Connecticut Status Report 2016

A closer look at the effects of policies proposed and budgets passed by the Democrat controlled legislature in Connecticut.

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CONNECTICUT
SENATE REPUBLICANS

State Finances

FACTS ABOUT CONNECTICUT UNDER A DEMOCRAT MAJORITY:

Tax Burdens

- **Connecticut is the 2nd highest for property taxes**, second only to New York state.[1]

- **Connecticut ranked 5th for U.S. States with the Highest Tax Burdens In 2016.[2]**

Jobs and Business Policies

- **92% of businesses believe Connecticut's public policies do not facilitate the efforts of small businesses in the state, according to a CBIA survey**.[3]

- **Connecticut Ranks 43rd In CNBC Business Ranking**, dropping 10 slots in one year.[4]

- **CT still hasn't returned to 100 percent employment since the Great Recession in 2008[5].**

- **College graduates, individuals with advanced degrees and older residents are moving out of our state**, while younger and less educated people are moving in. **Some 60 percent of graduates leaving CT in the metro Hartford area cited a lack of good jobs as the major reason to go**.[6]

- **Connecticut is one of the hardest states for job seekers to find a full-time job. [7]**
    - **In Connecticut, underemployment was measured at about 11 percent**. Martin Kohli, a chief regional economist at the U.S. Bureau of Labor Statistics, told 24/7 Wall St. that underemployment is "a valuable reminder that people can suffer during a recession even if they have jobs."[8]
    - While the unemployment rate has declined nationwide, **in Connecticut, the share of the labor force out of work and looking for a job has actually risen.**
    - The **state's unemployment rate rose by 0.3 percentage points to 5.8 percent between 2015 and 2016.**

- In the last nine years, **the growth of women-owned businesses in Connecticut has lagged** well behind the national average as has revenue growth.[9]

- **Gallup poll placed Connecticut among the bottom 10 states on its job creation index for 2015,** which polls workers on hiring activity at their place of employment. Connecticut's ranking makes it the only state to place within the bottom 10 each of the eight years of Gallup's index.[10]

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[1] http://m.hartfordbusiness.com/article/20160525/NEWS01/160529966/1004?utm_source=enews&utm_medium=HBJToday&utm_campaign=Wednesday

[2] http://www.forbes.com/sites/niallmccarthy/2016/06/02/the-u-s-states-with-the-highest-tax-burdens-in-2016-infographic/#263b96931ed1

[3] http://www.greenwichtime.com/business/article/Bright-spots-amid-gloom-for-small-businesses-8352400.php

[4] http://www.courant.com/business/hc-cnbc-top-states-for-business-ranking-0714-20160713-story.html

[5] http://ctmirror.org/2016/03/11/ct-jobless-rate-rises-as-2015-job-growth-estimates-are-cut-in-half/

[6] Metro Hartford Progress Points 2016

[7] http://247wallst.com/special-report/2016/08/10/easiest-and-hardest-states-to-find-full-time-work/

[8] http://www.ctpost.com/news/article/Report-It-s-tough-to-find-a-full-time-job-in-9138757.php#photo-7138539

[9] http://www.hartfordbusiness.com/article/20160408/NEWS01/160409908

- **Slow Job Growth Hurts Economy** - Moody's Credit Outlook has emphasized that the source of Connecticut's underperformance is **not caused by the stock market**. According to Moody's, "*State income tax volatility is often caused by fluctuations in capital gains realizations related to stock market performance and reflected in estimated tax payments and final settlements. However, Connecticut's weakness in PIT withheld from paychecks indicates that the source of the underperformance is more deep-seated than a shortfall in capital gains.* ***In calendar 2015, the state's job count grew by 0.7%, less than half the nation's pace, and state job growth continued to lag the nation through May 2016."***

Population Decline

- The **state is losing population — 16,000 people left Connecticut last year**. **That includes skilled workers**, and that hurts its Workforce score.[11] Clearly, over-taxing over the past 6 years has driven taxpayers out of our state, leading to declining tax revenues and requiring those who live here to pay more.

- **As people leave the state, home sales are up as a direct result of home values declining which tells you all you need to know.**
    - A total of 2,921 single-family homes sold in Connecticut during May 2016 compared with 2,357 sold in May 2015. This marked the highest number of sales in the month of May since 2007, when there were 3,039 homes sold. Year-to-date, sales were up 23.0 percent with 10,913 transactions, compared with 8,872 during the same timeframe a year ago.[12]
    - The median price of a single-family home dropped by 7.2 percent in May to $246,000, compared with $265,000 a year ago. This is the largest percentage decrease in median sale price in five consecutive months. Year-to-date, prices have decreased by 1.4 percent to $235,000 compared with $238,307 during the same time a year ago.[13]
    - "Every dollar you lose on the value of your home translates into seven cents that doesn't get spent in the local economy," Klepper-Smith said. "I'm concerned because the real disposable income (level) in Massachusetts is four times what it is in Connecticut. When you're not getting growth in real disposable income, people start asking questions. Consumers are concerned about where the economy is going."[14]

- **In 2014, Connecticut suffered its biggest net loss of workers to Florida of any state, according to a new report that calculates Connecticut had an outflow of 4,200 workers that year on a net basis to all states.**
    - About 2,650 Connecticut workers left to work in Florida in 2014, according to the Connecticut Department of Labor, versus about 1,450 migrating in the opposite direction for work in Connecticut for a net loss of 1,200 jobs.
    - After Florida, California and North Carolina won the battle for Connecticut jobs, with net gains of about 500 Connecticut workers in 2014 for each state.[15]

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[10] http://www.ctpost.com/news/article/Poll-reveals-Connecticut-continues-to-rank-among-6848999.php
[11] http://www.cnbc.com/2016/07/12/
[12] http://www.thewarrengroup.com/2016/06/connecticut-home-sales-rise-again-in-may/
[13] http://www.thewarrengroup.com/2016/06/connecticut-home-sales-rise-again-in-may/
[14] http://www.middletownpress.com/article/MI/20160702/NEWS/160709937
[15] http://www.thehour.com/business/article/Fla-tops-Conn-in-war-for-workers-8342972.php

Financial Health

- **Connecticut ranks 50th among the US states and Puerto Rico for its fiscal health.** Connecticut's fiscal position is poor across all categories.[16]

- **Connecticut ranks 3rd in debt service costs**, behind Illinois and New Jersey. Report shows that even if Connecticut spread out its pension and retiree healthcare debt over 30 years instead of the current 20, the state would still have to spend 35 percent of its budget to meet these obligations.
    - Right now the state is spending 21 percent of its budget on its debt – already the second highest in the nation.
    - What would it take to get us to 35 percent? A 14 percent tax increase, a 14 percent cut in state spending, or a 700 percent increase in state employee contributions to the pension system. *None of these outcomes is politically feasible.* [17]
- **Bonded indebtedness since 2010 has increased $3.8 billion.**
    - Over the last four years, **bonding allocation has skyrocketed** (see chart). Increased bonding means increased debt which becomes another fixed cost that further strains the state budget.

Calendar	Allocated
Year	G.O. Bonds
2002	$1.182 billion
2003	$ 906 million
2004	$ 1.1 billion
2005	$ 1.115 billion
2006	$ 1.316 billion
2007	$ 1.268 billion
2008	$ 1.419 billion
2009	$ 1.362 billion
2010	$ 1.289 billion
2011	$ 1.389 billion
2012	$ 1.398 billion
2013	$ 1.789 billion
2014	$ 1.967 billion
2015	$2.498 billion
2016	$2.7 billion (Soft Bond Cap Identified by Governor)

- **Connecticut ranked 4th worst in unfunded pension liabilities per teacher.**[18]

- **Connecticut is ranked 44th in revenue growth at 14.8 percent from 2007 to 2016.**[19]

- **Connecticut is the 3rd Lowest in USA for Confidence in State Government -** 6 in 10 residents, when asked if they had confidence in their state's government, said no.[20]

[16] http://mercatus.org/statefiscalrankings/connecticut

[17] http://www.yankeeinstitute.org/wp-content/uploads/2016/05/05-19-2016-The-ARC-and-the-Covenants-2.0-1.pdf?cs-from=43d9c2c2-283a-4998-b94f-d8dbb2e110d2

[18] http://ctmirror.org/2016/05/16/report-ct-4th-worst-in-unfunded-pension-liabilities-per-teacher/

[19] http://www.hartfordbusiness.com/article/20160408/NEWS01/160409908

Connecticut Cities

The strength of our state is dependent upon the strength of our cities. Everyone should have an opportunity to find success in our state.

1) **The current system is set up to trap people in poverty.** The multitude of barriers to economic freedom and success in our urban communities are staggering.

    - Despite Connecticut's significant pockets of wealth, **poverty statewide continues to plague our state at 10.8% in 2014, a slight increase from 2013** (see chart on page 7 with information provided by the Census Bureau.)

