY**

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### *Financial Privacy*

The 1999 federal law that removed barriers to cross-ownership of banks, securities brokerages, and insurance companies limits when financial services companies can share consumer information. It requires banks to develop written privacy policies, disclose them to consumers,

and permit consumers to opt out of information sharing with unaffiliated third parties. But it does not let consumers opt out of information sharing among affiliated companies or in connection with joint marketing agreements among non-affiliated financial institutions.

The law requires the U.S. Treasury to study the feasibility of such an option, among other issues, and report in January 2002. Although the federal law preempts many aspects of state law, it seems to allow states to legislate in the area of financial privacy, which may lead to legislative proposals this session. **(Banks)**

### *Predatory Lending*

The National Predatory Lending Task Force issued a report in June 2000 on some lenders’ practice of charging the poor, the elderly, and people with credit problems high interest rates and extra fees on home equity loans and refinancing. The report recommends mostly federal changes, but the General Assembly may also consider state proposals to protect people from abusive practices. **(Banks)**

### *Pre-Need Funeral Contracts*

Pre-need funeral service contracts allow people to plan and pay for their own funerals. Sales of these contracts have resulted in millions of dollars of escrow account investments. There may be proposals

to provide greater consumer protection for these investments. **(General Law)**

### *Auto Leasing*

More and more consumers are choosing to lease rather than buy new cars. Federal law requires lessors to disclose certain financial factors related to an auto lease, such as the auto's capitalized cost at the start of the lease, its residual value at the end of the lease, the depreciation amount, and the total monthly lease payment. A state law that takes effect on July 1, 2001 supplements these requirements by also requiring lessors to disclose the lease rate. But because certain aspects of the new law remain controversial, there may be proposals to modify it before it takes effect. **(General Law)**

## **CRIME**

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### *Prison Overcrowding*

The state's correctional system, with over 16,000 inmates housed in 20 correctional facilities, is considered overcrowded. The Department of Correction (DOC) has dealt with the problem by reopening its Northeastern Correctional facility, double-bunking most cells, converting or renovating alternative space, and increasing the number of dormitory beds. It also sent 484 inmates to Virginia under a one-year renewable contract with that state.

Although DOC plans to expand a number of facilities, it anticipates that a new correctional institution will be necessary soon and has solicited towns to determine an appropriate location. The Legislative Program Review and Investigations Committee is studying the situation and will report by the beginning of the 2001 session. The General Assembly may see efforts to increase alternatives to incarceration and address the management of pre-trial inmates and those with substance abuse problems. **(Judiciary, Appropriations)**

### *Mental Health Programs For Offenders*

The General Assembly may take up legislation mandating more specialized screening and treatment for offenders with mental illnesses or substance abuse disorders. The Governor's Blue Ribbon Commission on Mental Health recommended expanding community-based treatment and prison diversion programs and improving coordination among the many state agencies that serve offenders and ex-offenders with these disorders. **(Judiciary)**

### *Juvenile Justice*

Two reports due to legislative committees in January may prompt bills to change Connecticut's juvenile justice laws. The first is an independent research organization's preliminary cost-benefit analysis of

juvenile justice programs and their effectiveness in reducing recidivism. The second, from the 21-member Commission on Racial and Ethnic Disparity in the Criminal Justice System, may recommend additional resources to reduce racial and ethnic disparities without affecting public safety. **(Judiciary)**

### *Firearms*

The 1999 “turn in thy neighbor” gun legislation (PA 99-212) continues to generate controversy. In light of the higher-than-expected number of gun seizures under the law and a well-publicized incident in East Haven involving an elderly woman shot by her estranged husband, there may be proposals to modify or repeal it. **(Public Safety, Judiciary)**

## **ECONOMIC DEVELOPMENT**

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### *Brownfields Incentives*

A number of states, including Connecticut, have crafted programs to make it easier for public or private entities to redevelop contaminated or potentially contaminated “brownfield” sites. The 2001 session may see bills to provide additional incentives for the cleanup and reuse of brownfields, including lowering the risk for private investment in brownfield remediation. These proposals could build on last session’s Urban Sites Reinvestment Incentive Program (part of PA 00-170) that created business tax credits for redeveloping contaminated or

potentially contaminated properties. **(Commerce; Finance, Revenue and Bonding)**

