

Legislative History for Connecticut Act

PA 14-47

HB5596

House	5172-5340	169
<u>Senate</u>	<u>2471-2531</u>	<u>61</u>
		230

H – 1195

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2014**

**VOL.57
PART 15
4809– 5187**

House Bill 5473, LCO -- excuse me,
House -- as amended by House "A".

Total number voting	137
Necessary for passage	69
Those voting Yea	105
Those voting Nay	32
Absent, not voting	14

SPEAKER SHARKEY:

The bill as amended passes.

Mr. Clerk, is there any other business on
your desk?

THE CLERK:

Yes, Mr. Speaker, emergency certified bill,
House Bill 5596.

SPEAKER SHARKEY:

Thank you, sir.

Mr. Clerk, will you please call emergency
certified bill, House Bill 5596?

THE CLERK:

Emergency certification, Bill No. 5596, An
Act Making Adjustments to State Expenditures and
Revenues for the Fiscal Year Ending June 30, 2015,
introduced by Representatives Sharkey and
Williams.

SPEAKER SHARKEY:

The Distinguished Chairman of the
Appropriations Committee. Representative Walker.

Please proceed, madam.

Madam, do you have the correct -- the right
microphone? Maybe you switched it?

REP. WALKER (93rd):

Can I --

THE CLERK:

Just a sec.

SPEAKER SHARKEY:

You didn't switch with your neighbor's
microphone, madam, just to be sure? You're lit up
on the board. I don't know why we're not able to
hear you.

SPEAKER SHARKEY:

Perhaps if you can use Representative
Flexer's microphone and we'll use that instead.

That is on now, madam.

REP. WALKER (93rd):

Good afternoon, Mr. Speaker.

SPEAKER SHARKEY:

Good evening.

REP. WALKER (93rd):

Good afternoon, Mr. Speaker. I move passage

of the emergency certified bill.

SPEAKER SHARKEY:

Question is on passage of the emergency certified bill.

Will you remark, madam?

REP. WALKER (93rd):

Thank you Mr. Speaker.

Today we debate a balanced budget, a budget that is -- that's under the spending cap by \$24 million, which includes more funds to towns and cities and deposits \$43 million into the rainy day fund.

First, Mr. Speaker, I would like to thank you -- every member on the Appropriations Committee who worked hard, incredibly hard, day in and day out, for the last three months, and I'd like to thank the staff who supported us in doing this process, and the members of the public especially who testified and provided us with input and guidance as what they wanted to see coming out of this budget.

Mr. Speaker, I often speak of priorities. This budget speaks to Connecticut's priorities. Municipal aid, education, transportation, jobs, the environment, criminal justice, healthcare.

And, above all, it provides the help to the people that need it in Connecticut.

We have increased ECS funding by \$7.6 million in the -- in addition to the \$40 million that were in the underlying budget for 2000 -- for 2015.

We increased PILOT by over \$20 million and above the adopted budget and reauthorized the Municipal Revenue Sharing Account, or better known as MRSA.

We rein in college costs through the programs like Go Back To Get Ahead, Transform CSCU and CHET Baby Scholars.

We move closer to universal healthcare -- I mean universal pre-K by adding an additional 1,000 slots and planning for additional slots in the future.

We provide additional funding for after-school programs statewide to ensure children have a nurturing environment and a place to go to learn and grow and develop.

We especially were proud of adding \$1.5 million to the vocational agricultural program.

The budget also provides some needed TLC for our transportation infrastructure to improve the

state roads, the rails and the bridges.

To help those in need, we reopened the renter's rebate program, which had been capped previously.

We added -- provided additional support for employment opportunities for those people who are chronically unemployed who have been seeking employment and struggling with that.

We strengthened our mental health services as promised by providing an additional \$10 million grant to try and keep to the promise that we made two years ago.

We provided 110 new Scattered-Site Housing supports and added over \$1.5 million for Rapid Re-housing and Assistance Program.

Importantly, we also put back 20 RAP certificates that were important for DCF families who are trying to be reunified and make the needed commitment to families.

We also provided an additional \$4 million to reduce the DDS wait list and \$600 to maintain DDS clients in their home.

Mr. Speaker, the budget before -- before you speaks to the priorities that we all embrace dearly for why we serve in this great place, the

General Assembly.

I proudly move -- urge adoption.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam. The chamber will stand at ease.

SPEAKER SHARKEY:

Mr. Clerk, could you just announce to the chamber that the House will reconvene immediately?

THE CLERK:

The House of Representatives will reconvene immediately. The House of Representatives will reconvene immediately.

SPEAKER SHARKEY:

Will the House please come back to order.

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I rise to question the existence of a quorum.

SPEAKER SHARKEY:

It does appear -- it does appear, sir, that we do not have a quorum.

I would ask the clerk to please issue a quorum call.

THE CLERK:

Quorum call has been called in the House. An immediate quorum call has been called in the House of Representatives. Will members please report to the chamber.

THE CLERK: .

Members return to the chamber, please.

SOMETHING your green on red button to indicate your presence so we can ensure the presence of a quorum.

SPEAKER SHARKEY:

Based on the quorum call that has been made, not only do we have a quorum, but it appears the budget passed. Thank you all.

We are going to be restarting the debate on the budget. I'd ask at least members of this side of the aisle please bring your food in, if necessary, but we do need to get moving with people's business.

Will that, we will return to emergency certified Bill 5596.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you Mr. Speaker.

Was it something I said?

Ladies and gentlemen of the chamber, today is budget day. It is also the day of the Kentucky Derby, as evidenced by the hat being worn by Representative Roberta Willis. You look terrific.

But I say that to make somewhat of a point, because in our minds, in our world as state representatives and in the community we call the Capital Complex, today is budget day. It has a meaning, and probably on our way up here or during the course of the week when we saw family or friends or constituents, we said we'll probably be doing the budget on Saturday.

And I think it's very important, you know, we get caught up certainly at the end of a session and we sort of think everyone's either aware of what's going on up here, but it's important that we put ourselves in the places of the people who put us here.

What does budget day mean to them?

Oh, they listen in interest. I'm sure they're proud of their state reps and state senators when they come up and say there's a big day today. We're going to be voting on the budget.

And I'm sure they -- they wish us -- I know

they do me -- good luck. Hope the day goes well. I feel sorry for the hard work you guys are doing. I understand you've been in session late, et cetera, et cetera. And then they walk away and they go about their lives.

They go shopping or to doctor's appointments or to run errands or to take their kids to the park or sit home and kickback on a Barker Lounger and watch the Kentucky Derby.

And they do this in this wonderful country and in this wonderful state with a sense of calm, because, you see, in a democratic representative government, like the United States of America and the State of Connecticut, they made their choice at the polls for the people who are going to come up here and represent them and do a whole host of things, including passing a budget. But sometimes what a budget means to them is different than what it actually means to us.

If you were to look in Webster's Dictionary and define what is a budget, it says "A plan used to decide the amount money that can be cement and how it will be spent."

That is the Webster's definition of what a budget is.

And if we were to go back to our constituency and ask them about their budgets, whether it's their household budget, whether it's their business's budget, whether it's an organization they're a part of, their familiarity and notion of what a budget is is pretty simple. It's actually one that I think we all were engrained in as kids.

The first thing you do when you set a budget is how much money do I have? How much money do I have to spend?

And with the knowledge of that in your head, whether it's based on donations, sales, income that you may earn, you then go about and decide how much you could spend based on that budget, what items you could buy.

For instance, if I have a grocery budget of \$50 a week and I want to stick to that budget because that's all the money I have, people every day go out and they make choices. I have to buy a half gallon of milk. I need juice or eggs. I need cold cuts or produce.

And they keep tabs on that budget when they walk into that store. We all do it. We've seen it. Maybe in some cases they have coupons because they're figuring those coupons into the budget

that they buy.

And they walk down those aisles of the grocery store and they see some tempting stuff. Funny Bones was big with me. Loved them. How about Ben & Jerry's Chocolate Health Bar Crunch. Forget about it. Coffee Heath Bar.

But sometimes -- most sometimes -- people go up, whoop, I can't get that because I can't afford it. We do it all the time.

There's a lot of households that sit around during the course of the year and they maybe get their kids together and say, Where would you like to go on vacation this year?

Oh, I'm sure there's wonderful suggestions. Hawaii, Caribbean. Let's go on a cruise. And mom or dad or somebody says, We'd love, to money, but we just can't afford to do that.

About a week ago, there's a whole bunch of people in this state and around the country that have to make their decisions on what colleges they go to. They apply to a whole bunch and they get accepted, and they have to make that decision.

And a lot of these young people, men and women, sit around with their dads and moms or both, and when they make that decision, they have

to take into consideration their budget.

Oh, maybe they always dreamed of going to Boston College instead of, say, a state school that cost far less. That's where they had their hearts set on. But sometimes mom and dad has to say sorry, we can't afford to send you there.

All over the state, every day, people are making those kind of decisions. Maybe your car broke down and you need to buy a new one. And when you walk into that dealership, you say, I have X amount to spend on a new car.

And that salesperson might say, I want to show you various models and this has GPS and this has 18-inch steel alloy, whatever the heck, tires. And this has this gizmo and heated seats, et cetera. And you say, God, I would love that, but I just can't afford it. I can only afford so much.

Each and every one of us, ironically, those who participate in the Citizens Election Plan, we do that same thing every year, every other year.

For State House races, we raise \$5,000 and we get another approximately 25,000, and we have a campaign budget of \$30,000. And with that we have to make choices, because, you see, we can't go

over the budget.

Oh, we might decide to buy bumper stickers or buttons or lawn signs. We might decide to take a radio ad or a TV ad out, or a newspaper ad. We might decide to do direct mail, but it all has to fall within that \$30,000 budget.

We might say to ourselves when we sit around with our campaign advisors, Boy, wouldn't it be great if we could do that wonderful cable ad and then back it up with a great radio commercial at drive time, followed up by a beautiful three-color mailer?

And somebody has to say, We can't afford to do that. That's a budget. That's what a budget is to all of us, except when it comes to the state budget. We do it a different way.

When it comes to a state budget, we don't say, How much is it we have to spend? We say, What do we want to do? What do we want to spend it on?

And believe me when I say this, ladies and gentlemen, and I don't say it mockingly, because, think about it, we've all been involved in this process. You start with a seed of an idea. Wouldn't it be nice if we could help somebody?

Wouldn't it be nice if we could have a program that helped this needy person or that needy person?

Wouldn't it be nice if we could do this for education? Or this for a school system? And

We say yes, that's great, in a vacuum, of course. Those are noble ideas, but they cost money.

So unlike my example of the household, of the car purchase, of the vacation, of even our own campaign budgets, we don't say how much is it we can spend and figure out what to do within that. We say we want to do A and B and C and D, all good things.

And then we say now we got to come up with a number that matches what we're spending. That's the way we do it, folks. Let's be honest. That's the way we do it. If you think about it, the complete opposite way that everybody else does it.

And that's why when we left this morning or last week and said to our constituents, Saturday we're doing the budget, they had a different notion in their head.

And when you put yourself in a position where you spend the money first in preparing your budget

and have to make the amount you get to pay for it balance, you're backing into it, and sometimes you get in trouble.

And, ladies and gentlemen, we have gotten in trouble every single year. What do I mean by that? For years we do these things called lapses. What's a lapse? A lapse is a "I kind of hope kind of we're going to save that kind of money."

So if in a particular line item there's \$50,000 and I have a \$5,000 lapse, what that means is, during the course of the year, I bet you, by golly, we'll find 5,000 bucks to save. I don't know where; I don't know when; I don't know how, but we're going to do it.

So we put it down in the budget, because the 50,000 then gets minused by 5,000, and it's only 45,000, and that makes it fit into this budget.

The other thing we do is say this balance -- I always have to laugh. People go, "And we passed a balanced budget." No kidding. We have to. It's in the constitution.

So we're going to make it balance no matter what we got to do. I talked about lapses as one of those things that we have to do. Here's another one.

And this is the other thing that our constituents back home, they don't get. Because, you see, when they talk about what college budget they have to work with or what car budget they have to work with, nobody says to them, Well, you know, you have an off-budget account you could take from.

They don't got that. They only got the money they get, and that's all they get. But not here. We have off-budget accounts. And what that means is, this requirement that you need to balance a budget, you could honor that requirement -- wink, wink -- because you could take money from another thing that doesn't count on that piece of paper, these funds.

And if you were to tell that to the guy or the person at home, they'd be, What the heck are you talking about? That's not my understanding of a budget. That's not Webster's Dictionary definition of a budget.

And then here's the other thing that we do that might sound somewhat disingenuous to the folks at home who aren't familiar with the way we conduct business here.

We often, all of us as politicians who want

H – 1196

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2014**

**VOL.57
PART 16
5188– 5566**

to get down to the bottom of things, we'll say, you know, we have a crisis with regard to, say, transportation, and we are going to focus like a laser beam -- how many times have you heard that one -- on this issue of transportation, so much so that we're going to set up special account, we call it a special transportation account.

And all the money that we get from certain things, we're putting in that little account. That's how important the issue of transportation is.

So all of you, when you pay that extra buck at the gas tank, when you pay gross receipts tax, when you pay certain taxes, don't fear. I know no one likes to pay taxes, but it's all going into this special little account, and with that we're going to directly address the problem.

People said, Well, I don't like to pay taxes, but, gee, that sounds like a good plan. And then all of a sudden when it comes to budget day, we go into that very account that we said we were setting aside for that special project, and we take money from it to make the whole budget balance.

And picture explaining that to people at

home. Good, honest intelligent people. Wait, I don't get that, that doesn't seem right.

Oh, we do it all the time. You remember back in the early '70s when we started Lotto or the lottery? That money was going to education. That was our lockbox. We earn money this way; but, folks, have no fear. It's going directly to education.

Are you kidding me? When did we stop -- we stopped that decades ago.

I been here long enough to remember the Mashantucket Pequot Fund. We're making a packet with the Indian tribes with regard to gambling, but we're doing it because we're going to get money that's going to go directly back to the municipalities.

We're going to take that money, we're going to put it into a special account, and we're going to give it back to the municipalities. (Pffft).

Does it exist? Not really. We give all the money back. Sort of not. Where does the rest go? To balance the budget.

Just two years -- three years ago, three years ago and Governor and this legislature raised the sales tax. It was 6 percent. We went to 6.35

percent. And we said, not to fear, a portion of that raise is going to go into a special account, and that special account called the Municipal Revenue Sharing Account is going to go back to the municipality (pffft). We are going to solve your property tax problems.

Folks, we didn't keep that promise either. When you go back to the people at home, they go, What? That doesn't sound right. That's the way I do my budget.

Today or in the last two days, we discovered something. We discovered that the comptroller's office sort of in charge of all those pension things and retirement things, said, Folks, I'm telling you right now, you better build into your budget \$51 million, because we're going to need to spend that money to pay the pensions and healthcare of retired correction officers.

So I'm just telling you now, said the comptroller, you need to put that money in your budget because you have an obligation to balance it.

So we, in doing our budget, go uh-oh, we don't have the money. We don't have the money. So what do we do?

In the budget that's before us, we just don't put it in. We ignore it. It doesn't exist. We'll figure it out when it happens. But we have a balanced budget, a responsible balanced budget.

People back home, Well, that doesn't make sense. That doesn't make sense at all

Just about three hours ago, folks, three hours ago, we adjourned to take up revenue estimates which are going to be presented in about the next 20 minutes.

These are the revenue estimates that we tell the world we are basing our budget number, our spending plan on. And to the shock and surprise, I will guess, of 95 percent of the people in this room and in the Senate, we came across 75 million new dollars to help us balance.

And somebody said, Great, where did it come from? Huminah, huminah, huminah, huminah. It's revenue. From where? Keno? No. Do we have a toll or something that's bringing this money in? No.

Well, then how could we budget \$75 million if we don't know where it's coming from? No one heard of this. And the answer was, we believe that we could count on \$75 million of revenue to balance this budget that we will get from people who don't pay their taxes.

Now, you try to figure that one out. We're going to rely to the tune of 75 million bucks to balance a budget based on the fact that we're going to get people who by definition don't pay their taxes to pay their taxes.

If you tell that story at home, people scratch their heads. They don't get it.

Ladies and gentlemen, the reason we do those things is to satisfy our constitutional requirement that we balance a budget in order for us to pay for those programs, and here's the tough part. Here is the part that is so understandable, yet unforgivable.

The understandable part is that all of these dollars, for the most part, are going for good programs. God willing, they're helping people who

need our help. And we would love -- we would love to do as much as we can.

For those of us who are parents, when your kids say to you, Daddy, I'd like this, or, Can we do this, in your heart you want to say, Of course we can. But sometimes you got to say, I'm sorry, sweetheart, mommy and daddy can't afford to do that. I have to say no. It's not easy; it breaks your heart, but we have to do that, because what they don't understand is if mommy and daddy did it when they didn't have the dough, if they borrow from it, if they got it from some other source and had to pay it back, it puts the entire family and their future in jeopardy, so that when the bigger things come down the road, talk about what college are we going to go to or the fact we don't have a car, it broke down and we need to be able to get to work, we're even in bigger trouble, and that destroys the family.

The same analogy to the state. We want to be able to say we did this, we did that, we helped this one, we helped that one. But sometimes, folks, we got to say, I'm sorry, we can't afford it.

The good Chairman of the Appropriations

Committee talked about priorities. That's what we're supposed to do. When we understand what we could reasonably receive in revenue, we must prioritize, because we all know that our desires and needs far exceed the money we know we're going to get in.

So I'm not casting aspersions as to why we spend the money. We spend the money because we're human beings, and we want to help other people. It's our desire. It's our natural instinct to help.

But sometimes, as I've said often from this very desk over 22 years, when you help some people, you hurt others, and that's what we've done in this state.

Just the other day we got revenue estimates, ladies and gentlemen. We were flying high for six months. We're going to have a half a billion dollars in surplus, so we called it, surplus. It would lead those poor -- those people we represent back home to say, wow, surplus means good. We must be on the road to recovery.

And yet we know by every measurement that in the out years, those very important out years, I might say, we're facing humongous billion-plus

dollar deficits.

What does that mean? Just like my analogy with the kids saying, okay, let's give the kid what they want even though we got to borrow. It's going to hurt down the road, because down the road, we're going to have to say, Folks, sorry, we ran out of dough and we want to continue these good things we gave you, so we're going to have to raise your taxes again.

Now, some people think that's less problematic than others; but when you look at the big picture in this state, we ain't doing so good. And if the revenue picture of a couple of days ago where we lost almost a half a billion dollars and we all had to go back to the drawing board to cut another \$300 million isn't proof enough, go back home, ask the guy who has been out of work for God knows how long. Look at the statistics that say we got about 25,000 less people working today than three and a half years ago.

Read the poll that just came out that said 50 percent of the people that live in this beautiful, glorious state want to get the heck out. Look at the nonpartisan poll that said Connecticut is the least, least attractive place to retire in.

Folks, this is our state, and we're seeing that happen, because for our kindness today, we're killing ourselves tomorrow.

I analogize it to a house. A house is built on a foundation. If the foundation is built incorrectly or faulty, the house upon which it stands will crumble. It will crumble.

And it might look nice for that initial snapshot, but if the foundation is not right, it will crumble. And the age-old debate between republicans and democrats is how do you build this foundation to build that house upon?

We believe on this side of the aisle that you build a different foundation, and therefore you will have a different house.

We believe on this side of the aisle is we'll demonstrate with our budget amendment that if you build that foundation right, correctly, on solid ground, then your house will stand strong and you won't have to come back year after year to bolster it up or patch it up or fix the crumbles.

That's why there's a difference between the parties, a different ideology. It doesn't mean that you folks are bad people. You're wonderful people. It doesn't mean that we're bad people.

We're wonderful people.

But we have a different vision, and that vision is very clearly demonstrated on a day like today, because we each have different foundations upon which we build that house.

And obviously both of us are going to say our house is better than your house because our foundation is better than your foundation, but just look at the house right now, folks. Look at the house.

You know, three years ago we increased taxes by three and a half million dollars, and we thought that was the strength of the house that we needed, that it would keep that house strong and standing for years to come. It didn't, did it? It didn't, did it?

In fact, that house is so faulty that by virtue of a meeting in an afternoon, we saw a surplus called \$500 million dwindle down to 42. That's how fragile it is, because of that foundation.

I want to make another analogy, ladies and gentlemen, with regard to the house that, in my opinion, tells the story of this budget.

You know, when you prepare a house for sale,

you have a couple of dates in mind. You have the date of the open house, and you have the date of sale.

And anybody who knows anything about real estate or has bought or sold a house or watches House Hunters on HGTV knows that a lot of effort is put in to making that house sellable, to making that house sellable.

And a lot of us, all being in politics, we consider that the sale day is election day, and a campaign season is the open house.

So how do you market that house? How do you market that house? I'm an attorney by profession. I had a case once where my clients bought this beautiful home, and they had an inspection done. And the house, as far as everything seemed to the eye -- the structural, mechanical components -- was perfect, and they bought the house.

Within a month, the septic system crashed. The wiring, which was hidden behind the walls, was discovered to be faulty and had to be ripped out. The house that had a freshly painted basement turned out to be leaking.

You see, it was all for show, but those

homeowners had -- had an option. They could sue and get back some of their money and be restored to whole, and they did, and they won. But they don't have that option when it comes to a budget in the building of our house.

You see, on this day we all bring out our respective budgets, and that sale day, that's the open house. Look at the house we have, beautiful, brand-spanking-new. Just renovated. No water problems. Look at the new shutters. Look at the new Thermopane double-hung windows. Look at the granite countertops. Come on in. Kick the tires. Isn't it nice?

After the open house, somebody put a bid on it. Things started falling apart a little bit. There's a leak in the ceiling. We better patch that up and patch it quick. Paint over it, put a little duct tape on it

Oh, my God, there's water in the basement. Paint it gray. Say that we just freshly painted it. Make it look good until sale day, and then let's get the hell out of here.

That's what we do. We're putting bandaids and duct tape and paint in that basement floor so it doesn't look like it has a water leak.

Ladies and gentlemen, it has a water leak. We have water in our basement and our roof is leaking. And if we're honest people, and I believe we are, we have to tell that to the people of the State of Connecticut, and we have to fix the roof and plug the leak in the basement.

And the budget that is before us now does not do that, because the budget that's before us now is a house built on a faulty foundation. And unless and until we change that foundation, that house will crumble.

And I know you all too well to know you don't want the house to crumble. You don't want the house to crumble.

This is our opportunity to fix the foundation. The budget that before us does not do that.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir. Would you care to remark on emergency certified Bill 5596?

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker. Good evening.

SPEAKER SHARKEY:

Good evening, madam.

REP. WIDLITZ (98th):

Well, Mr. Speaker, it is my pleasure to bring out an amendment this evening. The Clerk has LCO No. 5271. Will he please call and I be allowed to summarize?

