

House Republican Press Release

September 24, 2008
Press Office: 860-240-8700

Budget Projections: Sobering, Staggering. Legislature Must Act



HARTFORD – State Rep. Kevin M. DelGobbo, R-70th, Naugatuck, today called for swift action to offset the growing \$300 million state deficit that was confirmed by independent budget analysts during a fiscal forum convened by House and Senate Republicans.

Sinking revenues and the refusal of the legislative majority to make budget adjustments this year has led to the most serious fiscal problems the state has faced in years, said Rep. DelGobbo, who is ranking member of the legislature’s budget-writing Appropriations Committee.

The budget problems will only worsen over time without legislative action, and the deficit could reach \$1.2 billion in 2010, according to the non-partisan Office of Fiscal Analysis.

“It is now clear that we cannot afford to wait and delay budget adjustments as the legislature did earlier this year. Unless the legislature takes immediate steps to deal with this fiscal crisis, Connecticut will be faced with huge tax increases, massive service reductions or both,” said Rep. DelGobbo.

“Every day the state fails to balance its checkbook, it becomes more and more difficult to solve the problem,” said Rep. DelGobbo.

Rep. DelGobbo said, “The numbers are sobering and, frankly staggering. The question is whether the legislature is listening and if the legislature is willing to step up to the plate and take action.”

He added “The scale of the deficit keeps getting larger and larger. Are we willing to grasp these real, severe issues in the state’s revenue outlook?”

The data show that revenue from virtually every sector is way off, from real estate sales to income taxes and sales taxes.

He added, “Unfortunately, the worsening revenue predictions and the growing budget deficit are no surprise. The numbers continue to grow, but we have been told repeatedly since February by the legislature’s nonpartisan Office of Fiscal Analysis that the state has been heading in this direction.

Rep. DelGobbo said, “I find it outrageous that the Democratic majority has no intention of addressing this problem until after the election.”

He added, “The majority wants to conduct an audit of the state Department of Social Services. However, the taxpayers already spend over \$60 million a year on an institution that is supposed to

conduct oversight of state agencies. That institution is called the legislature. Instead, the legislative majority has packed up its bags, gone home and failed to take action.”

The forum revealed that revenues are seriously lagging:

- Investment income is off 41 percent;
- Real estate conveyance taxes are down more than 40 percent;
- Casino gambling revenue is down 4.3 percent;
- Automobile sales taxes are off 10.8 percent.

Rep. DelGobbo said the data shows that Connecticut is over reliant on certain areas of the state when it comes to revenue. Fairfield County provides 45 percent of all the incomes taxes to Connecticut, he noted.

Since the budget was adopted in June of 2007, housing starts are off an astounding 122 percent.

Rep. DelGobbo said that all parties in state government – all lawmakers, the administration and state employees – must come together quickly and begin the work that lies ahead.

“What we have heard so far is that we cannot wait months to consider our options. No budget adjustments were made this spring and we are already in trouble,” he said.