

2015 MAJOR ISSUES

Every year, legislative leaders ask the Office of

TO OUR READERS



Legislative Research (OLR) to identify and provide brief descriptions of important issues that the General Assembly may face in the coming session.

This report represents the

professional, nonpartisan views of staff in OLR, the Office of Fiscal Analysis (OFA), and the Legislative Commissioners' Office (LCO) regarding possible upcoming legislative

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issues. It does not represent staff suggestions or recommendations. We identified issues based on interim studies; research requests; non-confidential discussions with legislators, other legislative participants, and executive branch agencies; and our general subject matter knowledge.

OLR compiled this report in consultation with OFA and LCO. OLR analysts wrote the issue descriptions below, except for the Appropriations Committee descriptions, which OFA provided.

We list the issues according to the committee in whose jurisdiction they primarily fall. Since more than one committee may consider aspects of the same issue, descriptions may overlap. Where appropriate, we provide links to OLR Reports and other online documents that contain additional information.

Connecticut General Assembly

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AGING

Senior Safety Zones

SA 14-20 created a task force to study the establishment of "senior safety zones" to protect seniors from interaction with registered sex offenders. The task force must submit its recommendations to the legislature at the start of the 2015 session. This may prompt legislators to again consider prohibiting registered sex offenders from entering senior centers and elderly housing facilities, except under limited circumstances, such as to visit a relative or vote in an election.

Read related laws:

• <u>SA 14-20</u>, An Act Concerning Safety Zones

APPROPRIATIONS

Budget Projections

On November 14, 2014, OFA projected a General Fund deficit of \$89.1 million in FY 15, which represents about 0.5% of total estimated expenditures. OFA also projected significant deficits over the next three years ranging from \$1.3 billion to \$1.7 billion.

For FY 15, the deficit is made up of two components: expenditures and revenue. Expenditures are \$30.4 million higher than originally budgeted and revenues are \$59.1 million lower than originally budgeted. The original budget plan for FY 15 anticipated a \$0.4 million surplus. Table 1 shows the overall budget outlook for FY 15 through FY 18.

	FY 15 \$	FY 16 \$	FY 17 \$	FY 18 \$
Estimated Expenditures	17,488.0	18,766.9	19,599.1	20,560.7
Estimated Revenue	17,398.9	17,445.5	18,160.0	18,832.4
Surplus/(Deficit)	(89.1)	(1,321.4)	(1,439.1)	(1,728.3)
% of Estimated Expenditures	(0.5%)	(7.0%)	(7.3%)	(8.4%)

Table 1: Budget Outlook (\$ in millions)

Since PA 11-48, as modified by PA 13-239 and PA 13-247, requires Connecticut to transition to a Generally Accepted Accounting Principles (GAAP)-based budgeting method beginning in FY 14, the above projections are calculated under GAAP. A further explanation of GAAP can be found in section six of <u>OFA's Fiscal</u> <u>Accountability Report</u>.

Budget Spending Cap

The state is under the spending cap in the current year, assuming no FY 15 deficiency appropriations are made. Calculations for FY 16 and beyond are based on Current Services estimates of all appropriated funds and assume that expenditure amounts in excess of the cap are not built into the subsequent year's base for cap calculation purposes. Table 2 shows the spending cap figures for FY 15 through FY 18.

Items	FY 15 \$	FY 16 \$	FY 17 \$	FY 18 \$
Appropriations Allowed				
by Cap	19,019.6	19,805.8	20,606.4	21,468.2
Estimated Expenditures	18,993.7	20,396.0	21,298.5	22,339.3
Over/(Under) the Cap	(25.9)	590.2	692.1	871.1

Table 2: Spending Cap Calculations¹ (\$ in millions)

¹Totals may not add due to rounding

Long-Term Obligations

Unfunded liabilities are legal commitments incurred during the current or a prior year that must be paid at some time in the future, but for which no reserves have been set aside. Connecticut's unfunded obligations are primarily in four areas: (1) bonded indebtedness (debt outstanding), (2) state employee and teachers' retirement, (3) state employee and teachers' post-employment benefits, and (4) the GAAP deficit. The state's unfunded liabilities total \$68.4 billion, an increase of 4.9% from last year's reported amount of \$65.2 billion. Table 3 includes the unfunded liabilities for these four areas.

Unfunded Liabilities	Amount \$
Debt Outstanding	21.3
State Employee Retirement System ²	13.3
Teachers' Retirement System	10.8
State Post Employment Health and Life	19.5
Teachers' Post Employment Health	2.4
GAAP Deficit	1.1
Total	68.4

Table 3: Long-Term Obligations¹ (\$ in billions)

¹ Total may not add due to rounding.

² In addition, the state appropriates funds for three other pension systems: (1) the Higher Education Alternative Retirement System, which is a defined contribution plan for which there is no unfunded liability; (2) the Judges Retirement System, which has an unfunded liability of \$144.8 million; and (3) retirement benefits for a small group of employees including the governor, state's attorneys, and public defenders, which is funded on a pay-as-you-go basis.

Read OFA's report:

 Fiscal Accountability Report to the Appropriations and Finance Committees as required by CGS § 2-36b, November 14, 2014

BANKS

Reverse Mortgages

PA 14-89 established a task force to study reverse mortgages, including applicable consumer protections, statutes, court decisions, and industry best practices. The task force must report its findings and recommendations to the Aging and Banks Committees by January 1, 2015. The legislature may consider these recommendations and other proposals on this topic during the 2015 legislative session.

