

House Republican Press Release

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Rep. DelGobbo Warns of Further Shrinking Surplus



State Rep. Kevin M. DelGobbo, R-70, Naugatuck, says the state surplus may shrink to as low as a razor-thin \$100 million out of an \$18 billion annual state government budget.

Rep. DelGobbo, who is ranking member on the legislature's budget-writing Appropriations Committee, said this shrinking budget surplus should give legislators pause before spending revenue that the state does not have.

"Particularly at a time when we are about to put together a state budget for the coming year," said Rep. DelGobbo, "this should be more than a cautionary note about excessive state spending."

Rep. DelGobbo pointed to a March 7 update from state budget chief, Robert Genuario, secretary of the Office of Policy and Management, to Gov. M. Jodi Rell, indicating a further slippage in revenue derived from the state income tax, inheritance tax, insurance company tax, real estate conveyance tax, lottery, motor fuels tax and from state investment income.

Rep. DelGobbo recounted that the projected operating surplus for the current fiscal year previously stood at \$263 million to \$281 million, then dropped to \$160 million. "This latest update clearly indicates that the surplus could be down to \$100 million," said Rep. DelGobbo.

Rep. DelGobbo noted that the legislature's own non-partisan Office of Fiscal Analysis (OFA) had also scaled back revenue estimates by about \$100 million less than earlier projections.

OFA's last projection was for a projected \$160.4 million surplus at the end of the current fiscal year June 30 –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.

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"Failure to get a handle on state spending could lead to budget deficits and tax increases, which could further harm job growth and the state's economy. Higher taxes on

individuals and employers could force more businesses to cut jobs, close or move out of state,” Rep. DeIGobbo said.

Rep. DeIGobbo serves the 70th Assembly District of Naugatuck in the state House of Representatives.