    - **An astonishing 33.6% of Hartford's residents live in poverty.** While lower at 26.5% in New Haven and 23.3% in Bridgeport these figures are still a significant cause for concern. (To put the following statistics in perspective, the poverty level for a family of two is $15,930. This level increases to $24,250 for a family of four.)

    - **Connecticut's hunger rate holds steady and the number of recipients for the Supplemental Nutrition Assistance Program (formerly the food stamp program) reached a staggering 427,505 people in April 2016**[21] or approximately 11.9% of the total state population. To put this into perspective, in 2009 the average amount of people on SNAP monthly in CT was 258,165[22] or 7.24% of the total population. That's an increase of over 65% more people on SNAP.

1) **CT still hasn't returned to 100 percent employment since the Great Recession in 2008.**[23]
    - While the state's unemployment rate hovered just under 8%, Hartford's unemployment rate was 23.1% in 2013 up from 20.0% in 2010 and 13.7% in 2007.
    - Of those unemployed in Hartford, 58.2% are between the ages of 16-19 years old and 26.2% of them are between 20-24 years old.

2) **Cuts to the Most Vulnerable Don't Help.**
The fiscal year 2017 budget included a **$2.2 million cut to assistance for the poor (TANF) by 1%.**

3) **Throwing money at the problem is not a solution**. Directing money to big cities directly is not the answer.

    - In the past five years over $6.0 billion of state taxpayer revenue has been provided to the cities of Hartford, New Haven, Bridgeport and Waterbury.

    - **During this same time period, the poverty rate has continued to climb and food stamp utilization in the state has increased by approximately 50,000 individuals**.[24] The city of

[20] http://ctbythenumbers.info/2016/02/29/confidence-in-state-government-plummets-in-ct-third-lowest-in-usa/
[21] http://www.fns.usda.gov/sites/default/files/pd/29SNAPcurrPP.pdf
[22] http://www.fns.usda.gov/sites/default/files/2009_state_activity.pdf
[23] http://ctmirror.org/2016/03/11/ct-jobless-rate-rises-as-2015-job-growth-estimates-are-cut-in-half/

Hartford which alone received close to 33%, or $2.0 billion of the $6.0 billion total, has also realized a significant increase in its unemployment rate and is currently experiencing an unsettling spike in its homicide rate.

- Clearly giving money to city hall does not always directly improve the lives and well-being of city residents. Continuing to do the same thing and throw more money at the problem will not solve it. For 40 years this policy has failed and will continue to fail if the Democrat majority continues to refuse to think innovatively and empower residents to decide what they need as a community to prosper.

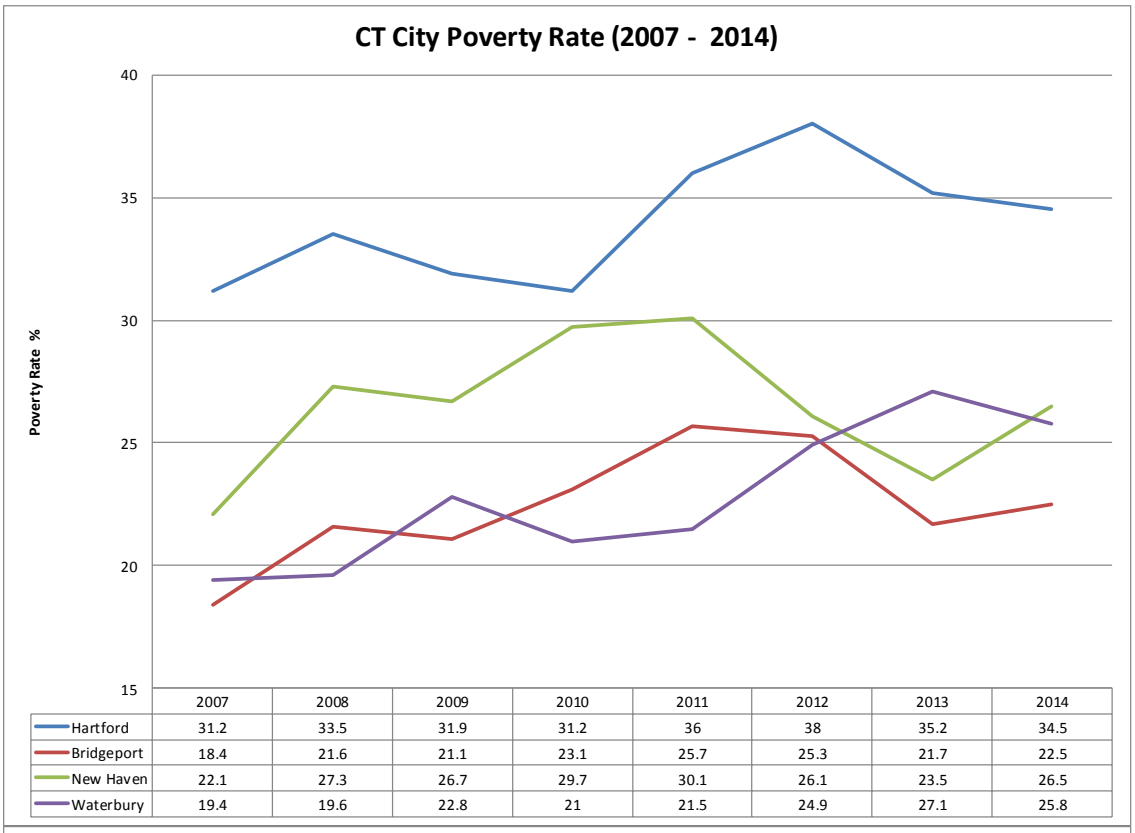
REPUBLICANS RELEASED OUR OWN "URBAN PLAN" PROPOSALS EACH OF THE LAST TWO YEARS.

Our proposal included policies aimed at:

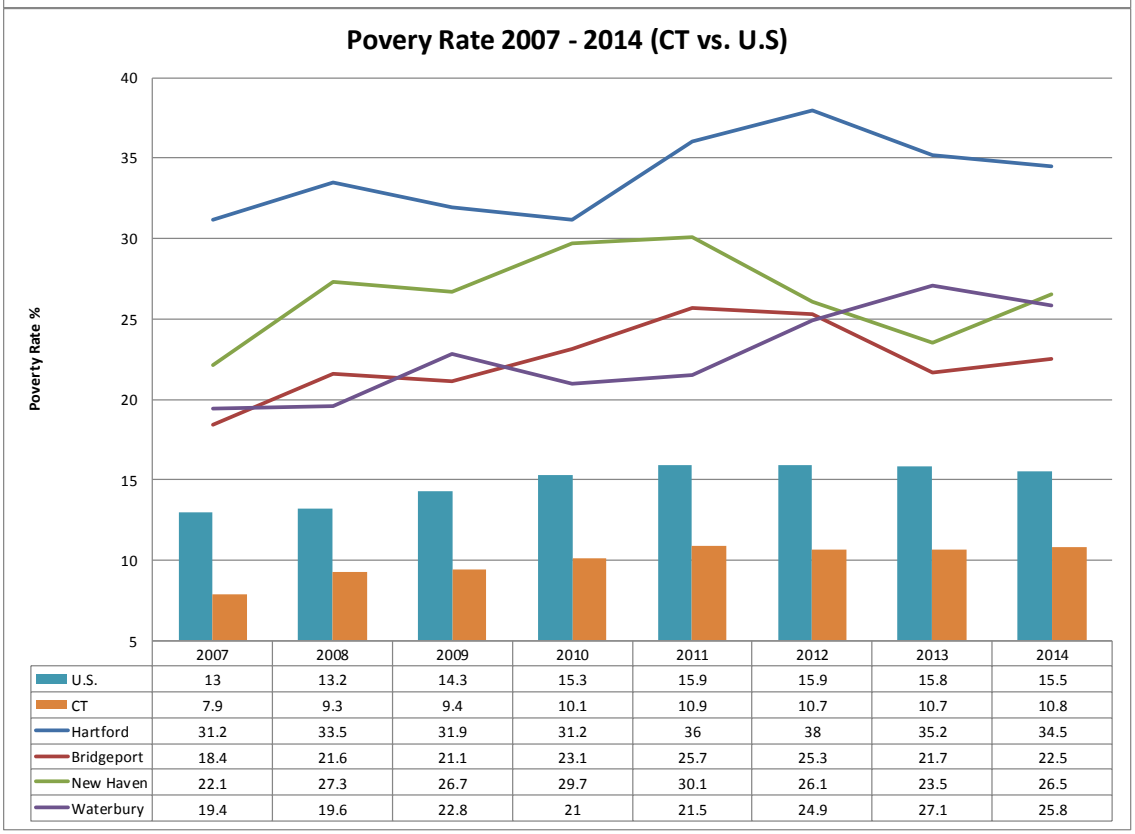
1. Decreasing unemployment by modifying TANF benefits and Care for Kids benefits therefore reducing in the poverty rate.
2. Reforming the justice system to remove barriers to employment.
3. Developing viable communities through brownfield remediation incentives to reduce blight and simultaneously increase municipal grand lists.
4. Bringing our educational opportunities in line with the twenty-first century by creating additional opportunities to succeed without attending college.
5. Engaging local residents resulting in enhanced social capital and activism, thereby allowing members of the community to work together to solve problems within the community.

