

House Republican Press Release

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We Need Real Change in Connecticut



By Mike Alberts

Republican legislators in Hartford this year proposed a “Do-Something” budget. Our plan offered some tax relief to hard-pressed middle class families struggling to make ends meet. We proposed to streamline state government in the face of looming budget deficits.

This is what you or I would do at home or at work, when expenses exceed income. But the supermajority in Hartford went to extraordinary contortions to avoid a vote or even a debate on this alternative.

In responding to these changing economic conditions, Democratic leaders have recommended that we “do nothing” – that we simply live with the budget we passed in 2007 and deal with tomorrow’s problems tomorrow.

To do that is to either accept or ignore the challenges facing each and every Connecticut resident today. Doing nothing ultimately means raising taxes in the future. If we do nothing, the gross receipts tax on gasoline will increase on July 1.

The people of Connecticut need leadership from their elected officials to help mitigate future budget deficits, while at the same time providing needed relief to families and small businesses. We need to make smart and sometimes difficult decisions now to help protect Connecticut’s long-term economic security.

To that end, Republican members of the General Assembly introduced a balanced budget proposal that would cut state gas taxes, provide tax incentives to small businesses, streamline state government and reduce state spending by more than \$160 million.

The Republican proposal called for spending \$16.844 billion, \$234 million below the existing 2008-2009 state budget. Highlights of our proposal:

- Balanced Budget for '08 and '09
- \$25 million budget surplus for '09
- No Tax Increases
- No Program Cuts
- No Layoffs

- Repeal of the Gross Receipts Tax Increase on Gasoline Scheduled for July 1st
- Cap on the Gross Receipts Tax on Gasoline
- Phase Out of the Business Entity Tax
- 1% Increase for Private Providers & Nursing Homes
- Saving the Early Reading Success Program
- Two Month Gas Tax Holiday
- Does not touch the Rainy Day Fund
- Reduces the Size and Cost of Government through Voluntary Early Retirement Incentive Program.

Our budget proposal would have achieved savings in two principal ways. We saved \$17 million by moving 700 seniors from nursing homes to homecare under the Money Follows the Person program. We saved an estimated \$163 million by offering a voluntary early retirement incentive program (ERIP) to more than 11,000 state employees. With these savings, the budget would be back in balance for 2008 and we would achieve a \$25 million surplus in 2009.

Money Follows the Person has proven to be a successful program with broad bipartisan support. It offers many seniors long-term care in their homes, with substantial cost savings for the state. Fortunately, it was adopted in separate legislation.

State early retirement programs have been successful in the past. Connecticut last offered an ERIP in 2003, in the last state fiscal crisis, and saw more than 4,000 workers retire, reducing state payroll by more than \$156 million.

We offered our proposal as an alternative way to address our current fiscal challenges. Though our plan was not accepted, we look forward to working with our colleagues to take advantage of future opportunities to “do something” – to help mitigate the effects of an economic slowdown, provide tax relief to families and small businesses and ensure our state’s long-term economic well-being.

The lesson of the story is that we need a complete change in mindset in Hartford to begin making Connecticut more affordable, for young families, senior citizens and all residents.

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