

House Republican Press Release

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Choices



By Lile Gibbons

Funding is one of the biggest challenges facing elected officials. For me, as Ranking Member of the Assembly's Human Services Committee, funding decisions are especially difficult because we hear many compelling stories from people all over the state who need a bit more cash, a few more services, a "step-up" to help them climb out of poverty and/or obtain access to appropriate services. Most of the appeals are reasonable but even with an \$18.5 billion dollar annual budget, we can't fund them all.

Last week, the Human Services Committee approved a bill to initiate an Earned Income Tax Credit (EITC) in Connecticut. I voted "no" on this proposal just as I did last year. Not that we didn't hear passionate testimony for this program, but the request must be considered along with other appeals for funding and services from the state. In my opinion, there are more crucial places to spend our finite tax dollars.

A state EITC piggy-backs onto the federal EITC program, to help working poor with rent, child care and transportation. The federal program was established during the early 1980's at a time few other subsidies were available. Now there are many programs, especially in Connecticut, with HUSKY health insurance for low income children and parents, prescription drug support, rental and transportation subsidies; home fuel assistance; job training, education programs and child care vouchers.

Proponents of this EITC argue that since Connecticut's neighboring states have implemented the program, Connecticut could afford to do so as well, since we are all located in the same high cost of living geographic region. However, Connecticut gives substantial tax breaks to low income families that do not exist across state lines. In Connecticut, the Department of Revenue Service exempts from taxation the first \$12,750 of income for singles and the first \$24,500 for married couples. Most Connecticut families earning up to \$37,000 pay no or little income tax. New York and Rhode Island both begin taxing at the first dollar of income; in New Jersey income taxes begin at \$1,000 for singles and \$2,000 for married couples. Furthermore, all or most of these states have higher sales taxes than Connecticut.

Estimated cost for Connecticut's EITC program is \$55-60 million dollars annually out of the general fund with additional administrative and service delivery costs, a substantial sum for a population that already receives significant state services and tax breaks.

The Human Services Committee this week heard other requests for new programs. Two in particular come to mind: first, the creation of a "Rescue Fund" for our private providers/non-profits—to provide bonding monies to help repair old, worn out infrastructure (think leaking roofs, inefficient furnaces; out-of-compliance buildings) and operating dollars to help with rising fixed costs and salaries. The employees of these non-profits are the real rescue angels in our communities: they take care of our homeless; they take in our abused and neglected children; they provide mental and physical therapies to our most vulnerable citizens; they provide transportation and more for our elderly—all for much less than what it would cost the state to provide the same services. The dollar amount requested in this bill is \$200 million dollars. It is highly unlikely the legislature will approve full funding, but we should allocate something as the time has come for the state to start rescuing the rescuers.

A second request was minor in comparison; the addition of \$275,000 to the suggested \$750,000 in the Governor's budget to expand the state's Personal Care Assistants (PCAs) program that helps keep handicapped citizens out of nursing homes and in their local communities. We heard testimony on several other bills to provide increased access to local services so our disabled and elderly family members can remain at home rather than be institutionalized. I support all these initiatives. Not only is it cost effective to keep family members in the community, for those who wish to stay, it is the morally right thing to do.

During the next eight weeks, we legislators must play Solomon, as we debate, argue and ultimately agree on a balanced budget that determines which of these many programs to fund. No small feat.