SPEAKER SHARKEY:

Will the Clerk please call LCO 5271, which will be designated House Amendment "A".

THE CLERK:

House Amendment "A", LCO 5271, introduced by Representative Widlitz, et al.

SPEAKER SHARKEY:

Gentlewoman has sought leave of the chamber to summarize. Is there objection? Seeing none, you may proceed with summarization, madam.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Mr. Speaker, the -- the minority leader has very eloquently outlined his opinions of what we have just recently passed in the Finance Committee.

The Finance Committee is required to adopt revenue estimates that support the underlying bill which is the budget that we will soon be voting

on.

A tremendous amount of work has gone into it,
and I move adoption, Mr. Speaker.

SPEAKER SHARKEY:

The question before the chamber is adoption.

Will you remark, madam?

REP. WIDLITZ (98th):

Yes.

A tremendous amount of work has gone into
this. There may be differing opinions on some of
the assumptions in this amendment. We have had a
very difficult experience, it's true, over the
last year.

Our projections are coming in at a very
healthy rate, and we have had to make some
adjustments given the last quarter that we have
just received.

So this does that, and the underlying budget
will address that as well.

People have worked -- we have well-respected
members of our Office of Fiscal Analysis who have
done a great deal of work on this, as well as
the -- all of us on the underlying budget.

So I stand here asking the Assembly here to
support the revenue estimates. They are done with

care. They are not done frivolously, and we all take this test very seriously because it is an impact on all our constituents and we strive to do the best we can.

Again, these are estimates of what the proposed revenues will be, and they are outlined very clearly in the document.

The Finance Committee spent I guess about an hour discussing these and vetted it. Not everyone was happy when we left the room, but we had a discussion, and I support the amendment and I encourage my colleagues to join me.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam.

Would you care to remark further on House Amendment "A"?

REP. WIDLITZ (98th):

Mr. Speaker?

SPEAKER SHARKEY:

Yes.

REP. WIDLITZ (98th):

When the roll is taken, I'd like to request a roll call vote, please.

SPEAKER SHARKEY:

The gentlelady has requested a roll call vote. All those in favor of a roll call vote please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

The necessary 20 percent has been met. When the VOTE is taken on House "A", it will be taken by roll.

Would you care to remark further on House "A"?

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. Good evening.

SPEAKER SHARKEY:

Good evening, sir.

REP. WILLIAMS (68th):

Mr. Speaker, I think Representative Widlitz actually very aptly described the Finance Committee meeting that we just adjourned a few hours ago wherein the Finance Committee, as she said, adopted the revenue estimates. Many people were opposed to those revenue estimates for a reason that we'll get into momentarily.

You know, there's -- there's been a lot of

talk over the last couple of weeks about the change in our budget surplus. There was a projected excess revenue of over \$500 million, and as we got closer and closer to the end of this -- the previous month of April, things were getting more and more worrisome for those people who had gotten real excited about the fact that we were supposed to be posting a large budget surplus, and obviously some changes needed to be made.

And so one particular change that really obviously sticks out to many of us, and one issue that was a real surprise to many of us, was as we were walking -- literally walking from this building, the state Capital, over to the Legislative Office building to have our Finance Committee meeting, many of us were surprised to learn about the Item T-16 in the revenue estimates that are before you under miscellaneous taxes.

And, Mr. Speaker, through you, a few questions to the proponent of the amendment.

SPEAKER SHARKEY:

Please proceed, sir.

REP. WILLIAMS (68th):

Thank, Mr. Speaker.

As Representative Cafero early alluded to earlier and Representative Widlitz alluded to a few moments ago, this item that is before us is a 75 -- if I'm understanding this correctly, a \$75 million change which includes some additional taxes that may be collected from those that have not previously paid their taxes.

If I may, through you, Mr. Speaker, to Representative Widlitz, could you please explain how that program would work? Because that is a large number that we are injecting into this budget, and it's a very unknown number.

Through you.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker. Through you.

In the past -- in the last fiscal year, we were very fortunate to have a very successful tax amnesty program. We had not had one in several years. We had projected, I believe, approximately a \$35 million revenue source from that, and it came in much higher.

One of the issues around that tax amnesty was that people came forward, didn't have the money to

pay the back taxes and the penalties up front.

Now, it doesn't require legislation for the Commissioner of Revenue Services to reach out to people that we know -- he knows are out there who would like to like to pay their taxes, maybe have fallen upon hard times and fell behind and maybe couldn't quite meet the requirements of that tax amnesty.

Now, I'm not suggesting that this is a new or a continuation of that tax amnesty, but there are people out there that the Department knows would like to be able to work with them.

People want to pay their taxes. Most people want to pay their taxes.

REP. WILLIAMS (68th):

Not these people.

REP. WIDLITZ (98th):

Well, you know, everyone, you know, wants to live up to their obligation. It's not fun to fall behind in hard times.

So the Commissioner has the ability with -- as I said, without legislation to go ahead and reach out to people to try to help them to meet their commitments.

There is a pool of people out there

that -- that we know about from the experience with the amnesty that couldn't quite get there.

There are other incentive -- not incentives. There are other initiatives that the Commissioner is taking. We passed one in a bill yesterday that left this chamber that would assist people who fall behind in the -- in their remittance of their sales tax to be in a program where they would submit it weekly so that they don't fall behind with that end-of-the-month sum that comes up that you have to send in.

I think there -- there is a -- not a punitive kind of attitude but a reaching out to people to say let's say if we can help you catch up. Let's see if we can work this out with you. And that is a significant part of this -- this sum of money.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. Through you.

This very successful tax amnesty program I would agree was very successful. I think we had projected that we would last year generate \$35 million in new revenue from the program. And

through a variety of mechanisms, the Department was able to get that number up to 192 million, if I'm not mistaken.

And so I think many of us were pleased by that, because whether you like taxes or you hate taxes, whether you think they should be higher or lower, we think -- I think most of us in this room think that they should be fair and that everyone should pay their fair share of taxes and not be alleviating that burden to other taxpayers so that the disproportionate burden of funding government falls on the few and not onto the all. So I would agree with that.

So this was a very successful program, but through you, Mr. Speaker, when did this program end, the amnesty program of which you speak?

Through you.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker. In November of 2013.

SPEAKER SHARKEY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And subsequent to that, our legislative session began somewhere thereabouts this year, in the first week of February, I think it was February 7th.

Between November 15th and the first couple of weeks of February, was there a bill filed or any reach-out done from the Department of Revenue Services to suggest to the legislature that we should be looking into doing something like this or that the possibility existed that they could utilize their own mechanisms to go out and find these delinquent taxpayers and help them to pay their fair share?

Through you.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I did not personally have any such conversation, no.

SPEAKER SHARKEY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And was this \$75 million and the new information that we got from DRS involved in any of the previous iterations of either the Appropriation's and Finance Committee's versions of this budget adjustment that's before us or those that had been previously acted upon or in the Governor's budget?

In other words, is this new or was this in any other previous budget document this session?

Through you.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I did not believe it was identified in any particular document. However, everyone knows we are putting together a budget proposal, and we have had a decrease in revenues.

So it is a logical thing for the departments to look at savings they can make to see what they can do to help out.

The Commissioner of Revenue Services obviously is looking at what he can do to bring in more revenue, to do -- to help people comply with the current tax laws. And I think that's a

logical thing for all of our commissioners to do, see what they can cut back, see what else they can bring in to continue to the effort to balance a budget in tough times.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And I would agree with Representative Widlitz that that is a logical thing for a department to do, for a commissioner to do, for staffs of those departments to do.

But I think that's a logical thing for them to do whether we're in good times or whether we're in bad, whether we need to balance the budget by using a particular mechanism or whether or not that additional revenue would result in surplus dollars.

I mean, I don't think that we can blame the public for looking at this with kind of a funny eye when we had a budget surplus of over \$500 million just a few short months ago.

As time went on that, that budget surplus continued to dwindle. We had Keno built in to our

previous budget proposal to the tune of I think \$13.5 million. Now that's out and all of a sudden the state has got to scramble and look under every single rock just to balance the budget. As Representative Cafero said, it is constitutionally mandated.

And all of a sudden, voila, out of the thin blue air comes a proposal from the Department of Revenue Services to balance the budget on something that none of us -- I or shouldn't say none of us. That I have no confidence in the dollar amount that they've put on this -- on this proposal.

We literally learned of this proposal as we were walking over to the Legislative Office Building just a few short hours ago five days before the end of the legislative session.

In some -- and if that doesn't inject enough doubt in your mind, subsequent to our Finance Committee meeting, we were able to approach on this side of the aisle the Office of Fiscal Analysis and ask them for their review, our nonpartisan fiscal analysis here in the legislature of their review of this particular proposal.

And if the Speaker will indulge me, I just want to read the first sentence of this.

The response from OFA is, "You asked if OFA could verify the revenue target of \$75 million placed in the revenue estimates adopted by the Finance Committee today on May 3rd."

"We do not possess the information to verify this estimate. Our understanding is limited to that presented by Secretary Barnes at the meeting today. We have sought but not been able to obtain other information to support the \$75 million in enhanced collection initiatives."

So here before us today we have a budget which is balanced and predicated in large part on a brand-new \$75 million injection of cash that nobody can verify, other than verbally giving us a reassurance that, don't worry, it's going to be okay, we can make this work.

And so I don't know that we can blame the public for saying this doesn't make a whole lot of sense.

The very people who have not in the past paid their taxes and who did not pay their taxes vis-a-vis a tax amnesty program, a very aggressive tax amnesty program offered by our Revenue

Services Department, which includes both a carrot and a stick, one that far exceeded our expectations by at least six times of what we in the legislature had projected when we first passed the budget, far exceeded that expectation, and here we are today, we're supposed to believe that all of a sudden this \$75 million is going to come right in and the whole world's problems are going to be solved right here in Connecticut.

A few of us on this side of the aisle and throughout the building, I should say, were concerned a few years ago when we passed the budget that included this very nebulous amount of money that we would be saving from a, quote/unquote, state employee suggestion box.

We were also quite concerned about the nebulous savings that would come from the greater use of technology. We were -- some people were mocked for having that belief. How is it possible that you can't believe that a state employee suggestion box wouldn't save 80 or \$90 million? That's -- of course that's reasonable.

It's not reasonable. It's nebulous. It's not built on any type of a real foundation. Nor is this here today.

And so whereas as a few days ago we had a lot of conversations about some the other taxes that were being pushed off and some the other payments for pension obligations that were being pushed off, I think that this proposal that's here before us, to include the \$75 million, dwarfs those proposals in terms of their seriousness and their serious negative implications.

So I really think we have to think twice before we start to do these things. I have no -- I have every confidence that this budget will pass here tonight.

But years from now, and frankly, when folks are out campaigning for re-election in the fall of this year, I'm sure that you're all going to be knocking on doors, and people are going to say, What happened in Connecticut? I thought we had a surplus? How is it possible?

It's decisions like this that cause those deficits to happen. It is -- it is ruining our state financially, and I hope that we'll all think twice before we do things like this in the future.

Thank you Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark? Would you care to remark further on House Amendment "A"?

Representative Miner

REP. MINER (66th):

Thank you, Mr. Speaker.

Mr. Speaker, I have to tell you that I'm pretty concerned about the proceedings of the last three or four hours. I think that we have worked pretty hard together, majority, minority, to try and figure out the needs of the state, the process by which we operate, and certainly we -- I believe this follows the rules, and so that's not really the question.

The question is, how do we adopt a revenue package that doesn't seem to have a foundation in the nonpartisan staff that we all count on, whether it's a minimalist amendment that I want to run or someone else does, I think we've always held out the trust that that -- whatever that decision is, whatever that finding is, is binding on both of us. That's -- that's the very foundation that we adopt recommendations on policy, on budgets, on -- you name it.

The simplest amendment comes with a fiscal

note.

I'm hopeful that we will be successful. I'm hopeful that the DRS commissioner is correct and somehow the dollars will come in to the State of Connecticut.

But based on everything else that's in this budget as well, there certainly is -- it's troubling that the vast majority of these balance efforts begin to compound on each other, and that -- that, again, I think goes to the basis of which Representative Cafero was speaking earlier, that being whether or not we have the ability to put forward a budget that we can really stand here and tell the public we intend to deliver.

So I -- I'm sure this vote will go swimmingly, and I'm sure if I vote against it, which I plan to, I'm going to lose.

But it is troubling, Mr. Speaker, and I -- I look forward to the discussion on the rest of budget.

Thank you.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on House

"A"?

Representative Lavielle.

(Laughter.)

REP. LAVIELLE (143rd):

Good evening, Mr. Speaker.

SPEAKER SHARKEY:

Good evening, ma'am.

REP. LAVIELLE (143rd):

Thank you.

I have served on the Appropriations Committee now for almost four years, and I have to say that the experience this year working together with the members, the chairs on the subcommittee has been a really edifying experience.

I think we came to a lot of excellent conclusions together, identified a lot of issues. It's been a good experience.

But as I look at the budget process and the different things that have happened with our revenues and some of the assumptions that have been made and so on, I'm reminded of that experience about the garden path, being led down the garden path.

Not us, necessarily, but those people who have said, wow, a surplus. Tell me about the surplus. And, wow, these great new programs.

And so when I -- when I think about the garden path, I worry slightly.

I have just realized that I'm still speaking on the amendment. Mr. Speaker, pardon me. I had meant to speak on the bill, and we got a little bit waylaid here.

May I defer until we get to the bill?

SPEAKER SHARKEY:

You may. You may.

REP. LAVIELLE (143rd):

Thank you. In the interest of being germane.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam.

Would you care to remark further on House Amendment "A"?

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

Mr. Speaker, I debated whether or not to speak on the budget or the amendment, and I think I'll reserve my remarks obviously just for the amendment, because it really does pertain to our adoption of the consensus revenues and how we came to this number.

Having served a number of years in the Finance Committee, it's -- it's been a challenge at times to object to tax increases, yet approve consensus revenue numbers.

And it almost sounds like a contradiction when we do so, but we can object to the tax policies that are raising the revenue in a budget, but we always recognize that the consensus revenue is based on sound tax policies that is essentially predicting this is the amount of money that's going to be in the coffers to support a budget.

And so therefore, regardless of how you feel about those tax policies, you could know that there's a basis for them and you could vote in favor of them and object to the policies later on.

But here, I can't vote for these consensus revenues because of what we heard before. It seems as if in the closing days of the session with the sliding revenue numbers, we need to come up with some additional dollars.

And what we've done is created essentially a \$75 million wish fund, sort of what we see on the Appropriations side where we budget lapses and we hold agencies accountable to lapses and say you're going to save this amount of money in the upcoming

year, and that's what they work toward.

The Finance Committee with these revenue numbers is creating a \$75 million lapse account, and what we're saying with this account is that somewhere the State of Connecticut is going to find an additional \$75 million in revenue.

And to me, what concerns me is that we don't know what categories -- I think it was said in the committee meeting that the reason why it's in the miscellaneous account is because as revenues come in, the Department is going to decide what categories are going to fall into, whether it be corporate tax, sales tax, personal income tax. And what was said is we don't need law to do this.

In 2013 when we decided to look for revenue enhancements, we came together, we put together a budget, and there were 15 people that were hired in DRS to collect revenue, and those 15 people were to collect \$7.5 million. That's what was budgeted.

Here today, we're budgeting \$75 million. So 100 percent more. There's no new staff being added, no new technology, but we're just going to say we can do it.

And what concerns me, there is no policy

based in this decision-making. So I don't know if we're going to start to see Department of Revenue Services reinterpreting sales tax policies, and we may start getting those phone calls from our pizza shops or various other businesses to say, you know, I just had my audit, and I'm being squeezed.

We had a bill in here the other day dealing with extrapolation and how DSS audits Medicaid in order to get dollars back from the state. And what we realized is that DSS wasn't auditing these companies to find legitimate expenses. They were taking clerical errors and then multiplying it by a number, say three years, and giving the company a bill and saying this is what you owe.

And the companies would have to appeal and say, But that's not really correct. It wasn't fraud. It might have been a mistake, but this isn't really what we owe.

And so we corrected that. What we're doing here today is saying, DRS, go out and find \$75 million. It makes me uncomfortable with that kind of a policy.

And so I'm compelled to stand and obviously speak against these consensus revenue estimates. I think it just sets a very, very terrible

precedent for the finance and revenue process. This is something we have not done, and it's a path we should not be going down.

Every year we keep saying we're going to get rid of the gimmicks, and this is just a whole new one. Once we take this step, we can never get it back.

And I think we hear about the good old days, the way it used to operate in this building. And I hear that from many of the people that have been here in a number of years. For some of us that are newer, we're sort of envious of those times, the different relationships and how the process worked.

Committees mattered, amendments mattered. And somewhere along the way we sort of got away from that process, got away from the committee rules, and things have now evolved, and here we are today where all' of the pressure hits us right here at the end through this process.

And so I think about that, and I look at what we're doing here today, and it's just another step further away from where the process used to be, and I think where it used to be was probably closer to perfection than where we are today.

And so, you know, with that, I just -- I can't support this. I'm concerned for the State of Connecticut. It is troubling, the times that we're in. Nobody is enjoying this. But we should not be creating a \$75 million tax revenue lapse account.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark? Would you care to remark further on House Amendment "A"?

Representative Aman.

REP. AMAN (14th):

Thank you, Mr. Speaker.

The -- as a member of the Finance Committee, I also was at the meeting, and there was discussion on the revenue estimates and whether they are accurate or not. And, like prior speakers, I have always voted for the revenue estimates.

I may have been a little skeptical on some of them, but in general I believe what we got was accurate.

There's been a lot of discussion so far about the 75 million and where that came from, and I'm

not going to go on to that, but I am going to look at an item called real estate conveyance tax going from 150 million to 186 million in almost no time whatsoever.

As somebody that's in the real estate business as a builder looking at the market for homes and for commercial property, I could only hope that we have a 24 percent increase in sales next year.

I don't think that's going to happen. I don't think we're going to be anywhere close.

I look at the amount of money, and I think about how long we argued about Keno and the amount of money that would generate, and yet we slide an item in there saying we're going to have a 24 percent increase in sales next year and receive that much in sales tax -- conveyance tax additional money.

It's not something that comes in in big chunks. It comes in in small parts. And again, I don't see where it's going to come in.

Not going to talk about the Appropriations side of the budget at all either now or later, because it's been said those are philosophical differences. Many of the items could be maybe

changed by a few dollars one way or the other to make people happy.

But I am very concerned when we have revenue estimates, it's something that I'm familiar with, that as a \$36 million increase in one instrument to the other. I think that is just unreasonable and is leading the state in a very, very wrong direction.

Thank you very much, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on House Amendment "A"?

Representative Chris Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker. Good evening.

Through you to the proponent of the amendment, a few questions?

SPEAKER SHARKEY:

Please proceed, sir.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

I noticed in the -- in the revenue estimates we are looking at an increase in the admissions and dues tax.

And through you, Mr. Speaker, in the underlying bill that this amendment amends, we are also exempting up to \$1 million from the admissions tax for events held at the XL Center.

And through you, Mr. Speaker, how do we expect to have this increase in the admissions and dues tax when in fact we're exempting over a million dollars for this certain facility?

Through you, Mr. Speaker?

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Through you, there is a projected growth figured into this of \$2.6 million, which is offset by the loss of the tax on the admissions fee for the XL Center specifically.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

And is that increase, then, solely based on the hope that there are more events and/or more ticket sales at facilities that in fact do collect

this tax?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

Yes, that is a projected growth overall
basically in the entertainment industry.

I think also providing this exclusion for the
XL Center will generate much needed activity in
the City of Hartford and should give an economic
boost to the -- to the whole area.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

So it's in the opinion of the Chairwoman
that by reducing this tax, we could in fact see
increased economic growth elsewhere in the City of
Hartford.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

That is correct.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you Mr. Speaker.

And also in the revenue estimates, we see a significant decrease from what was projected for the corporation tax.

And through you, Mr. Speaker, is there an explanation for why the corporation tax has dropped almost \$45 million?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Yes. Through you, Mr. Speaker, I apologize for the -- for the wait.

Through you, Mr. Speaker, we have tax incentives for corporations that would reduce that income by certain levels. We haven't encouraged corporations to take advantage of the incentives that we have out there to increase their activity.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

So have these incentives been created in new policy reflected in this budget or at other times throughout this session or are they purely just estimates that past decisions and past incentives will be finally capitalized on by this companies?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

We haven't extended the Angel Investors tax credits, and there may be others in this document that I'm just not remembering at the moment, but we -- we have increased incentives in that direction.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you Mr. Speaker.

And through you, Mr. Speaker, I see a similar decrease in the insurance company's tax of almost

\$20 million.

Through you, Mr. Speaker, is it for the similar reasons -- for the reduction in the corporations tax?

Through you.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

That has to do with the Immunization Program, which is a fee on the insurance companies.

Actually, what we're doing is not changing the policy and not changing the amount of money, but instead of depositing that money into the General Fund, it will go directly into the Insurance Fund.

So it looks like there's a loss in one item but a gain in the other, but it's not an additional -- not an additional fee or tax, and it's not additional revenue, actually.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

So we're taking the revenue that would

generally be put into the General Fund and then dispersed from there, and we're moving it into an off-book Insurance Fund?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

It is going to the insurance fund, yes.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you Mr. Speaker.

We are also transferring from the Biomedical Research Fund revenue new then into the General Fund.

And through you, Mr. Speaker, what -- how is the Biomedical Research Trust Fund currently funded?

Through you.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

Part of the discussion on lowering our

expenditures was to look at -- at many, many line items. And in the -- in the budget document, you will see that there was I believe a \$4 million contribution to that Biomedical Fund in each of the two -- the next two fiscal years.

So those were each reduced by half a million dollars.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

Is it true as well that the Biomedical Research Trust Fund is also funded with bonding proceeds?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

I'm sorry, Mr. Speaker, the --

SPEAKER SHARKEY:

Representative Davis, could you repeat your question?

REP. WIDLITZ (98th):

Repeat it?

REP. DAVIS (57th):

Thank you, Mr. Speaker.

Through you, is it true that the Biomedical Research Trust Fund is also funded through bonding proceeds?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Mr. Speaker, rather than give an answer that I'm not sure of, I'm going to say I'll have to -- I'll have to check in to that.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

And I think there was previous legislation that would in fact -- or at least it was discussed that would in fact actually transfer some of the way that we fund that fund from the -- from the Appropriations side of the budget to actually bonding for those funds in order to take it underneath the spending cap.

Through you, Mr. Speaker, if I could ask if any of the UTC deal that we had just recently

passed, if any of those tax credits are included in these revenue numbers in this amendment.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Through you, no, those credits will not be in the -- they will actually not be an issue until fiscal year '16.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

So those would not be included in the reduction that we see here of \$45 million in the corpratoin tax?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

That is correct.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you Mr. Speaker.

I also see that there is a reduction in the special revenues transfer from \$338 million down to \$323 million.