For a full list of Republican recommendations to improve life and jobs in our cities visit http://ctsenaterepublicans.com/wp-content/uploads/2016/07/2016-Leg-Session-Urban-Agenda.pdf.

[24] http://www.fns.usda.gov/sites/default/files/2011_state_activity.pdf



	2007	2008	2009	2010	2011	2012	2013	2014
Hartford	31.2	33.5	31.9	31.2	36	38	35.2	34.5
Bridgeport	18.4	21.6	21.1	23.1	25.7	25.3	21.7	22.5
New Haven	22.1	27.3	26.7	29.7	30.1	26.1	23.5	26.5
Waterbury	19.4	19.6	22.8	21	21.5	24.9	27.1	25.8



	2007	2008	2009	2010	2011	2012	2013	2014
U.S.	13	13.2	14.3	15.3	15.9	15.9	15.8	15.5
CT	7.9	9.3	9.4	10.1	10.9	10.7	10.7	10.8
Hartford	31.2	33.5	31.9	31.2	36	38	35.2	34.5
Bridgeport	18.4	21.6	21.1	23.1	25.7	25.3	21.7	22.5
New Haven	22.1	27.3	26.7	29.7	30.1	26.1	23.5	26.5
Waterbury	19.4	19.6	22.8	21	21.5	24.9	27.1	25.8

(Above charts contain information from the U.S. Census Bureau)

Transportation

1) **Under Democrat leadership Connecticut's transportation infrastructure has become among the worst in the nation.**

   - According to a recent study conducted by the national nonprofit TRIP, 41 percent of Connecticut's major roadways are in poor condition, while another 41 percent are rated in mediocre or fair condition. [25]

   - According to the Federal Highway Administration's National Bridge Inventory, nearly 1 in 10 bridges in CT in 2013 were found to be structurally deficient, that's 413 out of 4,218 bridges. [26]

   - TRIP identifies even more bridges in trouble, estimating that 35 percent of Connecticut bridges are structurally deficient and in need of repair, improvement or replacement, with 25 percent of those bridges being functionally obsolete. [27]

   - **Connecticut's major highway system was built decades ago and can no longer support our state's modern day transportation needs.** For example, I-84 in Hartford, currently one of the busiest sections of highway in Connecticut, carries 175,000 vehicles per day, more than three times what it was designed to hold, according to the Connecticut Department of Transportation (CTDOT). [28]

   - **Public transportation could relieve traffic on our roadways, but Connecticut's current options, including railways, cannot meet the needs of riders.**

2) **Instead of prioritizing transportation in Connecticut, there has been a decline in public expenditures on highway and public transportation infrastructure between 2003 and 2013** including a decline of 10.5 percent for public transportation and 19 percent for highways and streets. This has left Connecticut with over $19 billion in total DOT unprogrammed initiatives, according to CTDOT's 2015-2019 capital plan.

3) **Gov. Malloy has no way to pay for his $100 billion, 30 year pie-in-the-sky transportation plan.** According to his Transportation Finance Panel, the governor will need at least $42 billion in new revenue (by raising taxes and installing tolls) to help pay for his planned expenses. **His panel proposed increasing the gas tax, increasing rail and bus fares, implementing a mileage tax, and implementing tolling on highways including congestion pricing.**

4) **The Governor's administration is also looking towards a "Mileage Tax" that would tax drivers for the miles they travel**.
   - The idea was first proposed by Gov. Malloy's Transportation Finance Panel in 2015.

[25] TRIP. "Connecticut Transportation by the Numbers: Meeting the State's Need for Safe and Efficient Mobility," December 2014.
[26] U.S. Department of Transportation Federal Highway Administration. "Deficient Bridges by State and Highway System 2013," December 2013.
[27] TRIP. "Connecticut Transportation by the Numbers," December 2014.
[28] Connecticut Department of Transportation - The I-84 Hartford Project, "What is the I-84 Hartford Project?" www.i84hartford.com.

- Also in 2015 **Democrats said they wanted to learn more about the tax**[29]
- After public outcry, Democrats swore it was off the table but it appeared again in the Transportation Finance Panel's February 2016 final report.
- This summer, the public learned that the state had applied for a multistate grant to study and implement a pilot program for the mileage tax.
- Connecticut's application says it plans to participate in both the "planning/predeployment study phase" and the "small focused pilot program." In addition, Connecticut plans to match the federal grant with **$300,000 in state funding**, the most of any of the five states included in the joint grant application.
- This grant would launch a project that would add more burdens to the already struggling Department of Motor Vehicles and require an extensive RFP process, testing, implementation and evaluation of a full pilot program. The first deliverable would be this October.
- Sen Fasano statement: "At a time when Connecticut's finances are strapped I can't imagine the administration would want to throw away $300,000 or more on a pilot program if they truly have no intention of implementing it. It's sickening that right now our state can't even afford to take care of all human remains because of a roughly $300,000 cut to the Office of the Chief Medical Examiner, yet state leaders have no qualms about spending that much to test out a mileage tax. What are their priorities?[30]
- Now, Gov. Malloy appears to be more openly **embracing the tax**[31]
- **Democrat lawmakers claim that they will not implement this tax, but they haven't put a stop to the state spending $300,000 for a study and pilot program. Their actions are not consistent with their rhetoric.**

REPUBLICANS OFFERED AN ALTERNATIVE SOLUTION TO DEDICATE OVER $70 BILLION TO TRANSPORTATION OVER THE NEXT 30 YEARS WITH NO TAX INCREASES AND NO TOLLS.

The Republican plan works by reprioritizing bonding and capping what the state borrows annually. Democrats refused to consider the Republican plan as an option. To read the full plan visit: http://ctsenaterepublicans.com/wp-content/uploads/2016/07/2016PrioritizeProgress.pdf.

[29] http://wtnh.com/2015/07/31/connecticut-senate-president-wants-to-know-more-about-mileage-tax/
[30] http://ctsenaterepublicans.com/2016/06/mileage-tax-grant-application-shows-ct-dot-is-committed-to-pilot-program/#.V46QV_krK70
[31] http://wtnh.com/2016/07/19/malloy-embraces-mileage-tax-study-says-gas-tax-failing/

Underfunding Health Care

Irrespective of the Democrats' rhetoric, Gov. Malloy and the Democratic majority are purposely underfunding health care for the poor **more** than any other state in the country.

1) Reductions in Medicaid Reimbursements for Hospitals and Doctors

In recent years, Connecticut has reimbursed hospitals about 60 cents for every dollar of care provided to a Medicaid patient, the lowest rate in the nation. According to research by the Connecticut Hospital Association, the recent cuts would result in that funding dropping to about 40 cents on the dollar.

Medicaid Payment-to-Cost Ratios for Connecticut, 2011-2013

	U.S	CT	CT Rank
2011	94.7%	78.6%	44
2012	88.9%	72.1%	47
2013	89.8%	66.2%	50

Source: Health Forum, 2011-13 AHA Annual Survey of Hospitals

Connecticut ratios based on reported data only

National rank based on 50 states and DC (1=best, 51=worst)

2) Direct Cuts to Hospitals

On top of Connecticut's already low Medicaid reimbursement rates, the Democrats' repeated budget cuts to hospitals puts Connecticut far behind the rest of the nation in properly funding and caring for residents most in need.

3) Democrats now tax hospitals at 30 times that of any other business. [32]

The hospital tax, which was designed as a way for the state to gain federal reimbursements for hospitals**,** has now become a method for the Democrats to balance their budget to the detriment of those who need care.

