



**The Senate Republican Legislative Agenda
2017 Legislative Session**



CONNECTICUT
SENATE REPUBLICANS

Our goal:

Senate Republicans have mapped out the path our state must take to grow jobs, renew business confidence, build opportunity, and reinstate people's trust in government.

If we move in this new direction, we can restore people's confidence in Connecticut and define a brighter future for jobs and families.

How we get there:

1. Financial Stability & Predictability

A reliable state with business confidence is the best environment to grow jobs.

- a. Reduce Burdens - *Tax Relief & Job Creation*
- b. Sustainable Budgets - *Budget and Borrowing Reform*

2. Families and Opportunity

Connecticut's future depends on supporting our families and creating opportunities for all to succeed.

- a. Strengthen Connecticut Cities - *Urban Agenda*
- b. Protect Connecticut Children - *Department of Children and Families & Education Funding*
- c. Keep Connecticut Healthy - *Health Care & Insurance Reform*

3. Trust in Government

Connecticut needs a government that operates efficiently and transparently. We must restore people's trust and confidence in government to use tax dollars wisely.

Financial Stability & Predictability

A reliable state with business confidence is the best environment to grow jobs.

Job growth is the key to improving quality of life for people across our state. The best way to encourage growth is to create an environment that is stable and predictable and a state in good financial health. We must restore business confidence. Taxpayers and employers deserve a government that is reliable, sustainable, and lives within its means.

Reduce Burdens

Tax Relief & Job Creation

- 1. Eliminate the Taxation of Pension Income** - We will pursue a phase out of taxation of pension income under \$100,000. Reducing taxes will allow people to keep more money in their pockets to contribute to local economies and will keep more people in Connecticut post retirement.
- 2. Provide Property Tax Relief** - We propose reducing property taxes for Connecticut residents by phasing in an increase in the Property Tax Credit from the current \$200 back up to the \$500 level that was in place prior to the largest tax increase in state history. We also hope to implement policies that reduce burdens on our municipalities so that they can better work toward making local property taxes affordable. Such policies would include municipal mandate relief, requiring a two-thirds vote to enact any unfunded state mandate, and adjusting prevailing wage thresholds to appropriate levels. Property tax relief will allow residents to keep more of the money they make so they can spend it locally and boost the state economy.
- 3. Eliminate Nuisance Taxes** – We propose eliminating nuisance taxes and fees that cost more to collect than the state receives in revenue (the Yankee Institute for Public Policy has compiled a list of approximately 200 taxes and fees that bring in only 0.15% of total state revenue)¹.
- 4. Reduce Business Burdens** – Reducing burdens on businesses will allow jobs to grow. This will boost the local economy and attract people to our state, which will mitigate many of the budget problems we face as a result of outward migration and slow economic growth.

We propose to protect small businesses from burdensome new regulations by requiring that state agencies answer a series of questions before implementing any new regulations to demonstrate and document that such polices won't pose any unjustifiable new burdens on small businesses. We propose implementing a review of current regulations to answer these same questions so we can make informed policy decisions that reduce burdens on job creators. Our state should be asking these questions so we know exactly how proposed regulations may impact our business community and minimize any potential adverse effects.

We propose to allow businesses that are fined by DEEP for violations to reduce the fine by an amount equal to the capital expenditure made by the company that was necessary to correct

¹ <http://www.yankeeinstitute.org/policy-papers/taxes-and-fees-2016/>

the problem for which the violation was given. This will reduce the burdens on businesses who take corrective measures to comply with state regulations.

We also plan to review occupational licensing laws to determine what potential reforms could be made to remove barriers when applying for licensing for skilled jobs. Often high fees and specific educational requirements can harm low-income workers and make it very difficult for them to obtain the proper licenses. We propose making sure requirements are in line with requirements in other nearby states. In addition, we plan to review the challenges faced by independent contractors with regards to the Department of Labor and seek to reduce burdens that could inhibit their work.