Read related law:

• <u>PA 14-89</u>, § 51, An Act Concerning Mortgage Services, Connecticut Financial Institutions, Consumer Credit Licenses, the Foreclosure Mediation Program, Minor Revisions to the Banking Statutes, the Modernization of Corporation Law and Reverse Mortgage Transactions

Read OLR's reports:

- <u>2014-R-0270</u>, Recent Changes in Federal Reverse Mortgage Regulations
- <u>2014-R-0271</u>, *Reverse Mortgage Counseling Requirements*
- <u>2014-R-0272</u>, *Reverse Mortgage Advertising and Disclosure Requirements*

CHILDREN

Childhood Obesity

The Task Force on Childhood Obesity's final report, issued in October 2014, included several recommendations such as expanding opportunities for physical activity in after-school programs, creating a statewide volunteer physical activity commission, and restricting the marketing of unhealthy foods to children. The legislature may seek to address childhood obesity this session based on the report's findings and recommendations.

Read the task force report:

• Task Force on Childhood Obesity: Report and Recommendations

Children's Mental Health

PA 13-178 required the Department of Children and Families (DCF) to establish a comprehensive plan to address Connecticut children's mental, emotional, and behavioral health needs. The plan had to include strategies to prevent or reduce the long-term negative impact of such health issues on children, including (1) offering comprehensive care through a full array of services, (2) enhancing early interventions, and (3) establishing results-based accountability measures to track progress towards the plan's goals. DCF submitted the plan in October 2014. The Children's Mental Health Task Force also issued its final report at the same time, with recommendations that included increasing (1) access to community gardens and (2) physical activity in schools. The legislature may consider legislation in support of DCF's plan and the task force recommendations.

Read related law:

• <u>PA 13-178,</u> An Act Concerning the Mental, Emotional, and Behavioral Health of Youths

Read the task force report:

• <u>Children's Mental Health Task Force: Report and Recommendations</u>

Hazardous Chemicals

The Cadmium Task Force will soon submit its final recommendations on the maximum amount of cadmium allowable in children's jewelry. (The U.S. Department of Health and Human Services has determined that cadmium and its compounds are human carcinogens.) This may result in legislation if the task force recommends a threshold above the level currently in state law. Current law, effective July 1, 2016, bans manufacturing, selling, offering for sale, or distributing

in Connecticut children's jewelry containing more than 0.0075% (by weight) of elemental cadmium, or compounds or alloys containing it (<u>CGS § 21a-12d</u>, as amended by <u>PA 14-140</u>).

Additionally, the legislature may once again consider legislation that would (1) require the Department of Public Health to create and maintain a list of chemicals that are potentially dangerous to infants and children and (2) extend the current lawn care pesticide ban to high schools.

Read related law:

• <u>PA 14-140</u>, An Act Concerning Cadmium Levels in Children's Jewelry

COMMERCE

Growing Business and Jobs

Economists report that Connecticut's economy continues to grow, but at a slower rate than the nation and several nearby states. The New England Economic Partnership (NEEP) estimates Connecticut will gain about 14,000 jobs in 2014 and add about 25,100 more in 2015, up from the 9,400 gained in 2013 but slower than the national recovery. NEEP anticipates slow job recoveries in financial activities, retail, construction, government, and healthcare, and expects casino job losses due to increased competition from new casinos in surrounding areas. NEEP also predicts few, if any, net job gains in the manufacturing sector and notes that Connecticut lacks the skilled workers needed for manufacturers to stay competitive and expand in the state.

Given this outlook, the legislature will likely continue developing strategies to help businesses grow and add jobs. These strategies may include extending job and angel investment tax credits, expediting permitting processes, easing the tax burden on new businesses, and improving financial assistance programs to better serve businesses' needs. The legislature may also consider ways to close the manufacturing skills gap, ensuring that manufacturers have a pool of skilled workers they need to grow. These strategies may include implementing programs that train workers according to industry specifications and encouraging youth to pursue manufacturing careers.

Read OLR's reports:

- <u>2014-R-0155</u>, 2014 Acts Affecting Business and Jobs
- <u>2014-R-0186</u>, Small Business Financial Assistance and Tax Incentive *Programs*
- <u>2014-R-0201</u>, Connecticut's Business Tax Structure

Read the New England Economic Partnership's report:

• <u>New England Economic Outlook Fall 2014</u>, October 2014

EDUCATION

Charter School Oversight

In July 2014, the governor directed the State Department of Education (SDE) to review its existing charter school policies and develop recommendations to improve state oversight of these schools. This order came following media scrutiny of a charter school management company operating schools in the state. SDE completed its review in August 2014 and announced policy changes relating to: (1) improved governance and operations, including background check requirements; (2) clear expectations for student performance and equity; and (3) greater public transparency, including rules regarding public meetings and information.

In the upcoming session, the legislature may consider codifying SDE's policies or enacting other proposals to increase the level of the state's oversight over charter schools.

Read OLR's report:

• <u>2014-R-0257</u>, Comparison of Charter, Magnet, Agriculture Science Centers, and Technical High Schools

Education Funding

As the legislature prepares a state budget this session, it must consider the level of state funding for public education and how it will be distributed amongst the towns. The primary engine of education funding, the Education Cost Sharing formula, was revised two years ago. However, the current budget appropriates a specific dollar amount for each town without using the formula.

This session, the legislature may consider: (1) whether to revise the formula; (2) how to distribute funds to individual towns; (3) whether to increase, decrease, or freeze funding; and (4) whether to change the funding for other education programs such as special education, transportation, and schools of choice (e.g., charter schools, magnet schools, agricultural science centers, and technical high schools).

Read OLR's report:

• <u>2014-R-0257</u>, Comparison of Charter, Magnet, Agricultural Science Centers, and Technical High Schools

Sandy Hook Advisory Commission

The legislature may consider proposals stemming from the Sandy Hook Advisory Commission's impending final report. The commission, a 16-member panel, was created by the governor to review current policy and make specific recommendations in the areas of school safety, mental health, and gun violence prevention in light of the tragic events at Sandy Hook Elementary School in December 2012.