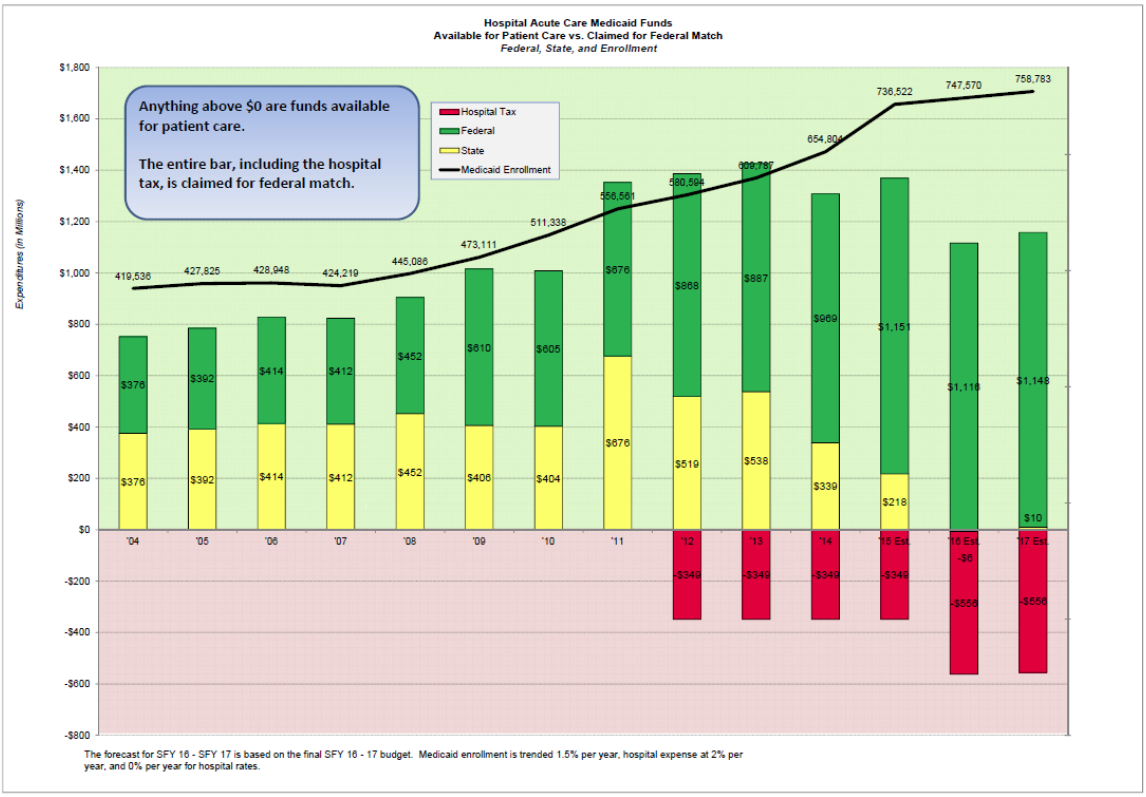
A History of the Impact of the Hospital Tax For Connecticut Hospitals

	Tax Assessment on Hospitals	Total Payment Back to Hospitals	Net (Tax)/ Subsidy
FY 2012	$ (349,122,277)	$ 399,486,847	$ 50,364,570
FY 2013	(349,122,277)	322,765,136	(26,357,141)
FY 2014	(349,122,277)	229,843,423	(119,278,854)
FY 2015	(349,122,277)	95,600,000	(253,522,277)
FY 2016	(556,087,268)	164,290,001	(391,797,267)
FY 2017	(556,087,268)	118,239,999	(437,847,269)

[32] http://www.hartfordbusiness.com/article/20160212/NEWS01/160219968/hospitals-tax-burden-30-times-that-of-any-other-business

4) **Under Gov. Malloy and the Democratic majority the state has reduced its net contribution to Medicaid to zero.**
Federal matching funds and the provider tax paid by hospitals now comprise 100 percent of Medicaid hospital payments, essentially eliminating the state's investment in Medicaid. Malloy has said that Connecticut is subsidizing hospitals. **The reality is Connecticut's hospitals are now subsidizing the state. (See chart below).**

When Gov. Malloy's budget director was questioned about why the state taxes hospitals so much he responded by quoting bank robber Willie Sutton: "Why do you rob banks? That's where the money is. Sorry."[33]



Effects of Democrat Majority's Policies on Health Care Costs – *Hurting the Elderly and the Poor*

1) **The ability to see a doctor decreases and more doctors are less likely to take patients on Medicaid.** The Increased burdens on hospitals and medical providers negatively impact access to care. To cope with such a staggering shortfall, hospitals have to find savings elsewhere. It could mean employee layoffs, service reductions, longer wait times and facility closings. This will directly and severely threaten accessibility for hundreds of thousands of vulnerable citizens. Doctors have to makes many sacrifices to take on Medicaid patients which could mean less doctors accepting Medicaid patients or longer waits to see a doctor if you are on Medicaid.

[33] http://blog.ctnews.com/dixon/2015/02/26/barnes-does-his-best-willie-sutton-on-finance-committee/

2) **Insurance rate increases make insurance unaffordable for many families, and could increase the amount of people who go without insurance.** The majority of insurers who sell individual and small group employer plans in Connecticut have asked for double-digit increases for next year's policies, with average increases as high as 42 percent among plans that cover thousands of workers and their families. This is another year of increases for Connecticut families.

3) **AND The fiscal attack on Health Care by Majority Democrats *continues* in their fiscal year 2017 budget.**
   - $43.4 million **state cut to hospitals**, which results in $130 million in cuts due to the impact on federal matching dollars (view a list of which hospitals lose out http://ctsenaterepublicans.com/wp-content/uploads/2016/05/Hospital20Cuts.pdf)
   - **Makes retroactive changes to the hospital tax in an attempt to nullify the hospitals' lawsuit against the state for unfair taxing**
   - **Reduces access for the poorest children in our state to receive dental treatment**
   - **Reduces state funding for nursing homes and aging in place programs**
   - **Reduces services for those that have Traumatic Brain Injuries**
   - **Reduces funding for critical mental health/ substance abuse treatment by $12.5 million** (including lapses/holdbacks)

REPUBLICANS HAVE PROPOSED BUDGETS THAT WOULD HAVE RESTORED HOSPITAL FUNDING. WE ALSO SOUGHT TO ADDRESS RISING HEALTH CARE COSTS.

In 2011, the General Assembly also passed legislation that would have changed the specific definitions of what would disqualify insurers from excessive increases and would have required mandatory state public hearings when proposed health insurance rate increases exceed 10 percent. This bill was one of Gov. Malloy's first vetoes. Democrats did not override the governor's veto despite broad bipartisan support for the bill.

Department of Developmental Services

A core function of government is to help those who truly need support services. Democrats' recent budgets continue to make cuts to these vulnerable populations.

1) **Safeguards for people with developmental disabilities are severely lacking in Connecticut, according to a federal audit.**

- Private group homes and state officials **failed to report or respond to dozens of cases of potential abuse and neglect**.

- The audit, which looked at the state's care of 245 developmentally disabled individuals from 2012 through the first half of 2014, found that private group homes often failed to report incidents to state officials, and that state officials almost never forwarded those cases for outside investigation.

    - DDS alerted the state's Office of Protection and Advocacy for Persons with Disabilities to possible abuse or neglect in **just one of 152 critical incidents**.

    - Group homes **failed to report 14 percent** of critical incidents to DDS, and when incidents were reported, the homes mischaracterized the severity of the incident more than half the time.

    - Audit found that staff was not properly trained, with DDS **only providing training to 102 out of 961 private group homes**.[34]

- Advocates attribute these problems to **deep budget reductions contained in the Democrat budgets over the last four years**. Nearly $100 million has been cut from DDS' $1 billion budget.

- In 2013 a Hartford Courant investigation found that **abuse and neglect were cited in the deaths of 76 developmentally disabled individuals** receiving services from DDS, a number of the deaths also showed inadequate intervention into medical distress. This sparked the 2016 federal investigation. The abuse included cases of sexual assault at state run facilities.[35]

- An April 2016 audit found that the Office of Protection and Advocacy for Persons with Disabilities is **prone to conflicts of interest** sometimes representing the state's interest rather than the disabled individual's in lawsuits and other matters. [36]

2) **Despite promises by the Democrat majority to move families with disabilities off state waiting lists for services, over 2,000 people with intellectual disabilities continue to remain on state waiting lists**. These individuals are in need of care, but the waiting lists have been stalled for years.

[34] http://www.courant.com/news/connecticut/hc-abuse-neglect-developmentally-disabled-investigation-20160524-story.html
[35] http://www.courant.com/news/connecticut/group-home-deaths/hc-dds-deaths-0303-20130302-story.html
[36] http://www.courant.com/news/connecticut/hc-disability-advocacy-conflicts--0409-20160408-story.html

3) **Once again, the fiscal year 2017 budget contributes to and accelerates this problem by including a $20 million cut from the Department of Developmental Services**. This is on top of budget cuts of $2 million from the Department of Rehabilitation Services and $30 million from the Department of Mental Health and Addiction Services. This has led to service cuts. For example some 300 families expecting to receive day service care for their children after graduating from school programs this year are losing daily care and instead will only be offered one day of care a week through August and then three days a week until January, due to budget cuts.[37] This means those families will need to find 24 hour care on their own all other days.

REPUBLICANS HAVE PROPOSED BUDGETS THAT WOULD HAVE RESTORED DDS FUNDING FOR SERVICES AND PROVIDED A PROGRAM TO HELP GET PEOPLE OFF THE STATE WAITING LIST FOR SERVICES.

The Republican budget coupled with our policy proposals would make positive changes for families of individuals with disabilities.

