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**House Pages:** 313-492

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GENERAL ASSEMBLY  
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Senator Agenda Number 3 for Wednesday, January 14, 2009, copies of which have been distributed.

THE CHAIR:

Senator Looney.

SEN. LOONEY:

Thank you, Mr. President:

Mr. President, I move all items on Senate Agenda Number 3, dated Wednesday, January 14, 2009, to be acted upon as indicated and that the agenda be incorporated by reference into the Senate journal and the Senate transcript.

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Mr. President, the single item on Senate Agenda Number 3, under Business from the House, is Emergency Certified House Bill 5095. I would ask the Clerk to call that item.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Calling from Senate Agenda Number 3, Emergency Certified Bill 5095, an Act Concerning Deficit Mitigation for the Fiscal Year Ending June 30, 2009, as Amended by House Amendment Schedule A and

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House Amendment Schedule C. Bills accompanied by Emergency Certification, signed Donald Lee Williams, Jr., President Pro Tempore of the Senate, and Christopher G. Donovan, Speaker of the House of Representatives.

THE CHAIR: [PRESIDENT IN THE CHAIR]

Senator Harp.

SEN. HARP:

Thank you, Mr. President.

I move acceptance of the Emergency Certified Bill in concurrence with the House of Representatives.

THE CHAIR:

Please proceed, ma'am.

SEN. HARP:

Thank you, Mr. President.

This bill makes available to the General Fund approximately \$131 million. The amount through appropriation reduction is, approximately, \$4.1 million. The carry-forward reductions are, approximately, \$3 million, and Revenue and General Fund transfers and other savings are, approximately, \$79 million. The Transportation Fund Impact is \$1.4 million. With anticipated lapses, December rescissions, the DSS cost

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settlement, and other postemployment benefits and Arena Study, the total impact of this package is over \$216 million.

Mr. President, for the purpose of legislative intent, in Section 4, the \$700,000 reduction to the Judicial Department represents the savings attributed to a delay in hiring for various positions associated with the juvenile jurisdiction change.

There are specific issues that affect another committee, as well, the Finance, Revenue and Bonding Committee and to describe the nature of those items in this proposal, Mr. President, I would like to yield to Senator Daily.

THE CHAIR:

Senator Daily, do you accept the yield, ma'am.

SEN. DAILY:

Thank you, sir. Yes, I do, Mr. President.

THE CHAIR:

Please proceed.

SEN. DAILY:

There are a number of changes to a number of funds that are really self-explanatory. I'll read through them quickly, telling you what the Governor requested and what is in the bill.

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The Elections transfer of 179 by the Governor, 75 by this bill; Tobacco Health Trust Fund transfer, 12 million requested from the Governor, 6 in the bill; Biomedical Reserve Trust Fund, 6 by the Governor, 3 in this bill.

In addition, the Governor requested transfers in the Conservation Fund and CTN in the Connecticut partnership -- Cancer Partnership, the Energy Conservation Load Management Fund, the Renewable Energy Fund, and the Community Investment Fund, which we did not include as far as this package.

What we did do in concurrence with the Governor, the fuel oil conservation account transfer, the pretrial account transfer to the General Fund, underground storage tank, emergency spill response, and emission fund transfer, Pequot transfer, energy unit load management transfer, unclaimed bottle deposit transfer -- commonly called the escheats -- Banking Fund transfer, Workers' Comp Fund transfer, public education and government progress in education technology account, Consumer Counsel and Public Utility Fund, commercial recording administration, emergency relief account, Insurance Recoveries, and transfer

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from the General Services Revolving Fund, that comes to a total of 60,603,440.

THE CHAIR:

Thank you, ma'am.

Will you remark further on House Bill 5095.

Senator Debicella.

SEN. DEBICELLA:

Thank you, Mr. President.

Mr. President, through you, some questions to Senator Harp.

THE CHAIR:

Senator Harp.

Senator Debicella.

SEN. DEBICELLA:

Thank you, Mr. President.

Mr. President, through you, after we pass -- or if we pass this bill tonight. What will be the remainder of deficit for FY '09 under the current projections, through you, Mr. President?

THE CHAIR:

Senator Harp.

SEN. HARP:

Thank you very much, Mr. President.

My understanding is that the Office of Fiscal Analysis previously indicated that there would be,

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approximately, \$45 million.

We've met with them and they have not officially come up with a new number yet, but my understanding is that it is considerably higher, a lot, a lot, a lot higher. And my understanding is that the Office of Policy and Management will be coming out with its January 20<sup>th</sup> letter that will detail a reduction in taxes far lower than what we'd expected. I don't have the actual figure, though, but I understand that it is considerably much more of a deficit than we had planned for.

THE CHAIR:

Senator DeBicella.

SEN. DEBICELLA:

Thank you, Mr. President.

I thank Senator Harp.

So even before those new, likely horrific, revenue numbers come in, we have a \$45 million deficit left over according to OFA, and I think it's a little higher based on OPM's estimates. And in terms of the difference between this and the Governor's rescission plan from November, what is the dollar difference between this plan and the Governor's plan, through you, Mr. President?

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THE CHAIR:

Senator Harp.

SEN. HARP:

Thank you, Mr. President, through you, if you sort of look at the Governor's budget mitigation plan and our plan, there's a difference -- we calculate the difference to be \$24,393,000 and -- approximately.

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Through you, Mr. President, and that would include a natural lapse of about \$25 million in the Medicaid account that's actually not in this bill, but I think that's -- or, question three, was that assumed in the figure that Senator Harp's quotes?

THE CHAIR:

Senator Harp.

SEN. HARP:

Through you, Mr. President, yes, it is.

THE CHAIR:

Senate Debicella.

SEN. DEBICELLA:

Great, thank you. And so without that it

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would probably be more -- be more in the, you know, 50 to 60 million-dollar range in terms of this bill here tonight, that lapse besides, since it's not in the bill.

Mr. President, through you, one other question and this is a more specific question relating to Section 33 of the bill, and the question is, it is a sum of \$274,000 appropriated to the Department of Administrative Services. Through you, Mr. President, is that new spending on top of what we had appropriated in the original FY '09 budget, through you?

THE CHAIR:

Senator Harp.

SEN. HARP:

Thank you, Mr. President.

I'm going to say that it is a new appropriation. There is some argument that it is -- isn't new spending because, in fact, there may be spending going on in our HUSKY program that would reflect the fact that we have not spent this money in this program.

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

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Thank you, Mr. President.

And, through you, one last question, is that a recurring expense that we would expect to go on in FY 2010 and 2011?

THE CHAIR:

Senator Harp.

SEN. HARP:

Through you, Mr. President, I believe so.

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Thank you, Mr. President. I thank Senator Harp for her responses.

With that I'd like to call LCO 1275.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO 1275, which will be designated as Senate Amendment Schedule A, it's offered by Senator McKinney of the 28 District, et al.

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Thank you, Mr. President. I move the amendment.

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THE CHAIR:

Would you like to remark further on the amendment, sir?

SEN. DEBICELLA:

Yes. Thank you, Mr. President.

THE CHAIR:

Please proceed.

SEN. DEBICELLA:

Mr. President, about a week ago, the President Pro Tem of the Senate and the Speaker of the House stood up at a press conference and said any bill with new spending is going to be dead on arrival. They took, what I thought, was a courageous stand to say that any new spending bill we're going to have, we're not going to consider.

Why? Because of exactly what Senator Harp said. We are in for a massive, massive deficit in FY '09, and I don't think we know how large it's going to be yet, 600 million, 800 million, a billion dollars. It is going to be huge. And in the next biennium, we know it's at least \$6 billion, and that's probably going to get worse as well.

Well, Mr. President, tonight in this bill, Section 33 appropriates new money that we haven't

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considered, money that hasn't gone through the committee process and money that we can't afford right now. No matter how noble the goal and I think it's a well-intentioned goal, we cannot afford to be spending any money on new programs right now.

When we're talking about union concessions, when we are talking about cutting other programs elsewhere in this deficit mitigation package that are worthwhile, we cannot be adding on new money. I agree with the Speaker and the President Pro Tem from that press conference. If there is any new spending, let's make it DOA or else we're going to have a lot of those bills coming forward that we just can't afford.

Mr. President, there's another issue with Section 33 that I'd just like to highlight, and it's more of a philosophical issue.

We've talked a lot in this circle about clean contracting, and we've talked about the idea of having transparency and making sure that people -- or companies that when they bid there is no preferential treatment. By doing this tonight, we are actually giving preferential treatment to the company that won that bid because, when they made

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that bid, they made that bid with the assumption that whatever health care they were going to offer their workers was implicit in that bid. We are now saying, okay, well, we're going to give you a little something extra that none of the other bidders knew they were going to get. This actually undermines the clean contracting that we're trying to promote by rewarding a contractor after the fact.

So although, Mr. President, I think it's a secondary consideration of the fact that that we just don't have any money, I think it's important to note that Section 33 of the bill goes against much of what we've tried to do in this circle.

So, Mr. President, I would encourage us to stand together in a bipartisan way to follow what the Speaker and the President Pro Tem said, Let us have no new spending bills in this session.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark?

Senator Harp.

SEN. HARP:

Thank you, Mr. President.

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I rise to oppose the amendment. It's my understanding that if we don't spend this money, it will actually cost the State more money because most of the janitors, to whom this refer, who have children are eligible for our HUSKY program and our Charter Oak program and will, ultimately, cost us more dollars. What I've been told is it will cost us about \$1.4 million as opposed to 24 -- \$274,000. So with that, sir, I oppose the amendment, and I ask for a roll call vote.

THE CHAIR:

Thank you, ma'am. A roll call vote will be ordered.

Senator Fasano.

SEN. FASANO:

Thank you, Mr. President. Mr. President, through you, to Senator Debicella.

THE CHAIR:

Senator Debicella.

SEN. FASANO:

Through you, Mr. President, in Section 33, do you have an OFA report with respect to that bill, the underlying bill, through you, Mr. President?

THE CHAIR:

Senator Debicella.

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SEN. DEBICELLA:

Through you, Mr. President, no, I do not.

THE CHAIR:

Senator Fasano.

SEN. FASANO:

Could we stand at ease for a moment,  
Mr. President.

THE CHAIR:

Senate will stand at ease.

[SENATE AT EASE]

A VOICE:

My apologies.

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Through you, Mr. President -- just hand it to  
me. Yes, I do. Is that for the amendment,  
Mr. President? Through you, Mr. President.

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Through you, Mr. President. Yes, it is.

THE CHAIR:

Senate Fasano.

SEN. FASANO:

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Do you have a fiscal note for the underlying bill that you're amending, through you, Mr. President?

THE CHAIR:

Senate Debicella.

SEN. DEBICELLA:

I believe I do, Mr. President. If you'd just give me a second and let me find it?

THE CHAIR:

Okay, sir. Take your time. All we've got is time.

SEN. DEBICELLA:

Yes, Mr. President, I do.

THE CHAIR:

Please proceed.

SEN. FASANO:

Thank you, Mr. President. Through you, Mr. President, in Section 33, in the OFA report, is there an indication that there was money already being spent for that particular new line item, through you, Mr. President?

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Through you, Mr. President, no, there is not.

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There is no mention of the any current expenditures.

THE CHAIR:

Senator Fasano.

SEN. FASANO:

So, through you, Mr. President, to Senator Debicella, so this is a new expenditure according to OFA, is it not, through you, Mr. President?

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Through you, Mr. President, that is what it says. Yes, it is a new expenditure.

THE CHAIR:

Senator Fasano.

SEN. FASANO:

Thank you, Mr. President.

Thank you, Senator Debicella.

SEN. DEBICELLA:

Thank you.

SEN. FASANO:

Mr. President, there is some remarks that perhaps HUSKY's paying. Nobody knows the answer to that question. We rely upon OFA for this type of information. There's no indication that that

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line item is substituting for some other expense that the State is currently under. So, Mr. President, I support this amendment. Thank you.

THE CHAIR:

Thank you, Senator Fasano.

Will you remark? Will you remark further on Senate Amendment A? Will you remark further?

Senator Boucher.

SEN. BOUCHER:

Thank you, Mr. President. Mr. President, I have two major concerns with this particular bill, and I rise to support the amendment that has just been proposed.

Those two concerns are with regards to ethics in our contracting system and also the other concern would be setting a precedent. And because of those two concerns, I have some questions to pose through you, please, to the proponent.

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Thank you, Mr. President.

THE CHAIR:

Senator Boucher.

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SEN. BOUCHER:

Through you, Mr. President, it has come to our attention that this may be an ongoing expenditure that would support a certain outside contractor in the long term. Does this raise any concern about the possibility of no longer having an open contracting system for this particular service to the State through you, Mr. President?

THE CHAIR:

Senator DeBicella.

SEN. DEBICELLA:

Thank you, Mr. President.

I believe there is a concern around that. The concern being that if we are -- after a contract is signed, actually, reopening that contract de facto to say, we're going to give additional benefits beyond what was agreed to. There is a long-term implication to the precedent of doing that for other -- both for this contract and for other contracts in the State of Connecticut. It actually is an issue in trying to make as open a bidding process as possible, through you, Mr. President.

THE CHAIR:

Senate Boucher.

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SEN. BOUCHER:

And another question, through you, Mr. President, to the proponent, from the standpoint of do we understand this to be a -- the first time the State has engaged in actually funding the health care benefits of a private entity doing business with the State, through you, Mr. President?

THE CHAIR:

Senator Debicella.

SEN. DEBICELLA:

Mr. President, I wouldn't claim to know the entire history of the Senate. It's the first I have ever seen, through you, Mr. President.

THE CHAIR:

Senator Boucher.

SEN. BOUCHER:

And, through you, Mr. President, how do you think this might affect us going forward with other contracts doing business with the State? Wouldn't this be an opportunity for others to ask for the same kind of support, through you, Mr. President?

THE CHAIR:

Senator Debicella.

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SEN. DEBICELLA:

Thank you, Mr. President.

Senator Boucher, I do think it is a dangerous precedent for us to be setting. Especially, because if we have companies who are going to come forward and bid on contracts with the expectations that the State is later going to step in. They might actually strip benefits for their workers to get a lower bid and win it with the expectation that, well, we can just come and the General Assembly will give us benefits later. It's actually a dangerous precedent for us to be doing in terms of clean contracting, through you, Mr. President.

THE CHAIR:

Senate Debicella -- Senator Boucher, I'm sorry.

SEN. BOUCHER:

Thank you, Mr. President.

For both of the reasons that have been highlighted here this be evening, I think this is a very dangerous direction for the State to go in.

First of all, because it appears very clearly that this is not an ethical process for us to be bidding outside contractors where we put one group

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ahead of another; and, secondarily, we're setting a very dangerous precedent going forward, especially, in the times when we have financial constraints. But, definitely, if I were doing business with the State, I might bring this up and say, you know, you've supported other groups that have done, maybe, you can also help us out because health care costs, of course, are going up, and, again, setting a very dangerous precedent for us for the future.

For those reasons, I think this is a very good amendment and should be supported by this body.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Boucher.

Will you remark further on Senate A? Will you remark?

Senator McKinney.

SEN. MCKINNEY:

Thank you, Mr. President.

Mr. President, I rise in support of this amendment. Mr. President, we have all, individually, together, in private conversations and before the public, talked about how dire our circumstance is and how difficult the decisions

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are and are going to be that we have to make. We all are here to address a budget deficit, which as it is formally before us, we all know is much less than what the real deficit is going to be once it is certified by OFA and OPM and that we may have to get to about a billion dollars to balance our budget as it our constitutional obligation by July 1<sup>st</sup>.

So as there were in some discussions and some disagreements as to what was in the deficit mitigation package, I have to admit that I, for one, never anticipated we would have new spending increases in the package. I, really, honestly, never saw this one coming. We are putting into the deficit mitigation package, at a time when we are looking at the largest budget deficit -- a larger budget deficit than anyone in this circle has ever dealt with, new spending increases, \$274,000 in this year, but I think \$1.2 million next year. Does that make any sense to anybody? Does that make any sense to anybody? It doesn't make any sense to me. And then I look at the process and the policy of this, and I am even more troubled. And this has nothing to do with the fact that the people who we're trying to help, the

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janitors, should have health care coverage. They came and complained and petitioned and talked to us in the legislature last year, nothing was done about it -- probably could have been done at a time when we didn't know we were going to have as much of a hole as we have -- but I've learned a lot about the standard wage statute and what's going on with this.

So let me just inform my colleagues some of the minutia because I think it's something we should be very concerned about.

There were three best qualified bidders for this contract for the State Legislative Office Buildings. One Source Company was the low bidder at \$2.4 plus million, was the prior contractor for the legislature and because of management problems was not picked. The second lowest bidder was the Guardian which got the bid, which had a bid of 5.8 percent lower than the third qualified bidder of about a \$145,000 difference, which was CSI International at 2.6 million.

These are private companies who, under our law, have to set aside a minimum of 30 percent to pay for benefits for these employees, not health care benefits, all benefits.

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I do not know because we've not had a public hearing what percentage of that 30 percent they set aside go to health care benefits versus other benefits. I don't know. Maybe they're putting the entire 30 percent towards health care benefits, and it still can't pay for it. That would be a consideration. I also know that the statute provides for a setting aside 30 percent as a minimum. It doesn't prohibit them from putting aside more, which obviously they've chosen not to do.

There's been a representation that, well, if these people go on HUSKY A, it'll cost the State more. I don't know if all of them are eligible or not. We don't know how many are eligible because we haven't had a public hearing do get those figures out, as well.

Here's what I don't know. I don't know what the president of Guardian makes for a salary. I don't know who he or she is. I don't know what their managers make. I don't know if he took a bonus of a million dollars or not. I've no idea who they are. But it's a private company which the taxpayers of the State of Connecticut are now giving money to directly to help defray health

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care costs that they were supposed to pay for under their contract that they were awarded from the State of Connecticut. Maybe the second -- the third higher bidder, who was \$145,000 more was higher because they had a better understanding of what the real health care costs were and put that in their bid.

So we're going to bail out Guardian because they won't fulfill their statutory obligations and their moral obligations to do what's right. And the taxpayers are paying for it. Universal health care, here we come, baby.

That's not hyperbole because that's what this is. The taxpayers of the State of Connecticut are asked to pay a private company to defray health care costs at a time when we have the largest budget deficit in our State's history, and we didn't have a public hearing on it. None of that makes sense.

And, at the end of the day, you know what, every single one of those people should have health care. I totally agree. I even went to some of the union representatives and said, have you checked out -- and I had my staff research, could this 600-group buy into Mega MEHIP? No,

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they can't. Could they buy into the State pool? No, they can't. Why not? Because work for a private company.

So who's this money going to? It's going to the private company. Maybe it ends up in the trust that's established under the process to do it, but that is the mechanics of what we're doing. We have people who do an important service, who have low-waged jobs, no doubt about it, who deserve health care, but we have a private company that bid with the State of Connecticut and was awarded a contract.

I think the amendment before us -- that I would love to work on with the majority -- should be that in the future, when people who are subject to the standard wage law can't fulfill their obligations, their contract is put out to bid because, God knows, there are a lot of companies who would, I think, bid. We'd see a lot more bids at a lot lower price because they'd be willing to make less profit as a corporate business to have any profits at all.

So, I understand the desire and the need to provide health care coverage for these people because they should have it. The obligation

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belongs to the private companies who bid for contracts and were awarded contracts to the State of Connecticut and they're not doing it. And we don't know any of the facts as to why they're not. We don't know what kind of profits they make or not. So I just think we move too fast on this. It sends the wrong message that we're really not here to cut spending.

It maybe the right result at the end of the day, but this is a terribly wrong way to go about doing it as I understand all of the facts that I've learned from our staff and our attorneys about the standard wage law and the bids that were given on these contracts. A \$2.5 million bid alone just for the legislative building that went to a private company and that apparently is not enough money for them to provide the health care for their employees.

Thank you, Mr. President. I would urge adoption of this amendment.

THE CHAIR:

Thank you, Senator McKinney. Will you remark, will you remark further on Senator Amendment A on House Bill 5095.

Senator Williams.

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SEN. WILLIAMS:

I -- just very briefly, Mr. President. Yes, I rise to oppose the amendment.

I have respect for Senate McKinney's comments but my understanding is that we have the ability to actually save money, and I suspect Senator Harp and maybe others already addressed this briefly as well.

But rather than having folks go on to the HUSKY program, requiring a greater investment by the State of Connecticut. We have the ability to provide the health care in a more cost efficient way for the taxpayers.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Williams.

Will you remark? Will you remark further on Senate Amendment A? Will you remark?

If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

Immediate roll call has been ordered in the

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Senate. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senates voted? If all Senators have voted, the machine will be locked.

The Clerk will call the tally.

THE CLERK:

Motion is on adoption of Senate Amendment to Schedule A. Total number of voting 35; those voting "yea," 12; those voting "nay," 23; those absent, not voting, 1.

THE CHAIR:

Senate Amendment A fails.

Will you remark further on House Bill 5095?

Senator Frantz.

SEN. FRANTZ:

Thank you, Mr. President.

I rise for the purpose of an amendment, would the Clerk please call LCO 1073 and may I be given permission to summarize?

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO 1073, which would be designated as Senate Amendment Schedule B, it is offered by Senator

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McKinney of the 28<sup>th</sup> District, et al.

Senator Frantz.

SEN. FRANTZ:

Thank you. This amendment calls for a two-day a month furlough between now and the end of this fiscal year '09 for all nonclassified employees, thus saving the State and the General Fund \$17.4 billion as indicated in a fiscal note, and I move its adoption.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark further on Senate Amendment B?

Senate Harp?

SEN. HARP:

Thank you, Mr. President. I stand to oppose this amendment. While I think that it may be a good idea as we begin to address the greater deficit that we know is looming, I believe that now is not the time to move forward on this particular amendment and I would ask if there is available -- I haven't seen it yet -- a fiscal note?

THE CHAIR:

Is that a question posed to Senator Frantz?

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SEN. HARP:

Yes, do you have a --

THE CHAIR:

Senate Frantz.

SEN. FRANTZ:

I may have missed the question. I apologize,  
Mr. President.

SEN. HARP:

I was wondering if I could have a copy of your  
fiscal note?

SEN. FRANTZ:

Yes, through you, Mr. President, we have a  
fiscal note here.

THE CHAIR:

You have a fiscal note, as well.

SEN. HARP:

Okay. Great. Thank you very much.

When the roll is taken -- I ask that the roll  
be taken by roll call and, again, I rise to oppose  
this. I think that's probably a good idea, as we  
move down the road and negotiate further budget  
mitigation packages, but it is inappropriate for  
this time as the House has probably left. We need  
to have a bill available for the Governor and  
would urge your rejection of this amendment.

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THE CHAIR:

Thank you, Senator Harp.

A roll call will be ordered.

Will you remark? Will you remark further on Senate Amendment B?

Senate McKinney?

SEN. MCKINNEY:

Thank you, Mr. President.

I rise in support of the amendment and thank Senate Frantz for bringing it forward. And the idea -- you know, sometimes my friends, the best idea are ones that are created by others and adopted by yourself.

This is an idea that actually was instituted in the State of California, California dealing with a \$40 billion budget deficit between -- for this fiscal year alone. Imagine those numbers, and Governor Schwarzenegger worked out a deal where there would be two furloughed days per month.

These are the types of decisions we going to have to make, my friends. This isn't anyone losing their job, but this is uncomfortable to stand and say that people are going to have to take unpaid days. This saves us over \$17 million

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between now and the end of the fiscal year. That's a lot of money, and I dare say, when compared with the Governor's deficit mitigation package and the deficit mitigation package put forth by the Majority that falls about \$55 million shy of hers, it's a pretty significant and real reduction in our expenditures between now and the end of the fiscal year.

This is not the sweeping of an account. This is not the counting of an unallocated lapse. This is a real reduction in expenditures of the State of Connecticut to the tune of \$17.4 million. It doesn't cost anyone their job. It doesn't cost anyone their health care benefits.

It is not easy to stand here and say that people should take these unpaid days off, but it's the type of decision we're going to have to make. And I guess -- and I do appreciate the comments by Senator Harp because, as chair of the Appropriation Committee, I know she understands how difficult these decisions are going to be.

I guess we feel that we need to start making those decisions now. We need to start making them now. And I know we're going to be back in with another deficit mitigation package and maybe

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several deficit mitigation packages to balance the budget before '09, but we need to start making the decision now. So why not do it. The House will be back in. They can adopt this. If we like it, they'll love it. And we save 17 and a half million dollars, and I urge adoption.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senate McKinney.

Senate Frantz.

SEN. FRANTZ:

Thank you, Mr. President.

Just a few more comments on why we are proposing this amendment and I cannot believe this is one of the first actions that I'm doing personally as a member of this circle. However, the circumstances call for it.

Approximately 16 years ago, there was a very unusual weather meteorological event that occurred. You all remember it as the perfect storm. You may have seen the movie. You probably read the book. It was the confluence of three different low pressure storm systems coming together -- just about, ironically, about 150 miles east of where we sit tonight -- coming

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together to form what we know today as the perfect storm.

This is what we're facing in an analogous way in the financial world that spills into the economic world that spills into every single person's life whether it's in their company, their own personal finances, whatever the case might be.

We are, in fact, in uncharted waters, and we don't want to be -- if you remember the movie, the Andrea Gail leaving the port of Massachusetts and getting a hundred miles out and receiving weather warnings, radio calls from various other vessels saying turn back, this is not good.

We are in that position right now. We still have some time to make some changes for fiscal year '09. This is a stop-gap measure for years beyond that, '10 and '11. We know we're going to be back. We're going to have to take a good close hard look at many other ways that the government delivers services and goods to the good people of Connecticut, and we'll be back and discussing those.

I am the last person in the world that wants to ask someone to take two days off per month; however, it is something that needs to get done

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here to allow us to be in a much better financial fiscal situation for this fiscal year. With that, I would move adoption of this and ask for a roll call.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Frantz.

Will you remark further? Will you remark further on Senate Amendment B?

