

House Republican Press Release

November 14, 2008
Press Office: 860-240-8700

STATE REP. SCRIBNER: GROWTH IN STATE DEFICIT CALLS FOR SPENDING REDUCTIONS



New Deficit Projections Released November 12

State Rep. David Scribner (R-Brookfield, Bethel) today said the state will have to enact spending cuts, following the latest deficit projections from the state Office of Policy and Management (OPM). On Wednesday, November 12, OPM released a projection of state budget deficits in excess of \$2.6 billion in fiscal year 2010 and almost \$3.3 billion in fiscal year 2011, as result of the slowing economy.

Governor M. Jodi Rell has proposed a deficit mitigation plan to address the fiscal year 2009 budget shortfall. She has also called the Legislature into a special session on November 24 to consider the proposal.

The Governor's plan involves identifying revenue due to the state under current law. A settlement will result in additional federal revenue due from reimbursable costs incurred in the operation of the Department of Developmental Services. It also includes a Tax Amnesty program that is expected to generate a minimum of \$40 million.

In addition to new revenues, the plan calls for expanding the abandoned property program to include unclaimed beverage container deposits. Further spending cuts include: delaying several new initiatives; changes in the State's Fleet Vehicle Procurement program; applying reductions to several programs which were funded by prior year surpluses (carry-forwards); returning funds in the Governor's Contingency Fund; identifying areas where appropriations could lapse; and pushing all agencies to become more vigilant in identifying areas where further cutbacks can be achieved.

"The projections released Wednesday are cause for serious concern," said Rep. Scribner, who serves on the Legislature's tax-writing Finance, Revenue and Bonding Committee. "While there is a proposal on the table to resolve the current year's deficit, clearly much more work must be done. Connecticut's taxpayers are the most heavily taxed in the country and are already struggling to make ends meet. Difficult decisions are going to have to be made in the coming months to provide essential state services without further hurting taxpayers."