The commission released an interim report in March 2013. Its final report may be released before or during the 2015 legislative session.

Read the commission's interim report:

• <u>Sandy Hook Advisory Commission Interim Report of Findings</u>

Student Information and Privacy Protections

With private education technology companies collecting vast amounts of information about school children, concern is growing about the use of this information. The state gathers information to measure the success of a school or a district. Furthermore, teacher-selected education applications, currently in use in some classrooms, allow data to be gathered informally at the classroom level.

State and federal law protects student personal information, but the same laws also allow information to be given to private companies. The legislature may consider proposals that seek to balance the need to (1) protect personal information and (2) use student information to improve schools. Proposals may more clearly define who may access student information and how it can be used.

Read OLR's reports:

- <u>2014-R-0127</u>, FERPA, Recent Changes in Federal Regulations, and State Compliance
- <u>2014-R-0244</u>, Bills and Policies to Protect Student Information From Use by Education Technology Companies
- <u>2014-R-0274</u>, Using Education Technology to Collect and Analyze Student Data

ENERGY AND TECHNOLOGY

Residential PACE Programs

In general, property assessed clean energy (PACE) programs allow municipalities to provide loans to finance clean energy projects (e.g., install solar panels). The loans are repaid through an extra charge on a person's property tax bill. Because these loans are backed by a tax lien on the property, borrowers may qualify for lower interest rates. In 2010 and 2011, the Federal Housing Finance Agency (FHFA) raised concerns that PACE liens would take priority over repayment of mortgages under certain circumstances. Thus, FHFA stopped mortgages for properties with PACE liens from being sold on the secondary mortgage market, which stopped the implementation of residential PACE programs in Connecticut and many other states.

(In 2013, Connecticut enacted legislation that authorized PACE programs for commercial properties, which were not affected by the FHFA's actions.)

Last session, <u>PA 14-94</u> required the Connecticut Green Bank (formerly the Clean Energy Finance and Investment Authority) to study residential PACE issues and evaluate and recommend a legal framework to implement a residential PACE program. The Green Bank must issue a report on its findings to the Energy and Technology Committee by January 1, 2015, and the legislature may consider proposals based on the report's recommendations.

Read related law:

• <u>PA 14-94</u>, § 24, An Act Concerning Connecticut's Recycling and Materials Management Strategy, the Underground Damage Prevention Program and Revisions to Energy and Environmental Statutes

Read OLR's reports:

- <u>2012-R-0027</u>, Issues with Property Assessed Clean Energy Programs
- <u>2012-R-0133</u>, Property Assessed Clean Energy Programs
- <u>2012-R-0291</u>, Proposed Federal Regulation on Property Assessed Clean Energy Programs
- <u>2012-R-0464</u>, *Commercial PACE Energy Programs*

Zero Emissions Vehicle Incentives

The legislature may consider proposals to create new incentives for purchasing zero emission vehicles (e.g., electric vehicles). Possible incentives include a sales tax waiver or other tax credits, access to high occupancy vehicle (HOV) lanes, or free parking in certain locations. The Department of Energy and Environmental Protection (DEEP) currently operates an incentive program that provides funding to private businesses and municipal and state agencies to install public charging stations for electric vehicles. The legislature may consider expanding this program or adding additional incentives for charging stations.

Read OLR's reports:

- <u>2011-R-0211</u>, *Electric Vehicle Initiatives in Other States*
- <u>2011-R-0359</u>, OLR Backgrounder: Alternative Fuel Vehicles

ENVIRONMENT

Boating Requirements

In response to recent boating accidents, the legislature may consider changing Connecticut's age restrictions and education requirements for operating a boat. Currently, to operate a boat in Connecticut, a resident must generally obtain a boating certificate from DEEP, after completing a safe boating operation course and passing a test. A person must be at least age 12 and hold a boating certificate to operate a motor boat exceeding 10 horsepower. Younger people who hold a boating certificate may operate a boat if accompanied by someone at least age 18 who also holds a certificate.

Read OLR's report:

• <u>2014-R-0260</u>, Boating Requirements in Selected States

Pesticides

In recent years, the legislature considered a number of bills on lawn care pesticides, which generally cannot be used on the grounds of preschools and schools with children in grades eight or lower. Recent bills would have (1) restricted pesticide applications on municipal parks, athletic fields, greens, and playgrounds; (2) extended the ban on applying lawn care pesticides to high schools; and (3) lifted the ban on the use of certain lawn care products. The legislature may again consider these and other proposals to amend the state's pesticide application laws.

Read related bills:

- <u>SB 68 (2014)</u>, An Act Authorizing the Use of Certain Microbial and Biochemical Pesticides and Grub Control Products
- <u>SB 443 (2014)</u>, An Act Concerning Pesticides on School Grounds, Parks, Playgrounds, Athletic Fields and Municipal Greens and Banning the Sale and Use of Genetically-Engineered Lawn or Turf Seeds

Read OLR's reports:

- <u>2013-R-0165</u>, *Pesticide Exposure in Children*
- <u>2012-R-0343</u>, Pesticide Application at Day Care Centers
- <u>2012-R-0376</u>, Pesticide Application at Schools
- <u>2013-R-0436</u>, *Pesticide Issues*

Product Stewardship

In general, product stewardship is an approach to waste management in which manufacturers, retailers, and consumers are encouraged or required to assume responsibility for reducing a product's impact on the environment. An example of this approach is a requirement that a manufacturer take back its product when it reaches the end of its useful life. Since 2007, the legislature has passed product stewardship laws governing electronics (PA 07-189), paint (PA 11-24), mercury thermostats (PA 12-54), and mattresses (PA 13-42).

