

Legislative History for Connecticut Act

**PA 15-5**  
**JuneSS**

SB1502

House	8529-8662	134
Senate	3456-3520, 3557-3599	108
		<b>242</b>

Transcripts from the Joint Standing Committee Public Hearings(s) and/or Senate  
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**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2015**

**JUNE  
SPECIAL  
SESSION**

**VOL.58  
PART 25  
8299 – 8664**

SPEAKER SHARKEY:

[gavel] Will the House please come to order.

Mr. Clerk, would you please call Emergency  
Certified Senate Bill 1502.

CLERK:

Emergency Cert. Senate 1502, AN ACT

IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR THE  
BIENNIUM ENDING JUNE 30, 2017, CONCERNING GENERAL  
GOVERNMENT EDUCATION, HEALTH, AND HUMAN SERVICES.

SPEAKER SHARKEY:

The distinguished Chairwoman of the  
Appropriations Committee, Representative Walker.

You have the floor, Madam.

REP. WALKER (93<sup>rd</sup>):

Good evening, Mr. Speaker.

SPEAKER SHARKEY:

Good evening, Madam.

REP. WALKER (93<sup>rd</sup>):

Here we are again [laughs] right at - I think  
we started around this same time last time a few  
weeks ago. Mr. Speaker, I move passage of the  
Emergency Certified Bill.

SPEAKER SHARKEY:

Question before the Chamber is passage of the  
Emergency Certified Bill. Will you remark, Madam?

REP. WALKER (93<sup>rd</sup>):

Mr. Speaker, before you you have a rather  
large general government implementer. There are  
several amendments in this bill that we must go  
through in order to be in concurrence with the  
Senate, and I move passage.

SPEAKER SHARKEY:

I believe, Madam, if you could call the LCO  
number and we can go through those amendments. Is  
that your intention?

REP. WALKER (93<sup>rd</sup>):

Mr. Speaker, just one second, sir.

SPEAKER SHARKEY:

I'm sorry, are you planning to bring out an  
amendment at this time, Madam?

REP. WALKER (93<sup>rd</sup>):

No.

SPEAKER SHARKEY:

Thank you, Madam.

Would you care to remark further on the bill  
that's before us? Representative Berger, the

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distinguished Chairman of the Finance, Revenue and Bonding Committee.

REP. BERGER (73<sup>rd</sup>):

Yes, thank you, Mr. Speaker, and good evening.

SPEAKER SHARKEY:

Good evening, sir.

REP. BERGER (73<sup>rd</sup>):

The Clerk has LCO No. 9706. I ask that he please call and I allowed to summarize.

SPEAKER SHARKEY:

Will the Clerk please call LCO 9706, which has been previously designated Senate Amendment "A."

CLERK:

Senate "A," LCO 9706, as offered by Senator Fonfara and Representative Berger.

SPEAKER SHARKEY:

Gentleman has sought leave of the Chamber to summarize. Is there objection? Seeing none. You may proceed with summarization, sir.

REP. BERGER (73<sup>rd</sup>):

Yes, thank you, Mr. Speaker. The Finance, Revenue and Bonding Committee had met earlier this morning to adopt adjusted revenue estimates. The LCO that's before the Chamber highlights those

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revenue estimates that had been previously adopted by the Finance, Revenue and Bonding Committee and, Mr. Speaker, those figures are self-explanatory. I move adoption.

SPEAKER SHARKEY:

Question before the Chamber is adoption of Senate Amendment "A." Will you remark on the amendment? Representative Davis.

REP. DAVIS (57<sup>th</sup>):

Thank you, Mr. Speaker. Good evening.

SPEAKER SHARKEY:

Good evening, sir.

REP. DAVIS (57<sup>th</sup>):

Mr. Speaker, these revenue estimates reflects not only the tax increases that're in the budget but a belief that we will not only see growth in the out years but a significant amount of growth. And my fear is that these numbers may not be able to be achieved because of the policies that we will be adopting here in this budget implementer later on tonight. These numbers do not reflect potential job losses due to the policies that we are adopting here tonight. They do not reflect the potential that businesses will be moving out of our state, as

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it's been told to us many, many a times by many businesses, both big and small, that they are intending to leave.

As I was just going through my emails, I got two from constituents just over the last week saying that they're considering moving their businesses out of our state. So I would recommend that this Chamber rejects these revenue estimates and perhaps adopt ones that more accurately reflect the policies that we are adopting here this evening. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir. Further on Senate Amendment "A?" Further on Senate "A?" If not, lemme try your minds.

All those in favor of Senate Amendment "A," please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, nay.

REPRESENTATIVES:

Nay.

SPEAKER SHARKEY:

The Chair is in doubt. We will put this to a roll call vote. Staff and guests to the Well of the House. Members take your seats. The machine will be open.

CLERK:

[bell rings] The House of Representatives is voting by roll. The House of Representatives is voting by roll. Will members please report to the Chamber immediately?

SPEAKER SHARKEY:

Have all members voted? 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.

Representative McCrory. Representative McCrory, for what reason do you rise?

REP. MCCRORY (7<sup>th</sup>):

Mr. Speaker, I'd like to cast my vote in the affirmative.

SPEAKER SHARKEY:

Please cast Representative McCrory's vote in the affirmative.

And will the Clerk please announce the tally?

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CLERK:

LCO 9706, Senate "A"  
Total number voting 142  
Necessary for Adoption 72  
Those voting Yea 79  
Those voting Nay 63  
Absent and not voting 9

SPEAKER SHARKEY:

The amendment is adopted. [gavel]

Further, on the bill as amended,  
Representative Tong?

REP. TONG (147<sup>th</sup>):

Hello again, Mr. Speaker.

SPEAKER SHARKEY:

Hello, sir. It's been so long since last we  
met.

REP. TONG (147<sup>th</sup>):

It has been a little bit.

SPEAKER SHARKEY:

Yeah. Yes, right.

REP. TONG (147<sup>th</sup>):

The Clerk has an amendment, LCO No. 9729. I  
ask the Clerk to please call the amendment and I be  
given leave to summarize.

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SPEAKER SHARKEY:

Will the Clerk please call LCO 9729, which will be - which has been previously designated Senate Amendment "B?"

CLERK:

Senate Amendment "B," LCO 9729, as introduced by Senator Looney, Representative Sharkey, Senator Duff, Representative Aresimowicz, et al.

SPEAKER SHARKEY:

Gentleman has sought leave of the Chamber to summarize. Is there objection? Seeing none. You may proceed with summarization, sir.

REP. TONG (147<sup>th</sup>):

Mr. Speaker, I move that when this vote be taken, that it be taken by roll.

SPEAKER SHARKEY:

Question before the Chamber is a roll call vote.

All those in favor of a roll call vote, please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

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

REP. TONG (147<sup>th</sup>):

Thank you, Mr. Speaker. Much has been said of late about the business climate here in Connecticut and there can be no doubt that we must have a strong, vibrant, and growing private sector in this state. Connecticut's future depends on our ability to expand our economy and we absolutely must have a long-term strategy for job growth here in Connecticut.

Now, important, legitimate questions have been raised about the business climate here in Connecticut and we need to answer them and I wanna thank the Speaker, the Majority Leader, and leadership in this House for listening to members on both sides of the aisle, who have concerns about the business climate here in the State and the recommendations that many of us have made to improve this budget and to make the kinds of changes that we are making here in the implementer here tonight.

We've consulted with the Connecticut Business and Industry Association and others and in order to

continue to improve this budget and to make sure that the work does not stop here tonight, this amendment creates a permanent Commission on Economic Competitiveness here in the State Legislature. Its immediate charge, to be specific, is to immediately evaluate the tax changes that we find in the budget, in particular the combined reporting or unitary reporting provisions; the changes on net operating losses; and overall, our tax structure here in the state and how it affects economic growth and our competitiveness overall. After that job is done, which should be done not later than January 1, 2016, the Commission will be permanently established, like other permanent Commissions, to study the needs of large and small businesses in our states as it relates to their economic competitiveness and to offer legislative recommendations on an ongoing basis to promote growth and prosperity here in Connecticut.

What this does tonight, Mr. Speaker, this amendment creates a permanent voice for our business community, a permanent platform for us to talk about competitiveness and to do that as we move forward. I move adoption.

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SPEAKER SHARKEY:

Question before the Chamber is adoption of  
Senate Amendment "B."

Will you remark? Representative Candelora.

REP. CANDELORA (86<sup>th</sup>):

Thank you, Mr. Speaker. Mr. Speaker, I do  
rise in support of the intent of this amendment but  
I do wanna take the opportunity to be a little bit  
critical of what we are doing.

About a year ago, the Finance Committee passed  
what I thought was a ground-breaking Tax Incident  
Study Commission to look at our tax policies in the  
State of Connecticut, to look at our income  
volatility in the state, and to report back to this  
Chamber of ways that we can make our tax policies  
in Connecticut more effective for the state. And  
we actually commissioned this group and we're  
spending about \$300,000 of taxpayer money to make  
this analysis. And what this amendment does is  
really a lot of the same exact things that that  
Commission is charged to do and that they are  
currently operating.

What I am concerned about is the fact that the  
Finance Committee passed some of the unitary taxes

that were just referenced that is gonna be the subject for this Commission to study. We passed these taxes through the Finance Committee without any public hearings at all, without any input from CBIA or the public, and I think what we've seen play out over the last couple of weeks is some very dramatic and negative impacts to the State of Connecticut. We are looking at businesses potentially relocating and we've put ourselves now - and I guess I say we but I certainly should say the majority party has put themselves on the defense to try to figure out how we are going to maintain these jobs in the State of Connecticut and so we're sort of forced into this position of creating this Commission to try to make sure we don't lose these jobs. I'm pleased to see that CBIA is gonna be a member of this group but I hafta say that we should've listened to some of these organizations in the first place. If our process wasn't broken and if we had the appropriate public hearings that we've had before in the Finance Committee, I don't believe that a tax like the unitary tax would've ever been proposed by this Chamber.

And so, on the one hand, I certainly wanna support this amendment to make sure that we do get it right going forward but I get concerned when we see time and again these Commissions being formed and we act before they've even reported to us and we make these decisions before we truly know what the impacts are. So I do support the underlying amendment but I think I needed to get up to make these points because if we continue to keep doing what we are - we've done over and over and over again, Connecticut is not going to be better off and I think it's unfortunate that we do need this Commission but, hopefully, the result will be that this unitary tax will be repealed permanently before the negative impacts take effect. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Further on Senate Amendment "B?"

Representative Davis.

REP. DAVIS (57<sup>th</sup>):

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

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SPEAKER SHARKEY:

Please proceed, sir.

REP. DAVIS (57<sup>th</sup>):

Thank you, Mr. Speaker.

About a month ago, this Chamber, along with our friends up in the Senate, had the great wisdom of passing a bill that was presented by the Finance Committee. It was Senate Bill 1137. It was AN ACT CONCERNING CONNECTICUT'S COMPETITIVENESS COUNCIL. It's a bill that does exactly, if not very similarly, to what this amendment is proposing here today.

And, through you, Mr. Speaker, I was wondering how this amendment differs from the bill that we have already passed through the legislature this session?

SPEAKER SHARKEY:

Representative Tong?

REP. TONG (147<sup>th</sup>):

Through you, Mr. Speaker, I don't have that legislation in front of me. I don't serve on the Finance Committee. But this legislation reflects the desire of many members on this side of the aisle to create a permanent home here in the

legislature, like the other permanent Commissions that we have, to focus on the issue of competitiveness going forward to make sure that that Commission has a permanent voice in this process.

Also, I should add that the desire for this Commission grew out of the feedback that I received personally from the business community. As you know, Representative Davis, that I am a corporate lawyer by training and I guess that's my night job. What I've heard is that that there are concerns raised by the business community about the implementation of the unitary or combined reporting mechanism of calculating tax liability, that there's a desire to have a group look at that with expertise in the area of corporate taxation. If you look at the membership that's required on this Commission, it draws from businesses small and large, including representatives of large employers. Many of the corporations that we've heard talked about in the press, some of our Fortune 500 and publicly-traded companies. So this is an effort to bring them to the table.

I don't know what the other Commission does and whether it accomplishes that but this does and it wants to focus on the implementation of the unitary or combined reporting. It wants to focus on the changes to the NOLs and then it - going forward, it will have the charge to continue to be a watchdog and make recommendations to all of us. Through you.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57<sup>th</sup>):

Thank you, Mr. Speaker, and I thank the kind gentleman from Stamford for his answers. I certainly appreciate what we're trying to accomplish here and I understand, through his own personal experience in his profession as well as hearing from his constituents as we all have, about the dangers of some of the taxes that we put forth just a few days ago.

My only concern and I will be supporting the amendment here this evening is that we're going to have this Commission on Economic Competitiveness and then we're also going to have a Connecticut Council on Competitiveness. The Governor gets to

appoint a couple of people on that one and all the legislative leaders get to appoint a couple people here and then we get to appoint a couple more people on this Commission and they're all trying to do the same, exact thing and it's the exact thing that our constituents keep saying to us about how broken our process here is in Connecticut. I mean, by bringing forth this amendment, we don't even remember that just three, four weeks ago, we passed the very same thing yet we're doing it again. And now we have both of them because the bill was transmitted to the Governor's desk just a few days ago from the Secretary of State's office.

So, though I support this and trying to work with us and trying to make sure that we have this kind of access here directly in the legislature right now, I think it's gonna be very important that we take a look at this in the coming months and figure out which Council on Competitiveness we really wanna have here in the State of Connecticut 'cause we certainly don't want dueling ones but we do, as Representative Candelora mentioned, wanna make sure we get their advice before we continue to pass dangerous tax increases that will put all of

our constituents in peril as their employers choose to leave our state.

So I thank you, Mr. Speaker, for the opportunity.

SPEAKER SHARKEY:

Thank you, sir.

Further on Senate Amendment "B?"

Representative Ackert.

REP. ACKERT (8<sup>th</sup>):

Thank you, Mr. Speaker, and good evening.

SPEAKER SHARKEY:

Good evening, sir.

REP. ACKERT (8<sup>th</sup>):

Through you, a question to the proponent of the amendment.

SPEAKER SHARKEY:

Please proceed, sir.

REP. ACKERT (8<sup>th</sup>):

Thank you. And I just happened to go through the list of the members that are - could be appointed on here and it looks like there's - from line 16 to line 36, essentially, if I'm not - and I only see in this list, specifically listed on line 29, one business owner that's specific in this

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legislation that has to be appointed. Through you,  
is that correct, Mr. Speaker?

SPEAKER SHARKEY:

Representative Tong?

REP. TONG (147<sup>th</sup>):

Through you, Mr. Speaker, if the question is technically whether line 29 is the only reference to an owner, I believe that's correct. But I point my colleague to line 17, which provides that one of the Speaker's appointments shall be an executive of a publicly-traded corporation. My hope is that that is a senior corporate tax official, hopefully, at one of our Fortune 500 companies. If you look at lines 25 through 27, Representative Klarides will make an appointment of a representative of a major corporation that has its headquarters in the state. So those are only - and then, of course, at lines 34 through 36, a representative of the Connecticut Business and Industry Association, who shall be appointed by the President of said association, I understand that they have a Tax Committee and I expect that unless Mr. Brennan himself wishes to serve, that a member of the Tax Committee will serve. That's at least four voices

directly from our business and corporate community to serve on this Commission. Through you.

REP. ACKERT (8<sup>th</sup>):

Thank you, Mr. Speaker, and I specifically was not looking for - and maybe they might be the owner but, specifically, I only did find that there is one location in this. Yes, maybe we can choose in areas that they are a business owner and maybe they will be a top executive and maybe CBIA will choose a business owner, but I was looking for more specifically and I do believe - I do appreciate the answer to the proponent - of the good proponent's answers of the question regarding it.

It would've been nice to see, specifically, that more business owners 'cause those are the ones that have come up here constantly, concerned about the direction Connecticut has with businesses. We don't get ranked poorly in the State of Connecticut 'cause we've done a great job with legislation that affects business in - here in the State of Connecticut so, although I will support this piece of legislation, I believe that we could've been more specific that a business owner in this career field, a business owner in this, you know, retail

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or construction or real estate or something that had a very good diversity of the businesses impacted by our job here in the legislature.

So I think one of the things that businesses want and I brought this up when we talked about the budget is that we like predictability and here we are in Special Session, talking about changes to the budget that nearly passed here in the House and Senate and we're making changes again because of the outcry of businesses and other reasons and, again, we have no predictability here in Connecticut.

I do support this legislation. I do thank the proponent for bringing this forward. I think it could've been better but I will support it. I do like the intent and will support the amendment. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Further on Senate B? Representative Miner.

REP. MINER (66<sup>th</sup>):

Thank you, Mr. Speaker, good evening.

SPEAKER SHARKEY:

Good evening, sir.

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REP. MINER (66<sup>th</sup>):

Mr. Speaker, I don't have any questions. I guess I just have a few comments. I've been reading the newspaper over the last three weeks, I think as most of us have, and I've borne witness to comments made by executives of rather large corporations across the state. I think I've borne witness to newspaper ads taken out by Governors from other states and, in fact, I think we had a visit here not that long ago from the Governor of Florida. And, you know, I would be remiss, I think, in voting against this amendment but I gotta tell ya', this, to me, is almost too little too late. I've served on the Labor Committee now, I think, for six years and for six years, this Chamber - in fact both Chambers on many accounts have passed legislation that have been exactly counter to what the business community has asked for. Exactly counter. Not even close.

This year, as some of my colleagues have said, we passed legislation - I won't say, "We passed legislation," anymore - this Chamber passed legislation that imposed taxes that didn't even have public hearings. So I'm trying to imagine

exactly how a corporate whatever, CEO, CFO, Manager could warm up to this state in a way by sitting down with the Commission over a conversation, a series of six months, when we've done what we've done year after year. What could we possibly tell them? What does someone sit across the table to the CEO of Aetna, UTC, IBM, Stanley, how do you look somebody in the eye and say, "We've changed and we're not gonna do this anymore? We're not gonna implement a tax that hasn't had a public hearing. We're not gonna implement a retroactive tax. We're not gonna increase the benefits to someone unilaterally without having them bargain for them."

As I said, I think I'd be remiss in voting against this but I gotta tell ya, I can't imagine how anyone's gonna react to this tomorrow. There's some in some other state tomorrow talking to someone else there from a DECD or a Governor or a Lieutenant Governor about moving their corporation and we're gonna form a group. So I'm happy somebody here thought this was a good idea and I'm willing to give it a try but I gotta tell ya', I don't know how you can year after year sit across

the table with people and say we're gonna change when we've demonstrated no ability to change so far. We spend more money than we make and it doesn't seem to make a difference. And for the first time in the 15 years I've been up here, I have heard from constituents, Democrats, unaffiliates, and Republicans, you folks can't be trusted. That's what I've heard. We don't believe you. And that's all of us, me included, because I'm part of this group and so I have no way of deflecting that anymore.

But, to be honest, Mr. Speaker, I honestly don't understand how anybody running any of these corporations could sit across the table from us and say, "We're gonna give you one more try. We're not moving to Tennessee. We're not going to Florida. We're not going to Texas. We're not going to some other state where we know the tax structure is different. We know the philosophy of the Governor and the legislature is different." I just don't understand. I'm hopeful. I'm hopeful that another shoe's not gonna drop in the next six months because I think Representative Davis is right. When you start losing salaries in the 100,000

range, there goes our tax base. There go the people that pay people \$30,000 a year to do maintenance work on their house or \$20,000 a year to cut their lawn and take care of the grounds. There's a ripple effect to all those decisions and those jobs are not gonna be replaced here.

So I do intend to support it. I'm not excited about it. I don't think it's a win. I know there are some people in this Chamber that thinks it's a win. I don't think it is but I'm willing to give you that chance. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark on Senate Amendment "B?" Representative Baram.

REP. BARAM (15<sup>th</sup>):

Thank you, Mr. Speaker. I wanna thank my colleagues and those listed on this amendment, including two who were inadvertently left off, Representatives Jason Rojas and Representative William Tong, for coming together to discuss economic issues, tax policies, and how we can promote economic growth in the State of Connecticut. I think this is unique legislation

because it will enable the business community to sit down with others to discuss these issues and, hopefully, make recommendations for the future. And I would just conclude by saying I think we all have to recognize that without a strong business community, we cannot have a strong labor with jobs and opportunities and, obviously, without employees who are trained and willing to work, we cannot have a strong business community.

So I see this legislation as an opportunity to continue the vibrancy that we have experienced in the State of Connecticut and to make our economy strong, to have a place where businesses will come and grow, and to have a place where our citizens can work and make a fair wage. I urge all my colleagues to support this legislation and this amendment.

SPEAKER SHARKEY:

Thank you, sir.

Further on Senate Amendment "B?"

Representative Lavielle.

REP. LAVIELLE (143<sup>rd</sup>):

Keeps getting shorter and shorter. Good evening, Mr. Speaker.

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SPEAKER SHARKEY:

Good evening, madam.

REP. LAVIELLE (143<sup>rd</sup>):

Thank you. A question - well, before the question. In the previous term here in the General Assembly, I served as ranking member of the Commerce Committee and, as ranking member of Commerce, I served on a Commission called the Commission on Connecticut's Future, created by Public Act 13-19, and I would like to ask the proponent of the bill a question, if I may, Mr. Speaker?

SPEAKER SHARKEY:

Proceed.

REP. LAVIELLE (143<sup>rd</sup>):

Is the good representative familiar with that Commission? Through you?

SPEAKER SHARKEY:

Representative Tong?

REP. TONG (147<sup>th</sup>):

Through you, I am familiar with it but I cannot recall the specific legislation that you are referring to. Through you.

SPEAKER SHARKEY:

Representative Lavielle.

REP. LAVIELLE (143<sup>rd</sup>):

Thank you, Mr. Speaker. The charge of the Commission, according to the Public Act 13-19, was quite long but one of the phrases that was used was that the Commission on Connecticut's Future must evaluate legislation, which concerns the state economy and the overall competitiveness thereof, etc. and continued to explain that the Commission should look into ways to encourage Connecticut's base of businesses to stay here, to make them more competitive, to find out what other areas of industry should be investigated and so on and what policies should we adopt to encourage companies that were already here to stay here and to encourage others to come and develop.

And so, again, through you, Mr. Speaker, what might be the difference between this Commission proposed by this amendment and the Commission on Connecticut's Future, which delivered a report to the General Assembly in December 2014? Through you.

SPEAKER SHARKEY:

Representative Tong?

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REP. TONG (147<sup>th</sup>):

Through you, Mr. Speaker, not being familiar with that legislation and the composition of that Commission, I do not know but I will tell you that this Commission has the participation of the Connecticut Business and Industry Association. This has, as I explained to Representative Ackert, representatives of employers larger and small in this state. This Commission is charged with focusing specifically on the tax changes that were included not just in the budget passed before the end of session but in the implementer we are considering now.

And I guess I would say that if there are other Commissions and, no doubt, when we proposed this amendment we were aware that other Commissions and other bodies and other task forces have studied these issues in the past and I guess I would say the more people focused on this issue, the better. But this is an issue that has been talked about a great deal. I've spent a lot of time, frankly, face to face with the Speaker, talking about these issues, as have many members on this side of the aisle. We can only do what we can do tonight,

which is to tell you that this represents our fullest commitment to these issues and we expect that the Speaker will appoint some legislators to this Commission if that is his pleasure and that we will make our fullest investment in this Commission and do what we can to improve the business climate in this state.

And I hear you, Representative Lavielle and Representative Miner and others, and I think a lot of us are saying to you by the passage of this amendment and the creation of this Commission and that is we have to do better. We have to do better and this our commitment to doing so. Through you.

SPEAKER SHARKEY:

Representative Lavielle.

REP. LAVIELLE (143<sup>rd</sup>):

Thank you, Mr. Speaker, and I thank the good representative for his answers. I would note on the Commission for Connecticut's Future, the President of the CBIA was also a member. There were also a number of Commissioners, a number of other representatives from the business community, the Connecticut Academy of Science and Engineering,

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the AFL-CIO, a number of other people. It was a very strong business group.

And I don't doubt for a moment the good faith of my good colleague across the aisle but I would say had we prepared a report on this subject matter in 1990, 1995, even the year 2000, we might consider it to be out of date. This is a report that was delivered to the General Assembly in December of 2014. We now find ourselves confronted with a situation where a budget was passed by this Assembly, which subsequently generated some extremely negative commentary on the part of the business community. In fact, I would say that this was a budget that was - that provoked a great deal of criticism from many and a great deal of praise from very few. And we - we're already in possession of some information that might have avoided that situation before the proponents of the budget went ahead with it but that was not the case, as has been said before by many, there was no public hearing on any of the revenue measures, so everything was laid out. Much of the feedback that we have obtained through Commissions like the Commission on Connecticut's Future and, certainly,

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from the CBIA and others just in meetings, would have led us to different conclusions.

So my great fear with something like this and notwithstanding the good faith of the effort, is that everything that we've heard in the last three weeks tells us that this situation is one of great urgency and that, instead of using the material that we have and all that we've heard and collected despite the lack of public hearings, we're now going to go and set up yet another Commission to write another report, yet another report on the same subject matter with, I don't doubt, substantially the same conclusions, although I don't have my crystal ball this evening.

So, because of that urgency, this does worry me a great deal because of the repetitive nature and because of the fact that there doesn't seem to be a great familiarity with the report that already exists that is less than a year old. So I'm very skeptical about the efficacy of this measure.

Thank you very much, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam.

Would you care to remark further on Senate Amendment "B?" Representative Carter.

REP. CARTER (2<sup>nd</sup>):

Thank you very much. One question for you, Mr. Speaker, to the proponent of the amendment.

SPEAKER SHARKEY:

Please proceed, madam. I'm sorry, sir.

Sorry.

REP. CARTER (2<sup>nd</sup>):

[laughs] Thank you. Through you, Mr. Speaker, when they named this Commission, how come they didn't name it a Blue Ribbon Commission? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Tong?

REP. TONG (147<sup>th</sup>):

I do not - through you, Mr. Speaker, I do not know.

SPEAKER SHARKEY:

Representative Carter?

REP. CARTER (2<sup>nd</sup>):

I was just curious, Mr. Speaker, you know, maybe if we named it a Blue Ribbon Commission, it would at least sound more important because, you

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know, maybe the Super-Duper Commission or the Blue Ribbon Commission on this might actually make it sound really important because tomorrow's headline, folks, isn't gonna be about Connecticut General Assembly made this great Commission to look at your business and keep you in the state. Tomorrow's headline, at least in my district, is probably gonna be Danbury Hospital laying off people and I've looked through this amendment. It doesn't really address anything specifically about hospitals. And I looked through this amendment and it doesn't address anything about Praxair and they just shut down a \$65 million expansion in my district.

I'll support the amendment 'cause I think, like, like the Good Chair said, every little bit helps. But, folks, I kinda feel a little dirty right now, like I'm pokin' somebody in the eye, saying, "Yeah, we're gonna listen to you and we're gonna form this wonderful Commission when we ignored you this entire session," when CBIA was probably shut out of some of the discussions when I know people in my district were shut out of discussions. Boehringer Ingelheim's in my district

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and everyone, you know, they're really questioning whether they're gonna stay around because we cut their R&D tax credit, we raised their property taxes, and I don't see anything in here that talks about pharmaceutical companies or bioscience. So I guess it's great that we're gonna form another Commission and we can all go home and pat ourselves on the back that we did something really great for Connecticut tonight.

Now, I know I'm being very facetious in a manner but this is serious business, folks, and right now I feel like it's amateur hour in Connecticut. We're putting this on a bill that is gonna destroy businesses in our state and somehow this is gonna make it better. I'll support the amendment because it does make sense to do anything we can to listen to our community but I think we should be very serious tonight about what we're doing. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further?

Representative Shaban.

REP. SHABAN (135<sup>th</sup>):

Thank you, Mr. Speaker, a few comments, if I may. Following on what the last speaker was talkin' about and I'm looking at this bill and I was reminded of our Joint Rules. I went down and looked at Joint Rule 3(B)(4), the Finance Committee, and Joint Rule 3(B)(17), the Commerce Committee, and I guess - not surprised to see that some of the charges for this Commission are some of the same charges that all of us in this room have sworn an oath to do as part of the Finance Committee and as part of the Commerce Committee. What're we doing? What're we doing? I mean, this is a sanctimonious, face-saving measure to say, you know what? We kinda dropped the ball so we're gonna form a Commission to figure out how to stop fumbles. That's not good public policy. That is not good public policy. We run the ship of state on the ground - to the ground, to the ground. We're sinkin'. We're takin' on water. Let's form a Commission to study navigation. That's not good public policy. We have let the horse - I'll go on metaphors again - leave the barn and we're gonna pass a Commission about fencing. That's not good public policy. That's what this bill is. That's

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what this amendment is, rather. We dropped the ball already. It's too late. Maybe we could fix it a little bit. Maybe next session we can fix it a lot. I hope we can but to pass a Commission, charged with doing what we were charged to do as members of the Finance Committee and the Commerce Committee, frankly, I'm a little - what's the right word? Insulted's too strong a word. I'm surprised. I'm surprised. This is what we're supposed to do. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Representative Perone.

REP. PERONE (137<sup>th</sup>):

Thank you very much, Mr. Speaker. First of all, I'd like to thank Representative Tong for all the hard work you've done on this. I agree with Mr. Shaban, Representative Shaban, that this is not good policy. This is great policy and here's why. My feeling is this - you've got three Commissions that have been mentioned so far in this debate. You had the first one, which was the Taskforce on Connecticut's Future. That basically looked at our defense manufacturing capacity and to see how we

could possibly diversify that going forward to help us move from a defense economy, basically, a manufacturing economy, to a future manufacturing, whether that's, you know, micro-devices, advanced manufacturing, and that kind of thing. The other Commission that came up was the Connecticut's Council that was passed this year. That really develops a scorecard and compares us to other states to see where we could be - to see what they're doing, to see how we're competitive, and I think that's important as well. But, none of those components and none of the specific things that the DECD is doing or some of the initiatives that the Finance Committee is doing in and of themselves, I think, are strong enough. So here comes this bill, this idea, which, essentially what it does is it looks at what DECD is doing, looks at what - it takes into account the point of view of the business community but, here's the thing that really works for me, is that we are now in that process, taking our tax policy, reviewing it relative to the efforts and the end roads that we're making in manufacturing in other parts of our economy and trying to make ourselves more

competitive. And that part of the conversation has never happened, so this is the first opportunity we've had and where we see - where we are uniting all these components into one Commission and we're gonna make it permanent. That's exciting and that's relevant and very real and the fact that it is - it's actually a departure for us because we never really combined all those facets into one thing so - [coughs] - excuse me. So I see it as an important change in direction for this legislature. I think that we need to support it. This is gonna be an ongoing process. It's gonna be evolving over time but our - one of our failings, I think, is that we haven't had a consistent stream of data of information and an understanding of our own trend lines of where our strengths and weaknesses lie going forward and I think that's why we need to get behind this, why I think it's great policy and, again, I wanna thank the people who worked 'round the clock towards the end to make this happen. Great bill. Oughta pass. Thank you.

