

**Subject:** Monday Morning Group Minutes  
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## CBIA Monday Morning Group

March 7, 2011

Next meeting – Monday, March 14

**Connecticut Business Day** is this [Wednesday, March 9](#) – Register today! In addition to Gov Malloy as the keynote speaker, the morning will include four issue break-out sessions: Energy/Environment, Labor, Tax/Budget and Small Business.

**Education** (Lou Bach)- Today's Education Public Hearing is a very important one and we're testifying on three bills that could have a significant impact on education reform in CT.

- SB 1106 would establish a new consolidated Department of Early Education and Child Development. We support this proposal for the efficiencies that accompany consolidation, but the real benefit is the improvement in state oversight in the provision of services to our youngest students and families. The details of this proposal will take time to develop, so we are encouraging the departments involved to work together through the process.
- HB 6500 would require teachers seeking certification to meet standards in mathematics. This is an important requirement that will ensure that our new teachers are well qualified to serve the needs of Connecticut's schoolchildren.

The bill would also require school districts to keep a common chart of accounts, a welcome change to the dissimilar and often murky accounting practices utilized by schools and districts across the state. If enacted, this would be a key first step in reforming school finances, allowing the public, state education officials, and the legislature to see exactly where the money is going in our public schools.

- We're opposing HB 6498 because, if enacted, it would delay implementation of the school reform bill that was passed last year. With an estimated 45,000 students in Connecticut ranking below basic proficiency in reading and math, it is critical that we not wait any longer to deliver on long-overdue reforms.

Please contact Lou Bach at [Louis.Bach@cbia.com](mailto:Louis.Bach@cbia.com) for information regarding Education.

**Energy** (Kevin Hennessy)- The Energy Committee has a couple of public hearings this week. The first one on Tuesday (3/8) deals with energy efficiency and net metering issues. Bills include:

- HB-6544 AAC Energy Efficiency
- SB-1141 AAC Net Metering

The second hearing on Thursday (3/10) deals with energy efficiency, the DPUC's jurisdiction regarding utility mergers and power plant safety. Bills include:

- HB-6542 AAC Establishing a Pilot Program for the Development of an Energy Efficient Economy
- SB-1140 AAC the Department of Public Utility Control's Jurisdiction
- SB-1142 AAC Power Plant Safety

Also, Dan Esty's nomination is scheduled for a hearing and vote in Executive Nominations on Thursday (3/10).

Please contact Kevin Hennessy at [Kevin.Hennessy@cbia.com](mailto:Kevin.Hennessy@cbia.com) for information regarding Energy.

**Environment** (Eric Brown) The Environment Committee is holding a public hearing today on Raised Bill No. 6505 which seeks to make a bad statute (authorizing DEP regulation of

flows in every river and stream) worse by expressly authorizing the agency to control withdrawals from current and future water supply wells.

On Tuesday, the Commerce Committee is holding a public hearing on Bill 6526 -- a major brownfield liability reform bill. We strongly favor the bill although limitations have been placed on the number and types of brownfields that can take advantage of the benefits. We are strongly urging that those restrictions be eliminated for brownfield projects that do not involve state financing.

Next Monday, March 14, the Environment Committee will be holding a public hearing on two agency reorganization bills:

- [H.B. No. 6386](#) AN ACT ESTABLISHING THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.
- [H.B. No. 5363](#) (COMM) AN ACT TRANSFERRING THE CONSERVATION FUNCTIONS OF THE DEPARTMENT OF ENVIRONMENTAL PROTECTION TO THE DEPARTMENT OF AGRICULTURE. (ENV)

Please contact Eric Brown at [Eric.Brown@cbia.com](mailto:Eric.Brown@cbia.com) for information regarding Environment and Land Use.

**Executive Nominations** (Bonnie Stewart) - Dan Esty's nomination is scheduled for a hearing and vote in Executive Nominations on Thursday (3/10)

Please contact Bonnie Stewart at [Bonnie.Stewart@cbia.com](mailto:Bonnie.Stewart@cbia.com) for information regarding Executive Nominations.

**GAE** (Kevin Hennessy)- The GAE Committee has public hearings scheduled for Monday and Wednesday to hear various proposed bills on regulatory reform, state contracts and election issues.

Please contact Kevin Hennessy at [Kevin.Hennessy@cbia.com](mailto:Kevin.Hennessy@cbia.com) for information regarding GAE.

**Healthcare** (Eric George)- Today, the Public Health Committee is considering the SustiNet health plan (HB 6305) for a possible joint favorable substitute. As we have discussed, HB 6305 would set up a first-in-the-nation, state-run health insurance public option in Connecticut. Essentially, this would pit state government against private industry under a system where tax dollars could be used to advantage the state public option against the private sector.

We have learned that the Public Health Committee is considering amending the bill so that it is exempt from certain of our state insurance laws in order to artificially comply with recently enacted federal reform. We will be imploring the committee to reject this proposal.

Please contact Eric George at [Eric.George@cbia.com](mailto:Eric.George@cbia.com) for information regarding Healthcare.

**Judiciary** (Kevin Hennessy)- The Judiciary Committee has three public hearings scheduled for this week. The hearings on Monday and Wednesday are heavily focused on criminal issues including the repeal of the death penalty (Monday) and regarding Supreme Court nominee Lubbie Harper (Friday).