The legislature may consider proposals on stewardship of other consumer products, such as batteries and carpeting, during the 2015 session.

Read related laws:

- <u>PA 07-189</u>, An Act Concerning the Collection and Recycling of Covered Electronic Devices
- <u>PA 11-24</u>, An Act Establishing a Paint Stewardship Program

- <u>PA 12-54</u>, An Act Requiring the Establishment of Manufacturer Mercury Thermostat Collection and Recycling Programs
- <u>PA 13-42</u>, An Act Concerning a Mattress Stewardship Program

Read OLR's reports:

- <u>2001-R-0158</u>, Product Stewardship
- <u>2014-R-0264</u>, Paint Recycling Program

For more information:

• DEEP's product stewardship website

FINANCE, REVENUE AND BONDING

Possible Tax System Changes

A report due to the Finance, Revenue and Bonding Committee by January 1, 2015 may provide a framework for evaluating deficit reduction proposals. The report will come from a 15-member panel of experts the legislature created during the 2014 session to take a look at the overall state and local government tax structure based on specific criteria, including efficiency, revenue stability and volatility, and economic competitiveness. The panel's recommendations could help the state align its tax structure with fundamental economic, technological, and demographic shifts that some economists believe contribute to chronic and persistent recessions.

Read the Office of Program Review and Investigation's (PRI) report:

• <u>Connecticut's Tax System</u>, January 2006

State Revenues and Taxes

OFA projects an \$89.1 million deficit in FY 15 and larger deficits in the next three fiscal years that average about \$1.4 billion per year. In the meantime, economists peg the state's economic growth at 2.3% in FY 15. The projected deficits, caused partly by slow growth, present the governor and legislature with some difficult taxing and spending choices. For example, previously enacted revenue raising measures, including a 20% corporate tax surcharge, set to expire in 2015 could cost the state \$73.3 million in revenue in 2016.

Other potentially difficult choices concern soon to expire temporary revenue raising measures, which total \$303.2 million, and the tax incentive programs, including those designed to create jobs and stimulate capital investments, which total \$203.5 million. These sums account for about \$506.7 million of the projected \$1.3 billion FY 16 deficit, according to OFA's Fiscal Accountability Report. The legislature will likely consider whether to continue or discontinue these measures and incentives, which impact both the state's budget priorities and the economic recovery.

Read OFA's report:

• Fiscal Accountability Report to the Appropriations and Finance Committees as required by CGS § 2-36b, November 14, 2014

GENERAL LAW

Occupational Licenses

Most license and registration fees for state-credentialed occupations were last raised in 2009. The 2009 budget bill (PA 09-3) generally (1) doubled fees under \$150, (2) increased fees between \$150 and \$1,000 by 25%, and (3) added \$250 to fees of \$1,000 or more. Many new occupational fees have been added during the past ten years as well. The legislature may consider proposals to increase fees or change fee structures.

Read related law:

• <u>PA 09-03 June 2009 SS</u>, §§ 140-462, An Act Concerning Expenditures and Revenue for the Biennium Ending June 30, 2011

Read OLR's report:

• <u>2013-R-0215</u>, Occupational License Fee Changes Over the Last 10 Years

Prescription Drug Monitoring Program (PDMP)

Rising concerns over prescription drug abuse may prompt the legislature to consider proposals to expand the PDMP. The PDMP is a statewide electronic database that collects data on controlled substances dispensed in the state. The legislature may (1) expand the program to allow more individuals (e.g., designated agents of prescribers) access to the database or (2) require more frequent data collection (currently, data collection occurs weekly).

Read OLR reports:

- <u>2014-R-0233</u>, Prescription Drug Abuse
- <u>2014-R-0236</u>, State Strategies for Addressing Prescription Drug Abuse

GOVERNMENT ADMINISTRATION AND ELECTIONS

Campaign Finance

PA 13-180 made numerous changes affecting campaign finance laws. It addressed, among other things, contribution limits and contribution and expenditure exemptions, the making and disclosure of independent expenditures (IE), and organization expenditures.

In 2015, the legislature may consider proposals concerning these and other campaign finance issues. For example, PA 13-180 allowed state central committees to make unlimited organization expenditures to benefit the general election

campaigns of legislative candidates participating in the Citizens' Election Program (CEP). The legislature may revisit the issue of organization expenditure limits for these types of campaigns.

PA 13-180 also made changes concerning disclosure requirements for IEs (e.g., who is subject to disclosure and what information they must disclose). The legislature may consider increasing these requirements in 2015.

Read related law:

• <u>PA 13-180</u>, An Act Concerning Disclosure of Independent Expenditures and Changes to Other Campaign Finance Laws and Election Laws

Election Administration

Connecticut's 2014 state election garnered national attention after a Superior Court judge ordered Hartford to keep two of its polling places open for 30 extra minutes. The city's registrars of voters did not deliver the voter registry lists to these and other polling places by the statutory deadline of 8:00 p.m. the night before the election, causing delayed openings on Election Day and several people to leave without casting a ballot.

The legislature may consider proposals to prevent similar future situations, including granting the secretary of the state increased authority with respect to election administration. For example, the legislature may reconsider proposals requiring that the secretary's written declaratory rulings, instructions, and opinions be implemented, executed, and carried out. Proposals could also transfer certain election-related responsibilities from registrars of voters to town clerks, establish a certification process for registrars, or increase training requirements for registrars.

Freedom of Information Act (FOIA)

The legislature may consider proposals concerning the availability of certain records under FOIA. For example, during the 2014 election cycle, several voters expressed concern about the use of their voter registration information by outside groups. The legislature may consider proposals addressing the availability of certain information found in voter registration records (e.g., by limiting disclosure of a voter's date of birth).

