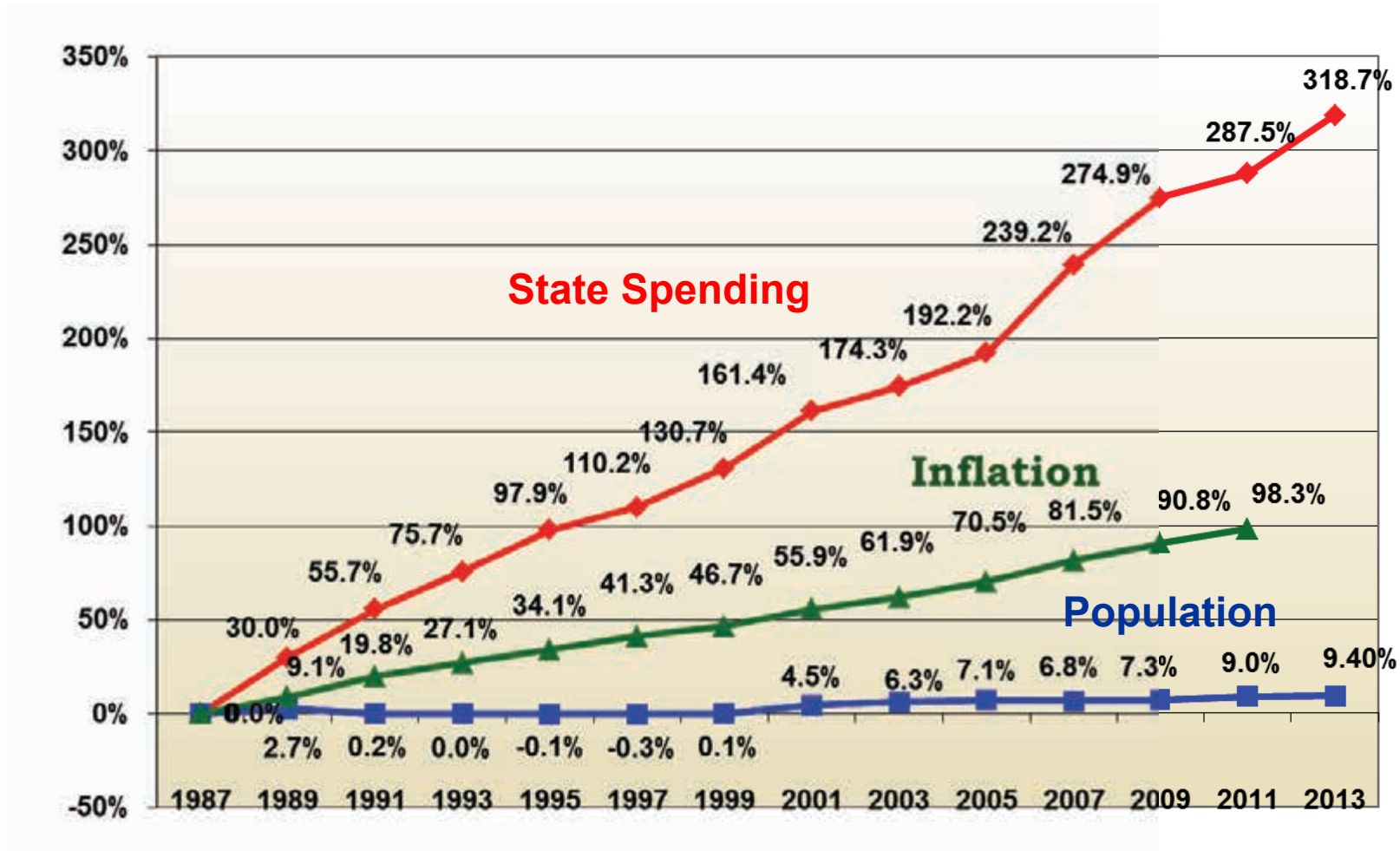


STATE OF CONNECTICUT Town Hall Meeting

New Canaan
October 17th, 2013
Senator's Toni Boucher & Scott Frantz
Representative Tom O'Dea



State Government Has Grown Too Large



Connecticut's Population vs. Real State Government Expenditures

(Source OFA & Census)