[37] http://www.nhregister.com/general-news/20160709/cuts-to-developmental-programs-leave-parents-angry-scrambling-in-connecticut

Department of Children & Families

Recent Court Monitor and Office of Child Advocate (OCA) reports reveal an agency that is in a downward spiral. DCF has failed to meet the needs of over half the children in its care and continues to be out of compliance with court-ordered goals to improve child welfare.

1) **Under the current administration more half of the children under DCF care were not getting their needs met over the last two years.** The 2015 status report released in January 2016 by the Court Monitor found that DCF is only meeting the needs of 44.4 percent of the children it serves. That's down from 47.2 percent last year and is a significant drop from where we were when Commissioner Katz took over in 2010 when DCF met the needs of 67.3 percent of children.[38] Some good news has come in the most recent report released in August 2016 in which children's needs met has increased to 66.7 percent - however this is still below the required percentage of needs met to be in compliance with court-ordered goals to improve child welfare. It is also below the percentage of needs met in 2010 before Commissioner Katz took over.[39]

2) **Disturbingly, we have seen an unprecedented number of child homicides involving children who should have been protected by DCF**. The July 2014 Child Fatality Review Report found that of the 38 non-natural deaths in 2013 of children birth to age 3, the majority of children lived in families that had current or previous involvement with the Department of Children and Families. Of those, 22 children died due to abuse and neglect; 16 of these children had active cases with DCF and should have been monitored and protected by the agency.[40]

3) **The agency has ignored multiple known risk factors and has prioritized administrative expediency and keeping children in the home above actual child safety** – including placing children with known sex offenders and child predators. We recently learned that agency policy does not ban children from being in homes with convicted child molesters and sexual predators.

4) **Nearly half of foster children in Connecticut are still not receiving all the mental health services, child care, and housing supports they need**, partly because the programs are not available (April 2015 Federal Court Monitor report[41])

5) **DCF violated a transgender teen's due process rights**, according to a June 2015 Appeals Court Ruling. *DCF has come under intense scrutiny from dozens of civil liberties advocates over its treatment of "Jane Doe" — who suffered from previous physical and sexual abuse, spent several weeks under solitary confinement in an adult prison setting, and was publicly shamed by DCF for an allegation involving several other youth.*[42]

[38] http://www.ct.gov/dcf/lib/dcf/positive_outcomes/pdf/status_report_2015_final.pdf
[39] https://www.documentcloud.org/documents/3008711-Status-Report-2015-2016-Final.html
[40] http://www.ct.gov/oca/lib/oca/Final_OCA_Infant_Toddler_Fatality_Report.pdf
[41] http://ctmirror.org/2015/04/29/federal-court-monitor-foster-childrens-needs-still-unmet/
[42] http://www.ctnewsjunkie.com/archives/entry/appeals_court_dcf_violated_transgender_teens_due_process_rights/

6) **Incidents of abuse and the use of "unlawful" restraint and seclusion were found to have taken place at the Department of Children and Families' two locked facilities** for boys and girls in Middletown (Connecticut Juvenile Training School and the Pueblo Girls Unit)

- Among Child Advocate Sarah Eagan's findings were:
  - 532 cases of physical restraint and 134 cases of mechanical restraint over a 12-month period.
  - 225 incidents of seclusion lasting four hours or longer, and 100 lasting eight hours or longer (incidents included children who were in mental health crisis or threatening to hurt themselves)
  - Between June 2014 and February 2015, there were at least two dozen cases of children in the facilities trying to kill or hurt themselves.

REPUBLICANS PUSHED FOR DCF REFORMS WITH A NUMBER OF PROPOSED BILLS

Republicans also called repeatedly for the closure of CJTS and Pueblo Unit. Even after videos were released showing abuse, Democrat lawmakers opposed and then hesitated when it came to calls for closure. While the governor now plans to eventually close CJTS, the legislature rejected legislation that would have required closure by a set date. The reasoning for lawmakers not supporting legislation to close the facility has been attributed to union pushback (*House Majority Leader Joe Aresimowicz, D-Berlin, said language was taken out of the deficit mitigation plan because there was no guarantee from the administration that the 335 employees at the facility wouldn't be laid off.*[43])

SEE FULL DCF TIMELINE on http://ctsenaterepublicans.com/resources-senate-republicans/.

[43] http://www.ctnewsjunkie.com/archives/entry/secure_facility_for_juveniles_to_close_in_2018/

Aging and Elderly Care

Caring for the elderly is an essential, core-function of government.

In the 2016/2017 biennial budget Democrats cut drastically from senior care programs, including programs that enable seniors to 'age in place.' Aging in place means individuals can continue living in their own homes safely and independently as they get older, if the proper resources are available, and avoid expensive nursing home care. Aging in your home and familiar communities provides an unparalleled sense of safety, security and wellbeing. It also produces better results at a lower cost than other care options.

1) **The Democrat budget resulted in at risk seniors losing access to resources that help prevent them from needing nursing home care or hospitalization.**

   CT Home Care Program for the Elders Category (CHCPE) 1 Closure
   The CHCPE is designed to help seniors remain comfortably in their home in order to avoid being placed in an expensive nursing home. By providing services such as home health aides, chore services and home delivered meals, the Home Care Program gives seniors the tools they need to live independently.

   Not only does the program benefit seniors individually, it also benefits the state by reducing Medicaid costs. The average Home Care Program client costs the state approximately $58 per day. That same client would cost the state $205 per day for a nursing home stay; almost four times as much.

   Unfortunately, **Democrats closed off the program to those seniors who were at risk of hospitalization or short term placement in a skilled nursing facility**. This means people at risk of hospitalization and short-term nursing home care would not be eligible for the program. Instead, people would be forced to wait for care as their health deteriorates, placing them at risk of expensive nursing home care; which ultimately costs taxpayers more than just money. Further, by the time they do qualify for home care, their condition could be so severe that home care could no longer be an option.

2) **The state budget passed by the majority also added more burdens to vulnerable seniors by reducing the amount of money a spouse of an individual in a nursing home is able to keep to support themselves in the community.**

   Community spouse allowable amount
   When one's wife or husband has to go into a nursing home under Medicaid, the spouse who remains in the community is allowed to keep a certain amount of money (minus the cost of care). This amount of money that they are allowed to keep – the community spouse allowable amount – is designed to ensure that the remaining spouse is able to remain in the community. Democrats voted to reduce the amount of money that the spouse not in nursing home care would be able to keep. This adds new burdens to already vulnerable seniors. It makes it extremely challenging for seniors to remain in their homes as they age and still be able to afford living and accessing everything they need.

3) The Democrat budget reduced the personal needs allowance for nursing home residents.

Personal needs allowance cut

The personal needs allowance (PNA) is a small amount of money that nursing home residents are allowed to keep from their monthly income to cover non-Medicaid related expenses (such as stamps, toiletries and snacks). **Democrats voted to reduce the small allowance from $69/month to $60/month this year.** Last year, the Governor proposed decreasing the PNA even further – to $50/month.

Currently when you are in a nursing home under Medicaid, you must reduce all your assets, including your home, to $1,600 and then pay all your monthly retirement income to the facility, except for the PNA which you keep to pay for day-to- day needs each month; that's just $2 a day and is supposed to cover the cost of things like shampoo, toothpaste and haircuts.

REPUBLICANS PROPOSED BUDGETS THAT WOULD HAVE PROTECTED FUNDING FOR CORE SERVICES FOR SENIORS IN NEED.

Municipal Aid/Mandates

Democrats have passed budgets that made promises they knew they couldn't keep.

1) **Democrats first passed a biennial budget for fiscal years 2016/2017 that promised the state would provide car tax relief by capping the car tax at 32 mills. In 2016, they reneged on that promise. As a result, 32 towns that were supposed to get tax relief (and who budgeted for tax relief) had the rug pulled out from under them. The result was a tax increase for residents.** (For a full list of these towns visit http://ctsenaterepublicans.com/2016/05/democrat-budget-2017/)

2) **Democrats promised 'historic tax relief' by dedicating up to .5% of the sales tax to municipalities. Instead of reducing the sales tax as planned, they chose to keep the money for, what they said, was to be used in our towns. But that promise was reneged when they delayed the transfer of these funds. They also further hurt municipalities by cutting municipal funding towns have come to rely on each and every year, thereby setting up our state for future property tax increases.**

   The Democrats broke their promise to properly fund municipalities when they made the following budget cuts, many of which will likely result in property tax hikes:
   - A **$16.9 million cut to state owned PILOT**
   - A **$10.5 million cut to college/hospital PILOT**
   - A **$96 million cut to education** including a $32.2 million cut to local Education Cost funds, $26.8 million elimination of state funding for school children transportation, and $4.3 million cut to Special Education (this burden falls directly onto towns)
   - **Reductions in Tax Relief for Elderly Renters**

REPUBLICANS PROPOSED A BUDGET THAT WOULD HAVE PREDICTABILITY AND SUSTAINABILITY:

- Preserved Education Cost Sharing grants at the fiscal year 2017 levels, a $7.6 million increase from 2016 and a $43.4 million increase from the Governor's proposed budget.
- Increased statutory grants to municipal aid $31.6 million over fiscal year 2016.
- Provided towns with 100% of funding for the capping of motor vehicle taxes
- **Implemented significant municipal mandate relief**
  - We believe that any reduction in municipal aid must come with significant mandate relief.
  - Our towns are overly burdened by multiple unfunded state mandates.
  - We proposed relief such as:
    - Requiring the state to adopt municipal aid by April 1st each year.
    - If a town's ECS grant is less than the year before, the town should be allowed to reduce the budget for education by that amount
    - Prohibit future contracts from limiting volunteerism that is beneficial to towns.
    - Require a supermajority vote in the legislature to adopt unfunded mandates.

