

CRCOG-MetroCOG-LCRVCOG NECCOG-NVCOG-NHCOG SCRCOG-SCCOG-WCCOG

November 21, 2017

Secretary Benjamin Barnes Office of Policy and Management 450 Capitol Avenue Hartford, CT 06106

RE: Council of Governments "Holdbacks"

Dear Secretary Barnes;

The Connecticut Association of Councils of Governments (CTCOG) has considerable concern regarding the reduced funding for the Regional Service Grant (RSG) and requests your reconsideration of the recently announced "holdback".

As you are aware regional Councils of Governments (COGs) are statutorily charged with finding and implementing regional solutions to help our member municipalities create cost saving efficiencies in the delivery of municipal services. This is especially important now as we all face new fiscal realities. Regional COGs also have numerous other statutorily mandated functions, including land use planning and other related activities.

The holdback for the regional Councils of Governments will realize a 32.5 percent reduction in funding to the regional COGs; one of the largest percentage reductions of any appropriation made by the General Assembly in the compromise budget for 2018-19. When taken together with the previous 25% reduction of our 2017 agreements with the Office of Policy and Management covering the July-Oct 2017 period, regional COGs have now been cut twice by the Executive Branch for the same period.

As you are aware, much of the work performed by the regional COGs is statutorily mandated and driven by our member town needs. Based on discussion with OPM and the individual contracts we entered into with OPM, our agencies continuously performed our statutorily mandated activities to meet our legal obligation and continue to provide needed services to the municipalities. We performed our work in good faith and with the anticipation of retroactive payment from the state. It is important to understand that we could not and did not delay the start of our ongoing work on July 1, 2017 due to the budget impasse. It therefore seems unreasonable to apply the "Targeted Savings" and "Delayed Start" reductions in allotments that you have cited authority to implement under PA 17-2 (JSS), Sec. 14 & Sec. 15, respectively.

The seven COGs that are also Metropolitan Planning Organizations (MPOs) further relied on prior OPM assurances to maintain the proposed RSG levels in order to maximize the level of federal transportation planning funding available to the state. Significant reductions to the Connecticut Department of Transportation (CTDOT) Planning & Research item has increased the COG portion of the non-federal match.

We are perplexed why OPM choses to interpret Sections 14 & 15 as it has, yet not accessed its powers under Sections 21 & 22 of PA 17-2 to help us to ensure full access to federal funds.

The potential inability to match federal funds places a considerable amount of USDOT funding to Connecticut at risk. Every unmatched \$1 equates to \$8 in federal planning funding lost. In addition, any inability to conduct the mandated federal transportation planning process can equate to additional loss of federal transportation funding, placing billions of federal aid at risk for transportation projects. Should Connecticut fail to fund transportation planning and fully utilize its federal transportation funds, there is a risk of reclamation by USDOT.

As a potential alternative to holdback regarding regional COGs, CTCOG believes OPM could restore Council of Governments funding by utilizing the "unswept" statutory tax diversion monies originally intended for Regional Performance Incentive Program (RPIP) in order to fund the appropriated level of the RSG Grant. This action would return these funds to their intended purpose of supporting municipalities and their regional needs through COGs.

In partnership with OPM and the municipalities we serve, we have made great progress developing regional solutions to the state's many challenges. The holdback applied to the regional COGs not only holds back needed funding to COGs and places federal funding at risk - but sets back the forward movement of regional solutions for our state. We respectfully ask that you revise this decision.

We, the undersigned Executive Directors of Connecticut's COGs, thank you for your time and consideration of our request.

Sincerely,

James Butler (SECCOG)

Chair, CTCOG

Rick Dunne (NVCOG)

Rick Lynn (NHCOG)

Sam Gold (LCRVCOG)

Vice-Chair, CTCOG

VIE WAY (CRCCOG)

Francis Pickering (WCCOG)

⟨SECCOG)

Secretary/Treasurer, CTCOG

John Filchak (NECCOG)

Matt Fulda (MetroCOG)

cc: Undersecretary Michael Sullivan, OPM

ADD Dan Morley, CP&I Policy Division, OPM

Legislative Leadership