



Testimony of
Lori J. Pelletier, President
Connecticut AFL-CIO
Planning & Development Committee
Forum on Municipal Shared Services and Regional Efficiencies
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Good morning Representative Lemar, Senator Cassano, Senator Logan and members of the Planning and Development Committee. I am Lori Pelletier and I am proud to serve as President of the Connecticut AFL-CIO on behalf of over 900 affiliated local unions that represent more than 220,000 working men and women in every city and town of our great state. Thank you for the opportunity to testify today with my colleagues, Sal Luciano, Executive Director of AFSCME Council 4 and Peter Carozza, President of the Connecticut Uniformed Professional Fire Fighters Association.

Connecticut workers have always been strong advocates for their employers. Though we may have different points of view at the bargaining table, there isn't a worker in this state who doesn't want his or her employer to succeed. That applies in both the private and the public sector.

Countless municipal and board of education bargaining units have come to the table over the last year or more to aid struggling cities and towns. They have given money out of their own paychecks, often compromising their own household budgets or risking their retirement security, to assist their employers. Workers in the City of Hartford alone have made at least \$25 million in concessions over the last eighteen months.

Yet year after year, instead of partnering with labor representatives to identify duplication, waste, inefficiencies and other savings opportunities, municipal advocates have come to this committee, and others, to shift blame and shirk responsibility. Together, municipal elected officials and municipal union leaders could be a dynamic force on behalf of taxpayers, but mayors and first selectman would rather attack workers' rights and demonize public sector workers.

To be clear, despite what members of the General Assembly may have been leading to believe, collective bargaining is not an impediment to regionalization efforts. On the contrary, in many instances, collective bargaining has provided the platform by which successful regionalization plans have been implemented. The true impediment to regionalization is home rule. It is a fragmented, decentralized system fraught with political patronage and other disincentives to modernize and economize. No one can legitimately suggest that moving municipal government and service delivery can be accomplished while preserving home rule.

Secondly, management, i.e. municipal elected officials, has the right to determine how municipal functions will be shared or regionalized. Employees only have the right to bargain the economic impact of those decisions.

For too long, taxpayers have subsidized the inefficiencies of home rule. It's time for municipal governments to provide the same level of cooperation, coordination and shared functions that other states provide at a far more affordable price. There are a number of things that can be done immediately that would begin the long overdue process of achieving regional efficiencies:

1. Require municipalities who receive state municipal aid dollars to enter into the state healthcare partnership plan

The size of the state employee healthcare plan allows the state to leverage good benefits for an affordable price with minimal or nonexistent annual increases. Statute allows municipalities to participate and the Comptroller's Office has already worked with several to save money while improving worker benefits. But most municipalities have failed to even explore this option. Instead, many offer multiple, varying plan designs to different bargaining units. They utilize expensive insurance brokers to aid them in this process. Brokers, and their fees, could be eliminated entirely by participating in the partnership plan. But so might CCM's Connecticut Interlocal Risk Management Agency's (CIRMA) business, and we fear that is the greatest obstacle to full utilization of the state healthcare partnership plan and the realization of savings it can provide.

2. Establish a statewide municipal coalition bargaining agent in statute

A Municipal Employees' Bargaining Agent Coalition (MEBAC) should be created to negotiate common mandatory subjects of bargaining on a statewide level, such as pensions and healthcare. This could be based on the state's SEBAC model and would save dozens of municipalities weeks, if not months, at the bargaining table and would potentially significantly reduce arbitration costs. A MEBAC could also use economies of scale to achieve savings in a number of areas. For example, CCM and COST have advocated for many years to change the employer contribution rate in Municipal Employee Retirement System (MERS). Labor representatives have repeatedly suggested the establishment of a MEBAC so that employer and employee rates could potentially be revisited over time via collective bargaining. CCM and COST have consistently opposed those efforts.

3. Commission a cost-benefit analysis to determine what the state could save by implementing meaningful county government.

County governments were legislatively abolished in 1959 primarily because they were never updated after being established in 1785, even though labor, transportation and communications advances, among others, were significant. Because the state and local governments had historically wielded substantial authority within Connecticut, county governments never achieved the authority needed to gain a stronghold as a viable source of government. Instead of taking a

historical view of how colonial settlers established government for a 17th Century way of live, it's time we look to see how we can restructure our government to maximize our scarce resources in the 21st Century.

The Connecticut AFL-CIO strongly urges the committee to carefully scrutinize misleading or false information that has been provided and allow it to instead be guided by the facts. We stand ready to assist you in jump starting regionalization efforts that protect the high-quality services our members deliver to municipal taxpayers. Thank you.