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Hetherington Reports on 2007 Legislative Session



By State Rep. John Hetherington

Last month Gov. M. Jodi Rell jolted both sides of the aisle with an aggressive agenda. Her agenda is contained in a budget that features record spending, a focus on education and a hike in the income tax. Like her ideas or not, there is no denying that the governor brilliantly swiped the initiative. But the fact is that her budget is just the first move in a process that will not end until June. Experience suggests that the budget we finally adopt may be quite different.

The flagship of the governor's budget is a proposal to spend \$3.4 billion over five years to boost education from preschool through college. The most prominent aspect involves an increase of \$1.1 billion in funding under the Education Cost Sharing formula. Money distributed under that formula is the principal way the state helps municipalities pay for schools. While 10 cities will benefit most from the new funds, New Canaan and Wilton will receive several million dollars in increased aid over the next few years.

The new education initiative will be paid for by an increase in the state income tax from 5 percent to 5.25 percent in 2008 and 5.5 percent in 2009. So, while more money for our towns is certainly welcome, this gain has to be weighed against the cost to taxpayers in terms of a higher income tax. According to analysis, neither Wilton nor New Canaan will come out ahead. Clearly, the primary beneficiaries will be the big cities where test scores show the need is greatest. But some argue that the education establishment in these urban centers is failing even with the state already paying most of the cost. To critics, spending more is simply enabling a failed system to continue at a higher price.

The governor also has proposed to end the estate tax over five years and to eliminate the retroactive "cliff effect" right away. The latter feature, which taxes an estate back to the first dollar once the \$2 million threshold is crossed, has developed wide opposition and is likely to be removed in the near term. Lastly, the governor again has called for the elimination of the car tax that punishes vehicle owners in the big cities where the mill rate tends to be high. The majority party already has rejected this move, for reasons best understood by its leadership.

On balance, the prospects are not encouraging for citizens of the state with the biggest tax burden. While we are a long way from final action on Connecticut's budget, when we open the process with proposals to raise taxes, we are not likely to end up with lower taxes.

Ideas for providing everybody with health insurance will be talked about more and more during the 2007 session. Briefly, the governor has suggested a basic policy written by private carriers and universally offered at \$250 per month. Subsidies would be there for those in need. Democrats

have several plans, all more or less on a single-payer model financed by taxes. The essential difference is between something like what we have now that is within reach of everyone, and a kind of state Medicare for all. Whatever the plan, we must preserve a patient's right to choose a physician and course of care. Clearly we need new solutions that neither side has found.

The legislature is dealing also with SB 423, an effort to resurrect Super 7 and build a Los Angeles-style freeway through Wilton from Norwalk to Danbury. The project would require all new plans and approvals, as well as 1,300 acres of additional land. The question is generally moot, since by official estimate the project would take more than 20 years to complete even if the process were begun next week. That equals a generation, and in a generation we must have a better solution to our transportation needs.

None of us has escaped the big jump in electric rates this year. The problem has generated a lot of heat but not much light, and certainly no cheaper energy for consumers.

Its cause is complicated. Deregulation was adopted in 1998 as a way to give ratepayers the benefit of competition among producers. But competition did not develop. The price of clean-generating fuel, especially natural gas, went way up. Our clogged transmission system generated congestion charges. No new generating capacity was built. Some businesses constructed their own generating facilities, but not enough to make a difference. Things will get better, but consumers need relief now, and candidly the answer is not yet there.

The Government Administration and Elections Committee, of which I am ranking member, has many bills pending that affect our state government and the way we conduct elections. Among the most noted is legislation that would assure same-day registration and voting in all elections. The issue comes down to whether concerns over the integrity of the system outweigh convenience of same-day registration.

There is a torrent of other bills pending in the Legislature. Some represent thoughtful ideas that will never be considered in a very crowded field. Others seem to have been formed in a fringe policy conference where too many people inhaled. But such is democracy, and we surely wouldn't trade it for any other system.