

Legal Assistance Resource Center

□ of Connecticut, Inc. □

363 Main St., Floor 3-1 □ Hartford, CT 06106-1886

(860) 278-5688 □ www.larcc.org

Testimony before the Republican Members of the Finance, Revenue and Bonding Committee Informational Hearing

by Jane McNichol, Executive Director
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I am **Jane McNichol**, Executive Director of the **Legal Assistance Resource Center of Connecticut**, the policy advocacy branch of the Legal Services network in the state. We represent the interests of very low income residents of the state. I am also a member of **Better Choices for Connecticut**.

I am here to support SB 946, the revenue package put forth by the Finance, Revenue and Bonding Committee. As you have acknowledged in your Blueprint for Prosperity, we need to continue spending on important human services programs to maintain the quality of life that we want and expect in Connecticut.

Spending cuts proposed by the Governor that we find particularly troubling include:

- moving **34,000 parents out of HUSKY health care**. These parents will have to purchase more expensive coverage through the Exchange or go without coverage;
- weakening the **HUSKY provider network** by cutting Medicaid provider rates;
- increasing cost sharing in the state-funded **Connecticut Home Care Program** from 7% to 15%;
- freezing intake to the state-funded **Connecticut Home Care Program** for people who are at risk of hospitalization or short-term nursing facility placement but not frail enough to require long-term nursing facility care;
- reducing the **burial benefit** provided under SAGA (State Administered General Assistance) from \$1800 to \$1,000;
- closing the **Torrington Regional DSS Office**;
- reducing the **Personal Needs Allowance** for residents of long-term care facilities from \$60 to \$50 per month;
- requiring people eligible for both Medicaid and Medicare (dual eligibles) to cover all **Medicare Part D drug co-payments**. Currently, dual eligibles are responsible for paying up to \$15 per month in Medicare co-pays for Part D-covered drugs; and
- reducing or eliminating funding for many **non-governmental agencies** which provide services or assist residents in accessing state services.

The Appropriations Committee budget bill restored many of these proposed cuts. In order to fund these restorations and reduce the unequal distribution of tax burden, the Finance Committee adopted a comprehensive tax reform package.

Highlights of this package that move us toward a fairer tax system include:

- adding a supplemental **tax on capital gains income** for people with annual income over \$500,000;
- adopting a **new top rate** in the personal income tax for people with annual income over \$500,000;
- reducing the overall **sales tax rate** while extending the sales tax to a variety of services;
and
- adopting **mandatory combined reporting** for large corporations.

We have an opportunity this year to move away from recurring fiscal crises and periodic mid-course revenue and spending changes which make running a business or a non-profit agency unnecessarily chaotic.

We should seize the opportunity presented by SB 946 to stabilize our state budget situation and meet the needs of Connecticut residents.

Thank you for your work on these important issues.