

House Republican Press Release

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Press Office: 860-240-8700

A VIEW FROM THE INSIDE
State Representative Ruth Fahrbach



State budget comes with plenty of pros and cons

After months of number-crunching and negotiating, the legislature has approved a state budget, which the governor has indicated she will sign. The legislative leaders of both parties in both the House and the Senate deserve credit for reaching a deal.

While the budget has its good points – most importantly increased education funding to towns with no income tax increase or no implementation of an Internet sales tax – there are elements to the budget that are of concern to me.

The towns in the 61st District each get significant increases in education funding from the state. The breakdown (over 2 years) is as follows: East Granby - \$437,826; Suffield - \$1.29 million; Windsor - \$1.8 million. The increases are based on the Education Cost Sharing (ECS) formula, which takes into account many factors, including student population, poverty, and town wealth. Each town will be required to spend a certain percentage of the increase on education. East Granby must use 42 percent for education; Suffield 46 percent; and Windsor 47 percent. The remainder of the increase may be used by the municipality for other expenditures, including offering property tax relief to taxpayers.

The budget also includes significant increases in funding to address other areas of need. To address the healthcare needs of our state's most needy citizens, a 3.5 increase in funding was granted to Managed Care Organizations that provide medical coverage through the state's HUSKY health care plan. In addition, Medicaid reimbursement rates for hospitals, clinics, physicians and dentists will be increased to encourage acceptance of patients on Medicaid

and HUSKY. This will be the first increase in Medicaid reimbursement rates since 1989. The distressed hospitals pool will also see an increase in funding, to the tune of \$30 million.

While these increases go toward achieving laudable goals, I have my doubts about whether an 8.8 percent increase in spending can be sustained in the next few years. Not to mention the fact that this budget blows through the state spending cap, which was approved by 82 percent of Connecticut voters after the income tax was implemented in 1991.

This budget also does not address the high cost of gasoline. The House Republicans put forth a proposal back in May to suspend the 25-cent state gasoline tax during the summer months, but the super majority Democrats refused to approve of any such relief for motorists. A scheduled increase in the state gross receipts tax, which I voted against, will add another two cents to the cost of a gallon of gasoline when it kicks in on July 1. The ever-increasing cost of gasoline is putting a pinch on consumers, and considering the state's nearly \$1 billion surplus, this budget should have included tangible relief for motorists in our state.

If you have any questions or comments regarding state budget, please contact my office at 240-8700.

Rep. Ruth Fahrback represents the 61st District, including Suffield, and parts of Windsor and East Granby, in the General Assembly.