

House Republican Press Release

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Finally, a Budget: The Bad News



By State Representative John J. Ryan

Well, the taxpayers are finally safe from the predations of the Connecticut government for another year, the professional politicians are running around attempting to take credit for anything and everything that might have been positively accomplished this year, and I am back toiling away at my "real job" sans vacation and hoping I can get a brief jaunt to Caramoor and Tanglewood before the football season is here!

Last week we briefly summarized the good news of this year's budget compromise, which succinctly put, is that given the "on the record" intentions of the Democrat legislative "super-majority", we were fortunate to fend off big new tax increases! But like all compromises, there is a downside, and it is not pretty, so here goes:

- **Violated the Spending Cap:** not a concern for Democrats, who have openly referred to the State's Spending Cap as "merely a guideline", but there was certainly NO emergency occurring to justify this; quite the contrary, we have a surplus in this fiscal year racing towards \$1 billion ! And the further bad news is that we have now moved the "floor" for cap purposes higher, thereby opening the door for more still more spending increases in the future!

- **A Sizeable Spending Increase:** in addition to the problem of violating the statutory cap, this budget spends too many actual \$\$, increases total spending at a whopping 8.5 % (a rate well past the growth of inflation), and adds hundreds of new State employees, none of which is necessary or prudent in my view.

- **Spent Too Much Surplus:** the reality of such a large surplus is that we are significantly over-taxing our constituents, and while we did put another \$100 Million + in the State's Rainy Day Fund (now at a balance of \$1.2 billion - which is a good thing!) we could and should have saved more, or paid down more debt, or paid down the Teacher Pension Fund shortfall further.....at least we did not spend ALL OF IT!

- **No Elimination/Phase Down of the Estate Tax:** again, the Democrats were "on record" as wanting to increase the tax, but this recent tax impacts our area disproportionately [surprise!] and is a disincentive to remain in Connecticut. Worse still,

the inexcusable and horrific "cliff" in the tax remains in effect. If your fiscal analyst tells you "don't die!" they are not trying to be funny!

- **No Other Tax Cuts**: Governor Rell has continued to try to eliminate the car tax [which is much more work for Tax Assessors/Collectors than taxing real estate, and brings much less revenue in, and of course, impacts the inner cities the most!] to no avail; and remember how that "temporary" increase in the real estate conveyance tax was to be "sunsetting" years ago? [Don't hold your breath....]

- **No Gas Tax Holiday**: as with every one of these items, don't take my word for it, look it up. On several occasions in the closing weeks of the session, our House Republican caucus attempted to pass an amendment to create a summer holiday from the gas tax, hardly risky to the State given those huge surplus numbers; every time the measure was "killed" by that Democrat supermajority.

- **Finally, It Is Not A Good Idea To Fund Programs From One-Time Surplus Receipts**: perhaps an obtuse point for the average voter, but you CFO's out there will get this one...someday there has to be an economic downturn, and this pattern, and methodology of spending hardly bodes well for our State for the long term.

So once again, the good news, which is important to keep in focus, is that we could have expected a much worse budget in terms of tax and spending increases. I voted for it because the no-tax-increase budget is a foundation for building future budgets, and gives our hard-pressed taxpayers a two-year reprieve from more, more increases. Hopefully we can cut some taxes in the future?

But if there is one message that I hope you take from this regular column on your State government, **PLEASE** remember, it is **your** government! Ignore the hype and the professional-politician self-promoters. Follow how your elected officials actually vote, the details are all "on-line" and it does not take much time to follow what actually happens! **PAY ATTENTION!** And on the topic of fiscal conservatism, my "Hartford commuting Saturn" is passing the 240,000 mile mark. Enjoy the summer!

As always please feel free to contact me with your concerns and issues. As your state representative, it is my job, and my priority to represent you and to make sure that your needs and concerns are addressed at the capitol. You can write to me at Room 4200, Legislative Office Building, and Hartford, CT 06106-1591, send me e-mail at John.Ryan@housegov.ct.gov or call my office toll-free at 1-800-842-1423.