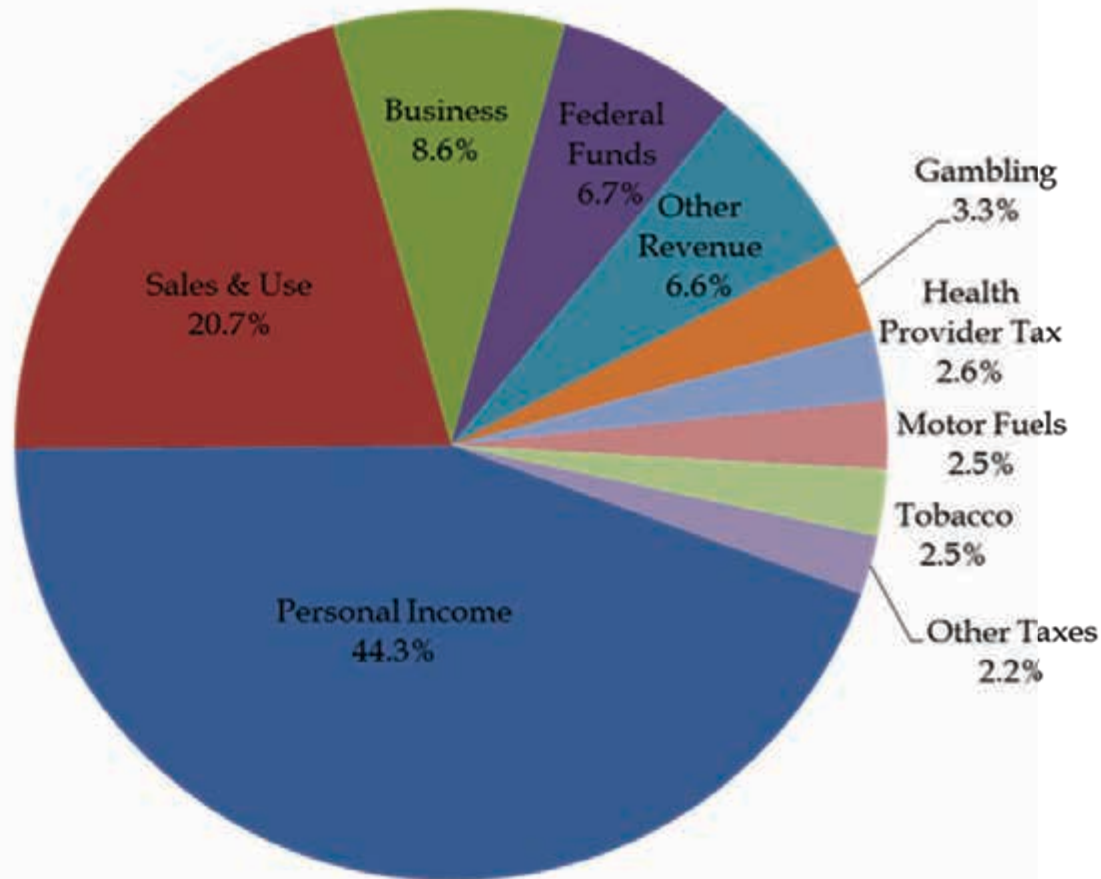


Where Does The Money Come From?

FY 2014 Revenue

\$18.612 Billion

With Inclusion of Medicaid Revenue -- \$21.548 Billion



(Source: OFA)



