

## FULL TIME POSITION COUNTS

January 1, 2007	34,521
January 1, 2008	35,056
January 1, 2009	35,725
January 1, 2010	33,299
January 1, 2011	33,102
January 1, 2012	31,234
January 1, 2013	31,717
January 1, 2014	31,573
January 1, 2015	31,823
January 1, 2016	31,807
January 1, 2017	29,549
April 1, 2017	29,595

It is important for my constituents to know how many state workers we employ. I frequently hear the claim that the size of state government has gotten out of control.

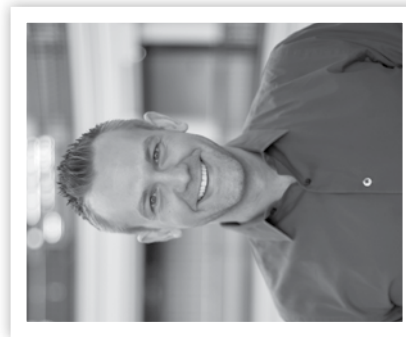
Since 2009, we have systematically been reducing the size of government. We can't continue to deplete our workforce as this will have a direct effect on the programs and services we provide.

We are addressing a more than \$2 billion deficit due to the 40+ years of underfunding our pension obligations. Our present problem has nothing to do with the current level of state employees. We are finally starting to pay what we owe.

New York taxes their millionaires at a rate of 8.82 percent, while we tax ours at 6.99 percent, yet we simply do not have the support we need to do what is right and equitable. I will keep fighting, but I need your help.

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**JOSH ELLIOTT**  
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STATE REPRESENTATIVE

# JOSH ELLIOTT

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Hey Neighbor!

The state is in a tough spot right now. We are dealing with declining revenues and it feels like the news continues to get worse. While Connecticut remains the national leader in per capita income, our state budget shortfall has grown from a \$1.7 billion deficit to \$2.2 billion.

We have been making cuts and reducing expenditures since the Great Recession. What we have not been doing is making deep systemic changes in how we raise revenue. There are ways for the state to raise revenue. But there are a lot of voices out there that tell you we can't.

This budget cycle will be tough. The answer, however, is not to demolish state government. We need to continue to make long-term investments to ensure Connecticut maintains its high quality of life.

Sincerely,

# FISCAL YEAR 2007 THROUGH FISCAL YEAR 2017

## GENERAL BUDGET EXPENDITURES

(IN THOUSANDS)<sup>1</sup>

FISCAL YEAR	GENERAL BUDGET EXPENDITURES DOLLARS	ANNUAL INCREASE OVER PRIOR YEAR DOLLARS	PERCENTAGE GROWTH	INFLATION ADJUSTED GROWTH IN EXPENDITURES
2007	16,505,640	839,816	5.4 %	0.6%
2008	17,906,920	1,401,280	8.5 %	2.9%
2009	18,547,639	640,719	3.6 %	1.3 %
2010	<b>18,459,913</b>	<b>(87,726)</b>	<b>-0.5%</b>	<b>-1.1%</b>
2011	19,168,739	708,826	3.8 %	1.2 %
2012	20,134,192	965,453	5.0 %	2.0 %
2013	20,403,224	269,032	1.3 %	<b>-0.6%</b>
2014	18,416,897	<b>(1,986,327)</b>	<b>-9.7%</b>	<b>-11.8%</b>
2015	18,945,600	528,703	2.9%	1.9%
<b>2016</b>	<b>19,541,153</b>	<b>595,553</b>	<b>3.1%</b>	<b>2.7%</b>
<b>2017 Budgeted</b>	<b>19,861,058</b>	<b>319,905</b>	<b>1.6 %</b>	<b>0.0%</b>

When adjusted for inflation, we have had essentially no increase in governmental spending since 2007. State government is not perfect. There is no question that there is waste, redundancy, unnecessary services, and too much top-heavy bureaucracy.

However, there simply isn't \$2.2 billion to cut. The Governor and the legislature continues to work on making state government more efficient, but we need revenue badly. As our income inequality continues to reach levels far surpassing those before the Great Depression, I believe we need to ask our wealthy to pay more.

I am open to having a conversation about where that tax rate needs to apply. Do we raise taxes on those making \$250,000 or more? \$500,000? \$1 million? Is the top rate going to 8%? 9%? These are the conversations we should be having - not whether or not we should be raising the top tax rates at all. I believe every Connecticut resident should be taxed fairly; middle class workers should not pay more into our system than our state's top earners.

## BUDGET CUTS WON'T CUT IT

As we work to close a ballooning deficit this coming fiscal year, we need to implement policies that will increase our revenue stream so we can avoid painful cuts to services and our state workforce. For Connecticut to move forward, we all need to work together to find the solution.

This session, I am working to ensure that everyone pays their fair share by increasing the income tax on our top income earners. The top 10% of income earners in CT, starting at \$165,000 a year, pay 8.18% in state and local taxes. Those making \$65,000 a year, or less are paying an overall effective tax rate of at least 14%. I believe capital gains income and hedge fund managers pay should be taxed more fairly. While these are just some of the ways the state can generate more revenue, there are other ways we can increase our financial footing.

Below are just some of the main areas where I believe we can increase our revenue:

- Closing the carried interest loophole would increase the amount hedge fund managers pay from 20 percent on their income to 39.6 percent. This would result in \$535 million more paid in tax revenue to the state.
- Legalizing and taxing marijuana is estimated to bring in \$50 million in revenue based on a 30 percent sales tax once it is fully implemented.
- Taxing sugary beverage at a rate of one cent per ounce would generate \$85 million per year in revenue in Connecticut.
- Installing tolls in Connecticut is projected to generate as much as \$18.3 billion by 2040.
- Every .5% income tax on the wealthy brings in \$200 million.

While it is important that we control our spending, we can't solely rely on depleting the services we provide and our state workforce. We need to identify new ways to generate revenue so we can create a sustainable future for Connecticut.