The legislature may also consider proposals to expand law enforcement agencies' disclosure obligations under FOIA during a pending prosecution. In June 2014, the Connecticut Supreme Court affirmed that, during a pending prosecution, only limited information concerning a person's arrest is subject to disclosure under FOIA. This information is (1) the arrestee's name and address; the date, time, and place of the arrest; and the offense for which the person was arrested (i.e., "blotter information") and (2) at least one report designated by the law enforcement

agency. The report may be the arrest report, incident report, news release, or other similar report of the arrest (*Commissioner of Public Safety v. Freedom of Information Commission*, 312 Conn. 513).

HIGHER EDUCATION AND EMPLOYMENT ADVANCEMENT

Institution and Foundation Expenditure Transparency

In 2013, the General Assembly passed Special Act 13-17 to increase the transparency of the operating budgets, including actual and estimated expenditures and revenues, of public higher education institutions. The act required the institutions' governing bodies, the Board of Regents for Higher Education and the UConn Board of Trustees, to report on these budgetary topics to the Higher Education and Employment Advancement and Appropriations committees by February 2014. Another report is due by February 2015.

In the upcoming session, the legislature may consider proposals to further increase the transparency of public higher education institutions' expenditures, including expenditures by institutionally related foundations.

Read related law:

• <u>SA 13-17</u>, An Act Concerning Nondegree Certificate Programs and Technical Training Courses Provided by the Regional Community Technical Colleges and a Report on the Budget, Expenditures and Revenues of the Constituent Units.

Read OLR's reports:

- <u>2014-R-0217</u>, Institutionally Related Foundations for New England Public Universities
- <u>2014-R-0228</u>, University Support from Institutionally Related Foundations
- <u>2014-R-0245</u>, *Higher Education Transparency Systems*

Planning Commission for Higher Education

The legislature may consider proposals implementing the Planning Commission for Higher Education's strategic master plan, which is scheduled to be published before or during the 2015 session. The commission must set numerical goals for 2020 and 2025 that:

- 1. eliminate the postsecondary achievement gap between minority students and the general student population and
- 2. increase the number of people who earn a bachelor degree, associate degree, or certificate; complete coursework at community colleges; and enter the state's workforce.

Additionally, the commission must examine higher education funding policies, including evaluating and making recommendations concerning (1) the use of strategic and performance-based incentive funding and (2) transparent reporting by higher education institutions to the General Assembly and the public.

HOUSING

Housing for Millennials

Media reports indicate that many millennials prefer to live in walkable urban, rather than suburban, neighborhoods where they can be close to work, transit, shops, and restaurants. At the same time, these young professionals are burdened by a difficult job market and student debt and often cannot afford mortgage payments. The legislature may consider policies aimed at increasing homeownership among millennials in urban areas and making housing affordable. For example, it may look at tax incentives or urban homesteading initiatives, both of which it considered in recent years.

Read related bill:

• <u>HB 5437 (2014)</u>, An Act Creating Incentives for Young Professionals to Live in Urban Areas

Landlord and Tenant Duties Regarding Bed Bug Infestations

As bed bug infestations continue to be a problem for renters in the state, the legislature may consider proposals, similar to those from 2013 and 2014, that establish a framework for identifying and treating bedbug infestations in residential rental properties. These proposals specified separate duties and responsibilities for landlords and tenants, including notice, inspection, and treatment requirements.

Read related bill:

• <u>HB 5438 (2014)</u>, An Act Concerning the Rights and Responsibilities of Landlords and Tenants Regarding the Treatment of Bed Bug Infestations

Read OLR's reports:

- <u>2013-R-0120</u>, Maine's Bedbug Law
- <u>2010-R-0375</u>, OLR Backgrounder: Bedbug Legislation New York

HUMAN SERVICES

Community Spouse Allowable Assets

Federal Medicaid law allows the spouse of someone in a long-term care institution (e.g., a nursing home) to keep some of the couple's assets to ensure the spouse living in the community (the community spouse) does not become impoverished. Currently, the state allows community spouses to keep the minimum

amount allowed under federal law, which will increase in 2015 to \$23,844 per year. The legislature may once again consider legislation that would increase the amount of assets the community spouse is allowed to retain (federal law will allow a maximum of \$119,220 in 2015).

Social Impact Bonds

The legislature may again consider new ways to finance social programs, such as social impact bonds (SIB). A SIB is a partnership between government, private investors, and nonprofit service providers to fund social programs. In this partnership, private investors provide the upfront capital to pay for the services and nonprofit service providers, and the government only pays the organization if the program meets specified performance outcomes.

Current law authorizes the Office of Policy and Management (OPM) secretary to enter into an "outcome-based performance contract," comparable to a SIB for the purpose of accepting specified federal funding for adult prisoner reentry program demonstration projects. The state did not receive this funding.

The legislature may consider expanding the state's authority to enter into performance-based contracts to finance social programs.

Read OLR's report: • <u>2012-R-0472</u>, Social Impact Bonds

INSURANCE AND REAL ESTATE

Provider Network Adequacy

The legislature may again consider proposals to amend the state's requirements for health insurers, HMOs, and related entities to maintain adequate health care provider networks. In 2014, the legislature considered a bill that would have required the entities to maintain networks that (1) meet the comprehensive needs of plan enrollees and (2) provide an appropriate choice of providers for covered services. It also would have required the insurance commissioner, in consultation with the healthcare advocate, to assess the adequacy of each provider network annually.

Read related bill:

• <u>SB 392 (2014)</u>, An Act Concerning Health Care Provider Network Adequacy

Telemedicine

In general, telemedicine is the exchange of medical information from one site to another using electronic communications with the overall goal of improving patient health and reducing costs. The legislature may again consider requiring health insurance policies to cover medical advice, diagnosis, or treatment provided through telemedicine. In recent years, the legislature considered proposals to

require insurers to cover medical services provided through telemedicine to the same extent they cover the services through in-person visits. The coverage would have been subject to the same terms and conditions that apply to other benefits under the policy.