Would the kind Chairman of the Finance Committee explain that reduction in our previous estimates to what we think we are going to have for revenue now that account?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker. Could the proponent of the question please refer to a line item, number line item?

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

Sorry. I was referencing what was passed out of the Finance Committee earlier this evening, which would be included in this amendment but not actually enumerated within the amendment.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Oh, okay.

Thank you, Mr. Speaker. Through you.

Yes, I see what the -- the line you're referring to. There is a reduction because we -- we had to remove the anticipated revenue from Keno.

No, you know, that was something everyone seemed to be very happy with, so that was a decision that was made. And it did cause a reduction in what we anticipated to have in revenue.

Through you.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57th):

Thank you Mr. Speaker.

And I think the gentlelady for her answers this is evening.

Ladies and gentlemen, once again, I do feel the need to repeat that these revenue estimates are based on potentially questionable numbers.

And I say that because we have not only \$75 million that are in a Miscellaneous Tax Fund in the revenue estimates that we -- that we received in the Finance Committee, and it's unexplainable how we're going to make up that \$75 million. We think we can get it from fraud reduction. We think we can get it from getting those who have not paid their taxes to finally pay their taxes.

My understanding is that in our revenue estimates, we actually already take into account when individuals don't pay their taxes and give us some of those back taxes.

Maybe not to the tune of \$75 million, but it's certainly something that's already under consideration without this special \$75 million, as Representative Candelora said, tax lapse.

So we also have instances, as representative from the 14th District had pointed out, that we are increasing our real estate conveyance tax revenue, one, by the tune of about \$36 million in a situation where perhaps the real estate market is not turning around as quickly as we had thought maybe just a year ago where we had year over year sales go down in the State of Connecticut in March

and potentially could be doing so in the future.

We're basing our budget on that. We're basing our budget on having those kinds of increased revenues.

This is not the way that we should be doing things. Transferring money from one fund to the other just to cover up our spending habit, we're talking about coming up with fake -- potentially fake numbers, unknown numbers, numbers that we don't know where they come from to the tune of \$75 million to close this gap, to make up this revenue so that we can go out to the public and claim that we have a balanced budget when in fact our own Office of Fiscal Analysis cannot confirm whether or not we will actually be able to get anywhere close to that \$75 million and close that gap.

So, through you, Mr. Speaker, I -- I encourage my colleagues to oppose this amendment, as they revenue numbers potentially are not going to be accurate as we move forward, and I will take this into consideration as we consider the bill as well.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on House Amendment "A"? Representative Ackert.

REP. ACKERT (8th):

Thank you Mr. Speaker.

I'm just reviewing the numbers, and I unfortunately do not serve on the Finance Committee, which the good Chair has chaired for many years and done a great job with it.

I did just -- took a quick review of, you know, obviously the taxes, and the majority of them, of course. Unfortunately, from personal income to corporate tax to many of them, unfortunately, I guess in a way -- I should say maybe as side of the aisle say have gone down, but they've gone down for negative reasons.

The two areas that have been brought up have been the real estate conveyance. I'm -- I'm hoping this is optimistic, and I would support this. I would love to see that our -- our real estate conveyance tax has turned around and we start to increase our real estate market here in the State of Connecticut. It isn't evident, but we only started the year off just a few short months.

Obviously, the one that comes up is line T-16, the miscellaneous tax, going from 20 million to 95 million.

Just a couple easy questions, I hope, to the -- the good Chair of Finance. Because she did mention that, you know, we had had budgeted a certain amount that we were going to get and we far exceeded that amount in prior years, and maybe this would be -- you know, maybe the kind of -- the standard that's set is that we're going to reach out through her.

What was the difference of what we originally in the past -- I think it was you mentioned 35 million, and we gained far more than that through our -- our incentive that we asked for -- what was the difference, through you, Mr. Speaker, of that, the amount that we had estimated and what we actually received?

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

We were anticipating around 35 million, and we collected about \$190 million.

Through you.

SPEAKER SHARKEY:

Representative Ackert.

REP. ACKERT (8th):

Thank you, Mr. Speaker.

And is this -- is a similar approach, through you, Mr. Speaker, on the 75 million.

Because that is quite a difference from our -- our estimates, that you would be aware that we're going to -- for the 75 million, is there a different approach or there's some areas you mentioned that there have been identified some businesses that they might reach out to and say, hey, another bite at the apple, can you -- can you, you know, pony up, so to say, the taxes that you owe?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Widlitz.

REP. WIDLITZ (98th):

Well, first, through you, Mr. Speaker, I would like to mention that it may feel like I have been Chairwoman of the Finance Committee for many years, but it's actually four, but -- I'm sorry for the little anecdotal. Certainly we would be thrilled if this 75,000 turned into a much bigger

number, but we are -- the -- the outreach, so to speak, is that there was a pool of people who couldn't meet the requirements of that previous amnesty, but they are out there and would like to be able to participate in a way that would allow them to catch up. And so the Commissioner will reach out to these people and try to work with them. It is not another amnesty, but it is a way of working it out.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Ackert.

REP. ACKERT (8th):

Thank you, Mr. Speaker. She's done such a great job. When I was serving there, I thought it was much longer than that, and I thank her for her answers.

And I look forward not to exceed the number, sort of say, but to reach the goal that has been put out there for the additional 75 million.

So I thank you for her -- I thank you, Mr. Speaker, and I thank the good Chair for her answers.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark? Would you care to remark further on House Amendment "A"?

If not, staff and guests to the well of the House, members take your seats, the machine may be open.

THE CLERK:

The House of Representatives is voting by roll. The House of Representatives is voting by roll.

Will members please return to the chamber immediately.

SPEAKER SHARKEY:

Have all the members voted? Will the members please check the board to make sure your vote is properly cast.

If all the members have voted, the machine will be locked, and the Clerk will take a tally.

Clerk please announce the tally.

THE CLERK:

LCO 5271, House "A".

Total number voting	142
Necessary for passage	72
Those voting Yea	90
Those voting Nay	52
Absent, not voting	9

SPEAKER SHARKEY:

The amendment passes. The chamber will stand
at ease.

(Speaker Sayers in the Chair.)

SPEAKER SAYERS:

Will you remark? Will you remark further on
the budget as -- on the bill as amended?

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker.

Madam Speaker, I have a few questions to the
proponent of the underlying bill, if I might,
through you.

SPEAKER SAYERS:

Prepare your questions, sir.

REP. MINER (66th):

Thank you, Madam Speaker.

Perhaps before the first question, let me
just make a statement, if I might, Madam Speaker.

SPEAKER SAYERS:

Please proceed.

REP. MINER (66th):

On behalf of this side of the aisle, I want
to reiterate some comments -- Madam Speaker, could

I -- could we get the --

SPEAKER SAYERS:

Will you please take your conversation outside of chamber. The gentleman needs to be heard.

Thank you. Please proceed.

REP. MINER (66th):

Thank you, Madam Speaker.

During the Appropriations Committee deliberations, as that budget was passed out of committee, I made some comments to that group, and I would like to just state again for the record that without a doubt, not only the Chair, Vice Chair, but other members of the Appropriations Committee on the majority side have been very helpful to myself and I think other members of our party in trying to get to the answers that I think most people in the State of Connecticut want us to get to, which is what do we need to provide, what should we provide, who can we help, who do we need to help..

Some of us learn a little slower than others. I can tell you from my perspective, it's been very helpful to me to have a very open relationship with the Chair of the Appropriations Committee.

I think we've grown a lot in this last year, and part of that is because we stop and talk a lot more than we used to, and I think that has changed the direction of our relationship, and I think probably for the better for the whole state.

That doesn't mean we're where we need to be, but I do think, as Representative Cafero spoke about a foundation, it is a beginning to move in that direction.

She represented to me earlier this morning that while we don't always accept your recommendations, we listen. And more often than not when we go to try and track them down, we find that there's something there.

And I think that that is the right kind of movement, and I know I feel the same way about members of that side of the aisle as we begin to question whether or not we can make a cut that probably is five times what somebody thinks we should. And on occasion we're wrong.

So let me say that for the record -- and I want to say again for the record thank you, because it has been a tiresome four months, five months now, but it's certainly been a very good five months.

One of the -- one of the concerns I have about the budget that's before us is that through that process, we have held a series of public hearings, and I've raised this issue before not only with Chairman Walker, but previously with Chairman Hart and now Chairman Bye, because I believe that we -- we are about -- we go about this process the wrong way.

We start every year with the budget that we had and make adjustments in very few areas, also never looking outside of that document.

And to some degree, I think it's based on the challenge of time. And maybe we're going to, you know, develop some different processes as this continues to move forward in the years to come, if we're all fortunately returned here by those that elect us, but --so this budget leaves me with a little bit of a dilemma, and the dilemma is, could we do something else some other way.

And once again, we're left with this budget that's based on what we heard in public hearings, what the Governor presented to us, adjustments we made as a committee. And frankly, in some cases I think this document represents what we probably could all agree to.

I think in the past we've offered some recommendations, they've been made public, and I see that they're still here in this budget.

So to the extent vocational agriculture has been funded, to the extent that a number of the wait lists have been addressed, I think those are good things. But they didn't come without some apprehension, I think, on the part of the administration.

Because I think if people go back and look at what the recommendation out of the Governor's office was, in some cases, those numbers weren't there.

In fact, in many cases when we heard testimony, we heard from our constituents -- no matter where they lived -- that they had trouble trying to get questions answered in these agencies, results from applications.

And it's troubling to think, at least from my perspective, that the lapse numbers in this budget seem to be profoundly larger than they have been in the past.

And if I could, through you, the first question would be to the Chairman, are there any restrictions that she's aware of in this budget as

to what the Executive Branch can lapse in terms of the budget that's before us.

So, for instance, specifically, is municipal aid outside the realm of what lapses can be taken -- taken anywhere as they're indicated in this budget?

Through you.

SPEAKER SAYERS:

Representative Walker.

REP. MINER (66th):

I didn't do it.

REP. WALKER (93rd):

Thank -- ahh. Thank you, Madam Speaker, and I thank -- first I want to thank the good gentleman from Litchfield for his kind comments; and I, too, want to express that I think we've learned a lot over these past few months.

And there have been a lot of different areas that both of us have information, familiarity to, and we've shared those not only with each other but with our members.

And it truly has been a growing experience, because I think we are all sitting down and we're talking, and we're talking very seriously and genuinely to try and learn and figure out what's

best for the State of Connecticut.

So from our -- our side of the view and from my perspective, I think he's been a fantastic ranking member in our committee, and I look forward to hopefully working with him in the -- in the next few years, too.

As to the question on the underlying, there are none that we have any other information on except for the ones that are before us. We have not heard or seen any other requests for any other reductions in the lapses in this budget.

And I just want to point out to the gentleman from Litchfield that this is not something new. If I -- as much research as I could get, I believe this has been going on -- lapses in the back of the budget have been going on since Governor Weicker's time.

This is not a new practice, and I don't know and I have not done the research on how much was proposed back in those days to see if we are expanding beyond that scope percentagewise, because obviously, the budget has grown.

But within the realm of percentage of lapses, I think that this is something that is not new.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Miner.

REP. MINER (66th):

Thank you. Thank you, Madam Speaker.

And so to the direct question about municipal aid, is it the gentlelady's understanding that the Executive Branch would not have the authority under any of these lapses to reduce any of the runs, any of the historic grants that would be laid out in this budget after it's passed?

Through you.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Again, thank the good gentleman for his question.

I do not believe it is not -- it is part of that -- that realm for the lapses.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker.

And with respect to the other agencies from whom we hear testimony annually, is it the

gentlelady's opinion that lapses could be taken,
let's say, from personal services or other areas
of the DCF budget?

Through you.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Thank you, Madam Speaker.

And to the good gentlemen, yes, that is
correct.

SPEAKER SAYERS:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker.

And would the same hold true for DDS, DSS and
DPH?

Through you.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

The good gentleman is correct. It is equally
shared throughout all of the agencies.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker, and I thank the gentlelady for her answer.

What I'm trying to point out to the chamber here is that as part of the Appropriations budget, I think the Appropriations Committee was considerably more careful as to way the lapse issue was handled.

And I think we were concerned as a committee as to what we heard over the last few months, and I am fearful that the way this budget lays out, it does not follow that construct.

And what I mean is, there were certainly areas of the budget where we understood that we needed to balance.

And to the extent that I was involved in that conversation, I think we also understood that there were areas of the budget that were far more sensitive.

And we came to that understanding because we had allowed the administration to make those adjustments the year before.

So if people remember, as we were in that -- the throws of what I think was still a bit

of a downturn in the budget during those budget deliberations, there was a decision to allow the Executive Branch to kind of call that shot.

And I think what we found was that the hiring and rehiring process lagged behind the need in some of these agencies.

And so when our constituents called, no one returned the call. Sometimes it was a delayed call. Paperwork got lost.

And I think we did a very good job in trying to respect the good hard work that people do for us in those agencies in an effort not to lay blame at them. I think we tried to protect some.

And I'm afraid that under this budget the way it's been constructed, whether intentional or accidental, we then conveyed this authority, I think, to a greater degree to the Executive Branch. And I think we'll probably hear probably again testimony next spring about maybe that wasn't such a good idea.

I had a couple of pages turned over here, but actually I don't even need to turn one over. I remember as part of budget deliberations, it came to our attention that I think there was about \$760,000 in the budget to park trains, and I think

some of us were trying to find out where they were headed.

And as I recall, they were maybe going to Ohio.

But if the gentlelady could help me, I have not gone through this with that level of detail, if she knows, do we have that budget amount in this budget that's before us this evening?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

Again, I thank the gentleman for his very interesting question. And yes, it is still in the budget, and I don't know exactly where. I will try and find it, and I will inform the good gentleman from Litchfield as soon as I find it.

SPEAKER SAYERS:

Representative Miner.

REP. MINER (66th):

It's probably hiding around where the trains are, I think, Madam Speaker.

Let me say T-205, which is the Shooting Task Force, I will tell you that from my perspective,

giving everything that we continue to hear about,
I'm happy to see that that remains the budget.

There are some other things that I think have
been adjusted in the budget, some of which are a
little more troubling than others, but I think
that's really more a flavor of what our opinions
might be in terms of the interest of our
constituents.

And so I think there are some other members
on this side of the aisle that might have some
specific questions about those, so I -- I will
not -- if I could call the gentlelady's attention
to line 82 in the budget document, though, I do
have some questions about that language.

Through you, Madam Speaker.

SPEAKER SAYERS:

Please prepare your question.

REP. MINER (66th):

It would appear starting on line 82 that
there is a new reallocation process of funds that
we allocate during the course of the year.

Am I correct?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

Just one second, please. Let me just read what he's talking about.

Through you, Madam Speaker, that is correct. That is a grant -- a mental health grant that will be utilized by the Department of Mental Health and Addiction Services to address some of the things that we have been talking about for the last couple of years, which are adult services for the community providers and also for children in community providers.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker.

What I think is new, though, is that it appears that the grant will be funded through the reallocation of allocated dollars that would go through some process, I think, of determination of whether or not they are in compliance and performance with maybe an underlying budget.

Is that correct? Through you.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

That is correct.

SPEAKER SAYERS:

Representative Miner.

REP. MINER (66th):

And if I could, through you, in years past, those same dollars that may have been found, let's say, have those historically been returned to the General Fund for reappropriation in the following year?

Through you.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

That is correct.

SPEAKER SAYERS:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker. And I thank the gentlelady for her answer.

I read the OFA analysis, and it seems to indicate that the reason for this is because of

federal reimbursement.

And in fact, that may be true. We may actually get federal reimbursement, because it then -- it would have been an additional expenditure.

But if you think about it, we're actually going to take dollars that we budget this year, put them out on the street, go through some auditing process, and if we can determine that maybe they have not been spent in total or spent appropriately, I think we're going to bring them back and re-spend them again and then get the reimbursement again.

And so it does further complicate, in my view, what we have historically found to be the pluses and minuses of the budget, so that you look at it on an annual basis, not only are we looking at other revenues, we're looking at other revenues within the year in which we first spent them and will secondarily spend them.

And so it will be interesting to see how this works out. I'm hopeful that someone will be able to explain to us, should we be reelected next year or this year, exactly how it did work out, because my fear would be if we don't have a good handle on

it, someone might want to expand it, and then it could be even more troubling.

For now, Madam Speaker, I don't have anymore questions. I do know that there are some people here who do have other questions, and I will sit down and listen, and I'll wait for the end of the discussion.

Thank you.

SPEAKER SAYERS:

Thank you, sir.

Représentative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker. Good evening to you.

SPEAKER SAYERS:

Good evening, Madam.

REP. LAVIELLE (143rd):

I think I left us before somewhere on the garden path, so I'll pick up back there again if I may, and I have some questions for the proponent of the bill, please.

SPEAKER SAYERS:

Please prepare yourself.

REP. LAVIELLE (143rd):

Thank you.

And through you, I wish a good evening to Representative Walker.

I -- my first couple of questions are related to the Special Transportation Fund. And I notice that in the -- in the revenue section of the budget, of course, there is the transfer to other funds of 19.4 million that with the addition in the original bill of 2.1 million is now at 21.5 million in terms of a transfer from the Special Transportation Fund to other funds.

I wonder, is the -- could the Chair of Appropriations tell us to which fund or funds that money was transferred?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Thank you, Madam Speaker.

To the good lady from Norwalk, I would like her to really restate the question, because I'm not sure if she's addressing it to the Appropriations or to the revenue side.

So I -- I would ask that she -- she try and restate that for me so that we make sure that the right person is answering that question.

So through you, to the good lady of Norwalk.

SPEAKER SAYERS:

Representative Lavielle, could you please restate your question?

REP. LAVIELLE (143rd):

Thank you, Madam Speaker.

And I presume that the Representative is speaking of me even though I'm from Wilton. But that's -- Norwalk would be equally flattering.

I was actually unsure myself as to who should get the question, because in the revenue amendment, we have the 19 going to 21, but we also have in the -- in the bill, in the underlying bill the addition of 2.1 million that makes up the difference between those two numbers, so I really wasn't sure which, to whom I should address it.

Through you, Madam Speaker.

And the question -- the question was, to which -- it just says transfer to other funds?

To which funds does the money go?

SPEAKER SAYERS:

Representative Walker, do you care to respond to that question or should I call Representative Widlitz?

REP. WALKER (93rd):

Hello? Sorry.

SPEAKER SAYERS:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Madam Speaker.

I think the proponent of the question is asking about -- there was an -- there was a plan to transfer \$2.1 million from the General Fund to the Special Transportation Fund. That was reduced in the budget.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you.

So I see that's a -- that's a transfer in the other direction that was reduced. As for the -- well, I'll ask about another element here.

I notice as well on page 27 of I believe the fiscal note to the bill that there is a lapse of \$11 million, which I -- may not be in the fiscal note. It may be in the bill.

But I had not seen that before, and I wondered if that was also money that was going to be used elsewhere besides for transportation

purposes.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Lavielle, I'm not sure who you're directing the question to.

REP. LAVIELLE (143rd):

I believe that would have to be the Chair of Appropriations, because it is in the original bill. It is in the budget. It is on page 27 of the bill itself, and it's at the bottom of the page, line T-920, unallocated lapse, \$11 million.

Through you.

SPEAKER SAYERS:

Thank you very much, Representative.

Representative Walker.

REP. WALKER (93rd):

Thank -- thank. Hello? Okay. Thank you, Madam, for your question.

I believe that you're talking about an \$11 million lapse, and that has been in the underlying budget since the first part of the biennium.

So this is not a new lapse. This was in a bill -- in the bill -- this was in the budget for the last two years.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker.

This question may go back to the Chair of Finance, although I'm not sure.

The transfer to other funds that has always been in the budget, along with the 2.1 million that has been reduced from the transfer to the Special Transportation Fund, do we know what that money was eventually used for?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Widlitz? Representative Walker.

REP. WALKER (93rd):

Thank you, Madam Speaker.

That was transferred to the General Fund for Appropriations to be disbursed throughout the budget.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker.

And I believe this continues to be -- this is reflective of the good working relationship between our Appropriations and Finance Committees when -- when I can't quite discern which one should get the question.

But is there not -- and there is a point to this. As I recall, there is a statute which from July 1st of 2015 will no longer allow the transfer of money from the Special Transportation Fund to the General Fund.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

I believe the good lady is correct. Thank you.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker, and I think both Chairs of the committees for their answers.

My point in raising that was that this is -- this is funding from off the General Fund

budget that is being used for General Fund purposes which will not be accessible again.

It is there until next year, and it will no longer be a source of funding for either one time or ongoing General Fund uses.

But I will -- I will move on to the next group of questions, which -- which are for the Chair of Appropriations.

And they -- they concern the area of higher education where we've had a new appropriation and also a number of other allocations.

I see on page 21 of the budget that \$33 million has been appropriated for Transform CSCU, and then we have to go further in the budget to see some other allocations.

In Section 19, most particularly, which you can find on page 42 and 43, there are transfers from the assets of the Connecticut Student Loan Foundation for the CHET Baby Scholars program, that's 4.4 million; 19 million for Transform CSCU, and again, 1.6 million for the Governor's scholarships.

I would like to ask the good Chair from New Haven, what exactly is the status of the Connecticut Student Loan Fund?

Is it active and is it being used for other purposes currently?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Thank you, Madam Speaker.

And to the good lady from Wilton, I apologize for making that error. And if my microphone goes off, I'll just keep wiggling it a little bit further.

First I want to go back to the statement before. I did not hear you. I thought you said the bill about the Special Transportation. I do not know if that bill has been passed. I know it's a bill before the General Assembly this year, but it's not part of the statute, so I just wanted to correct that.

As far as the Connecticut Student Loan Foundation, we established that, but we have not drawn down any of the dollars out of that as of this point in time.

This is the beginning usage, and we felt that these are things that really were important, because the whole -- the whole point of the

Student Loan Foundation is to help provide higher education access to our -- the kids in the State of Connecticut.

So I think that the things that you see before you today that are recommended in the budget in Section 19 hold true to what those items should be doing, working with the children, providing higher education.

Through you, Madam Speaker.

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker.

Just to go back to the previous subject which Representative Walker just referred to, the Special Transportation Fund, there are actually two, just for the record, there are -- there are two pieces of legislation. One was a change in statute last year. The one before the General Assembly right now is a Senate Joint Resolution for a constitutional amendment, which has not passed.

But to go -- to go back bounce to the Student Loan Foundation, what is the current amount of assets in that fund?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Just one moment, Madam Speaker.

Through you, Madam Speaker. I will get that.
I know I have it written down somewhere. I do not
know exactly the amount at this time.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you.

And was the -- was there a particular
purpose, a circumscribed, well-defined purpose for
that fund?

Was it to provide student loans or did it
have other purposes?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

It had specific purposes directly related to
access to higher education.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you.

And would that be financial access? Through
you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

I do not know.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker.

