

THE LEGISLATIVE REPUBLICANS'

*Common-Sense Budget
for Connecticut*



The Facts

- The state is swimming in red ink
- As of July 1, we will be \$736 million in deficit
- Unemployment continues to rise to record levels
- Businesses are saying:
“Anywhere but Connecticut.”



Connecticut Needs A Common-Sense Solution



What Do We Mean by “Common-Sense?”

We mean that state government must do
what Connecticut families are doing...

.....LIVE WITHIN OUR MEANS!



What Are We Up Against?

- \$736 million in deficit for FY 11
- Over 100,000 residents have lost their job and over 10,000 businesses have closed in the past 2 years
- \$8 billion in deficit for FY 12 & 13



The Common-Sense Budget for Connecticut

- Erases deficit and balances budget in FY 11
- NO TAX INCREASES
- Maintains municipal & school aid
- Incentivizes Job Creation
- Reduces the size of government
- Gross Program Reductions: \$340 million



Revenue

- Base Revenue (Consensus): \$17,144,200,000
- Gov. Revenue Changes: \$403,200,000
- HRO Medicaid Revenue Impact: \$135,600,000
- Fund Transfers: \$85,600,000
- Job Creation Package: (\$49,500,000)
- Transfer of Budget Reserve
Fund to FY10: (\$238,774,880)

NET REVENUE: \$17,480,325,120



Spending

- Gov. General Fund Net Approp's: \$17,566,104,207
- GOP Net Program Changes: (\$51,724,836)
- Common Sense Reforms: (\$259,200,000)
- Restore State Empl. Ret. Fund Contribution: \$200,000,000
- Small Business Revolving Loan Fund: \$25,000,000

NET General Fund Spending: \$17,480,179,434



How We Achieve It

- Flat funds or rolls back state spending to prior year levels
- Meets our obligations under consent decrees
- Does not jeopardize federal stimulus funding
- Program eliminations
- Program reductions
- No municipal aid cuts



Common Sense Reforms

- ERIP
- Consolidations
- Privatization
- Maximizing Use of State Assets
- Legislative Reductions
- Concession Package



Common Sense Reforms: EARLY Retirement Incentive Program

- Would make state employees between 52 and 54 years old, who have 10+ years of service, eligible for retirement
- Refill rate: 1 for 2
- Net Effect: Approx. 1,000 less employees
- Savings: (\$64,000,000)



Common Sense Reforms: Consolidations

- **Commission on the Status of Protected Citizens- (Consolidation of Permanent Commissions)-** Asian Pacific American Affairs, African-American Affairs, Commission on Children, Commission on Aging, Permanent Commission on the Status of Women, Latino and Puerto Rican Affairs Commission.
- **Department of Revenue Services-** Department of Revenue Services and Division of Special Revenue.
- **Department of Transportation and Infrastructure-** Department of Transportation and Department of Public Works.
- **Department of Environmental Protection and Agriculture-** Department of Environmental Protection, Department of Agriculture, Agricultural Experiment Station, and Board of Firearms Permit Examiners.
- **Department of Human Services-** Department of Public Health, Psychiatric Security Review Board, Department of Social Services, Department of Mental Health and Addiction Services, Department of Development Disabilities, and Department of Children and Families.



Consolidations, cont.

- **Department of Education-** Department of Education, Board of Education and Services for the Blind, Commission for Educational Technology, Connecticut State Library, and Department of Higher Education.
- **Office of the State Treasurer-** Office of the State Treasurer and Teachers' Retirement Board.
- **Department of Administrative Services-** Department of Administrative Services, State Properties Review Board, Commission on Human Rights and Opportunities, and Workers' Compensation Commission.
- **Department of Public Safety-** Department of Public Safety, Office of Medical Examiner, Office of the Victim Advocate, Commission on Child Protection, and Department of Emergency Management and Homeland Security.
- **Department of Economic Development-** Department of Economic and Community Development, CT Innovations, CT Development Authority, CT Housing Finance Authority, and Department of Labor.
- **Department of Consumer Protection-** Department of Consumer Protection and Board of Accountancy.
- Delay the Establishment of Department of Aging.
- Delay the Establishment of State Contracting Standards Board.