SPEAKER SHARKEY:

Thank you, sir.

Further on Senate Amendment "B?"

Representative Staneski.

REP. STANESKI (119<sup>th</sup>):

Good evening, Mr. Speaker.

SPEAKER SHARKEY:

Good evening, madam.

REP. STANESKI (119<sup>th</sup>):

I guess I'm perplexed. I rise to support this amendment but what I think I'm supporting is, as Albert Einstein said, "Insanity is just doing the same thing over and over again and expecting different results," because, as I sat here, looking at this amendment and talking with my colleagues around me and saying, "Wow. This is a good thing." We actually are really gonna put some teeth to involving our businesses and fixing what seemed to have just gone off the tracks this past year. And a colleague just said that this is great because it's permanent. And the reason I say that I think this is insanity because we keep doing insane again is because my - one of my colleagues said, in 1990, in 1992, we had the same Commissions.

In 2010, in 2014, I'm holding right now a 2010 Public Act that is the same thing that we're just

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talking about here. "Following powers and duties related to - matters relating to economic competitiveness industry cluster. Not later than January 2011 and annually thereafter, the Council shall submit a report in accordance with the provisions to the Governor on economic competitiveness."

We passed a bill just now this year, 1137, AN ACT CONCERNING THE CONNECTICUT COMPETITIVENESS COUNCIL. Same thing I just talked about from 2011. "It should encourage and assist private sector business growth in the state and evaluate and promote economic competitiveness. Not later than January 31, 2017, it should be reporting to us."

And I guess my question, through you, Mr. Speaker, to the proponent of the bill, as a new legislator is why have we not fixed this when we've had report after report, Competitiveness Council after Competitiveness Council and it seems to me that when we come back next year, we're gonna be doing the same thing and in two years the same thing. We're gonna be having Connecticut tax panels. We're gonna be having Connecticut Competitiveness Councils and I would love an answer

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from the proponent of the amendment that this is really and truly the last time we're gonna be looking at this and getting answers. Through you, Mr. Speaker, please.

SPEAKER SHARKEY:

So, madam, your - could you just phrase your question specifically to the proponent of the amendment?

REP. STANESKI (119<sup>th</sup>):

Thank you. Yes, sir, Mr. Speaker. Mr. Speaker, through you, could the proponent of the amendment please tell me why this year is different than all of the years that I just cited in putting teeth behind supporting our businesses and reviewing our competitiveness in the economic world? Thank you, sir.

SPEAKER SHARKEY:

Representative Tong?

REP. TONG (147<sup>th</sup>):

Through you, Mr. Speaker, I appreciate the question and I think the best way I can answer that question is this will not be the last time. This is an ongoing process for all of us because our

economy, our global economy, is a changing and dynamic thing.

I represent the Town of Darien and the City of Stamford and when 2008/2009 happened and Lehman Brothers and Bear Stearns disappeared, it blew a huge hole in the state's budget. That is a permanent hole that all of us hafta contend with and I don't see it being filled any time soon. And so we have to be flexible, we have to change. I appreciate you quoting, was it Albert Einstein? I think there was another wise person who said rhetorically, "When things change, I change my mind. What do you do, sir?" And I think that's a question we all have to ask ourselves and react to the situation on the ground.

And I appreciate what Representative Lavielle said. There's no doubt been a lot of criticism. Frankly, serving this legislature over the past few years means accepting a heck of a lot of criticism and very little praise at times. I know what I do when I receive criticism and feedback. I take action.

I have heard that the language of the unitary reporting, the combined reporting method of

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calculating tax liability needs some work. The people that oughtta work on it are senior corporate tax attorneys, senior corporate tax officials here in this state, who understand this business and can sit down at the table and review the language and offer recommendations on how to make it better. This is an effort to do that.

I don't know why it's not called the Blue Ribbon or Super-Duper Commission. I do know that it has a serious charge and I agree that this is serious business and that many of us in this Chamber over the past few weeks and in the months before have said these are serious issues that need to be addressed and if we're later than we should be or if there have been others that have come before us, well, that is what it is. But this represents this legislature, this body taking action tonight to address very real issues that are on the table today. Through you.

SPEAKER SHARKEY:

Representative Staneski?

REP. STANESKI (119<sup>th</sup>):

Thank you, Mr. Speaker, and I thank the good gentleman for his comments. I guess my issue is

that when you go back to your community and you say we passed this great legislation, this permanent legislation that's gonna help us fix our economic problems here in the state, I agree with my colleagues. They look at you like you have three heads because they don't trust us anymore. And they don't trust us because, year after year I see that this body and me included this year, pass legislation that says we are gonna address this. And I don't know if it's something that we can look at, saying it's a permanent Commission because we certainly should be having, as my colleague said over there, we should be having experts on tax - corporate tax structures working on our tax bill. We should have our businesses involved.

I keep thinking that we're having the conversations at that 30,000 foot level and we really need to start having those vertical conversations and including our tax - our stakeholders and that's what we're doing with this amendment, so I am gonna support that but I honestly would like to be able to have some teeth behind me when I go back to our business members and to my Chambers and say this body listened and

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this body is going to be proactive and not reactive as the headlines say another business is leaving Connecticut.

So I thank the proponent of the amendment and I look forward to seeing that there is really, truly good work done and good reporting back to us. Thank you.

SPEAKER SHARKEY:

Thank you, madam.

Would you care to remark further on the amendment before us? Representative Betts.

REP. BETTS (78<sup>th</sup>):

Thank you, Mr. Speaker. I rise to make a few comments and I'm gonna try and control my emotions 'cause I'm a little upset by what I'm hearing here and probably it's for the reason that many of you have been feeling a great deal of pressure from what we've been doing.

I remember when I first came up here, one of the mantras was, "Connecticut is open for business and we're gonna work collaboratively to create jobs and make 'em feel welcomed and make it a great place to live and raise our kids." That's back in 2011 and we were all very genuine in that. It is now

2015, and we're gonna be putting together this Commission in reaction to what's happened when we passed the budget with taxes that had no public hearing and, interestingly enough, one of the things the Commission is gonna look at is to help us analyze the effect and impact of taxes that we passed and it basically says we passed taxes without either understanding or knowing the impact that these would have not only on our businesses but on jobs.

Well, ladies and gentlemen, I think the horse is already outta the barn. The people I've been talking to, they have five-year business cycles. They don't operate like the legislature and several of the people I've talked to have said I'm looking at this state now and I've taken a look and I'm reviewing what the State of Connecticut's been like for the last 10 years for businesses, the last 10 years. And then I evaluate where we are now and do I wanna be here for the next 10 years or do I have any confidence of what the environment's gonna be like here in the next 10 years and, if I do, what reason do I have to have that confidence? I think we have a crisis in confidence right now and I

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don't think it, I know it by - from what I'm hearing in other people and from talking to businesses.

I went to a fundraiser not too long ago from a person, who was 40-years-old, makes mega-money. Congratulations. His son is gonna be graduating from high school next year and he said, "I don't care what you guys do. I have no interest in it, I have no care, and I have no faith. I've had enough and I'm moving. I'm not asking for anything. I've just simply lost confidence that you're gonna do the right thing for this state, for businesses, and for employees. Good luck. It's not my problem anymore." What do you say to somebody like that? Are we better off losing people like that? Let's say everybody's right about GE, who's very critical about it. Is this state better off with a GE? Is the United Way gonna be better off without companies like a GE, who's one of their biggest donors and helps fund for nonprofits? Who do you think's gonna hafta fill that hole? The government.

I'm, frankly, very, very scared. I think we've lost control of the situation and I think the

time for having the Commission is much too late.

This is a crisis. We have to do something yesterday. I don't think anybody's gonna go up and move in the next week or two or the next month or two months. I think you're just gonna see companies going and having meetings and making announcements at the end of the year or the beginning of next quarter and they're not gonna be making announcements saying, "Well, we're moving 'cause we don't like the climate," and Connecticut comes back and says, "We're changing. We hear you. We're making changes now. Don't worry." Well, we haven't been listening, I am worried, and I have nothing to offer to them to say we have changed. Having a Commission at this stage, I think, is not a strong enough statement. It doesn't really reflect the real urgency and crisis facing this state, our families, and our businesses.

So, with all due respect in the genuineness of trying to create this, I'm not only gonna be opposing this Commission, I'm gonna be asking myself, "What can I do to say to my friends, my peers, and my businesses that this state government, this administration has got something

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to give you hope, to give you credibility in what we're doing, and to show that we're moving in a positive direction?"

We're reacting appropriately scared. A Commission is not something where we have time until January or February 2016 because other companies, other families will have already made decisions or come close to making decisions by that time. They're not going to wait. And that is my reason for opposing this and it is really sad, in my eyes, to see the damage that's been done as a result of this. I truly hope I'm 100 percent wrong, I really do, but I don't believe I am. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Further on Senate Amendment "B?"

Representative Belsito.

REP. BELSITO (53<sup>rd</sup>):

Thank you, Mr. Speaker. Once again, another study, another taskforce, another survey, another Commission. Only, this is a great Commission. This is one that's gonna do - it's not looking forward, this is an exit Commission. We're gonna

start to interview the companies that are leaving and why they're leaving. Well, you don't hafta do that because I'm gonna tell you. They're leaving because we're overtaxing them, we're overtaxing the citizens, we're overtaxing everybody. We only know how to do one thing well in this state and that's how to spend money. And it's not our money; it's other people's money.

And we - everybody's talking about trust. We hafta learn how to spell trust. In the middle of trust is "us" and if they don't trust you, we are going no place. It is time for us to stop the exit in this state and we can do that by preparing a budget that is cohesive with what's going on. I know there are a lotta things that hafta be funded but we only have so much money. So, once again, I'm gonna say, "Oh my god." Number 14,389 in the survey list and, hopefully, this will be the last one because we did the same survey in December of 2014. Did anybody ever think of maybe looking or reading that survey?

So it's time for us to really turn around and start looking at ourselves and, saying, boy, are we doing things wrong. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Representative Perillo.

REP. PERILLO (113<sup>th</sup>):

Good evening, Mr. Speaker. Thank you very much.

SPEAKER SHARKEY:

Good evening.

REP. PERILLO (113<sup>th</sup>):

It's sort of hard to control ourselves here, many of us who see what we would consider to be hypocrisy in this amendment. A gentleman earlier stated that he sees this as great policy, great policy, emphatically so, great policy. I almost lost my lunch. Great policy. Honestly, either we are fooling ourselves, fooling the voters, or both. But residents here aren't stupid. Employers aren't stupid. I don't know, maybe that leaves us.

The budget we passed hits employers over the head with a brick over and over and over and this amendment hands'm an aspirin. If we were really serious about jobs, if we were really serious about the economy, if we were really serious about the business climate, we would have taken this

opportunity to fix the budget. The budget. Instead, we're doing this. And if we truly think this is sufficient, if we truly think this is making a difference, if we truly think this is going to make employers say, "You know what? You're right. This is the place to stay. This is the place to do business. This is the place where I wanna grow my business and hire new employees." If we think that, we are kidding ourselves.

Are most of us gonna support this? Sure we are 'cause it sounds like it's pro-business but let's be honest with ourselves. Let's be honest with residents. In my opinion and I know many share it, this is window dressing. Let's call it what it is. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Further on Senate Amendment B? Representative Wilms.

REP. WILMS (142<sup>nd</sup>):

Thank you, Mr. Speaker. This is - I'm gonna support the amendment. I mean, obviously, it's pro-business and it sounds good and it looks good but, Mr. Speaker, this is the difference between

governing and the appearance of governing. This amendment, this study, this taskforce is the appearance of governing. It looks like we're really doing something. It looks like we really care. It looks like we really wanna make a difference. But, Mr. Speaker, if we really, really wanna make a difference, you know what we can do? We can vote "no" on SB 1502. So, to all my colleagues, if you really wanna make a difference, if you really wanna stand up for business, if you really wanna take us in a new direction away from the failed policies of the past, vote "no" on SB 1502. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Again on Senate Amendment "B." Representative Smith.

REP. SMITH (108<sup>th</sup>):

Mr. Speaker, we have heard some dialogue here this evening on this amendment. There was some sarcasm, some facetious comments, and an underlying theme that I think we all have heard loud and clear tonight and the underlying theme, Mr. Speaker, is credibility and whether this Chamber still has

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credibility in the eyes of the public. And I would submit to you and anybody listening that we have lost that credibility. And that's why I think you're hearing some of the sarcasm and you're hearing some of the facetious comments because we all know what we have heard from our constituents. We all know how strongly our business community opposes this budget. We have all heard from our business community.

I could ask my good colleague of the - and Chairman of the Judiciary Committee all about the comments we have heard and read in the paper but they'd be rhetorical questions. What did they say? What's the message that we have heard? The message that we have heard is do not raise our taxes. The message that we have heard loud and strong is do not pass this budget.

Now, we left here June 3<sup>rd</sup> and we're back here tonight. I don't know how many days it is but it's enough, where an attempt could have been made and I guess there was an attempt made to make the budget a little bit better. And I'll submit to you that that attempt has failed because all's we are doing here when we implement this budget is pass the tax

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down the road. It doesn't go away. It's just  
businesses, you'll be taxed next year as opposed to  
right now, as opposed to goin' backwards. So I  
guess that made it a little bit better in that  
regard but the underlying theme of stop taxing us,  
stop over regulating us, stop gettin' in our way of  
doin' business has not been heard. And if we  
implement the budget tonight and nobody wants to go  
home more than me, trust me, but if we implement  
this budget tonight and I would love to stay here  
and if we had to stay here through the summer to  
make Connecticut a better place, I'm right here. I  
with ya'. But we weren't asked to be part of that  
process. So we're here tonight to express our  
displeasure with what's been presented to us,  
through this amendment and, I suspect, the  
underlying bill when we get to it.

But if we really wanna do something as my  
colleagues have indicated, we have a chance. It's  
not too late. I'm willing to stay here. I'm  
willing to come back. I'm willing to make it  
right. But to do that, we'd hafta say no to this  
implementer, we'd have to say no to the increase in  
taxes, and we'd have to let our businesses actually

be heard as opposed to creating a Commission with the curious and dubious distinction of maybe we'll listen to'm and maybe we will not.

You know, it kinda reminds me of the, Mr. Speaker, the Special Transportation Fund. That's what I was thinking of while this dialogue was goin' on. You know, we have this great Special Transportation Fund that we're supposed to use the money to repair our bridges and our roads and our infrastructure. I've been here five years. Every, single year that I've been here, this Chamber has raided that Fund to balance the budget. That's why we lack credibility. That's why people look us in the eye and say, "What are you doing?" And I can't answer'm. I shake my head along with them. I don't know.

The only thing I would ask, Mr. Speaker, is that it's not too late and that's what I'll say here tonight. It's not too late. Let's make a stand if we really wanna make Connecticut better, take a stand tonight. Thank you, sir.

SPEAKER SHARKEY:

Thank you, sir.

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I would just, again, remind the members that we're on Senate Amendment "B" and if you can confine your remarks to that. Representative Wood. REP. WOOD (141<sup>st</sup>):

Thank you, Mr. Speaker. I find myself having a tremendous gut response to this amendment. With all due respect to Representative Tong, I think it's very clear why this amendment is being run. The outcry to all of us on this budget was no surprise to many of us. Maybe it was to you on the other side of the aisle. Absolutely no surprise.

When the Budget Finance Package first passed end of April, we started to hear from businesses. We started to hear from the hospitals. We started to hear from a number of people across the state. This was not a good budget. We are not on the right path. What concerns me most about this amendment is that it's redundant. We already have these in place. We have a Tax Panel already looking at taxation.

It's been mentioned by my colleagues that Senate Bill 1137 has passed and been signed by the Governor. It does the same thing. There are a number of things that do the same thing as this.

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This is very transparent. It's for cover for those of you who voted yes on the budget. Why would we do that? We're here to do the right thing.

I think the other comments my colleagues have made is, truly doing the right thing, we'd vote no on this implementer and come back and do the right thing. We're here to do the right thing. We're not here to do what's politically expedient. We're here to do the right thing for our constituents not our leadership, not what we think is right, but in our gut what we know is right.

I will be voting to oppose this amendment. I think you understand why. I cannot in my conscience vote for this. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam.

Further on Senate Amendment "B?"

Representative Bolinsky.

REP. BOLINSKY (106<sup>th</sup>):

Thank you very much, Mr. Speaker. I don't have any questions. I just have a comment. We continue to talk about the gut feel of our state spending too much and asking way too much of our corporations but, lost in this, nobody's talking

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about the fact that we also have our citizenship leaving. If you look at United Van Lines' outlook, Mayflower's outlook, the moving companies in the State of Connecticut have classified us as an outbound state. It troubles me deeply and it makes me feel a little bit unsteady in my job to have to look my neighbors in the eye and when they tell me that they're leaving the state, I can't give them a suitable response that answers the fact that they feel overtaxed and put upon and, perhaps, they are in a position now where they are underemployed or unemployed and we're talking about the taxpaying middle class here.

So I'm gonna join up with Terrie Wood and with Richard Smith and tell everybody in this Chamber that I'm willing to come back and work on this because this budget's a train wreck. When will we learn to live within our means? When will we learn that there's only so much blood you can squeeze out of a stone? So, for goodness' sake, let's take this opportunity. Thank you very much, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Again, on Senate Amendment "B."

Representative Ferraro.

REP. FERRARO (117<sup>th</sup>):

Thank you, Mr. Speaker. After the long litany of speakers that have spoken on the bill, having not been here prior to this session, I guess I should thank all the members here to have spared me all the bills that came before me because I think the only thing more redundant than those bills is the comments that everybody's heard regarding the dissatisfaction on this side of the aisle.

I would say that I am one of those people that really believes that we need to get it right. I came here to this Assembly based on my constituency that sent me here because I ran on a platform that our business community was toxic, the environment that our businesses have to work in is a very difficult environment. I am a small business owner and I have a number of small businesses throughout the State of Connecticut and I hafta say that I am part of the victimization of what is going on with the Connecticut General Assembly long before I got here. And I wanted - I came here thinking I could

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make a difference and I have probably got my frustration meter up to about 10 right now.

So I am willing to stay as long as possible, as many days as possible. I took this job for a two-year commitment and I'm willing to spend the rest of this year doin' whatever it takes to make the budget and make the - our presentation back to our constituents somethin' that they can be proud of.

So I thank you for your time and I'm sorry to be so negative but this is what it comes down to. This is the last bill of the session. This is what it all comes to and, quite frankly, this is a summation of five months of frustration. Thank you for your time, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Further on the amendment that is before us not the underlying bill. Further on the amendment? If not, staff and guests to the Well of the House. Members take your seats. The machine will be open.

CLERK:

[bell rings] The House of Representatives is voting by roll. The House of Representatives is

voting by roll. Will members please report to the Chamber immediately?

SPEAKER SHARKEY:

[gavel] Have all the members voted? 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.

Will the Clerk please announce the tally?

CLERK:

LCO 9729, Senate "B"

Total Number Voting 143

Necessary for Adoption 72

Those voting Yea 122

Those voting Nay 41

Those absent and not voting 8

SPEAKER SHARKEY:

The amendment is adopted. [gavel]

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

REP. WALKER (93<sup>rd</sup>):

Good, again, good evening, Mr. Speaker.

SPEAKER SHARKEY:

Good evening, madam.

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REP. WALKER (93<sup>rd</sup>):

The Clerk has an amendment, LCO 9746. I ask that it be called and I be allowed to summarize.

SPEAKER SHARKEY:

Will the Clerk please call LCO 9746, which has been previously designated Senate Amendment C.

CLERK:

Senate Amendment C, LCO 9746, as introduced by Senators Looney and Duff, Representative Sharkey, and Aresimowicz.

SPEAKER SHARKEY:

The gentlewoman has sought leave of the Chamber to summarize. Is there objection? Seeing none. You may proceed with summarization, madam.

REP. WALKER (93<sup>rd</sup>):

Mr. Speaker, as everybody knows, there are multiple subjects in this bill that's before us today and there were a lot of adjustments that needed to be made to the underlying bill and the amendment that we have, LCO 9746, makes several adjustments throughout the bill. I move adoption.

SPEAKER SHARKEY:

The question before the Chamber is adoption. Will you remark, madam? Thank you.

Further on Senate Amendment "C?" Further on  
Senate Amendment "C?" If not, lemme try your  
minds. All those in favor of Senate "C," please  
signify by saying aye

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, nay.

REPRESENTATIVES:

Nay.

SPEAKER SHARKEY:

The ayes have it. The amendment is adopted.

[gavel]

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

Representative Ziobron.

REP. ZIOBRON (34<sup>th</sup>):

Good evening, Mr. Speaker.

SPEAKER SHARKEY:

Good evening, madam.

REP. ZIOBRON (34<sup>th</sup>):

So I've been sitting here, listening to all of  
my colleagues and, like, some of - someone earlier  
mentioned they could feel their blood pressure

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rising and, for the first time in this Session, I have felt that way and I'm angry and I'm sad for the residents of the State of Connecticut. I listened earlier to the Senate debate and I heard folks talking about how proud they were of this budget. I've heard people here talk about that as well. And I don't really know how anyone can say that when you look at the effects that this budget is gonna have on every business owner, on every parent, and on every student in the State of Connecticut.

When we broke on June 3<sup>rd</sup>, I don't know about you but I went back to my district. I had office hours. I had people coming and talking to me. And it's gotten to the point, for me when I see my constituents, they say to me, "Melissa, I don't know how you do it. I've given up on the State of Connecticut." On Sunday, I attended a funeral for a good friend of mine, a World War II veteran and a Korean Veteran, and I saw the former Commander of the VFW there and I say former because he was no longer the Commander and I was happy to see him but I was surprised because he had given up his post to move to Florida. And so I asked him, "Why are you

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still here?" And it was one answer, which was,  
"Because, Melissa, I can't sell my house. I can't  
sell my house and move to Florida. It's been on  
the market for two years."

I don't know when enough is gonna be enough in  
this Chamber why we keep spending money we don't  
have. We've all seen the headlines. I think all  
of us got mailed a package of headlines last week.  
*Providence Journal*, "Connecticut's Loss." *Forbes*,  
"Elections Have Consequences. Connecticut  
Governor, Dannel Malloy, May Have Lost The State  
GE." *The Hour*, "Budget Boondoggle Takes The Cake In  
2015." *Wall Street Journal*, "Connecticut Tax  
Boomerang." *The New London Day*, "The Path For  
Connecticut Is Unsustainable." *Hartford Courant*,  
"More Huge Tax Hikes Won't Solve The State's  
Problems" *The Day* again, "What Became Of Malloy's  
Shared Sacrifice?" *Hartford Courant*, "Fixing Budget  
Is Job No. 1" *The Bulletin*, "Our View: On taxation,  
state should heed companies' warnings." Again from  
the *Hartford Courant*, "Tax-heavy Budget Is A Bad  
Deal For Connecticut." *The Wall Street Journal*  
again, "Worse Than Illinois." I could go on and on  
and on.

But for me, the unpublished headline is really the story because the unpublished headline talks about how we are gonna be facing the exact same problem here two years from now and we talked about it briefly when you brought out the budget on June 3<sup>rd</sup> and that is deficits in 2018, 2019, and 2020. Deficits that we are gonna be facing again and what are we gonna do? Are we gonna turn around and pass another \$2 billion tax increase on to the residents of the State of Connecticut? They cannot take another dime but, yet, we keep doing it and we think we come back here and we're gonna fix the budget and we're gonna cut \$41 million, call it a day, we've saved the state. It's one-tenth of 1 percent of the \$40 billion two-year budget. But this budget puts us right back into deficit: \$832 million in '18, \$731 million in the red again 2019, and \$794 million in 2020. How can we keep doing this without thinking about doing things different?

I started looking through all the Sections and I start, of course, with the OFA analysis. We can't keep increasing spending. This one is almost 8 percent increase. I had a senior come up to me at the Shad Bake on Sunday in Moodus. They're in

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their 60s. He's retired, she's retired, but she had to go back to work and she works at the local diner, washing dishes, picking up dirty dishes, and they're in tears, talking to me about how they can't afford fresh fruits, the light bill. These are the stories that we are all hearing and I don't care if you're a Republican or a Democrat or if you live in Stratford or you live in Uncasville. These are real stories that we are hearing every, single day from our constituents and when we look at this E-Cert Bill, we see Section after Section after Section that has absolutely nothing to do with the state budget, absolutely nothing. But my questions are gonna be talking about the dollars.

So, in the first one, my question, through you, Mr. Speaker, is in Section 41, we have an allocation to the Connecticut Trust for Store Preservation because we swept the Community Investment Act and I see now we're giving them an additional appropriation. Through you, Mr. Speaker, what is this appropriation for?

SPEAKER SHARKEY:

Madam, to whom are you directing your question?

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REP. ZIOBRON (34<sup>th</sup>):

I guess it would be somebody, the good  
Chairwoman of the Appropriations Committee.

SPEAKER SHARKEY:

Ah. Representative Walker?

REP. WALKER (93<sup>rd</sup>):

Through you, madam - through you, Mr. Speaker,  
sorry. Through you, Mr. Speaker, I thank the good  
gentlelady from East Hampton for her question. The  
funding that we have here will be used for the  
operations for the Connecticut Historic  
Preservation.

SPEAKER SHARKEY:

Representative Ziobron.

REP. ZIOBRON (34<sup>th</sup>):

Thank you, Mr. Speaker. And, in Section 42,  
we've extended the First Five program by another  
year. I'd like to know, according to the LFA  
fiscal note, Mr. Speaker, we're gonna be funding  
three additional projects. If the good gentlewoman  
could explain to me which projects we're gonna be  
funding and will they have employees accounts  
attributed to them? Through you.

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Representative Walker.

REP. WALKER (93<sup>rd</sup>):

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

SPEAKER SHARKEY:

Representative Ziobron.

REP. ZIOBRON (34<sup>th</sup>):

Thank you, Mr. Speaker. When we talked on June 3 about this budget, one of the questions I had was the increasing number of state employees. In Sections 58 through 71, it looks like we are increasing the state employees through the Commission of Human Rights and Opportunities for a new set-aside program. Could the kind gentlelady tell me how many new state employees are gonna be with CHRO? Through you.

SPEAKER SHARKEY:

Representative Walker.

REP. WALKER (93<sup>rd</sup>):

Through you, Mr. Speaker, I believe there are eight.

SPEAKER SHARKEY:

Representative Ziobron.

REP. ZIOBRON (34<sup>th</sup>):

Thank you, Mr. Speaker. If the kind gentelady could take a second look at that and tell me - in my Section, I see 11. Currently, CHRO has 85. I'm trying to understand is now this organization gonna increase to almost 100 employees? Through you.

SPEAKER SHARKEY:

Representative Walker?

REP. WALKER (93<sup>rd</sup>):

Through you, Mr. Speaker, I apologize. The gentelady is correct. There are 11. The employees for CHRO will address the expansion of their responsibilities in the set-aside, working with the municipalities through the State of Connecticut. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Ziobron.

REP. ZIOBRON (34<sup>th</sup>):

Thank you, Mr. Speaker. And this program is a perfect example of unintended consequences because it sounds great, we all wanna help minority business owners, women business owners, but now we're gonna be expanding to municipalities and it's gonna have an impact. We just don't know what that

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is yet because these are the kinds of things we don't stop and really talk about and really look at in a way to be beneficial for the State of Connecticut and I believe, Mr. Speaker, in the budget completely we have 197 new state employees. Could the good representative confirm that number for me and tell me if there are yet more new state employees in this E-Cert implementer bill? Through you.

SPEAKER SHARKEY:

Representative Walker?

REP. WALKER (93<sup>rd</sup>):

Through you, Mr. Speaker, I believe the gentlelady is correct.

SPEAKER SHARKEY:

Representative Ziobron.

REP. ZIOBRON (34<sup>th</sup>):

Thank you, Mr. Speaker. So that - this Commission, just to verify from the good - my good friend, this is the only Commission that's seeing new employees in this implementer? Through you.

SPEAKER SHARKEY:

Representative Walker.

REP. WALKER (93<sup>rd</sup>):

Through you, Mr. Speaker, I believe the gentlelady is correct. There is a Section in the Office of Early Childhood Agency that has a category that is changing. They're considered Educational Consultants and they are now changing their category and those - that's one of the other areas where you will also note and it seems like we're adding in new employees but we're not. We're just changing the title, through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Ziobron.

REP. ZIOBRON (34<sup>th</sup>):

Thank you, Mr. Speaker, and I'm not sure if I have a lot of other questions for my good friend but I have a couple other statements and some other Sections I'd like to point out to my colleagues and to the taxpayers of the State of Connecticut because I'm gonna repeat what I said on June 3<sup>rd</sup>. We do not have any such thing as state money. There is no such thing. It is taxpayer dollars that we spend in this Chamber and so when I'm looking at the choices and the priorities that are in this implementer bill, I get very concerned. We talk about the probate courts we have in this

implementer, raising fees, and when I talked to the probate courts, they're concerned because they have no way to collect that money. They don't have a collection agency within the probate court and that is the first line, the probate courts, are our first line of defense for those that are the most needy kids at risk.

We also have an entire sweep of the Citizens Election Fund. What is gonna be the balance of that Fund? We have in Sections 99 through 101, now are gonna mandate that any contractor, not just Lessing's Cafeteria Management but any contractor, is now gonna get paid \$15 an hour that works on the old State House, on this grounds, or at the LOB. I can only imagine what's coming next once we hit that slippery slope.

When we go further on in the budget, we talk about other things like Medicaid. In lines - Sections 156 and 157, we make many changes to the budget that we passed by reducing funding but, again, it's \$41 million. We're not talking about real reductions in spending but we have reduced some things. We've reduced the allocation to Medicaid by \$3 million. Medicaid has been

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consistently deficient all year. We have had multiple FAC meetings with transferring money because we have no money for Medicaid. We have a growing population of Medicaid clients in the State of Connecticut. Almost a third of our citizens are on Medicaid. So what do we do? We decide we're gonna cut another \$3 million out of that allocation.