### *Sprawl/Smart Growth*

States and communities everywhere face problems that arise with increasing suburban growth - traffic congestion, increased costs of public infrastructure, loss of open space, and decreased vitality of urban centers. An array of “smart growth” or sustainable growth approaches have been proposed in past years and the General Assembly will likely see more this session. Proposals could include incentives for maximizing use of existing infrastructure, additional protection for open space, and encouraging infill or more compact development. **(Planning and Development)**

### *Cultural Heritage Funding*

Historical sites and museums do more than preserve Connecticut’s cultural heritage. They also stimulate the economy by creating jobs and attracting visitors from other states. But federal cuts in humanities funding could lead these attractions to reduce visiting hours, cut staff, forgo capital improvements, and stop developing new exhibits and attractions. To prevent this result, the General Assembly may look for new sources and ways to fund cultural heritage. **(Commerce)**

## *Housing*

Like many states, Connecticut faces an array of housing issues. In the coming session, the General Assembly will probably consider additional funding to construct new affordable housing and rehabilitate existing public housing. The growing need for more elderly and disabled housing and rent subsidy and assisted living programs may also be addressed. Recent years have also seen calls to give the Department of Economic and Community Development more flexibility in administering housing programs. **(Housing)**

## **EDUCATION**

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### *State Aid to Education*

The General Assembly will likely see proposals to increase aid to municipalities for K-12 education funding, particularly in the Education Cost Sharing (ECS) grant. Towns will also look for increased state assistance to pay for special education.

Among the most prominent ECS issues is eliminating the 6% cap on annual increases in ECS grants, which is reducing grants to 96 towns this year. Although the cap is in the second year of a four-year phase-out and is scheduled to expire in FY 04, many towns believe it should be removed immediately, at a cost of \$120 million in FY 01.

Another option is to alter the cap phase-out to equalize its fiscal impact over its remaining years. The current phase-out is projected to increase ECS funding by approximately \$30 million a year in FY 02 and FY 03, and \$80 million in FY 04. The “balloon” in the final year makes towns fear the state will reduce FY 04 allocations.

Other proposals may include increasing the ECS foundation (the level of per-student spending the state helps towns achieve) from the current \$5,891. In FY 01 dollars, it would cost \$12 million to increase the foundation by 3% to \$6,068 (the initial cost is held down by the cap). In FY 04, once the cap expires, the higher foundation would cost \$37 million.

The General Assembly will almost certainly see proposals to increase aid for special education. Among the most likely is reducing towns’ share of the expenses for high-cost special education students from five to three times the town’s average per-pupil expenditure (cost = \$15 million). Another is increased funding and expanded eligibility for the special education compensatory grant, which provides extra aid to towns with higher-than-average special education costs. **(Education, Appropriations)**

### *Teacher Shortage and Minority Teacher Recruitment*

School districts everywhere are having difficulty recruiting teachers and school administrators. Minority teachers are also in short supply. Shortages are especially acute in inner city schools and in certain subjects, such as math, science, and special education. An 18-member commission is studying how to meet these shortages and must report to the General Assembly by January 1, 2001.

The General Assembly may consider ways to encourage retired teachers to go back to work, bonuses to lure new teachers to city schools and shortage areas, and credentialing flexibility and financial incentives to encourage people to change careers and take up teaching. To increase the pool of minority teachers, the General Assembly may consider reactivating a program that provides incentives to school paraprofessionals to become certified teachers and longer-term strategies to encourage interest in educational careers among middle and high school students. **(Education)**

### *Testing and Accountability*

The General Assembly may see proposals for statewide achievement testing in additional grades beyond the current 4<sup>th</sup>, 6<sup>th</sup> and 8<sup>th</sup> grade mastery tests and the 10<sup>th</sup> grade Connecticut Academic Performance Test. Some may also seek to expand

or change the tests' content or timing. Finally, there are likely to be bills to require students to pass a test in order to graduate from high school. **(Education)**

### *Higher Education Access and Affordability*

There may be proposals to establish state scholarship programs to increase access to higher education. One possibility is a program (already in effect in some other states) that gives high school students who achieve a specified level of academic performance (such as average grades of "B" or above) full scholarships to a Connecticut public college or university or an equivalent amount towards tuition at a Connecticut independent college. Another possible option is to provide whatever state aid a student needs so that his combined state and federal aid covers full tuition at a state community-technical college. **(Education)**

## **ELECTIONS**

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### *Voting*

The presidential recount in Florida has heightened interest in voting reform. In Connecticut, use of the "presidential ballot" (a ballot for president and vice-president only) increased dramatically over previous elections, possibly because of a 1997 change in the deadline for applying for and casting it. The General Assembly may want to revisit the



deadline issue or review procedures that election officials must follow regarding such ballots.