If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senates voted? If all Senates have voted, I will close the machine.

Clerk, please call the tally.

THE CLERK:

Motion's on adoption, Senate Amendment Schedule B. Total number of voting, 36; those

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voting "yea," 13; those voting "nay," 23; those absent, not voting, zero.

THE CHAIR:

Senate Amendment B fails.

Senate Roraback.

SEN. RORABACK:

Mr. President, I have before me the projections that were presented at our budget forum in November, and the projections we received at that time were that, in fiscal year '10, we were 13.6 percent below what we needed to fund current services, and, in fiscal year '11, we were 16.6 percent below what was needed to fund current services.

Mr. President, I'm fearful that the numbers we received in November were optimistic projections against the backdrop of what's taking place since then. And, in an effort to begin to address the phenomenon that collectively we are together confronting, the Clerk has an amendment which is LCO 1142, which I would ask the Clerk to please call.

THE CHAIR:

Mr. Clerk.

THE CLERK:

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LCO 1142 which will be designated as Senate Amendment Schedule C. It is offered by Senator McKinney of 28<sup>th</sup> District, et al.

THE CHAIR:

Senate Roraback.

SEN. RORABACK:

Thank you, Mr. President. I move adoption.

THE CHAIR:

On motion's on adoption, would you like to discuss it further, sir?

SEN. RORABACK:

Thank you, Mr. President.

I'm a firm believer that charity begins at home and that we, as legislators, shouldn't be asking of others anything that we're not prepared to submit to ourselves.

Mr. President, no one likes to take a hit with respect to their salary or benefits. But I don't think there's anyone in this circle who thinks that we're going to get through this budget crisis without asking those of us who work for the State of Connecticut to concede something for the good of our State in the short term to get us to a better day.

Mr. President, this amendment asks each and

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every one of us, as elected officials, to have our salaries reduced by 10 percent, not because it won't hurt us, not because it feels good, but rather because it will put us in a position where we can, in good conscience, ask others to make similar sacrifices for the good of our State.

Mr. President, in addition, this amendment says some of the luxuries that we enjoy as elected officials, such as having our travel paid for or as being able to send out a lot of mail to our constituents unsolicited -- which I do think has value, Mr. President, most of us take advantage of those franking privileges -- but is that an essential state service at a time when we face a budget deficit of unprecedented proportions?

I'd respectfully submit that these are things that we can lead by example, by tonight, demonstrating our willingness to take a hit knowing that others will be asked to take it. My guess is everyone in the State of Connecticut is going to take a hit before all is said and done. But why don't we go first. I think it'll put us in a good position to ask others to help. I would urge members to support this amendment and ask that when the vote is taken it be taken by roll.

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THE CHAIR:

Thank you, Senate Roraback.

A roll call vote will be ordered.

Will you remark? Will you remark further?

Senator Harp.

SEN. HARP:

Thank you, Mr. President.

I rise to oppose this amendment. You know, I think it's really interesting. One of the things that the Appropriations Committee does is that we look at contracts that come in and, typically, the average contract, I believe since 2003, has been about 3 percent a year, a little bit less. So basically, what we're asking the Governor and the Lieutenant Governor, as well as ourselves and all of the other constitutional officers, is to take a three-year plus cut in salary. I don't believe that we're going to be asking labor unions to do that and, you know, if you think of the Governor -- I don't know when the Governor or Lieutenant Governor last got a raise, but I don't believe it was last year or maybe it -- was it the year before last? It doesn't really matter but at any rate, I know the Legislature hasn't got a raise in about eight years. So to have a

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three-something -- that is a three year in comparison to unionized employees, and employees, who, frankly, may not get a cut at all, may just take a lay off. I believe is grossly unfair and so to the maker of the amendment, could you please tell me, through you, Mr. President, what the 10 percent was based upon?

THE CHAIR:

Senator Roraback.

SEN. RORABACK:

Thank you, Mr. President.

And I will tell Senator Harp, we had a lot of discussion amongst ourselves as to what number is the right number for us to show that we are prepared to feel the sting as well.

Mr. President, because we only have five months remaining in this fiscal year, the 10 percent reduction that's proposed really amounts to a 5 percent reduction in our annual salary, if you amortize it over the year.

Mr. President, I would gladly, if Senator Harp believes that a lesser number is appropriate -- to me, the most important thing is that we take that gesture, we take that step to say, we're going to take a hit. We'll take the first hit, and once

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we've taken the first hit, then we can look to others to take a hit as well.

So, Mr. President, I think 10 percent is appropriate, but if I can get Senator Harp's support of 5 percent or 4 percent or 3 percent, I will run over and call in other amendment and be back here as fast as I can be. Through you, Mr. President, I hope that answers Senator Harp's question?

THE CHAIR:

Thank you, Senator Roraback.

Senator Harp.

SEN. HARP:

Thank you very much. It does answer my question. It seems to me that this was just something that sounded like a good number but wasn't based upon anything other than the savings. I think this is another thing that can be considered later, but would urge rejection of this amendment at this time.

THE CHAIR:

Thank you, Senator Harp.

Will you remark further?

Senator Witkos.

SEN. WITKOS:

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Thank you, Mr. President.

I rise in support of the amendment that here before us. We've heard many comments that say, well, this is -- these are good amendments but not at this time. There's a clock right outside the door, and it continues to run and get bigger and bigger and bigger. When is the time going to be? It's a deficit clock. We've just had a discussion on previous amendments that we know it's going to get bigger. The deficit's going to get bigger. And we're also told, well, it's a 10 percent -- where does that number come from? And we're -- we haven't got a raise in a long time.

But, as I look around this circle, we all have jobs. There are people out there -- forget about a raise, they're looking as to where their next paycheck's coming from. And we are the leaders. We are the legislative branch of government and if we're going to be asking our follow State employees down the road, further down the road, because that's what we're talking about, the amendments, the furloughs for pay reductions then we need to set the example, as our Governor set the example, by taking a voluntary pay reduction.

I ask all the members of this circle to please

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support this amendment.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Witkos.

Senator Guglielmo.

SEN. GUGLIELMO:

Thank you, Mr. President.

I think anybody who's in the military knows that the second lieutenant leads from the front. He doesn't lead from the rear, and we are the leaders. You know, years ago, in the 80s, I was on the board of a small community bank, and we made some mistakes. And that -- those mistakes put stress on the bank, put stress on our employees.

And we weren't alone. I mean, it wasn't mistakes that we made alone. It was part of a national recession. Real estate values dropped. We got caught short. We weren't in as bad shape as some savings and loans and small banks that went out of business, but we were in distress. So what we did, as a board, was we eliminated our quarterly retainer. We didn't save a lot of money. It didn't add a lot to our bottom line.

In fact, it didn't really make much different

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at all, but what it did make is a psychological difference to the employees of the bank that the people who are running the bank were willing to take responsibility for their errors in judgment, to let them know that we had a little courage, to let them know that we had a little character, not bad stuff, courage, character.

You know, it's like Walt Whitman said, you know, years ago -- I think it was him anyway -- that do the right thing, it'll please your friends and it'll astound your enemies.

So I think it's time for us to do the right thing and lead by example and take this small cut as a symbolic gesture to all those that are going to be taking cuts and have already taken cuts in our economy.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Guglielmo.

Will you remark?

Senator Kane.

SEN. KANE:

Thank you, Mr. President.

I, too, rise in favor of this amendment. I think the entire package we're talking about today

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is a \$132 million, and I want to commend Senator Daily, as Chair of the Finance Committee. She talked a lot about transfer of funds, other revenue, increased revenue, I think the figures are about 77, 78 million dollars. And, then, I believe in Senator Harp's opening remarks, she said that the actual appropriation's reduction was \$4.1 million. So I don't know out of this whole \$132 million have we really reduced spending.

We are doing it in the private sector. I know, myself, owning my own business. You can look at businesses from small, like myself, to rather large, taking into consideration the casinos, I think, were recently in the news of reducing pay to their employees.

As Senator Guglielmo said and Senator Witkos said, we're trying to lead by example. We're trying to set that example. I think opening day, Senator Williams in his eloquent speech said, All hands on deck, and this is the time where we're on deck. And, Senator Witkos, I think at that point said, Well, here I am captain, and, well, here I am and, I think, here we all are, and I think we are on deck. We're ready to participate and the way to do that is by setting that example.

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Senator McKinney, on opening day, suggested that we consolidate committees and that would save a great deal of money. So here we are, we're posing these examples as a legislature to make these kind of drastic changes that we need to make in this dire economic time.

So I, too, support this amendment because, again, going back to the \$4.1 million reduction. This alone, the fiscal note to this is \$1.9 million this year and \$5.3 million next year. So there's a huge fiscal note attached to this. So if we're only saving or cutting or reducing spending by \$4 million, this alone is cutting that in half, 2 of it, 2 million of that \$4 million in this one amendment so I don't know how any one can argue with that, but I am in support of this amendment.

Thank you, Mr. President.

THE CHAIR:

Senator Daily.

SEN. DAILY: Thank you, Mr. President.

A lot has been said about our leading by example and also about the Governor's example, and I think all of this is very true.

The Governor has the luxury of doing her

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actions by press release. We, on the other hand, have to vote for them. And I think that we should do what the Governor has done and take a day without pay or whatever other considerations, but I think the method by which that should be done is by a meeting of our leadership, the six leaders of the two chambers, and work out which way we would proceed, and I hope we will all do that.

And so I encourage you to vote against this amendment and to work towards our leading by example.

Thank you.

THE CHAIR:

Thank you, Senator Daily.

Senator Debicella.

SEN. DEBICELLA:

Thank you, Mr. President.

Through you, Mr. President, questions to the proponent of the bill?

THE CHAIR:

Senator Roraback.

SEN. DEBICELLA:

Thank you, Mr. President.

Through you, in terms of dollar figures, how much for us in the circle would this impact our

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salary for this year, through you, Mr. President?

THE CHAIR:

Senator Roraback.

SEN. RORABACK:

Thank you, Mr. President.

Doing the math in my head, by my calculation, each of us would be asked to forego, approximately, \$1500 in pay for the balance of the fiscal year, through you, Mr. President, to Senate Debicella.

THE CHAIR:

Senate Debicella.

SEN. DEBICELLA:

Thank you, Mr. President. I thank Senator Roraback.

My gosh, \$1500. There are people out there in all of our districts who have lost their jobs, who are wondering how they're going to pay the rent, who are wondering how they're going to pay kid's next college tuition bill. And we debated a lot of different numbers in our caucus rooms. Some were radical. Some, we said, ah, that's ridiculous, that's just making a statement. So we said, well, let's do something that people can live with, \$1500. That's not that much to ask.

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That's a vacation. So we don't take a vacation this year. It's not so much to ask of each of us in this circle to give up a little bit because we're going to be asking a lot of people to give up a lot more.

And so I'd encourage us all to actually do this. And as Senator Daily mentioned, we need our leaders to get together. We can't do it with the House, but if we need to take a break right now and have the President Pro Tem and the Minority leader and Majority leader sit down and talk about this, I think we're willing to do it. If we send this message tonight to say, we're going to sacrifice first before we ask others to. That is leadership, and I'd encourage us all in a bipartisan way to adopt this amendment.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Debicella.

Senator Looney.

SEN. LOONEY:

Thank you, Mr. President.

Speaking in opposition to the amendment and following up with the points made by Senator Harp and Senator Daily.

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First of all, as Senator Harp points out, in effect, the General Assembly, at least, has probably taken, in terms of purchasing power and cost of living, about a 25 percent reduction since the year 2000, since there hasn't been an increase since that time. And, in terms of Senator Daily's point, there is nothing that prevents any relatively affluent or nonaffluent member of the chamber from voluntarily making a deduction, a contribution, back to the State, and people can do that at anytime and would encourage people to do that. And I think that, at some point, we might want to look at a more organized way of doing that as part of an overall package because, as we pointed out, this is going to be part of what's going to be a painful ongoing process of deficit mitigation for the current fiscal year and then facing what we faced for 2010 and 2011.

But, for the moment, I think, that the kind of mandate contained in this amendment is not the best way to proceed. For instance, it would completely remove from all members any transportation allowance that might be a hardship for some to travel significant distances to be here, and there is -- the amount cut here might

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indeed be a hardship for some. Some may not; some would probably feel it very little. Others would find it would impinge greatly upon their ability to continue to serve.

So, at this point, would urge rejection of the amendment.

THE CHAIR:

Thank you, Senator Looney.

Will you remark? Will you remark further on Senate C? Will you remark further?

Senator Williams.

SEN. WILLIAMS:

Thank you, Mr. President.

I also rise to oppose the amendment. I do understand this sentiment and the folks who have spoken in favor of this, the need for a symbolic step. And I also agree with Senator Daily's comments. I'm happy to work with our colleagues on the other side of the aisle toward finding economies that we can. I can tell you we're already doing that. Our own caucus intends on returning a minimum of 5 percent of our own caucus budget back to help plug this deficit gap. I hope that your caucus can join us and return at least 5 percent of your caucus budget back to help plug

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this deficit debt as we go forward.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark further?

If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, the machine will be locked.

The Clerk will call the tally.

THE CLERK:

Motion's on adoption of Senate Amendment Schedule C. Total number voting, 36; those voting "yea," 13; those voting "nay," 23; those absent, not voting, zero.

THE CHAIR:

Senate Amendment C fails.

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Senate McKinney.

SEN. MCKINNEY:

Thank you, Mr. President. Mr. President, I believe the Clerk is in possession of an amendment to LCO Number 1268. I ask that he call the amendment and seek leave to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO 1268 should be designated as Senate Amendment Schedule D. It is offered by Senator McKinney of the 28<sup>th</sup> District.

THE CHAIR:

Senator McKinney.

SEN. MCKINNEY:

Thank you, Mr. President. I move adoption of the amendment.

THE CHAIR:

Acting on approval of the amendment, sir, would you like to remark further?

SEN. MCKINNEY:

I would. Thank you, Mr. President.

This is a fairly simple amendment, and it would call for the striking of over -- just over \$2.9 million in the Contingency Needs account, to

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be precise, 2,924,450.

Now for those of us who've been around for a while, I don't think Senator Williams or I could engage in the eloquent, exciting debate that former Senators Aniskovich and Sullivan had over definition of a contingency fund, a slush fund, and nests that we pluck from. I think, as I recall, Senator Aniskovich refer to them as slush funds, and the Senate President talked about nests that we can pluck from.

But the bottom line is it's \$2.9 million. Governor Rell had \$2 million of the Contingency Needs Fund in the budget that was negotiated for and we all -- I voted for. She is willing to forego the use of that \$2 million.

I actually asked OFA whether that was in the deficit mitigation plans submitted by the Governor or by the Majority and there was some confusion. The confusion was because they've actually counted 2 million in savings against the deficit, but the money's still there. So we need to take that money out.

In going through that exercise, I learned, the good news is that there's an extra 900 thousand 24-something dollars left in there that we should

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sweep. The even better news is, to my Democratic colleagues in the Senate, you are much more fiscally responsible and frugal than your colleagues in the House because they have a balance of \$1500. You have a balance of \$922,000.

In all seriousness, we voted for that budget. I did. It was part of the deal, but we shouldn't be spending that money in this time of fiscal crisis. Admittedly, this is a sacrifice that the Governor's made and that you would be making for your contingency needs account, and we don't have any money in it. So I'm not asking to take anything for myself. If you'd be willing to give me a contingency fund, I would have given it up.

But we've had those debates in the past. We don't need to get exercised and I won't get exercised about what they are. But it is real money. We should sweep it out. In the same manner, as the Governor's offered to give it back, to help close our budget gap. I ask you to give yours back to, similarly, close the budget gap.

Mr. President, I urge adoption of the amendment and ask, when the vote be taken, it be taken by roll call.

THE CHAIR:

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Thank you, sir. A roll call vote will be ordered.

Senator Harp.

SEN. HARP:

Thank you, Mr. President. I rise to oppose the amendment. It was part of a budget agreement and one of the parties has already spent their money. And I think it's really, frankly, something that we should discuss in the future as we move forward and try to deal with this deficit.

But, currently, I don't believe this is something that, at least, should be on the table and would urge rejection of this amendment.

THE CHAIR:

Thank you, ma'am.

Senator Fasano.

SEN. FASANO:

Thank you, Mr. President.

Mr. President, I support the amendment. Everybody's tightening their belts. Everybody is looking to figure out how we can close this gap. I cannot think of an easier method than taking what we all call the slush fund, which is just discretionary money, not earmarked for anything whatsoever, to be used at total discretion, an

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absolute slush fund. And what we're saying is just take that money, 2.9 million, throw it in, close the gap. That is a huge line item. In the budget that's presented here tonight, that is a huge line item, almost \$3 million of unearmarked total discretionary slush fund money and that should be used to close the gap.

If we can't do that easy, easy grab, what are we going to do? The tougher decisions -- the tougher decisions, the program decisions, shrinking government decisions, have a lot of ramifications. This has absolutely no ramifications, other than our greed for that money, our greed as a legislature for that money, the slush fund money.

It's not earmarked, doesn't belong to anybody. No one's going to get hurt. No one was promised it. We're taking it back. No programs are going to get cut. Whimsical. If we can't do that, we're in a lot more trouble than just the numbers.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Fasano.

Will you remark further on Senate D? Will you remark further?

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If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, the machine will be closed.

The Clerk will call the tally.

THE CLERK:

Motion's on adoption, Senate Amendment Schedule D. Total number voting, 36; those voting "yea," 13; those voting "nay" 23; those absent, not voting, zero.

THE CHAIR:

Senate Amendment D fails.

Senate McLachlan.

SEN. MCLACHLAN:

Thank you, Mr. President. I rise for the purposes of an amendment, would the Clerk please call LCO 1262, and may I be given permission to

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summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO 1262, it's been designated as Senate Amendment E. It is offered by Senator McKinney of the 28<sup>th</sup> District, et al.

THE CHAIR:

Senator McLachlan.

SEN. MCLACHLAN:

Thank you, Mr. President.

This amendment increases the authority of the Governor to rescind total appropriations from any fund from 3 percent to 6 percent, and line item rescissions from 5 percent to 10 percent through the end of this fiscal year.

And the reason for this amendment is that it's become very clear that now after nearly 14 hours of deliberations here in the General Assembly today that we are not able to handle the red ink at hand that we are aware of today that we've still fallen short with the proposals on the table. We've fallen short in another \$50 million in deficits that when we leave tonight or, actually, now in the morning, Thursday morning, we

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need to deal with next week. And it's growing exponentially.

And the person in Hartford, according to the media and the residents of Connecticut, that seems to be doing a good job in cutting the deficit is Governor Rell and so this amendment proposes that let her continue to keep working in the finite detail of this very complex State budget and increase her rescission authority to a point that she can continue to fine tune the existing budget. And take the 300-plus, almost \$400 million in rescissions that she managed to pull together and now bring it much closer to the deficits that we're going to be facing in another couple of weeks when the revenue numbers come forth.

And so I urge adoption of this amendment and ask for a roll call vote.

Thank you.

THE CHAIR:

Thank you, Senator McLachlan.

Will you remark?

Senator Harp.

SEN. HARP:

Thank you, Mr. President.

I rise to oppose this amendment. I don't

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believe the Governor has exhausted her current rescission authority in all of the departments. As a matter of fact, in negotiations over this mitigation package, it was recommended by representatives of her office that we engaged in further mitigation by working together and coming up with a program together, all of the caucuses having representation around the table to do budget mitigation.

So giving more authority doesn't necessarily mean that we will actually be closer to reducing our deficit. I think that the collaborative type of response to what is before us is what we will have to engage in and because I don't believe that this will work and, actually, will complicate the matter, I urge rejection.

THE CHAIR:

Thank you, Senator Harp.

Senator Caligiuri.

SEN. CALIGIURI:

Thank you, Mr. President.

Through you, if I may, a question for Senator Harp?

THE CHAIR:

Senate Harp.

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SEN. CALIGIURI:

Through you, Mr. President, I rise in support of the amendment, but I'm curious why Senator Harp says that this will complicate the matter. And I assume that she refers to the matter of working together to solve the deficit that we're facing for this fiscal year, through you, Mr. President.

THE CHAIR:

Senator Harp.

SEN. HARP:

Thank you, Mr. President.

Through you, I think that basically what this will do is give the public the impression that the Governor will actually utilize this extra rescission authority, when, in fact, she hasn't currently utilized all of the rescission authority that she has. I think that it will be pressure on the executive branch when we're really in a time when we need to work collaboratively.

Once we get those new numbers together to address what our, you know, we've seen proposals in these amendments that probably amount to, I don't know, maybe, \$50 million. I've heard from your side today during the debate that we may have a \$1 billion problem after the 20<sup>th</sup>. So it's going

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to require us coming together, legislative branch and executive branch, working together and this added authority, I don't think will be utilized because the current authority hasn't been and would put pressure on the executive branch to actually feel as if it would be harder to be collaborative that was my thinking at the time.

THE CHAIR:

Senate Caligiuri.

SEN. CALIGIURI:

Thank you, Mr. President. Through you, thank you to Senator Harp for that response.

I respectfully disagree. Because if you follow that logic the fact that she hasn't, that is, the Governor hasn't fully used the authority that she has up to this point, could be an argument in favor of reducing the authority that she has and, yet, I don't think any of us here tonight would think that that would be the right outcome.

The reality is that in order to solve this problem, the Governor and the Legislature are going to have to work together, as they have, as partners, in collaboration, to deal with the massive problem that we face. The other reality

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is that Governor Rell has been a very aggressive partner, to date, in seeking cuts and really playing a tremendously forceful and effective leading role in leading us through the fiscal crisis. She has demonstrated a willingness to do it, and I think that giving her additional authority to do it, especially, in light of the fact that she resides on the frontlines as the head of our executive branch of government and working closely with her department heads. The fact that she resides at the very frontlines of the agencies where ultimately these cuts have to be made puts the Governor and her staff in a perfect position to identify cuts that need to be made sooner rather than later.

This additional authority would simply empower her to do that while at the same time not taking away from us any of our authority, any of our responsibility, and, ultimately, the duty that we have to work together with the Governor to solve this problem. This creates additional opportunity for us to make cuts sooner rather than later and, in my judgment, with no material downside.

And for that reason, I would urge adoption and I thank Senator McLachlan for pushing this issue.

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Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Caligiuri.

Will you remark?

Senator Looney.

SEN. LOONEY:

Yes, thank you, Mr. President.

Speaking in opposition to the amendment, I think as Senator Harp has indicated that the adoption of this amendment would be to some extent an abdication of legislative involvement in the ongoing difficult partnership that we need to have with the Governor in terms of agreeing on further reductions and rescissions.

It also seems to me that given the language of this amendment, it might allow for a more significant cut that might be available, that might be evident at first glance since the amendment refers to a reduction of no more than 6 percent of the total appropriations from any fund and more than 10 percent of any appropriation that refers to the entire appropriation for a given year. So without knowing what the individual balances are in various funds, suppose there was a fund that had spent 90 percent of its

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appropriation to this point, it would mean that the entire remaining balance could be rescinded by the Governor and that might be something that without knowing the particulars that we might object to and might think was too harsh and not something that we would support. So, while it only refers to 6 percent or 10 percent, as opposed to 3 percent or 5 percent, we are pretty far along now in the midpoint of the fiscal year and don't know from fund to fund how much has already been expended and what kind of an impact this would have on remaining balances as a percentage of the overall fund with which we started the fiscal year.

So I would urge opposition to the amendment, Mr. President.

THE CHAIR:

Thank you, Senator Looney.

Will you remark?

Senator McLachlan, for the second time.

SEN. MCLACHLAN:

Thank you, Mr. President.

Just for clarification, the fiscal note of this amendment, pretty clearly, states that grants to towns, which are exempt from the Governor's

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rescission authority under current law, remain unchanged and so they will not be impacted. But for illustrative purposes, 3 percent of the total appropriation equals \$560 million, and 6 percent equals 1.1 billion.

So if we've talking about 5 months of the fiscal year, effectively, that will be in play, clearly, we are looking at somewhere at least, \$500 million that can be offered to the Governor between now and the end of fiscal year for further rescissions and that I offer to this body is a good opportunity to keep the ball moving for deficit mitigation.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark further on Senate Amendment E? Will you remark?

If not, Mr. Clerk, please call for roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in.  
Senate. Will all Senators please return to the chamber.

Immediate roll call has been ordered in the

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Senate. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, the machine will be locked.

The Clerk will call the tally.

THE CLERK:

Motion's on adoption of Senate Amendment Schedule E. Total number voting, 36; those voting "yea," 12; those voting "nay" 24; those absent, not voting zero.

THE CHAIR:

Senate Amendment E fails.

Will you remark further on House Bill 5095?

Senator Debicella.

SEN. DEBICELLA:

Thank you, Mr. President.

On the underlying bill, you know, we've heard a lot of discussion tonight and I think both sides of the aisle have made the right point that the bottom is falling out. We are facing an unprecedented crisis. Representative Geragosian downstairs said this is probably the worst year since 1991 we're facing as a legislature and he's right.

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The scary part about tonight is this was the easy discussion about the budget. With a larger deficit this year and, at least, \$6 billion deficit for the next two years, what we're doing tonight is the easy part of it. And the bill we have before us tonight, Mr. President, only cuts or rescinds or transfers \$63 million less than what the Governor had proposed. And given the enormity of the task that we're facing, this bill really isn't adequate to face the challenge that the State of Connecticut currently faces. It not only leaves a budget deficit of, at least, 45 million, if not more, depending on how lapses turn out. But we know that in about a week, the deficit's going to be at least a couple hundred million dollars, maybe even a billion dollars greater.

So, Mr. President, I urge rejection of this package tonight because it is not up to the task of closing the budget deficit that we face. And, in the upcoming weeks, we all need to be in this together, Republicans, Democrats, Governor, Legislature, to pull together to come up with the ideas that will close the deficit for this year and start thinking about the years ahead.