We have taken a small slice at the normally, I think, \$200 million balance of our Reserve Salary Account. We've reduced that by 13 million. And we have targeted savings of another 12.5 million, which makes up our \$41 million cut. And in that 12.5 million, we're cutting the Department of Veterans Affairs by \$76,000. We're cutting many other items and, here we are, back at DSS, cutting DSS over \$5 million in two years. We keep going back to the same playbook over and over and over again. We cannot keep doing that.

When you go further on in this implementer, we see many other Sections again that have absolutely nothing to do with the budget. And then we get to Section 422 and I just sat here and listened to the good representative, who brought out the amendment,

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talking about economic competitiveness. We heard representative after representative talk about what we have had done over the years. I was gonna speak on the amendment. I chose not to because the research I had done talks about a business advocate that we once had. We've had many other programs and, in Special Session, we sweep that money. Again, it's the same playbook over and over again and, yet, we just heard our Democrat colleagues and friends talk about how we were gonna start doing things different. We were gonna really pay attention to what the business community wanted. We were gonna take their requests and really consider them and, yet, in this budget, we're goin' right away to Paid Family Medical Leave. And we are taking \$140,000 of taxpayer money to contract with a consultant to create an implementation plan.

So I just listened to 45 minutes of conversation about how we really want to understand what businesses need and, yet, in this implementer, we've decided we're gonna take Paid Family Medical Leave and figure out how to implement it.

I could go on and on and on, Mr. Speaker.  
When I see people in my district and they really do

say to me, "Melissa, I don't know how you do it."  
I say, "I'm here because I still think I can make a difference. If I didn't think I could make a difference, trust me, I would be home in my garden, taking a walk with my dogs, and spending time with my family." We are all here, spending time here because I hope we believe we can make a difference. The clock is ticking on the amount of time that we can actually make a difference if we don't actually listen first and come up with solutions together and this implementer doesn't do that.

I really hope in the next Session, we'll have an opportunity to have these conversations in a meaningful way, where my colleagues and my caucus can be part of a solution. We were chided all Session, throw your ideas on a napkin, lemme hear what you hafta say, and we did that with a line by line budget that was tossed in the garbage hot off the press by our Governor. We had good ideas in that budget. Good ideas. And it's my hope in the next year that I can sit down with the colleagues that I trust and respect on the other side of the aisle and those ideas will actually make it into a

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document that we can all be proud of. Thank you,  
Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam.

Further on the bill as amended?

Representative Davis.

REP. DAVIS (57<sup>th</sup>):

Thank you, Mr. Speaker. I do have a few questions and I'm not exactly sure who they would be directed to. They're concerning the Municipal Revenue Sharing Account and the changes that we're making to that, so I will direct my questions through you and allow you to, perhaps, present them to whoever is necessary.

I noticed in the underlying bill and please excuse me if the Section numbers changed during the amendment that we just passed that in Sections 110 and 111, we're changing how we're going to be dispersing the funds in this MRSA account and this MRSA account is funded in various different ways but, one of the highlights that was brought out in this last budget that was brought up a few weeks ago, was that we were gonna take a share of the sales tax revenue and we were gonna squirrel that

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away. We were gonna say, let's take this little piece of the sales tax revenue, let's put it into this account, this will save the day because we're going to reduce property taxes across the state. We're gonna put a cap on spending for towns. We're going to put a cap on the mill rate for cars, for towns that have chosen to have a very high mill rate. Now, with this bill right now, we're saying that MRSA account that existed previously with various other funding sources was redistributed on a per capita basis. That means each one of our towns, our districts, all got a fair share because we all represent about the same amount of people. But what we're doing now under this bill and on these Sections 110 and 111 of the original underlying bill, we are saying that we're gonna throw away that per capita basis. We're gonna, oh, that doesn't matter, every town being even, every one of our residents being treated fairly and equally doesn't matter, and we're going to be having the OPM Secretary determine the formula in which the money will be redistributed through this bill. At least that is my understanding.

And, through you, Mr. Speaker, is that correct?

SPEAKER SHARKEY:

I believe that's a question best directed to the Finance Chair, Representative Berger.

REP. BERGER (73<sup>rd</sup>):

Thank you, Mr. Speaker. I'm sorry but could the representative just please repeat that question.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57<sup>th</sup>):

Thank you, Mr. Speaker, and I did have a long preface so I understand. In Sections 110 and 111, we are now changing what was formally a per capita basis on the redistribution of the money within the MRSA account to a new system in which the OPM Secretary will have carte blanche authority to develop a new formula and create his own formula to redistribute the money? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Berger.

REP. BERGER (73<sup>rd</sup>):

Through you, Mr. Speaker, that is correct.

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SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57<sup>th</sup>):

Thank you, Mr. Speaker. Ladies and gentlemen, is that what we thought we were doing just a few weeks ago? I mean, perhaps some people thought that. I mean, I was certainly under the impression that we were going to try to evenly distribute this money in a fashion based on PILOT and based on the mill rate but - and perhaps a per capita basis. What we're doing here is saying we can change the formula. The OPM Secretary can set the formula. He can decide that the person in my district or the people in your district don't get any funding and the people in some other district get all the funding despite that sales tax revenue being generated by your constituents and my constituents. That's what we're doing here today in Sections 110 and 111.

I also noticed in Section 133 concerning the MRSA account, we're reducing the carry forward in fiscal year '18 by \$107.8 million. Is that correct? Through you, Mr. Speaker.

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Representative Berger?

REP. BERGER (73<sup>rd</sup>):

Through you, Mr. Speaker, that is correct.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57<sup>th</sup>):

Thank you, Mr. Speaker, and that's very important because what we're doing there is that we're saying we passed a budget a few weeks ago and one that was touted as being historic, something that we were - should all be very proud with. We're developing a system that's gonna curb property taxes here in the State of Connecticut. Don't worry. We have the money. We're puttin' it in an account. Every single town's gonna get it. You're gonna get this fair share. Here's the formula, this is how it's done. But what we're doing in this budget already, three weeks later, we're saying, "Oops. We need the money. We need the money as the State of Connecticut. We're gonna take 50 million of it and then we're gonna hold back carrying forward into that account 100 million of it." So this is exactly what we've been talking about for three weeks now and for the weeks leading

up to it, when we were discussing SB 1. We, as the State of Connecticut, have already broken our promise to the towns that we intended to have this fund set up for, the promises that we have made to the people of Connecticut, the idea that we are doing historic property tax reform. We're already throwin' it out the window and we're saying we need to keep that money because we need to balance our budget. Sorry. We tried to keep a promise but we could only do it for about three weeks. And, quite frankly, that is very scary because we've been telling our constituents and our towns, don't worry. You're gonna get additional funding in the state budget. This formula's being calculated. They promised us that in the out years we're not gonna fool around with this formula, but right here, in this document that we're takin' up right now, we're already messin' around with this formula and we're already holdin' back the money in the out years, so we're already telling them, don't - be prepared, it's not gonna happen. We made this promise. It sounds like a great idea but it's just not gonna happen so be ready.

I don't think that's fair to the people of the State of Connecticut. It's certainly not fair to the towns that were counting on us on keeping our word. But, then again, that has been our process for year after year after year.

In Section 140 of the bill, we are moving the date in which the unitary tax is going to be calculated. Through you, Mr. Speaker, are we now moving it to the beginning of 2016? Is that correct? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Berger.

REP. BERGER (73<sup>rd</sup>):

Through you, Mr. Speaker, the date in the bill is January 1 of 2016.

SPEAKER SHARKEY:

Representative Davis.

REP. DAVIS (57<sup>th</sup>):

Thank you, Mr. Speaker. And, we certainly applaud the idea that, thank God, our businesses don't have to pay this retroactive tax, I guess at this point. I think we can all agree that that's probably a good idea. But less is being mistaken here. We are still putting in the unitary tax and

we're doing it in 2016. At least givin'm a heads up, unfortunately, I think it might be a heads up of you got 12 more months or, in this case, six more months to figure out where you're gonna move because that's what they keep tellin' us they're gonna do. So we're not saying, "Oh, you know, give us the money back till January," but we are saying, "At least you got six more months to start planning." That's what we're doing here today.

And we have to be very careful with the way that we address what we're doing in this implementer. I've seen repeatedly in the press and the media that we're rolling back these taxes, that these taxes that were put on businesses were put on them erroneously or we didn't know what we were doing and we shouldn't have done that. Ladies and gentlemen, these are not tax reductions. These are taxes that clearly should've never even been imposed and they were imposed in the darkness of night quite literally. We brought it out at 5:45 in the morning and we did it without any input from any of our business leaders across the state. And we did so because we thought we knew better and, thank God, our constituents were able to reach out

to so many of us in this Chamber and our Chamber upstairs and say, "You don't know better. This is a terrible idea. The State of Connecticut's gonna go down if we continue to keep passing all these tax increases." So let's not go around and say to everyone, "Hey, we rolled'm back. It's great." Because we still have over a billion dollars in tax increases, tax increases that we were promised just a few short months ago would not exist. We were promised in my next term by the Governor, I will not have tax increases because a deficit doesn't exist. Well, in this document we're tryin' to close a deficit. We're trying to set ourselves up for tax increases over a billion dollars and they're not just on businesses. These are tax increases that're affecting every, single one of our families in our district. And not a single thing in this document addresses any of those taxes that're affecting every single one of our middle class families in our districts back at home.

I have heard repeatedly from my constituents that how - this budget affects me personally, not just the business that I work for but me personally. It makes me wanna think about moving

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out of the State of Connecticut. And I don't think that's the message that we wanna be sending to our constituents. I know I certainly wanna be sending the message, "Please stay here. Please open your business here. Please hire more people here." But I'm not sure we're doing that today. And it's quite scary because we've had three weeks. We've had three weeks to come together, develop plan, make sure that we can come back and do it. Email after email, call after call, saying, "Guys, go back into Special Session and fix this mess that you passed." But we're not doin' that. We're reducing state spending by one-tenth of 1 percent in this implementer.

We're repeatedly being told over and over again that the state spends too much and it taxes too much. We've had the opportunity to fix this yet we're only reducing state spending by one-tenth of 1 percent from the budget that we just passed three weeks ago. Is that really what we should be doing here tonight? Is that really what our constituents expected us to do when we came back in Special Session? I don't think so. I mean, the message has been quite clear. The problem is that

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we are not spending too little. The problem is not that we are taxing too little. The problem is that we're spending too much and we need to constantly go back to the same well over and over and over again to find more tax revenue in order to feed the machine of state government here in the State of Connecticut.

I certainly hope that we will not be back here in a few short months, trying to balance a deficit that we are creating here today by all of these tax increases because the projections are rosy, the idea that the economy is growing here in Connecticut is rosy. I certainly hope it's true. I hope we come back here and we have a surplus 'cause that would mean things are goin' better but I'm not quite sure that that's gonna happen because of the things that we're doin' right here in this bill here this evening.

So I would encourage my friends in this Chamber to oppose this implementer because it is not setting us on the right course. It's not doing what our constituents have repeatedly asked us to do in these last three weeks when we came back here. Save my job. Save my company. Save my way

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of doing business and living life here in the State of Connecticut. We're not doin' it here this evening, ladies and gentlemen. We're just not doin' it and I suggest that you oppose this here tonight. Thank you.

SPEAKER SHARKEY:

Thank you, sir.

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

REP. SRINIVASAN (31<sup>st</sup>):

Good morning, Mr. Speaker.

SPEAKER SHARKEY:

Good morning, sir.

REP. SRINIVASAN (31<sup>st</sup>):

Mr. Speaker, this bill as amended, I get the idea, I get the intent, but I'm confused about the process. In a few short hours, God willing, I will be going to my day job and, in that job, Mr. Speaker, I do not treat my patient first and then do the research, research followed by FDA approval and then me and my colleagues, all of us, treat our patients. That is due process. That is a process we follow and here we have the entire process backwards. We pass a bill, we pass this

implementer, and then go back to study what the implications are of what we just passed. So if you can imagine when each and every one of us visit our physicians in the days and weeks ahead for a routine physical or for a treatment, what we are gonna be handed out is not what has gone through the entire process but an idea that the patient be treated with something and then, guess what, we will study what we just gave you a short time ago.

Mr. Speaker, there are parts in this bill that has bipartisan support. I would even go so far as to say there are parts that have almost unanimous support. But when you look at this bill - when I look at this implementer in its totality, it is a different bill - it's a different ballgame altogether.

Mr. Speaker, this morning I feel handcuffed, having to vote on a bill, having to vote on something as huge as this implementer. There are parts, Sections in this implementer that have not had public hearings. There are Sections in this implementer that have not come out of Committee. We have not followed due process. Due process is sacrosanct and what we have done here have decided

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to let due process out of the window and do what we think in our mind before due process, before the research, what we feel is right for our constituents. And, for that reason, not having followed due process, I cannot support this bill.

Mr. Speaker, there's a little good even in the worst of us and, in this implementer, there is definitely some good. In fact, there are Sections in this implementer that have been introduced by me, looking at how can we take - address the issue of a healthcare professional that is impaired, making sure that we have adequate resources to take care of healthcare-impaired professionals. But all of that pales to what we are doing in its totality. When you look at how we're impacting our businesses, small and large, how we are impacting our citizens, middle class, the rich and, of course, the super-rich, you wonder how things can just continue if we go ahead with this implementer.

I see the ads, Mr. Speaker, the New York State ads and I cringe when I see those ads. When I hear about Governors visiting our state, wooing our jobs, wooing our businesses, it should be a concern for you, me, and for each and every one of us. So,

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when I look at what this implementer will do to us, to our constituents, to each and every one of us here in the state, I am worried that the brighter days definitely are not ahead of us and the only bright part of this entire implementer is for the moving companies and, for that, for not having followed due process, and concerned about the impact of this implementer, Mr. Speaker, I cannot support this this morning. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

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

REP. PERILLO (113<sup>th</sup>):

Mr. Speaker, thank you very much. If I could, just one question to clarify legislative intent. The question may be best directed to Representative Abercrombie.

SPEAKER SHARKEY:

Well, please proceed, sir.

REP. PERILLO (113<sup>th</sup>):

Thank you. The Section of the bill regarding small hospitals. It references hospitals of 160 beds and under. Is that intended to include

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hospitals that have exactly 160 beds or not?

Through you, sir.

SPEAKER SHARKEY:

Representative Abercrombie, can you answer that question?

REP. ABERCROMBIE (83<sup>rd</sup>):

Yes, Mr. Speaker, thank you. Through you, Mr. Speaker, yes. The intent is 160 and under are considered small hospital. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Perillo.

REP. PERILLO (113<sup>th</sup>):

Thank you very much and I thank the lady for her answer.

SPEAKER SHARKEY:

Thank you, sir.

Further on the bill as amended?

Representative Devlin.

REP. DEVLIN (134<sup>th</sup>):

Thank you, Mr. Speaker. I just have a few comments on this bill. Since June 3<sup>rd</sup>, actually starting June 3<sup>rd</sup>, I described the budget that was approved by the majority in this legislature as

shameful, horrific, and reckless. It doesn't come close to describing this implementer bill. It reinforces that we are not listening to the people and the businesses in this state. It's a nice olive branch to offer an amendment, which I did support 'cause in concept I will support anything that encourages this legislature to actually listen to the businesses, to the job creators in this state. But at the end of the day, as some of my colleagues have said, it's too little too late. This implementer does not reflect a government for the people but it does reflect one of special interests and the need to give special favors to those that toe the party line like \$35 million to the Town of Norwalk. Passing this bill as-is is nothing short of irresponsible and it is a serious blow to the future of our state. I will not be supporting this bill and I encourage all of my colleagues to do the same. Thank you very much.

SPEAKER SHARKEY:

Thank you, madam.

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

REP. WOOD (141<sup>st</sup>):

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Thank you, Mr. Speaker. I have two questions for - I have a question on Section 413. Who would be best to answer that?

SPEAKER SHARKEY:

I don't know off the top of my head, representative, exactly what Section 413?

REP. WOOD (141<sup>st</sup>):

You haven't memorized this entire document?

SPEAKER SHARKEY:

I have not memorized it. I'd be happy to go and research that for you but -

REP. WOOD (141<sup>st</sup>):

Shall I read the question? Shall I -

SPEAKER SHARKEY:

I think Representative Abercrombie is - I'm being told is the appropriate person to whom the question should be directed.

REP. WOOD (141<sup>st</sup>):

Thank you, Mr. Speaker. My question is Section 413, "Nursing home must provide a resident with information on Medicaid eligibility if there is reason to believe they will be eligible within 180 days of," - wait - "in the next 180 days and the Department can assess the resident's preference

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in staying put or leaving the nursing home." So will this Section in any way force a resident to leave the nursing home early? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie?

REP. ABERCROMBIE (83<sup>rd</sup>):

Through you, Mr. Speaker, no, that is not the intent, to have any resident leave a nursing home. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Thank you very much. That's the only question I have on that Section. The other Section I have is Section 380. Through you, is Representative Abercrombie the best person to answer questions on Section 380?

SPEAKER SHARKEY:

Representative Abercrombie has indicated through her gestures and smile on her face that she is the correct person for that question.

REP. WOOD (141<sup>st</sup>):

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Thank you very much. This - thank you. I haven't figured out the ambidextrous piece of this yet.

SPEAKER SHARKEY:

Take your time, ma'am.

REP. WOOD (141<sup>st</sup>):

All right. Thank you very much. Section 380, lines - thank you, 14,153 through 14,178. Can you tell me what the intent of that language says? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie.

REP. WOOD (141<sup>st</sup>):

It's on page 457 of the implementer, 456 and 457.

SPEAKER SHARKEY:

Representative Abercrombie?

REP. ABERCROMBIE (83<sup>rd</sup>):

Thank you, Mr. Speaker. Through you, what that Section tries to get at is, you know, we hear year after year after year that the employees through their nursing homes are not paid a decent wage and what this section does is it puts money in the budget that goes to direct workers care, not to

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the nursing homes themselves because we feel that the workers are not gettin' paid a fair wage, so this Section puts money in the budget that'll go to direct workers care payments. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Does it specify - for the direct care workers, does it specify union or nonunion members? Through you, Mr. Speaker?

SPEAKER SHARKEY:

Representative Abercrombie?

REP. ABERCROMBIE (83<sup>rd</sup>):

Through you, Mr. Speaker, it goes to both. It does not -

REP. WOOD (141<sup>st</sup>):

Differentiate.

REP. ABERCROMBIE (83<sup>rd</sup>):

Thank you. [laughs] Thank you, sorry. It's a little late now - between union and nonunion. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

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REP. WOOD (141<sup>st</sup>):

It does not differentiate yet what my understanding is is that \$9 million is going to 60 unionized nursing homes and only \$4 million is going to the other 170 nonunion nursing homes. So that does differentiate, does it not? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie.

REP. ABERCROMBIE (83<sup>rd</sup>):

Through you, Mr. Speaker, the way I read the legislation, it says up to 9 million could be used in the collective bargaining agreements, Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Nine million is - so 9 million is allocated for the unionized nursing homes. How much is allocated for the nonunionized nursing homes? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie?

REP. ABERCROMBIE (83<sup>rd</sup>):

Through you, Mr. Speaker, it's not 9 million. It's stated in the legislation up to 9 million could be allocated towards collective bargaining but there's 12 million in the budget that will go towards direct care in nursing homes. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Right. I got your point, it's up to 9 million but, come on, we all know what spending goes on this building. I just wanna be clear so nine - up to 9 million goes to unionized nursing homes and 3 to 4 - up to 3 to 4 million goes to, I'm sorry, I'm not saying that. Up to 9 million goes to the 60 unionized nursing homes and up to 3 to 4 million goes to the 170 nonunion nursing homes. Is that correct? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie.

REP. ABERCROMBIE (83<sup>rd</sup>):

Through you, Mr. Speaker, the way I read it is that the Commissioner can use up to 9 million through the collective bargaining agreements and

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then up to, and I apologize I thought it was 12 million but there is 13 million put in the budget for nursing homes, will go to the other nursing homes. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Thank you for that answer, Representative Abercrombie. I'm curious why there is such disparity between the two numbers, between union and nonunion nursing homes? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie.

REP. ABERCROMBIE (83<sup>rd</sup>):

I think the hope is is, you know, we do not want any of our nursing homes to go on strike. We want to make sure that the people that are in our nursing homes are being well taken care of. We know that we do not pay our employees of the nursing home enough money, so when we put the 13 million into the budget, we wanted to make sure that it was allocated for direct care. Through you, Mr. Speaker.

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SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Thank you. But it's not allocated fairly. Nobody could argue that. Would you argue that it's - would you feel that this is allocated fairly between the balance of union and nonunion nursing homes? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie?

REP. ABERCROMBIE (83<sup>rd</sup>):

Through you, Mr. Speaker, the way the legislation is - the way the legislation is written, if you read it, it says the "DSS Commissioner will adjust the rates based on the cost reports of the nursing homes." So I can't tell you what the nursing home reports are at this point. I don't have those in front of me, so it's gonna determine what the reports come to at DSS as to how much each nursing home is gonna get.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

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I'm sorry, would you repeat that? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie.

REP. ABERCROMBIE (83<sup>rd</sup>):

Sure, I'm sorry if I wasn't clear on that. So the way that the money is allocated for nursing homes, the nursing homes give DSS their cost reports. Through the year, DSS determines how much the nursing homes need based on those reports. There's 13 million in the budget and through those cost reports, DSS will appropriate those dollars to the nursing homes. I don't know what an average cost report is for a nursing home, so I can't say how much each nursing home is gonna get. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Thank you for that answer and I appreciate you repeating it. The - but the language talks about nursing homes with collective bargaining agreements and I just wonder are the nursing homes that're unionized paid less than - the salaries for direct

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care workers paid less than those who are nonunion?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie.

REP. ABERCROMBIE (83<sup>rd</sup>):

Through you, Mr. Speaker, I don't have that information. I apologize.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Thank you. I'm just trying to get to the root of why there's such discrepancy between a union and a nonunion nursing homes. It just seems patently unfair. It's not equality; it's simply not right. I think when the citizens of the state hear this, they're - I know one of the news sources covered this today and a number of people, I got emails from five or six people today on this, saying they were baffled and they didn't understand it, so I'm trying to get to the root of why this is so, so that I can explain it to them.

What this does is it's an increase of 5.75 percent for the nonunion nursing homes yet it's a 5.5 percent increase for the unionized nursing

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homes so I just, I'm trying to get to the root of  
why - how that math works and how that came to be.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie.

REP. ABERCROMBIE (83<sup>rd</sup>):

Through you, Mr. Speaker, but I guess I'll go  
back to my original statement. You're assuming  
that the full 9 million is only gonna go to the  
unionized nursing homes. That's not the intent of  
this. The intent is up to that amount. Until we  
see what the cost reports are, we don't know how  
this money is gonna be allocated through DSS.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

The cost reports come out of DSS. Who is in  
charge at DSS of looking at these cost reports and  
making that decision? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Abercrombie.

REP. ABERCROMBIE (83<sup>rd</sup>):

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Through you, Mr. Speaker, the Commissioner is the person that sets the rates for the nursing homes. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Wood.

REP. WOOD (141<sup>st</sup>):

Okay. I have an amendment that I would like to run on this and - thank you, right. Yeah, I need this sheet right here.

So the Clerk has an amendment. It is LCO 9711. Would you please ask the Clerk to call it and I be allowed to summarize it.

SPEAKER SHARKEY:

The Clerk informs me, madam, that he does not have that amendment in his possession. Is it LCO?

REP. WOOD (141<sup>st</sup>):

Oh, my apologies. The number is 9742, LCO 9742.

SPEAKER SHARKEY:

That is in his possession. Mr. Clerk, would you please call LCO 9742, which will be designated House Amendment A.

CLERK:

House Amendment Schedule A, LCO 9742, as  
offered by Representatives Klarides, Candelora,  
Hoydick, Miner, and O'Neill.

SPEAKER SHARKEY:

The gentlewoman has sought leave of the Chamber to summarize. Is there objection? You may proceed with summarization, madam.

REP. WOOD (141<sup>st</sup>):

The summarization - oh. Do I?

SPEAKER SHARKEY:

You may proceed with summarization of the amendment.

REP. WOOD (141<sup>st</sup>):

Okay, thank you. The summarization is, "The Commissioner shall distribute funds equally so that each nursing home receives the same percentage in increase in the nursing home per diem Medicaid rate. Such funds may be used only for the purpose of salary adjustments and related adjustments to benefits and employment taxes."

So what this does is create equity, equality, fairness between the union and the nonunion nursing homes. And I would ask that the vote be taken by roll call.

SPEAKER SHARKEY:

I believe, madam, you need to move adoption of the amendment first.

REP. WOOD (141<sup>st</sup>):

Oh, thank you. I would like to move adoption.

SPEAKER SHARKEY:

The question before the Chamber is adoption. You have the floor.

REP. WOOD (141<sup>st</sup>):

I would, thank you. I would like to request that the roll be taken - the vote be taken by roll.

SPEAKER SHARKEY:

The question before the Chamber is a roll call vote. All those in favor of a roll call vote, signify by saying, "Aye."

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

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

You still have the floor, madam.

REP. WOOD (141<sup>st</sup>):

Well, I would, yeah. To summarize it, I think - it strikes me as patently unfair that there's

discrimination against nonunion nursing homes and I think, for everyone in this state, we should be doing the right thing and creating equity. We're about transparency here. We're about equity. It's about fairness, economic fairness and equality, so I hope you all will support this. I think it makes sense. I think it's common sense and it's a respectful thing to do for all of those people who work in all the nursing homes. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam.

There are other members who are on the board who had been on the board prior to the calling of this amendment. I would ask that if you intend to speak on this amendment but wanna retain your place on the board, that you stand to indicate your interest in speaking on this amendment.

Representative Abercrombie.

REP. ABERCROMBIE (83<sup>rd</sup>):

Yes, through you, Mr. Speaker. Through you, Mr. Speaker, I would urge my colleagues to vote against this. I believe that the way the legislation is drafted currently, it is current

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policy that the Commissioner of DSS determines the rates based on the cost reports that're done through all of the nursing homes. I don't believe that the amendment serves that mission, which is what DSS current practice is. So, through you, Mr. Speaker, I do urge my colleagues to vote against this amendment. Thank you.

SPEAKER SHARKEY:

Thank you, madam.

Further on the amendment before us? Further on the amendment before us? Representative Tercyak.

REP. TERCYAK (26<sup>th</sup>):

Thank you very much, Mr. Speaker, and I'd like to thank the people, who are sponsoring this amendment, because it gives us the opportunity to make it clearer as it is where we assign money, that in this Section, when we talk about 9 million here and 4 million there, we're not just talking about it in the first year, that's for each of the two years of the budget, and I wasn't sure that that was clear and I appreciate the opportunity to make it clear, that our intent is not just to provide raises for one year but for each of the

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years in the budget. Thank you very much, Mr.  
Speaker. I appreciate it.

SPEAKER SHARKEY:

Thank you, sir. Thank you, sir.

Would you care to remark further on the  
amendment before us? If not, staff and guests to  
the Well of the House. Members, take your seats  
and the machine'll be open.

CLERK:

[bell rings] The House of Representatives is  
voting by roll. The House of Representatives is  
voting by roll. Will members please report to the  
Chamber immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the  
members voted?

Members, please check the board to make sure  
your vote is properly cast. If all the members  
have voted, the machine'll be locked and the Clerk  
will take a tally.

Will the Clerk please announce the tally?

CLERK:

LCO 9742, House Amendment A:

Total Number Voting

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Necessary for Adoption	72
Those voting Yea	64
Those voting Nay	79
Those absent and not voting	8

SPEAKER SHARKEY:

The amendment fails. [gavel]

Further on the bill as amended, on the bill as amended? Representative Carter.

REP. CARTER (2<sup>nd</sup>):

Thank you very much, Mr. Speaker. I have one question, through you, to the gracious member in Seat 144, the illustrious Chairman of Appropriations, please.

SPEAKER SHARKEY:

Representative Walker, please prepare yourself. Representative Carter.

REP. WALKER (93<sup>rd</sup>):

[laughs] Illustrious and cold.

REP. CARTER (2<sup>nd</sup>):

Thank you very much. I was gonna say elegant, Mr. Speaker, and I didn't know how that would play out but, through you, Mr. Speaker, one question for legislative intent. In the Section 502, on line 19,669, there's some language that prohibits public

officials and state employees from serving on the Board of Regents.

My question, through you, Mr. Speaker, is will the members that serve on the Board still be continued or will continue to be considered public officials as they are now and will they be continued or will they continue to be subject to our current Code of Ethics? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Walker?

REPRESENTATIVE WALKER (93<sup>rd</sup>):

Thank you, Mr. Speaker, and through you to the great gentleman from Bethel, I wanna say that, yes, the Board of Regents still will be - continued to be subject to the Code of Ethics.

SPEAKER SHARKEY:

Representative Carter.

REP. CARTER (2<sup>nd</sup>):

Thank you very much, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Further on the bill as amended?

Representative Carney.

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REP. CARNEY (23<sup>rd</sup>):

That you very much, Mr. Speaker. I just have a couple of questions on some of the Sections of the implementer. I'm not really sure who can answer them but one has to do with Section 273. It's talking about IEPs, IEP software. It's an education piece of the bill, so I don't know if Representative Fleischmann is here or maybe the Vice Chair of the Education Committee? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Do you have another question and -

REP. CARNEY (23<sup>rd</sup>):

Sure.

SPEAKER SHARKEY:

- we'll try to ascertain -

REP. CARNEY (23<sup>rd</sup>):

Sure.

SPEAKER SHARKEY:

- the whereabouts of Representative Fleischmann as the Chair of the Education Committee.

REP. CARNEY (23<sup>rd</sup>):

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I do have a question on Section 441 through 442, having to do with the Special Transportation Fund. Through you, Mr. Speaker, to whoever you think would this apply to, I was just wondering if the Special Transportation Fund, if there's any language in there regarding a constitutional amendment for a lockbox surrounding that? Through you, Mr. Speaker.

SPEAKER SHARKEY:

I believe that question is best directed to the Chairman of the Transportation Committee, Representative Guerrero. Representative Guerrero?

