



## CRCOG Weekly Legislative Report

### 2019 Legislative Session

May 30, 2019

#### Weekly Legislative Feature Issues:

There is just one more week in the regular legislative session and the Connecticut General Assembly has been holding daily sessions as they continue working on legislation. While these sessions have been convened, neither the House nor the Senate have been very productive. As previously reported, the only piece of major legislation that has achieved final passage through both chambers was [HB No. 5004: AN ACT CONCERNING MINIMUM FAIR WAGE](#), which was signed by Governor Lamont on Tuesday, May 428<sup>th</sup>. There still remains a number of major issues, including paid family and medical leave, tolls, and the budget that have yet to be addressed by both chambers. Speaker of the House Joe Aresimowicz acknowledged during a press conference on May 30<sup>th</sup> that legalization of recreational marijuana will not be acted on during the regular legislative session.

Governor Lamont has changed his position on when he would like to have the tolls issue addressed. Previously, he had suggested that electronic tolling legislation should be reserved for a special session but has since stated that he would prefer that it be completed by the end of the regular legislative session. For further details, you can access this article here: [In Another Shift, Lamont Wants Regular Session Vote on Tolls](#).

Breaking News: Governor Lamont joined by the democratic legislative leaders, Senate President Pro Tempore Martin Looney and Speaker of the House Joe Aresimowicz held a press conference today to announce that they have reached an agreement on a budget. While details were sparse, the legislative leaders explained that they needed to have a conversation with their caucus members before they were ready to release further details. All three were confident that a budget was likely to achieve final passage before the end of the regular legislative session.

**This past week has revealed new developments of particular interest to you:**

### **On Budget, Dems Say GOP Prefers Heckling to Haggling**

Governor Ned Lamont and Democratic legislators continue to get criticism over taxes, borrowing, and program cuts as they struggle to close a multi-billion dollar deficit and create a new state budget. But, House and Senate Republicans have not offered an alternative budget. Democrats say that Republicans have become “budget hecklers.”

Republicans argue that they “saved” Democrats and the state from a budget crisis only for the majority to pick apart the compromise piece by piece. Maribel La Luz, a spokeswoman for the governor says that it is difficult to take Republican’s complaints seriously when they have offered no alternative plan.

The Governor has proposed many controversial tax hikes such as a plan to shift billions of dollars in pension debt to the next generation and electronic tolls on state highways. These ideas have caused Lamont to get a lot of criticism.

But Lamont’s plan also spares the state from the fourth income tax hike in the past decade and preserves municipal aid, leaving the state with a budget reserve.

Three weeks ago, legislative panels adopted proposals to boost spending by 2% next fiscal year, raise income taxes on the wealthy, eliminate some sales tax exemptions, and impose new taxes on cigarettes and plastic bags. Republicans voted no with no exception. Republican legislator Klarides said the majority has little use for the GOP except for when they need votes.

Lamont has proposed cancelling the relief found in the 2017 promised tax cuts claiming that the state can no longer afford it. Unless adjusted, Connecticut’s deficit is expected to be more than \$3 billion over the next two fiscal years.

Republicans note that the Governor and Democratic legislators have decided the state can afford raises for many state employees and claim that there are inconsistencies in budget talks when it comes to labor and taxes.

Representative Fasano claims that Democrats have not been respectful of Republican proposals in the past. House Majority Leader Matt Ritter says that Democrats are happy to take good Republican ideas into account and cited Medicaid proposals in the last budget. However, Ritter says that not all Republican ideas are “gems.”

In the Governor’s budget address, he welcomed input from all Republicans and anyone else who might have different opinions. La Luz said that she is open to hearing alternatives as long as the numbers add up.

[CT Mirror: On Budget, Dems Say GOP Prefers Heckling to Haggling.](#)

## **Fate of Hospital Tax is Key to a Pending State Budget**

Democratic Governor Ned Lamont has been clashing with hospitals over his proposed two- year \$43.1 billion budget. The proposed budget did away with the 2017 deal to lower the state tax on hospitals. According to the Connecticut Hospital Association, there is a potential loss of \$270 million annually taking into account supplemental payments and fees. This is a huge loss compared to the previously expected burden of \$43 million per year.

As the General Assembly's June 5th adjournment becomes closer, the two sides have not yet reached a compromise. The pressure is on from legislators such as Joe Aresimowicz of Berlin who says that not knowing whether or not lawmakers can rely on that revenue makes it more difficult to determine the state's projected deficit.

Both sides seem hopeful that they can reach an agreement. Last week, a spokeswoman for Lamont said that the two parties were still having ongoing discussions. Similarly, CEO of the hospital association, Jennifer Jackson said that hospitals maintain "good faith negotiations" with the Lamont Administration and appreciate their work and commitment.

However, the hospital association has released an electronic letter urging Lamont and legislators to vote against any budget or proposal that does not protect hospital funding.

In 2011, Connecticut began charging hospitals a "provider tax". The tax was part of an arrangement to receive more Medicaid funding and increase state payments to hospitals. At first, the hospitals appreciated the net gain. But, the state began to face large budget deficits and reduced annual supplemental payments. Hospitals were receiving less from the state then they paid in tax. Saint Vincent hospital released a statement saying that higher taxes will result in reduced funding for public health initiatives.

In addition to the hospital tax, the final overall amount of tax increases needed to balance the budget may be significantly less than expected. House majority leader Matt Ritter said last week that the General Assembly's nonpartisan Office of Fiscal Analysis guess state revenues to be about \$350 million higher than expected in the first year and \$400 million higher in the second year of the budget.

[New Haven Register: Fate of Hospital Tax is Key to a Pending State](#)

## **Former Connecticut Governor Dannel Malloy to Lead University of Maine System**

Former Connecticut Governor, Dannel Malloy will replace James Page as University of Maine System chancellor. After a year long search for a new leader of the university system, Malloy was appointed in a unanimous board of trustees vote. Malloy will take over the day after Page retires on June 30.

Malloy has been involved in public services and leadership roles for the past 22 years, including his two terms as Connecticut Governor which spanned from 2010 to 2018. Malloy chose not to seek re-election in 2018 saying his time in electoral politics is over. However, Malloy seems eager to take on a leadership role in Maine's higher education system.

Sam Collins, Trustee and chair of the search committee said that they needed to be sure that the new chancellor leader had the experience and skills to continue progress.

[Bangor Daily News: Former Connecticut Governor Dannel Malloy to Lead University of Maine System](#)

**Tracked Bills:**

**Please see attached document.**