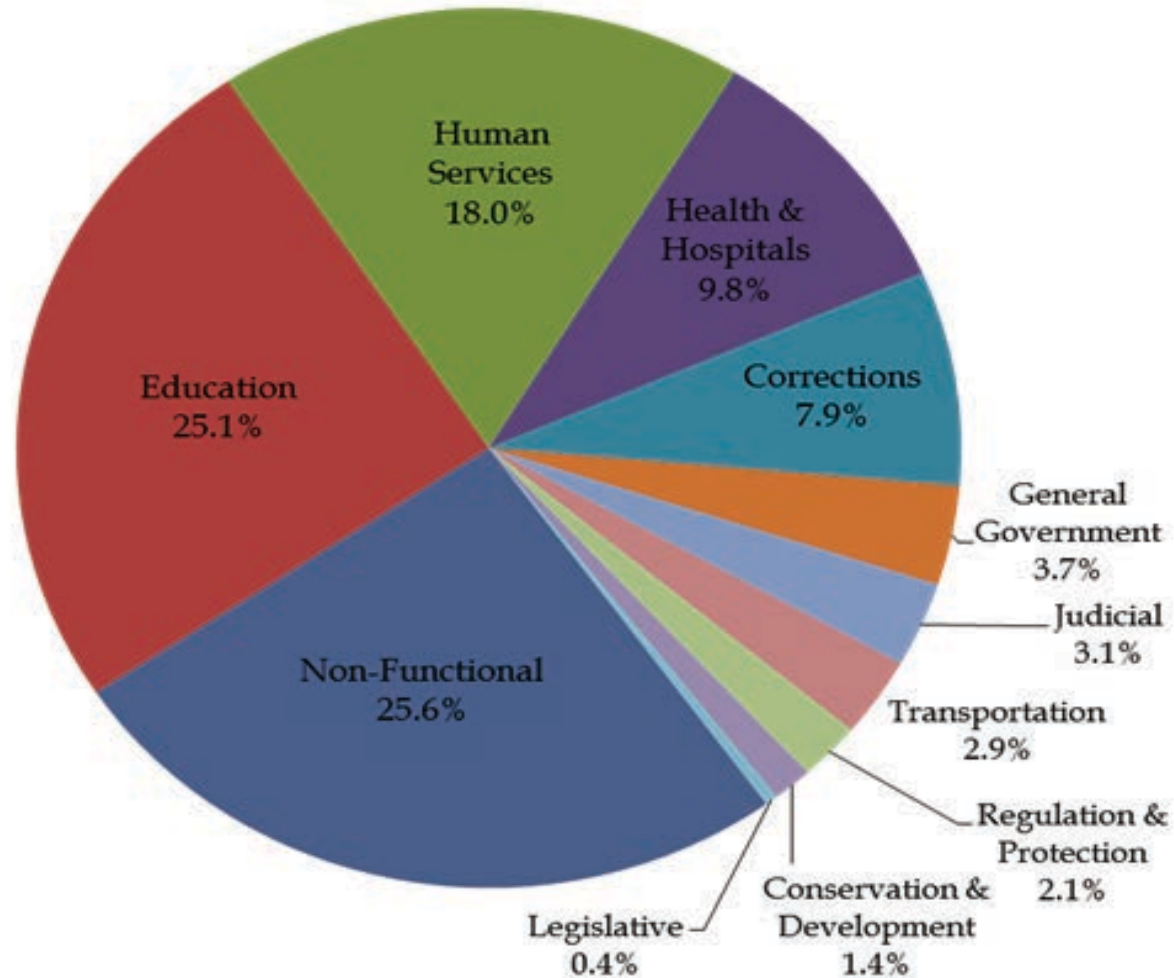
Where Does Your Money Go?

Major Spending Components for FY 2014

\$18.607 Billion

With Inclusion of Medicaid Expenditures - \$21.375 Billion

(All Appropriated Funds)



(Source: OFA)



State Finances During Tough Times

	FY 2011	FY 2015*
Spending	\$19.169 Billion	\$22.200 Billion
Revenue	\$19.200 Billion	\$22.205 Billion
Bonding	\$2.000 Billion	\$2.947 Billion

*Includes discounted Medicaid expenditures and revenues

Despite facing a \$3.5 billion a year deficit after FY 2011 and a \$2.5 billion deficit in the FY 2014-2015 biennial budget, spending continued to increase and taxes continued to go up to the highest levels in the history of our state.

Source: CT State Budget & CT Comptroller



Budget Problem Facing Connecticut

After relying on \$316 million in new tax revenue and \$566 million in one-time revenues such as fund sweeps, this budget creates another \$1.3 billion deficit in the upcoming biennium.

In addition to facing another budget deficit, there will be a spending cap problem of \$231.1 million in FY 2016 that will need to be dealt with – that is unless the majority party decides to once again ignore the spending cap and use gimmicks to get around it.



FY 2014-2015 State Budget Highlights

Spends \$44 billion over the next two years

Borrows \$750 million for day-to-day operating expenses costing taxpayers \$186 million in interest

Increases spending by 10% over the next two years

Removes \$6 billion from the constitutionally adopted spending cap and employs gimmickry to get under the cap



FY 2014-2015 State Budget Highlights

Extends tax increases that were set to sunset this year costing state taxpayers another \$315 million

Establishes Keno gambling

Dedicates more than \$100,000 to process licenses for illegal immigrants

Raids over \$220 million from the FY 2013 surplus – 80% of that surplus was due to one-time gains not as a result of economic growth



FY 2014-2015

State Budget Highlights

\$110 million devoted to the state's transportation needs was taken out of the Transportation Fund and will be used for non-transportation purposes

Delays the payment of almost \$400 million in debt, costing taxpayers \$46 million in unnecessary interest expenses

Relies on phantom savings in the Medicaid account which will likely result in the state once again being in deficit



Major Legislative Highlights

Controversial Measures Adopted

- **Drivers Licenses for undocumented residents** Require the DMV to issue a driver's license to illegal immigrants who reside in our state in violation of federal immigration laws.
- **Campaign Finance changes** Roll back the reforms enacted in response to the Rowland scandals. Doubles the amount that a donor can give to state party committees from \$5,000 to \$10,000 and doubles the amount that a person can give to a town committee from \$1,000 to \$2,000. Additionally, it removes limits on what committees can spend in support or opposition to candidates.
- **Early Voting** The legislature removed the final hurdle leading the way to a Nov. 2014 ballot question asking voters if they support some form of early voting.
- **Mattress Recycling** This new law requires mattress manufactures to create a Mattress Stewardship program and establish methods for the for the disposal and recycling of used mattresses. Consumers are charged a fee at the time of purchase that will fund the recycling program.