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You know, having been with my colleagues for two years now, I am supremely confident that we have the intelligence, that we have the smarts in this circle, on both sides of the aisle to figure this out. We just all need to have the courage and the will to implement the tough decisions that lie ahead.

So, Mr. President, I look forward to that conversation, but, for tonight, I urge rejection of this package.

THE CHAIR:

Thank you, sir.

Will you remark?

Senator Harris.

SEN. HARRIS:

Thank you, Mr. President.

I call the circle's attention to Section 15C of the bill concerning the bottle deposits. In this section, Mr. President, that we passed back in November, it requires deposit initiators to create a report. And it was the intent of this legislature, when passing this provision, to get these reports so that we can understand the entire cost structure of the bottle deposit system.

So what we wanted to see were all of the

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nickels going away from the deposit initiators, all coming back, the handling fees, and other costs, the pick-up costs, for instance, associated with that activity.

It's my understanding that the Department of Environmental Protection, which is charged under this section with creating the form upon which this information is reported, is just seeking the nickels out and the nickels back to the deposit initiator.

So, Mr. President, through you, a question to Senator Daily.

THE CHAIR:

Senator Daily.

Senator Harris.

SEN. HARRIS:

Thank you, Mr. President, through you, is it true, Senator, the purpose, legislative intent, was that the report should also include the handling fees paid, the driver pick-up costs, and the third-party vending fees?

THE CHAIR:

Senator Daily.

SEN. DAILY:

Thank you very much, Mr. President.

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Yes, sir, I would, if I were the industry, want to make sure that all of that information is included. They are entitled under the original legislation to a handling fee which varies for soda and beer, but I would want to make sure that I'd submitted in my report all of those various fees that go into the cost of their doing business.

THE CHAIR:

Senator Harris.

SEN. HARRIS:

Thank you, Mr. President.

I thank Senator Daily for that response and that I would hope also that under Subsection B that when the Department of Environmental Protection has its policies that they promulgate and, of course, finally, the regs, it takes into account those aspects of the report that we would like to hear.

THE CHAIR:

Senator Daily.

SEN. DAILY:

Thank you very much, Mr. President.

And, through you, there's nothing in our language that would require them to take that into

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consideration. Again, if I were industry, I would want to submit that. That the reason that we're taking the escheats is to help fill our budget gaps so they couldn't ever expect there'd be a promise of such action.

THE CHAIR:

Senator Harris.

SEN. HARRIS:

Thank you, Mr. President.

Again, I hope that the intent is clear and that the reports contain all the information.

Mr. President, to Section 1 of the bill concerning money follows the person in the Long-Term Care Reinvestment account. The intent of this particular section is to ensure that since we are not going to be establishing the Long-Term Reinvestment account until July 1 of 2009, that if any money comes in, under money follows the person, prior to that time, prior to the time that the account is set up that those dollars will go to the General Fund.

And I just want to put on the record and, through you, ask a question to Senator Harp.

THE CHAIR:

Senator Harp.

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SEN. HARRIS:

Through you, Mr. President, is it true that the intent is that these monies would be allowed to flow into the General Fund, prior to July 1 of 2009, as long as that was permissible under federal law?

THE CHAIR:

Senator Harp.

SEN. HARP:

Thank you very much, Mr. President.

Yes, as a matter of fact, I think it's -- the language, as amended, tried to make that clear.

THE CHAIR:

Senator Harris.

SEN. HARRIS:

Thank you, Mr. President, and, through you, one more question of Senator Harp.

It's also my understanding that the Office of Policy and Management has opined that they believe that taking those dollars, the money follows the person dollars, into the General Fund prior to setting up the account on July 1 of 2009, is not in violation of federal law?

THE CHAIR:

Senator Harp.

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SEN. HARP:

Thank you, Mr. President.

Through you, it's my understanding that the Office of Policy and Management believes that it is within the rights of the State to take those dollars, but it will be guided by federal law should they learn something differently.

THE CHAIR:

Senator Harris.

SEN. HARRIS:

Thank you, Mr. President.

Thank you, Senator Harp and to Senator Daily.

THE CHAIR:

Thank you, sir. Will you remark further on House Bill 5095?

Senator Fasano.

SEN. FASANO:

Thank you, Mr. President.

I urge rejection of this bill. The reason for it is two-fold. First, it does add more spending. It does -- the \$274,000, roughly, for '09 and then for '10 and '11, it binds us to a larger figure as a result of that.

Mr. President, we can't afford any new spending. We're here for reductions, not

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increases, Mr. President.

There was some talk that there might be HUSKY money that offsets this, although there's nothing in the fiscal notes to suggest that. Who knows how many people are in HUSKY this is going to affect, whether they're eligible, none of that information.

And, maybe this is a good idea, but then that's why we have a public hearing. We have a public hearing so people can come in. We can see the evidence before us, and then we can make a decision. But nobody here has had a public hearing on this issue. That group that has suggested that they needed this help hasn't presented the books and records in front of us, nothing. All we -- we don't have a fiscal note that even suggests that's what going on.

So we've come in here for deficit mitigation plan to reduce the deficit, and we're leaving with increased spending not only in '09 but in future years. That, to me, just makes no sense whatsoever.

We talk about transparency of government. We talk about fairness in contracting. We talk about equality. Here we have someone who bid on the

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job, got the job, changes the rules, and we're going to bail them out.

What about the other bidder? Maybe he would have kept it to the bargain. It just doesn't make sense. It just doesn't fall within the fair play rules that we hold so dear in this chamber.

The second reason why I voice an objection is it just doesn't go far enough. At the end of day, we're still left with a hundred million dollar deficit. And saying we did our job is really not being all that truthful with our constituency. We're here to get rid of the deficit, not just leave stuff on the table at the end of the day. We need to plug the hole that we have identified by OFA and OPM, and we haven't done that, let alone the other numbers that are floating out there that are mindboggling, mindboggling. I don't know how we even get to that. And we don't even have the gumption to take \$2.9 million of slush fund money and throw into the pot where it affects nobody other than us, and we won't do it.

There's nobody who's going to sit outside and protest or call us or e-mail us or get angry with us over 2.9 million, and we won't even do that. And that is really, really easy.

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So, Mr. President, I urge rejection. I accept the notion that we need to get together, but I accept this notion of that we need to get together, not to hear the plan that one side of the aisle is presenting, but to be a part of the plan that is being presented, and that's what's missing. That's what's missing. We've been called together for meetings and saying this is what we're doing; not called together for meetings and say what can we do together. And we should be doing it together because that's the only way you're going to get a solution.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Senator Looney.

SEN. LOONEY:

Thank you, Mr. President.

Speaking in support of the bill, I would like to commend Senator Harp, Senator Daily and others who have worked so hard on this and the reality is that this bill moves us incrementally toward closing that gap. If we pass this bill, we will have less of a gap than if we do not pass the bill.

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It may not solve the entire problem, and we know that there's a continuing tsunami facing us with anticipated more bad news for the rest of this fiscal year and into the next two years, but the reality is that this bill moves us along the path toward closing that gap, solving that problem, and to that extent, it certainly is -- it is positive. It takes responsible steps. It makes reductions, and we have made progress by passing this bill. Were we not to pass this bill tonight, the gap remains larger than it would otherwise be so we're taking positive action, moving in a responsible direction by passing this bill and would urge all members to support it.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Senator McKinney.

SEN. MCKINNEY:

Thank you, Mr. President.

Mr. President, I guess I did not expect a vote against this package when I came in this morning, but I cannot for several reasons, foremost of which is I don't think it's acceptable to say, well, we simply moved the ball down the field

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because we moved it barely inches. And I think we could have and should have done better. I think the people deserve better.

Just very quickly, to remind my colleagues, which I think they already know, but people need to continue to hear this -- we have seen foreclosures and bankruptcies in the State of Connecticut at higher rates that at any time in my life time.

From June to December, there were 12,500 jobs lost in the State of Connecticut. From the middle of October to January, there were 4,000 more jobs lost in the State of Connecticut; that doesn't include the reduction at Pfizer; that doesn't include what is going to be future job losses on Wall Street as much as 25 percent of which will be Connecticut residents they predict; that doesn't include the fact that a corporation in Stamford is moving 350 jobs out of the State and those people, I don't believe, have lost their jobs, but they won't be living in Connecticut having those jobs.

Those foreclosures, those bankruptcies, personal and business, those 17,000 plus people who have lost their jobs, have seen and are experiencing real pain, real pain. And there are

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tens of thousands more across the State of Connecticut who are afraid that their job won't be there next week, who have seen their pension and retirement accounts dwindle. That is what we all know is happening. We see it and hear it every day.

The one thing that I continue to hear from my constituents is that they don't see government making the same tough choices they're making. They don't see help coming from us. They don't see help coming from Washington, where they print money in the hundreds of billions with no accountability, whatsoever.

We can't print that money. We can't spend till the cows come home like they do in Washington. We have to balance our budget. We can't impose further burdens on the people of the State of Connecticut through higher taxes at this time. So if we're not going make those tough decisions now, when are we going to make them?

And I understand that dual track that Senator Williams, I believe, has talked about, working on the budget deficit for '09 and at the same time working on the biennium budget. I understand that there is still time with respect to the biennium

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budget. And I think there is unanimous agreement that we want to work together to get a resolution to the biennium budget sooner rather than later, but we don't have the luxury of time with respect to the 2009 deficit for the current fiscal year. We simply do not have that luxury.

As every day goes by, the decisions we make become harder, and the cuts and rescissions we have to make become more difficult. I was just at a community meeting this past weekend and I used simple numbers because that's why I went to law school. I wasn't good at math. But if you have a program that costs a hundred dollars for the year and you want to cut 10 percent, you cut \$10. But when you've already spent 5 -- when you've already spent 50 of that 100, now, you've got to cut \$20 to get to that 10 percent. It doesn't work. It doesn't work. I probably got my math wrong here tonight, but we've already spent six months of our budget this year and we have -- and we may have as much as a billion dollars left to go.

We're going to spend roughly 7 to 8 billion between now and July 1, and 1 billion of it we're going to have to cut. If we don't cut it, then we have left -- we have left ourselves with two

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choices: the money comes out of the raining day fund, or we raise taxes. We owe it to all of the people in the State of Connecticut, not to let those two decisions happen.

We owe it to them to make those decisions to balance our 2009 deficit now. And if we wait until March or April, there's no way we're going to be able to do it. You can't cut a billion dollars in the last quarter of the year. There's no way you can do it. Especially, when you're unwilling to look -- or can't look, as we can't, without concessions from the union. I didn't mean to say "unwilling," but we can't, unless they come to the table. So all we can do is look at programs. And you just can't do it. You just can't do that much in the last quarter.

So if we take -- if we fail to take action, we are admitted that we're going to allow a massive raid on the rainy day fund. We have about \$1.4 billion there. We're looking at a billion dollars deficit this year, perhaps. We're looking at 6 to 10 billion over the next two years, and most economists say we're going to have a third bad year after that. If we let that rainy day fund be used and raided now, our constituents are

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rightfully going to say where the heck did all the money go? Where did it all go and how did it go away so fast?

So we can't let that happen. If we're going to raise taxes to balance the budget deficit, it's going to have to be retroactively imposed on people, which I would argue is not very fair.

So how do we balance the 2009 budget deficit if we're not going to make real spending cuts right now, right now? I will say that this is, maybe, one of the first times that we've had this type of debate where amendments we have offered -- although defeated, I believe actually have been good for the process in terms of moving the ball forward, a defeated amendment.

Because I did hear Senator Harp say that the two-day furlough might be a good idea. I did hear Senator Daily say the idea of a reduction in our pay -- I believe that's the amendment you were speaking on, Senator -- is something that the leadership should talk about, and I wish we had actually been in discussions negotiating that. Yes, the chairs and ranking members, the chairs were good to reach out to talk to the ranking members, but, candidly, they weren't negotiations.

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Candidly, there wasn't a lot of interest in accepting some of our ideas and there wasn't an interest in accepting our ideas tonight.

It's going to be bad news, folks. We all know that. You know -- my last story, the first three or four months into my job as a lawyer at Cummings & Lockwood in Stamford. A senior partner, who was in charge of seeing how I was doing, came to me and said, Listen, I know all the other partners and all the work they've given to you. I want to see how you're doing.

I said, Well, you know, I'm kind of under water.

And he said, Well, let me tell you what I've done since my third or fourth year in practice and it's worked. Every day I come into the office and I write down all of the things I have to do on a piece of paper, and I start with the thing that I least want to do. That's the hardest to do. That's the most difficult to do. That's the thing I do first and the rest of the day falls in line pretty easy, and I've been doing it every day since.

That's the advice that's actually is going to have to happen right here. We're going to have to

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start with the most difficult decisions. We're going to have to do them first, and we're going to have to do them now. To date, I don't believe we've made those decisions. I don't believe we've demonstrated a willingness to make those decisions and an understanding of the full depth of the problem the people of the State of Connecticut face.

So I stand in opposition to this as a marker to say that we cannot continue future deficit mitigation packages that don't make those big, tough, difficult decisions and move the ball way down the field rather than one yard at a time because we don't have that luxury.

Thank you, Mr. President.

THE CHAIR:

Thank you Senator McKinney.

Senator Williams.

SEN. WILLIAMS:

Thank you, Mr. President.

I rise to support the bill. To thank Senator Harp and Senator Daily and the others who have worked on this. It's not easy. This will not be the last time that we act on deficit mitigation measures for this current year. As has been said,

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things continue to slide in this State and, unfortunately, throughout the country.

Very briefly, I do want to make a specific comment on Section 15 of the bill for purposes of legislative history. It pertains to the bottle deposits. I'm comfortable with the Department of Environmental Protection's interpretation of the so-called special account and the refund value that goes in and is accounted for and also the fact that, under the language here along with statutes that are already law, that any handling fees and other expenses of any kind are not subtracted from the refund value, are not subtracted from the escheats for the purposes of counting the escheats and finding out how much we have or for the purposes of Paragraph D within Section 15 and the rest of Section 15.

We do have a difficult economic crisis in the State of Connecticut. I think that there are two milestones in the not too distant future that are going to be very important. One, a little over two weeks, the Governor will present her budget on February 4<sup>th</sup> for the next two years. We have reached out to the Governor. We understand this is a very difficult process for her. We have

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talked about moving up our deadlines in terms of our own legislative process, and we look forward to working with our colleagues here in the legislature both sides of the aisle and also with the Governor as she puts this budget together and bringing it to us in the very new future.

Milestone number two will be, ideally, by the end of February in Washington DC when the federal government and the Congress pass a federal stimulus package. It will be critical for us to find out how much federal aid will be coming to Connecticut and how much directly will be assisting us in this budget process.

Thereafter, we will know almost to a certainty what we have to do in order to fill the gap left by the deficit here and whatever dollars to make that up we receive from the federal government. So we have a lot of work to do. We have very important milestones that are coming up in the very near future. And it is a time as a lot of us have said where we need to work together and get this done in a very, very difficult time.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

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Will you remark? Will you remark further on House Bill 5095? Will you remark further?

If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber.

THE CHAIR:

Senator LeBeau. Senator LeBeau.

It's quite all right. We've got all night -- or morning I should say.

Has everyone voted? If everyone's voted, the machine will be closed.

The Clerk will call the tally.

THE CLERK:

Motion is on passage of Emergency Certified Bill 5095 as Amended by House Amendment Schedules A and C.

Total number voting, 36; those voting "yea," 24; those voting "nay," 12; those absent, not voting, zero.

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THE CHAIR:

House Bill 5095 passes.

Senator Looney.

SEN. LOONEY:

Thank you, Mr. President.

Mr. President, I move for a suspension for immediate transmittal for the Governor of House Bill 5095.

THE CHAIR:

Without objections, so ordered, sir.

At this time, I will entertain any points of personal privileges or announcements.

Senator Looney.

SEN. LOONEY:

Thank you, Mr. President.

Since no members are seeking recognition for announcements or points of personal privilege, would move that the Senate stand adjourned, subject to the Call of the Chair.

On motion of Senator Looney of the 11<sup>th</sup>, the Senate at 12:48 a.m. adjourned subject to the Call of the Chair.

**H – 1038**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2009**

**VOL.52  
PART 2  
289 – 621**

rgd  
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Representative Hovey.

REP. HOVEY (112th):

Thank you, Mr. Speaker. Mr. Speaker, with your permission, I'd like to invite the class of 2003, the freshman of 2003 to go to the front of the dais to have their picture taken.

One of our members is ill, and we want to send a get-well card. So all of those who were freshmen in 2003, if you would just go to the front before we break up and have a picture taken very quickly, that would be great. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative Hovey. The Chamber will please stand at ease.

Chamber at ease.

SPEAKER DONOVAN:

The House will now come back to order. Will the Clerk please call Emergency Certified House Bill 5095.

THE CLERK:

House Bill 5095, AN ACT CONCERNING DEFICIT  
MITIGATION FOR THE FISCAL YEAR ENDING JUNE 30, 2009.  
LCO Number 1008, introduced by Representative Donovan

and Senator Williams.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Good evening, Mr. Speaker.

SPEAKER DONOVAN:

Good evening.

REP. GERAGOSIAN (25th):

Mr. Speaker, I move acceptance and passage of the  
Emergency Certified Bill.

SPEAKER DONOVAN:

Question is on passage of the bill. Will you  
remark?

REP. GERAGOSIAN (25th):

Thank you, Mr. Speaker. This is the second leg  
in the start of a very long process that we're  
embarking on, a new day for many of the freshman  
Legislators here. We're facing a challenge of  
monumental proportions as we go into the biennium and  
the budget.

I heard my friend Representative Cafero say the  
other day that we're all trying to grasp the size of  
this looming deficit facing our State. And everybody  
in their own way is having trouble getting their arms

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around this thing and, I think, witnesses of what's going to be a long and difficult process for us. It's going to be frustrating for all of us for various reasons, but I think it's important that we let the process work.

That's evident, because we look at the Governor's deficit mitigation plan, there's only approximately \$20 million of ongoing savings, namely these escheats issue. So, even with all this time, we're not addressing the structural issues facing the State. And today we come about 80 percent of where the Governor was in terms of the bottom-line.

So we're going to do some work today, but the real work begins when we get her budget, when the Appropriations Committee starts its work in subcommittee, when we hear from the affected parties, which we're not doing today, I might add. It's been very difficult for us to get information from agencies and other funds and affected parties as to the ramifications and many of the things that the Governor wanted us to do. And that's why we didn't do all the things that she wanted to do.

We're looking at this with the general principles of saving jobs to the extent we can in the state.

Looking forward for energy conservation and green jobs, which we believe are the future of this economy. And I think we should look at this in its totality. Having a knowledge of what the cuts are, how it affects the agencies, the cities and towns, our not-for-profits out there that deliver so many of the services that we rely on. And we should also allow for labor negotiations with the administration.

Now, as part of coming into this new role, I've looked at the history of what's happened in the -- as we faced major deficits in the past. I've looked at '91 and '92. I've looked at 2002 and 2003. And in each one of those instances, our state employees have come through and become part of the solution. And they will do that. And I would hope and I heard that the administration was going to be sitting down with our state labor unions today, and I hope that's the beginning of a very fruitful discussion that will lead to savings because Lord knows we're going to need those savings in the budget as we move forward.

Let's talk a little bit about -- and I'll talk -- I'm going to allow Representative Staples to talk about some of the revenue issues. But today we're about \$27 million away from where the Governor wanted

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us to be. That's approximately 90 percent of what she wanted, so we made some progress. We didn't do some things that she wanted to do. We did some things she didn't want to do -- she gave to, but it's the start of the process.

So let's go through this process together, working across the aisle and working between the two Houses with the Governor, and do so with as little politics and looking forward to solving the problems with the people of the State and the crisis the State faces.

I'd be willing to answer any questions when the time comes, but I would like Representative Staples to address the fiscal -- the revenue side of the of the budget.

SPEAKER DONOVAN:

Will you remark further? Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. Representative Geragosian, I think explained the circumstances we find ourselves in. I don't think there's anyone in this room that doesn't realize the severity of the budget difficulties that we're encountering in 2008, '9, the fiscal year we're in, as well as projected

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future deficits in 2010 and '11. The bill before us, as was mentioned, is largely reflecting the priorities the Governor laid out with some changes, some additions that we'll be happy to discuss. I think the most telling issue, though, for us to look at is not the bill before us, but it's to look at the recent revenue reports. Then I think it's quite sobering to see a drop in the last several weeks of another \$900 million of revenue for this year.

So we're clearly not at the end of the line today in addressing 2008, 2009. I'm certain that the comptroller will certify that we are still out of balance, and the Governor will issue yet another deficit mitigation plan, as she is required to under the law, and we will be back to look at what we can still accomplish in the balance of this fiscal year. But this is the plan submitted to us by the Governor. And with our changes to it, and it does represent, I think, a significant step forward in addressing the short-term needs that we have.

I will say, because I think it's important to put on the record one of the things -- that are -- is lacking in this bill, as was the bill in November, is any ongoing revenue short of these escheats issue

which we will be discussing. That is not necessarily setting us up well for the next fiscal year, and I think we're going to have to deal with that issue and ongoing cuts for that matter -- have to deal with those issues once we get the Governor's budget address.

Today also, I think, represents the limitations of the Special Session and the deficit mitigation process. There are extensive policy questions wrapped up in the reductions and the taking of funds from several accounts that are reflected both in the Governor's proposal and in the Bill before us today. And yet short of a very brief discussion with the OPM Secretary before Appropriations and Finance, there really hasn't been an opportunity to fully weigh and fully analyze the policy implications of many of the proposed changes. That's what we have the Finance and Appropriations Committee hearing and review processes for. And I personally look forward to an exhaustive review in both those committees of the Governor's proposal and potentially of any future deficit mitigation proposal that comes our way.

The changes that we made, in the bill before us today, I think largely reflect concerns about those

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policy trade-offs: the fact that some of them might represent cutting off our nose to spite our face, whether it's in energy conservation reductions, whether it was in the Citizens Elections Fund or other areas where we felt very strongly that there were good reasons to maintain those funds until we had a full accounting and a full opportunity to examine the impact of reductions.

I will also say, in many of the cases that we're discussing, those funds are unlikely to go down or to be depleted during the course of the next several months. I think it's very clear to say that they have been targeted for review in this process; they've been targeted for review in the two-year budget that is going to be proposed to us in a couple of weeks. And there will be an opportunity for us to reexamine the impact of any fund transfers, and I would be very surprised if the Governor's budget didn't propose additional fund transfers to many of these same accounts.

The one item I do want to mention, Mr. Speaker, relates to the escheats portion of the Bill before us. We have in the Bill before us an effective date for the state collecting and keeping the bottle deposits

of April 1st of this year. It is our intention to spend the next few months examining very carefully the impact of the escheats on the distributors, on the individuals and the companies that are involved in actually implementing the program and to come back to the table, if there's a better solution between now and April 1st, with an amended proposal if that furthers the policy goals that we've set out with this law, as well as making sure that we're keeping whatever revenue is rightfully ours and paying the actual costs of the entities involved in implementing the recycling bill.

At this time Mr. Speaker, we do have an amendment that does makes some changes to the underlying bill, and I would like to ask the Clerk please to call LCO Number 1161 and asked that I be permitted to summarize.

SPEAKER DONOVAN:

Will the clerk please call LCO 1161, which will be designated House Amendment Schedule A.

THE CLERK:

LCO Number 1161 House A, offered by  
Representative Donovan.

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The Representative seeks leave of the chamber to summarize the amendment. Is there objection to summarization? Is there a objection? Hearing none, Representative Staples, you may proceed with summarization.

REP. STAPLES (96th):

Thank you, Mr. Speaker. I would like to address initially those portions of the amendment that address the escheats issue. They are technical, but they also have a -- I think a significant impact on the individuals involved in implementing the law as it's currently written. We change from the present law requirement that deposits be deposited within three days to a monthly deposit of the escheats, which we think of the bottle deposit amounts, which we think is much more practical for those who are administering the program.

We -- secondly, there is an interest portion for late payments, which presently is 10 percent interest and then a 5 percent daily compounding interest rate, which we considered on the underlying bill to be pretty onerous, and we replaced the 5 percent interest with one and a half percent interest per month for late payments.

And we also make changes in various accounts. You'll notice in Section 26 of the amendment, which is amending Section 26 of the underlying Bill, we reduce from \$10 million to \$2 million the amount of personal service agreements and consulting agreement savings that the Governor is asked to make. That's actually coinciding with her original proposal and reducing it from the \$10 million that we originally had in our bill.

There is a technical correction to a transfer in the Energy Unit Load Management Account, which you will note is on Section 14 in the early part of the bill, and a few other references to savings reports that the Governor's office or OPM should make to us, and some increase in the Governor's lapse authority in the final section of the amendment.

Mr. Speaker, that concludes my summary of the amendment.

SPEAKER DONOVAN:

Thank you, Representative. Representative Staples, do you move adoption?

REP. STAPLES (96th):

Thank you, Mr. Speaker. I move adoption.

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Thank you, Representative. The question before the Chamber is adoption of House Amendment Schedule A. Will you remark on the amendment? Will you remark further? Representative Roy -- no, never mind. Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker, if I may, I have a question to the proponent of the amendment.

SPEAKER DONOVAN:

Please proceed.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. Lines 57 through 72 reference, in addition, where the Governor has authority apparently to -- well, I guess if you could, explain what authority we're giving the Governor in that section and specifically the reference to Section 4 of Public Act 08-1. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Is that -- excuse me Representative. Is that question forwarded to Representative Geragosian? Or you're speaking on the --

REP. CANDELORA (86th):

I'm speaking on the amendment. So it was to the

proponent of the Amendment.

SPEAKER DONOVAN:

It was Representative Staples. Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. I'll be happy to take a shot at the question. And I -- Representative Geragosian is a little more familiar with that account than I am -- with that provision than I am, but I will tell you right now the Governor has a certain degree of lapse authority, and beyond that authority the Finance Advisory Committee needs to take action.