REP. GUERRERA (29<sup>th</sup>):

Thank you, Mr. Speaker, and, through you, no, there is not.

SPEAKER SHARKEY:

Representative Carney.

REP. CARNEY (23<sup>rd</sup>):

Thank you very much, Mr. Speaker. That does disappoint me because it's actually one of the things that I really pushed for, one of the first things I introduced along with the Governor, so I thought it was a great bipartisan effort to protect transportation funds, especially the gas tax, which

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I know many of my constituents have complained that it's one of the highest gas taxes in the nation and it really deters folks from driving from New York to Boston or vice versa, really looking at Connecticut as a pass-through state. So, you know, all the excitement that the Governor brought forward with that proposal when he spoke to us back in February not to see us even voting on it is a real big disappointment and one I'm sure that the folks of Connecticut and my constituents will not be happy with.

I also have a question on, through you, Mr. Speaker, on Section 443 regarding a Hartford Election Monitor. I was just wondering who will be paying that person? Through you, Mr. Speaker.

SPEAKER SHARKEY:

I'm not sure who is best able to answer that question. Representative Walker?

REP. WALKER (93<sup>rd</sup>):

Through you, Mr. Speaker, the Town of Hartford.

SPEAKER SHARKEY:

Representative Carney.

REP. CARNEY (23<sup>rd</sup>):

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Okay, so the state will have - sorry, just -  
so the state will have no - there will be no costs  
incurred on the State of Connecticut with that at  
all, just a mandate on the City of Hartford?  
Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Walker?

REP. WALKER (93<sup>rd</sup>):

Through you, Mr. Speaker, that is correct.

SPEAKER SHARKEY:

Representative Carney.

REP. CARNEY (23<sup>rd</sup>):

All right. Thank you very much for that  
answer. So I guess just - the only other question  
I had was on that education piece of it. I was  
just wondering if, through you, Mr. Speaker, if the  
IEP software, I did have constituents concerned  
that they are currently using an IEP software that  
they personally like, the Board of Ed for the  
Region 18, Towns of Lyme and Old Lyme, and they  
were very concerned that they was going to be a  
state mandate to require them to change their  
software and I don't see that specific language but  
I do see language that says, "When their contract

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runs out," they will be required to switch over to the state - whatever the state chooses is the best IEP software and I just wanted to see if that was the case. Through you, Mr. Speaker.

SPEAKER SHARKEY:

I don't know that we have the answer to that question because Representative Fleischmann's not here. I don't know if the Vice Chair of the Committee is - oh! Johnny-on-the-spot, Representative Walker, thank you.

REP. WALKER (93<sup>rd</sup>):

Through you, Mr. Speaker, I thank the good gentleman for his question. What the intent is is to have all of the Boards of - the local Educational Boards to be uniformed and it is a mandate but it is a mandate that will help in the operation and maintenance and the communication between the local Boards. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Carney.

REP. CARNEY (23<sup>rd</sup>):

All right. I thank the good Chairwoman of the Appropriations Committee for that answer. I'm not

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sure my constituents will be pleased with that, however. I know that where I come from, they do have very good Boards of Education, a very good school system, and I'm a little disappointed knowing that there's a possibility that the software they are currently using and happy with that's efficient to them and their local control, as this is the state of home rule, their local control over their education will be superseded by the government once again. So, that does disappoint me.

I am - I do urge my colleagues, though, as a final comment, I do urge my colleagues to oppose the budget implementer. I do not think it will do much good for the State of Connecticut but as most of my other colleagues on this side of the aisle have said, this will just continue to make people question living in the State of Connecticut. Nothing disappoints me more than driving through my hometown of Old Saybrook and seeing house after house after house, for sale, for sale, for sale, folks moving to different states, whether it's to the south, Florida, South Carolina, or Georgia or to the north, Massachusetts or New Hampshire, so I

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do urge rejection of this bill. Thank you very much, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Further on the bill as amended?

Representative Bolinsky.

REP. BOLINSKY (106<sup>th</sup>):

Thank you, Mr. Speaker. Good morning.

SPEAKER SHARKEY:

Good morning, sir.

REP. BOLINSKY (106<sup>th</sup>):

And I just have a couple of quick comments. This implementer is full of all kinds of stuff that I didn't expect to see. I'd go so far as to say that there's a lot of pork in here and there are, recognizably, many little bills that never made it out of their Committees and never saw public hearings that're sort of buried in here. In Newtown, I have a pretty sophisticated constituency. I daresay that they're acutely of what happens up here and one person in particular and I were speaking over the weekend and he sort of warned me to watch out and his comments to me were almost prophetic in interpreting all of these

little bills that have been stuck in the implementer that now makes it 600-and-something pages as a way that possibly could be interpreted as having secured the "Yea" votes by just sort of including those. Unfortunately, I, as I look at the bill, I can't prove otherwise so, you know, it shakes my confidence in this bill and what is - what's contained in it.

Secondly, we talk a lot about bipartisanship here. Actually, as this particular budget applies, I've heard the words talked about by probably three or four dozen people today alone. I wanna take my hat off for a moment and say something positive in a day where everybody's speaking negatively. In the Appropriations Committee, we worked in the subcommittee process very bipartisanly and I hafta take my hat off again to Representative Walker and Senator Bye as the Chairs and to our ranking members, Representative Ziobron and Senator Kane, because it really felt good to sit there and work these things out together. That said, we have a lot to learn from that process as a legislature. We lost our bipartisanship the second that the subcommittee process disbanded, so when I come down

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to it, it looks to me and it looks good - it looks to my constituents, who notice by the way, that 42 percent of Connecticut voters and probably over 50 percent of the taxpayers in Connecticut were locked out of the process altogether. So here we are considering an implementer on a budget that was passed and there was not a Republican voice in the room. I'm - I just, I'm shocked. It's my second budget and I experienced it the first time through but, because of the example set by the Appropriations Committee early in the process, I expected more and I'm deeply, deeply disappointed. So I'm gonna be voting "no" on this implementer, just like I voted "no" on the budget 'cause I think we spend way more than we take in and that's just wrong and the people of the state are sick and tired of this. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Representative Walker for the second time.

REPRESENTATIVE WALKER (93<sup>rd</sup>):

Through you, Mr. Speaker, I just wanted to clarify a couple of things. I believe that the good gentleman from Old Saybrook had made some

questions and I didn't have the complete answer and I also first wanna thank the good gentleman from Newtown for the kind words.

In - first of all, in the question about the lockbox, I wanted to clarify that it's statutory and not constitutional. And the second part, on the software for the IEP, the State Department of Education will be covering the expense in it. The whole purpose is for recording - record-keeping purposes, so that they can communicate with the State Department of Ed. I work in an education system also and one of the problems we have is many of us have different systems and trying to communicate between each one of us with the State Department of Ed makes it a bit complex in managing student records and I think the purpose of this is to try to get us to all communicate on the same vein, so that if a child moves from one town to the other, we have the ability to exchange and share that information. So I just wanted to clarify that point - those points of information. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam.

Further on the bill as amended?

Representative Klarides.

REP. KLARIDES (114<sup>th</sup>):

Thank you, Mr. Speaker. Mr. Speaker, I find it I'm not gonna say sad 'cause I'm not really sad that this is our last day but sad because this is where we ended up, I guess. When people ask me what we were doing, going back into Special Session, I had to explain this implementer thing which, quite frankly, if I'm honest with everyone here, I'll say that I didn't really totally understand what an implementer was until about a year ago. If somebody could have explained to me that when we do the budget we just kinda put numbers out there and we don't tell you how you're gonna spend it and we do the implementers we tell you where that money's gonna go, I would've understood it except it would make more sense, I guess, to do it the opposite way. But, it's not really a place where we do a lot of things that make sense to me all the time, so I guess that's not a surprise. So when they asked me, "Well, how does that work?" I go, "Well, we hafta figure out how the money's gonna be spent in different areas

of the state." That makes sense, I guess. Then we get here and we go through this hundred and hundreds of page document and what we find is a lot of stuff. There's a lot of stuff in this. It should be called The Stuff. Just The Stuff. That's what it should be called because it's just full of stuff. Not just stuff that we need to do but stuff we don't need to do, stuff we didn't get done, stuff that people didn't like, stuff that never got through Committees, stuff that never had a public hearing. And it doesn't really matter if we like it or we don't like it but it doesn't really have anything to do with the budget. And that still confuses me after 16 years. It really does.

When we were here a month ago, we were talking about what the budget did, what was good about it, what was bad about it. We saw there was a \$1.5 billion tax increase at the time and half a billion dollars in reduction of exemptions and, in the past month with this outcry from businesses and private citizens that didn't like it and were upset with it, we came back and we had a lotta conversations about what we could do to fix it. And, although I

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do appreciate the changes that were made because, certainly, it made it better, it's kind of like making something really bad just super-bad.

We talk about all this property tax reform and all the money that's gonna go back to the towns and then we see \$100 million in the next two years that's being swept out of the Municipal Revenue Sharing Account right away and I'm not gonna beat a dead horse 'cause we've all heard it day after day today, a month ago, time after time, but I guess I just don't get when we're going to learn that what we're doing does not work.

I guess what may have shocked me the most this entire day in those hundreds of pages of this implementer of stuff is this amendment we voted on today that reads as follows, "There is established a Commission on economic competitiveness to analyze the implications of state tax policy on state business and industry and to develop policies that promote economic growth." Well, let me just say this. I'm no economist but I have a crazy idea. Let's not give this state the two highest tax increases in its history within four years of each other. Call me nuts. Maybe we start there. We

won't even have a need for this Commission let alone the same one we put together last year. Obviously, it didn't stick. Maybe we should think of those things going forward.

A month ago when we were here, you heard me talk about my grandfather that came from Greece and how this wouldn't be a state or, quite frankly, a country that he would recognize. He wouldn't recognize it a month ago. He certainly isn't recognizing it today. Mr. Speaker, I urge rejection.

SPEAKER SHARKEY:

Thank you, madam.

Further on the bill as amended? Further on the bill as amended? Representative Aresimowicz.

REP. ARESIMOWICZ (30<sup>th</sup>):

Thank you very much, Mr. Speaker. Mr. Speaker, I know we've been here for a while today and when we finished almost a month ago we figured we wouldn't see each other till next year. But we're back and we're completing the work. I said it before when we started in February that this was a process. It started with the Governor introducing the original budget and then went on to

the Committees introducing their budget and the other side, the Republican side, introducing their budget, and we'd enter into negotiations and discussions. I think we did that. We did pass the budget right before the conclusion of our regular session but the discussions didn't stop. We were responsive to some of the additional discussions that were happening outside of this Chamber, the additional parties that had a point of view on what we passed and what we thought it would do. They came forward, we listened, we responded.

I think today is an excellent demonstration in democracy; how being involved in the political process actually will benefit you. I really appreciate the leadership of our Committee Chairs, you, Mr. Speaker, the Governor's staff, the Senate for the last two weeks crafting these implementers that would implement our budget. It was not an easy process. The things we hafta balance are the same things I said in this very Chamber almost a month ago, the needs of the residents of the State of Connecticut. And I think we all want the same things. We want the good schools. We want an effective criminal justice system. We want safe

highways. And we wanna provide that property tax relief for our municipalities. This budget still does all of that.

We hear so many little polls coming out, oh, Connecticut is dead last. I think one of the CNBC said just this week that Connecticut's right in the middle of the pack. And where we do rate poorly on taxes, it's on the property tax and this budget is going to address that. But, yet, here we are and outside of this Chamber and in this Chamber all's we hear is doom and gloom. Oh, that's why people are leaving! Nobody's gonna be left here! Well, don't you think that has an effect too? That has an effect. That has a chilling effect and we twist studies or tax groupings and do this to paint the picture that we wanna paint to make it look like gloom and doom, that's what we're gonna get.

So, Mr. Speaker, I stand before you, I stand before the Chamber here today, saying I love my state. I love my town. We're doin' what we can to make it better and we're achieving that property tax relief that we've been talkin' about for years. And we're investing in our future with the transportation that our business community has been

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sayin' for us - to us for years that we need to address. So, yeah, a month ago we passed a budget. Today, we stand here makin' improvements. We'll be right back here again in February making more improvements 'cause that's what people elected us to do, to work as hard as we could to make Connecticut the best state it can be and that's why we should vote for this implementer. Mr. Speaker, I move adoption.

SPEAKER SHARKEY:

Staff and guests to the Well of the House. Members, take your seats. The machine will be open.

CLERK:

[bell rings] The House of Representatives is voting by roll. The House of Representatives is voting by roll. Will members please report to the Chamber immediately?

SPEAKER SHARKEY:

Have all members voted? 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.

Will the Clerk please announce the tally?

CLERK:

E-Cert 1502 as amended by Senate "A," "B," and  
"C" in concurrence with the Senate

Total Number Voting	143
Necessary for Passage	72
Those voting Yea	78
Those voting Nay	65
Absent/not voting	8

SPEAKER SHARKEY:

The bill, as amended, is passed. [gavel]

Are there any announcements or introductions?

Representative Noujaim.

REP. NOUJAIM (74<sup>th</sup>):

Good morning, Mr. Speaker.

SPEAKER SHARKEY:

Good morning, sir.

REP. NOUJAIM (74<sup>th</sup>):

Mr. Speaker, for a Journal notation, Representative Adinolfi missed votes due to illness and, Mr. Speaker, I wish you a happy summer. Drive carefully, and as Lawrence Welk used to say, and I will not sing it for you - "good night, sleep tight."

SPEAKER SHARKEY:

[laughs] Amen. Same to you, sir.

Are there any other announcements?

Representative Verrengia.

REP. VERRENGIA (20<sup>th</sup>):

Mr. Speaker, I don't know if I can match that, but I rise for the purpose of a Journal notation.

SPEAKER SHARKEY:

Please proceed.

REP. VERRENGIA (20<sup>th</sup>):

Mr. Speaker, out sick: Representatives Fox, Fritz, Sayers, Orange. Business outside of Chamber: Genga, Boukus, Lesser, and Gonzalez. Business in district: Albis, Cuevas, D'Agostino, and Riley.

Good night, Mr. Speaker.

SPEAKER SHARKEY:

Good night, sir. Thank you very much.

Any other announcements or introductions? If not, the distinguished Majority Leader, Representative Aresimowicz.

REP. ARESIMOWICZ (30<sup>th</sup>):

Thank you very much, Mr. Speaker. Mr. Speaker, I first wanna move that we immediately transmit to the Governor Senate Bill 1501 and Senate Bill 1502.

SPEAKER SHARKEY:

Motion before the Chamber is the immediate transmittal to the Governor of Senate Bill 1501 and 1502. Is there objection? Seeing none. The motion is carried.

REP. ARESIMOWICZ (30<sup>th</sup>):

Thank you very much, Mr. Speaker. Mr. Speaker, we have now finished up the work we had before us for this Special Session and I move we adjourn sine die. Oh -

SPEAKER SHARKEY:

Motion before - yes?

REP. ARESIMOWICZ (30<sup>th</sup>):

Mr. Speaker, I was just informed we have an additional bill to immediately transmit to the Governor, which is House Bill 7102.

SPEAKER SHARKEY:

Why don't we make a blanket motion, Mr. Majority Leader, that any bills acted on by this Chamber this evening that need further - need to be transmitted to the Governor be done so posthaste.

REP. ARESIMOWICZ (30<sup>th</sup>):

What you said.

SPEAKER SHARKEY:

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GENERAL ASSEMBLY  
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**PROCEEDINGS  
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**VETO SESSION**

**DECEMBER  
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Thank you, Madam President. Before we call the implementer, I just want to make sure the amendments are ready - if we can just stand at ease for a moment?

THE CHAIR:

Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

The Senate will come back to order. Senator Duff.

SENATOR DUFF:

Thank you, Madam President. Madam President, I would like to immediately transmit Emergency Certified Bill 1501 down to the House of Representatives, please.

THE CHAIR:

So ordered, sir.

SENATOR DUFF:

Thank you, Madam President. If the Clerk can now call Emergency Certified Bill 1502, please?

THE CHAIR:

Mr. Clerk:

CLERK:

Senate Bill No. 1502, an act implementing provisions of the state budget for the biennium ending June 30, 2017, concerning general government, education, and Health and Human Services.

THE CHAIR:

The Senate will stand at ease one moment.

(Chamber at ease.)

Senator Fonfara.

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SENATOR FONFARA:

Madam President. Madam President, the Clerk is in possession of an amendment, LCO No. 9706. May he please call and I be allowed to summarize?

THE CHAIR:

Mr. Clerk.

CLERK:

LCO No. 9706, Senate "A," offered by Senator Fonfara and Representative Berger.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Madam President, I move adoption of the amendment.

THE CHAIR:

Motion's on adoption. Will you remark, sir?

SENATOR FONFARA:

Yes, Madam President. The document before us is the revenue estimates that have been voted on and supported by the Finance Committee earlier today. They reflect the changes that are in the bill before us, the underlying bill, and are in fact consistent with creating a balanced budget. I urge passage of the amendment. Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark? If not, I will try your minds. All those in favor, please say aye.  
Opposed?

The amendment passes. [gavel]

Senator Duff.

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SENATOR DUFF:

Thank you, Madam President. Madam President, can we stand at ease, please?

THE CHAIR:

Senate will stand at ease.

(Chamber at ease).

THE CHAIR:

Senate please come back to order. Senator Duff.

SENATOR DUFF:

Thank you, Madam President, and thanks to the indulgence of the Chamber. If we can go back to Emergency Certified Bill No. 1502, and if I can yield to Senator Fonfara, please?

THE CHAIR:

Senator Fonfara, will you accept the yield, sir?

SENATOR FONFARA:

I do, Madam President. Thank you. Thank you, Senator Duff. Madam President, the Clerk is in possession of an amendment, LCO 9729. May he please call and I be permitted to summarize?

THE CHAIR:

Mr. Clerk.

CLERK:

LCO No. 9729, Senate "B," offered by Senator Looney, Representative Sharkey, et al.

THE CHAIR:

Senator Fonfara.

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SENATOR FONFARA:

Thank you, Madam President. Madam President, I move adoption.

THE CHAIR:

Motion's on adoption. Will you remark, sir?

SENATOR FONFARA:

I will, Madam President. Madam President, the amendment before us establishes a Commission on Economic Competitiveness to analyze the effects and implications of Connecticut State tax policy on our businesses and industries and to make recommendations relating to the ability to grow our economy and to strengthen business and industry throughout our state, and I urge adoption and passage of the amendment. Thank you, Madam President.

THE CHAIR:

Motion's on adoption and passage. Will you remark? Will you remark? If not, I will try your minds. All those in favor of the amendment, please say aye.

SENATORS:

Aye.

THE CHAIR:

Opposed? Amendment passes. [gavel] I gather the Senate will stand at ease a moment.

(Chamber at ease.)

THE CHAIR:

Senate will come back to order. Senator Duff.

SENATOR DUFF:

Thank you, Madam President. Madam President, if we can go back to the bill we were just debating, and if I

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can now yield to Senator Bye to discuss the underlying  
Emergency Certified Bill.

THE CHAIR:

Senator Bye, will you accept the yield, ma'am?

SENATOR BYE:

Yes, Madam President. Thank you, Madam. Thank you to  
the Majority Leader. Madam President, before us is a  
bill that, among other things, the majority of it  
implements the budget that we passed in this Chamber  
two weeks ago. Through you, Madam President.

THE CHAIR:

Will you remark further? Will you remark further?

Senator Kane.

SENATOR KANE:

Thank you, Madam President. I didn't think you were  
gonna get off that easily, did you Senator Bye? No, I  
do have a couple questions, through you -

THE CHAIR:

Please proceed, sir.

SENATOR KANE:

For the good Chair of the Appropriations Committee.

THE CHAIR:

Please proceed, sir.

SENATOR KANE:

Through you to Senator Bye. Sections 58 through 71  
look like some type of set-aside program. Can you  
speak to that real quickly, through you?

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Senator Bye.

SENATOR BYE:

Yes. Through you, Madam President. What this program does is it takes the set-aside that are currently in place for state contracts and applies them to municipalities and quasi-public, so that a quarter of a quarter of the contracts are set aside for minority contractors. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Through you, is this considered a mandate to our municipalities, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Do we know how much this mandate is going to cost our municipalities, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I do not have a sense if this will have additional cost to our municipalities.

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There are plenty of highly qualified, minority contractors who can do excellent work in the state - just assures that everyone has a fair shot given the current state of contracts. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President, and like the budget that you referred to from three weeks ago, do we have a fiscal note on this bill that we're going to be voting on here today, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes. We do have a fiscal note.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Can the Senate stand at ease for a moment? I'd like to get a copy of that.

THE CHAIR:

Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

Senator Kane. Senate will come back to order. Senator Kane.

SENATOR KANE:

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Thank you, Madam President. I just - I have a copy of that now, and talks about \$770,000 in both fiscal year 16 and 17 for this purpose while adding 11 new positions. Where are those 11 new positions, through you, Madam President?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Senator Kane may remember that we did add positions to CHRO in the budget, and I believe we added five or six, my memory doesn't have exactly that, but they need to implement this within their current staff and have indicated that they can do that. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Moving on to Sections 99 through 101. Can you explain this contractor minimum wage through Legislative Management for me, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Yes, Madam President. Through you, there has been a lot of talk about minimum wage in this building and what's a fair minimum wage, and this assures that people who work in this building will be paid a minimum of \$15 an hour. Through you, Madam President.

THE CHAIR:

Senator Kane.

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SENATOR KANE:

Thank you, Madam President. What's our minimum wage here in the State of Connecticut right now? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. If the Chamber can stand at ease while I make sure I get this correct.

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

Senate will come back to order. Senator Bye.

SENATOR BYE:

Through you, Madam President. The current minimum wage is \$9.15 an hour.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. So this is considerably higher than our state minimum wage. Why is that when dealing with this building, the Capitol of the Legislative Office building, I think it's the old State House, why are we imposing our own minimum wage of \$15 an hour when the state minimum wage is only nine, through you?

THE CHAIR:

Senator Bye.

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SENATOR BYE:

Through you, Madam President. In research about the wages paid to individuals who work in this building, there really is only one place where anyone earns less than \$15 an hour, and those are the workers in our cafeteria, who are currently employed by Lessing's, and some of those workers, without notice, have received cuts in their pay and have explained how challenging those positions are, and we see everyone else in the building make more than that, and we see them as valuable employees, and that seems like a fair living wage for people working in the Capitol cafeteria. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Through you to Senator Bye, does that include, you know, the guys outside cutting the lawn or washing the windows, watering the plants? I mean, you gave an example of the cafeteria workers, how do we know how much the guy cutting the lawn makes, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Working with our colleagues across the aisle, as I understand it, there will be - this bill will be slightly amended to assure that it's directed at people who work in this building each day. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

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Thank you, Madam President. So you mentioned the cafeteria, and we have a contract, I think you said, with Lessing's. Have they voiced any opinion on this matter? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. What will happen with this provision is it will go into any future contracts, and so anyone who bids on the cafeteria work and Lessing's, will need to meet this requirement, through you.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. So two things are going to happen. Either you're going to see, my opinion is, less people bidding on that project or it's going to cost us \$10 for a turkey sandwich. One or the other after this is going to be implemented, but I'll move on.

Moving on to Section 348, the Insurance Fund. You know, we have a bad habit in this building of moving our General Fund expenditures off into specific funds, and I know there was some legislation in front of us this session in regards to this. Have there been more changes in this implementer as to this fund and to this issue in general, through you, Madam President?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. This has taken a couple of changes. What's before us represents the original budget proposal by Governor Malloy. There was a change

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that removed it in appropriations, and now it is back exactly where it was when the budget was first introduced. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Moving on to Section 380, the nursing home rate increase. Can you explain how this \$12 million, I believe is the number, will be spread out to the nursing homes, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I will do my best on this. As I understand this, what will happen is up to \$9 million will be assigned to take care of collectively bargained contracts. We are - we had a number of contracts, and we were on the brink of a potential strike with nursing homes, and we want to avoid that, and so we have dollars in for those collectively bargained contracts, which is actually required by our statutes, and then we added an additional \$4 million to assure that there were dollars to reimburse the hardworking nursing home workers who work directly with patients, and I want to be clear because when it says indirect and direct costs, this gives me a change to clear it up on the floor. That's referring to both direct-care workers and then workers who maybe do the cleaning, food service, but people who are doing that kind of work in our nursing homes. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

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Thank you, Madam President. Collectively bargained contracts, does that mean unionized nursing homes, through you, Madam President?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. How many nursing homes do we have in the State of Connecticut?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. The Senate will need to stand at ease while I get the correct answer to that.

THE CHAIR:

Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

Senator Bye. Senator Bye, please. Can we push Senator Bye's button, please. Thank you. Senator Bye.

SENATOR BYE:

Through you, Madam President. Approximately 230 nursing homes.

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Senator Kane.

SENATOR KANE:

Thank you, Madam President. And of those 230 nursing homes, how many are unionized, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I am not sure of that number either. Perhaps Senator Kane has it, in which case I will take his word for it. Otherwise, I can certainly find that out.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. I don't know the exact number, but it is my understanding that only 30 percent of the nursing homes in the State of Connecticut are unionized. Would you agree with that assumption or that number, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you, Madam President. I have heard a number in that range, around a third, but I just didn't want to misspeak. So I would agree with Senator Kane. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

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Thank you, Madam President. So if we agree on the fact that only 30 percent of the nursing homes are unionized, and we both agree that the numbers are \$12 million in this line item but nine million of which is going to only the unionized nursing homes, why are we giving a majority, a bulk, a great deal, a large amount of this money to only 30 percent of the nursing homes, when the other 70 percent would not see that same realization, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you. Through you, Madam President. For 35 years, our state statute has required that the cost of collective bargaining be included when we set nursing home rates, and for many years there have been, across the board, COLAs, which does not take that fact into account. We currently spend about \$1.5 billion as a state on nursing homes. This \$9 million is half of a percent of that amount, and so the idea is we have a current situation where we have a lot of seniors in nursing homes, and we have workers who are due for - who are collectively bargaining right now, and what we are trying to do with this budget is assure that there are not strikes, working with the administration, and that our workers get an increase. In addition, we have added an additional \$4 million to the budget in addition to that 9 million. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Is there any consideration that giving this money to the unionized nursing homes could be violation of federal law, through you?

THE CHAIR:

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Senator Bye.

SENATOR BYE:

Through you, Madam President. Having been involved in many conversations around this statute, it was carefully crafted to meet both CMS and federal law. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

More specifically, through you, Madam President, the NATIONAL LABOR RELATIONS ACT, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I have been in the room during conversations with attorneys while these things have been discussed, but I do not know exactly the law. I'm not a lawyer, but I do know many, many lawyers looked into this to assure that we were meeting all the appropriate laws. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam Chairman. Is the good - Madam President, I apologize. To the good Chair of the Appropriations Committee, are you comfortable that this will not be challenged in court, through you?

THE CHAIR:

Senator Bye.

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SENATOR BYE:

Through you, Madam President. I am comfortable standing before you defending this today. Anything could be challenged in court, through you.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. On Section 422, the FMLA study, this legislation did not pass during the regular session. I do believe or remember the budget having a hundred thousand, a hundred fifty thousand, some number in that range, for a study. What is this section of the implementer looking to do? Is this still the study or are you actually putting together a rollout of this legislation or this policy that did not actually pass the entire legislative body, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you, Madam President. What those dollars were set aside to do was to look at the possibilities and look to develop an implementation plan in the case that this is approved in coming years. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

So it is implementing a plan for something that is not yet approved, through you?

THE CHAIR:

Senator Bye.

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SENATOR BYE:

Through you, Madam President. You can call it a study. You can call it a plan. This is to look at the feasibility and an actual plan that could bring Connecticut a high quality, family medical leave for people who are caring for new babies or sick family members. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. I appreciate that answer. It's kind of like when we were debating that study of the South Prairie Training School in the Public Health Committee, and it wasn't as if what we were anticipating doing with the property, whether it's feasible or not feasible, it was what happens when we close it. Now, here we are saying we're going to implement a policy that has not yet been approved by this legislature. It's interesting to me.

Section 432 talks about a framework for Connecticut's fiscal future. Can you speak to that? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Senator Kane, just to clarify, you're asking about Section 432?

SENATOR KANE:

Yes. Through you, Madam President.

THE CHAIR:

Senator Bye.

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SENATOR BYE:

Okay. As I understand, that this is requiring the OPM secretary to look at the Connecticut Institute for 21<sup>st</sup> Century documents and report findings and recommendations to the General Assembly.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. That's my understanding too. What does that mean? I don't know what that - through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

It's simply looking to make recommendations based on this Connecticut Institute for 21<sup>st</sup> Century documents to make recommendations to the General Assembly.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Well I don't know what the Connecticut Institute for the 21<sup>st</sup> Century is, their documents are, or what this report is going to look like, or what the findings or, you know - I was hoping for a little more of a descriptive answer. I mean, you know, through you, Madam President, if Senator Bye -

THE CHAIR:

Senator Bye.

SENATOR BYE:

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I am happy. I have many layers of detail. I will move to my second layer of detail on this bill, which is the fiscal note, which asks that the Office of Policy Management review the non-profit Connecticut Institute for 21<sup>st</sup> Century report titled *Framework for Connecticut's Fiscal Future* to submit recommendations, and what the reports are to do is to assess the state systems for providing long-term care, administering correction and parole, providing pension and post-employment benefits, delivering public human services, and describing how the state can use technology to improve these systems.

Madam President, I had some very fruitful meetings with Connecticut Business and Industry Association this year, and as I read through this, many of these items were items that they felt that the state could look to for strong, long-term fiscal plans on these high-cost items. So I believe this reflects that request. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. I thank Senator Bye for that description. Moving on to Sections 441 and 442, which have to do with the Special Transportation Fund.

You know, so many times in this building we have robbed Peter to pay Paul, and what I mean by that is we've taken money from the Special Transportation Fund, from the Tobacco Cessation Fund, the Banking Fund, the Insurance Fund, I mean, this so-called statutory lockbox that the governor has talked about and many others - why don't we just put it - have a constitutional amendment to secure this. You and I had a, probably, a three-hour debate almost during the session in regards to the spending cap and about the ambiguity of it and how there is no true constitutional spending cap. Why don't we have a constitutional spending, I should say lockbox, for this Special Transportation Fund because, you know, over the years we've seen these funds being raided time and time again when the state is in a fiscal

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crisis and needs money, you know. So, you know, why aren't we going further with these two particular sections as Chairman of the Appropriations Committee, through you, Madam President?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I, personally, would not be opposed to a constitutional amendment. The bill that's before us is a statutory lockbox and, I would say, over the past three years in my time up here, there have been very thoughtful discussions across the aisle and with the administration and a deep understanding built that Connecticut's future depends on improving our transportation infrastructure, and the governor stressed that this year, and I think the legislature has stressed that this year, and in a very bipartisan way, I think we believe this.