Do we know how long it has existed? Through
you.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker. I do not know
that either.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

I think I'm breaking the microphone system.

The purposes for which this money is to be used include, as I said -- or the bill refers to Baby Scholars, the CHET Baby Scholars program, Transform CSCU and the government scholarship -- the Governor's scholarship program.

I guess I could go down the list of things that belong to CSCU. Some of those measures are designed to help people get access to higher education.

Others are like, for example, the Go Back To Get Ahead program, the -- well, actually, other than that, there are some other measures, like streamline credit transfer and articulation, early college for community colleges, new programming to help colleges and universities with remediation for students.

I don't know that all of those are technically speaking access to higher education; but the question I would ask, Madam Speaker, is, are all of those in the -- are all of those meant to be ongoing programs and not just one shot or do they have a limited duration?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

I apologize. I was trying to get the information for you on your -- your first question.

This is something that I learned about, and I'm glad that the good lady has asked questions about it, because this is something that we all need to know.

This is -- the Connecticut Student Loan Foundation was developed in 1965. The -- we don't -- I don't know what the balance is as of yet, as of this point, but I do know that there is a sizable amount in it.

It has been used -- it's a quasi-public subsidiary of the Connecticut Health and Education Facility Authority.

Through you, Madam Speaker, I did not hear the other -- the gentlelady's question in the beginnings because I was trying to get the information.

So if she would be so good to repeat that question, I'd be glad to answer it.

SPEAKER SAYERS:

Representative Lavielle, if you could
please --

REP. LAVIELLE (143rd):

Thank --

SPEAKER SAYERS:

Repeat your question.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker.

My question was, the activities that are part
of Transform CSCU -- and, by the way, I thank the
gentlelady for her answer.

The activities that are part of Transform
CSCU, are those ongoing programs, ongoing
activities, or do they have a limited duration?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Thank you, Madam Speaker.

Through you, there are a variety of different
items that were going to be funded through this
foundation. There was one activity, Go Back To
Get Ahead, which is obviously a new one which the
Governor is pushing, promoting -- that he promoted
in the budget earlier.

There was also the Middle College or I think it was called Middle College that was also part of the CSCU process. And then there was also the usage for mediation, as well as trying to make sure that operationally, the CSCU system would not have to raise any of their tuitions by helping to support some of their administrative services.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker.

And further to that, my question was, are these activities that are ongoing, that are projected to last a number of years, that will not -- that don't have a -- a limited duration that we know of?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

Well, obviously the operation of the CSCU system is ongoing, and that is something that's very important.

The Go Back To Get Ahead is something that is a new initiative that they -- that the Board of Regents has been -- is promoting through the Governor.

And then there's also the Middle College, which is something that has been done in a variety of different pilot programs and Board of Regents has decided that that should be something that be part of their ongoing going forward.

But as of yet, they are still just doing pilots in those areas.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker.

And I -- I thank the good Chairwoman for her answers. I -- I have a couple of observations on this that really raise some concerns.

These are wonderful programs, all of them. If anybody is an advocate of access to higher education, it is I. I -- I can't think of anything that I would love to see us expand more.

We are talking here, though, of programs that are, as far as I can tell, not limited in

duration. They are programs that go into the future.

Whereas when we look at Section 19 of the bill and the funding mechanism in this budget for these programs, there is an appropriation of \$23 million, and then there's 19 plus four plus 1.6.

So there's another 22 or 23 that are being moved from the assets of the Connecticut Student Loan Foundation. Not from an income stream, but from the assets.

And when you deplete assets, it's not like they're going to grow back again the following year and give you exactly the same amount.

And I'll make an analogy here. Imagine -- imagine that you have a salary that you earn every month and you pay your daily expenses, your rent, your gasoline, your food. You pay for, perhaps, your children's college tuition, whatever, and you have those same expenses and that same salary.

And then at the end of the year, suddenly you get a bonus. It's a one-time bonus. And you immediately go out and get a mortgage on a house that will entail monthly payments for 15 years,

and you can make the first payment with that bonus.

I -- I fear that with this budget, we're getting ourselves a bit in that situation. This is only one example. This is only one example. I was -- I was trying to draw an analogy with the Special Transportation Fund as well.

But it's a question of making ongoing future commitments without the corresponding revenue streams to sustain them.

And this is where we kind of get back to the garden path that I was on a few minutes ago

When you take someone or lead someone down the garden path, well, you're sort of making them expect something better than what they're going to get at the end.

And the problem with the garden path is that it's very pretty. It's a lovely experience. And the things that we've planned on doing and that the budget provides for are wonderful programs, and there are many more that are even more essential. There are -- there are many things in this budget that would be wonderful to do.

But the problem is that at the end of this garden path, if we don't have the revenue stream

to pay for these things, then ultimately, what people will face is either higher taxes or, unfortunately, disappointment, and that's my great fear with this budget.

It's allowing short-term gain possibly to jeopardize the state's financial future, and I love this state, and I don't want to see that happen.

Thank you very much, Madam Speaker.

SPEAKER SAYERS:

Thank you, Madam.

Representative Kokoruda of the 101st.

REP. KOKORUDA (101st):

Good evening, Madam Speaker.

SPEAKER SAYERS:

Good evening.

REP. KOKORUDA (101st):

I know we're all tired, so I'll be brief.

I just want to start by thanking the Chairman, the Co-Chairman, actually, of the Appropriations Committee.

You know, we've been at this -- the Appropriations Committee with this 20-plus billion dollar budget for about 100 days, and I can't believe it's gone by that fast, but I have a

feeling Representative Walker feels every one of those 100 days.

And I do want to thank her for -- there are several of us that this has been our first two years on Appropriations, so we've learned a lot. There's terms we've learned that I've never heard before, and I did 14 municipal budgets, but this is a whole other piece of cake, to say the least.

And I apologize to Representative Walker for asking questions, but that's part of my job, too, so I hope she understands.

I want to talk with the Office of Early Childhood Education. Last night, unanimously we passed that bill, and it was -- and it was a long time coming, and I think people were very pleased.

In Section 17 of the budget, there are many places that we do this lapse -- we shall not let these certain funds lapse. And in several of them, we've mentioned universal pre-K.

Is there anywhere that this lapse money in Section 17 is being used for Smart Start?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker, to the good gentelady from Madison, who I appreciate the good kind words, no.

SPEAKER SAYERS:

Representative Kokoruda.

REP. KOKORUDA (101st):

Thank you, thank you.

And then one other thing. In a couple of the lapses we've taken money or going to take -- not let money lapse and from the Department of Housing for the Tax Relief for Elderly Renters, and it actually adds up to \$875,000.

Could the Chairman of Appropriations just explain the \$875,000 that we're able to use from that account and why it's not needed for the elderly rental program?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative -- Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker, to the gentelady from Madison.

The demand was just higher than we expected, and this is making -- I mean lower. I'm sorry.

REP. KOKORUDA (101st):

Lower.

REP. WALKER (93rd):

Yes.

SPEAKER, SAYERS:

Representative Kokoruda.

REP. KOKORUDA (101st):

Thank you, Madam Speaker.

And just see. You know, most of us don't understand the idea of lapsing, and if a lapse --

And I would assume -- and I'm comparing this to a municipal budget. At some point, you know you're running short or you need money somewhere else, so you tell all the departments to kind of hold spending.

You don't use the following year. You usually do it in that budget year.

But is there concern in this new department that we all supported, is there concern that going forward without lapse money -- because this -- these lapse dollars add up to almost \$3 million dollars.

Is there concern that this department will be able to be funded through an operating budget going forward?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

Yes, the -- the startup costs are the beginning process. We expect to fully fold this and annualize this into the operation of the organization and make sure that that is maintained.

But at the current time, this is the way we -- we funded -- underfunded that program.

SPEAKER SAYERS:

Representative Kokoruda.

REP. KOKORUDA (101st):

Thank you. I thank her for that answer.

And then I want did just to turn -- talk a little bit about magnet schools, Madam Speaker. And I know there has been a lot of conversation in the Appropriations Committee, as well as the Education Committee.

There is an increase of 13 and a half million dollars, and I see that at T-634, and there's -- from the General Fund under T-263, there's another 10.4 million.

I have two questions on this. First of all,

just this week -- actually, a few days -- a couple of days ago we transferred \$9.6 million, and this was on the say of the Financial Advisory Committee, \$9.6 million from various accounts to the -- to the magnet school account to offset the 19 million of this year's needed funds.

Could I ask the good lady where this -- these funds came from? And moving forward -- going forward, how did we expect to be able to fund that part of magnet schools?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

I -- I thank the good -- the gentle lady for the question, because I know this has been a big topic in our committee.

And I think when we heard from the Commissioner from the State Department of Ed. when he brought to us the \$35 million deficiency, we all sort of sat back.

But as -- as we went through, we had to figure out how to fund the deficiency and maintain the other commitments that we had in the magnet line.

And what we did, we had to look at different areas where we could appropriate from different funds, and we did do some reductions in there.

We capped some of the expansions that were projected by many of the State Department of Ed.'s across the state. We looked at other ways of doing savings, and what we found was we were able to save approximately \$19 million in different areas and transferred quite a few dollars, and the amount that you have there is the remainder of the 35 million that we had to achieve in order to fill that gap.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Kokoruda.

REP. KOKORUDA (101st):

Thank you for that answer.

Going forward, I know we have been talking about new -- new slots and more enrollments in the magnet school. That's part of our issue with I'm sure this past year deficit.

But does this budget fully fund the projected new slots for all these different magnet schools and programs?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

What we did was we went and talked to the Commissioner and said we have to do cost containment.

And everything that we looked at we'll roll into '15 that we're doing now in '14 to -- it achieve the \$35 million deficiency.

And cost containment, especially with -- with expansion seats that we saw in a variety of different areas, and I know the good -- the gentlelady knows about a lot of this, we ended up having to alert the schools that there was no expansion, that this is -- what they had billed for with the State of Connecticut, that's as far as we can could go.

I know you understand that many of the cities probably had expectations of expanding more; but because of the budget and as the good gentleman from Norwalk said in the beginning opening statements, there are times when we just have to tell people we can't afford it right now.

And so with that, we have made sure that the

Commissioner has expressed that to the cities throughout the state, that there -- the expansion seats that they expected before are no longer going to be there. It's going to have to be a lot more scrutinized and maintained.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Kokoruda.

REP. KOKORUDA (101st):

I thank the Chairman of Appropriations for that.

Just that brings to mind -- and I don't know if Representative Walker will be able to answer this, but would that cutback, some of the projections or plans for next year, are there also changes in capital in our future budgets as far as what we were going to expend as far as renovations of classrooms, potential additions and any new capital cost tied to magnet schools?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

These -- these specific cost containments

were applied specifically to the seats.

The other item that the good gentlelady was speaking about is under school construction, and those things were already committed and plan for for the development.

Those dollars are not being pulled back, from what I've been told. Thank you.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Kokoruda.

REP. KOKORUDA (101st):

Thank you, Madam Speaker.

Just a couple of more things. You know, we had a public hearing on the ABI waiver, and when you're talking a \$20 billion budget, some of these increases on ABI waiver was really -- \$650,000, it sounds like very little, but it meant a lot to the people that came to speak that day.

And I know we made decisions that day to get some people off the wait list.

As the budget has gone forward, have any changes been made to add to -- add to that -- the group of people that were able to meet and make -- give services to from that wait list?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker, I do know that -- I do know that all the commitments that we made to the families that came to testify in Appropriations are the ones that we are maintaining. We have not pulled anything back in those areas.

We have looked at some of the -- the wait lists and whether or not the need for the dollars were all there for all the people that have been on the wait list, and they're going through to make sure.

But, through you, Madam Speaker, no, there are no more changes.

SPEAKER SAYERS:

Representative Kokoruda.

REP. KOKORUDA (101st):

Thank you for that answer. That was such an incredible day, that public hearing. And I know as we go forward, we'll continue to look at that to meet the needs of people whose -- who will be living in nursing homes for the rest of their lives if we don't find ways to address this, and

also to give them a quality of life that we give other people on the other waiver.

So -- and finally, I wanted to just talk about municipal aid a little bit. Through you, Madam Speaker -- and I'll just sum this up.

The municipal aid -- and I know there's a lot of additions. We talked about ECS today. We talked about -- and I believe with ECS and municipal grants, the LoCIP and PILOT and -- would the -- would the Chairman of Appropriations be able to tell me if this budget puts all towns and cities in a position of at least being held harmless, if not -- given even more funding?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Thank you. Thank you, Madam Speaker.

And through you to the gentlelady, what we did is because of the confusion of what was in the underlying budget, we added 7.3 million in there so that everybody was held harmless, because many of the Boards of Ed. were using the appropriations that were made from the underlying budget as opposed to the one that was presented to us to the

Governor.

So that there was no confusion, we added the 7.3 to make sure that all of them were held harmless.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Kokoruda.

REP. KOKORUDA (101st):

And I thank Representative Walker for her answers.

And just to sum up, I just -- you know, we all knock on doors during the election time, and one of the things they always ask us about is are you going to bring more state aid back? Are you going to help bring our property taxes down?

And I know we all want to do that. We want to serve our constituents. And I know there are a lot of towns like the ones I represent that haven't seen an increase in ECS in seven years, and you know their expenses certainly have gone up in seven years in our school systems.

But you know something, I said at an Appropriations meeting a few years ago -- a couple of years ago; I haven't been there that long -- I would be willing to go back and tell my

constituents I wasn't able to get you more money for ECS or more money for PILOT or more money for roads if I could say because the town is riding the course, the town is getting -- the state is getting its House in order. The state is doing the right things to make us fiscally -- fiscally healthy. And unfortunately, I -- there's -- I don't see that.

There was a bill this year that died early. It was -- and it caught my eye, because it -- it was a -- it was a cost-benefit analysis, and I thought, great, it's just what we need.

Because as I had said at Appropriations, there's so many initiatives in this budget in the last year that I want to support. It was exciting to hear some of the plans from the Governor. It was exciting to hear some of the plans from all the different committees.

And I want to support it, but we never did did that analysis. And when I went and looked at this bill, how surprised I was that it only went in one direction. It only wanted to look at what we had privatized and whether or not it was really worth privatizing, maybe we should bring it back and run it as a government agency.

We never took the time to analyze -- do a cost-benefit analysis of all our services so that we could really -- start really making structural changes with this budget.

I want to support this budget. We all want the greater good, but we can go back to our constituents and say we haven't brought more money in, but look what we're doing with the State of Connecticut. We're on the right road. We're making changes.

And I know Appropriations wants to do that, and I hope as I move forward we start to look at things differently.

And small towns will call it zero-based budgeting. You start from scratch, and you start to build up, and you look at your priorities.

And, you know what, most of us -- I think many in the room have the same priorities. We really, really want to do what's best for the State of Connecticut and for our constituents.

So I want to thank the Chairman of Appropriations and her Co-Chair for being so really, really good to work with.

I just hope next year when we come back we just start to do a true cost-benefit analysis,

start somewhere. I know we can't do it all at once, but really, really being able to offer better programs, everything we want to offer, but just not to continue piling on new programs without analyzing what else we're doing.

Thank you, Madam Chair -- Madam Speaker.

SPEAKER SAYERS:

Thank you, Madam.

Representative Case of the 63rd.

REP. CASE (63rd):

Thank you, Madam Speaker. Good evening, how are you?

SPEAKER SAYERS:

Good evening to you, sir.

REP. CASE (63rd):

Madam Speaker, we have in front of us a document, a budget, it's budget day, and we've heard a lot of people talk about different issues. There's a few that concern me and a few that I just want answers to questions for.

Before I start that, I just want to thank the good Chairs of the Appropriations Committee and my two ranking members. It's been a great time being on the committee and learning about the budget and actually being able to ask questions in committee

and getting the right answers and visiting them in their office and talking to them about it.

And we have some tough times here in the State of Connecticut, and if people don't know, I come from a town right now who is physically broke, where we've gone out and we've had to do a -- a three mil supplemental tax. We've had to do a tax anticipation note against our ECS monies. So our credit card is no longer. Our bonding is no longer.

And we're trying to pick up the pieces and do that. And what I have to really reflect on when I look at this budget, we all want a good piece and we all want to bring stuff back to our community, as good Representative Kokoruda spoke about, but it concerns me.

It concerns me that we take in about \$19 billion a year in taxes but we should spend \$19 billion a year.

Not everybody has the luxury of their homes or not everybody -- like in my town, we don't have the luxury to spend more money because we don't have the ability to get it.

And I was hoping coming here and working in administration to get some answers, which I have,

and to try to get the state back on track so that we don't continue bonding.

I think the numbers I'm hearing were in excess of \$19 billion of debt for our future, and that scares me for my children. My children are in college now. They have college debt. Then we're going to be paying taxes. That's the American way.

And, through you, I'd like to ask a few questions to the Co-Chair of Appropriations, please.

SPEAKER SAYERS:

Please prepare your questions, sir.

REP. CASE (63rd):

Thank you, Madam Speaker.

We talk a little bit about ECS, and if we can go to our ECS numbers, let's see, on page 50, Section 27, lines 432 to 437, is there an explanation for this one city and the approximately \$1.9 million above and beyond the ECS money that they will be receiving?

Through you, Madam Chair -- or Madam Speaker. Excuse me.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through -- through you, Madam Speaker.

First, I want to thank the good gentleman from
Winsted.

REP. CASE (63rd):

And other towns.

REP. WALKER (93rd):

And other towns.

REP. WALKER (93rd):

Yes, thank you. And I -- I do say that I
enjoy your visiting in the Appropriations area,
because you come very frequently, and so we
appreciate the conversations.

So, through you, Madam Speaker, could you ask
the gentleman to identify those lines again,
because I did not hear exactly what lines.

REP. CASE (63rd):

Page 50 --

SPEAKER SAYERS:

Representative Case.

REP. CASE (63rd):

Through you, Madam Chair. Sorry.

Page 50, line 432, 437 -- through 437.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Yes. Through you, Madam Speaker, that amount has been allocated to the City of Bridgeport for the Department of Education.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Case.

REP. CASE (63rd):

Through you, Madam Speaker.

And for what purposes? Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker. The City of Bridgeport has had a shortfall in a variety of different items, and, through you, this has been provided through a grant, through State Department of Education aid.

Many of the cities that we have around the state have had needs for additional support in a variety of different areas, and this is just one of them.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Case.

REP. CASE (63rd):

I appreciate that answer, Madam Speaker, and I'll move on to try to get to the point where I am.

If we go to the ECS line, just pull it up here, for the City of Bridgeport, what is the increase for the City of Bridgeport?

Through you, Madam -- Miss -- Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

Through you, Madam Speaker. I guess it's approximately -- without doing the math, it's approximately five or six million dollars.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Case.

REP. CASE (63rd):

Thank you, Madam Speaker.

Through you, Madam Speaker, the increase is actually \$2.8 million, and with another \$1.9 million of the special monies, for a total of \$5.7 million.

I see a large increase in their ECS, and I can respect that, and I like that. I'm just -- when you go back to our districts, they're going to ask the questions, especially mine, with a broke education system, why is one particular community getting above and beyond when we have others that are struggling just as much for various reasons?

And I'm just trying to find out the reason why this particular city is struggling and when you have one municipality in Connecticut who had to go out for themselves and tax their citizens. It was very difficult to do.

Can the good Chair answer that?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through -- through you, Madam Speaker.

The circumstances that we see here, we are not fully informed. There are a variety of things that go on in every city, and there are actions that are being taken by every city.

Many of the school districts are applying for alliance dollars, Commissioner's Network dollars,

expansion and magnet schools or a

Variety of other areas.

We do not know -- there could be school construction that was allowed in -- in the school of Bridgeport -- I mean the City of Bridgeport might add to that also.

Just looking at the line items and seeing the increases does not tell the true story of what is actually going on, and so I would hope the good gentleman would -- if he's very interested in that, we would be able to pursue that individual, but since there are 169 towns, we don't know all the details of every one.

But I think the city is -- has asked the state to help them in certain areas. The State Department of Education goes through the process of asking the questions and trying to make sure that we are providing the -- the adequate support that is necessary to elevate our educational systems throughout the state, and they also take into account the need -- the per capita cost and what their actual applications are going to be.

So because of that, I would not like to try and make a judgment call in that increase right there.

So through you, Madam Speaker.

SPEAKER SAYERS:

Representative Case.

REP. CASE (63rd):

Through you, Madam Speaker.

I thank the good Chairman for her answer. I look forward to the time we can sit down, because it's always good to get the answers, and you know I'm not afraid to ask the questions.

And when we see the documents, I try to go through. If the good Chair saw my documents, she would probably be standing up the same amount of time, the good Chairman of Appropriations -- of Human Services was, but I won't do that.

Moving on, just two more quick questions for you. Page 17 in the budget document labeled T-216 and DAS.

Can we explain that line item of an increase for I believe vehicle purchases?

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker.

Could he give the -- the good gentleman give

me the exact line? I'm sorry. "T," as far as I heard.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Case.

REP. CASE (63rd):

Through you, Madam Speaker.

T-216.

SPEAKER SAYERS:

Representative --

REP. CASE (63rd):

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Walker.

REP. WALKER (93rd):

Through you, Madam Speaker,

I don't know exactly what -- what the line item fleet purchase is exactly, but I would suspect that emergency services and public protection, it could be state police cars, it could be administrative cars, it could be maintenance of their services, maintenance of their equipment.

Through you, Madam Speaker.

SPEAKER SAYERS:

Representative Case.

REP. CASE (63rd):

Through you, Madam Speaker.

Once again, I thank the good Chair for her answers.

I guess I'll sum it up with that. I was going to get into a little bit of the monies with CSCU, but Representative Lavielle sort of discussed that and answered that.

My concern is -- is just what the Chairman has just spoken about, and it's about the process and what we do.

And when we have a document here, I know -- I know her job. I -- I've seen her at work, and there's a lot to do when you're running Appropriations for a state with this size a budget, but it would be really nice for us to be able to go back to our constituents when we see a line item and be able to explain to them exactly what that line item is.

The one thing I have trouble with, and it's nothing against the good Chair, is I'm not sure what the money is going for, but we can find that out. But we need to vote on a budget tonight, and a little more detail would help me.

And I know I can research that, I can work with the good Chair and research that, but I have to vote on it tonight.

And with all due respect, once again, I do thank the good Chair for all her work and everything she does. I do thank the good Chair and the Chair of Human Service sitting next to her, for everything we've done for the people who don't have voices in the State of Connecticut within this budget, because, as the Chair of Appropriations will tell you, I was very boisterous on those points, and we needed to make sure that those people that don't have a voice do have a voice, and I think we have some great people on Appropriations that understand that.

And we have helped some in this budget. Would least we like to help more? Obviously, we would love to help more; but we have to be cautious with the money we spend and cautious in looking at our future.

With that said, I will end my -- my speaking on that and pass it on to somebody else at this time, but I'd also like to thank one other person, and that is the Clerk of Appropriations, Susan.