Read related bill:

• <u>SB 202 (2014)</u>, An Act Concerning Health Insurance Coverage for Telemedicine Services

Read OLR's reports:

- <u>2013-R-0423</u>, Telepharmacy
- <u>2012-R-0296</u>, *Telemedicine and Telehealth*

JUDICIARY

Drones

The private, commercial, and government use of drones continues to expand and attract public attention around the country. A drone (also called an unmanned aircraft system (UAS) or unmanned aerial vehicle (UAV)) is an aircraft controlled by computers located in the aircraft or remotely by someone on the ground or in another vehicle.

Many people raise privacy and safety concerns and question the appropriate use of drones by government agencies. PRI staff conducted a drone use regulation study during the interim and the committee recently approved recommendations that will likely be drafted into a bill this session. The recommendations include limiting law

enforcement use of drones without a warrant, prohibiting anyone from arming a drone with a weapon, and requiring government agencies to register and report their use of drones to OPM.

The legislature is likely to consider PRI's bill and others concerning drone use this session.

Read OLR's reports:

• <u>2014-R-0132</u>, Information on the 2012 Federal Aviation Administration Modernization and Reform Act • <u>2014-R-0137</u>, Privacy Protections Implicated by the Domestic Use of Unmanned Aerial Vehicles or Drones

Read PRI's study documents:

Drone Use Regulation

Read about legislation in other states compiled by the National Conference of State Legislatures:

<u>http://www.ncsl.org/research/civil-and-criminal-justice/current-uas-state-law-landscape.aspx</u>

Juvenile Justice Policy and Oversight Committee (JJPOC)

PA 14-217 established JJPOC to evaluate and report on (1) juvenile justice system policies and (2) the extension of juvenile jurisdiction to 16- and 17-year-olds. By January 1, 2015, JJPOC must submit a report to the Appropriations, Children's, Human Services, and Judiciary committees and OPM's secretary recommending statutory changes in the juvenile justice system to (1) improve public safety; (2) promote the best interests of children and youth under the supervision, care, or custody of the DCF commissioner or the Judicial Branch's Court Support Services Division; (3) improve transparency and accountability with respect to state-funded services for children and youth in the juvenile justice system; and (4) promote the efficient sharing of information between DCF and the Judicial Branch. The legislature may consider these recommendations and other juvenile justice proposals during the 2015 legislative session.

Read related law:

• <u>PA 14-217</u>, § 79, An Act Implementing Provisions of the State Budget for the Fiscal Year Ending June 30, 2015

Juveniles and Sentences to Life without Parole

The legislature may consider changes to juvenile sentencing laws in response to recent U.S. Supreme Court opinions. In 2010, the Court ruled that the Eighth Amendment prohibits imposing a sentence of life without the possibility of release on a defendant under age 18 who commits a non-homicide crime. The Court ruled that juveniles convicted of these crimes must have a "meaningful opportunity" for release after sentencing based on demonstrated maturity and rehabilitation (*Graham v. Florida*, 130 S.Ct. 2011). In 2012, the Court ruled that the Eighth Amendment prohibits automatically imposing a sentence of life without parole on offenders who committed homicides while under age 18. While the Court did not prohibit these sentences in all circumstances, it did require courts to consider how juveniles are different from adults and how that counsels against a life sentence without parole (*Miller v. Alabama*, 132 S.Ct. 2455).

A number of inmates, convicted of crimes committed when they were under age 18, are challenging the validity of their sentences under these rulings. The Connecticut Supreme Court heard arguments in three of these cases in September (*State v. Riley, State v. Taylor, Casiano v. Commissioner of Correction*).

In 2012 and 2013, the legislature considered, but did not pass, bills on this topic. The Sentencing Commission, which submitted proposals each of the last two sessions, will likely submit a proposal again, and it is likely that the legislature will consider that proposal, as well as others during the 2015 session.

Read OLR's reports:

- <u>2012-R-0045</u>, Summary of U.S. Supreme Court Case on Life Sentences Without Parole for Juvenile Nonhomicide Convictions
- <u>2014-R-0108</u>, Juvenile Sentencing Laws and Court Decisions After Miller v. Alabama
- <u>2012-R-0290</u>, Summary of U.S. Supreme Court Case on Mandatory Life Sentences Without Parole for Juvenile Homicide Convictions

Service of Civil Restraining Orders

<u>PA 14-217</u> established a task force to study service of civil restraining orders pertaining to family and household members. The task force has been examining, among other things, (1) the policies, procedures, and regulations relating to state marshals serving restraining orders; (2) permissible methods of service; and (3) other states' best practices. The task force must report its findings and recommendations to the Judiciary Committee by December 15, 2014. The legislature may consider these recommendations and other proposals on this topic during the 2015 legislative session.

Read related law:

• <u>PA 14-217</u>, § 121, An Act Implementing Provisions of the State Budget for the Fiscal Year Ending June 30, 2015

Read OLR's report:

• <u>2014-R-0243</u>, Service of Civil Restraining Orders in Certain States

Technology and Privacy

Legislatures and courts have had to grapple with the issue of how technological advancements may implicate privacy concerns. For example, last year the legislature considered a bill that would expand the crime of voyeurism to include additional ways a person could use a cell phone camera or similar device to take intimate photographs of someone without the person's consent. The legislature also considered a bill which would criminalize "revenge porn" (such as releasing private nude photos of a former spouse or dating partner online, without the person's consent). The legislature may again consider these or similar measures.

