



2012 Republican Priorities:

*Setting Connecticut On A Sound
Fiscal Foundation and a Path to
Job Creation*

Connecticut Constitution, Art. III, Sec. 2:

“In the even year session the general assembly shall consider no business other than budgetary, revenue and financial matters, bills and resolutions raised by committees of the general assembly and those matters certified in writing by the speaker of the house of representatives and president pro tempore of the senate to be of an emergency nature.”

Crisis Averted???



STATE OF THE STATE & BUDGET ADDRESS
General Assembly Joint Convention

CT-N

02/08/12

“One year later, it turns out that by taking that less-traveled road we have passed through the crucible of that crisis. In the process, we’ve brought positive, far-reaching, meaningful, and systemic change to Hartford.”

~Gov. Dannel P. Malloy, Feb. 8, 2012

- 2011: Largest tax hike in state history-\$1.8 billion per year
- Moody’s downgraded our bond rating
- CT ranked the worst state in which to retire
- Financial experts predict that we will end the current fiscal year in deficit
- The Treasurer says our cash-on-hand is at an all-time low
- OPM Secretary Barnes admits that they will fail to achieve their “concessions” savings by \$252 million
- The people of Connecticut are paying more taxes and receiving fewer services.

Things aren’t as rosy as Governor Malloy would have us believe.

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Actual Budget Projections			
Outyear Spending	FY 14	FY 15	FY 16
Spending	\$22,117.3	\$23,161.3	\$24,028.8
Revenue	\$21,860.2	\$23,147.9	\$24,145.0
Revenue less Approps	(\$257.1)	(\$13.4)	\$116.2
Reserve for GAAP	(\$166.8)	(\$166.8)	(\$166.8)
Balance	(\$423.9)	(\$180.2)	(\$50.6)

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Governor Malloy's Budget Projections			
Outyear Spending	FY 14	FY 15	FY 16
Spending	\$22,117.3	\$23,161.3	\$24,028.8
Allowed Appropriations per Cap	<u>\$21,467.8</u>	<u>\$22,038.9</u>	<u>\$22,731.2</u>
Over / (Under) the Cap	\$649.5	\$1,122.2	\$1,297.6
Revenues - All Funds	\$21,860.2	\$23,147.9	\$24,145.0
Allowed Appropriations per Cap	<u>\$21,467.8</u>	<u>\$22,038.9</u>	<u>\$22,731.2</u>
Revenues less Allowed Approps	\$392.4	\$1,109.0	\$1,413.8
Reserve for GAAP	(\$166.8)	(\$166.8)	(\$166.8)
Balance	\$225.6	\$942.2	\$1,247.0

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Republican Priorities: BALANCE THE BUDGET

- NO Tax Increases
- NO Spending Increases
- Review all 2011 Malloy tax hikes and reduce if possible
- Require strict adherence to the spending cap
- Require that consensus expenditure projections are provided, just as consensus revenues are provided
- Reduce Pension Liabilities
- Get Serious About Fraud Prevention
 - DSS & Chief States Atty. Identify existing staff to dedicate to enforcement & protection
 - Prohibit use of government benefits for products such as cigarettes & alcohol

Republican Priorities: ECONOMIC DEVELOPMENT & JOB CREATION

• Regulatory Reform

- Moratorium on any new regulations
- Expedite the permit approval process
- 90 day max for state review/action on permit approval process
- Expedite completed, viable permits and funding applications
- Review costs and environmental benefits of existing regulations
- Convert lower-level “permits” to enforceable “guidelines”
- Require quantitative & qualitative assessment of costs and benefits of new regs

• Provide targeted tax relief to citizens

- Provide tax relief for companies who purchase commercial property in CT
- Repeal the corporate surcharge for 2013
- Expand the scope of Learn Here, Live Here – include ability to purchase first home, pay off school loans or start a business
- Create a Small Business Reinvestment Account Program

Republican Priorities: Economic Development & Job Creation

- Increase the dispensing fee for independent pharmacies; eliminate mail order requirement in SEBAC
- Create a new Connecticut Startup Program
- Gas Tax Relief - Cap the Gas Tax
- Fund the Underground Storage Tank Program
- Require regular reporting on the status of state-subsidized economic development projects to ensure both the state and the businesses are meeting their obligations

Republican Priorities: EDUCATION REFORM

- Much of what the Governor proposed is not new, and there is much we agree with, including:
 - Reforming the Teacher Tenure System
 - Greater resources for charter schools
 - Turnaround Schools Startup
 - School certification reciprocity
- There are areas where we disagree with the Governor:
 - Money for reforms should be in lieu of, not in addition to, current spending
 - No forced regionalization
 - The Governor's ECS formula does not work
 - We do not believe the Governor's metric accurately measures the wealth, and need, of our cities and towns.
- Other Republican Proposals
 - Summer Bridge
 - Provide funding for Science, Technology, Engineering and Math for middle schools
 - Career Cluster
 - Expand parental & school choice
 - No unfunded school mandates
 - Allow online remedial courses for students identified as "needing improvement"
 - Establish a tax credit program for the donation of equipment to VoTech schools

Republican Priorities: TRANSPARENCY & ACCOUNTABILITY

- Address critical infrastructure deficiencies
 - Stop the New Britain-Hartford busway
 - Current bureaucratic and legal hurdles are making this project less and less likely it will come to fruition in the near future.
 - Let's free up the funds and redirect them to fix crumbling bridges, roads and dangerous thoroughfares
 - Risk Reduction Credits
 - Require the Department of Corrections to report outcomes relating to the Early Release of Prisoners
 - Crimes committed, eligibility, recidivism rates, etc.
 - The legislature should receive a cost/benefit analysis for large capital projects