I mean, Susan Keene has done an amazing job.

She keeps us informed, and when the good Representative Chair is not there, Susan always is, and I'm sure she will be getting some questions from me soon. But thank you, Madam Chair.

SPEAKER SAYERS:

Thank you, sir.

Representative Shaban.

Representative Simanski of the 62nd.

REP. SIMANSKI (62nd):

Thank you very much, Madam Speaker.

Colleagues, I've got a little bit of a story to tell you. The final chapters haven't been written, but I really think this story can end with a happy ending.

Actually, the tale begins with my own personal journey and my own personal discoveries.

Like everyone else, I developed my character, I learned my principles and my values by emulating my parents as I grew up. My financial principles I primarily learned from my mom. She worked in a small company. She managed a front office, and part of her responsibilities were keeping their books.

Now, my dad was a tool and diemaker; and even

though he never graduated from high school, he was one of the smartest people I ever knew. My dad could look at a blueprint and build anything in the world.

Now, dad got paid every Friday, so Saturday morning, mom would go to the bank bright and early. She'd cash dad's check. She'd come home. She would take out her box of envelopes, and then she would physically put the appropriate amount of dollars and cents into each and every expense envelope that she had.

Now, mom had expense envelopes for everything. There were envelopes for all the utilities, for the lights, for the phone, for the electric, for the gas.

There were envelopes for insurance payments, car expenses, clothing, food. She even had envelopes for vacation expenses and for Christmas expenses. Yep, that's right, mom had an envelope. She started savings for Christmas gifts the first paycheck of every new year

Now, as society advanced and mom and dad got their own checking account, obviously my mom didn't need her system of envelopes anymore, but her financial principles remained exactly the

same.

She knew exactly how much dad made, exactly how much money they could spend, exactly how much money they should save. And as far as long-term obligations, they only had one. That was their mortgage payment. Everything else was bought for with cash.

Now, when I married my wife, Marie, she and I both applied the same financial principles we learned from our parents to our household budget.

We knew exactly how much money we made, exactly how much money we could spend. And we knew we wanted to buy a house some day, so we started putting money aside which would eventually become the down payment for that house.

We were blessed with our two sons, Bradford and Clifford. Expense budgeting became a little bit more complicated because we needed more money for the myriad expenses that come from raising a child.

We needed more in clothing. And we certainly needed a lot more in food when those two boys became teenagers.

Now, when it came to long-term financial obligations, in addition to our mortgage, we knew,

inevitably, we'd have to help our children with college loans, so we thought about how much money we would have to borrow for that.

We thought the probability is we would have to replace our vehicles and we'd probably need a car loan for that. So we put some money aside for that.

Now, Marie and I back in those days, we didn't know much about GAAP principles, but we did have some common sense, so we knew

How much we could spend and how much we made and how much we could borrow.

As the kids kind of got older, moved out, went on their own, another aspect to our budget process became a factor, and that was our legacy. What would we leave to our children when we passed on.

Now, I'm a man of modest means. I got a house that will be paid off in just a couple of years. I've got a couple of nice guitars in addition to my wife's engagement ring. She's got one or two pieces of nice jewelry. We have a small bank account.

Now, our children will not inherit much, but they will not -- they will not inherit any debt.

When I became the First Selectman for the Town of Granby, I wanted to apply the same financial principles I learned from my parents, the same financial principles that Marie and I used in our household budget. We wanted to apply them to the Town of Granby's budget.

Well, the town manager quickly set me straight. He told me how naive I was. He didn't use the word "stupid," but he implied it.

And then he went on to talk about why that wasn't possible. And I said, Well, if we can't do that, we should at least run the town like a business. Again he called me naive.

He pointed out all the myriad things a town has to do. You got to keep paving the roads. You got to keep plowing the roads. You've got to provide services for recreation, library services, social services. He went on and on and on.

Well, it didn't take me too long to find out I'm really not that stupid, that not only can you run a town like a business, but by law, you have to run a town like a business.

I found out that according to statute, our town would be audited every single year by an independent company. Those auditors look at every

nook and cranny in your budget. They look at everything in the revenue column, everything in the expense column, everything in the encumbered column.

They look at your General Fund to see that it's healthy, and they especially look at your long-term liabilities to make sure you're funded at the appropriate actuarial level.

I'm proud to say that every year they found a couple of little things, recommendations, they called them, which we quickly fixed before the next budget cycle.

I found out that you have to run your town like a business because there are companies called bond rating agencies, and I found out that you want to get a good bond rating to make your capital projects more affordable when you have to do it.

I'm proud to say that over the years while I was First Selectman we built a brand-new police station, a brand-new central office for our Board of Education, a brand-new senior and youth center.

We expanded our town hall. We expanded our high school, building a brand-new auditorium/gymnasium, and we expanded and

renovated each of our two middle schools and high schools.

Now, the biggest learning for me why you have to run your town like a business is because every year when I would present the budget to the town, the townspeople, the taxpayers, are no different than stockholders in a corporation. They insist on getting a good return on their investment. They want to see that their tax dollars are appropriately spent.

So every year during our annual town meeting, I'd have to talk about the items in our revenue column and explain them.

I'd have to justify the items in our expense column. I would have to tell them about our General Fund, why it's good to put some money in the bank in case you have any unforeseen expenses.

I'd also have to explain to them why you couldn't put too much money in, because when it came time to negotiate with your bargaining units, if you had too much money, you were considered a rich town, and you'd be at the short end of that negotiation. If you went to binding arbitration, you were guaranteed to lose.

I would also have to explain the various

items that were for other long-term liabilities and explain to them the actuarially established appropriate level that we needed to maintain.

I'm proud to say that each of the eight years that I was First Selectman, the town overwhelmingly passed our budget, because those stockholders in the Town of Granby saw they were getting good value, a good return on their investment.

Now, when I became elected as the Representative for the 62nd District, I was going to apply the same financial principles I learned from my parents, the same financial principles that Marie and I used in our household budget, the same financial principles that I learned from running the Town of Granby. I wanted to apply them to the state budget.

Well, I have to tell you, I was shocked. All those financial principles were turned upside down. I felt like I was walking into the middle of a tornado. Nothing made any sense.

When I looked at the things in the revenue column, I find out that we would do things like commingle our Special Transportation Fund, the fund that should be A Fund.

I found out what they meant by gimmicks, sweeping funds, quick fixes. And the one thing that really shocked me and surprised me, I found that we can give our state treasurer a line of credit and delude ourselves into thinking that was a revenue stream.

Excuse me. When it came to looking at the expense column, things got even a little more confusing, a little strange.

I discovered this thing called a constitutional spending cap. It was something that nobody really paid much attention to. We would just increase it every single year.

When it turned out that we were in jeopardy of exceeding this spending cap, well, we would simply do things like you know that \$500 million sunset for our hospitals, we'll just extend it a little longer. The corporate surcharge we were supposed to sunset? Ahh, we'll just extend it a little longer.

Those economic recovery notes that we were going to pay off? Ahh, deal with that at some time in the future. Don't worry about it.

And then when I found out even if we did all of that stuff and we were still in jeopardy of

exceeding the spending cap, well, we'd have to get a little creative, so somebody can't move an idea.

Let's just take Medicaid funds and move them out of the budget. Don't worry about it. Not a problem.

Basically, I discovered that anytime the State of Connecticut wanted to buy something, they simply did. Just borrow a few more bucks or bond a few more bucks. Don't worry about it.

Then I discovered the 2,000-pound gorilla in the room, the gorilla that nobody wanted to talk about, our unfunded liabilities. It was such a huge amount that it was crushing the life out of the State of Connecticut.

It was such a huge amount, it couldn't be paid off in our lifetime, our children's lifetime, great-grandchildren's lifetime. It was huge.

When people talked about our unfunded liabilities, they spoke in a quiet voice so as not to wake up that gorilla.

I heard such things as, Hey, don't worry about it. It used to be 70 billion but it's down to like 60 billion now. Don't worry about it. Shhh, don't wake up that gorilla.

Now, I got to tell you, I wasn't elected to

be a whiner or complainer. Like everybody else in this great, esteemed chamber, I was elected to make Connecticut just a little bit better than when I first took the oath of office. I was elect to be a problem-solver.

How do you solve a problem? Actually, that's a rhetorical problem. To solve a problem, you dig down and you ferret out the root cause.

When I started looking at Connecticut's budget, separating fact from fiction, it became readily apparent to me that our problem is Connecticut is addicted to spending. Yes, Connecticut a spending addict.

Now, before you call me naive, like our town manager, before you poo-poo my idea and call me crazy, I want you to stop for a minute and think about the symptoms of our disease.

I had an uncle who was an alcoholic and a grandfather who was an alcoholic, and both of them died from their illness.

What happens when you confront an alcoholic with their addiction? It's another rhetorical question. You run into denial.

I'd hear things like, "I'm not addicted to alcohol. I can quit anytime I want. Besides,

tomorrow's a new day. Things will get better."

Really? That's not true.

Whenever I would try to confront someone in the State of Connecticut about our spending addiction, I similarly ran into denial. We're not addicted to spending. "We can quit anytime we want. Besides, tomorrow's a new day. Things will get better. You just wait and see."

Then they would create this mythical illusion, this fantasy world where suddenly money was going to come pouring into our coffers. Connecticut will be cash rich. Everything will be better. Really?

That sounds like denial to me.

When you confront an alcoholic with their addiction, if you can get past denial, if you can get a little chink in the facade and start talking about the disease, then the blame game starts.

An alcoholic has got at least 101 different reasons why they drink. When I would get a call at 2:00 in the morning to go drag my Uncle Nick out of the VFW bar, one of his routine excuses was the painful memory of being in -- a medic in World War II and seeing his buddies die in his arms.

I would tell him, Uncle Nick, I can't even

begin to comprehend how horrible those memories are, but, Uncle Nick, you're sick. You need to get better. He would look at me with mournful eyes. He would put his hands on my shoulders and say, Willy, you're right. You're right. That was my last drink. I promise.

I wasn't privy to my grandfather's excuses, but I do remember my mom and dad constantly shaking their head and saying there's just one excuse after another.

Whenever I would try to confront someone in the State of Connecticut about our spending addiction, if I could get past denial, if I did get a little chink in that facade and start talking about our disease, then the blame game started.

I heard such things as, Hey, it wasn't me. It was all those evil governors before me. They're responsible for this mess that I'm in.

I can tell you I heard a good excuse the other day. Someone said it's all George Bush's fault. But I digress.

When I would point out that it wasn't the Governor but the Legislature that was responsible for the budget, then the excuse would simply

change.

It was all those evil legislators before me. They're responsible for this horrible mess that I'm in.

Colleagues, stop. Enough already. No more denial. No more blame game. We, the Connecticut House of Representatives for 2014, we are responsible for the financial health of the State of Connecticut from this day forward. The financial health of the State of Connecticut is our responsibility. It's our duty. It's our obligation to our taxpayers.

An alcoholic lives from one drink to the next, from one day to the next. They will not look into the future, because it's pretty horrifying to think of a day without a drink in their hand.

An alcoholic will not look into the future and confront the inevitable consequences to their disease, because it's slow, painful and terrorizing to think about cirrhosis of liver that will kill them.

We, us, this legislature, we can't continue to live from one budget to the next, from one year to the next. We must look into the future and

confront the inevitable consequences to our spending addiction, a slow, painful and agonizing and horrifying financial death.

Colleagues, what will our legacy be? What will we pass on to the next legislatures? In the future, will we be remembered as the legislature that confronted our spending disease, the legislature that turned things around?

Will our successors inherit a state that's on the road to financial recovery 10, 15, to, 30 years from now?

Will our successors inherit a state that's actually in the black using real GAAP principles, a state that's vibrant and alive, thriving and growing, a state that has opportunities for everyone, a job for everyone?

Or, or, will our legacy be a state that's on financial life support, a state that's gasping for its last final breaths.

Colleagues, those are the only two options, financial health or financial death. I truly believe that we, the Connecticut House of Representatives for 2014, we are facing right now a financial crisis, a life or death situation.

Colleagues, I consider it an honor and a

privilege; I consider it a blessing to serve with each and every person in this esteemed chamber.

I know many of you personally on both sides of the aisle. I know we all have good hearts. I know each and every one of us wants to make Connecticut a little better than when we were first elected.

But, colleagues, we have to look into the future. We have to confront the inevitable consequences of our spending addiction.

Colleagues, I feel your pain. I know it's horrifying and terrorizing to look into the future and face that inevitable financial death. I feel your pain. Believe me, it's no easier on this side of the aisle. It hurts.

But, colleagues, we must get better. Colleagues, we can get better. I'm a visual person. It helps me sort things out if I create a picture in our minds.

I have a picture that when it comes time to press the button. The person has their finger poised over the green button. I can hear the wheels spinning in their head as they say "I'm not addicted to spending. I can quit anytime I want. Besides, tomorrow's going to be better."

I can see as they have their finger poised over the button, they close their eyes, take a deep breath and breathe out. Ahhh, that felt good.

Conversely, I have a picture in my mind of a person getting ready to press the red button, and their finger is trembling. They're grabbing with the other hand to stop the tremors.

To me, pressing the red button is like symbolically getting to the front of the room and identifying yourself. "Hello, I'm the State of Connecticut, and I'm addicted to spending."

Colleagues, please, please, please, when it comes time to vote, don't bury your head in the budget, but look into the future, to the inevitable consequences of our spending disease if we don't stop.

Please join me today, take the road to recovery. Press the red button. "Hello? I'm the State of Connecticut, and I'm addicted to spending."

Thank you, Madam Speaker.

SPEAKER SAYERS:

Thank you, sir.

Representative Miner of the 66th for the

second time.

REP. MINER (66th):

Thank you, Madam Speaker. Good evening.

I rise for the purposes of offering a friendly amendment, if I could. It worked twice in the Appropriations Committee. I thought I'd go for it.

SPEAKER SAYERS:

I'm not sure how to respond to that.

REP. MINER (66th):

I got the response I was looking for in the corner. The Amendment is LCO 5278, if the Clerk might call and I be allowed to summarize, please.

SPEAKER SAYERS:

Will the Clerk please call LCO No. 5208 that shall be designated House Amendment Schedule "B", and the Representative has asked leave of the chamber to summarize.

THE CLERK:

House Amendment "B", made by a friendly member, LCO 5208, offered by Minority Leader Cafero, Minority Leader McKinney, et al.

SPEAKER SAYERS:

The Representative has asked leave of the chamber to summarize.

Is there any objection to summarization? Is there any objection?

Hearing none, please proceed, sir.

REP. MINER (66th):

Thank you, Madam Speaker.

Madam Speaker, the amendment is probably a duplicate of what we had released earlier. It's our budget. This is our road map into the future.

Madam Speaker, what this budget does, actually is include a number of the initiatives that are included in the underlying bill, oddly enough.

We all attended the same hearings and the same meetings. We have very similar interests in many ways; and like the budget before us, which we were seeking to amend, we, too, had to make some adjustments to what we originally thought maybe two or three weeks ago.

Madam Speaker, what this budget does is it continues the spending in the important areas, additional spending over previously adopted budget, maintaining provider base rates and additional provider base rate of \$15 million, maintaining money for Katie Beckett waiver, ABI waiver, increases to vocational agriculture

spending, one percent COLE increase for home care services, Madam Speaker, and we also fund the DDS waiting list for another \$4.4 million.

On this side of the aisle, we heard some of the pleas from people in the public. We're very much aware of the importance of the eligibility for the Renters Rebate program. That's included in our budget. It also includes Mental Health Initiative, which was an interest of the Governor. We have included a hard hiring freeze, I think, as embedded in the underlying bill.

We also include a number of decreases in order to compensate -- in order to make this budget fundable.

In terms of what we make recommendations on on not only the current budget, projected surplus, but a projected surplus from the year before, as has been the practice in the past couple of months, we would like to continue to support a \$15 million special appropriation for the payment of unemployment compensation interest for the small businesses and large businesses in the state.

We also make as a part of this budget additional contributions to the long-term

liabilities, some in ERNs and some in pension.

And I move adoption.

SPEAKER SAYERS:

Question before the chamber is adoption of House Amendment Schedule "B".

Will you remark? Will you remark further?

REP. MINER (66th):

Thank you, Madam Speaker.

I think we all recognize that this process is -- is really about choices, and some of them are not easy.

There were increases in spending included in the Governor's original budget, some, in fact, that were included in the Appropriations budget, and we as a caucus went through this list. I think we recognize while we would like to do many of them, we felt that given our economic climate, we had limitations.

This budget recognizes a -- a progression in terms of last year's budget having an increase for this year's budget in terms of cost of living, and we think it actually puts the important dollars in the State of Connecticut, as limited as they are, in the areas where we think most of the people in the State of Connecticut would want us to include

spending.

I would hope that the members of this Assembly would join me in supporting the amendment.

Madam Speaker, I would ask when the vote be taken it be taken by roll.

SPEAKER SAYERS:

The question before the chamber is on a roll call vote. All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

REP. MINER (66th):

See what happens when you ask for a friendly amendment?

SPEAKER SAYERS:

I do believe the requisite 20 percent has been met.

REP. MINER (66th):

Thank you, Madam Speaker.

SPEAKER SAYERS:

Care to remark further? Will you care to remark further on the amendment that is before us?

If not, will staff and guests please come to the Well of the House. Will members take their

seats, and the machine will be open.

THE CLERK:

The House of Representatives is voting by
roll. Members to the chamber, please. The House
of Representatives is voting by roll. Members to
the chamber, please.

SPEAKER SHARKEY:

Have all members voted? Have all members
voted? Will members please check the board to
make sure your vote is properly cast.

If all the members have voted, the machine
will be locked and the Clerk will take a tally.

SPEAKER SHARKEY:

The Clerk will please announce the tally.

THE CLERK:

Mr. Speaker LCO 5208 amended by House "B".

Total number voting	144
Necessary for passage	7
Those voting Yea	52
Those voting Nay	92
Absent not Voting	7

SPEAKER SHARKEY:

The amendment fails.

Would you care to remark further on the bill
as amended?

Representative Moukawsher.

REP. MOUKAWSHER (40th):

Thank you, Mr. Speaker.

I just want to speak briefly. I am not going to vote for this budget, and I voted for many budgets over the years here, and I want to just express why, very briefly.

From the beginning of the process in this legislative year, including even back in December when we had our -- our retreat, I've expressed my concern about future deficits, and I -- I've expressed my belief that given the forecast we had of deficits in '16, '17 and '18, the best thing we could do would be to try in some way to mitigate to reduce those deficits so they are more imaginable, because we are going to have to deal with them, as I see it, in the future.

When we -- when we heard the Governor's address, I remarked that I was concerned about the fact that we weren't addressing these future deficits. When the Finance Committee considered the rebate, my sole concern about the rebate was that I wanted to save that money to apply to the future.

I'm very unhappy and sad that the surplus

which this rebate was going to come out of has disappeared.

I would much rather have seen that surplus continue, and then I would have loved to have seen it apply to the future. Unfortunately we don't have that now.

And I hope I'm wrong. I mean, I know that I -- this is a point of view, an opinion that I have. I have a concern about our future and our financial situation.

I know that a number of other people feel that the -- the economy is turning, that we are going to be in a better place in '16 and it won't be a problem. We will be able to manage it.

I hope I'm wrong, but I -- if I had a reasonable belief in my -- in my mind, if I had some doubt that -- and I had some reason to think that, you know, I could rely on us being in a better place, I wouldn't take this point of view, but I am concerned about it.

I realize there's been a great deal of work. We've had to shift gears when we got some economic bad news or financial bad news.

A lot of people have done a great deal of work. I regret not being able to support this,

but I really feel that we're missing an opportunity to make life easier for ourselves and more stable for the future.

I've been concerned for a long time that our budgets have not been sustainable, and I'm afraid that what we've seen in these last several years has indicated that they're not.

So regretfully, I can't vote for this. I would like to say that I -- I really appreciate the efforts of our Chairs, the Appropriations Chair and the Finance Chair, and I just want to express -- I'm on the Finance Committee -- it's been a joy to work with Pat Widlitz, and she's done a wonderful job.

Thank you.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on the bill as amended?

Representative Wood.

REP. WOOD (141st):

Oh, that -- thank you, Mr. Speaker.

I just have a few comments. One, I would like to echo my colleague, Representative Kokoruda, in thanking Representative Walker for

all her work on the budget.

It's a tremendous -- I've been on Appropriations now three terms, and the work is unbelievable, how much there is and how much depth we get into, and certainly so many kudos to you and all your work and diligence and due diligence, and the same to Susan Keene. So thank you for that.

I also do remain very concerned about the sustainability and the debt we're incurring when we borrow to cover operating costs, and I would -- I would hope that going forward we can look at changing the way we structurally deliver some of the services in this state.

I, too, regrettably will be a no on this budget, despite all the tremendous work of Representative Walker and so many members on the Appropriations Committee, but I -- I am concerned and I think we do need to make some changes going forward, so --

But again, thank you. Thank you,
Mr. Speaker.

SPEAKER SHARKEY:

Thank you, Representative.

Would you care to remark further on the bill

as amended? Representative Gaborone.

REP. JANOWSKI:

Thank you, Mr. Speaker.

Thank you very much, and I -- I reluctantly got up. I know it's all getting late and we're kind of getting ready for -- for hopefully a nice day off tomorrow, but I just wanted to get up and point out a few things on this budget and first echo the comments that all have played towards the Appropriation Co-Chairs.

I feel that I have learned so much from watching you really dive into the process, share openly when I ask those questions at Appropriations. I really am truly appreciative of it.

Chairman -- Co-Chairman Bye as well, coming in new in the middle of the season, all of the work in our subcommittees, I really do appreciate it.

When I went through this budget, you know, we got it last night, and as you probably know, I was highlighting it right away this morning. So I've gone through it pretty well, and I do have a lot of questions, but I'm not going to ask them. I'm simply going to make some points for the record.

But please know that I do appreciate your work.

The points for the record I'd like to make, Mr. Speaker, are a couple of things.

First, in Sections 30 and 31, we do a lot of relying on OPM to make a lot of cuts, and that really flies kind of in the face of the work of Co-Chairs of the Appropriations who are always so laser-focused and driven to appropriate every dollar.

And yet in the budget, we're relying on OPM to cut I think it's almost \$18 million, if my -- my calculations are correct, and that is really not representative of the process that my colleagues on the other side of the aisle have gone through for the last five months, giving that ability away to somebody else when they are fully capable, and frankly, I think more capable and qualified of making those decisions.

So I just want to point that out, that for me, that's a problem.

It's a real big problem, \$18 million, allowing that administration to make those cuts when, frankly, I think that's what we are elected to do.

Also, I want to point out my deepest

appreciation for the Co-Chairs of the Conservation and Development Subcommittee for hearing me on state park funding.

This is the second time I've really sat at that table, and Representative Flexer and others sitting there begging for dollars for our state park system. It means a lot to me that it was put in. I don't know if it's still there.