What this does is it permits the Governor to make additional transfers between agencies. You'll notice it says there is a limit of over \$50,000 or 10 percent of any such appropriation up to \$1,500,000 in the aggregate without having to go to the Finance Advisory Committee. And the Section 4 Public Act 08-1 relates to the lapse authority that was addressed in the prior act.

So I think what this does is gives her a little additional authority to make agency-to-agency transfers in order to achieve the lapses that were set out and does so with certain limitations without

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having to go back to the Finance Advisory Committee.

SPEAKER DONOVAN:

Thank you. Representative Candelora of the 86th.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. So, through you Mr. Speaker, just to be clear then, the notification requirements subsequent to, you know, the Governor making these transfers need to go to the Committee of Cognizance. That procedure has not changed then? Through you Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

I'm sorry. Did you ask whether that notification was presently required? This notification provision is specific to this new authority that she's being provided.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. I have no further questions.

SPEAKER DONOVAN:

Thank you, Representative. Representative Miner.

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REP. MINER (66th):

Thank you, Mr. Speaker. If I might just a couple more questions on the same area through you, please, to the proponent of the Amendment.

SPEAKER DONOVAN:

Please proceed, Representative.

REP. MINER (66th):

Thank you, Mr. Speaker. It would appear throughout the Amendment that the Section 29 is going to be stricken. And as I understood Section 29, that was the provision that was going to reintroduce certain items that were removed from funding as a part of a former rescission proposal; is that correct?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Through you, Mr. Speaker. Yes, that's correct.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, as I understood the gentleman's answers to the prior questions, would it, in fact, allow the

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Governor to restore each of those through the process without coming back to the Legislature, even though the Legislature and the Governor decided to rescind those previously? Through you Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. You know, just looking at the plain language of this, I would say I don't believe so. This is directive and it says: The Governor shall not reduce any allotment requisition or allotment in force for the following entities. So I think it puts these off-limits by the language of Section 29.

Are you asking when this is stricken, whether the Governor then has that authority? If that's what your question is, then I think that this prohibition would no longer apply, and she would have the authority, yes.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. So, just so we're clear here, in November the Legislature voted to remove

these items as a means of mitigating the deficit at that time, which we knew to be, you know, a couple, 2, \$300 million. There was a bill before us that purports to add them back in, which kind of reinstates expenses to a deficit situation.

And now, as a matter of an alternative proposal, I guess is the best way to put it, we're not going to actually publicly reinstate these. What we're going to do is we're going to kind of off-line allow, through the executive branch, an opportunity to refund these internally without them coming before someone; is that correct? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Through you Mr. Speaker. Well, the authority that's provided in this bill is fairly limited in terms of additional lapses and in terms of additional transfers between agencies. And I don't -- the fact that these are no longer specifically isolated out does not suggest, I don't think, any particular intention to have them cut or to have them unfunded.

But, you know, the Governor's authority remains what it is. If there is another round of deficit

mitigation, then she is free to propose to us those restrictions. She's also free to do the limited amount of lapses in transfers that are permitted under statute.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. I thank the gentleman for his answers. The -- I'll call it the spreadsheet that I'm looking at, which was a document produced for the benefit of all of us that we're talking about. The current deficit mitigation proposal has a number in it of \$356,431 for justice equipment, an ag station and a number of other things. I guess my point is that if you look at the Amendment as it's been offered, we're taking it off the table with that amendment and then, I think, providing the authority in Section 501 to make adjustments that might be sufficient to reinstate those programs.

And I don't -- nobody -- I don't think anyone, other than maybe the shaking of a head, is saying that that's not going to occur, Mr. Speaker. But I heard in the introduction of the bill, in the opening

remarks, comments, which I very much agree with, that we're going to make some very difficult public policy decisions here. But I'd like to hold those public policy decisions are going to be public before they become policy.

And my concern is here that if we're not careful with the language -- and this is a new amendment. I haven't really had the chance to delve into the dollars, but I think conceivably we're going to allow one party or another to prevail upon the executive branch and keep something in that we took out, and I'm not so sure that's a healthy place for us to be. And I thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Geragosian.

REP. GERAGOSIAN (25th):

Thank you, Mr. Speaker. If I may address the gentleman's concern. Section 29 was stricken as -- at the request of the Governor, and out of a courtesy to her, we decided to strike it. Section 501 was also at the request of the Governor to have some flexibility in her rescission authority as it related just to the other expenses line, that \$1.5 million item that was

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passed in the last deficit mitigation plan, and that's all.

It wasn't -- there is no linkage of the two items in any way. It was done in good faith by this side of the aisle with the administration.

SPEAKER DONOVAN:

Will you remark further on the amendment? Remark further on the amendment? If not, let me try your minds. All those in favor of the amendment please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

All those opposed nay. The ayes have it. The amendment is adopted.

Remark further on the Bill before us? Remark further on the Bill? Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. I'm not really sure who to direct the questions to. I know that the team was kind enough to bring it out, and so I guess I want to start with the question of policy.

Through you -- how about if I tried to Representative Staples. I have a couple of policy

questions, through you, if I might, please.

SPEAKER DONOVAN:

Please proceed, Representative.

REP. MINER (66th):

Thank you, Mr. Speaker. And I do so with the understanding that he -- if he's not the candidate, then I'm perfectly willing to have him hand it off.

Over the last, I would say probably couple of months when we've been talking about deficits and mitigation, I have heard numerous times about wanting to hold off on policy decisions until we have an opportunity for public comment. Most recently during the Finance Committee and Appropriations Committee hearings, there were numerous issues, questions asked, issues raised with regard to the Citizens Election Fund, the Community Investment Fund, and a number of others which appear to have been sufficient to adjust those policy decisions in terms of the way that the Governor had laid out her mitigation proposals.

So, through you, Mr. Speaker, if I could, with -- in terms of the Citizens Election Fund, it's my understanding that the Governor's budget mitigation proposal has been halved in terms of the policy discussion. If you could, through you, how did we

arrive at half of what the Governor had suggested as a budget adjustment? Through you Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. That really resulted from conversations with the affected agencies and their projections on what might be necessary for the 2010 election cycle. But I think, you know, and we recognize that that money is not going anywhere during the next, certainly, several months while we're in session to review the Governor's budget for the next biennium.

So there was not a sense of urgency to relocate all of that money one way or the other. We relocated some of it at her request. The remainder is still in that fund, and when the affected committees have an opportunity to have a full hearing on the analysis of what is going to be drawn down or likely to be drawn down in 2010, I would suspect that that number will change again. But it was based on those conversations and what were perceived to be reasonable estimates of what would be necessary in that fund for the next election.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. Mr. Speaker, through you, Section 1 of the Bill seems to deal also with another policy decision, that of the long-term care reinvestment account.

If I could, through you, is the gentleman aware of a change in policy where we are not going to move forward with the Money Follows the Person Program? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. This section postpones the effective date of the separate non lapsing account to July 1, of 2009. So it effectively captures some of those funds for the balance of this fiscal year, and then it also postpones the report. So, I think, I mean, I think yes. I think it does postpone some of the implementation based on that revenue that's being foregone for the next six months.

And if I might, just a general response to Representative Miner to your comment about our

willingness or our desire to postpone policy decisions. The lion's share of the fund transfers that the Governor proposed, we are supporting today, and every single one of them has a policy dimension to it. Every single one of the funds was set up for a particular purpose, revenue for a particular purpose, funding particular programs, and we've agreed to the vast majority of those despite all the policy implications.

So I think the changes we've made were to a small number that we felt we just did not have the information sufficiently at this point, or that the value of those continuing funds was too great to draw down any more than the Governor proposed. So, we're not unwilling to make decisions today that have policy implications; I think we've done that throughout the document that's before us.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. So, Mr. Speaker, as I understand it, in Section 1, the policy decision that we reached during the last legislative session and then, I think somewhere in between where we wanted to

reinforce our position that we, from a humanitarian standpoint and a public policy standpoint and a financial standpoint, felt that the Money Follows the Person Program was an important public policy for us to have, and that we wanted DSS to move forward with that policy.

Is it because we've yet to reach that goal of kind of implementing something, that we're now saying we're going to sweep those funds? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. That -- my understanding is that there is -- that it is in part to reflect the reality of how the program is being implemented. But obviously there is also a cost-saving element to it, and that's, you know, that's obviously throughout this document there are delays, reductions, limitations on existing programs based on the fund transfers, which is just an inevitable side effect of the budget cuts that we're making.

SPEAKER DONOVAN:

Representative Miner.

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REP. MINER (66th):

Thank you, Mr. Speaker. And if I might, through you, I -- I'll go back to the Governor's mitigation plan and then the fact that it's missing in this underlying Bill. The Community Investment Funds, I think many here in the Legislature have willingly or unwillingly supported that program because it established a fee. It allowed for the collection of funds. It gave us an opportunity to do affordable housing, investment in properties, historic preservation.

And I know that it was, I'm sure a very difficult decision for the Governor's Office to make to eliminate \$10,000 -- \$10 million from that fund. But this mitigation plan offered today doesn't have that savings. My recollection of testimony given by Secretary Genuario was that one of the concerns they had was that we don't have control of these funds.

So I guess I'll go back to the public policy. In terms of the public policy, are we here saying that we don't yet know whether we want to go forward with this program; we recognize that there are dollars, but whatever dollars are there, we're willing to let them go at this point? Through you Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. I just think this highlights the problem with midyear budget adjustments, though. You have a lot of things that are in process, a lot of grants that are pending, communities that are relying on the funds. And I mean, I certainly respect the hard choices the Governor made in this document, but it doesn't mean that it really is appropriate to take some of these programs that are currently in place where people are actually anticipating the use of those funds now and make those reductions. This was an area where we just didn't feel a midyear adjustment in the area of these grants would be a smart move.

I think in other areas where the funds may be more than are necessary to continue at least some operation of the funds or where there may actually be additional funds, we've supported all of those reductions. But in this case we didn't think a midyear reduction would make sense.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. I guess and in terms of specifics, do we know whether currently whether the \$10 million proposed by the Governor actually swept all of those funds, or were there still dollars in there sufficient to cover requests that are already in the hopper? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. I'd have to look for that answer. I don't have that right at my fingertips, and I'd be happy to do that. And I can get back to you on what the balance will be in the fund.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. Is that -- through you, is that something that the gentleman has available to him pretty much right now, or something that is going to be days? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Well, I'm certainly going to turn to people who have that information as soon as I'm able to put the microphone down, and I'll find that answer out for you.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker, and I thank the gentleman for his answer and his effort.

Mr. Speaker I -- you know, once again I've heard the good words of both gentlemen with regard to where we are today and the words concerning where we know where we really are today. Perhaps, through you, my question is, to the extent that the Governor's mitigation proposal purported to deal with a certain amount of the deficit, could the gentleman tell me either to what extent the current bill meets that goal same dollar amount? Through you Mr. Speaker.

And that -- perhaps that's Representative Geragosian, just because I don't know if he's got the numbers. Oh, Representative Staples, please.

SPEAKER DONOVAN:

Thank you, Representative. Representative

Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. I'm looking at the document, Representative Miner, which I'd be happy to share with you, which was the Office of Policy and Management's answers to questions submitted for our hearing last week. And it indicates what this would do would be suspend the last three quarterly payments.

So, my understanding is that this would eliminate all the funds coming in to the -- all future funds coming in for the balance of the fiscal year. As far as what the balance in the fund is as of today, I would have to inquire with the administration. I'm not aware of that. But it does eliminate any funds coming in for the balance of the fiscal year.

SPEAKER DONOVAN:

Thank you, Representative. Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. So I think it's a prospective -- it was a prospective adjustment, not a retroactive adjustment that was proposed by the Governor. It was a recognition that we had funds currently accruing, being paid by people and that these were dollars that we had yet to commit for a

specific project rather than those that are already sitting in the fund -- kind of anticipated to go through a Project. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. Well, it's just not clear from the information that I have, Representative Miner, how much has been committed, how much has not been committed. You know, as I mentioned it's the last three quarterly deposits. So that suggests that there's only been one quarterly deposit made. I don't know offhand the timing of the deposits, but -- so it's three-quarters of what would have been put in the fund for this fiscal year. And I don't know -- I couldn't tell you today what the pending grant applications were and what they totaled and what's been actually committed and let out the door. We'd have to inquire with the administration about that.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker, and to go back, I guess to the other question that I had asked. The

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Governor's mitigation proposal anticipated a certain dollar amount reduction. If you could tell me what the difference is between what the Governor's proposal was and what the bill before us now amended now is? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Certainly. Through you, Mr. Speaker. I have information, Representative Miner, both on the legislation that's before us and the total difference in mitigation plans, which includes the items we had previously adopted. It also includes lapses and other items. So why don't I mention both numbers?

The legislation before us: The Governor's Bill proposed reductions of \$187 million; the Bill before us proposes reductions of \$133 million. However, we account for additional reductions through lapses that are not reflected in the legislation of approximately \$25 million more than the Governor's lapses. So the difference that we have when you include all the actions taken to date, both administratively and legislatively, is about \$27 million between the Governor's actions and proposals and our actions and

proposals.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. Mr. Speaker, the gentleman spoke about lapses not in the proposal. Would you please identify what those lapses are, and how they were arrived at? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you, Mr. Speaker. The most significant lapse that is in our estimates of the deficit reductions and -- that is not in the Governor's is an additional \$25 million -- well, it's an additional \$50 million lapse of Medicaid and a net gain to the state budget of about \$25 million due to the loss of the matching revenue.

So, that \$25 million is the most substantial part -- and we go through other small items -- that differs. And this is -- this again for your -- I'm not sure you recall this -- this relates, and this is an OFA supported estimate, and it is based on a differing interpretation between OFA and OPM that goes

back for quite some time about how much Medicaid funds will be expended and how much will be lapsed.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. And so, as you explain it, does that same difference of opinion still exist between OPM and OFA with regard to this number?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

That -- my understanding is that it still does, yes. I don't think that's been resolved to OFA's satisfaction.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. So, in theory if OFA is right, then there could be a \$25 million lapse, and if OPM is right that that doesn't exist, it would be something less than that? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Staples.

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REP. STAPLES (96th):

Through you, Mr. Speaker, that's correct. The lapse, that was actually \$50 million. That's just a \$25 million net impact on the budget.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker, and I do thank the gentleman for his answers.

Mr. Speaker, I think, as I stated before, we are all well aware of where we are. The place that we find ourselves today is not \$150 million in deficit. It is between five and seven days away from 900, 800 to 1 billion dollars in deficit more.

And one of the things that I was most concerned about back in November, and I'm still concerned about today, is that this deficit mitigation plan doesn't go far enough. It certainly is a step. These aren't cuts. We're moving money around, and that's not going to get us anywhere in terms of the next four to five years of deficit that we face.

So, Mr. Speaker, I do believe that at least we have an obligation to meet the number of the Governor. And I'm hopeful that as we sit here this evening there

will be other recommendations that will help us get to that goal. And thank you.

SPEAKER DONOVAN:

Thank you, Representative. Representative Roy.

REP. ROY (119th):

Thank you, Mr. Speaker. To the Esteemed Chairman of the Finance Committee, a question.

SPEAKER DONOVAN:

Please proceed.

REP. ROY (119th):

Thank you. Representative Staples, Section 15 focuses on the reports that have to be filed with DEP. For the purpose of legislative intent, should such reports also include handling fees paid, driver pickup costs and third-party vending fees?

SPEAKER DONOVAN:

Representative Staples.

REP. STAPLES (96th):

Thank you. Through you, Mr. Speaker, yes I believe they -- the report should include that information. I think the intent of the Legislature when we adopted the legislation in December was to get a full accounting of not only the nickels collected and also remitted back to consumers, but also it would

be beneficial for our review of the overall program to have the additional information that you mentioned. I think the important thing is that that all be separate, separately accounted for so that we can see both the totals of funds that have been received and expended from the accounts, as well as separate accounting for whatever those -- the other items are that you mention.

SPEAKER DONOVAN:

Representative Roy.

REP. ROY (119th):

I thank the gentleman for his answer, and I thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative.

Representative Candelora of the 86th.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

If I may, I have a couple of questions to the proponent of the bill. And I guess, I can direct him to either the Chairman of Approps, if it's probably more appropriate to do so.

SPEAKER DONOVAN:

Please proceed, Representative.

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REP. CANDELORA (86th):

Thank you, Mr. Speaker.

If I could, you know, today we heard a little bit of discussion about policy and Section -- in Section 27 as amended, we're seeking to get a report from DCF for the purposes of bringing children from out-of-state facilities in state. Would I be able to get an explanation of the policy, drivers behind this decision and what we seek to accomplish? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker. Well, obviously it costs us a lot of money to send many of our children out of state to receive services that we believe that can in many place -- many facilities that already exist throughout the State.

And as we look to save money in the budget, this is one way I think we can possibly achieve a good amount of potential savings and maybe have some of those kids closer to their families. Through you, Mr. Speaker.

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Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, have we yet been able to quantify what the savings may be by bringing the children back in state? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, I think the two agencies really -- and we agree, they need some time to quantify what they need to be. They need to evaluate how many many slots or beds would be available, and so that's why the reporting requirement, I think, is March 1st in the language and allows the committees to review that report and act upon it as they deem necessary or appropriate. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, I notice the language change of the amendment toward the end, you know, specifically represents that

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the plan delineate the cost savings and feasibility of the implementation.

Once this report is completed, I could appreciate us seeking the cost savings in order to do this. I can also appreciate the desire for individuals to have these particular children be treated back in Connecticut. What if the report comes back as being actual -- an expense to the State? Is that something that, you know, will cause us to forgo bringing the children back in? Is that going to be the driver, or is the policy decisions more holistic? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, I think this proposal is through the eyes of the Appropriations Committee with the intention of potentially saving funds. And I don't anticipate any large new expenditures for such purposes. It's clear with the spirit of seeing there's ways throughout the system, both in residential treatment facilities and other facilities of that nature, to try to find some savings. Through you, Mr. Speaker.

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SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And I guess I appreciate those comments. I'd like to move on to Section 30 and 31 which is -- it appears that we are making some transfers here. They don't appear to be sweeps, actually. They appear to be, you know, reallocation of money or reappropriation of money for the purposes of a -- the tax abatement program, and for the pilot programs. Would you be able to just conceptually walk through what these two sections are doing?

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, these sections of -- allocate approximately \$3.9 million for that program, which will protect many low income families across the state from huge rent increases, and is something that we've passed, I believe, in the last session. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And through you, Mr. Speaker, it was my understanding that that money was appropriated in the budget. Have we fallen short of our projections, or is this, you know, is this additional money that needs to be infused in, or did we underfund the program to begin with? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker. It's my understanding that that -- that there's no change in that figure, that it was \$3.9 million.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you. I guess, through you, Mr. Speaker, I'm a little bit confused. And if we had put the money in, why are the transfers being made now? Why wouldn't they have been done back when we passed the biannual budget? Through you, Mr. Speaker?

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

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Through you, Mr. Speaker. I believe we had to authorize that through surplus funds, through those other two accounts, and that's what we're doing here today. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Through you, Mr. Speaker, then I'm still confused. And I guess the appropriation then was not funded and we're seeking to fund it today? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, yes. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And finally, Section 33 of the Bill, we also have a line item of \$274,000 that's appropriated for some contractual services. Would you be able to just, through you, Mr. Speaker, just be able to explain this provision?

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Yeah -- well, actually the 270 -- through you Mr. Speaker, \$274,000 is for health care for the janitors that clean this facility here, the State Capitol and the State Capitol grounds and the Legislative Office Building. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

And through you, Mr. Speaker, is this an expense, you know, a one-time transfer, or is this something that is an ongoing expense? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, for the purposes of today, this is a one-time expense. We have to decide as part of the budget process whether we want to fund this outgoing. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

And I guess, through you, Mr. Speaker, what is the policy reason behind this? Does this represent a shortfall in contractual money? What's the policy driving this section? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Well, back in 1999 we adopted something called the standard wage which basically said a prevailing wage for contractors of a state service is mostly food service workers and janitors. And because of an increase in health care costs, the set aside for health care was not sufficient. So, we are forced to make this -- well, we believe it's right to make this appropriation for these purposes.

I might add conversely, if we don't do this, there's a chance that we might face exposure in areas like HUSKY and other areas like that, and we believe that's in the tune of \$400,000 a year, which would cost the State more than the \$274,000 a year that we're allocating today, which goes to the point again, that Representative Staples made in the sense of doing this, these kinds of things in a vacuum -- budget adjustments, we don't look at the implications of what

we're doing half the time, whereas the budget process is more suited to that. So all the interested and affected parties are able to discuss the implications of what we're doing, but also we could look at everything through a bigger picture and see if certain cuts might end up costing us more in the long run. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker, and I thank you. I appreciate your answers.

I guess I'm a little bit conflicted here, because what I've heard today is that we want to hold off on making policy decisions, and therefore what I saw, some of the low hanging fruit that we have before us in the Governor's proposal, we've decided not to take up because we don't want to create these policies yet.

We have three instances here where we're actually creating policy through the deficit mitigation process. And I -- in this Chamber, you know, whenever we add anything in it's very difficult to take away. You know, in particular, that provision, Section 33 that's adding in these benefits is a cost that we

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haven't annualized that projected out will continue to cost us additional money in the future that we currently don't have.

And through the budget informational hearings, I think Secretary Genuario summed it up pretty good about us being on the Titanic, and when the Titanic was sinking, we were sending out lifeboats only half-full. And I kind of agreed with that, looking at this package we may very well be sending out lifeboats that are half-full, as opposed to taking the opportunity to mitigate the deficit that we know that's before us right now, today, which exceeds \$350 million.

Subsequent, we continue to hear that the situation is only going to get worse. And I wonder if we're even beyond the lifeboat scenario. We're a little bit further along into history where we're kind of just grabbing objects and, to an extent, jumping into the ocean. I think that we're missing significant opportunities here to take these transfers and sweeps today and start to look forward to tomorrow and address the bigger policy issues. Because when we're faced, in '09, with a \$900 million deficit two weeks from now, we are going to need to start making

policy in this legislative -- in this budget session.

And I am concerned with these other items where we're essentially creating additional expenditures for the State of Connecticut in this deficit mitigation process. I'd hate to start this precedent. We're going to be here many more times throughout this session, and I think we are setting a terrible precedent by actually putting more spending into a bill that's supposed to be reducing spending. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker. Ladies and gentlemen of the Chamber, when Representative Geragosian brought out the bill before us, he said something that pretty much we've all been saying for quite some time, and that is the magnitude of the problem that we face is ever-changing, and we have to wonder whether we ourselves even grasp it. And just when you think you understand how big a problem it is, it gets bigger.

On November 24th, the past Legislature met in special session called by the Governor to handle the deficit mitigation plan that she had put forth. From

the time she wrote it to the time we took it up, we knew already that it was far too little, that even if we passed it in total, we still had learned that revenues had dropped so much more that we had an even larger deficit. We met on that day and did about 80 to 90 percent of what she said or asked us to do.

Immediately thereafter, within a week we found out that the deficit had grown so much, it necessitated the Governor, by law, to submit another deficit mitigation plan. And the Governor did her duty. Because at the time she drafted it and submitted it to us our deficit was approximately \$363 million, and that was the total amount of her plan. She called us in to special session on January 2nd, and by the time January 2nd rolled around our own Comptroller said, It's grown even more.

The Speaker and Senator Williams decided that it would be best because of the closeness and proximity to the new Legislature that we would put off the decision on that mitigation plan until today. And in that period of time, the 12 days from January 2nd to today we know even more. Representative Staples said that every indication of the revenue that has come in so far indicates that probably within 72 hours we're

going to be told by OFA and OPM and the Comptroller that even after if we were to adopt the underlying bill that's before us, the State of Connecticut will be in deficit in the neighborhood of \$1 billion for fiscal year '09.

There are 166 days left in the fiscal year '09, and we as a Legislature have a constitutional duty, an oath that we took nary a week ago to produce a balanced budget for the fiscal year we in -- we're in and we have 166 days to do so. Now, a lot of other stuff happens in that 166 days that we have to go. There are going to be other decisions that we have to make that will affect that budget that are coming down the pike by operation of law. And of course, I'm talking about collective bargaining agreements.

As we stand here today, there are two such agreements that are in the pipeline, so to speak. Our rules say that if a collective bargaining agreement is reached, or if a stipulation is agreed upon, that needs by our laws our approval or action. It has to be filed with the Clerk. Once filed with the Clerk, there's a 30 day limit; 30 days we as a Legislature have to act to either accept it, reject it, or do nothing, at which point at 30 days it becomes in

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effect.

Now, why does that matter as we talk about deficit mitigation? Some of these collective bargaining agreements are tens of millions of dollars. Tens of millions of dollars. You see the plan before us, and we're trying to get our hands around this problem. We're cutting \$1,000 here and \$2,000 here. We're talking about factors, collective bargaining agreements that actually impact our fiscal situation to the tune of tens of millions of dollars.

Now, our statute says that the process for public employees to negotiate wages and working conditions is that of binding arbitration. And binding arbitration takes place, and at the end of that, whatever the agreement is or the arbitrated award, it needs to be filed with us. And part of the reason that we would reject such an arbitrated award is because we don't have the money to pay for it. We don't have the money to pay for it.

Now, in particular, one of the awards I referred to, of course, is the correction officers. Today, I believe they filed their arbitrated award with the Clerk's office. And that means that on February 15th, if we take no action, their contract comes into

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affect. It's a three-year contract. In this fiscal year it's approximately, I believe, \$17 million, over a period of three years, it's depending on who you ask, anywhere between 66 million 87 million dollars, a serious amount of money.

Now, let me stop right there a second. That particular contract is only one of potentially 11 -- 11 collective bargaining agreements that could come to us in the same process I described this fiscal year, within the next 166 days.

Let me also say another thing. When we make any decision to approve, reject, or do nothing as a Legislature, I don't believe we are commenting as to whether or not this particular collective bargaining unit deserves the raise. They don't deserve the raise. We're not making that decision.

