

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

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TESTIMONY IN SUPPORT OF FINANCE, REVENUE AND BONDING  
COMMITTEE PROPOSED TAX PACKAGE

May 11, 2015

I am the Associate Executive Director of the Connecticut Legal Rights Project. CLRP represents adults in Connecticut who have low incomes and live with mental health conditions. CLRP represents its clients on matters related to their treatment, recovery, and civil rights – including housing advocacy. Among the conclusions in the final report of the Governor’s Sandy Hook Advisory Commission, of which I was a member, was a recognition of both the need for improved access to effective, comprehensive, integrated mental health services across the lifespan and the importance of fighting stigma and discrimination. Addressing this need requires adequate funding for the programs that do this work.

Connecticut needs a budget and a revenue plan that both restore funding for vital services and provide a way to pay for them. A budget document is not merely a collection of numbers; it represents the state’s values and priorities. The Governor’s proposed budget is balanced on the backs of the state’s most vulnerable residents – people who are poor, people who have disabilities, people who are seniors – and the agencies that serve them. This is not the Connecticut we strive to be.

The tax package proposed by the Finance, Revenue, and Bonding Committee promotes balance and equity in our tax system – it is not simply a matter of “raising taxes.” The Committee’s thoughtful and tough decisions in this difficult

The governor's proposed budget and the rescissions for the current year cut a total of \$450,000 from the DMHAS legal services line item. This figure represents the money in CLRP's budget to support its housing advocacy. The Republican proposed budget retained this cut. The proposed budget from the Appropriations Committee restored this cut – which means that CLRP would be able to continue to provide cost-effective housing advocacy so vital to our clients' ability to maintain their recovery.

**Without the services currently provided by the grants for community services and legal services, people with mental health conditions will actually cost the State of Connecticut more money when they end up using more expensive services like emergency rooms, inpatient hospitalizations and jails.** For example, the average cost of a CLRP housing case costs \$806. Not one of our clients was homeless at the time their case was closed. The cost of an ER visit is \$2,152; one day of inpatient psychiatric hospital care \$1,157; one day of inpatient hospital care on a general unit is \$1,089. These are expensive trade-offs Connecticut cannot afford and should not make.

The tax package proposed by the Finance, Revenue and Bonding Committee provides the additional revenue needed to fund the services restored to the budget by the Appropriations Committee. This package eliminates tax exemptions, which cost the state money; reduces the sales tax from 6.35% to 5.85%, and expands the scope of coverage of the sales and use tax to services primarily used by people with higher incomes and large corporations (things like engineering services and general management consulting). The proposed higher tax bracket for couples earning more than a million dollars and individuals earning more than \$500,000 is still lower than the highest-income tax bracket in Connecticut's neighboring states. The budget also allocates money to cities and towns to reduce property taxes.

No one wants new taxes. However, Connecticut cannot afford to not make the difficult trade-offs which are necessary to sustain the services people need to maintain their recovery and live in the community.