Common Sense Reforms: Privatization Options

- Connecticut Children's Place, Connecticut Juvenile Training School, Riverview Hospital for Children and Youth .
 - Savings in FY 11: 20% or \$17.7 million.
- Community Livings Arrangement (CLAs), Supported Living Services and Day Programs
 - Savings in FY 11: 20% or \$22 million.
- Privatize customer service for renewals of non-commercial DMV documents and redirect all other DMV services requests to Wethersfield Main Office; close the branches and satellite offices, except for Wethersfield.
 - Savings of \$17.59 million.
- Maintenance of state parks and forests – Allow the state to contract with independent contractors to perform maintenance and upkeep of state parks and forests.
WE ARE NOT PROPOSING TO PRIVATIZE THE PARKS AND FORESTS.
 - Savings of 20% or \$2.3 million.



Common Sense Reforms: Maximizing Use of State Assets

- Consolidation of Leased Office Space
 - Reduce the size of state's physical footprint
 - Require renegotiation of state leases
 - Savings: (\$6,400,000)
- Information Technology Efficiencies
 - Centralize IT functions in CT higher education system and other state agencies
 - Savings: (\$5,000,000)



Legislative Reductions

- Reduce salary of all legislators, constitutional officers, commissioners and executive directors by 10% in FY11
 - Savings: (\$1,143,927)
- Eliminate legislative travel reimbursement & transportation allowance
 - Savings: (\$1,239,791)
- Eliminate legislative mailing privilege
 - Savings: (\$1,400,000)



Concession Package

- Wage Freeze
 - Savings: (\$183,000,000)
- ER co-pay of \$150 for non-emergency services
 - Savings: (\$3,472,000)
- Add co-pay of \$250 for inpatient hospitalization
 - Savings: (\$6,095,000)
- Increase premiums by 10%
 - Savings: (\$7,600,000)
- Increase prescription drug co-pay
 - Savings: (\$14,464,890)
- Suspension of Longevity Payments
 - Savings: (\$25,869,081)
- Add 3 Furlough Days
 - Savings: (\$28,264,278)
- 3 Furlough Days (DOC) + Wage Freeze
 - Savings: (\$49,710,580)
- One Furlough Day per month
 - Savings: (\$89,792,834)



Job Creation Package

- Business Entity Tax Elimination (\$32,000,000)
 - Eliminate the \$250 annual fee just to exist as a business
- Small Business Revolving Loan Fund (\$25,000,000)
 - Provide low-interest, working-capital loans for small businesses at a time when credit is hard to come by
- Job Creation Tax Credit (\$17,500,000)
 - Incentivize employers to hire from the unemployment rolls
 - Maximum credit of \$2,500 per job, per year
- Permitting Process
 - Streamline the process for reviewing the permits of state and municipal permits required for economic development



State Bonding Reforms

- Prioritize future bond authorizations
- Automatic cancellation after five years
- Reduce overall bond authorizations
- No bonding for cash flow
- No automatic approval for UConn Bonding



Municipal Mandate Relief

- Delays in-school suspension until July 1, 2012
- Adds “services” to the list of cooperative purchasing contracts that DAS can enter into for municipalities.
- Expands the use of reverse auctions by state agencies, political subdivisions of the state, and school districts.
- Delays implementation of the juvenile jurisdiction age change (“Raise the Age”) until July 1, 2012.
- Delays until July 1, 2012 the posting of minutes, notices, agendas, etc. by each public agency on their Internet web site.
- Requires a two-thirds vote by the House and the Senate for the General Assembly to enact state mandates on municipalities.



Common Sense Change

- Sale of Assets
 - Accelerate the sale of assets to achieve \$65 million in savings included in the current budget
- Affirmative Action
 - Transfer the responsibility for Affirmative Action from CHRO to DAS
 - Streamline the process
- Commission on Enhancing Agency Outcomes
 - Speed up the process and require them to meet (at least) on a bi-weekly basis and to report recommendations six months earlier
- Eliminate drivers for all officials except the Governor
- Limit each agency to a single deputy commissioner



Conclusion

- This budget reflects the realities facing our state as of April 15, 2010
- Vetted by the nonpartisan Office of Fiscal Analysis
- This is what Common-Sense leadership looks like.



*To access the
Common-Sense Budget,*

*Please visit
www.cthouserules.com*