Sustainable Budgets

Budget and Borrowing Reform

1. **Balance the Budget** - With weak economic growth, lower than expected revenue from the sales tax and income tax, and savings not being achieved, fiscal year 2017's budget is already in deficit. We propose changing the law so lawmakers must take action when warning signs appear indicating that the budget is heading into deficit. If Connecticut projections show a deficit for two months in a row, or if the governor uses his or her rescissionary authority to cut the budget twice, we would require a full deficit mitigation plan to be passed by the state legislature within 30 days. We have to act when problems become apparent.
2. **Cap State Spending** – We propose enacting definitions for the widely supported Constitutional Spending Cap. The Attorney General has confirmed that the current cap is unenforceable due to the Democrat majority's failure to enact required definitions. At the time of the enactment of the Personal Income Tax over two decades ago, this spending cap was promised to Connecticut taxpayers as a way to protect their tax dollars. It is beyond time for this deal to be upheld.
3. **Require a Legislative Vote to Approve all State Employee Contracts** – We will propose legislation to require that all collective bargaining contracts be approved by the General Assembly in order to be implemented. Currently, if a vote is not called by the majority party, contracts automatically become law within a given timeframe even if they do not have legislative approval.
4. **Fix Connecticut's Growing Debt Problem** - To get our ever growing debt burden under control and to reduce this fixed cost for future generations, we propose immediately enacting a bond allocation cap which the governor cannot exceed, limiting the state treasurer's issuance of general obligation bonds in the future, and ceasing the use of bond premiums to support operating costs.
5. **Make Transportation Improvements a Priority** - We plan to enact the Republican Prioritize Progress plan that fully funds all priority transportation infrastructure projects within current resources and without additional tax increases or tolls unlike the unrealistic \$100 billion initiative proposed by the majority. We also would enact legislation to prevent Connecticut from spending money to study or test a "Mileage Tax." Investing in transportation will provide more opportunities for job growth and economic development and our funding plan won't further strain our state budget with unmanageable expenses.

6. **Reduce the Size of State Bureaucracy** – We propose making multiple organizational and structural changes to state government to improve services while reducing administrative costs. We will begin privatization of duplicated services to improve offerings in areas where the private sector has shown to not only do a better job offering services, but also to do so at a reduced cost. Finally, the legislative branch will see the elimination of redundancies by cutting the number of committees from 27 to 15 to allow real work to be done on legislation within the committee structure rather than “works in progress.”

7. **Pension Reform** – To be more in line with other states, we propose reforming the state pension system including the following changes:
 - Require all non-hazardous employees to pay 4% of their salary to their pension benefits (currently top tiers pay nothing and bottom tiers pay only 2%)
 - Transition part-time temp and seasonal workers to FICA alternate retirement program.
 - Transition New State Employees to a Defined Contribution/Defined Benefit Plan Similar to Rhode Island.
 - Implement procedures to prevent spiking overtime in the last three years of employment to prevent those in retirement from making more than they did as an employee.
 - Make modest increases to state employee health premiums and prescription drug copays.
 - Suspend longevity payments.

Families and Opportunity

Connecticut's future depends on supporting our families and creating opportunities for all to succeed.

Strengthen Connecticut Cities

Urban Agenda

1. **Create a Ladder to Success** - The strength of our state depends on the strength of our cities. One of the most rampant problems in Connecticut cities is poverty. To reduce poverty, and thereby strengthen our cities, we believe our state must support workforce entry. We also believe individuals need to be empowered to break the multi-generation poverty cycle. Rather than being trapped in a system with no jobs and government dependence, people need opportunities to pull themselves up and out of poverty.
 - **Accelerate Workforce Entry** - To create a ladder to success, we propose creating programs that accelerate entry into the workforce by instituting a phase out for benefits under Temporary Family Assistance (TFA), Care4Kids and Unemployment Compensation, instead of having people simply lose all benefits once they reach a certain pay threshold. Phasing out the benefits instead of a sharp elimination of benefits will help remove the disincentive for individuals to not earn more in wages. This is simply smart public policy that contributes to economic growth and breaks the multi-generation poverty cycle.
 - **Restore Day Care Services to Help Working Parents** - To give the opportunity to low-income families to work, we plan to modify the budget to reinstate recent reductions to Care4Kids. This will immediately help 4,000 families that earn between \$26,760 and \$44,000 to once again receive child care assistance that was eliminated on July 1st.
2. **Build a Stronger, Safer Community** – We want our cities to be safe places where everyone feels they can safely raise their families. To increase public safety and to strengthen urban communities, we propose expanding Connecticut's community policing efforts to foster better relationships between law enforcement and the public. We also propose increasing mental health and substance abuse treatment to former offenders who are reentering public communities including urban areas after having served their time and rehabilitating themselves.
 - **Community Policing** – Community policing has shown that much better relationships are built between police officers and communities if officers meet and interact with the public. This humanizes a police officer so he or she is seen as less of an intimidating authority figure and more as a local protector. We will encourage community policing to get more police officers out of cruisers and onto the beat, traveling through communities by walking or bicycling. We also plan to encourage police to partner with private and non-profit sector groups such as hospitals, mental health facilities, churches, and local business groups in order to foster more community engagement and interaction as opposed to simply policing and responding to calls. We will encourage police to work with those groups to assess the specific needs of local neighborhoods to help them better prevent crime. Finally, we will explore partnerships between police and clergy to facilitate visits to homes of troubled

teens/juveniles to provide intervention support and facilitate parental action when appropriate.