It's a question I'm not going to be able to ask because of lateness of the day, but I'm concerned.

I'm concerned when I look at the state park funding and I see yet we're moving dollars, \$40,000, to promote an open week -- day for our state park system when, frankly, we're not dressed and ready for that day because of the lack of some deferred maintenance and other things.

Lastly, two other quick areas. We had a lot of discussions in subcommittee regarding the funding for CTN, and I notice in this document that we are increasing CTN dollars by \$500,000 not just this year but going forward every year, and I have some concerns about that and what that loss of \$500,000 is going to do, because it was fees we were getting from the cable companies.

And lastly, I would also want to just quickly mention the Department of Transportation deficiency. One of those deficiencies is for \$7 million, and in our OFA document it says that part of that deficiency is due to winter storm costs and funding, contractual services.

And then the bottom I think is the most telling. It talks about the need to repair our DOT truck fleet, and we need to repair roughly 39 percent of our fleet.

And I think that goes right to some things my residents, my constituents, have talked the most about, which is our chemical salt treatment and what it's doing to our roads, their vehicles, our bridges, our infrastructure.

So we're replacing \$7 million. We're going to replace 39 percent of fleet of our DOTs now, but we really don't know what that effect is going to be in our infrastructure, although our residents every day complain about the results of that to their own vehicles, and I know it's going to be an issue in the future for our bridge and road construction.

So for those reasons and many others that I won't articulate tonight, I, of course, will be

voting no against this budget, but not because of lack of hard work from my colleagues on the other side of the aisle. In fact, just the opposite, because I've learned so much from you, and I've learned to dig deep.

So I appreciate the opportunity to speak.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, Madam.

Would you care to remark? Would you care to remark further on the bill as amended?

If not, staff and guests to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll. The House of Representatives is voting by roll. Will members please return to the chamber immediately.

SPEAKER SHARKEY:

Have all members voted? Have all members voted?

Will members please check the board to make sure your vote is 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:

HB 5596, as amended by House "A".

Total number voting	146
Necessary for passage	74
Those Voting Yea	91
Those Voting Nay	55
Absent Not Voting	5

SPEAKER SHARKEY:

The emergency bill passes as amended. Are there any announcements or introductions?

Representative Noujaim.

REP. NOUJAIM (74th):

Thank you, Mr. Speaker, and good evening, sir.

SPEAKER SHARKEY:

Good evening, sir.

REP. NOUJAIM (74th):

Mr. Speaker after a long day for a general announcement.

Representative Camillo, business in the district; Floren, FUNERAL district; LeGeyt, family business; Srinivasan, business in the district; Molgano, business in the district; Larry Miller,

**S - 676
CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
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Mr. Clerk.

THE CLERK:

Is in possession of Senate Agenda Number 2, dated Saturday, May 3, 2014. It's been copied and distributed.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, I move all items on Senate Agenda Number 2, dated Saturday, May 3, 2014 to be acted upon as indicated and that the agenda be incorporated by reference in the Senate Journal and the Senate Transcript.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, would move that we immediately take up from Senate Agenda Number 2 Emergency Certified House Bill 5596, AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2015.

THE CHAIR:

Mr. Clerk.

THE CLERK:

House Bill Number 5596, AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2015.

cah/gbr
SENATE

20
May 3, 2014

THE CHAIR:

Good evening, Senator Bye.

SENATOR BYE:

Good evening, Madam President, how are you?

THE CHAIR:

Fine and you?

SENATOR BYE:

I'm fine, thank you.

Madam President, I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE CHAIR:

Motion is on acceptance and passage.

Will you remark?

SENATOR BYE:

Yes thank you, Madam President.

The bill before us tonight represents a lot of work by many people who I'd just like to take a moment to thank. My Co-Chair, Representative Walker, who just brought the bill out downstairs. My colleague, Senator Kane, who's worked closely with us this session. Subcommittee Chair, Senator Crisco, Duff, Maynard, Hartley and Gerratana and their House Co-Chairs and really all members of the Appropriations Committee and I'm sure the Finance Committee, as Senator Fonfara, my colleague, will thank them tonight.

I also want to make sure to thank Sue Keane who is just such an able administrator. Also in the House to thank Representative Miner who, like Senator Kane, though sometimes we disagree, we work together.

Also to thank Kyle Abercrombie who's been an -- an incredible help in this process. Lawrence Cook who

always helps to get focused: Our clerk, Brittany Kane and the clerk Liz Gillette and all of our clerks and interns.

And this place would not run without our incredible nonpartisan staff in OFA and LCO. We are really grateful for their professionalism and also the partnership of the administration, the Governor, Lieutenant Governor and the Office of Policy and Management and Secretary Barnes.

Madam President, this is my first time bringing out a budget and it's very exciting. I would say what struck me the most this session is the bipartisan nature of working on a budget together and realizing how much we have in common. Of course there are differences but we work together.

Madam President, to begin the debate I'm going to review some broad things about changes to the budget and then I'm happy to answer questions from colleagues.

The first thing I'd like to say is this is a responsible budget. It has a 2.5 percent increase for all funds. When you compare that to the years 2006 to 2011 when we had consistently budget growth of more than 4 percent.

Four years ago we were faced with a 3 and a half billion dollar deficit of the state and now, this year, we are going to deposit funds in our Rainy Day Fund for the future.

One of the important changes to this document since it first arrived to us was we heard from our cities and towns that they needed support. And though at first we -- the Governor had proposed increases to pilot, this Legislature increased those.

We also increased education cost sharing. This is important because it helps towns hold the line on increasing property taxes which is a very regressive way to tax and they've said to us for years we need to help them and I believe this year we took a step forward.

The other thing, Madam President, is many people in our state have been struggling for numerous reasons but they've had a hard time finding jobs and we have challenges with people who are long-term unemployed. Even as our economy recovers and the unemployment goes down, a lot of times it's those folks who've had the biggest challenges in life who aren't -- are the last to come in the workforce.

So we have funded programs that are proven successful for the long-term unemployed as well as summer youth employment. I know when I go out in my district and I talk to employers, they say young people coming in have not had enough experience in the workplace. They really need summer job experiences and when you talk to people in our cities, in our small towns, there's not enough funding for summer youth employment. So we think this gets young people off on a good foot supporting them.

Another part of this budget that I think speaks to our values as a state are the improvements in housing supports for the young, for our veterans, for seniors. Our Governor has shown incredible leadership in this area and we've built on that.

There's funding in this budget for youth homelessness, housing opportunities for veterans. We've reopened the rental rebate program for seniors. We have rental assistance for low income families and families who are struggling to maintain their housing which makes it hard to raise families.

There's supportive housing in this budget for populations who need help to live more fully integrated into the community.

We also paid attention to the quality of life because we know that's why people lived here and we heard from members that their communities needed help in events and in the environment to maintain that quality of life, whether it's a lake or a jazz festival and other events like that, we've made those investments. We make important investments in our state parks, our museums and in protecting our environment.

Madam President, we've had an incredible session of

bipartisan support to help families in need. Families who are struggling who have adult children and young children with developmental disabilities, residents and families who are struggling with mental health challenges and we've been able to put \$4 million in the budget to help the Department of Developmental Services get families -- get people off the waiting list for housing.

We've also addressed some of the challenges in the mental health system by making grants available to providers and increasing Medicare rates so that access for people who need mental health supports is there.

And working with the Human Services Committee, we've added positions at the Office of the Healthcare Advocate just to help people triage through the mental health system which can be so complicated and families aren't getting the reimbursements they need or finding the appropriate help.

Finally, Madam President, I want to focus on how we as a body, Republicans and Democrats, have committed to building on one our straights -- state's great strengths which is education. Just tonight we took final action on bills that would improve access to preschool, moving toward universal. There's money for improving kindergarten to third grade reading, for early college and strategic investments in higher education, building bridges between high school and colleges, keeping college more affordable and spending and efforts to improve student success because that's a smarter investment when students get to a degree, they get jobs and they help our communities.

Madam President, I want to reiterate my gratitude to the Governor and all the members of this Legislature, Secretary Barnes, and most of all our citizens who provided hours and hours of their time providing us feedback on the initial budget we were presented.

Everyone in the Circle got emails, phone calls, sat through hearings that helped to form what became our budget.

I urge adoption.

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SENATE

24
May 3, 2014

002476

THE CHAIR: (S) (M) (A) (C) (S) (M) (A) (C)

Will you remark? Will you remark?

If not -- oh, Senator Kane.

SENATOR KANE:

You thought it was going to go on Consent ha, Madam President.

THE CHAIR:

I sure tried, sir.

SENATOR KANE:

I would imagine that there will be some debate and probably some no votes along the way.

THE CHAIR:

Really?

SENATOR KANE:

Yeah. I -- I kind of -- I kind of think so and for -- for a number of reasons which I will -- might get into later but first, if I may, I'd like to have a -- throw a few questions to the good Chairman of the Appropriations Committee.

THE CHAIR:

Will you proceed, sir?

SENATOR KANE:

I will, thank you, Madam President.

And let me say that, you know, certainly Senator Bye and I have philosophical differences when it comes to spending but she is a -- a person of integrity, great strength and just a good person to work with and I appreciate that very much working with Senator Bye.

I truly enjoy the Appropriations Committee,

:

Representative Walker and of course, as -- as -- Senator --
Bye mentioned, all the staff and -- and the people at
OFA and -- and most especially my Ranking Member,
Representative Miner.

But when we do put aside the camaraderie we still have
to debate what's actually happening in the
Appropriations Committee and the actual budget that
we're going to be voting on, or the mid-term
adjustment I should say, that we're going to be voting
on this evening.

So I do have some questions because things do change
between the Appropriations Committee process and today
and during the Appropriations Committee process, Madam
President, it's true, we -- we do work very well
together and do have a -- a collegial atmosphere and
there was some bipartisan input in the budget process
certainly when we report to the Chairs on the
subcommittee work.

But I must say at -- at the end, and when our JF
deadline hits, the leaders, the Chairs of -- of the
Appropriations Committee and the leaders certainly
meet with OPM and the Governor's office and put
together the budget without Republican input.

So let's be clear that yes we do get along well, we do
have input, but there comes a time when the
Republicans are only seeing this budget tonight. It's
-- it's true. We -- we just received it because the
work gets done in -- in closed meetings for people
like myself and -- and Representative Miner and our
leaders and that's too bad because I know we've worked
very well together and especially during the deficit
mitigation package of two years ago.

So I -- I hope in the future that's not the same and
-- and I'm sorry to make you get up but -- and -- and
to go on like that but yes I do have some questions,
through you, Madam President, to Senator Bye.

THE CHAIR:

Please proceed, Ma'am -- sir.

SENATOR KANE:

I've been called worse. Don't worry, Madam President.

The -- can you speak to, Senator Bye, the -- the out years. What's going to take place after this mid-term. What OFA is predicting. What OPM is predicting. What yourself, what you are predicting is going to take place during the out years.

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you, Madam President.

And thank you for that question, Senator Kane. The projections are a deficit in the out years. I will say that that projection acts as if you cannot control spending and, as we've shown in this budget, we have balanced the budget and if there's a shortfall in a year, we will balance the budget.

So the out year projections, when we did our budget, like when you did your alternative budget, had deficits into the out years.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And -- and what is that projected out year deficit?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you for that question, Senator Kane.

Through you, Madam President, in the out years it's in the area of \$1 billion if the committee did not take action to make expenses match revenue.

Thank you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

The deficit is it increased through this budget?

Through you, Madam President.

The potential deficit that's anticipated.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Senator Kane, I believe it has increased slightly just like the budget that we did for fiscal year '15 increased slightly and, over the past week, we've had to make adjustments to come to balance working with the Governor's office who understands the spending and how the government works as well as anyone. We were able to make those cuts just like we would into -- in the out years.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

Yes I -- I do agree with you that -- that this budget increases the out year deficit. When you refer to our alternative budget, there is projected deficits but they were not increased, they were actually lower than the expected deficits but, you know, that's -- that's neither here nor there.

That's certainly something that we are going to have to grapple with come next session and beyond and it's interesting when, you know, the administration talks about how they entered the -- after the election and entered office they inherited a deficit and here we are putting forth a budget that has a deficit in the out years too. So I just want to make sure we're -- we're clear about that.

Outside -- in general fund expenditures, can you speak to the amount of dollars that are now outside the general fund. I believe there's some pretty large changes to the general fund. If you could speak to that.

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Madam President, there were a number of expenditures outside of the general fund as -- as there are in -- in each budget with special funds and I would be happy to answer any specific questions about those.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

My understanding in this bill the -- that there is \$65

cah/gbr
SENATE

29
May 3, 2014

002481

million outside the general fund. If -- is -- is --
are my numbers correct?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, I will take your word
for that, Senator Kane.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

Yeah if you look at -- you know there's -- it's all
over the place. Sections 1, 5, 21, 19, 21c, 21b, 24,
it adds up to \$65 million that are outside the general
fund expenditures. Is -- the reason for that, Senator
Bye, is that to avoid the spending cap?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you, Madam President.

I'm sorry I was requesting some information to help me
with the answer before I heard the end of your
question.

So through you, Madam President, what might -- this is
what my wife deals with all the time.

THE CHAIR:

- Senator Kane, will you repeat your question?

SENATOR KANE:

Mine too. Madam President, what I was asking is about the \$65 million that is outside of the general fund and expenditures not appropriated through the general fund. Can you speak to some of those expenditures as it relates to the spending cap. Is this a -- is this a way to -- well let's -- let me -- before I ask that, how close are we to the constitutional spending cap?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you, Madam President.

I wanted to be sure I had the right answer. As I understand it we have \$23 million under the spending cap.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And if we're \$23 million from the spending cap, and this is -- there is \$65 million outside of the general fund, is that a way to get that number below the spending cap? Is that part of the reasoning?

Through you, Madam President.

THE CHAIR:

Senator Bye.

cah/gbr
SENATE

31
May 3, 2014

SENATOR BYE:

Through you, Madam President, the reason for some of those spending -- that -- that spending is that there are special funds set up for special purposes and so that is sometimes the reason. But certainly we have significant room under the spending cap and more now than we did at the end of the Legislature's process.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

Yes there are special funds but, for example, immunization services was something that was always in the general fund and this year has been moved to the insurance fund. So that's new, that's different. So that's where my question is. Do we -- was it a way -- do you -- well do you believe that it's appropriate for that to be in that fund or is it just a way for us to get ourselves within the -- the constitutional spending cap?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, I believe it's an appropriate use of that fund because it improves health and -- in the long term and it comes from the insurance fund which comes from an assessment on insurance companies.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And the \$65 million that I'm -- that I'm speaking to, there are other funds as well. So I mean was that something that was considered this year and I know this is your first year as the Chair of the Appropriations Committee but I know you've served on the Appropriations Committee and -- and was a -- were a -- a Vice-Chair.

So I'm just wondering if there's any history or knowledge that we've done this before. Is the first year we've appropriated these type of funds?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, the Finance Chair, Senator Fonfara, would like to enter and since this is one -- in one bill and he is on the Finance side and it's about how we are spending certain revenues, I will ask him to answer Senator Kane.

THE CHAIR:

Senator Fonfara, will you accept the yield from Senator Bye?

SENATOR FONFARA:

I will, Madam President. Thank you.

And thank you, Senator Bye.

I'll do my best to answer the question. There are currently ten appropriated funds of which the insurance fund is one. It generally is related to specific industries, banking fund and the insurance

fund, and because currently insurance companies or private held companies are paying a fee for this immunization program, it would be appropriate -- I believe it is appropriate to have the fee that is collected by those companies be deposited into the insurance fund and then have that pay for the program directly as opposed to having the fees go into the general fund and run the program that way.

So it's a consistent approach. The fees come from the insurance companies who -- who pay into the insurance fund and the insurance fund will then run the -- fund the immunization program.

Through you, Madam President.

And -- and I would just say that to the tune of \$31 million is what is being funded from the fees.

Through you.

THE CHAIR:

Thank you, Senator Fonfara.

Would you remark? Senator Kane.

SENATOR KANE:

Thank you, Madam President.

I'm not quite sure if Senator Fonfara would like to field this question or back to Senator Bye but there's also \$3 million from DEMAS grant for substance abuse, \$7 million DEMAS grant for mental health services, \$19 million for CSU, a million six for the Governor's scholarship, a million for after school programs, I mean the list goes on and on. These are certainly not examples of what Senator Fonfara mentioned.

Through you, Madam President.

THE CHAIR:

Your question is to Senator Fonfara or Senator Bye?

SENATOR KANE:

I -- I don't -- it doesn't matter who wishes to respond.

THE CHAIR:

Okay.

Senator Bye.

SENATOR BYE:

Thank you, Madam President.

Just to use one of the examples that Senator Kane asked about, the \$10 million, we were looking for a way that we could keep mental health providers, people who treat people with addictions, in business because that system is so fragile because of the way it's funded in trying to reach many people and we believed it was a very appropriate use of the tobacco settlement fund to fund those grants and so that was we felt aligned with the purposes of the tobacco settlement fund.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

I -- I thank Senator Bye for -- for offering that. I haven't even gotten to the -- to the rating of special funds yet. That -- that will be another discussion. The overall spending in this budget, is it higher or lower than the enacted budget?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Madam President, if I can just look at my binder for the final number. I will --

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

The Senate will come back to order.

Senator Bye.

SENATOR BYE:

Madam President, as I understand it, it is \$40 million under the original appropriation.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And -- and I thought that would be the answer and -- and the -- I think the answer to that question is because we've moved all these spending from the general fund and that's -- that's kind of the point of my argument or the point of my questioning is yes it looks that -- looks as if spending is lower because it's moved from general fund obligations to the -- this -- these special funds.

So yes sure it looks great because we look like we're lower than the enacted because what we've done is we've kind of moved the -- the spending from one checking account to another checking account. It's like -- it's like saying, you know, when my wife comes home and says well, you know, I didn't spend as much

this year because what we did was we put it on the credit card or we used this account instead of the checking account that we both share.

What about the Governor's budget. Is this budget, the mid-term budget, mid-term adjustment, higher or lower than the Governor's proposal?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Madam President, I believe it is lower and I would also just like to respond that many of these special funds were being used before changes were made in the budget -- in our Legislative original budget because we felt that was appropriate and the total of the 65 million is three tenths of 1 percent of our budget.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And in your original remarks when you brought the bill on the floor, you mentioned that spending increased 2.5 percent and overall I see in the fiscal note that's true but the appropriated is actually up 22 percent. Can you speak to that? Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Madam President, as I understand it, our budget is significantly less than it was. So that's my

cah/gbr
SENATE

002489
37
May 3, 2014

impression of this budget.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President, thank you, Madam President.

If you look to page 4 of 21 in the fiscal note, it says the appropriated change is up 22.8 percent. So I -- I would say that's more than an impression but it's -- it's here in black and white.

Can I ask another question in regard to spending? Madam President, the Comptroller came out the other day and talked about retiree health costs and how there -- we need to have another \$51 million for retiree health costs and I think it was in Department of Corrections if I'm not correct. Is that in this budget?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, no it is not.

THE CHAIR:

Senator Kane.

SENATOR KANE:

And -- and the reason for that, Madam President? You know if -- if the -- the Comptroller has come out and said that this is necessary. This is -- the \$51 million is needed because, you know, these are -- are retirees that have given their lives, their -- their entire careers to the State of Connecticut and especially in Corrections which is the most dangerous

job, certainly something that all of us respect and, you know, Senator Kissel I think can go on for -- for hours and talk about the -- the many Correctional officers that he has in his district.

And is it -- you're -- you're comfortable with that that we -- we have not funded this retiree health cost although the Comptroller has stated that it's necessary.

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, Senator Kane will remember that the Committee did, in fact, fund the 51 million in our original budget. Because of some of the shortfalls that have come, we looked again at that 51 million. We had conversations with the Office of Policy Management that was comfortable that they could meet their obligations which is why they had their original budget without that.

So the Committee has -- has a level of comfort that the Office of Policy and Management will be able to meet their obligations to retiree healthcare.

Through you, Madam President.

THE CHAIR:

Senator Kane.

Thank you, Madam President.

And that conversation that you had with the -- the -- you know the Committee and -- and with the administration, did you have any conversations with Comptroller Lembo about it?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, yes I have met with the Comptroller on a number of occasions this session to keep track of any number of things and I've found him to be very helpful.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And did he recommend for the Appropriations Committee to not fund it?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, the Comptroller did not make any recommendation to me. He provided me with information and, as you can see from the two different versions of the budget and now I think it is an open question and I think you're asking a fair question that we gave due consideration and in our last version of the budget came out without funding that -- those.

Thank you, Madam President.

THE CHAIR:

Thank you.

Senator Kane.

cah/gbr
SENATE

40
May 3, 2014

002492

SENATOR KANE:

Thank you, Madam President.

So your conversations did not include you or Representative Walker or anyone from the Committee specifically asking Comptroller Lembo if they should fund it?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, we had a conversation about it. I -- I think the Comptroller sees his job as providing information and us looking at many things and making our best judgment based on the demands on the budget about how to fund it.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And when you say that the Comptroller provided you information, did he provide you information that it should be funded?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Madam -- Madam President, like Senator Kane I -- I

read the Comptroller's projections as well as speaking with him about them. I don't recall any recommendation, as I've stated twice previously. He provided us with information.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And, you know, that's interesting to me because, you know, Comptroller Lembo has come out publically and -- and stated that this \$51 million needs to be funded and yet we don't take his input on what should have been put -- placed in this budget.

Now I know all of us in is room share the -- the respect of Comptroller Lembo and appreciate his work and -- and his understanding of the issue and if you're -- have the opportunity to have conversations with the Comptroller and -- and not have a direct conversation about this particular part, it -- it's interesting to me and -- and I'll -- I'll leave that alone for now but I -- I do believe that certainly if Comptroller Lembo comes out and states that this should be funded, the Appropriations Committee should take that recommendation into consideration and, in fact, place it in the bill that we have in front of us today.

I -- I would love to have a conversation with Comptroller Lembo about this at some point and -- and probably I will.

The -- in the Appropriations Committee when the budget came out, there was a revenue intercept and I've never even heard of a revenue intercept before. You know it's something that, being on the Appropriations Committee for six years, had never seen and my understanding it was a way of just taking revenue from one side of the ledger yet not appropriating it on the other side.

So I'm curious if that a) is still in there, b) if so, how much and then c) if -- if it is, why isn't it an appropriated fund and why aren't we showing that in our budget?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you, Madam President.

Through you to Senator Kane, that intercept is no longer in the budget. We funded the Board of Regents initiative through a sweep of the college student loan, I want to say foundation or fund, it's an FCFLF, and we also funded some of it out of the general fund.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

So obviously the -- the Committee did not agree with the Governor's proposal of using such a -- an option.

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, Senator -- Senator Kane is getting I think at something that's really important because of our consensus revenue and the questions about whether to use the intercept and --

and as I listen I -- I'm reminded of my first-year as Chair of Appropriations realizing how complex finance is and how complex budgeting is and how many different opinions there are about how to do this or that and that's why we have committee meetings and listen to experts and make our best judgment.