Education

1) Education Cuts

This year, the Democrat budget continues to cut local education funding across the state. These cuts hurt our schools, our students, and our towns. Such deep municipal cuts are very likely to lead to property tax increases.

In the fiscal year 2017 budget, **education was cut by over $96 million**. These cuts included:

- **$32.2 million cut to Education Cost Sharing** *(click to see how these ECS cuts hit each town http://ctsenaterepublicans.com/wp-content/uploads/2016/05/Education20Cost20Sharing20Cuts.pdf)*
- **$26.8 million elimination of state funding for school children transportation**
- **$4.3 million cut to Special Education (this burden falls directly onto towns)**
- **$3 million reduction to Open Choice Grants for children in CT cities**
- Significant reductions to the state's vocational-technical high schools and magnet schools

2) Political Favoritism

Democrat politics ensures that certain legislators receive an unfair additional distribution of education funding to the detriment of other towns.

New education earmarks totaling over a million dollars were quietly handed out to five towns: Stonington, Hamden, Madison, New Britain and Farmington. The only reason why these towns got this money is because of particular politicians who represent them. They are not the poorest or neediest towns when it comes to education. In fact, **three of these towns' education budgets are already *over*funded by the state.** It's shocking but not surprising. Last year education earmarks totaling $2.4 million were handed out to choice towns for the same wrong reason (Norwalk, West Hartford, West Haven, New Haven). This year, those special handouts roll forward as if they were part of those towns' budgets all along.

Towns getting special treatment in FY 2017 budget

- Stonington $300,000 (overfunded 365.5%)
- Hamden $300,000 (already 60% funded)
- Madison $116,700 (overfunded at 212.5%)
- New Britain $200,000 (71.8% funded)
- Farmington $200,000 (overfunded 155.4%)

FACT: 114 towns are funded below what the formula says they are owed in the current fiscal year. 24 of the towns fall short by a larger proportion than Hamden.

THE REPUBLICAN FY 2017 BUDGET PROPOSAL WOULD HAVE RESTORED ECS FUNDING, SPECIAL EDUCATION FUNDING, AND OPEN CHOICE GRANT FUNDING.

Higher Education

Board of Regents

- During the 2011 legislative session when the Connecticut State University System and the Community Technical College System was consolidated, we envisioned a lean Board of Regent system especially considering that all individual universities and colleges have their own fiscal, human resources, and management structure. But that's not what we got.

- The Board of Regents currently has 62 positions in their central office.

- In December 2015 state auditors have found that the Board of Regents' central office (in fiscal years 2012 and 2013) did not follow several state laws created to protect the public college system from theft of property, improperly paying employees who have a second job at another state agency and hiring contractors with political ties.

WHAT CAN WE DO?

The Republican alternative budget for FY 2017 recommended reducing Board of Regent central office positions by half to save state taxpayers $3.3 million annually.

UConn – Higher Education Costs Out of Control

- **As a result of the school's spending, in December of 2015 UConn approved a plan to raise tuition by more than 30 percent over four years. This is concerning because it could potentially prohibit Connecticut residents from attending the school due to unaffordability.** State aid for 2016 will also be at an all-time high.[44]

- **Multiple actions by UConn have been tone deaf to the state's budgetary issues and living within our means.**
    - This year UConn proposed a budget with **annual raises ranging from 3 to 4.5 percent over the next five years** which was an **increase of $93.9 million**. The contract was pulled before a vote could take place.[45]
    - In June 2016, at a time when all merit-based increases were completely cancelled for all state non-union managers, **UConn gave out raises and bonuses to top staff including very large raises and bonuses to its president** (President Herbst's raises in 2016 included a $29,500 pay raise in January, a $230,000 bonus in May and another $40,000 bonus this summer). [46] After public outcry, and after UConn first refused to rescind the raises, they pulled back on a small portion of the scheduled raises.[47]
    - The Board of Trustees is **now asking the state for an additional $107.7 million** for the fiscal year that begins July 2017 – **a 29 percent increase in the state contribution**.[48] UConn already receives **more than $315 million annually in direct taxpayer support**

[44] http://ctmirror.org/2015/06/29/the-state-of-uconn-in-15-charts/
[45] http://ctmirror.org/2016/02/25/malloy-uconn-pay-raises-dont-reflect-new-economic-reality/
[46] http://ctmirror.org/2016/06/22/a-few-top-uconn-officials-get-hefty-pay-increases-despite-tough-times/
[47] http://www.courant.com/news/connecticut/hc-uconn-rethinks-raises-0709-20160708-story.html
[48] http://ctmirror.org/2016/06/29/uconn-adopts-a-largely-flat-budget-seeks-big-increase-next-year/

with no strings attached. On top of that, **UConn receives billions in taxpayer-financed bond money**. In fact, **Gov. Dannel Malloy increased bond authorizations for UConn by $2.4 billion (including UConn and UConn Health Center), more than Govs. John Rowland and Jodi Rell combined.**

- **Questionable Use of State Funding**

  - For the 2015-16 fiscal year, University of Connecticut trustees approved a budget that increased spending by nearly 9 percent. They signed off without discussion in public and after reviewing the budget behind closed doors for 90 minutes. Following this, Republicans proposed legislation to increase transparency in the budget process.[49]

  - A 2015 audit found that UConn worked with the governor to approve a Health Center project that auditors say will **cost the state $77 million in "unnecessary" interest**.[50]

  - A 2014 audit showed **UConn squandered taxpayer dollars and abused its authority**.[51]

  - The school's foundation has also **squandered money buying a mansion for their president[52] and paying Hillary Clinton an exorbitant speaking fee[53]**.

  - According to a 2013 WSJ review, UConn's **administrative costs are the highest in the nation among public research universities**, spending **17 percent of its budget on nonteaching expenses**, or $8,493 a year per student.[54]

WHAT CAN WE DO? - TO PROTECT AND PRESERVE OUR STATE'S FLAGSHIP UNIVERSITY, THE STATE MUST REASSERT ITS OVERSIGHT AUTHORITY AND DEMAND BOTH ACCOUNTABILITY AND QUALITY FROM UCONN.

- **Over the years, UConn has lobbied for and received special exemptions from state controls that apply to other state agencies**. UConn is exempt from the State Personnel Act and from general state procurement policies. This means **UConn is free to hire personnel, set and raise salaries, make major purchases, enter into contracts and lease property without state oversight**. **We must increase state oversight of UConn's budget, spending, and hiring practices to protect taxpayers' investment in our flagship university.**

- In addition to financial accountability, we must demand educational excellence. Instead of simply paying our public colleges based on student head counts, **we need to establish a performance funding system to reward schools for meeting performance standards**, such as reducing time to graduation, increasing degrees in science, technology and other high need fields, increasing the number and success of low and moderate income students, and reducing administrative expenses.

[49] http://ctsenaterepublicans.com/2016/03/sen-mclachlan-backs-bill-to-make-uconn-budget-transparent-journal-inquirer/
[50] http://ctmirror.org/2015/07/29/auditors-uconn-burdened-ct-with-77m-in-unnecessary-interest-cost/
[51] http://articles.courant.com/2014-08-27/education/hc-uconn-audit-0828-20140827_1_geragosian-selection-process-auditors
[52] http://www.journalinquirer.com/opinion/chris_powell/clinton-s-fee-exposes-slush-fund-at-uconn/article_7507f932-08f5-11e4-9359-0019bb2963f4.html
[53] http://www.nhregister.com/opinion/20140704/editorial-hard-to-trust-uconn-after-251000-hillary-clinton-speech
[54] http://ctmirror.org/2013/01/10/uconn-spends-more-administration-its-peers/

Clean Elections

While Democrats have repeatedly talked about wanting clean elections, they have not passed or proposed policies to clean up elections. In fact, Democrats have passed policies in recent years that have moved our state in the opposite direction.

Time and time again we have seen Democrats chip away at the clean election system that Connecticut once took great pride in.

