

# Bipartisan Budget Overview

## Fund Balances

	FY 18 Approps	FY 18 Revenue	FY 18 Balance	FY 19 Approps	FY 19 Revenue	FY 19 Balance
General	18,738.8	18,739.7	1.0	18,907.4	18,908.2	0.8
Special Transportation	1,510.9	1,588.5	77.6	1,628.1	1,628.1	0.0
Other Appropriated	226.6	227.7	1.1	236.6	241.6	5.0
<b>TOTAL</b>	<b>20,476.3</b>	<b>20,555.9</b>	<b>79.7</b>	<b>20,772.1</b>	<b>20,777.9</b>	<b>5.8</b>

## Spending Growth Rates

FY 17 Spending	FY 18 Spending	FY 18 Spending Growth	FY 18 Percentage Growth	FY 19 Spending	FY 19 Spending Growth	FY 19 Percentage Growth
19,739.20	20,476.30	737.1	3.70%	20,772.10	295.8	1.40%

## Outyear Fund Balances

	FY 20 Approps	FY 20 Revenue	FY 20 Balance	FY 21 Approps	FY 21 Revenue	FY 21 Balance	FY 22 Approps	FY 22 Revenue	FY 22 Balance
General	19,708.5	17,786.7	(1,921.8)	20,548.0	17,882.4	(2,665.6)	21,187.9	18,008.3	(3,179.6)
Transportation	1,714.0	1,743.2	29.2	1,814.2	1,871.8	57.6	1,930.7	1,998.1	67.4
Other Appropriated	243.7	257.8	14.1	243.2	258.8	15.6	244.6	259.8	15.2
<b>TOTAL</b>	<b>21,666.2</b>	<b>19,787.7</b>	<b>(1,878.5)</b>	<b>22,605.4</b>	<b>20,013.0</b>	<b>(2,592.4)</b>	<b>23,363.2</b>	<b>20,266.1</b>	<b>(3,097.0)</b>

## Education-related topics...

### Education Cost Sharing Funding

Town	FY17	FY18	FY19
Chester	\$659,216	\$626,255	\$680,510
Clinton	\$6,326,998	\$6,010,648	\$5,729,482
Colchester	\$13,503,310	\$12,828,145	\$12,742,396
Deep River	\$1,675,092	\$1,591,337	\$1,681,076
East Haddam	\$3,686,134	\$3,501,827	\$3,592,596
East Hampton	\$7,538,993	\$7,162,043	\$7,156,382
Essex	\$105,052	\$99,799	\$105,356
Haddam	\$1,971,482	\$1,872,908	\$1,993,388
Lyme	\$63,069	\$59,916	\$62,733
Old Saybrook	\$122,907	\$116,762	\$124,414
Portland	\$4,363,751	\$4,145,563	\$4,398,526
Westbrook	\$70,393	\$66,873	\$71,397

■ Without a budget in place, Gov. Malloy would have managed the state's finances by Executive Order. That means many Connecticut towns would have lost a significant portion of the education funding they receive from the state--if not all of it. With that in mind, legislators weighed life under the Governor's devastating Executive Order against creating a budget that delivered as much of the expected education funding as possible.

■ As important to both municipalities and teachers, the budget doesn't shift the responsibility of funding teachers' pensions from state government to cities and towns.

■ We moved to stabilize the teacher's retirement fund by requiring teachers to contribute 1 percent more to their pensions. The money will be directly deposited into the pension fund, and returned to them when they retire. Retired teachers will continue to receive the 25 percent income tax exemption.

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## Critical timing...

Throughout the year, minority party Republicans in the House and Senate offered a combined total of 10 budget proposals, including one in September that was passed in a bipartisan vote only to be vetoed by Gov. Malloy. With November approaching, it became critical for legislators on both sides of the aisle to reach a **compromise** to block Gov. Malloy from operating the state through executive orders that slashed critical school and town funding.

## Reform that Helps Municipalities

Republican legislators, at the urging of frustrated local municipal leaders, have long advocated for changes in regulations on arbitration and prevailing wage. These structural changes will save local property taxpayers money in the long run.

*Through negotiations, we delivered:*

**Minimum budget requirement:** In the biennium, towns will not be punished if they reduce their budgets beyond previous year's spending levels so long as the reductions are no more than the reductions in state aid; *the MBR expires every two years.*

**Prevailing wage threshold for new construction:** We've increased it to \$1 million from \$400,000—a major concession from Democrats who have historically launched vigorous fights against our attempts at change they say would hurt unions.

**Major change in binding arbitration:** In proceedings between municipalities and school board employees, an arbiter will not be limited to choosing [old law] between the last best offer from each party. *Example: Town offers a zero percent increase, school board offers 5 percent increase... the change in this budget would allow the arbiter to choose an award in the middle!*

**Transparency:** Any new hires or contract changes installed by a school board during a budget year must be submitted to that town's finance board for review/comment. This will help create a public dialogue that in most communities does not exist now, providing finance board and members of the public with timely insight to financial decisions made by school board members.

## Good...

### Structural Change...

#### Controlling State Spending

- Constitutional spending cap
  - Stronger bond cap
  - Revenue cap
  - Volatility cap
- Phase-in exemptions of taxes on Social Security and pensions
  - The legislature is now required to vote on all union contracts
  - Freeze on hiring new state employees
  - Created a revenue stream to help fund state parks

### Additional positive highlights...

- Protected funding for core social service programs, including Care4Kids and CT Homecare for the Elderly
- Providing crumbling foundations funding over five years
- Creating a fiscal stability and economic growth panel led by CEOs
- \$2 million for senior meals programs

### Policies we blocked...

- NO sales tax hike or expansion
- NO income tax hike
- NO cell phone tax
- NO restaurant tax
- NO tax on second homes
- NO hotel tax increase

## Bad...

- Reduced funding for UConn, \$132 million over two years
- Tweaked car tax formula, committed to reviewing tax's impact
- Reduced the Earned Income Tax Credit to 23% from 30%
- Protected federal reimbursement deal negotiated with hospitals
- Reduction to renters' rebate program for elderly and disabled

## Ugly...

- Emergency funding for the City of Hartford
- Increases to cigarette and snuff taxes
- Scaling back the homeowner's property tax credit
- New broker fee on banks
- Sweeps of energy funds
- 25 cent fee on rideshare services (ex. Uber)
- New \$35 dollar auto dealer fee on trade-ins