Appropriations and Human Services Committee Testimony, April 11, 2016

My name is Brian Anderson. I am a lobbyist for Council 4 AFSCME which represents many of the state workers at the Department of Social Services.

Council 4 opposes the ABI waivers.

Council 4 also urges the committees to oppose this privatization of state employee services. The only reason for privatizing this service is to drive down the cost of labor. This turns middle class state employee jobs into low wage jobs.

The plight of nonprofit workers is well known. These workers, who perform heroic and noble service, are paid so low that many of them qualify for welfare support. They have not had a decent cost of living increase in years. Often these workers cannot afford to stay in their jobs and high turnover occurs. This can be very difficult on the population that they serve.

We urge you to hire the sufficient number of state employees to properly provide the services that families struggling with traumatic brain injuries need. OPM Secretary Ben Barnes testified before the Appropriations Committee earlier that a substantial part of Connecticut's revenue problem has been the loss of middle income jobs and the growth of low wage jobs. This has cut into state revenue because low wage workers pay little tax and are unable to stimulate the economy through normal spending. The Pew Charitable Trust recently reported on the impending damage to our economy because of the loss of a middle class. The Connecticut United Way's recent ALICE report has also highlighted this problem. Let's not turn more middle class jobs into low wage jobs.

Our members know what difficult shape that the state budget is in. We urge you to reject the push for austerity that Governor Malloy is currently advocating. Austerity budgets have never moved a society to economic prosperity. Austerity budgets have a worsening effect and will no doubt drive state revenue even lower. Perhaps Connecticut should follow the example of Massachusetts and institute a capital gains tax. Massachusetts

will also vote on a special tax increase on residents making more than $1 million per year in November – this increase is expected by most prognosticators to pass. The Better Choices revenue plan, signed onto by many unions and nonprofit groups, is a far better alternative than privatization, layoffs or cutting basic living standards.

Interestingly, a 2011 University of Massachusetts study (Political Economy Research Institute) found that "taxes do not play any notable role in causing people to leave a state… If anything higher state income taxes are shown to decrease the numbers of people leaving a state… If states use the revenues from higher taxes to create jobs, reduce unemployment, and reduce property crime, the small negative impacts from taxes can be easily overcome."

We also urge you to have this privatization examined by the state contract standards board – and to allow for enough funding for the contract board to function.

As the legislative session progresses, we hope that we can provide the committee with any assistance that may be needed on how programs operate on the front line. Thank you for your consideration.