- **Community Reentry Reform**— Connecticut needs expanded support in providing substance abuse and mental health treatment to former offenders reentering communities. Many of these individuals often reside in Connecticut cities. We propose expanding drug treatment and testing after release. We would explore state partnerships with nonprofits and faith based groups to assist with community monitoring of individuals recently released in certain high risk neighborhoods. We will also implement a pilot program in New Haven and New London to have courts use a "gatekeeper" approach with those on a criminal docket to identify and track those who are homeless, substance abusers, and mentally ill. Rather than prosecuting these at-risk individuals, the program would direct them to intensive assistance to provide support to address the issues they face and attempt to stabilize them as opposed to incarcerating them. Support would include housing, substance abuse counseling, and treatment for mental health issues. If alternative methods fail to rehabilitate individuals, the ability to reinstate charges would remain.
3. **Encourage Urban Economic Growth through Brownfield Redevelopment** - To develop viable communities with economic growth, a reduction in blight and simultaneous increase in the value of taxable property, we propose a brownfield redevelopment incentive program. To incentivize developers to remediate brownfield sites in urban areas, the "7/7 Program" will simplify the administrative process and offer a tax incentive package to employers willing to invest in new development. For redeveloping a brownfield site and agreeing to specified employment commitments and partnerships with local schools, employers will receive 100% exemption from the state income, sales and use, or corporation business taxes generated at the revitalized property for 7 years. For contaminated property the employer will also be able to deduct 60% of the remediation cost over the 7 years following the 7 year 100% tax exemption.

Protect Connecticut Children

Department of Children and Families & Education Funding

1. **Improve Child Welfare Oversight**- Connecticut's Department of Children and Families has struggled to implement effective oversight procedures which has led to the department repeatedly failing to meet the needs of many children under its care. To better serve at-risk children, we propose implementing an independent oversight council for the Family Assessment Response Program. We will also implement the Child Welfare League of America Quality Improvement Review as utilized in other states such as Massachusetts.
2. **Have the Experts Handle Juvenile Justice Cases** – We will move the state's juvenile justice services currently under the Department of Children and Families to the Judicial Branch Court Support Services Division. This will allow the experts to handle these difficult cases. Connecticut's CSSD is nationally recognized for its successful treatment and handling of juvenile cases. DCF has experienced extreme difficulties handling juvenile cases, which have resulted in abuse and mistreatment of children under the agency's care. We plan to close the Connecticut Juvenile Training School at which abuse has been documented and transfer those functions to CSSD.

- 3. Restore Education Funding to Towns** – In the Fiscal Year 2017 budget adjustments, Democrats cut local education funding by over \$94.2 million including cuts to Special Education. We will restore funding to appropriate levels for local education to ensure that our children have every opportunity to learn and succeed here in Connecticut.

Keep Connecticut Healthy

Health Care, Social Services & Insurance Reform

- 1. Protect Hospital Funding** – We propose implementing a new law that requires the state to make timely payments to hospitals. Budgets should not be balanced by cutting from hospitals or withholding payments that are needed to provide care to the sick, poor and elderly.
- 2. Address Challenges Created by the Affordable Care Act** – We will organize a public informational hearing with advocates and insurance companies to discuss the challenges they face as a result of the Affordable Care Act that have led to increased patient costs. It's time Connecticut begins a discussion with all stakeholders to determine how our state can reduce burdens and lower the cost of care for working and middle class families. We also propose formalizing definitions for insurance rate increases and require mandatory public hearings.
- 3. Help Patients Make Informed Health Care Decisions** – Patients can make the best informed decisions about their health care when they have access to more information about care costs and their own medical histories. We would increase informed decision making by implementing a price transparency website to publicly disclose prices for common health care procedures and allow consumers to comparison shop. We would also develop a state health information exchange to provide patients with access to their complete medical records in any provider setting and collect the clinical health data necessary to promote evidenced based medicine, reduce duplicative services and procedures, and improve outcomes. We also recommend supporting online access to medical and mental health services when possible to increase accessibility.
- 4. Implement Global Health Care Budgeting** – We propose requiring all state agencies to participate in global health care budgeting and establish an independent Health Authority to align state health policy, budgeting and purchasing to increase efficiency, transparency and accountability.
- 5. Protect Seniors** – With the enactment of the fiscal year 2017 budget many services once provided to the elderly and disabled, such as the state's mobile bus program, have been cut. As a result, these individuals no longer have consistent and reliable contact with the Department of Social Services to process routine paperwork. This in turn puts a strain on Connecticut municipalities as they try to help connect seniors with state services. To help maintain and restore critical services, we propose eliminating the State Department of Aging and moving all programmatic funding to the Department of Social Services. With the savings from the elimination of redundant bureaucracies, we will provide additional funding for the programs that provide direct support to our seniors. For example, we propose to reinstate funding for the mobile bus program. In addition, municipal directors of social services have no direct contact at the Department of Social Services to contact when individuals in a community seek help from their towns. We propose converting one of the DSS legislative liaisons to a municipal liaison to assist towns directly.