So I hear what you're asking. What's before me and the bill that I'm talking about has a statutory lockbox. I think it's up to the people in this building to assure that, and we've also made a huge investment in transportation using the sales tax, which will fund it in an ongoing way as well in addition to the gas tax and others. So we are doing our best to fund that, and I think you and I agree in principle on this. This just doesn't go as far as you would like. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. I'm going to get to the sales tax in a minute, but if - so, if I put forth an amendment, you'd consider it a friendly amendment, through you, Madam President?

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Senator Bye.

SENATOR BYE:

Through you, Madam President. As Senator Kane is aware, the bill before us is a bill that has been heavily discussed and negotiated, and I support what's in this bill right now before us. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Okay. Well, thank you, Madam President. I thought Senator Bye said that she was in agreement with me that we should have a constitutional amendment and she would support it.

Section 495 is in regards to what you're referring to as the sales tax monies that will be distributed to the municipalities that MRSA, if I may term it. I think it's \$810,000 in fiscal year 2016 to various municipalities throughout the state. Can Senator Bye speak to who and what those municipalities are, through you?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I'd like to yield on the MRSA questions to our esteemed Chair of Finance to talk about [ ] -

THE CHAIR:

Senator Fonfara - oops, excuse me, Senator Kane.

SENATOR KANE:

Well, I guess my question is not necessarily on the finance side but on the expenditure side, and I'm sure

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Senator France has questions for Senator Fonfara on the tax side of it, but there also is a spending side of it and how that money gets appropriated. If Senator Bye feels it's inappropriate, I can move on and I'll let the two gentlemen from the Finance Committee discuss it, but I was more concerned about how we are appropriating it and who we are appropriating it to. If that's not under the good Chairman's purview, then I'll move on.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I'm always happy to have discussions with Senator Kane. Just the way the bill has been split up and we've prepared for, this was considered part of the finance side. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. I'll move on.

THE CHAIR:

Thank you.

SENATOR KANE:

The last couple question I have - when the budget was passed, there certainly was a great deal of outcry from many in regards to some of the tax package that was in it, and I think there was close to \$200 million in rollbacks of taxes, but I'm not seeing, necessarily, \$200 million on the expense side for - you know, when I was college, I learned debits and credits, so if you had one side, it must come off the other in order to have your balance sheet in order. What I'm seeing, and correct me if I'm wrong, is total expenditure changes in fiscal year 16 of only \$14

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million and in fiscal year 17 of \$27 million. So, if changes were made to this budget on the finance and revenue side, how come there isn't an equalization of changes on the expenditure side? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. This budget is in balance and there were additional cuts, and some of the recommendations of the governor were taken, and some were not, to get to a bottom line of a balanced budget with a balance of \$800,000 in 2016 and \$2.4 million in 17. I am happy to answer specific questions, but this budget is in balance. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. No, that's okay. I thank Senator Bye for answering my question. I don't - well, I do have that list, actually, somewhere in all my papers, but if, you know, I don't want bore the Chamber going line by line in looking at, let's say, \$5600 in the equipment line item out of Office of Policy and Management. I was more concerned about what the overall expenditure changes were.

Madam President, as you and people around this circle know, that, you know, I, myself, and many on our side of the aisle - all of us on our side of the aisle, I should say, not many of us, all of us - did not support the original budget that took place on June 3. I think it was the wrong roadmap for the State of Connecticut. I think it raised taxes another record attempt and increased spending, yet again.

We did not adhere to the constitutional spending cap because we've never implemented it. We use this statutory definition that is vague and ambiguous that

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no one seems to be concerned with because we continue to move things from off General Fund line item into non-appropriated accounts and underneath that spending cap. We saw that with pension liabilities this year. We saw it with Medicaid funding a couple years ago, and we continue to do so.

I think, you know, we're really going down a dangerous path with this budget. Already we know that the Office of Fiscal Analysis have said that there are built-in deficits to this budget in the outgoing years. So you know, we had this conversation four years ago. We had this conversation two years ago. We keep doing the same thing. This is, you know, someone - I remember being in a meeting in my office this session and someone said, "Yeah, bad budget year, huh," and I said to him, "I think every year I've been here, for the last seven, it's been a bad budget year," and then their response to me was, "Well, isn't that the new norm?"

Madam President, isn't that sad when our new norm is deficits when we have continual, repetitive fiscal crisis in the State of Connecticut, and that we are continually raising taxes to feed a monster that can't be stopped. I think that's really a dangerous thing that we're doing here for the State of Connecticut.

I think also, Madam President, that the people of the State of Connecticut don't know what we're doing here today, right? I mean, if they watch the news, they listen to the radio, they pick up an article in the newspaper. They say, "Well, they're going back in on a Special Session to discuss the budget and fix the budget," but in reality, what we are supposed to be doing is what's called an implementer, right? And if you Google the word implementer it's a verb and put into action, and basically the language of this bill is to implement the budget that took place in June 3.

What we've done, on the other hand, is put in legislation that never passed the Chamber, per se, that maybe never passed both Chambers, that maybe never even got a public hearing. And we're gonna do it because we have 700 pages, or 692 to be exact, of a budget that no one's going to see and no one's going to hear and no one's going to talk about, except what

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happens in this very circle. So I think we're doing this state a very big disservice by adding policies that we haven't voted upon.

This CHRO set-aside program is a huge mandate for our municipalities, this OLM contractor minimum wage. We're increasing the minimum wage to \$15 an hour when the state minimum wage is only nine.

Taking money from the General Fund and putting it off into the Insurance Fund. I mean, the services that are provided, whether it be the AIDS, TB, cervical cancer screening, needle exchange, you know, even myself and people on our side of the aisle argue that public health, public safety, education, infrastructure, those are the four major principles of government. Those are things that we should be funding ourselves, not putting off onto the industry where the industry is just going to raise rates because these are fees on the industry to fund these programs. These are programs that should be funded by the State of Connecticut and put within our General Fund and kept underneath the spending cap, not just pushed aside into the private industry. We should be providing those services.

This nursing home rate increase is just incredible to me. I mean, what we're doing is saying, "You know, well, we avoided a strike in those unionized nursing homes. So we're going to give them a - throw them a bone in the form of \$9 million," and we could be in violation of federal law. I mean, that's something very serious to think about. And, you know, Senator Bye, you said, "Well anything could be challenged in court." Certainly, but, you know, we're opening ourselves for that. I mean, why bring the court to us when we know that it can take place.

The FMLA study, that's legislation that got defeated. There are members on both sides of the aisle who defeated that piece of legislation. Yet, it's still in here.

The Special Transportation Fund - the Chairman of the Appropriation Committee agrees with me. There should be a constitutional amendment. A statutory one is not strong enough. I guarantee you we'll be back here

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again saying, "Well, well we took from the Special Transportation Fund. I guess we can't do those trains down in Fairfield County or maybe the Mixmaster in Waterbury," because we've taken money away from that or we're gonna have to raise taxes or tolls or who knows what. I certainly am going to allow Senator France and others to speak about the finance side of this bill but, you know, I don't think that we're ever, our towns and cities, are ever going to see this money from the sales tax. The governor promised he was gonna reduce the sales tax, Madam President, to 5.85 percent. That has gone out the window. We now are still at 6.35 percent and I'll get knocked over by a feather, I think, if I see that money come back to any of my communities that I represent.

And lastly, I don't see the expenditure line item changes in this budget that should've taken place. We are spending too much. We all know that you shouldn't spend more than you make. We learned that at the kitchen table when we were kids. We learned that as we grew up and were doing it here, yet again. I think this is a bad day for the State of Connecticut, Madam President. I will not be in support of this implementer bill. I think it's more than an implementer bill. It is a Christmas tree of sorts with all different types of legislation that never necessarily got passed during the regular legislative session, and I think we're doing the State of Connecticut a very big disservice today.

THE CHAIR:

Thank you. Will you remark further?

Senator France. Good afternoon, sir.

SENATOR FRANCE:

Good afternoon, Madam President. Terrific to see you again up there, and I can't believe that were back so quickly. It has been 3½ weeks, and even though three and half weeks went by like this [snapping], I know it was a long 3½ weeks for many of you sitting around the circle and many in the staffs and many who work in the LOB, it was a long 3½ weeks, but what struck me, Madam President, is that in those 3½ weeks when we were

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supposed to make some serious and dramatic changes to the budget, or at least that was the impression that we all got here in the circle, not a whole lot changed in terms of the numbers. Forty-six million dollars in revenue changes were created and \$41 million on expense items was generated. So to me, out of a \$40 billion budget, biennium budget, that's not a whole lot. Percentagewise, that's absolutely nothing.

So I think some people are wondering what did happen here for the last 3½ weeks when we had great expectations that we may end up with a much better product at the end of the day for the taxpayers of Connecticut as well as all citizens of the State of Connecticut, and during that 3½ week period, we received some more bad news, and we learned a lot of things about how things are in Connecticut from an objective and statistical data point of view, and I know a lot of us became much more concerned that if we didn't get this budget thing right and the implementer right that we would be taking a step in a very bad direction, and sure enough, some of those numbers came out, and while it might not surprise some of you, I know it will certainly disappoint all of you, the GDP, the state output for 2013 to 2014 was a mere 0.6 percent. That was a number that was downgraded. We got that information before. During that same time period, the state of New York was up 2.5 percent. Both Massachusetts and Vermont were up by 2.3 percent. Rhode Island was twice the growth rate. Good old Rhode Island was up by a factor of 200 percent over our economic output. That put us at No. 42 in the nation in terms of economic growth, and if you look at the last four years and put that all together and do it mathematically in a compounding fashion, 0.4 percent is the total growth rate on an annual basis compounding over that period of time that passed.

You had Fred Carstensen from the University of Connecticut, our very own Fred Carstensen, and he, at the beginning of this year, this calendar year, predicted that Connecticut would pick up an additional 44,000 jobs over the next two years, the biennium, and that was back in, I think it was, April or May of this year, and now he's - unfortunately, based on these revised figures - gonna have to reduce that growth

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rate down to zero. We really can't afford to be doing this to ourselves.

The implementer here is not the underlying budget but it is very closely related and, as was pointed out before, it's supposed to be an instruction manual or and implementation vehicle through which the budget is implemented, and it really seems much more like a Christmas tree in June than it does anything else, and when the underlying budget that the implementer is supposed to implement, when that budget upsets people like Jeff Immelt and the leadership at Aetna and Travelers and Starwood and probably dozens and dozens of other companies, both large and small and medium-size, we know we've probably done the wrong thing with respect to how we set up this budget, and everybody is going to pay a price because we're talking about some of the largest employers in the State of Connecticut, and our sole purpose here for the last four and six years, or as long as I've been here, even involved in state government, is to create a great job growth environment, great economic development environment, and here we are taking one step forward and 1½ steps backwards each and every time we pass bills that don't serve the people of Connecticut very well.

Another element of the underlying budget, which again the implementer is related to because it is supposed to put that into effect, is the hospital tax. Already, the economists are telling us that this is going to cause us to lose 4000 jobs over the next two years and it's gonna probably cost \$250 million in economic activity in the state, and, you know, we haven't even start the biennium yet. So, you know, with all these other changes it could actually be a whole lot worse once you put it all together.

So just - I don't have any questions for the Co-Chair of the Finance Committee. I think everything is fairly straightforward in this implementer bill. We already went through most of the details of the budget that anybody had concerns about and certainly items that I might have had any kind of concern about.

So, in conclusion, I hope everybody pays very close attention to what this implementer bill, this whole implementer process, is all about at the end of the

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day, and are we doing this really just to kinda get over this budget hump and get into the new year or are we doing this because we're thinking altruistically and we're doing the right thing objectively for the citizens and the taxpayers of Connecticut. I would argue we have to change the way that we are doing things because this certainly does not do the above. With that, Madam President, I'll hang it up. Thank you.

THE CHAIR:

Thank you. Will you remark further? Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President. I'd like to take a moment just to provide some perspective in regarding the document before us and, before I do, I would like to just say that I hope we do not lose sight in all the attention that has been given to the reason why we are here today, to the fact that the underlying budget that we passed and will be modified somewhat today, provides for landmark legislation to address two of the most major, most significant concerns of the business community of Connecticut.

Long stated as, by the leading business organizations of the state and several Chambers for years and years, the property tax and transportation were at the top of the list of the items that were a drain on our economy, and as I've indicated previously, many have complained, wrung their hands about the concerns that the impact of the property tax, you know, transportation, and other factors have had in terms of our economic competitiveness, and this governor and this legislature decided, in not the easiest of budget years, in not the easiest of budget years, some have said on both sides of the aisle, quoted as saying, "Maybe the toughest budget that we've had in many years," to address the needs of the State of Connecticut and be able to raise the revenue to meet those needs in a fair and balanced way, and in the midst of that, we took on two major challenges, to provide for a long-term funding and address the transportation needs of the state that poll after poll after poll, business leader after business leader

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after business leader has said that transportation in this state, in its current condition, is a major drain on our economy. Hours lost by workers, cost to businesses higher than it needs to be, and we took that on by a dedicated portion of our sales tax without increasing the sales tax one percentage point, not one.

Secondly, an equal amount, a half-point on the sales tax dedicated for the first time to begin the process of moving away from our overreliance on a very regressive and punishing tax that Connecticut relies on so much for municipalities to function, the property tax. Something that businesses pay an exorbitant amount of in many towns throughout this state, and this legislature and this governor took that issue on, straight on, and for the first time didn't just talk about it, just didn't complain about it, didn't just acknowledge the effect that it has on our state and our municipalities and the ability for not only business but for the quality of life of many of our communities to be addressed, and we've done that here.

So, Madam President, I wanted to take a moment to speak about these two very important landmark initiatives that have been somewhat lost in all the important debate that has happened since we passed the budget originally, and I do believe sincerely that we will all look back, irrespective of how we vote today and how we voted previously, on these two initiatives and point to them as changing the paradigm for Connecticut and how towns are able to function and provide revenue for important items to begin the process of slowing the growth of municipality budgets and to fund our transportation, but in addition to that, Madam President, in his item before us here today, the governor had many conversations. Legislative leaders had many conversations, and virtually every member, I venture to guess, of this Chamber and the Chamber downstairs had conversations with their businesses in their districts and reported back what they heard subsequent to the passage of the budget previously. They listened and the product of that conversation is before us today. That's what democracy is about. That's what representative democracy is all about, and we've adjusted our

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revenues and where we are generating our revenues to reflect some of those conversations. Now I will say, as one Chairman of the finance committee, that the initiatives we took, notwithstanding the changes today, were fair, were about fairness in our tax package, and it reflects the evolution of Connecticut's economy, the evolution of our national economy.

Today, we have big-box stores where yesterday we had small mom and pop businesses and often in many of your districts you have those two, sometimes just maybe a half a mile away from each other. A small hardware store versus a big box, all in one store, that has everything under the sun and it, and somehow that small hardware store is asked to compete against the big box store. The reality is in Connecticut, the only state in New England in a minority of states in the country today, that small hardware store, which pays all of its taxes to the State of Connecticut, is asked to compete against the big box store that has the ability to shift profits to another state that may not tax or have some mechanism in which to somehow avoid having to pay a tax. I don't know of anyone who thinks that's fair policy, and within our budget, which we've delayed a year, we, for the first time, address that inequity.

With respect to the sales tax on services, again we listened and we made some changes, but the reality is our economy has changed. It is much more service-oriented than it is production oriented and yet our sales tax regime has not kept pace with that. We began to take steps and we begin to take steps in that regard about fairness. We've heard a lot about what it will mean and we've reflected some of those concerns in the document before us, but it's still about fairness, and I hope that those that are listening or watching will understand through all the smoke and all the attention that has been paid on this and certainly we believe that there are aspects of it that are legitimate concerns and we've addressed those in responsible way, but the conversation will continue regarding how to make our tax document and our tax policies of this state fair.

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I'll close, Madam president, by pointing out one thing in terms of the discussions about how Connecticut and this legislature and our government is unfair to business. Currently in Connecticut under net operating losses, there are \$70 billion of outstanding net operating losses ready to be claimed, 70 billion with a B. That's been created because of Connecticut's policies towards assisting businesses that are starting up or have generated losses in a particular year but then are able to offset that by way of offsetting it through their profits in future times, over a 20-year period; 2.5 billion in tax credits throughout the state to incentivize research, development, and other activities in our state; our corporate tax, one of the most competitive in the country. Our sales tax, very competitive in the country, and in fact our income tax is competitive in the region. We don't hear much about those things but those are the realities and encourage anyone to do the research themselves to be able to understand that.

Madam president, I wanted to stand to put perspective because I don't know if the discussion has been balance over the last three or four weeks. An important discussion, nonetheless, and one that this legislature is taking steps along with our governor to recognize those most significant concerns that the business community has had, and we've responded to that, I believe again in a responsible way, but the underlying document is a good one and one that will stand the test of time that this legislature and this governor acted in responsible way, not only for what we're doing here today but as important, if not more so, in terms of what we did in the underlying bill to change the State of Connecticut for years to come in a positive way in terms of our competitiveness and the quality of life with Connecticut. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark further? Senator Kelly.  
Good afternoon, sir.

SENATOR KELLEY:

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Good afternoon, Madam President, and thank you. I would like to rise and I do have a couple of questions, but I do want to make a couple comments even before I get to the questions because I have to agree with Senator Fonfara in his comments with regards to things being fair and balanced, but I'm going to come to a different conclusion, quite frankly, because for the past couple weeks since we last were in this Chamber, there really wasn't much balance with regards to the budget because our views weren't contained in them. When I say our views I'm talking about the Republican views.

I think the people of Connecticut want fairness and they seek fairness, but this budget doesn't get us there, and while we can talk about historic, historic legislation with regards to property tax and transportation, this isn't it. In this legislation, there's no requirement for reform. So we can talk all we want about reform and property tax reform, but it's not written in the document. As a matter of fact, what's written in the document is that in fiscal year 16 we're going to renege on any promise that's made by \$800,000, and in fiscal year 18 municipalities will be shortchanged by almost \$50 million.

Now, we already know that three weeks ago when we were here our state budget was structurally out of balance by \$1.6 billion, and in the past three weeks that number has only gotten worse, to 1.8 billion. Do towns really believe that with a budget situation worsening in the next two years they're going to be treated better, particularly given Hartford's track record? You look at whatever municipality is donating money to Hartford on any front. We don't get a dollar back for every dollar that's sent to Hartford. Usually, what happens is you might be lucky enough to get a quarter back.

So it's not historical reform shifting money away from your local municipality where if I pay a dollar of my car tax to my town hall that dollar is spent in my community. Sending it to Hartford to get it back with less money is not reform. It's setting our cities and towns back.

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With regards to transportation - yes, living down on I-95, I can't agree more that our infrastructure is not in good shape, but we can't maintain what we have today, and putting the money into transportation and not having an actual and legitimate lockbox I think is a disservice to the taxpayers. We know we cannot bind the hands of future general assemblies. We don't have that authority, but the people of Connecticut do, and if we really mean that we want to lockbox then let's create the lockbox. Let's give the taxpayer the peace of mind. Let's let the taxpayer know that the investment that they're sacrificing to make is gonna be used for the intended purpose that we say it will, and that can only be done with a constitutional amendment that will create the lockbox that can bind future legislatures and require them to spend the money for its purpose.

In the current budget, when we talk about transportation funding, we're already looking at reducing the appropriation to transportation by \$16 million in fiscal year 17. So we already can't keep our hands off the money that's being allocated for transportation.

We are doing a lot of things in this city. A lot of things that many times don't help middle-class Connecticut and small business, and I think we have to keep those individuals foremost in our thoughts as we proceed because bigger is not always better, and just because bigger box stores or bigger companies are saying things that we should lose sight of the little guy.

Now, getting to a couple questions I have on the implementer. I have a couple of questions, through you, Madam President, to the proponent of the legislation.

THE CHAIR:

Please proceed, sir.

SENATOR KELLEY:

Thank you very much. With regards to Section 386, the implementer talks about, at line 14,686 through 89, it

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says that, "Only persons who require the level of care provided in a nursing home shall be eligible for the state-funded portion of the program," referring to the Connecticut home care program for elders, and I know that the fiscal notes talk largely about Category 1, and I think the intent of the legislation, was to cap participation in Category 1 beginning July 1 of this year, but when I read that language, I became a little bit concerned with the language that says, "Require the level of care provided in a nursing home," because Category 2 participants need both short-term and long-term care, and when people are on the Connecticut home care program, it's a continuum of care, and you move down and your needs increase. So at the Category 1 stage, you need one or two critical needs and then in Category 2 you need three, but I want to make sure that this cap is limited to Category 1 and Category 1 alone. Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you, Madam President, and through you to Senator Kelly, the intent is Category 1, and I appreciate the question as I read along the fiscal note with him. They can be at risk, not be at that level of care. Through you, Madam President.

THE CHAIR:

Senator Kelly.

SENATOR KELLEY:

Thank you, Madam President. So I just want to reiterate legislative intent to make sure that we're clear. So the cap will only be applicable to those who would seek application to Category 1, and that anybody applying for Category 2 after July 1 would still be capable of participating in that program if they're otherwise eligible. Through you, Madam President.

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Senator Bye.

SENATOR BYE:

Thank you, Madam President, through you. Yes, and I appreciate the clarification.

THE CHAIR:

Senator Kelly.

SENATOR KELLEY:

Thank you, Senator Bye. I have one more question on - or one more section - 413, dealing with an assessment, and I'm looking at lines 16,069 through 16,076. Okay. So with regards to this it indicates that if a nursing facility has reason to know that a resident is likely to become financially eligible for Medicaid benefits within 180 days, the nursing facility shall notify the resident or the residence representative and the department, the department may 1) assess any such resident to determine if the resident prefers and is able to live appropriately at home or in some other community-based setting, and 2) develop a care plan and assist the resident in his or her transition to the community. Now, my concern here is nobody likes to live in a nursing home, and I think what we're going to do when we ask anybody, I mean, 95 percent of folks are going to say, "I'd like to be in the community," and that's just somebody's general preference. I want to make sure that when we speak with these individuals that first they have the ability to discern and understand what the question is, "Do you want to live in the community," and that they have the family support mechanisms so that if they were transition that they would succeed. Can you explain a little bit more about what this assessment is? Through you, Madam President.

THE CHAIR:

Senator Bye.

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Yes. Through you, Madam President. What this assessment is set up to do is to assure that if the nursing facility believes that the resident is going to be eligible for Medicaid, that they know there is an option of a community-based setting, and having been through this before with family members, there is a very thorough meeting process and a lot of forms to assure that the resident is able to make that determination. I think this is just looking to tip the scales that if there is a choice, an informed choice, that to be sure that resident knows that a community-based setting is possible. Through you, Madam President.

THE CHAIR:

Senator Kelly.

SENATOR KELLEY:

Thank you, Madam President. My question then would be why are we going to wait until 180 days from Medicaid eligibility rather than possibly 30 days from admission when an individual may still have, for instance, a home intact in the community and/or, I'm going to say, the significant balance of their family wealth rather than, you know - I'm using example of if I'm in Stratford and I have an individual who has a home of 200,000 and maybe another 75,000 in the bank, why would we want to notify them maybe a year or two after they've spent down a couple hundred thousand to notify them that they could have an option of the community as opposed to within 30 days of admission when that information may actually be beneficial and increase the likelihood of success in the community? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I'm going to do my best to answer this and if further clarification is needed, we will have Senator Moore available. I believe the 180 days is there to actually give more notice and

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more time to assure that those options are available. It could be that someone is a resident of a nursing facility on some kind of rehab assignment. It doesn't necessarily mean they're there unless there is a legal term for residents. So my understanding is that this is meant to give more time than 30 days so that a community-based setting is more likely rather than a short period of time during which it may be difficult. I think your question is about if the person is still living in their home before entering a nursing facility, but I think this is intended specifically for the nursing facilities. Through you, Madam President.

THE CHAIR:

Senator Kelly.

SENATOR KELLY:

Thank you, Madam President. And if I was unclear, I apologize for that. I am looking at somebody that's in a facility and it's gone from the short-term to long-term, and so it's at that point when the family is told by the nursing home, "Mom needs 24-hour care and she's going to stay here." So I'm looking at that and I think it would be better at that point, before resources are spent down, to look at and do this assessment rather than wait maybe a year or two down the line when we're 180 days from Medicaid eligibility to do the same assessment. So that's the question that I was looking at. Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I don't think the two are mutually exclusive. I think you can have some kind of policy that requests this before nursing home residency, and this is simply specific to people who are already residents of nursing facilities. Through you, Madam President.

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Senator Kelly.

SENATOR KELLY:

Now, with this - and thank you. With this policy, will it be - if a family doesn't have the requisite support in the community, will the department still put together a care plan to transition a family member to the community? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. As I read it, the nexus is on the resident and their family. In the absence of a family member, it would be my assumption that the resident would make that determination. Through you, Madam President.

THE CHAIR:

Senator Kelly.

SENATOR KELLY:

Thank you, Senator, and will this section and this assessment in any way force a family member out of a nursing home into the community? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I appreciate this question for legislative intent. I do not believe there is anything here that insists that a resident leave the nursing facility. It's simply meant to offer options in the care plan to - I believe this goes nicely with the Money Follows the Person as someone

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becomes eligible for Medicaid. Through you, Madam President.

THE CHAIR:

Senator Kelly.

SENATOR KELLY:

Thank you, Madam President, and I do see the parallel between this and Money Follows the Person and, you know, I do see a benefit here. I just hope that we get to the family and the individual sooner in the process than later so that they do have adequate resources and capability to make the transition to the community a successful one.

With regards to the assessment itself, I want to also make sure that the assessment does not look at, I'm going to say, whether or not somebody is medically needy for the Medicaid program. This assessment is going to be limited to assessing whether somebody wants to, has a preference to, live in the community and then developing a care plan to implement that preference and is not an assessment that will determine their medical needs and whether they can stay in a nursing facility. Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes.

THE CHAIR:

Senator Kelly.

SENATOR KELLY:

Thank you for your clarity, and I do appreciate your answers to these questions 'cause I do understand that they are complex in nature, so I do appreciate that, and I do thank you, Senator Bye.

I would just like to, you know, now pause for a moment and just have everybody imagine, for a moment. Imagine a state budget that lives within its means and sets a framework for fiscal responsibility. More jobs, and doesn't impose new taxes. Imagine a budget that makes a billion-dollar commitment to transportation in each of the next 30 years with no tolls. Imagine a budget that can repeal, and will repeal, the income tax on pension income under \$75,000. Imagine a budget that doesn't shred the safety net and encourages aging in place to save money. Just imagine a budget that puts the public interest over special-interest. A budget that is honest, is compassionate, and fair. The Republican Blueprint for Prosperity did just that. It showed that there is a better way, that we can have a government that meets its responsibilities in its core services and can do so without new taxes.

The blueprint created a framework for a stable and consistent tax base, something our job creators are calling for. That's what they want. It made a commitment to maintain and operate a transportation infrastructure for the 21<sup>st</sup> century that we can afford, and it keeps the safety net in place, protects our seniors, repeals the income tax on income less than \$75,000. It is a budget that we can afford and one that keeps and creates jobs right here in Connecticut, putting our families back to work, but that budget was totally ignored. It was called bogus and shut out of the process. The result is a \$2 billion retroactive tax increase that the governor and his majority negotiated in secret. They now own it.

Since this governor took office in 2010, your taxes have been hiked \$11 billion. Instead of tax cuts, this budget kills jobs. Recently, Sikorsky Aircraft cut 1400 jobs worldwide, 180 alone in the Stratford area. At the same time that the governor is adding 135 state government jobs. GE, Aetna, and Travelers are all threatening to leave and take their good-paying jobs with them.

The governor's budget shreds the safety net and places our seniors at risk in their homes and raises taxes, the second-largest in our history, aimed squarely at the middle class. Four years ago, we heard the

governor explain that we could not cut nor tax our way out of the budget mess that he confronted. He coined the shared sacrifice partnership with taxpayers and government stakeholders to get through that budget process and problem. As a result, the taxpayers were handed the largest tax increase in our state's history. An increase each and every one of us have made and paid over the last four years, but not all stakeholders have kept their promise and fulfilled their shared sacrifice pledge. As a result, those stakeholders have shortchanged the state budget by almost 25 percent of their pledge, amounting to more than \$250 million a year in each of the last four years. That's almost a billion-dollar gift.

Imagine what would happen if the taxpayers didn't pay 25 percent of their income tax. What would happen to you? You'd be assessed penalties, fines, interest, your wages would be garnished, your house would be liened, and the DRS would be on you like a dog on the meat wagon to get the income tax that the state is owed, but when it comes to the government stakeholders, well that's a different story. The governor says it would be unfair to go back to that special interest and asked them to honor a broken promise. I disagree. I believe it is unfair to go back to the taxpayers, who have kept their pledge to pay the largest tax increase in the history of our state for the past four years and say, and tell them, that they haven't given enough. I cannot and I will not harm the middle-class taxpayers.

Judges and managers get 3 percent raises. The governor's staff also got raises to the tune of \$1 million, and there is a proposal to hire 135 more state employees as if the taxpayers can afford the ones we have now. Wherever I go, people express outrage about taxes and the high cost of living in Connecticut. Whether it's a discussion with employees at the Big Y deli counter, or the Stratford resident along Memorial Day parade route who showed me his empty pockets and said I have nothing left to tax.

Middle-income families and the working poor taxpayers are not ATM machines. Our families are struggling, trying to pay bills, meet our mortgage payments, get to work on time, and raise our children, but it is

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getting more and more difficult to do, and the taxpayers are crying uncle, enough. As a matter of fact, over the last three weeks since we were last here, thousands have called and written asking for a new budget with less taxes and less spending, but all of you have been ignored because this budget is basically the same budget that we saw three weeks ago.

When I decided to run for Senate in 2010, I did so because I have small children. They were 10 and seven at the time. My youngest daughter is now in high school, and I didn't want to mortgage their future, but here we are four years later, \$11 billion in new taxes, spending unabated, and now a redefined spending cap. Yes, the governor is not honoring that promise either, so government can spend yet even more.