As a matter of fact, when you talk about our corrections officers, I'll say right now loud and clear they deserve the raise. Here's a bargaining unit that has a job that I would bet a lot of money not one of us would trade for, where -- the hardest jobs in our State Government.

Here's a bargaining unit that for five straight years went with a zero increase -- zero. Here's a

bargaining unit whose pay scale itself does not render the men and women who work in those positions as wealthy and well off. And here's a bargaining unit, like everyone else that's struggling to pay a mortgage or a rent, a car payment, put a kid through school, put mom maybe in a nursing home or afford the kind of things we all struggle for. And on top of that, they're doing it in the same bad economy we're all facing. So you want to talk about whether or not they deserve it -- I don't, because I think they do.

But there's a second part to this; can we afford to pay it? Why do I say that? When we passed the budget we're in right now, we passed it in June of 2007. And that budget provided for the money to pay this contract award and other contract awards. It provided the money in the budget. It provided a lot of things in that budget: a lot of programs, a lot of collective bargaining agreements, anticipated settlements, but also that budget anticipated a lot of revenue too. It was balanced when we passed it in June of 2007.

It is now January, 2009. And I don't have to tell anybody the world has changed about five times over. That budget that accommodated all those things

is now out of balance, in fact, out of balance to a degree we have never seen in the history of the State of Connecticut -- to a degree we have never seen in the history of the State of Connecticut.

So, what do we do? Do we simply say; we can't afford this? We love you, corrections officers. We wish we could do it, but we can't afford it. Got to reject it. I don't think so. I don't think we can say that at this point. I don't think we should say that at this point. Because for all the reasons I mentioned before, mainly they deserve this raise, we should do everything in our power to make sure they get paid the raise. That's one of our duties.

The other one of our duties that we swore a week ago today to do is uphold the Constitution of the State of Connecticut which calls for a balanced budget. Now, how do you do those two things at a time in our state's history where the deficit I'm talking about, the budget we're living under is going in deficit by the hundreds of millions of dollars per day? How do you do that? Today I heard Representative Staples and Representative Geragosian talk about -- excuse me, the difficulty that we have in trying to accomplish our job, the difficulty in

making decisions in a vacuum, according to Representative Staples.

We talk about in the underlying bill, the fact that we have an escheats provision, and yet we don't take the money right away. We provide in the bill before us that we can't take the money until April 1st. And when that was told to us, it was very prudent. And Representative, I believe Staples said, or Geragosian said, the reason for that delay is it gives us time to work it out. It gives us time to see how this escheats is going to work out in the context of the entire budget. That makes sense.

I heard Representative Geragosian and Representative Staples talk about we have to analyze the implications of what we do with regard to the entire budget. I heard them talk about certain cases holding off for public comment so we could see what we do and its implications to the entire budget. We, as a Legislature, cannot allow automatic expenditures for which we have no say in to take place before we can figure out how it impacts the entire budget. And yet if we do nothing, these collective bargaining agreements will automatically take effect. And what does that mean? When we get around to considering the

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entire budget, it is that much less flexibility we have.

And the kind of stuff that we are going to be talking about is mind-boggling, because I'm talking about fiscal year '09. We also, before we are adjourned on June 3rd, are charged with passing a budget for fiscal years 2010 and 2011. And the projections in those cases are that we, as a state, will be \$10 billion in deficit over those two years. When I got to the Legislature, the entire state budget was 10 billion bucks. So, what do we do?

But I think what we have to do is what we've said with regard to everything. Let's figure out a way that we could come up with a balanced budget that we can then pay and afford to pay the raises that our employees and certain bargaining units have earned and deserve, but let's do it all together. That is the prudent, responsible thing to do.

We're going to get through this, and I pledge to work as hard as hell to fund, especially contracts such as the corrections officers. But we've got to do it with time to figure out how we're paying for all this stuff, because when we get out of here on June 3rd, we have a legal constitutional obligation to

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balance the budget.

And with that, Mr. Speaker, and to achieve that end, the Clerk is in possession of LCO Number 1052. May he call and I be allowed to summarize?

SPEAKER DONOVAN:

Will the Clerk please call LCO 1052 which will be designated House Amendment Schedule B.

THE CLERK:

LCO Number 1502 House B, offered by  
Representatives Cafero and Senator McKinney.

SPEAKER DONOVAN:

Representative seeks leave of the Chamber to summarize the amendment. Is there any objection to summarization? Is there any objection? Hearing none, Representative Cafero, you may proceed with summarization.

REP. CAFERO (142nd):

Thank you, Mr. Speaker. Ladies and gentlemen of the Chamber, in light of how I introduce this amendment, it's terms are very simple. As I said, under current law based on the filing of amendments -- excuse me, of arbitrated settlements and other agreements, the Legislature has to act within 30 days or those agreements take affect.

What this amendment does -- is said, Let's take that 30-day date and push it off to June 3rd, to the end of our session to allow us to consider all of these agreements and collective bargaining agreements in the context of the entire budget. I move adoption.

SPEAKER DONOVAN:

Question is on adoption, will you remark further?

REP. CAFERO (142nd):

Thank you, Mr. Speaker. Ladies and gentlemen of the Chamber, I had the opportunity to meet with several members of the Corrections Union who's probably most immediately affected by an amendment such as this. And I told them about my respect for them, and I told them why I was doing this. I told them I was doing this on behalf of my caucus, because I don't want to reject their contract. I don't want to reject their contract, because I believe in my heart they deserve it 100 percent. I don't want to reject their contract.

I also told them that the other reason I'm doing it is, as everybody has talked about, and it's no secret, in some form or another, whether it's the executive branch or this Legislature, over the next several months we're going to be meeting with a whole

bunch of people, including all of our state employees, because they have to be part of our solution. We all have to sit together and say, How we going to get out of this mess?

And I think we can have a productive dialogue, but I think that that dialogue would not be so productive if we were forced to reject the contract and then say, By the way, how else can you help us? I don't want to be in that position. I want to be able to say, Comes sit at the table with us; let's figure out how we're going to balance the budget and get your contract paid. That's what I want to do. This gives us the time to do it.

This is the prudent, responsible thing. It gives us the time to work together to figure out how we pay these collective bargaining agreements in the context of this entire budget.

I would urge adoption. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Geragosian --

REP. CAFERO (142nd):

Mr. Speaker.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker. I would ask that when the vote be taken, that it be taken by roll.

SPEAKER DONOVAN:

Question is on -- before the Chamber is on a roll call vote. All those in favor of a roll call vote please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

The requisite 20 percent has been met. When the vote is taken, it will be taken by roll call vote.

Representative Geragosian.

REP. GERAGOSIAN (25th):

Thank you, Mr. Speaker. And briefly, in opposition to the Amendment, and as I said in my open remarks, this process is going to be longer than any of us want it to be. But there is a process. And I think I commented that our state employees have come forward every time we've been in such a crisis. And quite frankly, I think we need more help that's even in these contracts.

So, I think the Governor, I understand has sat

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down with the collective bargaining units today, and that's her responsibility and her right. And I think she should do that, and we should let this process work. This does not occur in a vacuum. The contracts, the give-backs, the savings are all on the table, and all need to be dealt with as we move through the session.

So I regretfully have to rise in opposition to this amendment.

SPEAKER DONOVAN:

Will you remark further? Representative Klarides of the 114th. Representative Miner of the 66th.

REP. MINER (66th):

Thank you, Mr. Speaker. I'll say what I think she was going to say. How's -- we'll see if that works.

Mr. Speaker, I rise in support of the amendment, and I'm sure that's not a surprise to anybody here. We are going to make some very, very difficult decisions. We're going to take money away from people that we have given them for years to help them deal with their rent, their heat, their food. There is no doubt in my mind that we're going to have those conversations. And on every day between now and the

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end of the year, we are going to let our deficit increase by inaction.

Next week, the Appropriations Committee is going to meet, public hearing and meet and decide whether or not we're going to award a stipulated agreement. There's a cost to that. Maybe it's \$4 million in first-year. Maybe it's eight in the next. Maybe it's 10 in the year after. We are chasing a deficit that runs in the billions, tens of billions over a biennium.

The Chairman of the Finance Committee and the Chairman of the Appropriations Committee both indicated that this deficit is growing by the day, and it is growing four times what we're going to deal with today through this mitigation proposal. All this amendment does is say, Take a time-out Any award you would have gotten would be retroactive from the day you would have gotten it. There's no money lost. Certainly the investments would have been lost. I mean, we can amortize this thing out all over the place. But the bottom line is we imposed that decision on ourselves to make a decision within 30 days. That's not a collective bargaining agreement. That's our decision on ourselves. If we don't take action,

it's automatically awarded.

What this amendment does is -- says, We want to take a time-out and we want to consider this in the context of all the other things that we know right now we're going to have a hard time doing. And I agree with Representative Cafero, I think we should look at these individually, and probably there are some that have had no raise in five years. But we don't even have the luxury of doing that, Mr. Speaker, because we're not going to vote on them here. We're going to vote on them maybe in committee. Some of them may come when we're here, may not come. I don't know what the process is going to be, but we are digging a deeper hole day by day, and I think that's the message.

We all need to stop, stop any spending, stop digging a hole, and let us have the conversation. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Will you remark further? Will you remark further on the amendment before us? Will you remark further? Representative Merrill.

REP. MERRILL (54th):

Thank you, Mr. Speaker. I think we all know there is a big problem this year, but I just wanted to briefly state that this is not the way to solve the problem at the moment. There is a process, and the process is not for this Chamber, actually. Negotiations with labor unions are between the executive branch and those unions.

Now, we have a role to play, which is whether or not, when we vote or don't vote to have a particular contract go into effect, we are putting our stamp of approval on it, and certainly we need to play that role. But at this juncture I think it's inappropriate to have people who have won a contract through a fair and open process, even though it was before -- yes, it was before all the problems we've had with our budget. We didn't know it at the time, but the arbitration process through which this particular union participated awarded them a contract, and that contract was won fair and square.

As a matter of fact, it was the State's offer that was accepted on most points in the contract, is my understanding. To further that process and to make the decision even further in the future, at this point, people need to be able to rely on those

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contracts and that process. And for us to change that at this point is inappropriate.

Certainly, I completely agree and concur, this hole that we have is deep, and it's not only this year. We really need to focus on the next biennium, which is the job we're going to be doing in the next few months. This will be part of that discussion, and I'm very hopeful that the Governor will be discussing with all the unions some form of contribution they can make to this problem, and I have every assurance and hope that that will happen in the near future. But at this point we should be abiding by the process that has been in place for many years and let this take place appropriately.

I would agree that these people have waited long for this contract, and they have had no raises for many years. So I think we owe it to them to let the process take place. And that goes, by the way, for all the things we're doing here tonight. We have a long road ahead of us. And the way we do that is through committees that examine every item, and many of the items we've seen here tonight, they're going to require work. It's not so simple as just going -- and going through the budget and inappropriately just

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taking a slice off of everything. We're going to have to examine our priorities, and that has to happen all within a larger context and all at the same time.

I think this is a kind of a share-the-pain approach. We're going to have to do this as a holistic and one whole piece, both this year's deficit and the coming biennium.

I would also just like to state for the record that is particular amendment begins with the words, "Notwithstanding Rules 31 and 32 of Senate Joint Resolution 1," which are effectively the rules for this Chamber. This is really not ordinarily the way we would appropriately change the rules that govern the behavior of this Chamber, because a statute -- if we make a statutory change to our rules, that would have to be signed or not by the Governor. That really does overrule the proceedings that we decide in this Chamber.

So, I'm not going to call a point of order this -- tonight or challenge this, but I would like to say for the record that when we change the rules in this House, the appropriate way to do it would be through resolution.

Thank you, Mr. Speaker, and I hope we will vote

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no this evening on this amendment. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Will you remark further? Will you remark further on the amendment before us? If not, staff and guests please come to the well of the House. Will members please take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is voting House Amendment Schedule B by roll call. Members to the Chamber.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted? Members please check the board and determine if your vote is properly cast. If all members have voted the machine will be locked, and the Clerk will take a tally.

The Clerk will please announce the tally.

THE CLERK:

On House Amendment Schedule B for House Bill 5095, total number voting 145, necessary for adoption 73, those voting yea 35, those voting nay 110, absent/not voting 0.

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SPEAKER DONOVAN:

The amendment fails.

Representative O'Rourke.

REP. O'ROURKE (32nd):

Thank you, Mr. Speaker. The Clerk is in possession of LCO Number 1246. I'd ask the Clerk call the amendment and I be given leave of the Chamber to summarize.

SPEAKER DONOVAN:

Will the clerk please call LCO 1246 will be designated House Amendment Schedule C.

THE CLERK:

LCO Number 1246 House C offered by Representative Donovan.

SPEAKER DONOVAN:

Representative seeks leave of the Chamber to summarize the agreement. Is there objection to summarization? Is there objection? Hearing none, Representative O'Rourke, you may summarize.

REP. O'ROURKE (32nd):

Thank you. Members of the House, this is a very technical amendment in two parts. First of all, it provides some new language requested by the Office of Policy and Management regarding their study and

monitoring of executive branch personnel service agreements and consultant agreements over the coming six months. And secondly, it makes changes in the school bus retrofit program.

One of the best parts of our '07, '09 state budget to protect our children, we provided some 8 to 9 million dollars to retrofit the state school buses so our children won't be exposed to dangerous toxic diesel fumes that retard the growth of their lungs, cause asthma, attacks and actually bring about asthma in our children. This allows the Commissioner more flexibility in terms of the pricing of the retrofits to these buses and will allow more of our municipalities to take part in the program.

Mr. Speaker, I move adoption of the amendment.

SPEAKER DONOVAN:

The question before the Chamber is adoption of House Amendment Schedule C. Will you remark on the amendment? Will you remark further? Representative Chapin of the 67th.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. A couple of questions to the proponent, through you, please.

SPEAKER DONOVAN:

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Please proceed, Representative.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. Mr. Speaker, it was stated that this amendment would provide additional flexibility for the DEP Commissioner to safeguard the health of our students who are on school buses.

Can the gentleman tell me if it's his understanding that the costs associated with doing this would exceed those costs that are in the existing statute in the language we're deleting? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Rourke.

REP. O'ROURKE (32nd):

Through you, Mr. Speaker, I have the fiscal note here. The amendment alters the reimbursement criteria for local and regional school boards to retrofit certain school buses. It does not affect the total cost of the program. Through you, you Mr. Speaker.

SPEAKER DONOVAN:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. And again, through you, in the amendment, in lines 24 through 41, we're

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bracketing out specific dollar amounts. For instance, in line 25, it says not to exceed \$5,000 for each bus with an engine model year between 2003 to 2006 that's been equipped with a closed crack case filtration system. Does this amendment then allow -- if it were to pass, does this amendment then allow the Commissioner of DEP to grant awards that are in excess of \$5,000? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Rourke.

REP. O'ROURKE (32nd):

Through you, Mr. Speaker. Yes. My understanding is when they went out to bid, the cost was slightly higher than that. But, as I said, this will allow the State through the appropriated money to provide these fixes to the school buses while not costing municipalities any additional money nor the State any additional money. In total, it's on a first-come-first-serve basis. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. And again, through you.

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So then if we're taking off, I guess what we could consider to be a cap on how much that retrofit may cost, because perhaps bids came in that exceeded that, is it safe to say that less buses will be retrofitted? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Rourke.

REP. O'ROURKE (32nd):

Actually, through you, Mr. Speaker, more buses will be retrofitted. And because of the uncertainty in the way the language was written and the belief by some school districts that they would incur additional costs themselves that wouldn't be covered by the State, many did not come forward to take part in the retrofit program.

Since we okayed, put the money back in that had been proposed to be cut in the November special session, the DEP went back out to municipalities and over 50 cities and towns have now signed up for the program with the understanding that these funds will cover the retrofit. So we're seeing more participation by the school districts, not less. Thousands of kids and Connecticut's health will be protected this year and in coming years when we

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retrofit these school buses. It's a good thing.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker, and I thank the gentleman for his answers.

SPEAKER DONOVAN:

Will you remark further on the bill?

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you, Mr. Speaker. If I may direct a question to the proponent, through you.

Through you, Mr. Speaker, with reference to line 11, and so forth of the amendment, does this reduce the target reduction from 10 million to 2 million?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Rourke.

REP. O'ROURKE (32nd):

Through you, Mr. Speaker. What lines on LCO 1246 is Representative Hetherington referring?

SPEAKER DONOVAN:

Representative Hetherington.

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REP. HETHERINGTON (125th):

Yeah, I beg your pardon. Beg your pardon.

Through you, Mr. Speaker, and to the proponent, I should have referred to lines 3 through 8 and the reference in line 7 to \$2 million. And I compare that with the original text; it looks like this is a change in the limit from 10 million to 2 million. Is that correct? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Rourke.

REP. O'ROURKE (32nd):

Through you, Mr. Speaker, I take that as a goal to reduce those expenditures by \$2 million during the next fiscal year. And my understanding is this was requested by the Office of Policy and Management. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you, and just a moment further. Through you, Mr. Speaker, but wasn't the original goal 10 million? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Rourke.

REP. O'ROURKE (32nd):

Through you, Mr. Speaker, I believe that was maybe an earlier draft of the legislation -- the Legislature's goal. The Governor, I understand, asked for a \$2 million goal. I thought that was achievable. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you. I thank the proponent. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative.

Will you remark further? Will you remark further on the amendment before us? If not, let me try your minds. All those in favor of the amendment, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

Those opposed nay. The ayes have it. The amendment is adopted. Representative Sawyer of the 55th.

REP. SAWYER (55th):

Thank you, Mr. Speaker. Through this fall and into the winter, and right down to -- actually this morning, we've heard from our towns. We've heard the panic from the smallest towns to the largest. And it's gone from a very quiet little tinkling bell to the rapid beat of the drum as they begin to have their concerns facing them with their budgets coming right up to their opening salvos.

You know, as a state, we look to Washington, and we've heard over and over again, particularly from, say the Speaker, that the money we hope to get from Washington will help our state. We're looking for these shovel-ready projects that the money will be coming in. We're trying to get our House in order.

Well, municipalities are doing the same thing. The municipalities, Mr. Speaker, are looking to us; they're looking to the state. From the mayors, first selectman, the boards of finance, the police, the school administrators are looking to us with two common cries: Save our funding, and give us, particularly, relief from unfunded state mandates, those mandates that we put on the towns.

To the one of us, we have the instinct to preserve and protect our towns. And what we know is

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that they are on the same thin economic ice that we are. So, what are we going to do to help them? Well, there are many ideas that we've had and many that should be addressed, actually immediately, because their budgets process is now. Most of them will have to have their budgets put in place by the beginning of April. They have to do their work, and they're looking to us to give them the relief, and they can't wait for us to act come April, May and June.

Mr. Speaker, going back over the last couple years, we have passed some well-intentioned laws, some public acts affecting our municipalities that actually are about to come due. They have effective dates, Mr. Speaker, for 2009.

Mr. Speaker, having said that, the Clerk has an amendment, LCO Number 922, and I ask that he call and I be allowed to summarize, sir.

SPEAKER DONOVAN:

Will the Clerk please call LCO 922, which will be designated House Amendment Schedule D.

THE CLERK:

LCO Number 922 House C offered by Representatives Cafero, Hamzy and Klarides.

SPEAKER DONOVAN:

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The Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection? Hearing none, Representative Sawyer, you may proceed with summarization.

REP. SAWYER (55th):

Thank you, Mr. Speaker. Mr. Speaker, in the beginning of the amendment, in Section 501, there's a section that refers back to something that we actually passed in November in the deficit mitigation. And we passed a bill that helps our towns to collaborate on purchasing items. We wanted to add another arrow to that quiver and allow them to be able to do the same for local services for the Department of Administrations -- DAS, to be able to help our towns coordinate. It's the regionalization on local services.

In Section 502, in this amendment, it refers back to a law that we passed in 2007, and that law has a very large price tag. That particular law, and we would be looking at here to delay implementation -- was raising the age for juvenile court jurisdiction for the 16 and 17 year olds, and moving that back to 2012. Mr. Speaker, that particular number, I believe

if we look at the fiscal note for this amendment, says that it's approximately \$95 million statewide in the next 2010 2011 budget. And what this does is move it back to the following year.

Mr. Speaker, what we've heard from our towns and police officials is that the additional staffing and training for their local departments, as well as the facility costs for the departments that they would need to add and modify the facilities for these younger people to be incarcerated, they would also need to be adding staff to monitor for these detainees. So all that does is move it back another year.

The following section in 2003 -- I'm sorry, in Section 503 is what we have heard from our school departments. The school departments have said to us that the in-school suspension for the larger cities has a very high price tag. In the smaller districts, though, the price tag is much less. They, too, have to find ways to find the money, find the ability to put this mandate in place to keep the students in school instead of sending them home on a suspension. And what this does Mr. Speaker -- this, too, was a date out to 2012.

In Section 504, Mr. Speaker, in an effort to save the -- help the towns and save money, it allows the public notices that our municipalities have to provide for different meetings, for public hearings to be able to do so on their town websites, to be able to save them the costs of the money going into the newspapers.

The bill -- the amendment also, at the end would ask -- requires -- my apologies -- requires that when this august body goes to pass an unfunded or underfunded state mandate, that it do so with two thirds of the vote of both chambers of the General Assembly.

Every year we find new functions, and we require our towns to come up with ways to meet what we ask them to do. And many of those times we're well-intentioned, but we don't give them the finances to be able to do it. Mr. Speaker, this is a two-thirds vote that we would be asking for both of the chambers for that to be able to pass.

Mr. Speaker, I move adoption.

SPEAKER DONOVAN:

The question before the Chambers is on adoption of House Amendment Schedule D. Will you remark on the amendment? Will you remark further?

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REP. SAWYER (55th):

Yes, sir. Thank you.

SPEAKER DONOVAN:

Please proceed.

REP. SAWYER (55th):

Ladies and gentlemen, I know it's very late, but I know that for most of you these are very familiar items, items that we've spoken of before, items that we've, in some cases just recently voted on in November, and those that we have heard from our towns. The towns need as much as we can get them, and it has to be fast relief from mandates and giving them new tools to be able to save money in the towns, and some of them are even green.

Mr. Speaker, when this is taken, I would ask that it be taken by roll call.

SPEAKER DONOVAN:

Question before the Chamber is on a roll call vote. All those in favor of a roll call vote please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

According to myself, the requisite 20 percent has

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been met. When the vote is taken, it will be taken by roll call.

Will you remark further on the bill? Will you remark further? Representative Sharkey.

REP. SHARKEY (88th):

Thank you, Mr. Speaker. Mr. Speaker, I would respectfully rise in opposition to this amendment. I think we're all becoming -- if we aren't already, we're all becoming very sensitive to the need for mandate relief for our cities and towns.

There are a number of different items that we're hearing from our cities and towns right now as to different types of programs and initiatives that we've imposed upon them that do cost money and that, you know, in a time that we're in right now where we don't have a lot of additional money to give the cities and towns, one of the things that we can offer to cities and towns, one of the things we can offer to cities and towns is the opportunity to save money by relieving them of these unnecessary mandates either permanently or temporarily.

However, I think that the individual proposals that are being made in this amendment are such that have not ever really seen the light of day in terms of

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public comment. I know, for example, the issue with regard to juveniles who have to be retained in our police departments is something we've heard often. In-school suspensions is another issue that we've heard often from our boards of education. And while we're sympathetic to that, they've never actually seen the context of a public hearing in terms of understanding what, if any, impacts they really do have.

These are proposals that I think are more properly implemented or -- and reviewed in the course of our session this year. And I know that both in my committee and elsewhere there are a number of bills that are being proposed to do just these things. But I think to have a public hearing on this is a more appropriate way to review these concepts, rather than trying to do it here in one night without any real public opinion or discussion received from the public.

I would also mention in the last section of the bill, the amendment calls for really what in effect is in a rules change. This is something that we would adopt by -- in this House and in the -- upstairs in the Senate by a majority vote and would be voted on by the Governor. And that puts us in a position where

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the Governor is actually signing onto rules changes that we adopt for ourselves. And that's not really, in my opinion, the appropriate way to implement rules changes for our Chamber and the Chamber upstairs.

I think what we need to be doing if we're going to do a rules change, whether it's involving mandate relief or any other form, we need to do that in the context of a rules amendment or change when we are adopting our rules for this body.

So, for all those reasons, Mr. Speaker, I would urge my colleagues to reject this amendment. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Representative Hamzy.

As Representative Sawyer said, municipalities are going through their budget cycle right now. Unlike us where we may or may not adopt a budget by the time our fiscal year ends, municipalities are required to adopt their budgets and set a mill rate.

And I would strongly urge the members of this Legislature, who I hope fully recognize that we will not be able to give towns the money that they want, that we will offer them some relief in the form of

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giving them some flexibility to deal with their budgets that they're currently formulating. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Sawyer, do you wish to speak again?

REP. SAWYER (55th):

Thank you, Mr. Speaker, for the second time.

Mr. Speaker, Representative Hamzy talks about the budgetary timing that are -- all of our municipalities are under. And what I can tell you is, if we were to pass this tonight, and I'm probably under a delusion to think that we would, but Mr. Speaker if we were to pass this tonight and the towns suddenly were to have a change of fortune, and they suddenly decided that they really wanted to do any one of those things, they could go ahead and do it anyway without us having to change the date from 2012 and moving it back to where it is.

What I can also say, Mr. Speaker, is the towns will be coming back at us, and they will be talking about very significant problems: town aid, road, ECS, other taxes, looking for ways to find money to raise money in their towns. And these are all very simple,

very minor, just delays. There isn't a deletion here. All it does is push it back. And if the towns are able to do it now, God bless them and let them do it. But we are here in this Chamber, almost every one of us have served in local government should remember -- should remember the pressure that is put on at this time of year. And I'm guessing that if you served in the '80s, or you served in the mid '90s or you served in 2001 in your local government, when there was a downturn you felt the pressure. But ladies and gentlemen, it is nothing like it's going to be over the next two years.