Major Legislative Highlights

Controversial Measures Blocked

- **Elimination of the Independent Party** Republicans fought against a Democrat proposal to remove the word "independent" from any political party in Connecticut. This provision would have required that those voters registered as Independent would have to register under a new party.
- **Decrease of the Drug-Free Zone** Republicans objected to a measure that would have reduced the size of a drug-free zone around a school or daycare facility. A measure, proposed by the Democrats would have reduced the boundary from 1,500 feet to just 300 feet.
- **Construction of a Daycare at York Correctional Facility** A \$10M proposal to construct a daycare care facility at a York Correctional Facility in Niantic was defeated in large part to Republican opposition to the heavy price tag and the fact that the state's DCF is doing an admirable job caring for the very few infants born to incarcerated mothers.
- **Energy User Auction** Proposed to force energy users to move from the standard offer to a retail supplier of electricity.



Bipartisan Legislative Agreement

- **Continuation of Education Reform** The legislature committed \$355M additional money to improving education in our state. Four new charter schools will be funded, more students to attend magnet schools and funds will be available for the new statewide teacher evaluation system.
- **Hurricane Sandy Response** Legislation was adopted to make the process of rebuilding after a major costal storm easier for shoreline homeowners. The new law grants more flexibility to property owners to protect properties in advance of a hurricane or tropical storm.
- **Pool Safety** A new law adopted will require at least one certified person, in addition to the instructor, to be present in a school's swimming pool when students are participating in aquatic activities. Additionally, schools are required to develop a pool safety plan.



Bipartisan Legislative Agreement

- **Small Business Express** Expands the existing program to include companies with up to 100 employees, and provides additional funding to meet the demand from small businesses.
- **Renewable Energy Tax Exemption** Phases in a requirement to offer property tax exemptions for businesses that use renewable energy sources to provide power for their business.
- **Early Release Program** Reforms the early release program to ensure that no violent offender gets out of prison before serving at least 85% of their sentence.
- **Gun Trafficking** Provides \$1 million for the Gun Trafficking Task Force and increase penalties for illegal trafficking of guns.
- **Sex Trafficking** Imposes increased penalties for sex trafficking and require additional reporting.



The High Cost of Doing Business in Connecticut

- Connecticut has negative job growth over the past 25 years. (Based on Department of Labor data)
- CT was ranked 45th among the Best and Worst States to Do Business. (*Survey of 651 CEOs done by Chief Executive Magazine*)
- CT ranked worst state for retirement. (*money-rates.com*)
- CT ranked 45th in economic competitiveness. (*American Legislative Exchange Council, "Rich States, Poor States"*)
- CT Legislature has been voted "Least Business Friendly" in the nation. (*Expansion Management Magazine*)
- State Business Tax Climate – 40th. (*The Tax Foundation*)
- Gas Tax – 4th Highest. (*American Petroleum Institute*)
- Cost of Doing Business – 5th Highest in the country. (*Milken Institute, 2007*)
- Percent Funding of State Retirement System Liabilities – 3rd worst in the country at 58.3%. (*Public Fund Survey*)
- Per Capita State and Local Tax Burden as a Percent of Income – 3rd highest in the country. (*The Tax Foundation*)
- Worst state for business property tax burden. (*The Tax Foundation*)
- Ranked 7th by Forbes Magazine for the state with the highest number of residents fleeing our state.



New Laws Effective October 1, 2013

- **New human trafficking law**-increases the penalty for patronizing a prostitute and allows anyone convicted of prostitution to apply to vacate the conviction if they were a victim of trafficking
- **Sexual Assault**-closes a loophole in the state's sexual assault act and extends the definition of "physically helpless" to include people who are physically unable to resist an act of sexual intercourse.
- **Traffic Stop Information**-requires more law enforcement organizations to collect traffic stop information and to adopt a profiling policy.
- **Criminal Penalties for Failure to Report Child Abuse**-This law makes it a form of risk of injury to a child for a person to intentionally and unreasonably interfere with or prevent a person who is required to report suspected child abuse and neglect (a mandated reporter) from carrying out this obligation.
- **Mattress Recycling**-A new law establishes a mattress stewardship program to manage discarded mattresses and funds it by imposing a fee on mattress sales.
- **Tanning Beds**-A new law prohibits tanning facility operators from allowing anyone under age 17 to use a tanning device. Violators are subject to the same fine of up to \$100.
- **Nursing Home Debt Recovery**-A new law changes how nursing homes are able to recover funds owed them for providing care to individuals who apply for or receive Medicaid.



