



AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS

Despite recent signs of revenue growth, state tax revenues remain below the levels they stood at when the recession began two years ago. Because of the decline in state tax revenue due to the recession, the state’s aggregate indebtedness could exceed the statutory debt limit. In order for the state to create a viable plan that will best offer Connecticut a direction towards fiscal improvement and identify priority projects that will help stimulate our economy and create jobs, the legislature created a plan to cancel \$480.6 million in currently authorized but unallocated bond projects.

The \$421.9 million reduction represents a 22 percent decrease in planned borrowing involving the sale of state bonds and leaves Connecticut about \$180 million under the spending cap.

The bill also authorizes:

- » Up to \$40 million in Clean Water revenue bonds
- » \$7.325 million in special tax obligation (STO) bonds for transportation related projects
- » \$4.825 million in STO bonds for the Department of Transportation (DOT) to pay for environmental clean-up at service plazas along Interstate 95, the Merritt and Wilbur Cross parkways, and Interstate 395
- » \$2.5 million in STO bonds for DOT to establish a Fix-It-First Program to repair, upgrade, or eliminate at-grade railroad crossings in Connecticut

As our economy recovers, these cancellations will result in increased credit ratings that will translate to improved market access and increased investor demand for bonds which will ultimately benefit the citizens of the State of Connecticut.

State Representative
KEVIN RYAN

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State Representative
Kevin Ryan
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STATE REPRESENTATIVE of the CONNECTICUT GENERAL ASSEMBLY



Legislative Office Building
Room 3804
Hartford, CT 06106-1591

Capitol: 800.842.8267
Home: 860.848.0790
www.housedems.ct.gov/Ryan



STATE REPRESENTATIVE of the CONNECTICUT GENERAL ASSEMBLY

Capitol Update

The 2010 legislative session has been one of both challenge and compromise as we worked to address the state budget deficiency. In the end, we saw real results as legislative leadership and the Governor worked together to craft a sound, responsible and fair state budget. I am proud that we were able to work together, across party lines, to create a compromise to close the 2010 and 2011 fiscal years with no deficit and a balanced budget that avoided both devastating cuts to services and widespread tax increases.

As we look ahead to the future, fiscal challenges remain. While I am truly optimistic about Connecticut’s economic recovery, I remain realistic about the absolute necessity to prevent wasteful spending, limit borrowing and keep taxes in check. I will continue to work towards those goals as your voice in the State Capitol.

Please contact me should you have any questions or concerns.

Sincerely,
Kevin Ryan

State Representative
Kevin Ryan
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STATE REPRESENTATIVE of the CONNECTICUT GENERAL ASSEMBLY

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Working Together for Connecticut Families Education

The difference in the achievement levels among Connecticut schools is one of the highest in the nation. We took steps to help turn around low-achieving schools, increase our chances for federal education dollars, improve our vocational high schools and help students with autism.

The legislation:

- » Strengthens the state's application for federal Race to the Top education funds
- » Develops new programs to help turn around low-achieving schools
- » Improves vocational schools by adding manufacturing and vocational education experience to the state Board of Education criteria
- » Protects our children with better maintained, safer buses
- » Requires public hearings before school closures and increases parent involvement
- » Ensures adequate staff and supplies
- » Makes sure students with autism get quality services through their special education individualized education plans (IEP)

Children in the Recession

The recession has plunged tens of thousands of Connecticut children into poverty. We responded by becoming the first state in the nation to pass a law designed to meet the most pressing needs facing children and their families. The new legislation:

- » Works to improve hunger, housing and employment services needed by children and families in an economic crisis
- » Creates a state leadership team to respond to children's issues when Connecticut's unemployment rate hits 8 percent
- » Seeks to ensure that Connecticut takes advantage of all available federal dollars
- » Seeks to make government more efficient, cost-effective and customer friendly for children and families during tough economic times
- » Helps families in the Care4Kids program by changing restrictive rules so that parents can get back into the workforce

Responding to domestic violence in our communities

The legislature made the most sweeping reforms to our domestic violence laws in the past 25 years, which will empower educators, service providers, law enforcement officers and survivors with new tools that make:

- » Improvements to educator training and the enforcement of protective orders
- » Employment and housing protections
- » GPS monitoring for high risk offenders
- » Additional domestic violence court dockets
- » Increased staffing at 24 hour emergency shelters



A Balanced Budget for Connecticut

Connecticut has been experiencing one of the worst economic declines in state history because of the global economy. In 2009, our revenues fell by about 24%, leaving us with an \$8.5 billion deficit.