Mr. Speaker, we have to help our municipalities, and all of these are very minor and all they do is delay them. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you, Mr. Speaker. Very briefly, we should do this tonight because the towns will be setting their budgets before we conclude our budget process. And they really might need to know before, they set their mill rate, if they will have to fund the

substantial mandates.

I have received more communications from the selectmen in the two towns that I represent concerning these mandates than any other single matter. And I would simply add to the discussion that has already gone forth and emphasize what I had just said, and that is: The timing is critical; towns need to set their budgets now; they need to know now if we're going to give them some relief. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Miner.  
REP. MINER (66th):

Thank you, Mr. Speaker. I too rise in support of the amendment. I think from its very beginning, the amendment opens the door for municipalities to ease into some savings.

Section 1 of the bill adds the word "services" to what we've already done. Mr. Speaker, we talk up here about regionalization. We want communities to work together, yet as I read the Bill as we had previously passed it, if they wanted to hire an engineering firm, they couldn't do that. Those are services provided by a professional. Most of the small communities in the

northwest corner want the ability to share those services. I don't know why that's not a good idea. I don't know why we need to hold a public hearing for something that makes sense.

Mr. Speaker, throughout this there are efforts to try and lift the mandates we've already imposed on municipalities. And I know we're all concerned about the cost of doing business at the state level and at the municipal level. I've had chief elected officials tell me that they've had no choice but to close their website because they couldn't meet the obligation. They could not meet the deadline of the posting requirements we had imposed. It doesn't mean they don't want to communicate with the public. They can't afford the risk -- they can't afford the risk, ladies and gentleman.

There's nothing in here that is earth shattering. Everything in here is what we have been talking about, what we want municipalities to do. We want to provide them the tools to save money. We want them to -- provide them an opportunity to make it through these future bad years just like we're going to have to make it through these bad years. And I can't remember who said it, but I think they're quite right: There isn't

a person in this room that can say that cuts to municipalities is off the table. We couldn't, in good conscience, carve that out of the decisions that we're going to make. Yet we offer them no relief, and unless we're willing to say that and say that before they actually have to put their budgets together by law, all we're doing is setting them up for a very serious problem. Republicans, Democrats, unaffiliated's alike that are running for office in November will be sending out supplemental tax bills, because we're not going to have a budget.

Ladies and gentlemen, this is a small step, but it's a signal to municipalities that we're willing to consider changes. We're willing to give them some tools, and I don't see the hardship in offering them this opportunity tonight, and I would urge adoption. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Will you remark further? Will you remark further on the Amendment before us? If not, staff and guests please come to the Well of the House. Will members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is voting House Amendment Schedule D by roll call. Members to the Chamber.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted? Would members please check the board and determine if your vote has been properly cast. If all members have voted, the machine will be locked.

Will the Clerk please announce the tally.

THE CLERK:

On House Amendment Schedule D for House Bill 5095, total number voting 145, necessary for adoption 73, those voting yea 36, those voting nay 109, absent/not voting 5.

SPEAKER DONOVAN:

The amendment fails. Representative Hamzy of the 78th.

REP. HAMZY (78th):

Thank you, Mr. Speaker.

Mr. Speaker, as we have been discussing, these are incredibly difficult times that we're experiencing. We have talked about everyone making a shared sacrifice and sharing the burden of helping our

state get through this fiscal year and the next two fiscal years.

And as we've also talked about, we will, I think shortly be hearing that the budget deficit for this fiscal year that ends June 30th is upwards of \$1 billion. And I suspect that will also translate into an upward revision of the budget deficits that we have for next year and the following year. And, Mr. Speaker, I think that we should be a part of that sharing of the burden.

And in that vein, the Clerk has an amendment, LCO Number 1195. May he call it and I be allowed to summarize?

SPEAKER DONOVAN:

Will the Clerk please call LCO 1195, which will be designated House Amendment Schedule E.

THE CLERK:

LCO Number 1195, House E, offered by  
Representatives Cafero, Hamzy and Klarides.

SPEAKER DONOVAN:

Representative seeks leave of the Chamber to summarize the amendment. Is there objection to summarization? Is there objection? Hearing none, Representative Hamzy, you may proceed with

summarization.

REP. HAMZY (78th):

Thank you, Mr. Speaker. It's a very simple amendment. And as we have talked about, we're going to be making decisions that are probably more difficult than anyone has made in this chamber in quite some time in dealing with the budget deficits that we're going to be experiencing. And I think we would be able to set an example, and I'll speak for myself. I'd be able to make some of these decisions with a clear conscience if I knew that I was actually sharing in the burden. And what this amendment does is reduces our salaries by 5 percent in this fiscal year and next fiscal year. And I would move its adoption.

SPEAKER DONOVAN:

The question before it the Chamber is adoption of House Amendment Schedule E. Will you remark on the amendment?

REP. HAMZY (78th):

Thank you, Mr. Speaker. As I mentioned, I think it's self-explanatory. There is a budget savings of about a half a million dollars, but I think that this is an opportunity for us as Legislators, in

anticipation of making the decisions that we all recognize we're going to have to make, to lead by example.

Thank you, and I would ask, Mr. Speaker, that when the vote be taken, it be taken by roll call.

SPEAKER DONOVAN:

The question before the Chamber is a roll call vote. All those in favor of a roll call vote please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

The requisite 20 percent has been met. When the vote is to be taken, it will be taken by roll.

Representative Geragosian.

REP. GERAGOSIAN (25th):

Mr. Speaker, can I go home now?

SPEAKER DONOVAN:

Representative Geragosian. You want to know --

REP. GERAGOSIAN (25th):

Will you grant me permission to use Representative Heinrich's microphone.

SPEAKER DONOVAN:

Yes, please proceed, Representative.

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REP. GERAGOSIAN (25th):

Thank you. Briefly in opposition to this amendment, for the folks watching at home, especially for the freshman that the grim reality that they're receiving \$26,000 a year to spend their life up here, the other side of that coin is many of us are losing money to serve here, and we know and feel this economy.

I can account for that personally as a realtor who's been realtor -- somebody who's been a realtor for 25 years, I know and feel this economy first-hand. And I appreciate the Governor with her gesture yesterday. And like everything else, we might end up giving back some of our own salary, but today is not the day to do it. It'll be done in the context of the budget, and I urge our colleagues to reject this.

SPEAKER DONOVAN:

Representative Rowe.

REP. ROWE (123rd):

Thank you. Good evening, Mr. Speaker. I rise in support and, you know, it never seems that it's the right time to do any of these ideas we have, but they might be good ideas, but we'll do them later. And you know, it's frustrating to keep hearing that.

These are good ideas, and these are extraordinary times we're dealing with. We're going to have to show leadership in this General Assembly and leadership in this House of Representatives, because we're going to be asking so many citizens and taxpayers to do their share. Budgets are being cut; state employees are going to have to take hits. And we're state employees, and we're going to have to be included in that group.

You know, I don't -- we don't get paid much. It's a small salary, a lot smaller than people think. My wife thinks we deserve a lot more than we get, and I didn't call her before I rose to speak in favor of cutting my salary 5 percent.

Perhaps, Representative, perhaps it's a mistake but we need to take leadership. You've got us, you know, you've got the votes, but throw us a bone, throw the people of the state of Connecticut a bone and take a 5 percent reduction now. It's simply the right thing to do. We need to share the pain. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Perillo.

REP. PERILLO (113th):

Good evening, Mr. Speaker, and thank you very much. I rise in support of the amendment, but at the same time I hear what Representative Geragosian is saying.

We all feel this in our lives personally. We all feel the crunch. We don't make a lot of money here for what we do, for the hours we put in, and that's fine. But it's very hard to look our neighbors, to look our friends, to look our families, to look our constituents in the eye knowing full well that they're feeling the crunch, in many cases worse than we are -- worse than we are. It's hard to look them in the eye. It's hard to be their Representative, their spokesperson and say, I know you feel the crunch, but I'm not willing to go the extra mile to make your life a little bit easier.

We're coming up on a few months in the budget process that are going to be extraordinarily difficult. Not a single person in this room is looking forward to it. I know that. And we're going to be asking departments to cut back. That's going to affect state employees.

We're going to be asking departments to make cuts

that are going to affect our constituents, and in many cases, it's going to affect our constituents who need our help the most. In order to do that, in order to do that with any level of credibility, we've got to stand up today. We've got to set an example of leadership. We've got to say, We're in this with you, we're willing to take a hit.

And we've got an opportunity right now. We've got an opportunity to be the leaders that our constituents have elected us to be. We've got an opportunity to step up and say, Here I am; I'm right here with you walking the same walk, taking the same steps, feeling the same pain. I support the amendment for that reason. It's not a lot of money in the state budget. Half a million dollars -- we're talking about 1 billion. Half a million dollars is not a lot, but the example of leadership that it sets means a lot, and we need to be considerate of that when we cast our votes on this. Mr. Speaker, thank you very much.

SPEAKER DONOVAN:

Thank you, Representative. Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. If I might, a question to the Appropriations Committee, through you please.

SPEAKER DONOVAN:

Representative Geragosian.

REP. MINER (66th):

Thank you, Mr. Speaker. His mic may not still be working. I don't know if he's -- you want me to go?

SPEAKER DONOVAN:

Please proceed.

REP. MINER (66th):

Thank you, Mr. Speaker. Through you, Mr. Speaker, I'm trying to understand how this process is going to work. We have, as the sitting Legislature, a process of public hearing for the upcoming biennial budget, but I'm unclear as to how we would have a conversation about ideas such as this in a public forum through our current rules and organizational process. So, through you, is there a public hearing opportunity with regard to the ongoing deficit mitigation that we are anticipating? If this is not the time for us to be talking about this reduction, is there a process by which we would talk about this? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, obviously we're expecting another deficit mitigation plan. At the rate we're going, we all know that. And the appropriations Committee and the Finance Committee can have hearings on that plan. We have the prerogative to have those hearings. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. So, in terms of the ongoing deficit mitigation discussions that we're going to continue to have, I think all of us has anecdotal information on where the public has said to us, We're concerned about where the state is. We're concerned about the fact that we've lost wages, we've lost our ability to pay for our mortgage and our benefits. What have you done to mitigate that? What changes have you made in the State Legislature?

Are you saying that we will have a public hearing process, through you, Mr. Speaker, on the Appropriations Committee to talk about ideas such as this, to mitigate the current year's deficit that will run separate and concurrently with the ongoing public hearings for the upcoming biennial budget? Through

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you Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, I suspect we'll have hearing. You know we can have hearings like just as we did the other day, and also, well -- put it this way: We haven't even assigned our subcommittees yet on Appropriations. But it would be my own desire to hold some hearings prior to the budget being introduced by the Governor in order to deliberate on some of the areas that we know will be problematic in the budget: effects of cuts to things like ECS, effects to human services programs, effects to other things of that nature. Through you Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker, and I, you know, I certainly don't proclaim to be an expert in the process, but what I think the gentleman just talked about was a budget process, a budget discussion about the next biennial budget in association with the Governor's budget proposal that's going to come out.

And I think part of what the State is asking for is; when are these cuts going to happen in our current budget? What process is there in place where you actually talk about adjustments and spending between now and June 30th? I'm more familiar with the process than the public is, and if I don't have a good handle on it, God knows they're not going to have a good handle on it. But my sense is we're not going to have that conversation. We're going to run this clock out, and we're going to take what we think is a Rainy Day Fund and make up for our deficit.

Whatever it's going to be, that's what we're going to do, right? We're not going to tax anybody. We're not going to cut any wages. We're not going to reduce our spending. My prediction is that we're going to take this shortfall out of the Rainy Day Fund. And the dirty little secret is it's not cash. Do you understand the significance of that, that it is not cash?

It's not like our savings account at home. It's not like when we can't pay our bills, we go to the bank, we put in our ATM card, transfer the money into the checking account and we pay our bill. Ladies and gentlemen, the money is already out there working in

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the Rainy Day Fund. We are going to run out of cash before the end of the year, and the dirty little secret about trying to use the Rainy Day Fund to cover this deficit is going to come home to roost at this Legislature. There will be no public discussion about cutting our wages, I guarantee you. There will be no opportunity to talk about reducing our budget in a meaningful way between now and June 30th, and that's the direction we're headed. And I think we owe it to the State of Connecticut to tell them that's our plan.

Unfortunately, where we're headed is that we're not going to have enough money to pay our bills. So not only are we going to run out of Rainy Day Fund cash, but we're going to be borrowing money to send people refund checks in March. So I think we ought to adopt this amendment. I think we ought to send a message to the State of Connecticut that we are serious about what we're doing. We know we don't make a lot of money, but we are going to make adjustments in people's lives that make far less than we do, ladies and gentlemen. And I think the amendment is worth supporting. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Representative

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Harkins.

REP. HARKINS (120th):

Thank you, Mr. Speaker. I also rise in support of the amendment. Some may say this is only a token amendment; 5 percent is not a lot. We don't get paid a lot for the amount of time that we spend in Hartford, but it's something we do voluntarily. We don't have to be here. We choose to be here. We all chose to run and make the sacrifice to come here and represent our districts to do the good work of the people of the state of Connecticut.

The one thing that keeps coming up to me in my community is the comments about the increases they're seeing that some of the unions are getting, particularly the one that we talked about earlier today. And the one statement I keep hearing over and over is, Why don't you lead by example? Why don't the politicians take a cut in pay? They never take a cut in anything. I think many of the constituents think that we actually get paid a lot more than we do. I believe our base salary is \$28,000. But the interesting thing is when you start telling people about our actual benefits, when you start telling them about our health plan that we have, you lose them.

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You start talking about a \$3 prescription, a \$6 prescription that you have as a benefit, they can't relate to that.

They might be able to relate to the money you get paid, even though it's a part-time job. When you start talking about the other benefits, it's a whole different world; there's a huge disconnect. People are looking for action. People are starting to feel the strain. They read the papers. They know it's coming. We all have a front-row seat here. We know what's going on with the economy. We're the first ones to find out the bad news and then have to go back to our constituents and tell them about it.

Everyone is going to be asked to make sacrifices. There's going to be cuts. People are losing their jobs right now. There's a lot of insecurity. I think something that we can do is lead by example. We keep hearing that theme: Lead by example. God forbid if a politician in the state of Connecticut leads by example and makes an actual sacrifice.

I think we have a wonderful opportunity here tonight to begin leading by example and accepting this amendment. Do the right thing. Let's make the sacrifice. We can all do something personally to show

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that we take this serious enough to take action here this evening. So I urge my colleagues to support the amendment. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Shawn Johnston.

REP. JOHNSTON (51st):

Thank you, Mr. Speaker. Mr. Speaker, in support of the amendment. And I'm struggling a little bit and trying to frame my thoughts on this, Mr. Speaker.

It seems only a week ago I sat here and I listened to words in this Chamber about the only way we were going to get through the next two years was by working together and that both Democrats and Republicans alike were going to have to think out of the box a little and to come together, and consider all ideas. And I've been reading press releases to that very extent. And yet, a week later it appears that as things appear on the floor of this House, that's not going to be the case. Items are going to be voted up and down party lines.

Apologize for leaning forward. My mic won't come all the way out, Mr. Speaker. It's a little uncomfortable. I'm getting some help from

Representative Harkins.

SPEAKER DONOVAN:

I used to have that problem over there,  
Representative Johnston. I got a new seat.

REP. JOHNSTON (51st):

Hey, you know, Mr. Speaker, I got a new seat. It  
wasn't my choice, but I have one.

You know, our form of government, it is amazing.  
We have absolute amazing freedoms, and I think we  
forget that when we come in this building some days.  
And the freedom that each one -- each and every one of  
us has is the freedom to sit and think about something  
that's before us. And we can choose to vote yes, and  
we can choose to vote no. And we can vote that way  
whether that's the way that maybe, our majority of our  
party thinks we ought to vote, but we can think about  
the bill and say; is this where we need to go?

We are facing an incredible economic problem in  
this state. We're looking -- if you think about our  
budget, an \$18 billion budget, 10 percent of that is  
\$1.8 billion budget. At some point in time, unless  
we're going to raise revenues, and I haven't head a  
single proposal yet to do that, then I'm assuming to  
produce a balanced budget, we're going to make

reductions. And if 1.8 billion -- 10 percent is \$1.8 billion, we know that we've got a bigger hole than that, and it appears that hole is growing. We're looking at reductions in some cases, possibly in the 20 to 25 percent category, because we know there are some things we can't reduce. We have debt service. We can't choose not to pay back our bonds; we're going to pay that.

At some point in time we need to take a step forward. This isn't a big step, but it's a step to say to the people of Connecticut that we're willing to think differently, and we understand that there's probably not going to be a person in this state of Connecticut who isn't going to make a sacrifice to get us through this.

The dollars that this move will save if we do -- if we adopt this amendment are not going to be the dollars that are going to change anything, but maybe they'll be that single vote that begins us on a process to say we can actually think about each and every idea on the floor of this House and not reject it solely because our leadership recommends that we reject it or that we don't reject it solely because of a technical interpretation of whether it had a public

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hearing, which sometimes we enforced to the tee and sometimes we just forget about the fact that we didn't -- that an idea didn't have a public hearing.

When we adopt the implementers of bills at the end of the year, there are sections and sections and sections in that implementer bill that every single one of us in this room knows never had a public hearing. I just ask each and everyone of you for a minute to think, is this not at least the first step to say that, as we go forward, we're willing to sacrifice as we expect everyone in the State of Connecticut is going to be willing to sacrifice?

Mr. Speaker this is a small step, but it's a good step for us to take. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. I also rise in support of the amendment. In a way, I was one of lucky ones. When I was first elected to this Chamber, it was the year 2000, and my predecessor announced that she wasn't going to seek a fifth term. And the very next day I threw my hat into the ring.

I had been a member of the New Milford Town Council. And at that time when I made that decision, the salary was at 21,700 and change. And the Legislature, at the time, in their wisdom increased it to 28,000. So from the time I decided to run to the time I took office, I did get a pay increase.

Since then I haven't gotten a pay increase on that base salary of 28,000, and I'm thankful that the Chairman of the Appropriations Committee did tell people what the salary is. It's 28,000, because there is some confusion with some of our constituents. They think we're all making what Congress makes, and I can tell you in the eight years that I've been here not only have my responsibilities grown as a member of this caucus, but I'm sure we could check the number of session days and the number of special sessions and see that we have actually also taken on additional responsibilities as a full Legislature.

I'm not a wealthy person. The money does count for something; however, I think in this particular case the gesture alone far exceeds the value of those dollars, and I encourage my colleagues to support it. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative  
Piscopo.

REP. PISCOPO (76th):

Thank you, Mr. Speaker, and good evening. I rise  
in support of this amendment. I -- when the amendment  
came out, it was interesting to see my friend, the  
Chairman of the Appropriations, say some pretty  
encouraging words about the amendment. He's very  
agreeable, and it was really good to see, and I agreed  
with him. The only part I think we disagree on is  
when to take this measure up. He said that it might  
be able to wait till the budget, till it comes out in  
the budget.

I think wherever we go, if you go to your coffee  
shop, if you go to a town committee meeting, if you  
speak to any group, at any group the first question  
they usually ask you -- they usually agree, Hey,  
you're going to have a tough year this year. No  
matter where you go, people usually say that to you.  
You agree with them, yeah, it's going to be a rough  
one. We're in tough fiscal straights. It's going to  
be a -- the budget is going to eat every one of us  
alive.

And then usually one of -- somebody in that group

will say, Well, what are you doing? I mean, are you setting an example? Is -- are you cutting your budget? Are you cutting that, your legislative budget to set an example? And if you stand in conversation long enough, that usually comes up. It's like, what are you going to do? You know, set the example. I mean, start with your cuts and then talk to whatever group you're talking about making sacrifices.

And I think this is largely symbolic. It's not a lot. It's a lot to some of us. I don't consider myself one of the more affluent members of this body. I'm a house painter. I haven't been doing a lot of work lately. When gas went up to four bucks a gallon over the summer, it was well over \$100 to fill up my van. So I felt the pinch and, you know, to be honest with you, this -- it's going to kind of cut into our family budget, but I'm willing to do that.

I'm willing to make this decision. I'm willing to accept this cut, and I hope my colleagues will be willing to. I mean, if this amendment passes, I'll probably have to take a drive around the block before I go home to tell my wife, but I hope this amendment passes tonight. I think -- but, we're willing to do this. We're willing to set this example, and I hope

it does pass. Thank you.

SPEAKER DONOVAN:

Thank you. Representative Klarides.

REP. KLARIDES (114th):

Thank you, Mr. Speaker. I also rise in favor of this amendment. I guess I'm just confused, though, because I have served in this Chamber for ten years, and I'm very honored to be part of this wonderful body, but I guess I certainly understand the idea of process and how we are run by the set of rules that we have in our process. And I know that every time we come up with an amendment, most of the answer is, it hasn't had a public hearing.

Through you, Mr. Speaker, to the proponent of the bill, I do have a few questions.

SPEAKER DONOVAN:

Please frame your question.

REP. KLARIDES (114th):

Sorry to bother you.

Through you, Mr. Speaker, to the Chairman of Appropriations Committee, I believe, if in fact we have a public hearing on this particular amendment down the road, how exactly would that work? Through you.

SPEAKER DONOVAN:

Representative Geragosian.

Representative Geragosian -- can he ask  
permission again to use that, Representative Heinrich?

REP. GERAGOSIAN (25th):

May I use Representative Heinrich's mic, please  
for the rest of the day, Mr. Speaker?

SPEAKER DONOVAN:

Yes, you may.

REP. GERAGOSIAN (25th):

Thank you. Could you please repeat the question,  
through you, Mr. Speaker.

SPEAKER DONOVAN:

Actually is there objection to him using  
Representative Heinrich's mic?

REP. KLARIDES (114th):

Not from me.

SPEAKER DONOVAN:

Bob is underneath the desk, putting his mic  
together. Thank you. Geragosian, please proceed.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, ask the Representative  
to please repeat the question.

REP. KLARIDES (114th):

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Certainly. Through you, Mr. Speaker, if we had on this particular amendment a public hearing on it down the road -- certainly understand our public hearing process, and typically in public hearings people come to testify pro and con on the issue. How would that exactly work, do you think? Through you.

REP. GERAGOSIAN (25th):

I don't --

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, I don't know that we'd necessarily have a public hearing. I think I was referring to the deficit mitigation plan, the future deficit mitigation plan that the Governor might offer when I was in the context of talking about a public hearing. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Klarides.

REP. KLARIDES (114th):

Through you, Mr. Speaker, just one other question on the public hearing process. The underlying bill that we're on now, the deficit mitigation plan that the majority party has put in it, has that had a

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public hearing?

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

No, it hasn't. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Klarides.

REP. KLARIDES (114th):

Through you, Mr. Speaker, and the reason for that is? Through you.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, I think I would guess the reason of that -- for that is I've been the Appropriations Chairman for about five days, and I think that -- or has it been a week now, I think? And we've all -- Representative Staples and I both alluded to what we think is problematic, this process of taking things out of context, and that we really would like to start working on the budget as a whole. And I also indicate I would like to have hearings prior to the Governor introducing her budget to address some of the more difficult aspects of the budget. I think

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that will be a prudent thing to do, and it's in line with what many of the speakers have been talking about today, grappling with the problems we have to grapple with. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Klarides.

REP. KLARIDES (114th):

Thank you, Mr. Speaker. I thank the gentleman for his answers.

Just as a follow-up to that, I guess it's just -- to the people that are watching us on CT-N and to a lot of members of this Chamber, when we talk about that's a great idea, we get answers; that's a great idea or that sounds good, but we haven't had a public hearing, so maybe we should wait and do that. That is a reasonable answer if that was consistent with everything else we did, but the underlying bill is a perfect example of what we haven't had a public hearing on.

I understand we are in a situation now that is an emergency, by definition. The amendment that we are on right now to take part of our salaries away, and as been mentioned by many of my colleagues, is meager. It does send a message that this is not going to be a

year of should we cut, or should we lay off, or should we have to tell people no. Unfortunately, it will be a year of all of those.

So, to pick and choose and sit here in the middle of January and say it's not time to do it now, quite frankly, it was time to do it last April. And the people of the state of Connecticut want us to do something. And a month from now, two months from now, three months from now, this will be worse by 10, 20, 30 percent. This is bigger than any of us have ever seen, or most people in their lifetimes have seen. And this is something we need to take a stand on every day until June. Because it's just going to get worse. It'll be worse tomorrow. It'll be worse next week.

Mr. Speaker, for those reasons I urge adoption of this Amendment.

SPEAKER DONOVAN:

Thank you, Representative. Representative O'Neill.

REP. O'NEILL (69th):

Yes, thank you, Mr. Speaker.

In following up a bit on the previous speakers' comments, I've been in this Chamber a fairly long time, 20-plus years now, and I've managed to be here

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long enough to experience three of these kinds of financial crises in the state of Connecticut: the one that began in 1989 and went through 90 and 91; the one in 2002 and 2003; and now the one that we are facing today, which began about a year ago.

Now, every time we have one of these crises, we have to face the fact that we have to make reductions in spending. And when we do that people naturally want to know what it is that we as Legislators are giving up. Are we giving up our franking privilege? Are we giving up our travel allowance? Are we giving up our unvouchered expense account? Are we giving up some of our salary, some of our office staff? What is it that we are sacrificing when we're asking other people in the state of Connecticut, people who work for the State of Connecticut, people who receive services in the state of Connecticut to give things up? Because that's what we are going to have to do. The bill before us, in the main, does not do that, but the bills that are going to come up in the near future are going to have to do that, and do that in a very big way, in a way that none of us have seen in the years that I have been here.

Now, the Appropriations Committee Chair has

talked about the idea that, well, we should have a public hearing. And I'm trying to imagine what that public hearing would be like if, in fact, the subject of legislative salaries were part of that hearing. I just don't see very many people stepping forward to say we should keep legislative salaries at their current level, or make no reductions in legislative salaries, while other people are being asked to make sacrifices. I just can't imagine that being the case.