New Laws Effective October 1, 2013

- **Highway Worker Safety**-A new law stiffens the penalties for drivers who violate certain laws within highway work zones, and makes other changes concerning highway work zone safety.
- **Uniform Crime Reports**-This law authorizes OPM to deny eligibility for state and federal law enforcement grants to any municipality whose police department fails to comply with the state's uniform crime reporting system's reporting requirements.
- **Strengthening the Cell Phone Law**-A new law increases the fines for violating the ban on driving while operating a cell phone, texting, or engaging in an activity that interferes with a vehicle's safe operation. Starting October 1, 2013, the fines are: \$150 for a first offense, \$300 for a second offense, and \$500 for each subsequent offense. Another new law specifically prohibits drivers from using hand-held cell phones or mobile electronic devices when their vehicle is temporarily stopped because of traffic, road conditions, or a traffic control sign or signal.
- **Restoring Benefits to Veterans Discharged Under "Don't Ask, Don't Tell"**- This law makes veterans eligible for state benefits if the state benefits were denied because the veteran was ineligible for federal benefits under the "don't ask, don't tell" policy and the veteran has had his eligibility for federal benefits reinstated.
- **Military Leave from Employment**-protects employees who serve or served in the military from workplace discrimination because of that service.
- **Firearms, Mental Health and School Security**-Public Act 13-3 makes extensive changes in the state's gun (firearm) laws. In doing so, it increases the Department of Emergency Services and Public Protection's (DESPP) enforcement responsibilities. The major changes pertain to assault weapons, long guns (rifles and shotguns), large capacity magazines (LCMs), and gun crimes.



CT Health Insurance Exchange

Under the new National Health reform, states must have a health Exchange in place by January 1, 2014..

Connecticut has chosen to develop a state-specific health Exchange that fits our state's unique needs and insurance market.

Federal tax credits will apply to individuals and families with incomes up to 400% of the federal poverty level (\$94,200 for a family of four).

Small employers that offer health insurance to their workers may be eligible for the Small Business Health Care Tax Credit offered through the IRS to help cover premiums.

There are several health insurance options to choose from, Platinum, Gold, Silver and Bronze.

For more information, go to: www.ct.gov/hix

Source: Access Health Connecticut



Common Core

- Core is a K-12 specific curriculum for math and language initiated by the National Governor's Association and the Council of Chief State School Officers.
- The Standards were developed with the input from school administrators, teacher unions, Businesses and universities, and have since been adopted by 45 states.

Some Common Core Facts:

- Rigorous, clear, updated and consistent standards designed to prepare students for the new Global economy.
- Standards based on best practices and benchmarks used nationally and internationally.
- Standards are designed by a wide variety of education experts.



New Haven Line Customer Credit Program (Due to Con Edison's Power Failure)

- Exact credit amounts will be based on ticket type and purchase price of rail service for each fare zone to reflect the duration of the service disruption from September 25 to October 6 with the full restoration of service on October 7.
- Any customer with a monthly or weekly ticket for transportation during this period must surrender their ticket in order to receive this credit.
- Customers holding weekly tickets valid during this time period can begin applying for this credit on October 9.
- Customers with monthly tickets for September and October can begin applying for this credit on October 20 when November monthly tickets go on sale. Monthly customers who hold both a September and October ticket are urged to apply for this credit for both tickets at the same time. For New Haven Line customers who submit both tickets for credit towards the purchase of a November monthly, Metro-North will honor New Haven Line November monthly tickets for travel beginning October 20.
- Mail&Ride Customers will have this credit automatically applied to their December monthly ticket. WebTicket Customers should visit a ticket window in order to receive this credit.
- Customers can choose to apply for this credit at any time between the dates listed above and March 31, 2014.
- There will be no processing fee charged for these credit transactions.
- To provide the credit, Metro-North will open more ticket windows with extended hours at select outlying New Haven Line stations and in Grand Central Terminal beginning October 21. There will also be special temporary locations/windows set up at Stamford Station and in Grand Central to handle credit processing.
- For more Information go to: http://web.mta.info/mnr/html/nhl_creditpgm.htm



Questions?

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