6. **Protect Individuals with Developmental Disabilities and their Families** – We propose the creation of a new appropriation to solely fund cases defined by the Department of Developmental Services (DDS) as emergent. Given the significant reductions in funding over the past few years, too often DDS has no funding available to take care of emergency cases that may pop up unexpectedly throughout the year. When this occurs, patients are at times left in hospitals for weeks because DDS lacks the funding to place them. This new appropriation will ensure that funding is available to help find the appropriate care in emergencies.

Trust in Government

Connecticut needs a government that operates efficiently and transparently. We must restore people's trust and confidence in government to use tax dollars wisely.

Recommendations:

- 1. Budget Transparency** – We propose enacting legislation to require the General Assembly to approve all budget related legislation no later than May 5th annually. The legislation would provide that a supermajority vote would be required in order to go beyond this deadline for budget enactment. This modification will allow municipalities to know exactly what funding they are receiving from the state early enough in the year to effectively manage their own budgets. We will require that the budget must be made available to lawmakers at least 48 hours prior to any vote to allow time to fully review the budget before voting on it.
- 2. Corporate Welfare Reform** – We will propose legislation to require more reporting from corporations that have received “First Five” funding to ensure that they are meeting required benchmarks and goals. This will help ensure that proper penalties are in place should goals not be met. We would require legislative approval for companies to receive First Five support if receiving funding above the current statutory thresholds (over \$10 million for most companies, over \$20 million if dealing with tax credits and bioscience companies). We propose expanding the state whistleblower law to include any employee of a company receiving state economic development assistance if they provide evidence that the company failed to achieve benchmarks or abide by conditions of the grants. This will ensure that whistleblowers who accurately report their employer failing to meet requirements will be protected from retribution by restoring their position if fired, mandating back pay, and as incentive, allowing the whistleblower to receive a specified amount of any state funds that are repaid due to a company's failure to meet the DECD requirements. These proposed changes are similar to the Federal False Claims Act.
- 3. Higher Education Oversight** – Higher education costs are increasing dramatically in Connecticut resulting in higher tuition burdening our students and families. To protect and preserve our state's flagship university, the state must reassert its oversight authority on the University of Connecticut and demand both accountability and quality from UConn. We propose increasing oversight of UConn's budget, spending, and hiring practices to protect taxpayers' investments in the university. We also propose creating a transparency website for salaries and bonuses in higher education. Instead of simply sending taxpayer money to public colleges based on head counts, we will explore establishing 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. Finally, we propose reducing Board of Regent central office positions by half to save state taxpayers over \$3 million annually and moving certain responsibilities away from the Board of Regents and back to the individual colleges.

4. **Clean Elections** – We will strengthen the state’s Citizens Election Program to ensure clean elections. We will cap organization expenditures by state parties, reduce individual donor limits to state parties, eliminate grants to unopposed candidates, stop contractors from donating to federal accounts to fund a state race, and reduce all CEP grants by 25 percent.
5. **Restore Trust in DMV, Reduce Lines and Wait Times** –We propose pursuing privatization of certain services currently provided by the DMV utilizing services offered by car dealerships and AAA offices. This will reduce the responsibilities DMV handles internally so the department can focus on properly managing the core services it provides. This will allow the DMV to do a better, more efficient job and help reduce wait times at DMV offices.
6. **Review CTFastrak** – The state’s new busway system cost hundreds of millions of dollars to build and costs the state approximately \$10 million per year in operating expenses. Still, data provided on utilization is murky at best and misleading at worst. We propose conducting a full review of the CTFastrak system so the state can better understand how this investment is working and if money would be better spent elsewhere. We have to focus our state on funding needs, not wants in these tough financial times.
7. **Create an Office of the Inspector General and Review State Operations Routinely for Efficiency** – We propose consolidating the state’s watchdog agencies under a new Office of the Inspector General under the Judicial Branch. The office of Inspector General would have broad authority to conduct audits and investigations and most importantly, receive and respond to complaints from employees, whose confidentiality is to be protected. We also propose restoring the performance audit function of the state auditors. To help mitigate the potential costs associated with these changes, we suggest centralizing state legal staff under the Office of the Attorney General thereby reducing the need for individual agency attorneys or expensive outsourcing of legal services.