Who are the people in the state of Connecticut who know the most about what the legislative salaries are and what the impact of a cut in the legislative salaries would be upon the people of the state of Connecticut and upon the Legislature? Well, it's the people sitting here in this room, and I suppose in the other Chamber as well.

And so, as far as a public hearing, as far as gathering information, as far as getting a better understanding as to what the impact of this kind of a change would be, we're the best suited people in the whole state of Connecticut to understand it, and I don't think that holding a public hearing and asking people to step forward to talk about it is going to give us a whole lot of information on this particular

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subject. And the question is, if not now, when? When the Governor proposes another deficit mitigation package?

Well, the problem is, as far as I understand it, the Legislative Management budget is not subject to being reviewed by the Governor. If she puts it into the budget -- when she puts it into the budget, it has to be whatever Legislative Management submits to the Governor's office, to Office of Policy and Management as the budget. They don't make changes in our budget. Only we can make changes in our budget.

The previous chair, now the Majority Leader, and I had this conversation back in November, but the legislative budget is not subject to being modified by the Governor's office. We're the only ones that can make that change. So, to say that, well, we're going to wait to see if the Governor puts it into her next deficit mitigation package or it comes in as part of her proposed budget in February, it seems to me that that is just misleading to people, or if it's something that somebody really believes is going to happen, I'm here to say it's not going to happen. Only we can make the change that we're talking about here tonight.

Now other members have indicated the leadership by example, that only when we have made some kind of sacrifice will we have credibility when we ask other people to make sacrifices. And I believe that that is true. I think it's a lot harder to go to people, any people in the state of Connecticut who aren't suffering -- who have suffered economic losses, lost jobs, lost money in their investments, to ask them to make further sacrifices, but that's what we're going to have to do for thousands, and perhaps hundreds of thousands of people.

And what we are talking about tonight in this proposal is a truly small sacrifice, and it may not be the last sacrifice that we as Legislators are going to have to make if we are going to provide ourselves with the credibility to provide leadership to the people of the state of Connecticut on the sacrifice issue, on the ability of the willingness to reduce benefits that we get, and that we are going to then ask them to reduce benefits that they get, that we're going to make changes for them, but we're not prepared to make changes for ourselves.

I would urge everyone to support this amendment. It will be a lot easier for us going forward if we

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start out by sharing in some of the pain directly that we're going to be asking the people who work for the State of Connecticut and who live in the state of Connecticut to make over the next months, and perhaps the rest of this year. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Candelora of the 86th.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. You know, at first I supported this amendment, the concept of, you know, taking the first step and showing leadership on this issue. And I have to say that in the wake of passing this mitigation plan as-is is going to leave a \$96 million hole from numbers that were projected back on December 17, 2008. And I have to say that I'm not going to be very proud of myself leaving here today. It's not a good feeling to have, knowing what we're going to be facing on January 20th. And so, I have to say that, yes this does show leadership, but I think, number two, I think we owe this to ourselves. It's a small part that we could do.

You know, in my other life I am in the private sector, and I run a business. And I have to say that,

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you know, we started feeling the effects of the recession back in April, and it continued on until July. And my business, like many other business you're hearing about in the news, the larger companies need to make pay cuts. We went through that same process, back in July. Overall we achieved about a 20 percent pay reduction across-the-board. And I have to say that wasn't a good process. We started it in July. In December we're here to live another day.

I'm concerned at what I continue to hear tonight about public hearings and let's delay this process and really think through the process, because, you know, time is our enemy right now. We don't have these options. And so I do stand in support of this amendment not just because it does demonstrate leadership, but I think that we deserve to reduce our pay based on the performance that we have done in these last two budget mitigations.

We're falling short by \$96 million, and I think symbolically we should cut our pay as a result. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you. Representative Coutu.

REP. COUTU (47th):

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Thank you, Mr. Speaker. I come today and I -- no, I have not been here for a long time, but I too am concerned. Obviously, this budget deficit is rising every day, and I was partially excited that we would have the responsibility and the potential to work together and complete a common goal to reduce this financial crisis that we're facing.

I think of a local employer near my district, which employs 10,000 people, and their employees were looking for leadership. And the leaders of this organization did a structured reduction in their salaries of 10 percent, 7 percent, and 4 percent. And those people are happy that they have jobs, but they're also happy that their leadership took action. And if these are good ideas that we keep on punting to the future, I think that's not leading by example.

Their employees are happy that their leadership took action and provided some stability. I think the State is potentially facing a 10 percent deficit, which would be 1.8 billion, or a 20 percent deficit which could be 3.6 billion, or even a \$5.2 billion deficit which would be 30 percent of our annual budget.

The people in my district expect and deserve us

to act like leaders and lead by example. And when we show them that we are going to reduce our own spending, then we can go to them and tell them that they should also be cutting back also. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Good evening, Mr. Speaker. This is the first time I have risen, so I would like to thank -- congratulate you on your new position.

SPEAKER DONOVAN:

Thank you, Representative.

REP. BACCHIOCHI (52nd):

As I listened to the debate, Mr. Speaker, I have to wonder, are we all reading the same newspapers? Are we all visiting the same websites? Some of the headlines I've read just in the last couple hours include words like, job growth, worst since 1945. Real estate home values plummeting as we sit here.

Like the good Chairman of Appropriations, I've been fortunate enough to have a real estate broker license for 27 years. I don't think I've ever seen

anything like what we are about to see in the next couple of years. Consumer confidence headline; index hits an all-time low, retail sales and manufacturing down -- not for the first month, not for the second, third or fourth, but for the fifth month.

Pfizer is cutting jobs. Economists are predicting that our country will close 170,000 retail locations in the coming year: Macy's, Sears, Gap. These are big anchor stores. All are going to see massive closures and massive layoffs. If we're reading the same headlines, I don't understand why we're not falling over one another trying to make structural changes to this budget, not just reallocating funds, not sweeping money, but making structural changes that will play out and save us from having such a big deficit in the coming years.

We're trying to do that by offering amendments that really make some structural changes such as mandate relief. Delaying the in-school suspensions is something that I know each and everyone of us have been contacted about either through the Board of Selectmen or through the Board of Education. This change would bring immediate and necessary relief to our towns and cities.

We're talking about delaying the posting of requirements. This doesn't sound like a big deal. I don't even know if it's something that is so necessary to have a public hearing on before we can make a change, but I can tell you one thing, Mr. Speaker, this is real relief for the towns and cities. When I go back and I meet with my Board of Selectmen, I'm going to be able to say to them, we put forth an amendment that would have brought you relief today, but it was voted down because the time wasn't right.

Today we're talking about cutting our salaries, and the first thing that came to my mind, when I heard we were going to offer this amendment, was, oh, I don't know, might sound a little gimmicky. But the more I thought about it I said, you know what, this isn't gimmicky. This is reality. This is symbolic of the reality that we face today. I know that the citizens in this state are watching us today, or I should say tonight, and they're wondering when are we going to have the backbone to make some really difficult choices.

The amendment that came before us tonight on the binding arbitration contract was a really difficult amendment for many people. I have skin in that game,

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because I have probably more correction officers in my district than anyone on this side of the aisle. And that's what I call a really tough choice, and it's something that requires a lot of backbone. But my friends and my colleagues, if we can't do something as simple as cutting our own salary by 5 percent to make a symbolic statement to the people in the state of Connecticut, I ask myself and I ask all of you the same question that Representative O'Neill asked earlier, and one that might be this Legislature's mantra for the rest of the year. And I'm not a big music person, but I swear I've heard these words before -- I don't know, it might be the title of a song, but the words are: If not now, when?

If not now, when are we going to stand before the State of Connecticut and say, We know what's going on, not just in the state of Connecticut, but in this country? When are we really going to read those headlines and really let it sink into our head that we are in a crisis beyond anything that anyone of us have ever faced, either in our personal lives at home or here in the General Assembly?

So, Mr. Speaker, this little amendment might sound gimmicky in some ways, but I present to you and

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to this Legislature and to this Chamber that by cutting our own salaries, we're looking the people in the state of the Connecticut in the eye and saying we get it. So I urge you to support this amendment and ask yourselves, if not now, when.

SPEAKER DONOVAN:

Thank you, Representative. Representative Christopher Caruso.

REP. CARUSO (126th):

Thank you, Mr. Speaker. I had first planned not to speak tonight, but I felt I needed to.

I think what our constituents and every person in the state of Connecticut is looking at for this Legislature to be is a group of thoughtful, rational -- rational and reasonable people. It does not make sense in a worsening economy to cut aimlessly, with no goals in place, without looking at the individual jobs that we would be affecting, without looking at the programs that we'd be cutting.

It is very easy in a time like this to get up and make a series of amendments. It places one position, an embarrassing situation over another. It doesn't get to what our citizens are looking for, and that's people that have a deliberate process, which the

legislature has been.

It is not the first time in this state -- and I repeat, it is not the first time, and it probably will not be the last that this state is in a serious fiscal crisis. But for over 350 years, prior to our own national government, this state weathered the storm and weathered it quite well. And we will do it again, but this mindless banter of cut, cut, cut, cut has to stop. If we're equally serious about cutting them, let's equally speak about revenue generation through taxes which no one seems willing to do that.

And if we want to continue a worsening economy and we want to make it worse, then let's go ahead and lay people off, let's go ahead and cut programs, because it's not going to make this economy better. Now leadership by example is a little different in my vocabulary. It doesn't mean you have to get up on the floor and make a grand announcement. Anyone who wishes to cut a salary of \$28,000, a part-time position -- we are not the Legislators in Washington. Our constituents often confuse us with the people that are making 135,000. We make a base salary of 28,000. In 2000 we received a raise. There's been no cost-of-living since that time period. And if you cut

our salaries, it's going to affect the very economy that we're trying to straighten out.

Now a leader can also do things without standing up and speaking. Anyone who wishes in this chamber to give back 5 percent, 10 percent of all of your salary, you can do that voluntarily. There's no need for legislation to do that. I would suggest that if the bill doesn't pass today, anyone who wishes to give it voluntarily can do just that. But to stand here for 40 minutes with a debate going back and forth on salary of a base of \$28,000, when we're seriously looking at major issues in the state, I don't think does a service for the people of the state.

We've heard the Appropriation Chairman: There's a process we should go through. We should look at every cut seriously, what the effect that cut will have on people and then be about the business of this state. But to sit here tonight, I just, you know, as I said for 40 minutes, it's -- and anyone in this Chamber can give. The Governor gave one day off in her pay. Anyone can do that. We don't need to make that legislation. And to suggest that the amendments that are raised tonight will not be considered by the Appropriations Committee, everyone who is in this

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Chamber has some involvement on one of the committees where these issues can be raised.

But the goal should not be a rush to the public opinion of cutting. That should not be the goal. The goal should be to look and examine each program for their effectiveness, their long-term effects on this economy and where we go from here. But I've been, you know, I've been silent about this whole deficit issue, and I've been hearing the Governor about cuts, and we need to cut, and it's going to be deep, and it's going to be serious, and the world's coming to an end. And I understand the seriousness of the issue, but to continuously use these issues to support your position, I think the public is looking for thoughtful, rational and reasonable people as Legislators. They're going to look at every issue.

And I hope tonight we can move on, and let's be about the business of the people. We are making cuts tonight. They may not be as deep as what some people like. They may not be as extensive as some people like, but they've been thought out and they're carefully considered. So let's be about passing that. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

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Thank you, Representative. Representative  
Williams of the 68th.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. A few hours ago when I  
first rose I said, Good morning, and now we're here  
and it's evening. So good evening to you.

Mr. Speaker, ladies and gentlemen, I rise in  
support of this amendment. And first just to respond  
to something that Representative Caruso said, I think  
it's debatable as to whether we're actually making  
cuts here tonight. We're certainly transferring a lot  
of money around, but whether we're making significant  
structural changes to our budget to solve this massive  
budget deficit is certainly something that's up for  
debate and conjecture, so -- and just to address that  
point.

And like Representative Geragosian, my friend, I  
agree we certainly don't make a lot of money here, but  
we need to send a strong message to our constituents  
that we're actually willing to make some tough  
decisions. Both Representative Caruso and  
Representative Geragosian are right, a lot of our  
constituents don't know how much they make. And  
they're shocked when they find out that we have a base

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salary of \$28,000. Oftentimes they think that we make the kind of money that the folks in Washington are making, and the reality is that we don't.

But we need to send a signal to the entire state of Connecticut that we're willing to lead by example, that we're willing to make tough decisions. Certainly generating new revenue is not the way we're going to get out of the \$6 billion or more budget deficit. Certainly we're going to have to make significant cuts, and although Representative Caruso and others may not want to admit that or realize that right now, budget cuts are going to be absolutely necessary to solving this problem, I think any rational person would believe that.

So, at the end of the day, revenue enhancements and revenue generators are not going to solve this problem. We need to make significant changes. This is not a lot of money that we're talking about here tonight, but it certainly makes us far more accountable, and we can set an example and lead by example by doing this tonight.

So, ladies and gentlemen, you know, there's a lot of things that we need to do going forward, and we're going to have a very tough six months ahead of us.

We're certainly going to have to look at changes the way we do budgeting, not just at the State level, but also at the local level, and we need to make tough decisions. That starts tonight right now, and I urge adoption. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Representative Hamzy.

REP. HAMZY (78th):

Thank you, Mr. Speaker, for the second time, and I thank you for your indulgence.

I am quite shocked and astounded at some of the comments that were made two speakers previous to me. I don't believe that there's anything draconian about this amendment. In fact, if this amendment fails, as I suspect it will, I will be sending a letter to the Comptroller asking that she reduce my salary by 5 percent regardless of whether this passes or not. Because I don't believe that I can make decisions with a clear conscience of making or dealing with \$1 billion deficit in this fiscal year. If anyone in this Chamber thinks we're going to get through this fiscal year without making some serious cuts or not making any decisions whatsoever, just taking money from the couches that are in the state of Connecticut

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and calling it a cut in a program or shifting money from one account to another account and calling that a cut, and the only thing we're going to be left with is to take the Rainy Day Fund that we have and quietly fill the budget hole, and meanwhile the next two fiscal years we have \$10 billion staring at us in the face.

I cannot make a cut with a clear conscience without sacrificing something myself. To me, this is very simple, very basic. Doesn't need a public hearing; doesn't need a lot of discussion. No, we did not need to have an hour discussion on this amendment. To me, ideally, and I still may be idealistic, this amendment would have been offered, a representative from the other side would have agreed, we would have been going along in our business. That's the ideal.

Unfortunately, we're an hour into the debate. Tell me one sacrifice that any of us has made facing the budget deficits that we're facing, one sacrifice. There hasn't been one. And we've been beating this drum since last March. Everyone in this Chamber knew what we're going to be facing this fiscal year, next fiscal year. And unfortunately, because we did nothing about it, this is the dilemma we find

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ourselves in. I hope that people in this Chamber will just think for a moment about what this amendment does and join with us in passing it. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker. With regard to a wrap-up on this issue. First of all, just for the audience watching at home, if they are, and those here, just to clarify some comments that were made with regard to our salaries.

First of all, let's start off with the fact that we are a part-time Legislature. Many, if not most of us have other jobs. The salary was set based upon the fact that we are a part-time Legislature. We're not here 200 days a year, although we're getting there. We're not expected to be here that long. We're in session from January to June in the odd numbered years, and from February to May in the even numbered years. We have a base salary of \$28,000. We get what's called an unvouchered expense account of what I believe is either 35 or 4500 dollars on top of the 28 -- \$4500. If you're a leader or ranking member, or

something like that, you get an additional stipend of 1,000, 1800, 2500 dollars. And every time you get in your car to come here, for every mile you drive here and every mile you drive home, you get about 54 cents.

So, our -- to say that our compensation as Legislature -- Legislators is \$28,000 is not exactly accurate. So, what is the sum and substance of this bill? Everybody here said that in order for us to grapple with this problem, everybody needs to help. Everybody needs to sit at the table. Everyone needs to sacrifice. We talked in various contexts about sitting down with our public employees and asking them to consider helping us out by giving back some of what they have possibly, concessions. And yet, what have we done?

A month and a half ago, this caucus put forth a proposal to double our co-pays, because not only do we get that salary, you see, we get full benefits too. The best health benefits in the United States of America. When I go to get prescription drugs, I pay three bucks. If they're generic or -- excuse me name-brand drugs, I pay six bucks. When I go to visit my doctor I pay ten bucks. And other than that, most everything else is covered, very, very generous

indeed.

There's a lot of people out there, especially in this economy that every single day are getting notices through their employer, not by a vote, not by a committee, but just saying, If you need -- you want to keep your job, you've got to help us out. You've got to double your co-pay or give up this or take no raise or forgive -- forget your bonus. And we're going to be making those kinds of decisions too folks. And before we do, maybe we should say let's lead by example. That's all this is about. Let's lead by example, so when we sit at the table with our public employee unions, we can say we feel your pain too. We want to offer something up as well. If we don't do that -- if we don't do that, I'm not so sure the reaction that we're going to get on the other side of the table, and frankly, might be hard to blame.

I would encourage you to vote for this amendment.  
Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you. Will you remark further? Will you remark further on the amendment before us? If not, staff and guests to the well of the House. Members take their seats. The machine will be open.

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THE CLERK:

The House of Representatives is voting by roll call, members to the Chamber. The House is voting House Amendment Schedule E by roll call. Members to the Chamber.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted? Please check the board, make sure your votes were properly cast. If all members have voted, the machine will be locked, and the Clerk will take a tally.

Will the Clerk please announce the tally.

THE CLERK:

On House Amendment Schedule E for House Bill 5095, total number voting 146, necessary for adoption 74, those voting yea 35, those voting nay 111, absent/not voting 4.

SPEAKER DONOVAN:

The amendment fails.

Will you remark further? Will you remark further on the bill as amended? Will you remark further on the bill as amended? Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. Mr. Speaker, we have

talked extensively tonight about our attempt to try and close the gap. And I think we all know that the attempts that we're making here tonight fall short of the Governor's mitigation proposal and far short of the news that we're going to hear in a week. For that reason, Mr. Speaker, I would like to call an amendment, LCO Number 1276. I ask that it be called and that I be allowed to summarize, please.

SPEAKER DONOVAN:

Will the Chamber please stand at ease?

Chamber at ease.

SPEAKER DONOVAN:

Will the clerk please call LCO -- House is back in order.

Will the clerk please call LCO 1276, will be designated House Amendment Schedule F.

THE CLERK:

LCO Number 1276 House F, offered by Representatives Cafero, Hamzy and Klarides.

SPEAKER DONOVAN:

The Representative seeks leave of the Chamber to summarize the amendment. Is there objection to

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summarization? Is there objection? Hearing none.

Representative Miner, you may proceed with  
summarization.

REP. MINER (66th):

Thank you, Mr. speaker. Mr. Speaker, what this amendment starts off doing is returns to the original format of the Governor's mitigation bill, in that any of the decisions that have been made in the underlying legislation before us that have reduced the amount of the rescission, we're in this amendment putting them back in. And I move adoption.

SPEAKER DONOVAN:

Question is on adoption. Will you remark further?

REP. MINER (66th):

Thank you, Mr. Speaker. Mr. Speaker, in addition to those changes, if you -- if the members would care to go to the back, everything is always in the back of the amendment, Sections 511, 512, 513 and 514 are different than the Governor's mitigation proposal. We're seeking to make more substantive changes. We are seeking to reduce the spending this year in our fiscal year.

In 511, this amendment is not new. What this

amendment seeks to do is to cut in half the grants in the Citizens Election Fund, requiring less money to be deposited into that fund, meaning more money that will come into the General Fund. Section 512 limits the agency's use of printing and binding services unless those are required in connection with performance of a duty or established pursuant to the General Statutes. 513, similar language dealing with advertising. 514, language that would save the State money with regard to new contracts on beepers and pagers.

These are not earth shattering changes in any way, Mr. Speaker. But the fact of the matter is that they would add \$72 million in savings to what we're going to do here tonight, 72 million. And I would ask that the Chamber support this amendment.

I think all we're seeking to do here is provide the kind of savings that we need to provide tonight. The Governor recognized that we have a very significant budget problem, and I think we have an obligation to get as close, if not beyond, that number as the Governor was.

And I would ask Mr. Speaker that, when the vote be taken, that it be taken by roll call.

SPEAKER DONOVAN:

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The question before the chamber is a roll call vote. All those in favor of a roll call vote please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

The requisite 20 percent has been met. When the vote is to be taken, I'll be taken roll call.

Will you remark further? Remark further on the Bill? Representative Geragosian.

REP. GERAGOSIAN (25th):

Thank you, Mr. Speaker. I stand in opposition to this amendment. Many of these ideas were ideas, as you said that have been proposed as part of the Governor's mitigation plan. We adopted many of her ideas -- we didn't for the reasons I said in the original -- as I originally brought out the bill, things like jobs, things like energy conservation and other areas. But this is the plan that we've agreed to today, and so I'd hope that we reject this amendment.

SPEAKER DONOVAN:

Thank you, Representative. Representative O'Neill.

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REP. MINER (66th):

Excuse me, Mr. Speaker.

SPEAKER DONOVAN:

Sorry, Representative Miner.

REP. MINER (66th):

Thank you. I wasn't sure that you understood that I wanted to comment on his comments. But I do thank you, Mr. Speaker, and I understand that we've been at this a fair amount of time tonight. But I do think that one message that has become clear is that we don't have any process in place to deal with the mitigation of the deficit. I've been a part of two -- I wouldn't even call them public hearings, Mr. Speaker. I would call them informational meetings by which invited guests are able to present information from OPM or OFA with regard to the numbers.

We don't have a mechanism in place, Mr. Speaker, where the public is going to get a chance to come here and speak about cuts. We don't have an opportunity for the public to come here and speak about benefits losses. We don't have an opportunity in any of our rules, that I'm aware of, to run a separate set of public hearings, or at least if we do have that opportunity, they have not been apparent so far.

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The three public hearings, the three informational meetings that I have been at, there has not been an opportunity for anyone to comment on other than those that have been invited and those that are the members of the committees at hand.

Mr. Speaker, if the Chairman of the Appropriations Committee is saying that we do have a process in place and that we will have an opportunity to talk about these publicly and that the public will have an opportunity to comment on whether or not we should be making some of these changes, then perhaps we don't need these amendments. Maybe this isn't necessary. But I don't think he's saying that.

Mr. Speaker, I don't think that we're saying tonight that the public is going to get a chance to talk about the \$950 million deficit that follows this deficit. We're going to do it in a vacuum. We're going to listen when lobbyists come. We're going to listen when special interests come, but we're not going to hear from John Q. Public, and I think it's a shame.

So I would ask that we support the Amendment, take the \$72 million in additional adjustments to the deficit, and then we can go home and at least say, we

came very close or did better than the original budget. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Representative O'Neill.

REP. O'NEILL (69th):

Yes. Thank you, Mr. Speaker. I rise to comment in favor of the amendment that is before us, and in particular, I want to focus on that portion of it that relates to the Citizens Election Fund. And we've gone through this most recent election, and we've spent quite a bit of money in our political campaigns, and the benefits of the Elections Fund in terms of avoiding the need for lobbyist contributions or political action contributions are certainly well understood. And various times and as various incarnations I supported the idea of publicly financing political campaigns.

But I believe that given the dimensions of the financial problem that we are facing, the crisis that we are facing, this is along with the salary reduction that I supported earlier this evening, something that we as members of the Legislature that are primarily beneficiaries of this system of publicly financed

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campaigns, that we should be willing to give up something that we got. Now, this was something that was relatively new that was a benefit to Legislators. We are the only ones so far that have benefited from this elections campaign system.

One of the things that I always found bothersome about it was that I thought that the grants were too high. Running for a House of Representatives seat in all of the campaigns that I have run previously, I had never had to spend even half as much money as was called for to be given to candidates by the elections fund: \$25,000 for every House seat.

And if you add the \$5,000 that the candidates would raise, that amounted to something like \$30,000 that was available to spend for a political campaign. I never spent half that much money, and I was able to run campaigns which I got my message out. And my opponents, when they ran campaigns never had to spend an amount equal to that either in terms of getting messages out, mailers out, advertising out, whether on radio, television or however they wish to choose to communicate with the voters. There was plenty of ability to communicate with a much smaller amount of money, somewhere in the realm of 10 or 12 or 15,000

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dollars.

If we reduce the grants that we're going to be talking about here tonight, that would still mean that the elections fund would give to each member of this House of Representatives 12 and a half thousand dollars for purposes of running a political campaign. If we reduce these grants, that when you add the \$5,000 that would still be raised out of private funds to qualify, that would leave us with \$17,500 in with which to communicate a message to the voters to explain why they should consider reelecting us for office and for our opponents to explain why we should be replaced. And that should be adequate funds.

I myself was absolutely inundated with brochures and postcards and other communications from the Senate candidates who were running in the district in which I live. They each qualified for the funds, and they raised and spent something in excess -- I believe it was \$75,000 a piece -- to tell me how good they were or why the other guy was not so good. That was more money that needed to be spent, and I got far more postcards repeating basically the same slogans with the same pictures of the same candidates over and over again.

I don't believe that this is a sacrifice of any significance other than, I suppose for the people who print campaign brochures two years from now or perhaps for the people who run television or radio stations who would not get quite as much advertising money, because there would be less money to spend on our political campaigns. But I think that it's, in this very severe budget crisis that we are facing, important that we reduce things that are really not necessary. And I do not believe that it is necessary that we each get \$25,000 by way of a grant from the Elections Commission in order for us to communicate with the voters in order to explain our political positions to them.

I do not think that it is necessary for the voters to be inundated with postcards or campaign advertisements two years from now. And I don't think the voters think that it's necessary to be bombarded with that kind of political information that they would be getting.

It would be one thing if the brochures that I got from my candidates were highly informative, explained complex issues, but basically they just repeated a simple slogan, a photograph. And that's because we

know that the stuff that we send out to voters only lasts in their heads between the time it takes to get from the mailbox to the wastebasket. It's not how long -- and therefore we can't look at complex detailed message, because it's got to be something simple enough to absorb in the five or ten seconds that it's going to be in their hands from the time they get from the mailbox to the wastebasket.