The close election has also renewed interest in replacing the outdated mechanical lever-operated voting machines used statewide. The General Assembly may review ballot layout and voting system laws so the Secretary of the State can certify new technology for towns to buy.

**(Government Administration and Elections, Appropriations)**

### *Campaign Finance Reform*

The General Assembly is likely to revisit the issue of campaign finance reform. The governor vetoed a bill passed last session that included public financing for candidates for statewide offices and voluntary spending limits for legislative candidates. Public financing will probably be proposed again in the coming session.

Other campaign finance reforms that may come up are lower contribution limits, limits on the number of political committees (PACs) an entity can create, expanded disclosure and electronic filing requirements, and limits on contributions from individuals and PACs associated with businesses that have large state contracts. **(Government Administration and Elections)**

## ENVIRONMENT

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### *"Filthy Five"*

Among the most contentious issues of the 2000 session was the proposal to impose more stringent air pollution standards on the state's older fossil fuel power plants (commonly called the "filthy five" although the 2000 legislative proposals would have affected at least six plants). In the summer, the governor issued an executive order requiring the Department of Environmental Protection (DEP) to develop regulations that would apply to the plants and other major sources of pollution. The regulations allow the plant owners to meet their requirements, in part, by trading emission allowances with other pollution sources. A legislative task force has also been addressing the issue, particularly the appropriateness of trading.

**(Environment)**

### *Underground Storage Tanks*

In 1998, the General Assembly established a program providing amnesty from liability to homeowners who remove their underground oil storage tanks and reimbursing contractors who do the work. In 1999, the legislature amended the program to, among other things, remove a \$50,000 cap on reimbursements. Demand for the program has substantially exceeded the funds available. In addition to addressing the appropriate level of

funding, the legislature may consider changes in the program, which is effectively an entitlement. **(Environment; Finance, Revenue and Bonding)**

### *Reducing Nitrogen in Long Island Sound*

Nitrogen from sources such as fertilizer flows into streams and then into Long Island Sound, where it contributes to low oxygen levels that harm fish and other marine life. DEP is seeking legislation to establish a strategy to reduce nitrogen flows, including a discharge credit-trading program. **(Environment)**

### *Indoor Air Quality in Schools*

A recent study by the Connecticut Academy of Science and Engineering found that many schools suffer from poor indoor air quality. This problem is caused by such things as leaking roofs, inadequate maintenance, and poor ventilation and contributes to asthma and other respiratory illnesses. The General Assembly is likely to see legislation on the issue. **(Environment)**

### *Mercury*

Mercury can cause a variety of neurological problems. The DEP is likely to seek legislation to reduce the amount of mercury from consumer products that enters the waste stream. **(Environment)**

## **GAMBLING**

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### *Indian Gambling Issues*

Many legislators have expressed concern about the number of Indian tribes in the state that have applied for federal recognition and the gambling expansion that might result. The General Assembly may debate the issue and consider legislation on state-tribal issues. **(Public Safety)**

## **HEALTH CARE**

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### *Prescription Drugs – Costs and Coverage*

The rising cost of prescription drugs has dominated recent health care policy discussions. Ensuring access to prescription medications while managing the steady increase in their costs is a serious challenge for policymakers. Because pharmaceuticals are replacing more expensive treatments, the portion of health care dollars spent on drugs is growing rapidly. For those without insurance coverage for drugs or those on tight budgets, such as the elderly, out-of-pocket expenses can be a serious burden.

As drug prices rise so does the cost of pharmacy benefits in several state programs, including Medicaid, State Assisted General Assistance, the Connecticut AIDS Drug Assistance and Connecticut Pharmaceutical Assistance Contract to the Elderly and the Disabled (ConnPACE)

programs, and the cost of medical care for inmates and residents of state-operated institutions and those covered by state employee health insurance plans.

Seven northeastern states, including Connecticut, are considering various regional strategies for increasing access and lowering prices. But many questions remain, including whether controlling prices will affect pharmaceutical companies' research and development activities.