Please contact Kevin Hennessy at [Kevin.Hennessy@cbia.com](mailto:Kevin.Hennessy@cbia.com) for information regarding Judiciary.

**Labor** (Kia Murrell)- Last week was particularly busy for the Labor Committee in that both the hearing and vote on SB 913 AAC Mandating Paid Sick Leave took place. More than 140 companies submitted testimony opposing the measure at the hearing. On Thursday, the bill was approved by a vote of 6 to 5 with 4 Republicans and 1 Democrat voting against the measure. Based on past years, the bill is expected to be considered next by the Judiciary and Appropriations committees before reaching the Senate.

The Labor Committee also considered SB 988 AAC The Solvency of the Unemployment Fund. This bill would change the Unemployment Fund reserve goal to almost twice its current level, significantly impacting the length and severity of taxes employers must pay over the next 10 years. CBIA and several other business associations testified against this measure.

Next week the committee will hold a hearing on municipal measures including binding arbitration and prevailing wage. CBIA may testify, but does not anticipate taking a major role in lobbying these measures.

Please contact Kia Murrell at [Kia.Murrell@cbia.com](mailto:Kia.Murrell@cbia.com) for information regarding Labor.

**Regulatory Reform** (Eric Brown) The GA&E Committee is holding a public hearing today on Bill Nos. 654 and 655 which are intended to improve Connecticut's regulatory adoption process by making sure agency fiscal notes accompanying proposed regulations include short-term and long-term anticipated costs, and making sure agencies provide justification for proposing regulations that go beyond federal requirements, respectively.

Please contact Eric Brown at [Eric.Brown@cbia.com](mailto:Eric.Brown@cbia.com) for information regarding regulatory reform.

#### **Spending & Taxes** (Bonnie Stewart)-

**Spending** - This week Joe Brennan discussed the Governor's proposed tax package with the group. For details about the Governor's tax package, please go to CBIA's Tax Landing page at [http://gov.cbia.com/issues\\_policies/category/cat/ip-taxes](http://gov.cbia.com/issues_policies/category/cat/ip-taxes) where you will find a variety of tax issues and documents to help you better understand the issues.

The Appropriations Committee held their final hearing on the Governor's budget proposal last Friday. Pete Gioia testified on behalf of CBIA on Thursday evening. He shared with legislators our appreciation for the measures in the bill that would make the state more efficient and effective and thereby reduce the size and cost of state government, but indicated that more needed to be done to reduce state spending. [Here is Pete's testimony](#) (pdf).

Earlier CBIA testified before the Government Administration and Elections Committee concerning a number of recommendations developed by the Commission on Enhancing Agency Outcomes. That group met for over a year and developed quite a few recommendations to improve the efficiency and effectiveness of state government. [CBIA's testimony in support of the Commission's recommendations](#).

**Taxes** - The Finance Committee is holding its first public hearing of the legislative session today at 10:30 a.m.. All of the Governor's revenue proposals will be heard at this time. The two bills of greatest concern are: [H.B. No. 6387](#) AN ACT CONCERNING PERSONAL PROPERTY TAX EXEMPTIONS, and [S.B. No. 1007](#) AN ACT CONCERNING THE GOVERNOR'S RECOMMENDATIONS ON REVENUE.

- **HB-6387** in part imposes a property tax on aircraft and vessels. This measure is a significant concern to the state's airports and marinas as neighboring states either don't have a personal property tax on these crafts or it is significantly lower. It's believed that if adopted, this measure would bring in far less revenue than projected for aircraft and boats would be housed in Massachusetts, New York and Rhode Island to avoid the proposed property tax.
- **SB-1007** is the main tax proposal. In it are a wide variety of tax changes including the modifications the governor proposed to the personal income tax, corporate income tax, sales tax, estate tax as well as the new generation tax. The hearing begins at 10:30 a.m. and John Rathgeber will testify for CBIA. [Here is his testimony](#).

In addition to the Governor's tax proposals, the Planning & Development Committee and the Finance Committee have other tax proposals they are considering. The Planning and Development Committees measures focus on property tax matters. The Commerce Committee has a few measures regarding the sales tax and tax credits. The Finance Committee has several bills that are of interest to the business community. One concern is the measure called AAC Tax Fairness, which is anything but. This measure would mandate unitary reporting for C Corporations. For an explanation of unitary, aka mandatory combined reporting, please go to [http://gov.cbia.com/issues\\_policies/hot\\_topic/about-mandatory-combined-unitary-reporting](http://gov.cbia.com/issues_policies/hot_topic/about-mandatory-combined-unitary-reporting). Next week Bonnie Stewart will update the group on all of the tax proposals.

For more information on the state budget please contact Pete Gioia at [Pete.Gioia@cbia.com](mailto:Pete.Gioia@cbia.com). For additional information on the Governor's proposed tax package please contact Bonnie Stewart at [Bonnie.Stewart@cbia.com](mailto:Bonnie.Stewart@cbia.com).

**Transportation** (Eric Brown)- The Transportation Committee is holding a public hearing today on Bill. No. 819, An Act Merging the Transportation Strategy Board with the DOT -- a measure we oppose in its current form as it represents a step backward in the effort to ensure that more economy-driven strategic thinking goes into the transportation planning process.

Please contact Eric Brown at [Eric.Brown@cbia.com](mailto:Eric.Brown@cbia.com) for information regarding Transportation.

For other information, check out "[Inside the Capitol](#)," CBIA's public policy blog.

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