Read related bills:

- <u>SB 489 (2014)</u>, An Act Concerning the Unlawful Dissemination of an Intimate Image of Another Person
- <u>HB 5485 (2014)</u>, An Act Concerning Voyeurism
- <u>HB 5586 (2014)</u>, An Act Concerning Revisions to Various Statutes Concerning the Criminal Justice System

LABOR AND PUBLIC EMPLOYEES

Domestic Workers

<u>SA 14-17</u> established a Domestic Workers Task Force to study issues involving domestic workers and recommend legislative initiatives to provide outreach and education services to domestic workers and their employers. Depending on various circumstances, state law often excludes domestic workers from minimum wage, overtime, workers' compensation, and other employment-related requirements. In 2015, the legislature could consider the task force's recommendations or other legislation to further define domestic workers in statute or extend certain labor law protections to them.

Read related law:

• <u>SA 14-17</u>, An Act Concerning the Task Force on Domestic Workers

Unemployment Compensation Fund Solvency

The recession's prolonged period of high unemployment drove the state's unemployment compensation fund to insolvency in October 2009. This forced the state to borrow roughly \$1 billion from the Federal Unemployment Account. The state and its employers are still paying back that loan and the related interest. Federal law requires employers to repay interest on the loan through a special assessment that the Connecticut Department of Labor imposes on employers every year. In 2014, the assessment was about \$7.50 for every full-time employee. As of November 19, 2014, the U.S. Department of Labor indicates Connecticut still owes a little more than \$432 million.

The legislature may address this situation and future difficulties that may arise with the unemployment compensation fund's solvency by considering ways to (1) pay off the federal loans more quickly to reduce interest costs, (2) increase the unemployment fund's financing, (3) reduce unemployment benefits, or (4) enact some combination of these.

PLANNING AND DEVELOPMENT

Property Tax Reform

Towns across the state continue to face fiscal stress as their capacity to generate property tax revenue does not keep pace with the rising cost of providing local services. At the same time, rising property taxes strain many property owners' finances. Legislators may consider proposals geared toward supplementing municipal revenue streams, encouraging economic development, or providing tax relief to property owners. In recent years, property tax reform proposals have included: (1) restructuring the statutory formulas for state payments in lieu of taxes, (2) diversifying towns' revenue sources, (3) implementing a statewide motor vehicle tax, (4) reducing the tax burden on certain populations, and (5) giving tax breaks to property owners who make certain investments.

Read related bills:

- <u>SB 467 (2014)</u>, An Act Concerning State Grants in Lieu of Property Taxes
- <u>HB 5583 (2014)</u>, An Act Concerning the Payment of Real Property Taxes by Certain Institutions of Higher Learning and Hospital Facilities

Read OLR's reports:

- <u>2013-R-0170</u>, Statewide Motor Vehicle Property Taxes
- <u>2013-R-0255</u>, State Homestead Exemption and Credit Programs
- <u>2013-R-0341</u>, Property Tax Exemptions for Renewable Energy Systems
- <u>2013-R-0355</u>, Local Option Motor Vehicle Property Taxes
- <u>2013-R-0434</u>, Property Tax Reform Recommendations and Policy Options
- <u>2014-R-0037</u>, Municipal Authorization to Tax Property
- <u>2014-R-0038</u>, Summary of Arguments in Estate of Lewis, et. al. v. Princeton University and Borough of Princeton

PUBLIC HEALTH

Aid in Dying

In each of the last two years, the Public Health Committee held a public hearing on bills that would provide a procedure for a terminally ill adult patient to request medication to end his or her life. The bills received both strong support and strong opposition and did not advance out of committee. The legislature may again consider such proposals this session.

Read related bills:

- <u>HB 5326</u> (2014), An Act Concerning Compassionate Aid in Dying for Terminally III Patients
- <u>HB 6645</u> (2013), An Act Concerning Compassionate Aid in Dying for Terminally III Patients

Health Care Consolidation, Nonprofit Hospital Conversions, and Related Issues

Due to various changes in the health care landscape, a growing number of physician practices are consolidating with larger groups or hospital systems. Additionally, while all but one of Connecticut's acute care hospitals are nonprofit, a for-profit purchaser sought the state's approval to acquire five nonprofit hospitals but recently withdrew its application.

Last session, the legislature addressed these issues in PA 14-168. Among other things, the act requires (1) parties to certain transactions involving material changes to a medical group practice to notify the attorney general, (2) certificate of need approval for certain group practice ownership transfers, and (3) an additional public hearing as part of the hospital conversion process.

This fall, the legislative leaders convened a Bipartisan Roundtable on Hospitals and Health Care to further explore changes to the health care marketplace and develop policy recommendations. The legislature may consider changes to the oversight of health care consolidations or hospital sales. It may also consider related issues affecting health care and hospital finance, such as facility fees and the tax treatment of hospitals.

Read related law:

• <u>PA 14-168</u>, An Act Concerning Notice of Acquisitions, Joint Ventures, Affiliations of Group Medical Practices and Medical Foundations and Certificates of Need

Infectious Disease Protocols

The recent arrival of the Ebola virus in the United States has raised a number of issues about how government officials and health care workers should prepare for and respond to infectious disease outbreaks. The legislature may consider revisions to these protocols.

Prescription Drug Abuse

Like many other states, Connecticut is facing an increase in the number of emergency room visits and drug overdose deaths involving opioid analgesics (e.g., prescription painkillers such as oxycodone, hydrocodone, and fentanyl). In recent years, the legislature has implemented policies to reduce and prevent prescription drug abuse, including (1) establishing a statewide prescription drug monitoring program, (2) increasing access to opioid antagonists (medication to treat a drug overdose), and (3) enacting an "Overdose Good Samaritan Law" to provide civil and criminal immunity to individuals who seek or receive emergency care for themselves or another person experiencing a drug overdose.

