

## House Republican Press Release

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### **Rep. DelGobbo: Sharply Lower 2008 Surplus Estimate Underscores Need to Curb Spending**



#### *Legislature's Office of Fiscal Analysis Report Should be Wake up Call for State Legislature*

A report issued today by the state legislature's nonpartisan Office of Fiscal Analysis that projects a substantially lower surplus than earlier estimates underscores the urgent need to get state spending under control during the upcoming legislative session, state Representative Kevin M. DelGobbo said today.

Today's OFA report estimates revenues will be about \$100 million less than earlier projections indicated, Representative DelGobbo said.

The report projects a \$160.4 million surplus at the end of the current fiscal year June 30<sup>th</sup> – substantially less than earlier estimates of \$263 million from the state Office of Policy and Management and \$281.2 million from the State Comptroller's Office, said Representative DelGobbo, R-Naugatuck, the House Ranking Member on the General Assembly's Appropriations Committee. February 1, 2008

“This report should serve as a wake up call to every member of the Connecticut General Assembly,” Representative DelGobbo said. “Instead of counting on surpluses of \$263 to \$281 million, we are now looking at an estimated surplus of \$160.4 million, meaning there will be very little margin for error as we adjust the budget for the 2008-09 fiscal year.”

“With corporation tax revenues in particular expected to decline sharply, legislators who were operating under the illusion that we would be able to increase spending on a variety of state programs and projects during the second year of the two-year budget will now be forced to re-examine their priorities,” Representative DelGobbo said.

“The state's weakening revenue stream is a clear indication that an economic downturn is looming in the months ahead,” Representative DelGobbo said. “If are to limit the damage to Connecticut's economy and protect critical state services, the best way to do it is to restrain state spending.”

“Failure to get a handle on state spending raises the specter of budget deficits and tax increases, which could have cataclysmic effects on the state's economic climate. Higher taxes on individuals and employers could force more businesses to close or move out of state, resulting in the loss of thousands of jobs. Increasing state spending at a time like

this is a blueprint for economic misery. It is a risk we simply cannot afford to take,” Representative DelGobbo said.

The revenue estimate for the 2009 fiscal year also is down significantly, by about \$205 million, Representative DelGobbo said.