The Citizens Election Program was passed with a bipartisan vote in 2005. We created a public financing system to ensure honest, fair elections. But that's not what we have now. Since its establishment, the program has suffered from a series of blows that weakened it significantly:

1) Just 3 days after the 2010 primary, Democrats overrode Governor Rell's veto of Public Act 10-1 and **doubled the amount of taxpayer funds to $6 million**, filling Gov. Malloy campaign coffers.

2) Gov. Malloy tried unsuccessfully in March 2012 to allow **publicly financed candidates to raise unlimited funds from special interest groups** if they faced a high spending opponent (HB 5528).

3) In June 2013 **Democrats opened the CEP program to a flood of special interest money** when the voted to pass Public Act 13-180 which did the following:
    - allowed unlimited organizational expenditures from state central committees
    - doubled individual limits to PACs and party committees including federal accounts
    - allowed organizational expenditures to be used for negative campaigning

4) **Gov. Malloy 2014 Reelection Concerns**

    - In October 2014, state Democrats asked the Federal Election Commission to declare that it was legal for the party to use money from its federal campaign account to pay for a planned campaign mailing asking voters to re-elect Gov. Malloy. **Despite objections from the State Elections Enforcement Commission, they moved forward without approval.**

    - The **State Elections Enforcement Committee launched an investigation into the state Democratic Party spending money from its federal account** (which included donations from state contractors) to pay for a gubernatorial reelection mailer. The state Democratic Party dodged subpoenas from the SEEC and the matter went to court. But after a long court battle, in June 2016 the state Democratic Party made a settlement with the SEEC. The toothless settlement includes no admission of wrongdoing. Rather, it makes the Democrats promise to follow state law moving forward and requires they make a "voluntary payment" of $325,000 to the state – in exchange the case was dropped, investigation halted, and subpoenaed emails remained concealed. This was a slap in the face to transparency and to the public whose taxes fund the clean elections program.

- **Now, a federal grand jury investigation has begun into this same situation involving the Democrat State Party and Gov. Malloy's 2014 reelection campaign.** This is another black eye for Connecticut politics caused by the majority party's continued actions to scale back campaign finance reform.

REPUBLICANS PROPOSED LEGISLATION IN 2015 TO STRENGTHEN THE CITIZENS ELECTION PROGRAM.

This proposal was rejected by the Democrat majority. The Republican proposal included:

a. capping organization expenditures by state parties
b. reducing individual donor limits to state parties
c. eliminating grants to unopposed candidates
d. stopping state contractors from donating to federal accounts to fund a state race
e. reducing all CEP grants by 25%

Transparency & Conflicts of Interest

1) **The Democrat Majority has failed to deliver on creating an open and transparent government.**

2) While Connecticut has many issues regarding transparency, one case in particular shows the deep issues within the current administration - **Insurance Commissioner Katharine Wade's oversight of the proposed Anthem-Cigna mega merger**.

- Commissioner Wade is a former VP of Cigna, daughter-in-law of a major Democratic fundraiser/ insurance industry lobbyist, and wife of a Cigna high level attorney.

- She was appointed Commissioner before the Anthem-Cigna merger was proposed. Once the merger was proposed, she was asked by lawmakers in the fall of 2015 to recuse herself from overseeing the merger due to her conflict of interest, but she refused.

- The State Code of Ethics prohibits a public official from taking any "official action" if he or she has reason to believe or expect that such action would have a direct financial impact on such official, ***a spouse***, a dependent child or a business with which such official is associated. (C.G.S. Sec. 1-85) – **clearly her husband as a stock holder would be impacted financially by any Cigna merger, therefore a conflict exists.**

- In 2016, investigations led by the International Business Times showed that Cigna and Anthem's donations to political groups jumped significantly in recent years and since the announcement of the proposed merger. This raised questions about whose best interest the beneficiaries of said donations had in mind when reviewing the merger, which requires state and federal approval.[55]

- Republicans submitted multiple FOI requests to Commissioner Wade regarding her conversations with state ethics officials, Cigna, Anthem and other states. She has withheld information that should have been shared.

- Due to the shadow cast by the refusal to recuse herself, the uptick in political donations, and the refusal to comply with FOI requests – Republicans, and even some Democrats, have raised concerns about Commissioner Wade and potential favoring of the interests of the insurers over the interests of consumer. However, Commissioner Wade remains in place even as the Office of State Ethics conducts a formal investigation.

- The shadow cast by this behavior, paired with warnings from the state Attorney General that such a massive merger would hurt competition and lead to increased costs for consumers, Republicans have asked Gov. Malloy to urge denial of this merger and to ask Wade to recuse herself from the situation – all to no avail.

[55] http://www.ibtimes.com/will-cigna-anthem-merge-how-health-insurance-companies-pump-money-politics-2376438

Criminal Justice

1) Issues with the State's Risk Reduction Earned Credit Program

The Risk Reduction program was established by the Connecticut State Legislature in 2011 as an incentive to promote good behavior and program participation among offenders. **Prior to February 1, 2016, all those who qualified (regardless of their security risk level) received a reduction of five days off their sentence per month.**

This system was designed to keep prisoners moving towards the door as quickly as possible without assessing whether or not a person is actually in need of more treatment. Rather this system has simply relied on a formula to keep the conveyor belt moving towards the exit.

The focus of this program **too heavily centers on decreasing the amount of people in our prison system to save money, as opposed to ensuring that these individuals have truly rehabilitated themselves** and have the supports they need to lead a productive life in their community without recommitting crimes.

The case of **Arthur Hapgood** - who killed a baby (Zaniyah Calloway) after being released from prison early in spite of failing three drug tests in prison and helping two inmates escape from a halfway house[56] - shows just one disturbing system failure that allowed a person to leave prison despite failing in every way to show that he was rehabilitated and reformed.

- Hapgood was serving a 71-month sentence for a 2008 robbery. While in prison, Hapgood accumulated early release credits by taking part in educational classes, holding a job, and participating in the Offender Accountability Plan and successfully completing, according to DOC officials, Tier 2 (intensive outpatient addiction services). He earned credit for these programs, while also failing three drug tests and refusing to take a fourth. Hapgood was also allowed to leave prison in May 2013 as part of a community release program. However, he received a "technical violation" while in the program after helping two inmates escape in July 2013. He was then sent back to jail, where he continued to earn additional early release credit.

- After his release Hapgood fatally stabbed 1-year-old Zaniyah Calloway in Bristol on August 18.

- Hapgood received drug treatment, but continued to take drugs while incarcerated. He clearly needed more help, but the system failed to deliver it. Instead, that same system gave him credits for "successful" treatment – credits that allowed him to leave prison earlier than he should have. Society was put at risk, and the Calloway family paid a heavy price.

2) Cutting from Community Supports

While the state is pursuing policies that get more people out of prison to save money, the state is simultaneously cutting services for those individuals which help them transition back into

[56] http://ctsenaterepublicans.com/wp-content/uploads/2014/09/Timeline.pdf

society and prevent recidivism. For example, the fiscal year 2017 budget cut funding for critical mental health and substance abuse treatment by $12.5 million (including lapses).

3) Second Chance 2.0

While the governor gained some bipartisan support for his misdemeanor drug offense reforms in 2015, his Second Chance 2.0 proposal in 2016 garnered no Republican support and was never called for a vote by majority Democrats who feared a vote on this only because we were in an election year. **Although this proposal was NOT passed this year, the legislation will likely come back as a proposal again next year.**

The bill *was* passed at the preliminary committee level by the state's Judiciary Committee, which speaks volumes about the support the Democrat majority showed for the bill. The bill contained two main parts Republicans objected to:

A) The proposal would "Raise the Age" - The bill passed by the Judiciary Committee would allow the following crimes, when committed by someone up to age 20, to be erased under 'youthful offender status' meaning that the offender would have no criminal record:

- All strangulation crimes, typically involving domestic violence
- Sex assault in the second degree, involving assaults on the mentally or physically disabled, incapacitated
- Sex assault in the third degree, meaning forcing another into sexual contact
- Sex assault in the third degree with a firearm, using a gun to force another into sexual contact
- Anyone who profits from forcing people into prostitution
- Enticing a minor, which is using a computer to lure a minor into sexual activity
- Several possession of child pornography charges

B) The proposal would also eliminate bail for violent misdemeanor offenses - While some Republicans support bail reform for low-level, non-violent, victimless, non-drug-selling related crimes, Republicans could not support eliminating bail for violent offenses. The governor's bill as passed in the Judiciary Committee was too broad and could have allowed convicted felons to get out of jail.

- Based on data obtained from the Judicial Branch, 60 percent of the people that would qualify for no bail under the governor's original Second Chance 2.0 proposal are convicted felons.
- In addition, 77 percent of the people who would qualify for bond-free release have three prior convictions.[57]
- It would also eliminate bail requirements for misdemeanors including violent offenses (State Misdemeanor Offenses)

[57] http://ctsenaterepublicans.com/2016/06/fasano-klarides-urge-gov-malloy-to-tighten-bail-reform-language/

4) Democrats have reduced Victims' Rights while increasing Criminals' Rights

Prior to legislation that was passed in 2015, the state had significant loopholes in its pardons and parole process.