In our original budget, we did take the Governor's recommendation to do a revenue intercept. It was seen as a one-time infusion of funding, one that was critical to keep tuition down, begin new programs and make investments for our college students at the state university and community colleges.

As things shifted with the budget and as Senator Kane knows they -- they shifted a lot and in a few weeks just like they did in many other states, we did not. We -- we realized that there are \$30 million in the -- the college student loan fund that was not being used for any purpose and to us discovering that we thought that was a better use of those funds because they're there to help students get college in an affordable way and so \$19 million of the CSU funding comes from that source and the rest from the general fund.

Through you, Madam President.

THE CHAIR:

Thank you.

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

So what fund did you reduce in order to get that appropriation into this program?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

The college student loan fund. There's \$30 million and -- for purposes of funding the Governor's scholarship, to keep college affordable and CSU we used \$24 million of those funds.

Through you, Madam President.

Or 25 million, excuse me.

THE CHAIR:

Senator Kane.

SENATOR KANE:

I think part of that was the CHET Baby Scholars Program. Is that correct?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Madam President, it may have also been used to fund the CHET Baby Scholars Program. I -- I appreciate the clarification from Senator Kane.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And -- and you just mentioned that the -- the world of finance is very complex and so I want to ask you a more complex question. This is one that certainly I was unaware of until our budget person, Lisa Hammersley, who -- who helps me out a great deal, brought to our attention.

But can you talk about debt service premiums?

Through you, Madam President.

THE CHAIR:

Senator Bye.

Senator Bye, (inaudible).

SENATOR BYE:

Through you, Madam President, I will do my best and ask for assistance as needed.

THE CHAIR:

Senator Kane.

SENATOR KANE:

My understanding, Madam President, is we trade higher rates for upfront cash. Is that your understanding as well, Madam President?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, I am not sure but if the Senate will stand at ease I will do my best to find out.

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

cah/gbr
SENATE

46
May 3, 2014

THE CHAIR:

The House will -- the Senate will come back order,
sorry.

Senator Bye.

SENATOR BYE:

Through you, Madam President, I am not clear about the
answer to that question, Senator Kane, and it seems
like you may understand how that works and I am -- I'm
happy to -- to take your explanation if you would like
to give one.

If not, I will have the Senate stand at ease and get
an answer and ask you to repeat the question.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Madam President, that's fine. You know certainly as
-- as we mentioned, it is a -- a very complex part of
finance but part of the -- part of the problem I think
is the increased spending that I talked about and our
ability to have a need -- not an ability, I shouldn't
even use that word, our necessity for -- for cash and
for spending.

And what we're doing is paying -- my mother used to
say robbing Peter to pay Paul and that -- I think
that's what we're doing here and that's just part of
the issue and it's -- it's not a big number certainly
but it's -- it's part of the -- the epidemic that we
have here with our spending problem in the State of
Connecticut and with this Legislature.

But let me just make one -- one or two more questions
and then I'd like to make a few points and -- and then
I'll -- I'll yield the floor.

Operation Fuel, I think it's in Section 23 and in the
fiscal note it talks about transfer 500,000 from the
system's benefit charge, a nonappropriated account, to

cah/gbr
SENATE

47
May 3, 2014

002499

Operation Fuel.

The state and -- and municipalities as rate payers would incur increased costs to the extent the system's benefit charge is insufficient to cover these expenses.

Can you speak to that? Is that a cut to Operation Fuel, Madam President?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, yes indeed I can speak to that unless -- oh Senator Fonfara is looking like -- do you want to speak to it?

SENATOR FONFARA:

(Inaudible).

SENATOR BYE:

Okay.

As I understand it, we're -- we work together so sometimes Finance and Appropriations interface and sometimes they're totally separate. I think this is one that goes in between. So people pay a fee on their energy bills that goes into a system's benefit chart that is then used to help people that need fuel oil. I think it's a way of helping those who would be in real trouble without fuel and -- and I think Operation Fuel is a wonderful organization and so that's how that is funded.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

But, you know, it is a cut of \$1.1 million to the Operation Fuel account. And I agree with you we -- we see these people who are in need come to the Appropriations Committee all the time.

And one of the organizations that I'm a huge fan is New Opportunities of Waterbury and -- and Dr. Gatling and his staff they do amazing work. I've been there, I've visited, and -- and seen the lines of people who are requiring assistance and how they are able to help those individuals all the time and I think it's something that really should be looked at closer because I'd hate to see this money being reduced for people who are certainly in need.

One last question on the -- I think it's still on the spending side of the equation so I -- I will ask it. But there is money in here for -- pilot money for state-owned and college and hospitals can use it. Can you explain who -- who gets that pilot money?

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, those dollars go to the cities and towns based proportionately on the amount of land in their city or in their community that is taken up by colleges, hospitals or state-owned property. These are organizations that don't pay property taxes.

So when a community has a lot of that space, it puts a big strain on property owners so the state reimburses a proportion of the value of that property as it would be taxed to the cities and towns.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And I appreciate Senator Bye for answering all my questions. You know it certainly has been a pleasure working with her on the Appropriations Committee. But you know I will still be a no vote on this budget and on this bill.

I'll tell you why. We have increased spending. This budget increases spending. The State of Connecticut -- I can't name one person, one business who has increased spending in the last four, five, six years. It's bad out there, Madam President.

Our unemployment rate is still high. We have seen the largest tax increase in our state's history, \$1.8 billion and it didn't work. When -- when the administration says that we inherited a deficit, yet in the out years we're going to see another deficit, something is not working. Something is not adding up and why is that? Because we continue to spend and spend and spend.

I've talked many times about the fact that I'm a small business owner and I deal with many other small business owners in my area and the attitude, Madam President, in Connecticut -- well you've seen the Gallup poll. I think it was on some of the websites, some of the blogs just recently, just the other day, that 50 percent I think, half the people in the State of Connecticut, want out. I mean that's not good.

The businesses don't feel any love either to use a -- a term that you hear about many times. Connecticut is the fourth worst state for business by Chief Executive Magazine. We're 45th for business by CNBC. Connecticut's economic trend is the worst in the nation, Hartford Courant.

The new tax ranks Connecticut in third place only behind California, number one, and New York, number

two, in terms of gasoline taxes. We're fifth in states with highest taxes. That's -- that's off a blog I found on the Internet.

Moody's says that Connecticut has the second largest pension liability in the nation, Hartford Courant. Two-thirds of small businesses have not hired anyone in the past 12 months. How's that for a stat?

Government attitude cited most by manufacturers as a reason to live -- leave Connecticut. Massachusetts and New York have recovered all the jobs that were lost during the recession while Connecticut is just 47 percent of the way back. Why is that?

Connecticut sales tax is tenth highest in the nation. Connecticut ranked worst state for retirement, MoneyRates.com. Connecticut Legislature has been voted least business friendly in the nation by Expansion Management Magazine. And we're ranked 7th by Forbes Magazine for the state with the highest number of residents fleeing our state.

The Institute for Truth in Accounting ranked Connecticut's financial status as the worst in the nation with a debt burden of 49,000 per taxpayer. My good friend, Senator McLachlan, found a -- an ad from Time Magazine, 1945, and it's -- it's pretty neat and what it says is you're now entering Connecticut, welcome. No state income tax and a state balanced budget. Well it was a long time ago huh?

Madam President, we are certainly traveling down the wrong road. We continue to spend when we don't have it. We continue to raise taxes when the taxpayers don't have it. We continue to place burdens on businesses when they can't take any more. Yet we stand up and we say we have a balanced budget. We've only increased spending slightly when, in fact, in -- in this -- the debate that Senator Bye and myself had, we went back and forth and we saw how we used special funds and we took money out of the general fund obligation and moved them aside so it looks like we're spending less.

We use terms like revenue intercept, debt service premiums, all these things that make the taxpayer, the

business owner, the retiree; the college kid say why would I want to live in the State of Connecticut.

Go up and down the constituency, they're all there and all of them will tell you that this is a very difficult state. On and on and on I hear from people that say check my Facebook status, you'll see them, why should I stay here? I can't take it anymore, enough is enough.

Yet we had an opportunity, with a mid-term budget, to fix this issue. To stop the runaway train and we lost it. We've missed that opportunity. We let it go by and we're going to pretend that everything is great and we have rose colored glasses on yet the deficit is around the corner.

And we'll be back here next year working on the same thing and I'll make the same speech probably but hopefully it's a little different outcome.

Thank you, Madam President..

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Good evening, Senator Frantz.

SENATOR FRANTZ:

Right on the money.

THE CHAIR:

Thank you.

SENATOR FRANTZ:

Oh 11:00 o'clock, not 12, thank God.

THE CHAIR:

I was always good with numbers, sir.

SENATOR FRANTZ: Indeed, thank you, Madam President.

First thing I'd like to say is that it has been a real pleasure to work with leadership on the Finance Committee. Senator Fonfara and Representative Widlitz are class acts to work with and we've done a lot of great bipartisan work and I'm not sure it has always been like that in the past and, despite some philosophical differences here and there on a few different issues, I think we've made great headway in terms of being able to become a very functional, effective and efficient committee. So thank you to you, Senator, and I hope Representative Widlitz is also watching tonight.

So that's the good news. The -- the bad news is that this -- this budget before us tonight, this budget adjustment that is before us tonight, is -- is something that I think we should all pay very, very close attention to before we vote for or against it because what I don't think we should do is continue endorsing something, a set of concepts, that basically just repeats what's wrong over the years, over the decades, with Connecticut and that is that we continually raise our spending.

We have not had, as far back as I have researched which is many, many decades, we've never had a decrease year -- of a year in spending. And I think one of the two most important responsibilities that we have as Legislators up here in the Capitol is to be honest with the taxpayers and the citizens of the State of Connecticut and also to be fiscally responsible.

If we are just solely those two things, then we have done the public a great service. We've -- we've assured they're going to have a future and we've also been honest with them so that they know for a fact that they can plan on that, that they can count on it, and they can run their families and their -- their businesses and investments and so on appropriately.

We also do have a responsibility to create a healthy environment in terms of learning, in terms of starting a business, in terms of finding employment. And I would argue that on the first two points we have been

-- a little bit, actually substantially less honest and fiscally responsible over the years than we probably should have been.

I think this budget is part of the problem, or it sums up what -- what the element is as a larger part of the -- the larger problem. And I think Senator Kane did a good job of outlining some of the different rankings that the State of Connecticut has unfortunately found itself in.

I'm going to try not to repeat some of them and I'll fly through these. But it's just astounding when you get pounded by all of these really low rankings over the years and I mean certainly for the last four, five and six years that I've been involved, it's devastating when you see some of these criteria come out.

We are number one in annual tax burden. I won't read the -- the sources because they're all reputable ones. We are the -- Connecticut has the third highest taxes. Connecticut is 45th for business environment. Connecticut ranks 46th in economic performance.

Connecticut income growth was the second lowest in the nation last year and the year before. Per capita personal income for Connecticut residents increased by 1.9 percent from 2011 to 2012, the second slowest growth in the nation.

Connecticut came right behind Rhode Island as -- at number two, with a 22 -- 20 percent of workers describing themselves as actively disengaged. Moody's says Connecticut has the second largest pension liability on a per capita basis in the nation.

Fewer people are now working in Connecticut than in 2010. Connecticut has negative job growth over the past 25 years. Connecticut ranked 45th in economic competitiveness. Barron -- Barron's rated Connecticut debt rate -- debt situation as the worst in the nation.

There was also a devastating Forbes article. I'm sure you all read it. It was well researched and it was a comprehensive article and summed up a lot of the

problems that Connecticut has faced over the years and faces today. Fiscal Policy Report Card gives us an F for our budgetary and fiscal policies.

So you know those are the symptoms and I think you have to put on your doctor's hat or I guess now APRN hat to figure out what the root cause of these problems are. And I think the best way to really skin the cat is to -- if you look back and you -- and you try to understand how -- how we got to be where we are today, it boils down to one thing if I had to simplify everything it's that we cannot resist spending and increasing our spending every year.

I know that democracy is a very, very expensive form of government. It also happens to be, in my judgment, the best form of -- of government in the world but it can get very expensive over the course of time and we all know that if you increase your budget by 2 and 3 and 4 and 5 percent over the course of time, you start to get into a compounding trajectory and it's unsustainable.

Let alone if you grow your budget over a 25 -- 24, 25 year period, it's just under 7 percent. I know that rate has come down here recently thankfully but it's something that is unsustainable because of the power of -- of compounding.

We need to -- we need to nip these problems in the bud. Unfortunately we're getting a late start at this and it probably should have started about 20 years ago in terms of being able to establish some much better disciplines in our fiscal doings and in -- in establishing a budget going forward.

There are far too many examples of other entities, municipalities in particular, I think there are 21 or 22 today, that are facing insolvency. The -- the glowing example being Detroit and I know no one wants to talk about Detroit but Detroit, during its heyday a few years ago, four or five years ago, was maybe 4 -- 2 million people and they're down to about 800,000 right now. I'm not sure how many of those people remaining are taxpayers. They're in a real serious bad situation.

There are 40,000 abandoned buildings. There are 60-70 percent of the streetlights out. Forget about calling an ambulance because it's going to take an hour and a half to get there let alone if there's a -- a fire in the neighborhood.

It was amazing. I did not believe this until I actually did some research on this. This goes back about three years. A wonderful four bedroom house in a suburb of Detroit, but still within the city limits, was going for in -- in auctions for \$8,700. For about three or four weeks that was the average price of one of these wonderful homes.

It would probably in Connecticut be worth many, many multiples of that. And if you want to do something interesting later tonight or maybe perhaps tomorrow morning, go on Google Earth. Go to Detroit. Zoom in, go the street level, spin around to get the panoramic view of what's going on there. It looks like a war zone.

It is unbelievable and it's worth looking at because it will scare you a little bit and make sure that you are thinking that fiscal responsibility should be paramount no matter what you're talking about, whether it's a municipality or a city. Connecticut at 3.6 million people is not that much bigger than Detroit was in its heyday at 2 million people.

We are looking at spending more this year -- this fiscal year in these adjustments and next year than we have the ability to raise and that's a scary thought especially if that occurs over many, many years which we know it certainly has in the past and the testament to that is how much money we have in state bonded indebtedness and also our longer term unfunded or underfunded liabilities.

These are monies that we keep spending but we don't necessarily have the money in hand to pay for so we borrow or we just don't fund in the first place because those are future expenses.

So consequently we're looking at roughly \$3 billion in the out years, '15 -- sorry, '16, '17 and '18 and that's holding everything constant. That's assuming

that we have the same number of taxpayers in the State of Connecticut and I'm not convinced that we do. It does take some time to figure out what the numbers are -- maybe six months or so to figure out what the numbers are. Are the larger taxpayers still taxpayers in the State of Connecticut or did they flee the state?

But this -- this is going to be very interesting data to look at when it does come out but I can tell you if any of the anecdotal stories that I have heard myself from people in a position to be able to move out of the State of Connecticut, we're in for some rude surprises going forward.

We had a rude surprise earlier this week when we found out that our \$500 million quote/unquote surplus was reduced down to \$42 million and maybe even less than that, depending on who you listen to and -- and depending on what happens here in the next couple of months towards the end of the fiscal year.

We know that we can't necessarily count on the tax base being there always for us with a constantly increasing cost structure. So I worry about that and we should be very, very attuned to what those numbers are. When DRS comes out with them and OPM and OFA and others, look at what that data is.

Please do not underestimate the possibility of the larger taxpayers in this state, and taxpayers in general, leaving. We just heard the -- the results of a -- a poll. The data is that roughly 50 percent of the people would like to move out of the State of Connecticut. That is just downright embarrassing.

So what's wrong with the state? We've got underfunded long-term liabilities or unfunded completely in some cases. We've got record bonded indebtedness. We have real budget deficits. If you take out what those of us in the private sector would consider a bit of a smoke and mirror -- a trick, whatever, we have in fiscal year '14, this fiscal year, we have close to a billion dollar deficit.

If we were truly using GAAP accounting or private sector accounting standards, we'd be looking at

roughly a billion dollars for this fiscal year. And so if we were a public company, and the 36 of us were the Board of Directors and stock and shareholders were the taxpayers and the citizens of the State of Connecticut, I think by now they would have fired each one of us individually and along the way they probably would have sold their stock.

And the analogy there to the real life situation in Connecticut is they might have moved and that is devastating for the State of Connecticut. So we have to be cognizant of that. We have to do a better job of running our fiscal house.

Through you -- through you, Madam President.

THE CHAIR:

Please proceed, sir.

SENATOR FRANTZ:

Thank you.

Through you, Madam President, I do have one question of Senator Fonfara, the Chairman of the -- Co-Chairman of the Finance Committee.

THE CHAIR:

Please proceed, sir.

SENATOR FRANTZ:

Thank you.

And, Senator Fonfara, the \$75 million in revenue that appear I believe it was sometime between 2:20 this afternoon and maybe 2:30, at the beginning of our meeting which is a little bit of a surprise, can you describe to us very briefly what that is.

What's your confidence level in raising that \$75 million is and -- and how much that I understand a certain portion of that is going to be an increased tax amnesty program Part B?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President.

Thank you, Senator Frantz, for your question and your kind remarks earlier. I would first clarify that it is not an amnesty program. It is not a continuation of the amnesty program but frankly the result of a lot of information and education and experience by the Department of Revenue Services as it relates to the -- the amnesty program that concluded in November of '13 and that was that, while as we know we had budgeted \$35 million in the amnesty program but realized a surprising \$190 million from that program, and it's what the Department of Revenue Services realized from that, that as successful as it was, it could have been more successful if they had certain tools available to them in which to work with taxpayers who weren't able to meet the requirements of the program as it was outlined.

And the Department believes that, with greater flexibility, they've identified those individuals and working with them they don't need legislation to do that. They can, within the regulations they have, pursue it but that, going forward with some greater flexibility, they can work with -- with those taxpayers and with greater technologies that are presently being used by the administration in terms of fraud and Medicaid and as such where they've been very successful this year and last year in being able to recover millions of dollars there using similar technologies, same company, very familiar with the process, to identify even further greater amounts of revenue.

That's essentially the confidence that we have that -- that this kind of number can be realized. And I'll -- I'll just say secondarily is that -- what it shows is that the recession, the prolonged recession, has been difficult on individual taxpayers, on businesses and they want to pay. People want to pay. People want to come into compliance.

This second initiative on the part of the Department will help people do that and help us as well in terms of recovering the revenue without having to raise taxes, without having to impose an additional fee but to collect the revenue that ordinarily we would but for a bad economy and with additional tools in which to collect that.

Through you, Madam President.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Yes, thank you, Madam President.

Through you, that sufficiently answers my question. That is the only question I will have. But I do have a rhetorical question I suppose for the Circle and that is if -- there's -- there's probably -- one of the following is probably -- following two possibilities are -- are possible and that is that, you know, we -- we haven't really exhausted all of our -- our revenue sources that are out there that we don't really know about.

I can't imagine this being something that's brand spanking new as of today and that would be one of the rhetorical questions I have. And the second is -- and I hope this is not true that we might be, you know, pushing the edge of the envelope a bit with respect to aggressive tax collection and I think Senator Fonfara gives me a little more -- a little more ease that that's probably not going to be the case but I would urge the Commissioner of DRS and the entire team there to not be too aggressive.

That's one thing that the State of Connecticut cannot afford is to have that kind of overly aggressive tax collection if, in fact, that is part of the strategy and I see no evidence of it overtly but I know that's always maybe perhaps a -- a temptation.

So to conclude, Madam President, we are, in my

judgment, in the fight of our lives to restore some fiscal stability to the foundation of this state. If we get this right, there is no doubt in my mind that we can -- we can preserve the greatness of this state and we can preserve the greatness of the future opportunities for the next generation and subsequent generations after that. If we blow it, I don't know what's going to happen but I'm an optimist at the end of the night.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark? Will you remark? Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President.

I stand in opposition to the budget before us for a number of reasons but I thought I would try to outline at least a few. Certainly the first and foremost is that the end result, when this budget is over, the budget before us that is completed, the next governor of Connecticut will be facing \$2.7 billion in red ink.

Now if I'm not mistaken, our current Governor has spent the last three years, or two and a half years, talking about inheriting a multibillion-dollar deficit and his last mid-term correction is doing exactly what he's claiming he inherited. Doesn't sound like he's learned his lesson.

We had more debt. We're borrowing money for things that are normally regular ongoing expenses. Not a good idea. There was a 100 multi -- tens of million dollar, I've forgotten the exact number but \$100 million seems to stick in my mind in a previous budget under this administration that said we will have a employee suggestion box of how to save money. It never happened.

Today, 15 minutes before the Finance Committee meeting, we learned about a new revenue source of \$75

million, unidentified. --I believe our esteemed Chairman of the Finance Committee did a -- did a yeoman's job trying to explain how the Department of Revenue Services would attempt to turn that number into real tax collections but it far exceeds whatever has been done in the past without an amnesty program.

So I suppose delinquent tax collections are a good idea that we try to collect them, no question about that. But is it realistic to expect \$75 million in this short period of time, especially given the fact that whenever there is a tax amnesty program, and it appears that we've had them roughly every three or four years here in Connecticut, the following couple of years of delinquent tax collections drops precipitously. Why? Well it drops because you've already scooped up the people who had delinquent taxes and still managed to have a little cash in the bank and you've settled for less than 100 cents on the dollar. You've cut your deals already with anybody that had some cash.

So I think it's unrealistic if you've already tapped all of those business owners in this economy to expect that you can snap your fingers and grab another 75 million in delinquent taxes in this coming year.

I think we also need to look a little more carefully at our environment in Connecticut today. Previous speakers, our Ranking Member of Finance, Senator Frantz and Ranking Member of Appropriations, Senator Kane, talked about numerous publications across the country that speak ill of Connecticut's economy and our business friendly environment.

Well I'm a commercial realtor in my other life and I can tell you from my observation that Connecticut has a way to go. But that's not really my opinion that matters. What matters is what does the building across the street tell us in foreclosure filings in Connecticut in the last 12 months, 20,400 foreclosure filings in the State of Connecticut in 12 months.

That's 20,400 families, businesses impacted. Take 3-4 -- 3.4 people to that number and you're looking at an incredible number of people who have been essentially kicked out of their home. Now some will say, of

course, some of those will be resolved and they'll hold onto to their property and we hope that works out.

But think about that for a minute. And then I looked at it a little more carefully in my hometown of Danbury because I wondered how is it relative to the geographic areas of Connecticut and how is the economy on a more closer look? How are the local economies doing?

And so the 12 month number -- and I -- I don't have the exact one in front of me, I left it on my desk at home, was approaching 600 in the last calendar year. So if just Danbury alone had a little less than 600 but there's 20,400 in 12 months statewide, that tells me, if Danbury is the seventh largest city in the State of Connecticut, that tells me that there are some communities in Connecticut that are literally hammered, hammered with foreclosures.