It is probable that prescription drug access and costs will be a key health policy issue in the upcoming session. **(Public Health, Appropriations)**

### *Mental Health Services*

In July, the Governor's Blue Ribbon Commission on Mental Health identified numerous signs of an impending crisis in access to mental health care and made a dozen major recommendations including enhancing the community and local care network, revising the children's mental health system (see Children above), enhancing rates to adequately support care, focusing on primary prevention, improving the cultural competency of service delivery, enhancing consumer and family involvement, and implementing an ongoing community education campaign.

The commission also called for a Mental Health Policy Council and for greater collaboration among state

agencies, principally the Department of Mental Health and Addiction Services and DCF. Mental health consumers, providers, and advocates have been meeting for several months to plan a strategy for raising these issues before the General Assembly. **(Public Health, Appropriations)**

### *Financial Condition of Hospitals*

The financial condition of the state's hospitals continues to be a concern. In 1999, 15 of the 31 acute care hospitals lost money, according to the Office of Health Care Access. In 1998 and 1999, hospital expenses exceeded revenues. The state may also see its first sale of a not-for-profit hospital (Sharon) to a for-profit company in the coming year, invoking the state's nonprofit conversion law review (PA 97-188). A number of factors affect a hospital's financial performance including labor market shortages, particularly in nursing; cost shifts among payers; increased competition, particularly from outpatient surgical centers; managed care; increased pharmacy and technology costs; inadequate Medicaid reimbursements; and federal funding cuts. Hospitals are generally admitting fewer but sicker patients.

Last session, the General Assembly created a Commission on the Future of Hospital Care in Connecticut (SA 00-12) to review the current and projected condition of the state's

hospitals as well as access to and delivery of hospital healthcare on a regional and statewide basis. The commission must make an interim report to the General Assembly in December. Some initial findings and recommendations could be acted on in the coming session. **(Public Health)**

## JUDICIAL

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### *Judicial Selection*

The Legislative Program Review and Investigations Committee is studying the legislature's role in the judicial selection process, which may lead the General Assembly to consider changing how it reviews judicial nominations. The study was prompted in part by a controversial reappointment nomination in the 2000 session that generated considerable debate over the criteria legislators should use to make confirmation decisions. **(Judiciary)**

## LOCAL GOVERNMENT

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### *Property Tax Assessment*

State law grants property tax relief to elderly and disabled people whose incomes are below certain thresholds. The state reimburses towns for property tax revenue they lose because of these programs. The General Assembly will likely see bills to extend these programs to all low-income people and to increase the minimum benefit levels for the elderly tax relief program.

In 2000, the General Assembly allowed assessors in 11 municipalities to audit the personal property of telecommunications companies subject to a statewide mill rate. The municipalities are to report the results of their audits by January 1, 2001. Depending on those results, the General Assembly may see proposals to allow municipalities to audit returns on a wider basis or to make other modifications in the system for taxing telecommunications company personal property.

The General Assembly may also see proposals to adopt a statewide mill rate for motor vehicles. **(Finance, Revenue and Bonding)**

### *Property Tax Effects*

Legislators may again deal with the unintended effects of property taxation. Some believe that property taxes place a heavy burden on middle-income homeowners, while others claim they foster urban blight and suburban sprawl. The General Assembly could see bills providing graduated income tax credits for property tax payments, authorizing cities to tax residential buildings at lower rates than the land they sit on, and minimizing the need to develop open spaces as a way to keep taxes down. **(Planning and Development)**

## PUBLIC ASSISTANCE PROGRAMS

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### *HUSKY B Enrollment*

Since July 1998, the HUSKY B program has been providing subsidized health insurance benefits to children up to age 19 living in families with incomes between 185% and 300% of federal poverty level and unsubsidized benefits to those with higher incomes. But HUSKY B enrollment figures have been far lower than expected. The state gets a federal reimbursement of 65 cents for every dollar it spends on HUSKY B, but a substantial portion of the state's federal allotment remains untouched due to low enrollments. The General Assembly may want to take a closer look at why enrollments are so low. **(Human Services)**

### *Public Assistance "Indexing"*

Benefits in several public assistance programs, including Temporary Family Assistance (TFA) and the State Supplement program (SSP), have been frozen for years. The freeze has led to a net loss of income for SSP recipients as federal Social Security benefits are adjusted upward for inflation. For Medicaid recipients, whose income eligibility is tied to the TFA benefit level, the freeze means people must "spend-down" more of their income to qualify for benefits. The 2001 General Assembly may reexamine an "indexing" policy for these programs. **(Human Services)**