Since then, revenues have continued to fall due to the ongoing recession and the costs of providing services has increased due to inflation and the greater need for services. More people have signed up for state funded health insurance, such as HUSKY and Medicaid, because they lost insurance and jobs. All of these factors resulted in another deficit of about \$500 million, which we addressed in April.

We were able to close the new gap without increasing taxes or cutting funding for towns, which helps keep property taxes down. We made some strategic cuts and continued to invest in job growth. For example, we reestablished a licensed practical nurse program in our vocational-technical schools so that we can continue to address the critical need for health care workers. We required the Governor to seek over \$150 million in federal aid that her administration failed to claim. We listened to constituents and rolled back the cost of fishing, hunting and other sportsman's license fees, as well as state park and camping fees.

The April budget mitigation bill was passed with overwhelming support in the House and Senate and Governor Rell signed it into law immediately.

Highlights:

- » On-time, bi-partisan, nearly unanimous budget (vote: 147-1 in the House and 36-0 in Senate)
- » Full elimination of 2010 deficit
- » No tax increase
- » No cuts to municipal aid
- » No hospital tax
- » Minimal cuts to social services, health programs, and education
- » \$240 million of the Rainy Day Fund scheduled to be used in FY 2011 is used in FY 2010 instead. New cuts in FY 2011 and new Medicaid revenue in that year result in a net increase of the FY 2011 deficit of \$34.2 million.
- » Money was saved in the SAGA (State-Administered General Assistance) program by switching this from a purely state-funded program to one that the federal government picks up 61.5% of the tab (saving \$165.8 million in 2011)
- » Increased some moving vehicle violations penalties to offset fee decreases



Creating Jobs Number One Priority – Dig Out of the Recession

One of the best ways to pull Connecticut out of the recession is through job creation. Working with the Governor, we passed a significant new jobs bill that will help put Connecticut on the road to economic recovery.

The new job growth law creates jobs in Connecticut with:

- » Up to \$500,000 in loans and lines of credit for small businesses and nonprofits
- » Student loan reimbursement and training grants for education and careers in green technology, life sciences and health information technology
- » Personal income tax credits for investments made in new and emerging technologies
- » Sales tax exemptions for machinery, supplies, and fuel used in renewable energy industries
- » Tax credits for small businesses of up to \$200 per month, per new employee
- » A Community-Technical College advisory board to assess the training needs of unemployed residents
- » Up to \$150,000 in pre-seed financing and technical services to businesses developing innovative concepts
- » Reformed environmental rules that speed up the business permitting process and maintain environmental protections
- » Changes to the state's film tax credit program that will create more film production jobs in Connecticut

Telecommuting for State Employees

In order to increase productivity and lessen commuting for state employees (and lessen pollution) this bill requires the Department of Administrative Services (DAS) commissioner to develop and implement guidelines authorizing state employee telecommuting and work-at-home programs.

Under the bill, a telecommuting or work-at-home assignment must meet the programs' guidelines. It eliminates the requirement that such an assignment must be determined to be cost effective. The bill requires the programs' guidelines be designed to achieve the following:

- » Increase worker efficiency and productivity
- » Benefit the environment
- » Reduce traffic congestion. Current law does not state goals.

Job Corps Task Force

New legislation will encourage unemployed individuals to contribute to the community during unemployment. The bill establishes a State Jobs Corps Task Force to study how the state may implement a program similar to the Works Progress Administration, created during the great depression to use unemployed workers to construct public works projects in the state. The task force will be made up of municipal leaders, academics, labor leaders and members of the business community.

State Representative Kevin Ryan

Capitol Phone 800.842.8267

District Phone 860.848.0790

www.housedems.ct.gov/Ryan