Sadly, there was a projected shortfall three weeks ago of 1.6 billion, and now here we are three weeks later, and the deficit has grown to \$1.8 billion. So in the last three weeks, this budget actually got worse for our children. I would never ask my children to pay my mortgage. That would be lousy, but that is exactly what the majority and this governor is doing to the families of Connecticut. I cannot and I will not support a budget that doesn't honor the state's constitutional spending cap and live within its means. The rest of Connecticut families must stay within their means and within their household budget each and every day. Why shouldn't their state government? Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark? Will you remark? Senator Formica. Good afternoon, sir.

SENATOR FORMICA:

Good afternoon, Madam President. Thank you very much. I rise for the purposes of discussion of the legislation, please.

THE CHAIR:

Please proceed, sir.

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SENATOR FORMICA:

Thank you, Madam President. I rise to talk a little bit today just about some concerns I have with this legislation. I have concerns, not only with the legislation, Madam President, but I have concerns about the process, concerns about how this budget process was done, and it's no secret, and it's been in the papers, and it's been discussed widely that our leaders had an interest in joining the discussion, that we had some ideas that we thought we would share through them, and it's no secret that those requests fell on deaf ears. I believe the responsibility of creating budgets and policy in this building should fall on us equally as we each equally represent a similar number of constituents and should at least have an equal say into those discussions.

Share a short story, when I was first selectman, Madam President, of the town of East Lyme, it was the spring of 2008, and I saw the fiscal crisis. The world was changing in front of us. The economic realities were about to significantly change, and I, as a Republican first selectman, spoke to the Democratic Town Committee, and I said to them, "I'm here not for politics. I am here for policy and for help because you are 40 committed, passionate people that can help the people of East Lyme with your service," and out of that, Madam President, we got volunteers. We got people that worked for the benefit of the community. People like Paul McDonough who was an assistant banking treasurer here and volunteered to be on our pension committee, and because of his and others' volunteerism and expertise, we doubled our holdings in our pension committee over the period of that recession, and I believe there is added value in inclusiveness, and I believe that should be an opportunity that we look at here in this Chamber.

I have concerns, Madam President, regarding the tax increases, this particular second-largest tax increase in history. I have concerns about our business community. We've all read the papers and we all know what our job creators are proposing, and I believe we can and should create an environment for success, not to create an environment that fosters task forces, thank you, to explore leaving our state and taking

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good-paying jobs out of the State of Connecticut, which has happened over the last three weeks.

I have concerns, Madam President, about our hospitals, that reductions in Medicaid reimbursements for our doctors and nurses and services and increases in hospital taxes and new sales taxes for those hospital services have already resulted in layoffs, have already resulted in services declining, and I fear they will erode any gains that we've made in this state as a leader in getting people to be insured. Why? Because I believe that we will not be able to sustain and access good service with these increased costs, and I think policy premiums will rise as a result. I think deductibles will reside as a result, and services will be eliminated as a result, and healthcare, as we know it, is not going to improve but it's going to face major challenges.

I have concerns about our elderly, particularly in the private nursing facilities where 30 percent, as was discussed earlier, will receive a \$0.75 an hour raise under this bill while 70 percent of those working in those facilities will receive a \$0.06 raise, and that's not adequate for them to sustain and live here in the State of Connecticut. We can offer people the opportunity to make a particular minimum wage here on this property but not when it comes to the elderly that they serve.

I have concerns about our bullpen, Madam President. I concerns about our youth. Where will they live? Who will be building those houses if we can't afford the supplies to get 'em here? Where will they work if the jobs that are here today are moving tomorrow? What of the affordability of our cities and towns? How will that be sustained? Because I have concerns about property taxes. I have concerns that this bill is designed to protect property tax provisions will actually have the opposite effect. By moving revenue away from the communities, it could result in the ultimate loss of revenue. Are we and will we sustain our part of the bargain to keep providing that percentage of the sales tax to our cities and towns? Will Hartford live up to its expectations or are we already adjusting those formulas to be convenient? And what of a pending budget deficit? What will happen to

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cities and towns then? Should we have a lockbox for them? Should we have a lockbox for that commitment that we're making?

Madam President, in conclusion, I have been proud to represent the 20<sup>th</sup> District here in this great Chamber, in this great building, and in this great place, and I have been proud to work with each and every person around this circle, and I am sure that the people that I represent would like us to be proud of what we put out. That the people of the 20<sup>th</sup> District, in particular, and the State of Connecticut in general, will be proud of the product that we present to them, and I think that's the real tragedy today. Money comes and goes, economies flow up and down, but more than anything else, I believe that we need the people in this state to feel pride again, to hold their heads up, to hold their heads high, and to relax and lower their shoulders and so that they can feel grateful, gratitude, and secure about their lives here.

We've done many good things in this Session in this Chamber, but I'm concerned that this budget will not be one of them. Thank you, Madam President.

THE CHAIR:

Thank you, sir. Will you remark?

Senator McLachlan. Good afternoon, sir.

SENATOR MCLACHLAN:

Good afternoon, Madam President. Madam President, I stand for a purpose of just a few questions to the proponent of the bill.

THE CHAIR:

Please proceed, sir.

SENATOR MCLACHLAN:

Thank you, Madam President. Senator Bye, thank you for your hard work on this very challenging document before us. Clearly it required an awful lot of discussions behind the scenes. I do wish frankly that

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my leadership team was invited to those discussions, but having said that, I heard in a discussion with Senator Kane with reference to Section 58 to 71, a new program being put in place through CHRO. I thought I heard you say that CHRO plans to implement this program within current available appropriations. Did I hear that correctly, through you, Madam President?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Yes, Madam President. Through you.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. And, through you, Madam President, it's my understanding that the document before us has included, for the next two fiscal years, approximately \$970,000 per year to add 11 more positions to CHRO. Am I missing something, through you, Madam President?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. What I described to Senator Kane was that we pass additional positions within -

THE CHAIR:

Senator McLachlan.

SENATOR BYE:

I'm sorry. Through you, Madam President, to Senator McLachlan. As I explained to Senator Kane, we passed

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some dollars in the current budget for CHRO for additional positions, and in the fiscal note it describes those on page 6 of the fiscal note, Public Act 15244, appropriates \$770,000 in both years. Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. And thank you, Senator Bye. I think the fiscal note probably also referenced costs for benefits, and I believe that the total amount brought us to just under \$1 million a year for these 11 positions, and so - thank you for the answer to that question, I appreciate that.

Madam President, this frankly is one of the examples, though small in the big picture, where this legislature insists on creating a new million dollar a year program of new state employees, 11 new state employees, that will cost \$88,000 per year, per new state employee, and we're putting an unfunded mandate on all municipalities in Connecticut, and actually it's 175 entities that are going to have to participate in this new program, and the fiscal note leaves a very big question. What is the cost to the local municipalities and the agencies that will be subject to this new program? Well, here, let's use a little common sense to calculate what that cost might be because the fiscal note doesn't really tell us.

If each community must have some administrative officer keeping track of this particular requirement for construction contracts, let's just say if the state needs 11 new employees, at \$88,000 a year, that the 175 municipalities and agencies that will be new to this program will need one, just one. State needs 11, those municipalities need one, times \$88,000 a year, times 175, is \$15.4 million a year to administer on a local level. Add that to the million that the state's going to spend and we have a new program that costs \$16.4 million a year! And here's the mind-boggling part of the discussion, that this has been discussed ad nauseam in the Government Administration

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and Elections Committee, and this bill, similar to this bill, passed out of committee on a very close vote, but here's the problem, and this has been my point in this topic of discussion since I arrived at the State Capital in 2009 as a member of the State Senate, that this legislature has to undertake a thorough disparity study to determine what's the appropriate course of action in this regard. We're only approaching phase two of the disparity study and for some reason we can't seem to get to the next step in that process. That's what we need. Tell us what the right direction is, and if that report tells us that you need to spend \$16 million a year for new employees across the state, well, then so be it! But you're going out and spending \$16 million and we don't even have the direction yet! There's no plan.

And furthermore, the current administration of construction contracts for CHRO compliance are currently handled by the Department of Administrative Services, and this bill says we're going to dump 175 new agencies and all their contracts into CHRO. Well, they've never done that before! You just gonna wave a magic wand and make this all happen in three months? Don't count on it! That means your contracts are gonna get hung up.

So this is just one example of we can't seem to walk before we run, and it is an ill-advised, ill-conceived idea to lump into the implementer bill. Implementer is - apparently long before my arrival - was almost purely technical, and we've gotten far, far away from operating that way here at the State Capital.

The Connecticut Conference of Municipalities raise a whole different issue about this, and their email to legislators this morning said, "Yes, it's an unfunded mandate to municipalities," but they have a far greater concern about legality, and their concern that we're expanding a program that may not be defensible, and that's what that disparity study is about. We need the disparity study so that we can fine tune our set-aside program in Connecticut with some results from that study and tell us what's the right path to take.

I have another problem with Sections 443 and Section 451 to 454, which are adding election monitors. Now, I

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may have missed some discussion somewhere along the way in the Government Administration and Elections Committee, but we've not had a public hearing on this topic, and once again, we're just sort of pulling this idea out of her back pocket after the legislative session is over, and you're going to spend - well this is only \$150,000 a year, only. What's it for? Why didn't we have a public hearing?

The lockbox for transportation is sort of the buzzword these days. Sounds good. Back in 1992, the voters of Connecticut, 81 percent of 'em, thought that a statutory or a constitutional spending cap was a great idea in Connecticut. So 81 percent of the voters said, "Yep, we want that because now that you've given us a state income tax, we've got to keep the reins on the State Capital and how much money they're spending." Twenty-three years later, the legislature has failed to fully implement the constitutional spending cap called for by 81 percent of the voters of Connecticut in 1992. So today we have a statutory lockbox for the Special Transportation Fund, and in the wings we're hearing comments from the governor, legislative leaders, myself included, who think that there should be a lockbox on the Special Transportation Fund.

Do you know that the language in this bill today is expanding how much money can be spent in the Special Transportation Fund that actually doesn't fix roads? The language in this bill today says that boating enforcement is now transportation. Boating enforcement. Now, I represent communities around Candlewood Lake, and we would love to have more enforcement officers from DEEP on Candlewood Lake, but that's coming out of this Special Transportation Fund?

You know, the residents of Connecticut think the Special Transportation Fund might fix a pothole or a rusty, falling down bridge, or maybe help add a lane to a busy highway. We know we need a lot of work here in Connecticut. So it's a good idea to put a lock on the Special Transportation Fund, and so we have this statutory framework of the Special Transportation Fund, but we just opened up another little hole in the box. So why do we say one thing and do another? It is frustrating. It is frustrating.

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Madam President, Senator Kelly and Senator Formica so eloquently told us all about their constituents and how desperate they are for leadership at the State Capital in fiscal matters. I understand that this implementer language today make some changes to the budget that was passed on June 3, but it doesn't go far enough. It's just sort of scratched the surface, a little bit here, a little bit there, throw a few more dollars at the hospitals. We still got all kinds of layoffs down the road. Postpone the agony of unitary tax to corporate Connecticut. What does that mean, that one of those companies that's looking for a new home is going to wait a little while? I don't know. A few extra dollars for nursing homes that don't have unions. You know, there's concern there too, that the funding formula of money to nursing homes that have a union versus not having a union might not stand up in court. That's sort of common sense. That's an inequity, if I ever saw one.

Madam President, we need desperately to get back to basics in state government. We've gone way beyond that. We've gone way beyond the basics, and frankly this building is not listening to the residents of Connecticut. Now, we even heard stories this morning of one of the members of this circle whose phone rang off the hook from people that weren't even in his district. That happens to me all the time. I often get emails and phone calls from people that I don't represent. I try to respond to them and forward them to their elected legislator, but people are really upset because they don't believe that elected officials in this building are in touch with reality at what's going on on the street.

My career, outside of this building, is in commercial real estate, and when I talk to my clients, potential clients, and people in the business community, their greeting is followed by shaking their heads saying, "What are you thinking about in Hartford? Why? Why aren't you listening to us, Connecticut General Assembly? Please," is what they're saying. "Please, Mr. Governor, cut it out! When do we get a break?" Well, it's not today. It's not today, unfortunately. So here we are again, a terrible tax increase, lack of leadership, and I'm frankly running out of things to say to my constituents, what to do next.

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They melted down the switchboard at the state capital. Apparently, they're still doing that. They've written emails. They've showed up at town hall meetings, and here we are. This morning, I read probably half a dozen responses to an email message that I sent out to my constituents late last week, and at least a half a dozen of them, that I noticed this morning, were saying, "Mike, I called the governor's office, but is anybody listening at the State Capital?" That was the gist of their message to me this morning. So all I can tell'm is keep calling. The question is, are they gonna remember on election day what happened. Thank you, Madam President.

THE CHAIR:

Thank you, sir. Will you remark? Senator Linares. Good afternoon, sir.

SENATOR LINARES:

Good afternoon, Madam President. Madam President, I rise as the voice for the people of the 33<sup>rd</sup> District. The people of Portland, the people of East Hampton, the people of Colchester, East Haddam, Lyme, Haddam, Essex, Chester, Deep River, Old Saybrook, Clinton, and my hometown of Westbrook.

Madam President, in 2012, I was elected as a referendum on the largest tax increase in our state history. I was elected on a referendum of business as usual at the State Capital. Often times people come up to me to say, "You're a state senator? Wow! How old are you?" I say, "I'm 26, but I'm getting older every day." They say, "Wow! That's really young to be a state senator." It is really young to be a state senator, and the reason why I was elected is because I represent a generation. A generation that is nonpartisan. A generation that is tired of business as usual in our state and federal government, and today, unfortunately, we are out of this budget, business as usual.

If you were to go and grab a Wall Street Journal or a New York Times today, I bet you would see in today's paper that Greece confirmed it would be unable to pay

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back a \$1.8 billion loan to the IMF. The country of Greece will become insolvent. The people of Greece who love their Capitol building in Athens may see that building sold or taken, liquidated because they don't have the money to pay down their debt.

Also today, you might read that the Puerto Rican governor announced that Puerto Rico is unable to pay down \$70 billion in debt to its creditors. This crisis will put Puerto Rico and Greece in economic turmoil, turmoil that they may never be able to fully recover from. How could this have happened? How could, how could this have possibly happened? I'll tell you how it happened. These countries spent money they didn't have. They borrowed money they couldn't pay back, and to solve the problem, they tried to raise taxes.

Now in Connecticut, we have imposed, I don't even know how many, billions of new taxes, in the last six years. We've increased spending 18 percent potentially in this new budget, and were hiring 135 new employees in this new budget. We're borrowing money for revenue and at the same time ordering in this budget that we do not fully pay down our debt service, and to pay for all this, we're raising taxes again, \$1.9 billion. We're spending money that we don't have. We're borrowing money that we can't pay back, and to pay for it all, we're raising taxes. We're doing the exact same thing that Greece and Puerto Rico did just years ago. In two years from now, we will be back in this Chamber, with a \$1.8 billion deficit, to have the same argument.

The biggest issue to me is not our fiscal situation today but our fiscal climate six years from now. We may have little to no flexibility to make any changes that we need to make for the future of our state. Now is the time, and the only time, that we may have to make fundamental changes to balance our budget in a responsible way for today and for the future. Now, how do we do that? After being here for 2½ years, a fresh face to Hartford, almost from the outside looking in, coming right into it, I can tell you the biggest issue that I see with Hartford when it comes to the budget is the process. It's the process. The budget should be the very first thing that we debate in this body. It should be the only thing we talk about before we pass

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anything else. We pass thousands of bills in this Chamber before we are really even sure how we are going to pay for it. We need to make segregated economic decisions for every piece of legislation that we pass.

We often have debates about a constitutional spending cap that we ignore. I think we're past that. We are way past just having a constitutional spending cap. We need to have a savings requirement in this state. Every commissioner of every agency should have to save two percent escalated annually in their budget. They shouldn't spend the money they have just so that they can make sure that they have a full budget the next year because that's what's happening now. They should be required to save money to help pay down our debt service.

In order for our state to solve these fiscal issues, we have to have an economic climate here that is conducive to growth, that is conducive to innovation, that is conducive to entrepreneurs trying to achieve their dream in Connecticut, to starting that business in their basement or their garage or out of their dorm room and keeping it here, and we are pushing those people out of this state. We're pushing those people - the people, the next generation that want to be part of mission oriented, mission driven businesses - we're pushing them out of this state 'cause business owners know that they don't build companies alone, that they do it with the people that they employ, that together they create businesses. Well, we might lose not only the entrepreneur, not only the business people, the business owners but the hard-working people that build those companies. We're gonna lose them too.

I've heard from businesses in my district that it's hard to leave America, but it's easy to leave Connecticut. And yes, taxes are a burden. They're a burden on everyone. They're a drain on our economy. I can see it in the eyes of my constituents when I knock on their doors during campaign season. They are worn out. They are tired. The economic engine of our middle class is starting to deteriorate because of our fiscal irresponsibility in this state, but if we refuse to compete with our neighboring states, how can we expect to ever solve this problem? Right now, we

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have got to focus on creating a climate here that is conducive to growth because it's not, it's certainly not.

We should be talking with businesses about alleviating regulations that are preventing them from growing in this state. Where's the low-hanging fruit? What can we do for you to make this state a better place to grow jobs? But instead we're pushing GE out. We're pushing Aetna out. We're pushing Travelers out. We're pushing IBM out, and we're not willing to make changes to our current laws to let Uber and Tesla in. We're not willing to make current changes to our laws to let some of the fastest growing businesses in the world grow in Connecticut. Why? There's no reason why. There's no reason why. There's no good reason why you can possibly be doing that. Not to mention, we're refusing, we're ordering to not pay down our debt service. We have pension funds in this state that are completely unsustainable - that teachers, state workers may not be able to receive their retirement 'cause we have no plan to pay for it. No plan.

We need to start talking about having a defined contribution at the state level. We need to end, end this absurd law that people cannot lose their jobs if they don't do their work at the state level, no layoffs. No nonprofit, no business, no school can possibly operate that way. Why should the state? Are we privileged? Are we too big to fail? We should be looking for creative solutions to find contribution plans, bonusing employees who transition out of state government into the private sector, into the nonprofit sector.

Our State Treasurer has sold pension assets, investments in IBM, investments in AT&T for liquidity to pay down debts, to pay down deficits. We have already begun the economic spiral that some of these countries, our neighbors, are facing, but we have the solutions. We have - as Senator Kelly, who I believe has consistently given one of the best speeches on Connecticut's budgets year after year - as he had said, "Imagine if we had a budget that can solve these problems." Well, we do. The Republicans have put forward a responsible budget. It's balanced. It

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doesn't raise taxes, and it sets our state in the right direction.

Often times, as I'm sure many of you - I'm sure many of you get this question when you're with your good friends, when you're with your families - why do you do it? Why do you take your time and go to Hartford? All your time, your energy, your wisdom, your talents, your skills, and you go to Hartford for countless hours to represent your districts.

Why do you do it? I can tell you why I do it, because I believe every generation should have the opportunity to live a better quality of life than the one before it and that the job here of all of us is to allow our people to achieve their dreams, to give them an opportunity for upward mobility. If they work hard, they can achieve anything in this great country and in this great state, but unfortunately with budgets like these, we're not allowing that opportunity. We're creating a handicap for the next generation. The next generation will inherit issues that you could not even imagine because of budgets like these.

I refuse to be part of the problem. I will keep pushing to be part of the solution for those wonderful people in the 33<sup>rd</sup> District. I will keep working and fighting for you. I will not quit until I see this state with a healthy and balanced budget. That is my commitment to you, and it starts today by voting no. Thank you, Madam President.

THE CHAIR:

Through you. Will you remark? Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President. Madam President, I rise to provide a few brief remarks on the budget before us. Many of us have deep, personal interest from our backgrounds on some of the bills that are presented to us in this budget, and some of them reflect the needs and opinions and positions of our constituents in our district. It is great to follow on the heels of our young, new Senator, Senator Art Linares, who also has, I think, a deep interest in one of the aspects of the

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bills because of his background as well, and that is in the area of the education section of this budget. The section that deals with bilingual education and bilingual education programs.

For me, it's been an 18-year area of interest and advocacy because like so many who are interested in this language, many of us came from another country as immigrants, did not speak English, and that was one of the big hurdles and challenges that we had. I'm always been concerned that we provide an equal education and particularly even a greater focus on those students that are non-English speaking - and that area is growing all the time - and that they are provided with a strong educational resources within the classroom itself. And of course, the most important is the teacher that is there and that they are prepared to address the needs and challenges of our bilingual students.

So you can imagine how focused I am on the language. And originally there was some confusion in the language of this bill that has been clarified fortunately. And although I had some amendments to try to fix what I had originally thought might have been some issues, there's no need to call them today because in fact one of the areas - two areas of great concern was how long a student stays in a bilingual program before they're mainstreamed. And I see that there is a change where we're expanding the number of months from 30 months to up to as much as another 30 months.

My original concern is you could have a student in second grade that would literally be in this bilingual program until the eighth grade or you would have someone say in seventh grade be in it until they graduate from high school. To me, that speaks of a greater issue that in fact if they were not able to be mainstreamed prior to that that there might be other learning problems and disabilities there.

However, the language is there "up to," so it doesn't necessarily have to go the full extent. And certainly if we see a pattern, when we backtrack 20 years before where we literally entrap a student in a program that doesn't allow for quicker language acquisition, we

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would need to possibly revisit this statute in the future. And I'm committed to do that if again we come back to fight for another day.

But the other aspect probably gave me even more concerned was that what we found originally when looking at Connecticut's bilingual education statutes is that we had teachers in the classroom that were not necessarily certified, did not necessarily have even a bachelor's degree, and did not have any skill set in the content area that they were teaching. And that gave those students a subpar educational experience and did not provide the resources for them to succeed.

So I'm happy to see that in the clarification that we did not remove the requirement for certification or even a BA because, quite frankly, there are some individuals - that just having a college degree - they can be excellent in a classroom and be able to be good teachers, but we wanted to make sure that they were well prepared and those students had the resources in the classroom to help them as much as possible 'cause they needed it.

So with the clarification that was just provided that it was pretty clear that this bill still requires teacher certification and a bachelor's degree. I think we can certainly shorten that discussion about this area, but I will commit to continuing to keep focused on that part of our state statute so that we have as good of an educational system for each of our students particularly as we increasingly get more students, particular urban centers and others, quite frankly, that do not have English as their first language.

However, I also am concerned about the rest of the budget before us. Although a lot of it, maybe even 50 percent, is something that we highly support whether it's transportation, other aspects of the education statutes that are being improved, the unfortunate part is the other section of this bill is what gives some of us cause for concern and why we may be a no vote today.

I believe that Senator Linares pointed out very articulately, as did some other Senators, about the

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situation we find us in. This has been a particularly bad week, as you've heard, for the countries of Greece and even the territory of the United States, Puerto Rico. Things are pretty bad when you have a run on the bank and a state takeover of the banking system, when you have creditors, as in Puerto Rico, breathing down your neck then there is serious cause for concern. It's also an alarm bell for the State of Connecticut as well. When you have marquis businesses such as IBM and GE and the Travelers, the Aetna, Boehringer Ingelheim, Bristol-Myers Squibb, Black & Decker, and others proclaiming that they are concerned about our budget and the state of affairs and the policies that could affect them directly, we should be very concerned.

Connecticut is in a fiscal crisis, and just delaying some of the components of this particular bill is, for some of us, the singular reason that we are a no vote. Just delaying the taxes that they're proclaiming would force them to move their jobs out of state such as the Unitary Tax, it doesn't go away, it's just delayed for a year. That doesn't give them any solace. That doesn't give'm any confidence. That won't persuade them that they should stay here.

And additionally, that particular aspect of this budget and the other one where we raise the tax brackets on the wealthier individuals and the small business owner from where it is today to nearly seven percent, this is a big cause for concern because that's just not the wealthier targets, it's also the small business person who actually files their business taxes through their own personal income tax. That's going to depress their ability to invest in their businesses. This is still a \$1.9 billion increase in taxes on the State of Connecticut. It's the wrong direction.

And just last week we heard from a governor from another state - we all know who they are - that was pitching his state to many of our area's small businesses. What I heard him say is something that we need to listen to because it's very important that we really find out what the competition is doing to poach some of our own Connecticut businesses and the tax

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payers of the state. What I heard are some things that we should be putting in practice as well here.

These are some of the few things that this governor was saying that make his state an attraction to our residents and our jobs. He makes very few priorities and one of them is jobs. That is singularly his number one priority, and he sets a goal of making his state the best place, not just in America but in the world, to do business. He cites even Palm Beach as a wonderful place for our investment firms, our hedge funds to be located, and he's attracting a lot of them there.

The state benchmarks itself against other successful states including Republican states, not just Democratic states. And he believes that he is the top salesperson for the state and brings his own department heads with him whenever he is calling on companies here in Connecticut or in other places. And he is very he happy, he says, to poach those businesses from states like Texas, which he touts that their business sector is even more successful and they're attracting more jobs.

He talks about the fact that businesses should talk to their employees on how any new taxes a state might put in affects their job and that he needs to balance his budget and spend less. And if someone comes to him from a department and wants to spend more in that department, he asks them to find other places to cut and that he's not afraid to use the veto pen. So for him, controlling costs is so important to keeping his state competitive and that he measures the heck out of everything the state does and does a return on investment analysis on what is being spent.

And of course, we hear this all the time, pension reform. That's huge. Rhode Island has done it. Connecticut needs to do it. He believes in funding education, as we all do as well, and has actually made what was once considered a not very top-notch school system number two in the world in the fourth-grade reading area. And we all know how important it is for students to read by the third grade. They're actually closing their achievement gap instead of widening it.

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He believes in funding transportation and water ports - as we do - and funding programs for the disabled.

One of the things he says again and again is that he needs to sell his plan first to the public and then his own legislature. Tell people what you plan to do and then tell 'm when you do it and hold yourself personally accountable. You show up when something goes wrong. I think we all probably practice those very principals ourselves in our own districts, but his parting shot is that when a state like Connecticut raises taxes or increases regulations, which a lot of this budget does, it makes his job so much easier to compete. 'Course they are fortunate; they don't have an income tax. We didn't. We enacted that temporary tax that is still with us today. They don't have an inheritance, gift, car, or pension tax. And he remarked - and this is true right now - that too many people in Connecticut just give up and leave instead of standing up and fighting, but I personally think that is not the case anymore.

If any of you have had any meetings in your district recently, a Town Hall meeting, I'm sure you had the same reaction as I did - you used to be very happy to get a dozen people in the room. Right now, 50, 60 people. They're bursting at the seams. They're standing in the hallway, really upset about what is happening. And that includes people from every side of the political aisle or independents and unaffiliated. They're angry. They're finally paying attention. Not because our side of the aisle is all that expert in communications. We really are not any better than any other party. It is because now our financial plight is on a national scale.

When you have Joe Scarborough on CNBC and so forth talking about this, when you have the Wall Street Journal saying we're worse off than Illinois, you have Forbes coming out with an article all the time, you have the Hartford Courant and most of our major newspapers talking about this - people finally are paying attention. And I think that's gonna translate because when you have the people more engaged in the process, you're going to get a better outcome. It's gonna make both sides have to compromise and take a good hard look at themselves.

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And you really can't argue with the success that Florida and other states are having. We have to - in Connecticut - copy the good models that're out there, some of the same basic principles, good practices that they're putting into place instead of constantly criticizing the opponents, the people on the other side, the competitors. If we do that, we just might convince businesses to stay.

As Senator Linares say, Puerto Rico is having budget problems because they borrowed heavily to balance their budget and had run deficits. They have high taxes. Their population is leaving. They have high energy costs. All of the same components we have.

You know, we say to those people with one foot out the door, you just might be convinced that Connecticut does mean it when they wanna change and say we're open for business, but we have to back that up with action not just words. And our no vote - those of us that vote no - is actually a method to sound the warning bells that we do have to make a change. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark further? Will you remark further? The Senate will stand at ease a moment.

(Chamber at ease.)

THE CHAIR:

Senate will come back to order. Are there any points of personal privilege? Senator Fonfara for points of personal privilege?

SENATOR FONFARA:

Thank you, Madam President. Just want to take a moment while we're on this break to recognize a couple of people that I failed to in our original debate on the budget some weeks ago in the Office of Legislative Research, Rute Pinho and John Rappa, two people who are invaluable to the work of the Finance Committee. Their depth of knowledge, their professionalism is - I

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cannot describe fairly how important they are to us in our work, and I was embarrassed candidly when I realized my oversight. And I hope that this here today makes up in some small way for that fact. I thank you for the opportunity, Madam President.

THE CHAIR:

Thank you, Senator. Are there any other points of personal privilege? Seeing none, the Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

Senate will come back to order. Senator Duff.

SENATOR DUFF:

Thank you, Madam President. Madam President, I move that all the items on Senate Agenda No. 3, dated Monday, June 29, 2015 -

THE CHAIR:

Nope -

SENATOR DUFF:

Oh, I'm sorry.

THE CHAIR:

Sorry, sir.

SENATOR DUFF:

Is there business on the Clerk's desk?

THE CHAIR:

Mr. Clerk.

THE CLERK:

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Clerk is in possession of Senate Agenda No. 3, dated Monday, June 29, 2015.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Get that right sooner or later. Thank you, Madam President. Madam President, with all items on Senate Agenda No. 3, dated Monday, June 29, 2015, be acted upon as indicated and that the agenda be incorporated by reference into the Senate Journal and Transcript. If we can also - because I have not moved it formally - if we're on Emergency Certified Bill No. 1502, if we can pass temporarily -

THE CHAIR:

We'll pass temporarily.

SENATOR DUFF:

Thank you, Madam President.

THE CHAIR:

And we will accept the agenda and the No. 3 Senate Agenda.

SENATOR DUFF:

Thank you, Madam President. Madam President, if the Clerk could please call Emergency Certified Bill 7102, please, for action.

THE CHAIR:

Mr. Clerk.

THE CLERK:

House Bill 7102, AN ACT CONCERNING AUTHORIZATION OF STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS AND CONCERNING CHANGES TO THE STATUTES CONCERNING SCHOOL BUILDING PROJECTS.

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SENATOR DUFF:

This might be -

THE CHAIR:

Thank you very much.

SENATOR DUFF:

This might be important information for members. We are now going to recess until 7:30 p.m.

THE CHAIR:

Senate will stand at recess.

THE CHAIR:

The Senate will come to order, and the Chair recognizes the distinguished Majority Leader, Senator Duff.