### *Dually-Eligible—Costs of Cutting Co-Payments*

Two years ago, the General Assembly cut \$54 million from DSS's budget based on expected savings from eliminating virtually all co-payments to medical providers who serve people who qualify for both Medicare and Medicaid ("dually-eligible"). Because federal law prohibits recouping co-payments from beneficiaries, many doctors either limited the number of these patients they serve or stopped serving them altogether. In 2000, the General Assembly approved a 2% increase in Medicaid fees for affected providers, but there may be pressure to do more. **(Human Services)**

### *Welfare Reform—Three Years After the Federal TANF Legislation*

Connecticut's welfare caseload has dropped dramatically since it first began reforming the system nearly seven years ago. As of September 30, 2000, the number of families receiving cash welfare benefits dropped 33% compared to two years ago and more than 50% since June 1996 when a 21-month time limit and work requirements were adopted.

On the other hand, the share of the time-limited caseload that is working has increased only from 36.8% to 42% since August 1998, suggesting that the present system may not be addressing barriers remaining families have to finding work. Over half of the former welfare recipients

who are employed are working less than 24 hours a week, with 33% working less than 20 hours; their average hourly wage is \$6.89; and many who are currently getting cash assistance under extensions of the 21-month time limit have already received three or more extensions. The 2001 General Assembly may see proposals to address the harder-to-serve population. **(Human Services)**

## SENIORS

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### *ConnPACE Program*

The General Assembly will probably revisit proposals to raise the income limits or create a “medical spend-down” on the basic ConnPACE program, which helps low-income seniors and people with disabilities pay for prescription drugs. As of January 2001, the program’s income limits are \$15,100 for single people and \$18,100 for couples, indexed for inflation. Last year, the General Assembly directed the DSS to devise a plan for a broader ConnPACE “B” program for people who do not qualify for regular ConnPACE. The plan may include reduced-price drugs, income limits, and a “spend-down” for people with high prescription expenses and will operate only if cost-neutral. DSS must submit its plan to the legislature’s Appropriations, Human Services and Public Health committees by January 1, 2001. The committees have 30 days to decide whether the plan is cost-neutral and,

if it is, DSS must implement the plan by July 1, 2001.

In addition, certain Medicare HMOs will cease coverage at the end of 2000, leaving 51,185 people to decide whether to join another HMO or return to original fee-for-service Medicare. Many of these clients will find themselves without adequate pharmaceutical coverage on January 1, 2001. For those who are low-income, ConnPACE enrollment is one alternative. The projected additional enrollment of 12,500 in ConnPACE will contribute significantly to its estimated \$13.7 million budget deficiency for FY 01 (see also Prescription Drugs, above). **(Aging, Human Services, Appropriations)**

### *Nursing Home Minimum Staffing Requirements*

The General Assembly can expect to see bills to increase minimum staffing requirements in nursing homes, particularly for direct care staff such as nurses’ aides. Federal law requires sufficient staff to provide nursing and related services so each nursing home resident can attain or maintain his or her highest practicable physical, mental, and psychosocial well-being. Connecticut regulations contain long-standing specific minimum staffing requirements and require each nursing home to employ enough nurses and nurses’ aides to provide appropriate care at all times. The Program Review and

Investigations Committee has been studying staffing in nursing homes and expects to have recommendations in time for the session. **(Aging, Human Services)**

### *Long-Term Care Planning*

Issues surrounding long-term care for seniors and the disabled may again come up for consideration. The Long-Term Care Planning Committee has been looking at long-term care needs for younger people with disabilities, especially in light of the U.S. Supreme Court's "Olmstead" decision, which requires states to allow people with disabilities to live in the most community-integrated, least-restrictive setting appropriate to their needs. The committee's next report is due in January 2001.