So, Mr. Speaker, I really specifically want to focus in on this one piece. This is something we never did in the state of Connecticut previously to provide candidates with the money to run their political campaigns. I believe we probably supply more money to candidates than any other state does to run political campaigns and that we can reduce that without incurring some great loss in terms of the integrity or the ethics of the political process here in the State of Connecticut.

We did not see a kind of massive increase in the amount of competition, nor do I think we saw a huge difference in the character or quality of candidates that we were getting previously. People that are here today are pretty much the same people that were here a year ago. And the people who were elected in this

last election are very much the same group of people that were elected in the previous election. There wasn't a huge change in the composition or the kind of folks that were running for these offices.

The election system, I think, is a good one, but it's one that doesn't have to cost as much money as it currently does. And in light of the financial problems the state has, I think it is a reasonable thing for us to reduce this particular program. It'll still be plenty of money to get a message out, and it won't be necessary for candidates to resort to private funding or to go back to seeking money from political action committees, especially under the very stringent rules that exist. It's a lot harder to do that.

And what I think is especially egregious is that candidates who are not even challenged, the candidates running unopposed, as I did in the last election are eligible to qualify for \$7500 to run against an empty net. Now, a comment was made earlier, Well, if you don't want the money, don't take it. If you would want to give up 5 percent of your salary, send a check to the Comptroller, or words to that effect. Mr. Speaker, I, and I think a number of other candidates, never took advantage of that system. We raised some

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money, just enough to put up a few posters here and there, because the voters do expect some of that, but we never went and got the \$5,000. We never got the \$7500 afterwards that you would have qualified for. Never entered into that system because when you're running unopposed, there's really no need for spending that kind of money, at least in my opinion. And certainly, there's no need to spend the kind of money that we did in the last campaign.

So this is the kind of change which I think the voters would appreciate and the taxpayers would appreciate that we will transfer this money to the General Fund to pay for services that are really needed by the people of the state of Connecticut and not to pay for political campaigns, political consultants, advertising and postcards that last in the hands of their intended recipients for a handful of seconds before they're thrown away. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Will you remark further on this Amendment? Remark further on this Amendment? If not, staff and guests please come to the well of the House. Members take your seats. The

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machine will be open.

THE CLERK:

The House of representatives is voting by roll call, members to the Chamber. The House is voting House Amendment Schedule F by roll call, members to the Chamber.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted? Will the members please check the board to determine if your vote is properly cast. If all members have voted, the machine will be locked. The Clerk will take a tally.

Representative Morris. Okay. Thank you.

Clerk please announce the tally.

THE CLERK:

House Amendment Schedule F for House Bill 5095, total number voting 146, necessary for adoption 74, those voting yea 34, those voting nay 112, absent/not voting 04.

SPEAKER DONOVAN:

The amendment fails.

Representative O'Neill -- will you remark further on the bill? Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker. In Section 1 of the Bill, there is a reference to the long-term care reinvestment account, and there is a provision for changing the date upon which that account should be established. And I believe in the amendment that was adopted as House A, there was additional language added that the -- to the effect that this should be only to the extent as permitted by federal law.

And I was hoping that, and I believe it would probably be the Chair of the Appropriations Committee, it could be explained to me, exactly what is the impact of the provision now as amended by House A with respect to Section 1 of the Bill? Through you, Mr. Speaker.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker. Well, as to the date, but, I think that's self-explanatory. But regarding the phrase "to the extent permitted by federal law," it was suggested by advocates to the program to protect those dollars. Through you, Mr. Speaker.

REP. O'NEILL (69th):

I'm sorry, Mr. Speaker. I was distracted for a moment. Could the gentleman repeat the answer, through you.

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REP. GERAGOSIAN (25th):

The phrase "to the extent permitted by federal law" was suggested by certain advocates for the program to protect the funds for the program. There was some thought that without that language we couldn't establish such a fund. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

Well, the original creation of the fund as I understood it was actually in one of those special sessions, I believe the August special session was when the language that we're now amending was originally created, which called for the -- there is established within the General Fund a separate non lapsing account, and so forth, which seemed to have an immediate effect, that it went into effect immediately and the language that's before us appears to delay the creation of the fund until July 1st.

And so the impression that I had was that the fund already existed and that -- or was called into existence, but now we're going to actually delay the

creation of the fund. Probably the administration hadn't created it yet.

So I guess the first question is did the administration create the fund as we told them to back in August? Through you, Mr. Speaker.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker, I'm not sure, but I think that the way things work in state government, as you know sometimes the program is not up and running. So I think this is going along the time line of the agency and the program as it is. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker. Now, my understanding is that this is the fund that is related to the Money Follows the Person Program, which I started advocating for and was successful in getting some original legislation about, it's now three years ago, I think, or two and a half years ago.

It was my impression that the rollout of the program, while it's been delayed for longer than I wanted, and I think most members of the Assembly would

have liked to have seen it started sooner, that the agency, the Department of Social Services indicated that they were not going to roll -- they were going to start rolling out very quickly. And when I say quickly, within the next month or two, have -- so that I thought that this fund was going to be coincident with that, that it was set up and that once the money started rolling in from the federal government in the next couple of months that we would start putting the money in there.

Is it the Chair's understanding that it will be delayed until July 1?

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker. I think there are two components that -- I'm not sure about that point quite frankly, but also I think it was to enable new revenue coming into the fund that the language is necessary for that purpose too. So, when I look at the fiscal note, it's -- if you look at it, it says it clarifies the intent of Public Act 08-1 by allowing any increased revenue received by the State in fiscal year '09, from expediting implementation of the Money

Follow the Person Program to be deposited into the General Fund, rather than the non lapsing account.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Gibbons.

REP. GIBBONS (150th):

Thank you, Mr. Speaker. If I might ask the proponent of the Bill a couple questions please.

SPEAKER DONOVAN:

Please proceed, Representative.

REP. GIBBONS (150th):

Thank you. In Section 27, the bill talks about asking the Commissioner of DCF to submit a plan to bring back children who have been -- or who are residing outside and bring them back to Connecticut. It's my understanding that there's about 250 Connecticut children who have been outplaced in other states. Is that correct, please? If I may ask for the proponent of the Bill.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker. I'm not quite sure of the number of children that are outside of the State in placements. However this is -- this section was for prospective purposes to determine all of those factors: how many children are out-of-state, how many beds or slots are available in state, what are the costs of those different options, and if possible could we save some money by making such moves.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Gibbons.

REP. GIBBONS (150th):

Thank you, Mr. Speaker. Through you, one of my concerns is that these children who have been placed out of state are there because we do not have adequate services within Connecticut to serve them. If we did, we would bring them home. It is certainly better for their children, for their families and for the state of Connecticut to have them within state.

I worry very much about the time line that's listed in this section. It says that DCF will have a plan as of February 13, 2009, that's within a month from now, and that these children will be relocated by April 1, 2009. I think that is a very rushed

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schedule. I don't think that's possible, because I think there's a lot of questions that we have to ask. And I don't see how we can possibly bring the -- any of the children back in that time frame. Would you care to comment please? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you, Mr. Speaker. In House Amendment A. we did change the language just a bit and move that date back to March 1st. And it also included the Department of Social Services in that issue within the reporting authorities so we understood there was a real crunch in time too. And it does allow for further action by the committees of cognizance over time.

So this is kind of a, more of a longer-term vision rather than something to happen right away anyway. We understand there's a lot of logistics and other issues. Also the language that was changed also created a standard of clinically appropriate to -- in addition to, because I know you expressed some concerns about the treatment of the children. That it not only -- not only that we have slots in certain

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facilities, but that also the treatment is appropriate for the children that are out of state at this point.

REP. GIBBONS (150th):

Thank you, Mr. Speaker --

SPEAKER DONOVAN:

Representative Gibbons.

REP. GIBBONS (150th):

Again, through you, if I may please.

SPEAKER DONOVAN:

Please proceed.

REP. GIBBONS (150th):

I'm not sure if we're working off of the same bill. I have LCO Number 1008. And this is -- uses February 13th and April 1st; is that not the latest version please? Through you Mr. Speaker.

REP. GERAGOSIAN (25th):

Through you, Mr. --

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

I'm sorry, Mr. Speaker. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Don't do it again.

REP. GERAGOSIAN (25th):

That was the underlying bill. LCO 1161 changed that.

SPEAKER DONOVAN:

Representative Gibbons.

REP. GIBBONS (150th):

Thank you, Mr. Speaker. Through you, again, then glad to see it say it's been changed, but I know that this is one of the issues that in Human Services we want to discuss this year. And I think anything to try to put a timeline on bringing these children back within an exact timeline is not possible, because we do have to have public hearings on it. We do have to understand how many children are there, what the cost is going to be, and mostly, how we're going to provide the services in-state.

So through you, Mr. Speaker, I do hope that there is some flexibility and if we -- if this bill passes, which I'm sure that it's going to, that we -- these timelines can be adjusted as we move forward. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Through you Mr. Speaker. Yeah, I think the language allows for some time. It allows some time for the agencies to report. It allows time for the committees of cognizance to look over whatever plan comes forth and, you know, deal within a normal budget process. And I know it's been an issue throughout the years that your committee has dealt with, so...

SPEAKER DONOVAN:

Representative Gibbons.

REP. GIBBONS (150th):

Thank you, Mr. Speaker. Thank you and I thank the gentleman for his answers. Thank you, Mr. Speaker.

REP. GERAGOSIAN (25th):

Thank you very much.

SPEAKER DONOVAN:

Thank you, Representative. Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. I am concerned tonight that through the steps of mitigation process, that proposal that we are actually creating expenditures, expenditures that in the future are going to come back that we're going to have to deal with.

Specifically, we do have the expenditure, the original bill I think it was Section 27 creating an expenditure of \$274,000 for the State of Connecticut for this fiscal year. When we annualize it out, we're looking at possibly 1.5 million. And I just think philosophically we should not be engaging in this process today. At the very least, something like this should be put down for a public hearing and put it into the '10 or '11 budget cycle.

So, with that, the Clerk is in possession of Amendment LCO 1302. I asked that it be called and I be allowed to summarize.

SPEAKER DONOVAN:

Will the Clerk please call LCO 1302, which will be designated House Amendment Schedule G.

THE CLERK:

LCO Number 1302 House G, offered by Representatives Cafero, Hamzy and Klarides.

SPEAKER DONOVAN:

Representative seeks leave of the Chamber to summarize the amendment. Is there objection to summarization? Any objection to summarization? Hearing none, Representative Candelora, you may proceed with summarization.

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REP. CANDELORA (86th):

Thank you, Mr. Speaker. This amendment is a strike-all amendment. What it simply does is incorporates the underlying bill and all the amendments that were passed tonight, and it strikes the provision that is allocating \$274,000 to DAS. And again, I don't question the worthiness of this appropriation. I just do believe that it is ill timed, and it's something that should have the benefit of a public hearing. Thank you.

And when -- I ask that when the vote is taken, it be called -- taken by roll.

SPEAKER DONOVAN:

The question before the Chamber is a roll call vote. All those in favor of a roll call vote please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

That was one of the louder ones for a smaller group. 20 percent was -- has been met. When the vote will be taken, it will be taken by roll. Will you remark further on the Bill? Representative Geragosian.

REP. CARON (44th):

Thank you, Mr. Speaker. Through you, Mr. Speaker, a question to the proponent of the amendment. I'm, just so I'm --

SPEAKER DONOVAN:

Please proceed.

REP. GERAGOSIAN (25th):

Just so I'm clear, I assume the \$274,000 refers to the item we talked about before regarding the janitors in this building and then the Legislative Office Building. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Yes, that is correct.

REP. GERAGOSIAN (25th):

Thank you. I just wanted to be clear, because I couldn't find it in the amendment as I saw it. But as I said, I rise in opposition to this amendment. And this is not only an issue of decency for the people that work here cleaning our building and cleaning the building over at the Legislative Office Building, and this issue has been talked about in terms of not making decisions in a vacuum.

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The information I have says it might cost 400,000 to get -- kick these people off their health insurance through our HUSKY program and other programs. It's a lesson for us as we deliberate this budget in the next coming biennium to really understand the effects of what we're doing and our actions.

Major cuts to ECS will lead to tax increases on our local property tax owners. Other cuts of some nature, we should allow for the process to deliberate and see what the effects are.

So I rise in opposition to this amendment.

SPEAKER DONOVAN:

Thank you, Representative. Will you remark further on the bill as amended? Will you remark further on the bill -- excuse me, remark further on the amendment? It's a been a long night. Remark further on the amendment? If not, staff and guess please come to the well of the House. Members please take their seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is voting House Amendment Schedule G by roll call. Members to the Chamber, please.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted? Will members please check the board to determine if your vote is properly cast. If the members have voted, the machine will be locked, and the Clerk will take a tally.

Will the please -- will the Clerk please announce the tally.

THE CLERK:

House Amendment Schedule G for House Bill 5095, total number voting 146, necessary for adoption 74, those voting yea 34, those voting nay 112, absent/not voting 04.

SPEAKER DONOVAN:

The amendment fails.

Will you remark further on the bill as amended?

Will you remark further on the bill as amended.

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker. Ladies and gentlemen of the Chamber, we come to the conclusion of a long day. We've been here in session thus far just shy of 12 hours, and we're about to wrap it up, vote on a bill. Vote on a deficit mitigation package.

We announced that we would be here today about 12 days ago. We told the public that yes, we are in serious trouble. That trouble is getting worse. We're convening as a new Legislature on January 7th, and we're coming right back one week later to roll up our sleeves and get to work.

And maybe, just maybe the general public was watching us tonight, or maybe they'll read about what we did in tomorrow's paper. And if they do, I can't help but think they might be a little confused about what they saw. Because in every newspaper and every headline on every radio and every TV, what we have all confirmed here tonight with our words is that the state is facing a fiscal crisis the likes of which we've never seen.

They've probably read that we are looking at potentially a \$1 billion deficit and that we as a Legislature have to act fast. And yet they're going to scratch their heads because they're going to say when that Legislature convened on 14th of January for 12 hours, they could not cut or reduce the deficit even as much as what the Governor wanted them to do.

And we know that even in her plan, she was several hundreds of millions of dollars short.

They're going to scratch their heads because some of the things they heard contradicted themselves. They heard about how we as a body have to deliberate, study everything, look at it all as one big piece so we can solve this puzzle. They heard things like we can't decide these things in a vacuum, and yet they watched when an amendment was proposed to consider tens of millions of dollars of collective bargaining agreements in the context of the budget, this General Assembly said no. For that part we did not mean that we couldn't decide in a vacuum.

They're going to scratch their heads because they're going to have seen that various attempts to mitigate our budget were met with the retort, That didn't have a public hearing. That didn't have a public hearing. Whether it was our pay cut proposal, whether it was immediate aid to our municipalities by way of getting rid of unfunded mandates, we were told good idea, but it didn't have a public hearing.

And yet when the question was asked of Representative Geragosian with regard to whether the bill we're about to vote on had a public hearing, the answer was no. When a Representative said, I've been here five days; we haven't had a public hearing on it,

and yet we had a public hearing on the Governor's mitigation plan. We have time for that. But there are various things that the Bill we're about to vote for that never had a public hearing.

They're going to scratch their heads because they're going to say, with all the trouble you're facing, you've talked about cutting and tightening and sacrificing, and yet you passed a bill that actually spent more money than you had ever appropriated with no public hearing. I don't get that, they might say. It doesn't make sense.

The other issue that I have is, over the past several months when we've been convened here at the call of the Governor for special session because of a deficit mitigation plan, we know just by passage of time that when the Governor proposes her plan or drafts her plan, it's a snapshot of where we are at that moment. And by the time she submits it, by the time we analyze it, and by the time we come to vote on it, the deficit has increased. And yet in times past we've said, well, we're here under the Governor's call, so we are restricted in that we cannot go beyond the plan she has put forth.

But this time, this time we were called in by the

Governor on January 2nd, and we prudently and rightfully, and I agreed with the Speaker and the Senator, Senator Williams, said, You know what? That's too close to the new Legislature, so we'll just talk about and vote on the deficit mitigation plan in the new legislative session. What that did was remove the constrictions of the confines of being within the Governor's call. We didn't have to just stay within her call and just deal with her plan. We could have been proactive, realizing that our deficit will grow to upwards of \$1 billion, and taken more action.

And yet the sound bite that might come out of here is we did 90 percent of what the Governor wanted. We're trying. Well, I wouldn't blame the public if they felt we ain't trying hard enough, that we didn't make real cuts, that we didn't make real sacrifices. And I wouldn't blame the public if they were a little bit skeptical knowing that we only have 166 days left. If they said to themselves, Could it be that they want to do little, if anything, so that that savings account, that savings account that is our taxpayers' money will take care of the hole in this fiscal year? Could that be it? Could it be that if they do nothing, if they just wait it out, when we get to the

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end of that 166 days they can look at us and shrug their shoulders and say, Folks, we got no time to cut. We got to use the Rainy Day Fund, and we might even have to raise your taxes. Do you blame them for even being confused? Do you blame them for being skeptical? Do you blame them for being cynical?

Ladies and gentlemen, we came together as the 2009, 2011 General Assembly just seven days ago with high hopes, ideals for cooperation, for sacrifice, for hard work, for nonpartisanship. I'm not so sure we got off to a great start.

To speak on behalf of this side of the aisle, we have put forth and sincerely tried amendment after amendment to tackle the problem. Did our amendments solve the whole problem? Absolutely not. But we're attempting to put forth ideas and offer these suggestions so we together can help solve this problem. And unfortunately, as you can see from the partisan votes that were taken tonight, bipartisanship was not achieved.

Ladies and gentlemen, we are in serious trouble, and it's the opinion and the position of this side of aisle that with regard to the bill that's before us, we cannot in good conscience vote green, yes. Would

we take every bit of those savings? Absolutely, but how can we vote green on this when we know it doesn't even come close to what we need to do? When we know on the very night we would be voting green on this, we voted red, or the majority in this Chamber voted red on so many other ideas that we wouldn't -- weren't willing to sacrifice, that we actually in this time said, we are going to increase spending in certain areas.

Ladies and gentlemen, I am hopeful and optimistic that we do better work in the future and we do it fast. Tonight was not a good night for us. Tonight was not a good night for the state of Connecticut. Ladies and gentlemen, this side of the aisle will be voting red when the vote is cast to underscore the points, the amendments, the concerns we have with the crisis we face and our willingness and political will to handle that crisis. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Merrill.

REP. MERRILL (54th):

Thank you, Mr. Speaker, and briefly, because I also don't want to prolong the evening any longer.

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It's been a long day for all of us.

We came here today to address the Governor's mitigation plan which was before us for our consideration. We accepted many of the Governor's ideas on how to cut spending. We offered some of our own, and ways to increase revenue. And I actually don't think there's a lot of confusion out in the public about what we're doing here today, because I think there's one thing that most people understand, which is that we in Connecticut did not cause this problem.

The causes are national and international in scope. We are trying to respond to a situation which we find ourselves in, and we're doing the best we can.

Until two days ago we thought our deficit was \$343 million for this year. In fact, the larger number that's been mentioned many times tonight, which verges more on about \$1 billion for the deficit this year is not actually confirmed definitely by either the Office of Fiscal Analysis or OPM at this point. We all know it's out there, but we were here tonight to do a job, and it's painstaking, and it's slow, but it's extremely important that we do it right.

And the second and I think we all ought to be

remembering is that simply reducing spending is not going to change our lives in Connecticut. It's not going to get the State out of this crisis. That is not the only answer. As a matter of fact, historically that could cause as many problems economically as it solves.

So, when we're going about this and it's going to be painstaking and it probably will be slow as we consider every item not only in our budget, but the kinds of things that we need to consider that are going to look at long-term and bring us out of this ultimately, are the priorities that we use when we make these cuts. And that's one of the reasons we didn't accept all the cuts that were proposed by the Governor, because some of those things are going to impact our ability to come out of this recession. And I would include in that the provision for green jobs. The -- when we chose not to reduce the funds in the Clean Energy Fund, and the other kinds of funds that are providing jobs that would be lost if we made those cuts, that's a deliberative action on our part. We're going to have to do a lot of that.

This is not the time to be arguing about why we're not getting together on the ideas we have. We

all have ideas on how to go about this, and it's going to have to be a shared sacrifice. There's been a lot of discussion about that. There's going to be time for shared sacrifice I'm sure, but I think we need to adhere to our priorities and think long-term about the state as we go about doing this. That is critical for us at this time.

We want to stimulate growth. We don't want to just contribute to the downturn. We have to keep remembering that. And so I hope we're going to be willing to roll up our sleeves, as we have tried to do this evening, and get down to the bottom of how we're going to come out of this, and for the long-term benefit of the state, really take actions that make sense.

So we have to do this smart, and we have to do it soon, but we have to do it in response to plans where we can all grapple with it equally. And I think we've done that tonight. We've done our best. I'm sure there's more ahead, and I look forward to working with everyone on this. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Staff and guests please come to the well of the House. Members please take your seat. The machine

will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members of the Chamber. Members to the Chamber. The House is voting by roll call.

SPEAKER DONOVAN:

Have all the members voted? All the members voted?

Watch out, Representative Davis. Your vote is important, as you are.

Representative Boukus.

Have all the members voted? All the members please check the board to determine if your vote has been properly cast. If all members have voted, the machine will be locked. Clerk will take a tally.

The Clerk will please announce the tally.

THE CLERK:

House Bill 5095 as amended by House Schedules A and C, total number voting 146, necessary for passage 74, those voting yea 111, those voting nay 35, absent/not voting 4.

SPEAKER DONOVAN:

The bill as amended is passed.

Representative Merrill.

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REP. MERRILL (54th):

Mr. Speaker, I move for the immediate transmittal of House Bill 5095 to the Senate.

SPEAKER DONOVAN:

Question is on immediate transmittal. Is there any objection? Is there any objection? Hearing none, so ordered.

Any business of the Clerk's desk?

THE CLERK:

Mr. Speaker, there's a list of favorable reports on Senate joint resolutions.

SPEAKER DONOVAN:

Representative Merrill.

REP. MERRILL (54th):

Mr. Speaker, I move we waive the reading of the list of resolutions; the resolutions be tabled to the Calendar.

SPEAKER DONOVAN:

Any objection? Hearing none, so ordered.

Any announcements or introductions? Any announcements or introductions? Representative Piscopo of the 76th.

REP. PISCOPO (76th):

Thank you, Mr. Speaker, for a Journal notation.

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**GOVERNMENT  
ADMINISTRATION  
AND ELECTIONS  
PART 2  
333 - 682**

**2009**

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GOVERNMENT ADMINISTRATION &  
ELECTIONS COMMITTEE

9:30 A.M.

SENATOR MEYER: For the second time.

Beth, do you or the commission have any concerns with respect to the proposals to transfer money, large sums of money, from the Clean Election Fund to the general treasury?

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Are we -- are we putting ourselves in any danger in making these transfers, both the ones that have been made so far and the ones that are proposed?

BETH ROTMAN: Yeah. I appreciate that question.

You know, I made it one comment in my introductory remarks and then stayed away with it because I appreciated that we were drilling down into the details but -- but that is a huge and fundamental issue that the commission is concerned about.

Jeffrey Garfield, the commission's executive director and I have had a lot of meetings and have put out a plan and have been meeting with Appropriations in a way that where we give back certain amount of money to the State that we don't think we'll need for 2010 or beyond, but also ensures that the program is protected. And I'm sure that we can -- we want to give you copies of that as well to this committee, because you're so focused on this issue.

But, ultimately, big picture, while there are some funds that we can return because, basically, the original legislation was so generous that we have some surplus. We've already given back 13.5 million. We're proposing giving back an additional significant sum over time, but there has to be a limit on that because, you all, as the potential

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candidates next time and the public as potential candidates next time, from everything to general assembly up to statewide, need to have the assurance that the money will be there.

And, in that way, while I and everybody else at the commission completely appreciate that this is an incredibly difficult time for the legislature and for the Governor to be making budgetary decisions, I do believe that the cost of the program is worth it and that it's a very small percentage of the state budget, but we do have to make sure that both the commission administratively and Citizens' Election Fund, has the funds that we need to keep this program going.

SENATOR MEYER: Okay. I'm really asking you something a little bit more pointed and that is whether or not the transfers that have been made today and the ones that are proposed are going to endanger the fund for 2010 or 2012.

BETH ROTMAN: I think that we can absorb the 13.5 million that has already been transferred, the various proposals out there that talk about taking, you know, 26 million, we cannot absorb that.

There -- the three -- we've been in every budget mitigation plan so far. We've given 13.5 million to date in those. I know there are some other proposals out there to give a lot more. Our plan proposes giving a certain amount more over time, but it -- while it's a significant number, it's over another 10 million over time, but it's not, you know, it's everything, and it leaves us with approximately \$50 million for the 2010 elections. And while none of us have the crystal ball to know

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whether that is the perfect number, we know that we can't absorb giving away, for example, another 26 million. Because then there is a possibility that the money won't be there if there's competitive statewide elections.

SENATOR MEYER: I wish that you and Director Garfield would consider a notice to the legislature concerning your concerns so that we have something of record other than your testimony today that would keep us disciplined with respect to the fund.

BETH ROTMAN: And I think that the work that Jeffrey Garfield and the commission and I have done for the Appropriations Committee would probably be -- would really serve for that and that we had some testimony for them and as well as a packet so I think what we'll do is we'll make sure we get you copies, and, of course, if there's anything else that we can do, we're happy to do so.

REP. SPALLONE: Thank you, Senator.

Representative Hetherington.

REP. HETHERINGTON: Thank you for the second time, Mr. Speaker.

Just very specific question, the change on the contribution age to age 12 that was from 16, I think wasn't it, if I recall correctly. And why -- what was the thinking behind that change?

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BETH ROTMAN: Well, actually there is not an official statutory minimum age for a qualifying contribution.

The commission has historically said, in