The case of convicted cop killer Gary Castonguay is just one example. In this case, the state's Parole Board decided they would release Castonguay from prison, as he had been serving time for the 1977 killing of police officer Robert Holcomb. The decision was made with no input from the victims' family and the family was not notified of the parole hearing.[58] Republicans have pushed for reforms to ensure victims' families are informed and respected throughout the pardons and parole process.

[58] http://ctsenaterepublicans.com/2015/03/sen-martin-state-officials-righted-a-wrong-today-bristol-press/

Labor

Democrats have passed and proposed multiple labor bills that send the wrong message to job creators. Small businesses are the backbone of the state economy. Democrat policies continue to make it difficult for small businesses to open and continue to operate in Connecticut.

1) Mandatory Retirement Savings

Just this year, new requirements were imposed on employers regarding employee retirement plans and a state-run mandatory retirement plan was established. This controversial law now requires certain private-sector employers to automatically enroll workers in retirement savings plans overseen by a new quasi-public authority. The employee must take the initiative to opt-out if they don't want the state plan.

Problems:

- This is a **costly and unnecessary government encroachment** that will **take business away from the state's financial services industry**.
- It will also add a **burdensome mandate** on employers at a time when Connecticut's business climate is already struggling. It will also force individuals to pay for a program they may not want and require individuals to put away a percentage of their salary that perhaps they need to support themselves and their families now.
- It creates **more responsibilities and expenses for the state** at a time when the state is **struggling to meet its core responsibilities.**

REPUBLICAN ALTERNATIVE: REPUBLICANS RECOGNIZE THE NEED TO DO MORE TO ENCOURAGE PEOPLE TO SAVE FOR THEIR RETIREMENTS. THAT'S WHY WE OFFERED AN ALTERNATIVE SAVINGS MODEL THAT WOULD HAVE CREATED AN ONLINE RESOURCE TO CONNECT CONSUMERS TO PRIVATE SECTOR SAVINGS PLANS AND GIVE THE CONSUMERS THE POWER TO CHOOSE THEIR PLAN.

Instead of hurting the private industry, it would actually help them by informing customers about what options are available.

The Democrat Bill Passed into Law will HURT:

- Individuals who presently chose not to participate in an individual retirement plan because they can't afford the loss in their immediate income that will result from the automatic enrollment provision.

- Individuals who currently have an employer sponsored matching plan when some employers decide not to offer a plan knowing that their employees now must participate in an individual retirement plan.

- Small businesses who are exposed to additional mandatory reporting and notice requirements by the Democrats' plan and are subject to additional administrative trial type hearings and possibly civil liability

- Local banks and business that compete in the marketplace by picking one winner.

- All Connecticut taxpayers who, despite the claim that it's cost neutral, have had additional mandates and additional bureaucracy forced upon them.

The Republican Plan Would HELP:

- Individuals without access to an employer sponsored retirement plan who may otherwise know how to go about gaining access to an individual retirement plan

- Local businesses currently offering independent retirement plans that want to expand their outreach and who will use our marketplace to connect their products with qualified individuals.

DEMOCRAT PLAN	REPUBLICAN PLAN
• Mandates participation with auto enrollment. Employees would have to proactively opt-out if they don't want it	• Completely voluntary for participants
• Creates a new quasi-public institution and additional levels of bureaucracy	• Partners with private sector utilizing their knowledge and professional expertise
• Permits the new quasi-public to charge administrative fees on the participants	• Does not charge fees to participants
• Based on the idea that the state must force people to save for their retirement	• Based on education and promotion of individual-responsibility and independence.
• Start-up cost of almost a million dollars and takes years to become self-sustaining	• Low cost to the state

2) "Walmart" Bill

- For multiple years, Connecticut Democrats have proposed a bill that would punish employers by charging a **penalty fee of $1 for each hour of work by an employee who earns less than $15/hour.**

- This is yet another **money grab** through a **new tax** on employers that would **severely stunt job growth**, and likely **cause some jobs to disappear.**

- **The proposal would apply to companies with 500 employees or more, such as large retailers.** Therefore, it has been commonly referred to as the "Walmart Tax" bill. The bill also included franchises with more than 500 workers throughout the state. So, your local Dunkin Donuts, Stop and Shop, and Ace Hardware could also be subject to huge fees or grossly inflated required wages.

- **This proposal would actually punish companies that are paying the minimum wage. It even would punish companies for paying *above* the minimum wage.** Connecticut raised its minimum wage after the legislature approved a plan that would stagger the increase to $9.15 in 2015, $9.60 in 2016, and $10.10 in 2017 – all significantly higher than other states but all still significantly less than $15. These changes were widely debated and heavily fought by employers and employees alike who feared a higher minimum wage would increase business costs, and thereby put current jobs and job growth in jeopardy. Nevertheless, the legislature made a decision to increase the wage and the law was set.

- **This bill may be seen as an attempt to force a higher minimum wage**, a wage more than 60% greater than our current record-setting minimum wage. **But in reality it is more of a money grab than an incentive for companies to raise their wages**. For most companies that cannot afford to raise wages to $15 per hour, a $1 per hour penalty will not magically make them able to afford higher raises. Rather, it will add a $1 per hour burden to their finances and make it even harder for the companies to raise their wages naturally as business grows.

- We know that employers want to provide stable and sufficient wages to attract the best employees. That's why the **state should be focused on creating a healthier economy and business environment so employers can grow jobs and provide more opportunities for their employees.**

3) Wage Laws

- Connecticut raised its minimum wage after the legislature approved a plan that would stagger the increase to $9.15 in 2015, $9.60 in 2016, and **$10.10 in 2017**.

- There is still a push for a **$15 minimum wage**, despite the damaging effects of creating a false economy through a minimum wage this high. **By creating a false economy, this demand is an admission that the economy plays a role in state health and quality of**

life. But instead of creating a false economy, Republicans believe in making our economy healthier with more jobs and increased competition that will naturally lead to increased wages.

- In 2015, Democrat lawmakers created the Connecticut Low Wage Employer Advisory Board, which is now holding hearings to raise the minimum wage to $15.[59]

- But increasing the minimum wage as a 'solution' only **masks the inability to address tougher challenges –** challenges like bettering our education system and establishing a realistic path for students to get good paying jobs that match their skills right out of high school.[60]

- On the surface, it's easy to tout and claim victory for the people. But in reality, **it will not help grow new jobs and it will not remove the barriers that make it difficult for so many people to find jobs in the first place, and it will not remove burdens on businesses that prevent them from growing new jobs.**

REPUBLICANS BELIEVE THAT INSTEAD OF RAISING THE MINIMUM WAGE AGAIN AND AGAIN, WE NEED TO IMPLEMENT POLICIES THAT **REDUCE BURDENS FOR FAMILIES AND EMPLOYERS ALIKE**, TO **PROMOTE BROAD PROSPERITY** THAT MAKES IT EASIER FOR PEOPLE TO FIND LIVING-WAGE JOBS.

We also need to **assist those without the training or skill-set to get these jobs**. We need to **remove obstacles** and **empower people**.

4) State Employee Workforce

Years of failed Democrat fiscal policies have created such a financial crisis in the state that their latest budget includes <u>thousands</u> of state employee layoffs.

- These layoffs were caused by two things: (1) years of failed, shortsighted Democrat fiscal policies that drove our state into the ground and (2) the powerful union heads refusing to negotiate and discuss modest concessions. Union leaders are complicit in the layoffs which sacrifice the powerless, rank-and-file state employees, all to protect the top echelon of union leaders and unaffordable benefit policies.

- Republicans believe in employment. Layoffs should only be used as a last resort. Natural attrition is the best solution – not layoffs.

- Every year, we reduce the size of government by 1,900 on average through attrition. These natural reductions in workforce are better for the state and less harmful to families.

- Layoffs hurt the powerless in unions, the newer hires, often with young families.

[59] http://www.yankeeinstitute.org/2016/07/union-targets-connecticut-as-battleground-in-fight-for-15/
[60] http://www.nhregister.com/article/NH/20160106/NEWS/160109746

- Layoffs also exacerbate the state's strained job market, unemployment benefits, and sluggish economy. Increasing the amount of unemployed individuals in the state strains the state as well as the former employees and their families.

REPUBLICANS STOOD UP FOR THE RANK AND FILE STATE UNION EMPLOYEES.

- Republicans proposed making modest changes to state employee health benefits and pension contributions to avoid significant, painful layoffs that will place more strain on Connecticut's job market and unemployment benefits. Changes included things like increasing prescription copays from $5 to $10 and increasing pension contributions to 4% - up from 2% and 0%.

- State employees did not cause these deficits, but the Democrats had them pay the price. We believe in working with everyone to identify solutions.