Republican Priorities:

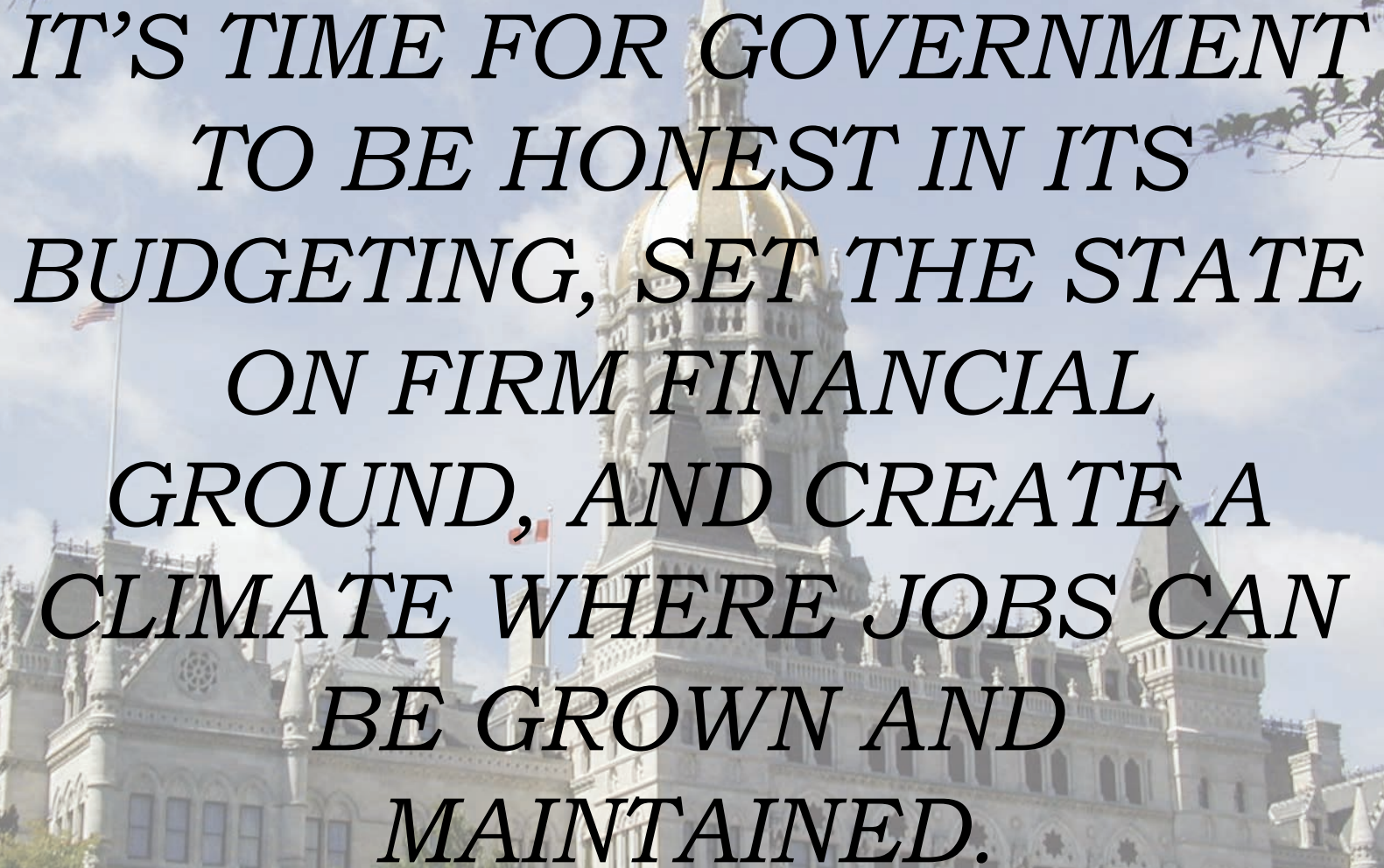
TRANSPARENCY & ACCOUNTABILITY

- Require up or down votes on agreements negotiated by the executive branch
 - Particularly all collective bargaining agreements, forced unionization
- Ensure the autonomy of watchdog agencies
 - Only the legislature should be able to reach their budgets
 - Under the Office of Government Accountability, if these agencies have the power to fire the executive administrator they should also have the ability to set standards for his performance; clarify existing law
- Restore the autonomy and independence of PURA assuring they are not susceptible to political influence

Republican Priorities:

GENERAL GOVERNMENT REFORM

- Improve both state and local response to natural disasters and require the same from the utilities
 - Authorize PURA to develop performance standards for utilities
 - Centralize coordination of government efforts to respond to emergencies
 - Require electric utilities to train municipal employees in how to identify live wires
- Eliminate longevity payments, and prohibit longevity and overtime pay from being used in pension calculations.
- Suspend the COLA on all CEP grants, reduce amounts of CEP grants by 10% and redirect those funds to restore the Medicaid Personal Needs Allowance.
- Establish Privatization Planning Committee to develop a plan to privatize direct-care services

A photograph of the Pennsylvania State Capitol building, a large, ornate, light-colored stone structure with a prominent golden dome. The building is set against a blue sky with light clouds. In the foreground, there is a green lawn with several cars parked. The text is overlaid in a large, black, serif font, centered on the image.

*IT'S TIME FOR GOVERNMENT
TO BE HONEST IN ITS
BUDGETING, SET THE STATE
ON FIRM FINANCIAL
GROUND, AND CREATE A
CLIMATE WHERE JOBS CAN
BE GROWN AND
MAINTAINED.*