This session, the legislature may consider additional proposals related to prescription drug abuse, such as regulating "pill mills" (e.g., health care entities that indiscriminately or inappropriately prescribe controlled substances for individuals), requiring continuing medical education on pain management and prescription drug abuse for certain health care providers, and modifying physicians' prescribing practices.

Read OLR's reports:

- <u>2014-R-0233</u>, *Prescription Drug Abuse*
- <u>2014-R-0236</u>, State Strategies for Addressing Prescription Drug Abuse

PUBLIC SAFETY AND SECURITY

Body Cameras

In response to the police shooting of a black teenager in Missouri and the ensuing riots, some have called for equipping police with body cameras to record their onduty activities. Connecticut may join legislatures across the country looking at this issue.

Expanded Casino Gaming

Announced plans for new casinos in Massachusetts may prompt the legislature to consider proposals to expand casino gaming outside the two tribal casinos. A proposal could include putting a slots parlor along I-91 just south of the proposed Springfield casino.

License Plate Readers

Police nationwide are using license plate readers mounted on police cars, road signs, or traffic lights to apprehend criminals. Legislators may debate the merits of this practice next session because of the increasing use of the cameras and concerns expressed by privacy advocates about what information is captured by the cameras, how long it is stored, and for what purpose it is used.

Resident State Trooper Reimbursement

Under the resident trooper program, the emergency services and public protection commissioner assigns state police officers, under contract, to provide law enforcement duties in towns that do not have organized police departments. Towns have expressed increasing concern about how much the program is costing them, especially the amount they pay for fringe benefits. Last year, a bill to address the issue was not taken up in the Senate. Given towns' interest in the issue, the legislature may revisit the issue during the upcoming session.

Stingray Devices

Stingrays, also known as "cell site simulators" or "IMSI catchers," are cell phone surveillance devices that mimic cell phone towers and send out signals to trick cell phones in the area into transmitting identifying information and their locations. Published reports suggest that these devices are in widespread use by local and state law enforcement agencies across the country. Police can use these devices to intercept calls and texts from cell phones. When used to track a suspect's cell phone, the devices also gather information about the phones of bystanders. Privacy advocates argue that use of these devices should be regulated to prevent abuse. The legislature may consider proposals defining the appropriate use of these devices and how the information they gather is used.

TRANSPORTATION

"Drive Only" Licensing

Legislators may discuss the state's new "drive only" licensing policy, which begins in January. PA 13-89 requires the Department of Motor Vehicles (DMV) to issue limited driver's licenses to individuals who cannot provide DMV with proof of legal U.S. residence or a Social Security Number. The license is valid only for driving purposes; it cannot be used for federal identification purposes (such as for boarding a plane) or as identification for voting.

Read related law:

• <u>PA 13-89</u>, An Act Concerning the Issuance of Motor Vehicle Operators' Licenses

On-Demand Car Services

The legislature may consider ways to regulate Uber and similar on-demand car services (e.g., Lyft), which present questions of liability, safety, and driver qualifications, among other things. In general, these new on-demand car services provide free smartphone applications that allow users to obtain rides from drivers who sign up to be listed on the app. The drivers, who use their personal vehicles to provide rides, are not employees of the companies, but must have insurance and pass a background check. Taxi and livery companies view these services as a threat to their operations because they do not incur the same overhead, salary, and regulatory costs. Services like Uber believe that taxi companies are trying to block legitimate competition. Uber began operating in Connecticut this year and a number of Connecticut taxi and livery companies have sued Uber in federal court.

Last year, the legislature required the Department of Transportation (DOT) to study how Uber and similar services fit into the current regulatory scheme and recommend ways to regulate these services to ensure the public's safety. The report is due to the Transportation Committee by February 1, 2015.

Read OLR's reports:

- <u>2014-R-0173</u>, Uber's On-Demand Car Service
- <u>2013-R-0298</u>, OLR Backgrounder: The "Sharing Economy" and Public Policy

Special Transportation Fund

The Special Transportation Fund (STF), which funds state highway and public transportation projects, is supported by a number of revenue streams, most notably the motor vehicle fuels tax. In the 2014 session, legislators unsuccessfully proposed amending the state constitution to bar the use of money in the STF for any purpose unrelated to transportation. This would prevent the transfer of money from the STF to the General Fund, as has happened in the past. Legislators sought a constitutional amendment because a statutory prohibition against transferring STF money could simply be overridden by legislators in a subsequent session. The legislature may again consider a proposed constitutional amendment.

Tolls

In recent sessions, the idea of electronic tolling has been raised both on a statewide level, to raise money needed to maintain and repair state highways, and to finance the extension of Route 11 from Salem to I-95. None of these proposals has succeeded. Proponents say the tolls are needed to make up for the expected decline in gas tax revenue caused, in part, by more fuel-efficient motor vehicles. Opponents say the tolls would be too burdensome, and, in the case of border tolls, would unfairly impose that burden on residents of state border towns. The legislature may again consider proposals on tolls this session.

Transform CT

Legislators this session also may learn the results of DOT's "Transform CT" initiative. This DOT website (<u>http://www.transformct.org/</u>) sought ideas from state residents, businesses, civic groups, and others on what form the state's transportation system should take over the next 50 years. DOT says the ideas it receives will help shape the type and scale of future transportation investments.

VETERANS' AFFAIRS

Housing and Homelessness

During the interim, PRI studied the operations and programs associated with the Rocky Hill Veterans' Home and will make recommendations in its final report. Additionally, the governor has introduced proposals to end veterans' homelessness by assisting veterans with employment and increasing residential opportunities. The legislature may consider these recommendations and other proposals on these topics.

Read PRI's Scope of Study:

• <u>Study Scope: Veterans' Home at Rocky Hill: Residential Services</u>

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