Probably explains why there have been Legislators of some of the bigger cities and some of the communities in Connecticut with high unemployment rates that have been advocates for foreclosure mediation program enhancements and helping communities deal with foreclosed properties that are now vacant.

This is not rhetoric. This is reality. And this doesn't happen because we were the unlucky recipient of a recession. This happens, and is happening to Connecticut, because the rankings that my predecessor speakers talked about mean something.

If you're going to be unfriendly to business, if you're going to be a high tax cost state, if you're going to continue to spend deficits, you can't improve your economy and it shows, 20,400 foreclosures registered with the Judicial Branch across the street from this building.

Madam President, this budget is bad and it's bad because it's not reality of our economy and it's not reality of the ability of the residents of Connecticut to pay for it. I urge rejection.

Thank you, Madam President.

THE CHAIR:

Thank you, sir.

Will you remark? Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President.

Madam President, because of the lateness of the night, I'm not going to really be asking any questions. I think what I'll do -- and certainly the fine individuals that have worked so hard on this budget, and they have worked so darn hard on it, if they want to comment on it, I would welcome that as well.

But I'm just going to point out a few things that I noticed in this -- in the various budget lines that were actually reduced and, in some cases, eliminated that give a little bit of cause for concern and I will try to just very briefly go over that and just make a brief concluding remark on this particular very important budget process that has just been concluded.

Under the Office of Governmental Accountability, there's a couple of line items there that gave me concern that were zeroed out and that was the Child Fatality Review Panel and information and technology initiatives for that particular department.

Additionally, the Judicial Review Council and the Judicial Selection Commission. Additionally in the Office of Policy and Management there has been an actual increase in personnel services and that just peaked my attention in that department when, in fact, so many others were reduced.

Included there were reimbursements to towns for loss of taxes on state property and that was actually increased so I was presuming that that may have something to do with the new pilot policy that was being put in place.

However, there was a reduction to distressed municipalities, property tax relief, elderly circuit

breaker for over \$20 million, property tax relief for veterans as well. Hopefully that may be included somewhere else but that was something I noticed.

In the Department of Veteran Affairs there was reduced or eliminated support services for veterans line item. Burial expenses and headstones were also eliminated in that area.

Under the Department of Administrative Services, I noticed that \$3 million was eliminated for the Connecticut Education Network and also for state insurance and risk management operations which was a bit of a concern.

In the Department of Criminal Justice the witness protection program was -- was eliminated, at least the funding portion of that. The expert witness account was also taken out and what I did see as a reduction was in the Medicaid fraud control line item and that one particularly was of interest because, in fact, this budget bills quite a bit of new tax revenues based on further enforcement in those that are delinquent in taxes but also in eliminating Medicaid fraud.

So that is why I -- you know that caught my attention because it was actually a reduction. Hopefully they have enough personnel and IT services to continue that -- that particular area.

They also took out funding for the Cold Case Unit. The Department of Emergency Services and Public Protection was also reduced under the workers' compensation claims area by over \$4 million and there were a number of fire training schools that were also defunded. The new one I particularly noticed was the one in Willimantic.

Under the Department of Education, which is an area of great -- you know concern and interest for many of us, I see that we had funding eliminated for basic skills exam teachers in training as well as for the teachers standards implementation program.

The Commissioner's Network, \$17 million, Bridges to Success common core interestingly enough and that's an

area that has gotten quite a bit of attention in the last year in an area where it is seen that many school districts are looking for more assistance from the state to have that implemented.

Additionally there was reduction in the special master, the American School for the Deaf family regional educational services and a couple of areas in transportation for school children, \$24 million in fact, was taken out of this budget along with another \$3.5 million for nonpublic school transportation and excess cost student based.

Under the Teachers Retirement Board, the contributions -- retirement contributions of 984 million appeared to disappear in this latest budget proposal that we're voting on this evening along with municipal retiree health insurance costs of over 5 million.

In the Department of Children and Families, grants for psychiatric clinics for children was something -- \$15 million that I was -- you know gave me a little bit of concern and that was something that I needed to highlight as well as a reduction of \$10 million in the probate court account.

Now some of the others, the last few that I have here, have much to do with the state's obligations and the fact that it appeared that we were reducing our obligation and -- and payment into particularly in debt service. It appeared that we were reducing by \$50 million a payment of debt service as well as pension obligation bonds.

And under the State Controller, under fringe benefits, we're also reducing by 22 million the higher education alternative retirement system as well as pension and retirements and other statutory line items.

There are a few more in that area as well. Under the employer's social security tax it appears that there was going to be a reduction of 7 million as well as other health service costs and retired state employee's health service costs as well I think that were already mentioned previously.

My other area of interest is in transportation of

...course and just very briefly some of the reductions in those line items that I was concerned about was the highway and bridge renewal equipment and highway planning and research area. Hopefully that will continue. And also a fairly large reduction under bus operations of \$146 million.

And again other state retirement contributions that were reduced. One line item under the State Comptroller was \$130 million.

Something that our good Senator McLachlan from Danbury mentioned was foreclosure and I notice here that, under our Judicial Department, we've reduced by nearly \$6 million our foreclosure mediation program. Hopefully there's still money in there to continue some of that service but that was a cause for concern.

As was just mentioned the foreclosure situation in Connecticut seems to continue and is higher than in most other places in the country speaking to the dire financial condition that many of our residents experience.

And finally the last thing I wanted to bring up was the erosion of the principal of the Connecticut Student Loan Program and Student Loan Foundation which was just mentioned and all of which is going for very good causes, very good programs, however, it is always dangerous to really get into the principal of a fund because in that -- in that sense you essentially could eliminate and -- and possibly end up closing that particular fund once you run out of it.

Typically when you have a foundation, you spend off of the investment returns that you -- you achieve and you're able to preserve your principal so that it's there longevity to continue its good works. So that is of tremendous concern as well as a number of diversions from the tobacco settlement.

Notwithstanding, as I said previously, all the very hard work by the Chairs and the Ranking Members of the Appropriations Committee and the Finance Committee, the budgets that have been put forward, the budget deficit mitigation meetings and other consensus revenues that we have looked at in the last year or

two and even this year and even this week I have found that, in the view of most Connecticut residents, there's a strong feeling that we are very unrealistic in those projections and in our budgets, including this very budget itself.

There's a sense, and a deep sense, that they are unrealistic particularly in the real world where most people live in. There are some that equate Hartford with Rome burning while fiddling around and looking to us to find a financial fire extinguisher to put out that fire and start rebuilding our financial house. Really to put it back in order.

You know the reality of our financial condition that has been deteriorating every year, not improving as most of the country is, is that this budget relies on \$75 million worth of additional tax collections from tougher enforcement of delinquent taxpayers and some would say we have gotten as tough as anyone can be.

In addition to fraud investigations, and as I pointed out previously I was concerned that that line item actually had showed a reduction, hopefully this will produce a result because both sides of the aisle had mentioned this many times.

It also doesn't fund \$51 million worth in retiree health costs which is a concern because someone has to pay them at the end of the day. There are also \$10 million in savings associated with the hiring freeze even though this budget funds 489 new state employees. It seems counterintuitive.

It raids even more funds and relies on one-time revenues on top of what is already -- have been enacted and it bonds more for operating expenses.

The budget is unrealistic as any previous budgets that we've really been talking about because it also anticipates higher sales revenues and higher use taxes even though it predicts lower income taxes because honestly our personal income is going down. Jobs haven't recovered. People are looking to leave for greener pastures. Just this week the Gallup Poll tells us that one in every two of our residents would leave if they could do it.

They would leave because living and doing business here is too costly and others have already mentioned the various news headlines. However, if in fact people have less income, it means that they have less spending and if they spend less there will be less sales taxes collected which makes this budget unrealistic.

We'll have less inheritance taxes, less in gas taxes collected you know because when people have less income they will spend less and we will have less tax revenues. Government should do the same as what our residents are doing but it really hasn't.

It's really time to also stop blaming everyone else, previous administrations, previous presidents, the sequester, the capital gains changes because you know what other states have to encounter the very same challenges that Connecticut does and they are doing better. That's the hard reality.

It's not the revenues that's the problem, it's our spending rate. In the worst times Hartford has spent 7, 8, 9 even 10 percent more. We've had salary increases right now that are 3, 4 and 5 percent. This spells danger ahead. That's what we're looking at.

You can ask any realtor that's out there, they just simply talk to their clients and they will tell you just how dire the situation is here.

So that is really some of the thinking behind why some of us find it very difficult to vote in favor of this budget because honestly we will be at the same place where we are right now in the months ahead unless the really hard work and the difficult decisions were made.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark? Will you remark? If not -- Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

I just would like to take a moment to -- to thank a few people who, on the finance side of this process, really were -- just gave me so much help in doing my job and made my job a lot easier. In particular my -- my Co-Chair, Pat Widlitz, who is just phenomenal to work with, my Ranking Members, Senator Scott Frantz, who's just a gentleman through and through and very thoughtful, Sean Williams who is retiring down in the House but someone who I've had the opportunity to work with not only here on the Finance Committee but previously as my Ranking Member on Energy and we're going to miss him greatly.

To my partner, Senator Beth Bye, who is not only a hard, hard worker but is bringing so much to this process and a quick, quick learner on an incredibly tough committee. We put in a lot of hours but the Appropriations Committee and the Chairs put in so many more and just grateful to work with you, Senator Bye.

To our LCO Attorney Anne Brennan Carroll. Folks up in Office of Fiscal Analysis Michael Murphy, Chris Wetzell, Linda Miller, Evelyn Arnold. And in the Office of Legislative Research Rute Pinho and John Rappa.

And the Finance Committee staff, of course, our Committee administrator, Mary Finnegan, the most organized person ever, Billy Taylor and Mattie Grabinski, our Caucus staff Derek Slap and Carolyn Treiss and to the administration, Ben Barnes who I've really enjoyed working with in the last couple of years on this committee, Jean Karcasa and Karen Buffkin and in -- in particular my aide Jessica Inacio and Dave Steuber on the Senate research staff.

And to the other members of the Finance Committee who both -- on both sides of the aisle, who have been great to work with.

Madam President, I'd just like to say the hour is late as was mentioned earlier and it's getting later but

cah/gbr
SENATE

70
May 3, 2014

from our side of the -- of the ledger this is a revenue package that this actually \$40 million less than what we had projected in revenues a year ago at this time, \$40 million less out of a \$17 billion budget. That's a pretty good estimate and pretty close to the mark and we know that we had a blip in January.

I would use the analogy of someone who has an interview with their -- with their boss and it's a -- they get a great performance rating and generally when that's happened they've anticipated they'd be getting a bonus some time down the road and you start to plan for that bonus. Maybe you look to put some money away in a savings account. Maybe you look to -- to give some to your -- your children and maybe you decide to invest in your home a little bit and then you find that low and behold there's no bonus that comes forward and you have to go back to your expectations that you established earlier in the year.

And that's essentially what happened here. A year ago we established a budget with revenue projections. The numbers came in rosier for most of the year and then our Governor felt he wanted to give money back to the people who had sacrificed over the last three years, who paid the bill, who -- who embraced the call for shared sacrifice and said let's send some of that back. Let's put some of that and expand our Rainy Day Fund because we could at that time.

And let's invest in children and let's invest in -- in this state further in higher education and otherwise. Unfortunately that -- that bonus did not come forward and we had to reconcile that and we've spent the last -- the better part of the last two or three weeks, as the numbers began to come in and we realized that the revenues weren't there, to go back to the drawing board and produce what is a very responsible budget with -- we continued to have some of the things that the Governor proposed.

Extending -- reestablishing the -- the tax exemption on nonprescription drugs which will happen not as early as the Governor would have liked or we would have liked but it will happen. The -- the sales tax exemption on clothing won't happen as quickly as the

Governor would have liked or we would have but it will happen.

And we will be paying the fourth quarter on the municipal revenue share -- savings account -- or sharing account this year that was due last year. So towns -- cities and towns throughout our state will be benefiting from that as well. And yes a controversial initiative but this budget does not involve the creation or establishment of Keno.

So, Madam President, I think all in all it's a very responsible budget and from our side of the -- of the ledger that we have worked hard in partnership with the Appropriations Committee, in partnership with the Governor and -- and yourself, Madam President, and the administration to put forward what I think is a responsible budget and the tax package for the citizens of the State of Connecticut to go forward in fiscal year '15.

Thank you, Madam President.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark? Senator McKinney, good evening, sir.

SENATOR MCKINNEY:

Good evening, Madam President.

You know, Madam President, I've been listening to all of my colleagues speak on the budget tonight as we do every time we adopt or -- a -- a new budget or adjustments to an existing budget and I was sitting in my office listening thinking that the people at home, if they're watching, or when they watch later, have to be shaking their heads.

If they've been reading the newspapers, if they've been watching the news the last couple of days, they're probably growing increasingly frustrated and asking what are they doing in Hartford.

We've heard Senator Bye as the Chairwoman of Appropriations bring out and talk about some very good things in the budget. Some good programs that will help people in the State of Connecticut and many of them are. And when you're spending \$20 billion a year you better have some good things for the people of Connecticut in there because every single one of those 20 billion is coming from a hard-working person.

You hear people on our side of the aisle talk about some of the other facts to this budget. And people have to be wondering how can they be looking at the same document. We've heard the budget is balanced from one side. We've heard it's not from another. Now maybe you don't want to take our side but at least even from your side with the Comptroller we've heard it's not balanced because we forgot a \$51.6 million payment that we're contractually obligated to pay.

We've heard the budget gives modest tax cuts from your side yet from our side we've shown that it increases taxes a little bit. In fact that tax increase swallows those modest tax cuts.

We've heard about making difficult cuts to spending from your side yet on our side we've shown how we actually spend more money this year than the government spent last last. How does this make any sense?

..

And I think that's the problem. We've gotten all caught up in numbers. How much are you increasing spending? What are we going to do to go after tax delinquency? Is it going to be 75 million plus or minus? Do we have to make that contractually obligated payment to the pension?

You know what real people don't care about that. Here's what real people care about. It costs them more to go to work because gasoline prices are up. It costs them more to live every day because taxes have gone up. It costs them more to feed their children because food prices have gone up. It costs them more to put clothes on their children's back because clothing prices, through higher taxes, have gone up.

They hear our Governor talk about, and Legislators,

talk about a \$500 million surplus one day and a drop of revenue of \$452 million the next. We hear our Governor talk about things are good, things are getting better in Connecticut and I have not met people yet who agree with that. They say, John, where is that happening because it's not happening in our life?

I talk to small business owners whose business is down, whose cost of doing business is up. You talk to people who work harder for -- who work harder for less. People have had their hours cut. People have had their jobs laid off and they say how come we hear all this good news?

Small business owners, whether they're launder -- laundromats or dry cleaners or gas stations or CPAs or law firms are saying we're paying higher taxes and you're giving hundreds of millions of dollars away to multibillion corporations.

Talk to real people in Connecticut. Talk to the families. Talk to the small business owners. I promise you they will tell you things aren't getting that much better. That there are dark clouds still over our state. That's the frustration. That's the frustration.

We are here again for the fourth year in a row to adjust or adopt a budget that has been a purely partisan one. Other than the deficit mitigation package, we've had partisan budgets. And you know what, that's your right. The people in Connecticut elected a Democrat governor in 2010. They've elected Democrat majorities in the Senate and the House. But you own the budget and you own the economy we're in. It's time to stop blaming others.

This is the fourth year. We've spent more in government every single year than we did the year before. This is the fourth year where taxes gone -- have gone up every single year than they did the year before. This is the fourth year where government has borrowed more money than it did the year before.

Over four years our state debt is higher now than it was four years ago. And yes in 2011 the new Governor

and the Legislature sworn in faced a very difficult budget deficit, a deficit in excess of \$3 billion. Those of us who have been here when the economy crashed in 2008 were here when we faced an even bigger budget deficit that was as much as 7 to 7 and a half billion dollars.

And it's okay to acknowledge that those budget deficits existed if we're also going to acknowledge that the budget deficits continue beyond \$2.7 billion over the next biennium.

So I would ask all of you, as we leave the session and go back to our constituents, stop talking about the numbers and start asking people what it is that's happening to their families and their businesses. Ask them what we can do to make their lives better. Ask them if they think the solution to their problems has been for their families to spend more, for their families to borrow more, for the business owner to go into more debt because they're not going to tell you that.

In fact they're going to look at you like you're crazy because families in Connecticut haven't been increasing their spending and borrowing over the last four years because they can't afford it. And small business owners have been paying more money to government and not spending more money investing in their business and hiring more people.

Madam President, it's almost midnight. I promised Senator Williams I'd give him enough time to give his speech so we can get out of here by midnight as well.

The budget deficit mitigation package we worked on as Republicans and Democrats involved real tough choices to spend less money than all of us in this Circle wanted to a couple of years ago. I'm proud of those decisions we made and the work we did together.

I have to tell you that that -- that approach, that balanced approach, that bipartisan approach, the approach where Democrats actually reached out to us and invited us into the room, ended in a much better result than anything we saw before or after.

I would hope that regardless of how big a majority may be for one party or the other, if one party has control of everything in this state, that the days of locking out the minority party are over because it's not the right way to do business and it's not the right way to govern the State of Connecticut.

Thank you, Madam President.

THE CHAIR:

Thank you, sir.

Senator Williams.

SENATOR WILLIAMS:

Thank you, Madam President, good evening.

THE CHAIR:

Good evening, sir.

SENATOR WILLIAMS:

It's not quite morning yet. But I do want to rise and support this budget. It makes many tough but smart choices and decisions. As Connecticut has come through some very tough times, along with the nation in the great recession of the last six years, we are slowly but surely gaining traction and before I talk a little about that I want to thank Chairman of the Appropriations Committee, Senator Beth Bye, and the members of the Appropriations Committee for tremendous work this session.

Connecticut, like many other states, has experienced fluctuation in its revenues. Let's face it we're all humbled that the fact that budget projections really rely on the best guess of economists and fiscal analysts and those estimates can fluctuate.

So many states across this country have had to revise budgets and Senator Bye and the members of Appropriations Committee did that extremely well in the closing days here. I also want to thank Senator John Fonfara and members of the Finance Committee as

well-

You dug in this year. You were able to ride the wave of the up and down estimates that came in and were able to work so that we could put together a balanced budget that made those tough and smart choices that I was referring to.

Senator McKinney is right. Sometimes we should not get all caught up in numbers, although I do want to mention a few numbers. The overall rate of growth for appropriated funds in this budget is only 2.5 percent and I think we ought to consider how good a number, how low a number, that is when we think about what we expect from a state budget and I'm going to talk about that in just a second.

We have a surplus, yes a surplus of \$43 million. We'd all love to have a larger surplus than that but when you think of where we were four years ago, we had a budget deficit of over \$3 billion and four years later we are in surplus to the tune of \$43 million.

Now why is that low, extremely low rate of growth important in terms of what we accomplish in the State of Connecticut? It's true we could get all caught up in numbers but let's just remember in a budget provided by the State of Connecticut we expect that we will keep our promise to senior citizens to provide assistance and healthcare and make sure that no senior citizen is neglected and forgotten in the State of Connecticut.

That is what we do expect. That we will take care of our children, provide them with the opportunities that they deserve to grow up strong and healthy and well-educated. We expect that we provide dollars and assistance for our schools K through 12, for our state universities and, yes, for pre-kindergarten education as well and we live up to that commitment.

We have some of the best public schools in the United States or around the world for that matter here in the State of Connecticut. Do we have challenges? Yes and we can never rest and we must meet those challenges in education but let's not forget the resources that we do have here in the state that we should be proud of.

We must continue in that tradition, especially given the world economy today, to make sure that our children have the tools they deserve and the opportunities that they deserve. This budget keeps that promise in terms of resources for our children's education.

It takes a giant step forward with the leadership of Governor Malloy in terms of pre -- pre-school education, with the Smart Start Program in terms of pre-school education and the Office of Early Childhood which will coordinate pre-K programs for our children.

We expect that a state budget will provide town aid, assistance for our cities and towns across this state so that at the local level services can be delivered that our citizens depend on every single day.

This budget keeps that promise and, in addition to that, provides another \$20 million of tax relief at the local level, pilot funds that provide property tax relief for our cities and towns.

We expect a state budget to provide for public safety. That's not just the state police, it's Corrections, it's Criminal Justice. We take this for granted but these are essential services that we depend on every day and they're not free and we're able to do it with only a 2.5 percent increase in growth and spending in the State of Connecticut and keep the promises to our citizens in this state.

And when it comes to the economy, yes we would all prefer that the recovery had been stronger and faster but the recovery this time must be based on diversity on -- in our economy. Not an Internet bubble. Not a real estate bubble. Not Wall Street speculation but real old fashion growth in a diversified economy that's not over-reliant on one sector or another.

The problems in Detroit, for example, that Senator Frantz alluded to earlier, are very serious problems. We could have a long discussion about that but most people agree that their economy was not diversified and when the automobile industry suffered losses in Detroit, and at the same time started moving jobs

overseas, their economy suffered as a result.

In Connecticut Governor Malloy has worked hard with the Step Up Program, providing companies with the opportunities to hire new employees and add to our economy, the Business Express Program which specifically reaches out and helps small and medium sized businesses and by also thinking big and not forgetting the companies that have provided tens of thousands and hundreds of thousands of jobs over the years here in Connecticut in the insurance sector, the financial services sector, the aerospace sector, the UTC agreement that was recently reached that will provide an investment in this state of \$500 million in aerospace research here in Connecticut, another \$4 billion in other research and capital expenditures and a company like UTC touches hundreds of subcontracting companies here in this state employing hundreds of thousands of men and women.

So we're not out of the woods in terms of moving forward slowly but surely toward economic recovery in this state but we are headed in the right direction because we and Governor Malloy have made tough and smart choices and this budget does that.

Thank you, Madam President.

THE CHAIR:

Thank you. Thank you, sir.

Will you remark? Will you remark?

If not, Mr. Clerk, will you call for a roll call vote and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Roll call has been ordered in the Senate.

THE CHAIR:

If all members have voted, all members have voted, the machine will be closed.

cah/gbr
SENATE

79
May 3, 2014

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Mr. Clerk, will you please call the tally.

THE CLERK:

House Bill Number 5596.

Total Number Voting		36
Necessary for Adoption	19	
Those voting Yea		21
Those voting Nay		15
Absent not voting		0

THE CHAIR:

The budget is passed -- the bill is passed.

Will you remark? Will you remark? Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

At this point we call for a -- a vote on our Consent Calendar from items earlier today.

THE CHAIR:

Mr. Clerk, will read the -- the bills on the Consent Calendar please.

MR. CLERK:

We have House Bill 5562 and House Bill 5559.

THE CHAIR:

Thank you.

Mr. Clerk, will you call for a roll call vote and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Roll call on the Consent Calendar has been ordered in the Senate.