SENATOR DUFF:

Thank you, Mr. President. If we can now go back to Emergency Certified Bill 1502, and I'd like to now yield to Senator Bye.

THE CHAIR:

The Clerk will please call Senate Bill 1502, which was previously passed temporarily.

THE CLERK:

Senate Bill 1502, AN ACT IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR BIENNIUM ENDING JUNE 30, 2017, CONCERNING THE GENERAL GOVERNMENT, EDUCATION, HEALTH AND HUMAN SERVICES.

THE CHAIR:

The Chair recognizes the distinguished and hard-working Chair of the Appropriations Committee, Senator Bye.

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SENATOR BYE:

Thank you, Mr. President. It's nice to see you up there. Mr. President, the Clerk is in possession of an amendment, LCO 9746. I ask that it be called and I be granted leave to summarize.

THE CHAIR:

Please proceed, Senator. We'll have the Clerk call that amendment.

THE CLERK:

LCO No. 9746 will be designated as Senate "C."

THE CHAIR:

Will you remark, Senator Bye?

SENATOR BYE:

Yes. Thank you, Mr. President. This amendment makes various changes -

THE CHAIR:

Senator Bye, if you'd move the amendment?

SENATOR BYE:

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

THE CHAIR:

Please proceed, Senator.

SENATOR BYE:

Mr. President, this amendment makes various changes to the bill that we've been discussing today, and I ask that the circle adopt it. Thank you, Mr. President.

THE CHAIR:

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Thank you, Senator Bye. Is there additional comment on the amendment? If not, I will try your minds. All in favor, please indicate by saying aye. Opposed nay. The ayes have it. LCO No. 9746 and Amendment C is adopted. Thank you. Further comment on the bill as amended? Senator Witkos.

SENATOR WITKOS:

Good evening, Mr. President. Nice seeing you up there. So I thought - earlier today I had the opportunity to listen everybody's discussion on the bill, which is a policy that drives the budget that was adopted on June 3<sup>rd</sup>. And it seemed to me that we've been talking about this for a long time, and it's - we have been. I guess it's been a month since - or just almost a month since we've been back, but I think it's been even longer than that, Mr. President, when we were here in February when Governor Malloy first gave his budget address towards the end of the month. And we discussed on how the budget that was presented to this body couldn't stand as is.

Mr. President, I'd like to yield to Senator Duff at this time.

THE CHAIR:

Thank you, Senator Witkos. Senator Duff, do you accept the yield?

SENATOR DUFF:

Thank you, Mr. President. Yes. If we can just stand at ease for just one moment, please?

THE CHAIR:

Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

Senate will come to order. Distinguished Majority Leader, Senator Duff.

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SENATOR DUFF:

Thank you, Mr. President. Mr. President, just kinda PT the bill for a second and ask for a very brief Democratic Caucus immediately.

THE CHAIR:

Thank you, Senator. The Clerk will announce an immediate Senate Democratic Caucus.

THE CLERK:

There will be an immediate Senate Democratic Caucus, an immediate Senate Democratic Caucus.

THE CLERK:

The Senate will reconvene in five minutes. The Senate will reconvene in five minutes.

THE CLERK:

Senate will reconvene immediately. The Senate will reconvene immediately.

THE CHAIR:

Thank you. The Senate will come to order. Senate will come to order. Senator Duff.

SENATOR DUFF:

Thank you, Mr. President. Mr. President, if we can go back to the bill that was previously debated, please. Emergency Certified Bill 1502, and I believe Senator Witkos had the floor.

THE CHAIR:

Thank you, Mr. Majority Leader. If the Clerk would recall the bill that was under discussion at the time we took our recess. Senate Bill - Emergency Certified Senate Bill 1502.

THE CLERK:

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Bill No. 1502, AN ACT IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2017, CONCERNING GENERAL GOVERNMENT, EDUCATION, HEALTH AND HUMAN SERVICES.

THE CHAIR:

Thank you. Thank you, Mr. Clerk. I believe the Senate had just adopted, by voice vote, Senate Amendment LCO 9746, designated as Senate Schedule "C." So we are now on the bill as amended. Senator Witkos.

SENATOR WITKOS:

Thank you, Mr. President. I'd like to yield to Senator Markley at this time.

THE CHAIR:

Senator Markley, will you accept the yield.

SENATOR MARKLEY:

Yes, I will. Thank you very much, Mr. President.

THE CHAIR:

Senator Markley, please proceed.

SENATOR MARKLEY:

You know, let me say a word about the implementer first. And I was reminded of this by something that Senator McLachlan said when he was speaking earlier this afternoon about what the implementer used to be. And some of you've heard me tell this story, but I don't think I've ever mentioned it on the floor. In part because sometimes when we debate the implementer there isn't time to tell any stories, even though this is a fairly brief one.

I'll just say that when I was here in the 1980s and I was Chairman of the Human Services Committee - also I chaired the Budget Subcommittee that dealt with the Social Services budget - I was told at that time as a freshman that also was serving as a Chairman that I had to bring out the Implementer Bill. And I said

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what every freshman said that session that was chairing a committee, "What's the Implementer Bill?" And it was explained to me that it was a technical bill that was required to implement the Human Services Budget that we had adopted.

So I said, "Fine. If it's a technical bill - no one knows any more about it than I do, so I'm comfortable with it," and, however, the day before - or maybe the morning of - that bill coming out, I was approached by the commissioner of what was then the Department of Income Maintenance who I'd worked with - I think it was the second year I was there - so I'd worked with him for a while. I knew him very well, and he said, "Senator, we've got a problem and we need to make a change, and we'd like you to put an amendment on the Implementer Bill, just a technical change," and I said, "It's okay with me. Again, it's technical. I take your word for it. I've trusted you over the course of the last two years."

That morning before Session started, Senator O'Leary, who was the Democratic Minority Leader who sat over in Senator Kissel's seat, as a matter of fact, came over and stood right here in front of me as I was sitting at my seat, which was unusual. And he said to me, "Senator Markley, will you swear to me that there's nothing that that amendment that you are proposing on your Implementer Bill is purely technical?" And I said, "Senator, I don't know really anything about it. The commissioner told me it was technical and I told him I'd put it on the bill." And he said, "As long as there's no policy involved in it, I have no problem with you putting the amendment on the Implementer Bill."

And I tell that story to remind all of you how, within living memory, this Implementer Bill was as pure as the driven snow. And I think that Senator O'Leary, who had a respect - as you do Mr. President - for the function of this institution, realized how important it was to keep any kind of policy out of the implementer. And I think he realized that once the door was open a crack, there would be no shutting it again.

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So the first thing I want to just say briefly is I appreciate very much that we have done a better job of having time to at least look at the implementers. It still distresses me that we haven't taken the next step and started to purify the implementers. And, you know, one might say that to make something pure after it's been besmirched is an impossible job, but it falls to us to do it. And whoever is going to be in this chamber is gonna be mortal men and women like we are. If we can't solve it, there's no reason to think that future generations are going to be more able to solve it. We really ought to be - we really ought not to be doing legislation the way that this implementer does it.

And I will just say in passing, the number of things in the implementer that seem to me to be policy decisions - we have many things, the Microbeads Bill that's in Section 50, which just didn't go through; the CHRO set-aside; the Domestic Service Bill and its impact on CHRO, which is 72 to 88; the past-due payments for construction contractors - something that I saw on the Labor Committee - it was a bill, it didn't pass. Now we get it in the implementer without the chance to debate it as a separate, free-standing proposal. The shellfish agreement - a very controversial agreement - one that I have profound problems with myself, which has now been adopted into the Implementer Bill. A number of - the requirement that we have a license for people to do pools above ground; the establishment of Office of Broadband; election monitors for the city of Hartford - these are proposals which should rightly go through the entire legislative process. Some of them did to some extent. Some of them got through one chamber. Some of them were never heard at all. Some of them weren't even proposed bills.

It's not a good way to do business. But my concern tonight is simply with the Human Services section of it, and let me say specifically with the nursing home rate increase, which is contained in Section 380 of the of the implementer. And I think we all agree that this is a well-deserved increase for the people that are really the point of service providers in the nursing homes - a growing section of the workforce in an area that I think all of us have a sensitivity to

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because I can't imagine there's anybody who has not had a person in a nursing home that they cared about deeply or has the prospect of being there themselves at some point. And these are very hard-working people. You've probably all met with them, and I'm glad to see them get this additional funding.

My concern with the bill as it's written has to do with the fact that it specifies that of the amount in Line 14,176 through 178 - that of the \$14 million or the \$12 million appropriated for this rate increase, up to 9 million shall go to workers who are collectively bargained for. In other words, unionized workers who represent about a third of the total workforce for the nursing homes.

I have to say I don't understand the rationale for making a distinction between these workers. I think they're all underpaid. I think they all are deserving of this increase, and to give the larger share of the increase to a minority of the workers really disadvantages the largest number of nursing home workers severely. And in response to that particular concern, I have an amendment - the Clerk is in possession of an amendment, LCO No. 9711 - if I may ask that that be called.

THE CHAIR:

Mr. Clerk, if you would call LCO No. 9711.

THE CLERK:

LCO No. 9711 will be designated Senate "D."

THE CHAIR:

Thank you. Senator Markley.

SENATOR MARKLEY:

Thank you, Mr. President. I'd ask that the reading be waived and that I beg leave to comment briefly on this amendment.

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Thank you, Senator Markley. Would you move the amendment?

SENATOR MARKLEY:

Yeah, I'm sorry. I would move adoption of the amendment after the reading be waived and beg leave to comment on it.

THE CHAIR:

Please proceed, Senator.

SENATOR MARKLEY:

Thank you very much, Mr. President. This amendment, which is very brief simply strikes that line which I referred to and instead says that the Commissioner shall distribute the funds - the additional funding - equally so that every nursing home receives the same percentage increase and is able to pass that on to the service level employees that it's intended for.

I don't - I think insofar as I've been told that the purpose of the language in the bill is not in fact to direct the money to the unionized nursing homes at the disadvantage of the nonunionized nursing homes. It seems to me that this change in language does not put at risk any plans that have been made. If that isn't the plan, I think that it's incumbent on the advocates of this bill to explain what the purpose of that language in the bill was. I think that this is a good way to create inequity, and I would urge the adoption of this amendment.

THE CHAIR:

Thank you, Senator. Will you remark on the amendment?  
Senator Bye.

SENATOR BYE:

Thank you, Mr. President. For reasons outlined earlier in my conversation with Senator Kane, I urge rejection of this amendment. Thank you.

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Thank you, Senator Bye. Additional comment on the amendment? Senator Kane.

SENATOR KANE:

Thank you, Mr. President. I don't know if Senator Markley asked, but I would ask for a roll call vote on the amendment when it is taken.

THE CHAIR:

Thank you, Senator. Roll call will be ordered at the time of the vote.

SENATOR KANE:

Thank you, Mr. President. I too rise in favor of this amendment. Certainly, Senator Bye and I had a conversation a few hours ago when we were on the underlying bill. And while I do believe that the intent of this money is to help a great deal of nursing homes in the state of Connecticut - and many of us around this circle agree with that - the problem is that out of \$12 million or so that's put aside, there is nine million that is going to unionized nursing homes, 30 percent of which are the number of nursing homes in the State of Connecticut. So 70 percent of the nursing homes in the State of Connecticut are nonunionized, yet 9 million of 12 is going to the unionized nursing homes is a huge disparity there.

And I thank Senator Markley for putting forth his amendment because we talk in this circle about equality and being fair and all these things, well here's your opportunity to be fair if that's the case. Not to mention that there could be some legal ramifications in regards to this policy. We know that this may be challenged in court. It may be in contrary to Federal Law, and specifically the national Labor Relations Act that this could be in violation of. So I urge all members to vote in favor. Thank you.

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Thank you, Senator Kane. Will you remark further on the amendment? Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Mr. President. Good evening. Nice to see you there. Mr. President, I rise in favor of the amendment. And I thank Senator Markley for raising this point, which I think is appropriate.

In my hometown, unionized nursing homes represent less than 20 percent of the nursing home operations in Danbury in Western Connecticut, and I believe that it's that way in many other communities too. This does not seem to be fair by any stretch of the imagination. This amendment seems to rectify that disparity. We seem to talk a lot about disparity in this building, and the underlying bill is an egregious violation of that concern. So I urge adoption of the amendment. Thank you.

THE CHAIR:

Thank you, Senator McLachlan. Will you remark further on the amendment? Senator Duff.

SENATOR DUFF:

Thank you, Mr. President. I rise to oppose the amendment.

I just want to make it very clear to the circle that I believe that we all very much value all nursing homes in the State of Connecticut. We value the work that they do and the care that they take through - for all of the residents who live in nursing homes. Many of us have lots of nursing homes in our districts, and we see the hard work that everybody does all the time. So this is - I don't want this to be a choice or viewed as some sort of windfall for one side or the other, but we all do recognize what - the hard work that the nursing homes do throughout our State of Connecticut.

I mean, the fact is that we spend \$1.5 billion that's divided across the board among nursing homes all across the State of Connecticut - \$1.5 billion we

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spend. And so this \$9 million that we're arguing over, has the amendment of, which is really one-half of one percent of that amount is directly related to union nursing homes.

Now, nonunion nursing homes are getting a raise this year of \$4 million, and that's the first time they've probably had a raise in as long as I can remember. So there is - they are getting additional funding that previously had not been there and not even been - had not been proposed until the Appropriations Committee brought forth the budget earlier this spring. So that was the first time in many, many years where there has even been a proposal to have an increase for nursing homes at all across the State of Connecticut. And under our state statutes, the cost of collective bargaining is supposed to be including in setting nursing home rates, but for the last 20 years that requirement has been ignored.

So we have not abided by the law and costs mandated by collective bargaining have not been reflected in nursing home rates. So we believe that this is at least now helping to reflect what the law really is. And the fact that we do have nursing homes getting a raise under tough, very tough, fiscal times - but let's not lose sight of the fact that we have 9 million and 4 million of \$13 million, but the real number that we spend in the state of Connecticut on nursing homes is really \$1.5 billion.

And I think - and for all of us - that we work very, very hard to take care of those who need it the most, who need that social safety net, and that deserve to have the kind of care that they need throughout the state. So I do rise to oppose the amendment and urge my colleagues to vote no as well. Thank you.

THE CHAIR:

Thank you. Will you remark further? We remark further? Senator Fasano. Good evening, sir.

SENATOR FASANO:

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Good evening, Madam President. Madam President, I stand in support of the amendment for a bunch of reasons.

First of all, let's be clear in a couple facts. Nearly three-quarters of Connecticut's skilled nursing and long-term centers are nonunion. So 75 percent is nonunion. Yet, we're giving \$9 million of this to unions and \$4 million to nonunions. We're making a statement. Let's be clear. We are making a statement.

Number two, the \$1.5 billion that we give to skilled nursing care is for services rendered. They do service, they get paid. It isn't for the wages, per se. It's for the work that they do.

Number three, the Republican budget gave a two percent COLA increases to nursing homes and private nonproviders across the state. So let's be clear on that fact, but to say we're gonna take money and earmark it towards a particular group of employees is simply not fair. What is fair is to say they all do great work, no question about it. They all are underpaid, no question about it. So why not give the money evenly based upon beds to those facilities? That's objective. That's fair. It's consistent policy. That's what we're talking about.

We're not talking about shortchanging. We're not talking about picking winners and losers. We're talking about standing here as objective group of legislators who are creating policy and doing it on an even playing field because there's nobody here who can stand up and say - and if they do, I'd like to have somebody stand up and say - that one group of workers deserve it more than the other for whatever reason. I'd like to hear that argument, but I haven't heard that. What I heard is just because. And I would argue - as this legislator would argue and this policy maker - that doesn't cut mustard. Just because.

So I support this amendment. I hope it goes through. It's fair. It's balanced. Thank you, Madam President.

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Thank you, Senator. Will you remark further? Senator Looney. Good evening, sir.

SENATOR LOONEY:

Good evening, Madam President. Madam President, speaking in opposition to the amendment, following up on the comments of our Majority Leader earlier, one of the reasons that the language in the underlying bill is as it is, is to try to begin to address something that has been a failure in many ways to comply with our own statutes for a period of years - that our state statutes for more than 35 years has required that the cost of collective bargaining be included in setting nursing home rates. And yet, for many years across the board, COLA increases have been given that have not reflected that statutory requirement. So the costs mandated by collective bargaining agreements have for years not been reflected fully in nursing home rates, which is unfair to both the employees in those homes and also to the home's owner.

So what, the effort under the underlying bill is, in fact, to begin to just partially redress something that has been a long-standing problem and will continue to be even after this budget has been adopted, but an alteration in this provision to the underlying bill would in effect perpetuate a problem that has continued for a long time, and that the underlying provision of the bill as amendment makes a modest attempt to redress that issue. So I would urge rejection of the amendment in affirmation of the underlying bill as amended. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark further? Will you remark further? If not, Mr. Clerk, will you please call for a roll call vote, and the machine will be open.

THE CLERK:

An Immediate roll call vote has been ordered in the Senate. An Immediate roll call vote has been ordered in the Senate.

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[pause]

THE CHAIR:

If all members have voted, all members have voted.  
The machine will be closed. Mr. Clerk, will you  
please call a tally.

THE CLERK:

Senate Amendment "D," LCO No. 9711

Total Number Voting	36
Necessary for Passage	19
Total voting Yea	15
Total voting Nay	21
Absent/not voting	0

THE CHAIR:

[gavel] The amendment fails. Will you remark further?  
Will you remark further? If - Senator Witkos. Good  
evening, sir.

SENATOR WITKOS:

Good evening, Madam President. I had the mic earlier,  
and I guess I'll start over again because we had a  
little bit of a distraction and we're setting the  
stage here. But I was speaking when Senator Looney was  
on the dais. And I recall the first time him being on  
that was when he was sworn in in January as the  
president pro tem of the Senate. And we began our day  
and festivities that first Wednesday in January of  
this year pledging to work in a bipartisan manner to  
do great things around this circle for the  
constituents and the residents of the State of  
Connecticut.

And we proceeded down that path. We adopted rules  
without objection. We met in committee. We welcomed  
our new, freshmen legislators, and we began the  
state's business. And then we reconvened in Joint  
Session in the end of February where Governor Malloy  
had addressed the Joint Session of this body and  
delivered his budget address. And during that budget

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address, Governor Malloy had pledged no new taxes. And he presented a budget that had no new increases in taxes, but to the surprise of many had drastic cuts to services and to individuals, which I don't think anybody in the legislative branch of government would welcome. And in fact I think it was decried by all four caucuses, both Republicans and Democrats, House and Senate members as doing more harm to our most vulnerable population than we could ever stomach, and we set about creating our own budgets.

So after Governor Malloy had presented his budget, which was dismissed by the legislative body, the Senate Republicans - and with our counterparts in the House - created a blueprint for prosperity and developed a budget, which we thought would not only set our state in the right direction, but we restored vital services to our most vulnerable population. We did so without raising taxes. We created a transportation infrastructure, which would have invested tens of millions of dollars into our crumbling roads, our bridges, and our rail systems. We had a plan to pay for that. And we also started to address our long-term debt obligations.

That budget was dismissed summarily by members of the opposing party, the Majority Party, and by the Governor's office. So then the Committee of the Finance, Revenue and Bonding Committee, and the Appropriations Committee began the deliberation process of crafting a budget, which would become the Majority Party's budget.

During those deliberations, we saw the writing on the wall that the budget deficit, which was a surplus - two weeks before the November elections - would result in a deficit. So communication from our Caucus to the Majority Party Caucus and the Governor's Office to get together to start discussing this so we could address the issues of our finances went unanswered. And the farther down the road we got, the more painful it would become for all of us.

And So there's a lot of things that happen in this budget that are not to my liking and are not to the liking of many of the Republicans in this General Assembly but in many people that reside in the

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state of Connecticut because it has been years since there's been such a large outcry - from not only businesses, the middle class, the working folks that depend on the state services - decrying the budget that was proposed and passed by this body by slim margins on June 3<sup>rd</sup>. It seems like we've been talking about this for quite some time. It's been a month almost now. And the reason why we're talking about it so often is because more things were learned about that budget then were first discovered that one night because we were not able to participate in the creation of that budget.

We all know that once the budget is passed by the individual committees of cognizance - that being the spending side and the revenue side. And I've always thought that was odd that rather than doing them in tandem in Connecticut in the state legislature, we decide how much we want to spend first, then we try to match our finances to our spending habits. And I think that's the wrong way to go. It should be the reverse, that we have to determine - as most households do and most municipalities do - they figure how much money they have coming in, what's their revenue stream, and then they determine their spending levels according to that, so you learn to live within your means.

We don't do that here at the state level. We decide how much we want to spend first, and then we try to make sure our revenues match that. And that's what sets us off on the wrong foot. And I say set us off on the wrong foot is because I think the problem that we have here folks is cyclical and it's systemic. And the reason why said cyclical 'cause - I call it the nail in the tire syndrome. And were always going to be back because the tire is our budget and there's a nail in it. So it's slowly losing air. Just like we're slowly losing our revenue.

Every estimated, appropriated amounts of revenue that came in - whether it's through the sales tax or the income tax or the corporate taxes - never met its expectations. Why? There's a variety of reasons. Our economy was in a slump. People moved. People didn't have the spendable income to purchase goods and wares. So all those things had a negative impact on

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our budget because we anticipated those revenues coming in and they didn't materialize, but we didn't adjust on the other end. So the nail is still stuck in the tire. What we do? We put air in the tire. And in the scenario I'm giving you, air is taxes. We raise taxes to put more air into the tire. But eventually if we don't pull the nail out and patch the tire, we're gonna keep losing air. We're back doing the same thing all over again, and that's what we're seeing in this budget cycle.

Four years ago, we had the largest tax increase in history of the state of Connecticut, \$3 billion. Now we have another - the second-largest tax increase in the state of Connecticut, \$2 billion. And we're already anticipating a deficit at the end of this biennium for another \$800 million, which I'm sure will be in the billion dollars again. Why? Because we have not taken the nail out of the tire. We haven't fixed the problem, and we're going to be back in the same thing over and over again. That's the cycleness of it. And the systemic problem is because we haven't fixed the problem.

Now, some may say, "How do we go about fixing that problem?" Well, I believe personally that we should have all the government that we need, but only the government that we need. There's many different ways that we can achieve those goals.

One, we have to start looking towards the private sector for doing some of the same things that the state does. Because for every dollar that you spend on a state employee's salary, you're spending an extra \$.80 on the fringe benefits. I've stated, and this is no fault against the state employees who do great work. They apply for their jobs. They came here. They work hard every single day. But we're competing at the state level against the folks that are in the private sector doing the very same thing. But the state agencies know that they've got the General Assembly that will just raise taxes.

So there's not a conscious of, "We have to be wary of how much money we spend." 'Cause eh, if we don't spend it, we'll just go back and ask for more. And guess what happens, they get more, and then they get more,

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and then they get more. That doesn't happen in a private business. If you're not realizing your money, you have to start cutting corners.

What's the most expensive part of any type of a business? It's labor. And nobody wants to see their employees lose their jobs. So generally, the owner of the business will not take a paycheck, or they'll reduce their pay, or they'll reduce their expenses, or they'll reduce the hours that the people work. And then that has a systemic problem that we're seeing - that people don't have as much money, so they're not putting that back into the economy. It's a never-ending cycle.

Now, some may say that an analysis of the budgets that have been proposed over the past few recent years have shown that we've only had a growth of four to six percent, but part of that problem is we've removed so many of those items out from our General Fund. Our growth grew a lot more than four to six percent. In fact, this year it grew over 21 percent. Next year, almost 23 percent increase in spending. That's unsustainable.

How can we think that our tax structure that we have set up now in the state of Connecticut can keep pace with our spending if we're growing at 21 and 23 percent, respectively annually? We just can't do it. And this budget that was before us was praised as historic and it provided property tax relief to our residents, but that's just simply not true.

At the end of the day when somebody says, "How much money do I have in my pocket, that gets to stay in my pocket, versus how much money that I have in my pocket has to go out and go to government?" And the taxpayers lose under this budget scenario.

I'm going to give you an example of one of my communities, the city of Torrington. It's a blue collar city, 53,000 population. Their mill rate currently stands at 36.32. Their average assessed car value is \$7100.81. Under the bill before us, they would save \$30.68 in the first year off of their property tax. And that's what we're claiming is a boon for the middle class, \$30.68. But we lost the

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privilege, which was going back into law on July 1 - two days from now - any article of clothing under \$50 to be tax free. If you spend \$500, which is a very nominal amount of clothing, in a year's time, that's \$31.75. So you lost right there. And that doesn't even include the \$100 reduction in the personal property tax exemption if you're a middle-class family. You are in the hole. And there are so many other communities.

In fact, eight other of my communities - Avon, Barkhamsted, Canton, Colebrook, Hartland, Harwinton, New Hartford, and Norfolk - don't even benefit. They lose because they lost the clothing allowance - the exemption of clothing under \$50 - and the loss of personal property tax exemption. They lose.

If you look at the runs - you can get those through CCM. I was glad to see CCM speak up this year on the budget as proposed. I'm glad to see that CBIA and the National Federation of Independent Businesses, and all the people that came to the Capital and contacted their legislators and said this budget is bad for Connecticut. It's a spend, spend, spend. It's unsustainable. You'll be back here in a year claiming you need more revenue, that you have a revenue problem when in fact we have a spending problem. And that seems to be the argument that we have every year, day in and day out in this building, whether it's a revenue problem or a spending problem - when our revenue numbers are down about four percent growth, but yet our spending's up to 21, 23 percent. You tell me.

What does the average person out on the street tell you is the problem? They say learn to live within your means. Learn to live within your means.

Some of the things that I've noticed in this budget are troublesome for some folks because they're things that have never been taxed before. I was kidding around with my wife the other day. I said, "You know, after July 1 comes around, when you brush your teeth in the morning, look in the mirror and smile 'cause you're getting taxed on that." And she says, "What are you talking about?" And I said, "We now tax water companies for operating expenses. If they wanna put

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in a new water line or the water that flows through that, they're gonna get charged a sales tax on top of that." Never was before. And you know where that's gonna go? It's gonna trickle right down to the rate payer at the end of the day. We're not taxing the home owner directly, but we're taxing the businesses.

So anybody who has a water company, I guarantee you you're gonna see a rate - an increase in your rates the next time that there's a rate case because we've now charged them 6.35 percent to invest in their own company.

When we see water mains break underneath our city streets that are clay and 100 years old - now we're telling these water companies, guess what? If you wanna repair those pipes, be proactive, we're gonna tax you on the job that you're doing. Never was taxed before. So maybe now they're gonna think, "Eh, maybe I'll wait a little bit 'till something actually happens before I start thinking about infrastructure replacement and repair."

And don't be fooled by the fact that municipalities will get more money or you're gonna get additional monies through the contracts, 'cause that doesn't happen in this budget. That's pushed out. It doesn't impact anybody this year. We're gonna start collecting it, but it's not gonna be delivered until the outer years.

We've seen what happens with the Municipal Revenue Sharing Account before in the past. We said to the municipalities - when our sales tax was 6.25, we said, "Let us raise it to 6.35 and we're gonna create an account that will share that additional revenues with you." Because remember our municipalities said, "The only way we can raise revenue for ourselves is through the property taxes. You've gotta give us some other mechanism." So the state said, "Well, we understand." Nobody likes to pay property tax. I don't like paying property tax, but I understand that's a necessary form of running a government, that we have to pay it. But when you look at other states surrounding us, we are the number one in the highest per capita property taxes on our individuals. Whether it's either a homeowner or a car owner.

We talk about young people wanting to move into our state and we're having one of the quickest aging populations in our state that we're going to see over the next five to 10 years because these people bought their homes for 10, 15, \$20,000. They're paid for, so now they're just paying their property tax. And even our senior population's saying, "You're forcing us out of the state because we can't even keep up with the property taxes." But yet you think these young people that are just starting a family are going to be able to come in and throw down \$300,000 for a house and pay seven, eight, \$9000 on top of that for taxes a year. And oh, by the way, we're going to charge you three, four, \$500 for your car tax every year too on top of that? And that's only for your personal property tax. I'm not even getting into the fire district tax, any sewer district taxes that you pay 'cause that's going to be accounted into your mill rates as well.

Spend, spend, spend. Tax, tax, tax. Somewhere it's gonna be the straw that broke the camel's back. And I think we're inching closer and closer to that, and I'm afraid. And we should all be afraid that that day's coming sooner than later.

When we talk about things that people - just the simple things in life - you know, maybe we won't go out and do something this year. We'll do a staycation. We'll stay at home. We'll stay in our state of Connecticut, but let's take the family car. Let's go out for a ride. But you know what, before that, our car is dirty, so let me go hit the carwash. I wanna have a nice clean car before I take my family out on vacation 'cause I just want it to look nice. Taxing it. Never taxed car washes before, but we're doing it now. Then we want to pick up a ballgame somewhere and going to a parking lot - taxing it. You want to park in a parking lot that's not based for employee only - nonmetered parking lot - potential for taxes. When does it stop?

And we're even asking our small towns that have almost no commercial base for their taxes - almost everything is born by the individual homeowners.

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The Resident Trooper Program for them - right now they pay 70 percent of the cost of a resident trooper. They don't pay 100 percent because sometimes the trooper has to go out and do the duties 'cause they're state police officers, and they may be required to travel outside within that community. So many years ago the towns worked out a deal with the state that they would pay only a percentage of that. Now we're saying to the towns - because of tough budget times - you're now gonna pay 85 percent of that cost. You're still gonna pay 100 percent of the fringe benefits and 100 percent of overtime. But for the regular salaries, 85 percent, but only for the first two resident troopers that you have. Anything over that, you're paying the full boat of 100 percent, but guess what? If we need to pull'm off and pull'm out of your community to do something for us, we're gonna do it. So now we're asking our communities to pay for something that's not even there.

Tax, tax, tax. Spend, spend, spend. And do we think - lemme back up - I wrote an article about Keno. And I - we dubbed it the whack-a-mole because you know that game where the mole keeps coming up and you take a hammer and you keep whacking it back down? It's a carnival game. Because three years ago, Keno popped up outta nowhere - actually I think it was before that when Governor Rell was in office. She talked about - Keno was floating around then. It got whacked down. And it came back up. Whacked down again. Then it appeared in an implementer. Senator Markley so rightly pointed out that sometimes we don't know what's in the implementer as nobody wanted to confess to putting it in there. People were pointing fingers at who did it. Who done it? It was like a Clue game.

