



C O N N E C T I C U T

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Republican Lawmakers Protect Funding for Towns and Cities, Cut Sales Tax, and Balance the Budget *Budget Deficit Covered by State Spending Cuts*

HARTFORD- Republican lawmakers today rejected plans to cut town and city aid and instead proposed closing the projected budget deficit by cutting state spending by \$466 million. They called for immediate action from Democrats whose budget was unbalanced upon passage in September.

The Republican proposal reduces the sales tax from 6% to 5.5% as originally planned to save consumers \$129 million. The plan achieves the savings to cover the deficit and provide sales tax relief by reducing spending across state government.

Republicans embraced the level of spending cuts put forth last month by Gov. M. Jodi Rell, but rejected a proposed \$84 million cut in aid to cities and towns. The Governor has called the legislature into special session Dec. 15 to address the budget crisis, but Democrats have not indicated whether they will comply.

“We cannot afford a re-run of last year’s budget horror show when the majority party refused our repeated calls to take action on a budget that grew out of balance daily. Our proposed cuts are necessary and significant. The legislature is responsible for dealing with the state of Connecticut’s fiscal crisis, not the towns and cities,” House Republican Leader Lawrence F. Cafero Jr., said during a Capitol press conference. All town and city aid would be restored under the proposal.

Senate Republican Leader John McKinney of Fairfield said, “The Democrats’ tax and spend plan doesn’t work, especially not in this economy where more than 85,000 Connecticut residents have lost their jobs. We cannot tax our way out of this budget crisis. We need to get serious about reducing the cost and size of state government. Families and businesses have cut their expenses, made tough choices and learned to live with less. It’s time state government does the same. Government can’t spend money it doesn’t have.”

The \$466 million in spending cuts include taking \$28 million from the Citizens’ Election Fund and cutting most accounts in the Democratic budget approved Sept. 1 by 6.5 percent. Republicans said taxpayers should not be forced to pay for political campaigns while Connecticut families are cutting their own budgets and more than 85,000 workers have lost their jobs. They pointed out that the state’s public financing system has been ruled unconstitutional in court and must be changed.

“The alternative to cutting state spending is another property tax bill from towns and cities and that is simply not acceptable,” Cafero said.

“This is state government’s problem to fix and the legislature has a responsibility to look first at reducing its own spending to a cost taxpayers can afford,” McKinney said.

The Republicans pointed out that as the state’s deficit grew in 2008 and 2009 Democrats repeatedly refused to cut spending in any significant way and created the gridlock over the state budget that was not passed until Labor Day, three months after the start of the fiscal year. States that passed their budgets on time found themselves in much better fiscal strength.

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Highlights of Republican Deficit Mitigation Plan

- No Tax Increases
- Restores \$84 million in proposed cuts in state aid to municipalities.
- Restores sales tax break (from 6% to 5.5%) to give our economy boost and to save families and businesses \$130 million the first six months of the year.
- Includes Governor's unilateral spending cuts. (Reductions that do NOT require legislative approval).
- Includes Governor's recommended reductions to the Department of Social Services. (Reductions that require legislative approval).
- Recommends an across-the-board 6.5% reduction in all state programs. (DSS program reductions not included here).
- Eliminates campaign grants from the Citizens' Election Fund, but maintains the program to minimize special interest influence.
- Removes \$16.1 million in proposed additional lapses. Lapses in the current budget may be difficult to achieve.
- Does not include reductions to required funding, such as debt service, pension funds, employee healthcare, etc...