Last session, the legislature removed income limits for the Connecticut Home Care Program for Elders (CHCPE), expanded its services, and created a pilot program for personal care assistants under CHCPE. It also allowed assisted living services in senior congregate housing. In the 2001 session, there may be efforts to expand these initiatives or address staff shortages and quality of care issues, require criminal background checks for long-term care workers, motivate more people to buy long-term care insurance, further shift care from institutional settings to home- and community-based services, use more Medicaid money for assisted living, address nursing

homes' solvency problems, and increase Medicaid reimbursement. **(Aging, Human Services)**

## STATE BUDGET

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### *Spending Cap*

The revised FY 01 budget's bottom line is under the statutory spending cap by only \$49.4 million leaving little margin for deficiencies and additional appropriations. Agency budget requests for the next two years show increases totaling approximately 12.8% (9.2% in FY 02; 3.3% in FY 03), while the cap is estimated to allow growth of about 5.5% each fiscal year. The General Assembly will face difficult decisions about how to keep state expenditures below the cap, especially in the first year of the biennium. **(Appropriations)**

### *Department of Mental Retardation Waiting List*

The Department of Mental Retardation (DMR) has 1,450 people who live at home while waiting for residential support. DMR formed a focus team in 1999 to study and develop recommendations to eliminate the waiting list. The team proposed to eliminate the list and address new and emerging needs by 2007. With federal reimbursements, the state's costs over the six years will be \$99.4 million. It is uncertain whether the governor will include funding for this proposal in his

recommended budget. **(Public Health, Appropriations)**

## STATE REVENUES

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### *Taxes*

Over the last several sessions, the General Assembly has reduced many state taxes. But increasing state surpluses may lead to proposals for additional tax cuts. Among them will likely be proposals for state income tax credits and deductions, including a state earned-income tax credit for low-income people. Other proposals may include (1) increasing the property tax credit or raising the income limits for taking the full credit, (2) exempting military pensions from the tax, and (3) establishing a credit or allowance for dependents.

The General Assembly may also look at giving more sales tax relief, possibly including additional exemptions or increases in existing exemptions, such as the \$75 exemption for clothing and footwear. **(Finance, Revenue and Bonding)**

### *Fees*

The General Assembly may look at fees the state charges for professional and occupational licenses. Many fees were substantially increased in 1991 and have not been reassessed since. Another possibility is reduced fees for retired professionals practicing on a *pro bono* basis. **(Finance, Revenue and Bonding)**

## TRANSPORTATION

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### *Transportation Summit*

The statewide transportation summit held in September 2000 addressed congestion problems and led to the formation of a 12-member Transportation Strategy Board to make recommendations to the governor and the General Assembly by February 2001.

Recommendations could include building better and safer highways, providing an affordable public transit system, building a world-class airport and improving ancillary airports, introducing high-speed ferries, improving the state's ports, and increasing freight usage. These projects could cost billions. The General Assembly may also see proposals to create a new board to oversee the Department of Transportation's (DOT) policies and planning. **(Transportation; Appropriations; Finance, Revenue and Bonding)**

### *Bradley International Airport Operations*

For over a year, several entities have been looking at the management and operational structure of Bradley International Airport. Some business leaders, among others, believe the airport's full potential as an engine for economic development has not been realized. The airport is owned and operated by the DOT, which strongly disagrees with this assessment. A private consulting



firm active in airport management in Europe recommended privatizing the airport's management for a more "entrepreneurial" approach to its development.

After the 2000 session, the governor issued an executive order creating an airport executive council to set policy for the airport's future and recommend changes. The Program Review and Investigations Committee is also studying the airport and will be making recommendations. The form of Bradley's management and operational structure will likely be a matter of continuing legislative interest. **(Transportation; Appropriations; Finance, Revenue and Bonding)**

#### *Status of Motor Vehicle Emissions and Safety Inspection Programs*

Several significant questions have arisen concerning the state's motor vehicle emissions testing and safety inspection programs and the performance of the contractor operating them. Employees at several testing stations have been arrested for taking bribes and falsifying test reports, among other things. The Transportation Committee held three days of oversight hearings in July. The current emissions inspection contract runs through June 30, 2001 and the safety inspection contract runs until July 1, 2002, but the governor and legislature may move to modify, limit, or terminate the current

program. **(Transportation, Environment, Appropriations)**

#### *Drunk Driving*

Recently enacted federal legislation includes financial sanctions on states that do not reduce the blood alcohol content (BAC) level they use to determine drunk driving to .08%. States that do not comply could lose 2% of certain federal highway funds beginning October 1, 2003. The sanctions increase by 2% per year until they reach 8% in FY 2007. Connecticut law establishes a .10% BAC level for first offenders and .07% for those with prior drunk driving convictions. Although future funding levels for programs that would be subject to the sanctions in 2003 have not been authorized, current authorizations for FY 02 suggest that imposition of the 2% penalty in FY 04 could cost the state about \$3.7 million. **(Transportation, Judiciary, Appropriations)**

JSL:eh