So then this Body said, "We don't believe in gambling. It's an addiction. It's not something - it's a syntax that we shouldn't be promoting in the state of Connecticut to fund our general services. So we're gonna repeal it." So last year, what did this General Assembly do? We repealed the Keno legislation. But guess what we did this year? We repealed the repeal. It gets confusing, but out of all that we have to give each of the tribes 12½ percent. So 25 percent of the revenue that we get from Keno is going back to the

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tribes. Is that a good deal? You tell me. I don't know.

How many more people are gonna have to go to Gamblers Anonymous or lose their homes. Because now, rather than traveling to that certain part of our state that have those facilities, you can go to any pub, restaurant, or wherever else the Connecticut Lottery Corp. wants to have Keno, and sit there and play a game that's very addictive. And we're using that as a savings to our budget woes? I don't think so. We've gotta be creative, but that's not the means of being creative that I wanna see.

I want my children, as they enter into early adulthood, to be able to live in the state of Connecticut. To be able to afford to live in the state of Connecticut, to have a great life in the state of Connecticut. Because I think we all love this state. We wanna serve this body. We ran for office to do what we think was right. But we've also gotta do what's right for future generations. And sometimes we just have to say no. Enough is enough. And as I said, that time is getting closer and closer and closer. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark? Senator Duff.

SENATOR DUFF:

I thank you, Madam President. And I want to thank my colleague before me, Senator Witkos, for his comments and everybody really who's worked so hard over the session to get many bills through and work together in a very cooperative fashion.

You know, as many of us like to say there's many things we agree on and some things we disagree on, but we generally work very well together at most times. These are one of those moments that we have differences of opinion, different philosophies, and it is reflected in budget sometimes. Sometimes it's reflected in bills, and that's why we have a legislature to debate these things.

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Madam President, you know, when we think about the budget and we think about kind of this blueprint that we have over the next two years, think about what we really want to accomplish for our state and how we want to move our state forward. And, you know, there's the old definition of insanity, which is do the same thing over and over again and expect different results. And I think in this budget, over the next two years, what we're looking to do are do things a little differently and get a better result.

Meaning that we're trying to work and help the communities across the state of Connecticut grow. And grow by development, grow their wealth, grow on their own, and be sustainable in ways in which the current systems. And the way they're set up have not allowed them to do that, and we've done that in two very important ways.

One is in our property tax reform efforts, property tax relief, by putting a part of the sales tax back to the municipalities. And if you ask people who may end up retiring and going to warmer climates, you ask them many times, "What is the tax that is causing you to think about going someplace else?" And many times they'll say the property tax system. But municipalities who look to fund various services that are important - schools and roads and employees and DPW and other types of services - only have really one means in which they can collect money, and that is through the property tax system. And that, after a while, does become a burden to people, especially if they're on a fixed income.

So what we've done is we have worked really hard to find a different mechanism in which municipalities all across the state of Connecticut can have a different revenue source and be able to think of other ways to be able to make those kinds of investment that are important.

So what've we given taxpayers in exchange for that? We've said you have to have a spending cap on your - for your municipal spending. Otherwise, you're gonna lose a portion of this new sales tax revenue that's there. And so - and we've capped the car tax, which is again one of the most crushing taxes and annoying

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taxes that people have here in the state. So we've taken two really important types of reforms from our property tax system to help the people of the state of Connecticut.

The second thing we've done, which is just as important if not more important, is made an historic investment in our transportation infrastructure. All across this country we see roads and bridges that are coming down, that are crumbling. Congress has failed to act to be able to bring forth the necessary investments for transportation.

I for one, don't wanna drive on crumbling roads and broken bridges across the state of Connecticut. You already see that across this nation. And it's not really worthy of our country, of this United States of America, to have such a crumbling infrastructure. And so while we cannot rely on Congress to help us in this measure, we have gotta take it upon ourselves.

One of the ways in which we can grow our economy is by having roads that get people back and forth, that have trains - a train system - bus system that's integrated with our highways and our bus system and our trains, and it's reliable and consistent. That's what people are looking for. That's what businesses are looking for.

You ask businesses, "What are two of the things that are the most daunting things out there?" And they will say, "Property taxes and a transportation system." And somebody from Fairfield County, I can tell you, that having an investment in transportation is something that is extremely important for the success of our state. But what we've also done in exchange for that, in a very tough fiscal time - and we're not the only state. We're not an island in the state of Connecticut. About half the states - at least half the states - are having some of the same issues from the effects of the great recession. But what've we done? We have still kept our promises to keep municipalities whole. We've kept our education funding whole. We have funded the social safety net as well, and we have worked very hard to make sure that we continue in those investments that we think are so important for us.

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Just as an aside - I have a friend of mine who is a teacher in New Jersey, and a few years ago when the governor there had decided that he was going to push his problems down to the local municipalities, and the legislature and the governor were going to really look good by saying that they were not making some tough choices - there were hundreds of teachers in his school district, hundreds of teachers in his school district - one school district - they lost their jobs. So that means class sizes were bigger, services were not there for kids, the school system - the quality - probably went down, and many people who had been dedicated professionals - and those are just teachers - lost their jobs.

We're not talking about even police officers, firefighters, and other workers who probably lost their jobs as well, which meant services - quality of services - went down as well. So we didn't push our problems down to the local level.

Now, this budget has not been perfect by any stretch of imagination. We have heard from those who have said, "You need to make some changes." We have heard from them. Budgets, our public process - it's a public process. Sometimes it could be messy. But I think the most important thing is that we have taken this time to listen to those who have asked us to listen and make some changes, and we've made those changes.

We've heard from employers in the state - and I wanna say as one - I value the employers in this state and appreciate what they do and all the employees that they hire, and we wanna make sure we work with them. We wanna keep Connecticut moving along as positive as we can. In fact, last month we grew about 6600 new jobs in the state of Connecticut. Our unemployment rate is down. We have the largest workforce since 1976. So I think we can continue to build on the record we've built over the last few years.

I also just wanna mention some of the other things we've done in this budget as well has been to increase some education funding. We have rejected some cuts to

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higher education. Again, we funded our local services. We have helped our veterans.

Some of the things that have been missing all along is some of the work we've done in tax relief. We've helped veterans. We're providing 100 percent exemption on military retirement pay, that's up from 50 percent. And I know that there's a lot of veterans out there who are very happy about that. We're helping our seniors with some of the social safety net issues that we've discussed before, and were paying down our debts. We're putting \$1.2 billion into paying down our pension debt and fully funding our pensions over the next two years.

Now that may seem like something we should be doing, which of course it is, but I can tell you from years past - five years past - we have not done that. We have done that over the last four or five years, but we have not done that, and legislatures for the last 20 or 30 years had not done that. So we are making some tough decisions, in again some fiscally challenging times, to make sure we are funding things we need to fund. We're cutting spending. We have cut over \$600 million in this fiscal year - over \$800 million in the next fiscal year as well. And so, in this difficult climate, we're making extremely important investments.

We're not turning our back on the state of Connecticut. We're saying we still value making property tax reform. We value making investments into our transportation infrastructure. We value making investments into our social services and not making draconian cuts. And we value our employers and our employees in this state. And we wanna work with everybody. We want to work and make Connecticut the best place that it can be.

As a matter of fact, I read in an article yesterday in the Stamford Advocate, a gentleman named Robert Murphy, who's director of sales at a place called DJK Residential. And it's a firm that helps companies relocate, and he has just opened an office in Connecticut. And this is a direct quote, he said, "Honestly, the need was there. There are businesses moving into Connecticut." Moving into Connecticut.

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So there's been a lot of negative talk over the last month, and everybody has a right to their opinion and a right to how they view things, I guess. But that was from somebody who's opening an office that helps companies relocate here in the city Connecticut.

So I for one, wanna make sure that we have a good transportation system. We allow communities and help them grow. We provide other ways in which they can raise revenue besides the burdensome and crushing property tax system. And we continue our commitment, as we always have in this state, to our social safety net that we've always viewed as so important in the state of Connecticut.

So Madam President, I can continue to go on about some of the things that I think are so positive about our state, but the hour is getting late and I know the Senate President would like to speak as well, and so I just urge my colleagues to vote for this amendment and move our state forward, move our budget forward. And thank you for this opportunity to be able to say some of the positive things and the highlights that make our state so unique. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark further? Senator Fasano.  
Good evening, sir.

SENATOR FASANO:

Good evening, Madam President. Madam President, I'm gonna start off first by talking about property tax. First of all - let's be clear - all of us are concerned about property tax.

In the bill that was passed by the Finance and Appropriation Committee, initially it started that on October 1, 2015, 0.3 percent of the sales tax was gonna go into a fund. And then by the end of the fiscal year of July 1, 2016 - or I should say the beginning of the next fiscal year, July 1, 2016 - the money was gonna be distributed to 169 towns based upon a formula. So the 0.3 percent - 100 percent into the Municipal Revenue Sharing Account, and then 100

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percent of that money was gonna be redistributed to 169 towns. Before we even had the chance of getting that bill passed, before we even had the chance of having the governor signed it, it got changed. And it got changed to delaying from October 1 to January 1. Why? We had to balance the budget. So we already took that money out of the Municipal Revenue Sharing Account to balance the budget, which is what most of said was gonna happen when you diverted the sales tax.

Further, in 2016 some of that sales tax money is going to a few towns. Why? Just because. Just because. So we're not gonna redistribute it evenly to 169 towns. We're gonna give some to towns - before any other town gets it - we're gonna give money to some towns. And then were gonna let those 169 towns wait another year before they see money. Why? Because we're broke!

So we said, "Don't trust the state to hold onto the tax revenue. You're never to see it." And people said, "Yes you will." We've already shown before this bill even gets the final passage, we're taking the money that everyone else is paying in for property tax reform, and it's not getting there.

I ask you this, if we got a 1.9 - or 1.7 rather - \$1.7 billion deficit at the end of two years, who really thinks anybody's ever gonna see this Municipal Revenue Sharing Account if at the time of distribution, we have a deficit? I don't. How do we know that? It happened just now. In what you are passing now, you are authorizing \$52 million of that tax money to be swiped from the Municipal Revenue Sharing Account, put in our pocket, because we don't have the discipline to stop spending. That doesn't make any sense, and that's the road we're headed.

So then it is said, "Well, there's 2.5 percent cap on spending for towns." So, well that sounds pretty good. Except, we don't include borrowing. So all the municipalities have to do is do what we do. If you borrow for everyday expenses, it's not included in that cap. So let'm borrow for plowing. Let'm borrow for paper clips and desks because it's not included. So it's outside the cap. You're not controlling any budget. You're causing them to do what we do such

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that in five to 10 years they're gonna be in the same position we are because we said you can't raise your budgets more than 2.5 percent on your cap unless you borrow and do what you want to do. What do you think they're gonna do?

And then we said, "Let's talk about arbitration." Arbitration is not included in the cap. So I would suggest some towns would say, "Well, the unions - we wanna give you a two percent increase or your workers' salaries. We wanna give you a two percent increase union nonworkers - union or nonunion, doesn't matter - two percent increase, but if I give you that increase, you know what? We're gonna be beyond the cap. So this is what we're gonna do. I'll tell you I'll give you one. You ask for three. We'll go to arbitration. We'll drive the arbitration to two. Let the arbiters award two, and you know what? It's outside the cap." What are we doing? This isn't gonna control budgets. I would suggest to you the exact opposite's gonna happen. We are gonna encourage borrowing by municipalities. We're gonna encourage costly arbitration by municipalities. That's what this is gonna do.

Let's take that one step further. In some of the big cities, 80 percent of the population does not reside there as their home. I should say they reside there, but they don't own the home. And if that's true, then the only tax they're paying is on the car tax. That's the only tax. If we cap the car tax and the voters vote for the legislative body that increases the mill rate, but we cap the mill rate, what do they care? They don't care what the mill rate is because they're capped. Let the mill rate go up to 100 mills, 1000 mills. It doesn't matter 'cause I'm capped. That's my liability. I don't care who's in office or what they're spending it on.

It's a crazy system that when you look at the particulars - and we know it because we see it in the state. We have a spending cap. Have we ever followed that spending cap without playing a game? Have we ever said in this legislature, "Haven't we passed bills that divert funds?" Stream [of] revenues before they get into the budget, we divert them. Have we ever borrowed because we couldn't afford it - yes we

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did. They don't even have to think of these things. They could just use our play book. That's what we're encouraging.

And on the transportation side, there isn't a person around this circle or downstairs who's not gonna tell you we need a good transportation system in Connecticut. The question is, how are we gonna get there. It is what it is. I'll say for a fact, Republicans put out a plan that said 30 years, \$67 billion, no taxes, no tolls. There you go. Two billion dollars a year. Have at it.

We don't have a plan in front of us that goes beyond three years or five years. Not a plan! We don't have a plan in front of us that gives us as much money as we put in our plan in the next five years. Our plan starts July 1<sup>st</sup>, if you approve it. So if you're serious about transportation, don't talk about it, do it! Approve our plan and you'd do it. You'd get it done. But to talk about it - yeah, everybody wants it, but there is nothing you are voting for today that's gonna give you the transportation plan you're talkin' about. Nothing! Let's be clear.

So when you look at this budget, you gotta say, "Gee, what is the policy? What is the policy in this budget and in this implementer? What are we looking at?"

People complain about high energy costs. Especially if you're on a fixed income, middle income, low income - high energy costs. So what do we do? We put in Bridgeport - we put in Bridgeport that their utility bills for natural gas is gonna go up to pay for a \$9 million project in Bridgeport called the Thermal Loop. So they're all gonna pay higher energy costs. The exact regressive type of tax and costs that hurts middle and low income, and we're gonna raise their tax so we could fund a Thermal Loop. Are you listening? Are you listening to what the people are saying in this state?

Businesses - I will tell you I did go see Governor Scott when he came to Hartford, and people asked me why I went to go see him. And I went to go see him because you always scout out your opponent, right? That's what you do. We all do it for opposition

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research and you do it when you're playing sports.  
You scout out your opponent.

So I went there as - not Senator Fasano. It was Len Fasano. Although, they knew I was a Senator after somebody told'm or somethin'. I don't know. But anyway, so I went there and I listened to his speech. And he said Connecticut is a beautiful state. It's got tremendous resources. It is an educated state, but they make my job easy. They're raising taxes. I'm lowering taxes at a billion dollars a year. I don't have an estate tax. I don't have an income tax. I don't have a LLC filing tax. I have a homestead exemption. And I know - is what he said - if I bring young kids to my state, the parents are gonna follow me 'cause they wanna be with their kids and they wanna be with their grandkids. So if I can afford an opportunity for young kids, I've captured a generation above. I can give you a work force. And I will tell you, there was a lot of aerospace people there, a lot - majority of the people there were aerospace. I talked to them. And his ideas were to say, "Why would you go into a state that continually raise taxes, has terrific debt burden, and I don't."

That's his pitch. That's his pitch! And people were listening. The question is are we listening? Are we listening to what people are saying? And it wasn't for any other reason. He's gone to New Jersey, and he's gone to Texas. I think he went to eight states on Monday, whatever last Monday was. So he's been all over the place. No matter who is in charge of the state because, as he puts it, you guys are my customers. I'm goin' to you, I'm tellin' you my story 'cause I need you to come to me. That's what he did.

And what are we doing here? We put a unitary tax on. We took tax credits away. We're not letting net operating losses be carried forward fully. We're saying we don't want your businesses. Then we say, you're not going anyplace. That's a bunch of rubbish. You're not moving.

His argument is pretty simple. The more people I have in my state, and the more businesses that I have in my state, and the more goods and services they pay - that's why their DDS list is almost down to zero. Our

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list is years out. Their list is down to zero. Why? Because he used the initiative of the tax dollars that people pay in his state for their social services. And I think people around this Chamber can agree. The highest use of social services are probably gonna be in a state that has a large elderly population like Florida. And their DDS list - waiting list - is almost down to zero.

This isn't about rich versus poor. This is about using your economic drivers to bring in income so that you can provide the social services that we all want for our constituency, no matter where you live. So the question again is, are we listening?

We did Senate Bill 811. Senator Looney and I worked very hard with a bunch of other people downstairs and upstairs that passed the Hospital Bill. And the idea of that Hospital Bill was to allow independent docs to compete against hospitals. And in the same breath, six weeks later, we tax ambulatory surgical centers. And if they do it in their facility, they're gonna get this gross receipts tax, but if they do it in a hospital, they're not gonna pay the tax 'cause the hospital pays the tax. What do you think they're gonna do? You think they're gonna take it out of their pocket when they don't have to? Sure, we exempted out a million bucks.

I was talking to a New Haven location today about how much their surgical center was. It was \$10 million. That's their gross. Well, they're gonna go do those in a hospital. We're driving the very independent docs - we say we want you to be independent to give us good, quality, independent medical care - we're saying but we want you to go back to the hospitals or we're gonna tax you very heavily. What are we thinkin' about? Are we listening to what people are saying? Do we have our ears open?

Then we talk about reducing SAGA and the Temporary Financial Assistance by reducing those people's ability to bury their own kin, their relatives. We cut them to a tune of - listen to this - \$800,000. We give a million point five raises in the executive branch but we can't find \$800,000 for these people to bury their family.

The poorest of the poor. The ones who need the most help and we'd rather give people making six figures in this building more money than we would to give 800,000 so people could be buried with some dignity. Is that the policy? Are we listening to those voices?

We have DSS in here who says they can find nursing efficiencies. Go around to these care facilities and find nursing efficiencies. Sounds good. But if they don't, they have a right to cut. What is that? So they're gonna go home and say, "Listen, you can find nursing efficiencies. Lemme look at your schedule. You know, there's no efficiencies you're gonna pick up, so we're just not gonna give you any more money. Not anymore. We're gonna cut your money." Does that make sense to anybody in this room? That's - you don't think that's gonna hurt the services they give? When we say we as a state can't find the efficiencies but we're still not gonna fund you fully? That makes no sense to me. And the people hurt are those people who can least afford being hurt.

Are we listening to those voices? Are we listening to those voices that come to this building year after year, sit here for hours and hours and hours for the three minutes before that bell runs off?

We increase the Urban Investment Act under this proposal. We increase it, yet the very business - you know, the Urban Act is the idea - the Urban Investment - if someone invests in the cities, money, they're entitled to a tax credit. What they do is they take those tax credits and they sell it on the open market. Good, right? Because cities get developments. The developer sells the tax credit on the market, but who uses the most of those tax credits? Which company has the most initiative to buy that tax credit? The answer is the hospitals. They drive that value up because that's the only credit against the Connecticut Hospital Tax that you could use. So what did we do? We said, "Hospitals, you can't use it."

So we increase the ability for it to happen but we decreased the market for which they could be sold on. Effectively, you've hurt the cities by a policy that's inconsistent. They were getting a good dollar for it

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because it's the only thing - every single one of the hospitals that you guys represent, every single one - I don't care how small it is - bought these credits and now we took it away. That's gonna drive that market down, that dollar down, which is going to hurt the cities. Are we listening to what we're doing?

In the STF, in one section we took out the "lockbox", and in another section we put in the lockbox. I don't even understand that maneuver. I mean, I try to understand it as a lawyer - I don't understand it. It's either there or it's not there, and it was there and we took it out and then we put it back - maybe so we could say we did it - I don't know. But what we didn't do is to a constitutional amendment. And we all know you could put every lockbox in the world - this budget alone takes money out of that STF Fund. The budget some of us are gonna vote in favor of in a few minutes actually takes the money out already.

Are we listening to what people are saying? Are we listening to the cries that are out there? Are we listening to the people who find it tough every single day to make a living? I don't care what scale they're on because their voices have not been heard with this budget and with this implementer. We are doing things that are inconsistent with policies. We are doing things inconsistent with the good of the people of this state.

I would argue part of that is the locked door that didn't allow a lot of discussion, but part of it is because this budget is not so much about policies. It's not so much about the future of the state. It is put together just to get through this year. I would tell you - and I would bet this circle - a year from today, we're gonna have a deficit in this budget. Not a doubt in my mind. We're gonna be in here with a deficit. Not a doubt in my mind.

Two years ago I said we're gonna have the largest deficit again. We be wrangling with it. Two years ago I said it in this chamber, and I was right. I will say next year we're gonna have a deficit, and in two years we're gonna have a \$1.8 billion deficit yet again. We are doing the same things.

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We're taking money we're putting away for municipalities, and we're not funding items that we should be funding to protect those who are most vulnerable. We need to change. I know the die is cast. I'm not an accountant but I can count the votes in this room. I know it's gonna happen as soon as Senator Looney is through. This budget is gonna pass, but there're gonna be a lot of questions about this budget from this day forward. And there's gonna be a lot of pressure on this budget from this day forward 'cause it is the wrong budget, and it's going to set Connecticut back. Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark? Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President, in support of the bill as amended, this budget and this implementer is, I believe, something of which we can be very proud in the state of Connecticut. We began in January facing a difficult economic challenge. The governor presented his budget in February. The Appropriations and Finance Committee began their process after that, heard the voices of the people through the exhaustive public hearing process, through the Appropriations Subcommittee, through the Finance Revenue and Bonding Committee.

I wanted to begin by commending Senator Bye and Senator Fonfara for their superb work all the way through as the Co-Chairs of the Appropriations Committee and the Finance Revenue and Bonding Committee. Their counterparts as well in the House, Representative Walker and Representative Berger, equally hard working. I want to thank Speaker Sharkey and Majority Leader, Joe Aresimowicz, as well for their work. Our great Majority Leader, Senator Duff, and all of his contributions throughout.

This has been a work of conscientious planning because budgets reflect the priorities and what people care most about. And I think one of the things we can be most proud of in this budget, among many, is the restoration of funding for mental health services,

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which is something I think is funded in this budget at a rate probably higher than what we've seen within the last decade.

And before getting on to some other particulars, I wanted to thank so many other people who've worked on this process, both in the session and in the month since the session ended. Vinnie Morrow, our Chief of Staff, has been superb all the way through. And Joel Rudikoff, our Policy Director, Joe Quinn, our Chief Counsel, Courtney Cullinan, Leslie O'Brien, Dave Steuber, Katie Hubbard, Manny Merisotis, and Adam Joseph, Dan Duffy, Greg Davis - have all worked very hard in the intervening weeks and time, along with other staff members in the House as well, putting in untold hours in the evenings and on weekends including this past weekend to get ready.

Our OFA staff that we work closely with including Al Colandro, Chris Perillo, Rob Wysock, and Mike Murphy have been stalwarts, and of course at LCO Larry Shapiro, Nick Bombace, who did a great deal of work in pulling the package together. Brad Towson, Louise Nadeau, and Bill O'Shea - all hard-working public servants who contributed a great deal to this budget.

One of the things I wanted to point out, obviously as Senator Duff said, we did hear the voices of those who had some concerns after the initial budget was adopted on June 3<sup>rd</sup>. And obviously we have returned the computer and data processing tax to 1 percent rather than elevating that. We are also - we have also modified the tax on ambulatory surgery centers by exempting the first million dollars of gross receipts under that tax. So that will protect smaller, locally owned ambulatory surgery centers by exempting that first million dollars. That's a substantial modification of the original proposal.

The implementer also aids our hospitals. Over two years, the budget adjustments made today will provide an extra \$89 million in funding for our state's hospitals, taking into account the extra money put into the budget and also the Federal match that will be attracted by that restoration.

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Two of the pillars of this budget, which we must not lose sight of, are the property tax relief component and the transportation initiative. We have been talking in this state for decades about the need for property tax relief, the fact that municipalities are limited to a revenue structure in which they are relying, almost entirely, on the local property tax apart from what they get in state aid. And for the first time, we address that need this year by providing what people have been asking for for a generation. And we will now diversify our local tax base by providing municipalities a revenue source through the sales tax other than exclusive reliance on the property tax. So by designating a portion of the sales tax and increasing that amount over the next few years, this will provide genuine relief to cities and towns in this state in three separate ways.

First of all, in terms of the payment in lieu of taxes proposals for college and hospitals and for state property. The budget, for the first time, recognizes that communities do not have an equal need for pilot payments because some communities in our state have virtually no tax-exempt property. Other communities have nearly 50 percent of their property tax exempt.

For the first time, our pilot formula will recognize that difference and create a three-tiered structure with a [level to pilot] for the 10 communities that have the single - the highest rates of tax-exempt property, then a second-tier in the next 25, and then the third tier will be held harmless at current rates of reimbursement under college and hospital and state property pilot.

The second category of relief is under the - is for the car tax. And we know that the car tax is one of the aspects of the property tax that people find the most outrageous, the most burdensome, and the most obviously inequitable because while real estate values may differ based upon location, a car is the same car wherever it's located in the state and is yet tax seven times as much in some communities as others. And we address that in this bill, capping the rate at 32 mills meaning that communities that have above 32 mill rate on their cars, they will be double relief.

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First of all, the communities will get reimbursed for the difference between their current rate and 32 mills, and secondly the individual taxpayer will be held harmless and not be having to pay more than 32 mills. So for example, in a community that has a mill rate of around 39, an \$18,000 assessed value Honda Accord, in the first year of our program, that homeowner will save about \$240 and will save about \$290 in the second year if the person lives in a mill rate town in the mid-40s. That is substantial and that will grow as time goes on. The car tax proposal means that in the first year of the program, 46 percent of state residents will receive a car tax cut when the mill rate is capped at 32. The following year, 56 percent of our state's population will receive a direct cut in their local property tax component on motor vehicles.

The property tax relief and the car tax relief is not only for individuals but is also significant for businesses because 37 percent of the property tax relief will go to businesses as well. So we have the pilot component, the car tax component, and the third component is a general distribution of sales tax aid to municipalities.

So in the aggregate, in the first year of the program, municipalities will receive about \$227 million in sales tax funds and nearly 250 million in the second year. This is substantial and addresses the problem that we have heard for decades from all sources. Also in terms of businesses, we know that our overall taxes on business are moderate in this state but the ones that people complain most about are the property taxes. And this will go about addressing that aspect of business taxes as well.

In reality, the truth that is sometimes not acknowledged in business rating services is of course that the factory that is weighted the most highly in those surveys is whether or not a state is a Right to Work state. And I'm proud to say the Connecticut is not a state of that kind that looks to undermine union membership in our state. And we know that if we had the same tax structure and had that provision of being anti-union, many of these business surveys would rate us higher than they currently do. But that is, I

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think, something of which we are proud rather than ashamed to stand up for - our union workforce and the capacity to support the right to organize in this state and the strength of unions in this state.

So we have a number of things in this bill that are clearly new initiatives. The transportation piece with also tax sales tax diversion to fund transportation initiatives for the first five years of a long-term plan. Again, this is something that people have been calling out for for years. We know already that commuting on 95 between New Haven and Norwalk or New Haven and Stamford can be almost impossible on some days. And we need to address not only roads and bridges but also rail and also bus service. All of these are components of our transportation system that now will have the resources to be addressed under this transformative budget that we are passing this year and the implementer that I hope that we will be adopting tonight.

So there are so many components of this as I said that this budget and its components recognize that there are needs that will continue to be met. We are also maintaining in that we are expanding funding for our successful Small Business Express Program, increasing the Connecticut Manufacturing Innovation Fund, continuing - providing additional funding and renewed funding for our Subsidized Training and Employment Program, the Step Up Program, that was part of our bipartisan jobs initiative back in 2011, and has had an extraordinary effect on the state since then. The combination of the Step Up Program and Business Express have been extraordinarily of great assistance to small businesses in the state and have helped to reduce our rate of unemployment.

So there is a tremendous amount of which to be proud in this budget. Our state has added almost 25,000 new jobs over the last year, 20 consecutive months of job growth, our labor force of about 1.92 million is now the largest it's been in 40 years, and our unemployment level is the lowest it's been since 2008 at the start of the great recession. And that we are now - we have made progress on so many fronts that will be supported by this budget and the modifications that are contained in the implementer.

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So I think that the message that we are sending is that we have been responsive. We have met what people have been asking for us to undertake, and that is to address our transportation crisis, to address the fact that property taxes in Connecticut are perceived as being so high. Part of that is the fact that we have a structure somewhat unique to the nation in which we only have two levels of government in our state, the state and municipalities. In many other states, services are provided on some level by a County structure. We don't have that here. Meaning that the burden on the local property tax is higher than it is in most places, but now we are finding some way to begin to relieve that. After all this time, all these years and decades of hand wringing about that property tax problem and about our transportation gridlock, we are now taking real action this year. Not just paying lip service to these concerns but really addressing them in a way that is gonna make a multiyear commitment going forward. It's something that the governor has shown great leadership on. I think there has been a rallying of support for that.

As I said, the budget that was passed maintains funding in all the critical areas, municipal grants, aid to education, ECS funding concerns for mental health and those with disabilities substantially restored. At the same time, the budget is - as has been said - reduces spending by over 600 million in current services and 800 million in the second year. So it is a fiscally responsible, disciplined budget as well.

And again, when we talk about the property tax grants to municipalities, the cap that is included in the bill as a way to make sure that municipalities are responsible with the extra money that we will be giving. It is not an absolute cap but means that if they exceed the two and half percent cap that we have in the bill with exceptions that we allow for - they are not absolutely capped but they will lose a portion of their sales tax distribution if their spending exceeds certain levels. So it is a way to make sure that the purpose of the property tax relief program is just that, property tax relief. Not just an excuse for expanded spending at the municipal level.

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So there is so much, I believe, to celebrate both in the budget and in the implementer that we are taking up this evening to modify that already adopted budget. And I believe that we have a great deal to celebrate in going forward for the next two years under this budget. And again, I wanted to thank all of those who have worked so hard, both fellow legislators and both partisan and nonpartisan staff, who have given so much to bring this product before us tonight. And it's something in which we should all be very proud. And Madam President, I urge passage of the bill.

THE CHAIR:

Will you remark further? Will you remark further? If not, Mr. Clerk, will you please call for a roll call vote, and the machine will be open.

THE CLERK:

An immediate roll call vote has been ordered in the Senate. An immediate roll call vote has been ordered in the Senate.

[pause]

THE CHAIR:

If all members have voted - all members have voted, the machine would be closed. Mr. Clerk, will you please call a tally.

THE CHAIR:

Senate Bill 1502 as amended by Senate "A," "B," and "C"

Total Number Voting	36
Necessary for Passage	19
Total voting Yea	19
Total voting Nay	17
Absent/not voting	0

THE CHAIR:

The bill is passed. [gavel] Senator Duff.